



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

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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

MARCH 18, 2015

Open Session 5:00 p.m.

RMCS D Administration Building – Board Room
15160 Jackson Road
Rancho Murieta, CA 95683

BOARD MEMBERS

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

STAFF

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



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

Open Session 5:00 p.m.

All persons present at District meetings will place their cellular devices in silent and/or vibrate mode (no ringing of any kind). During meetings, these devices will be used only for emergency purposes and, if used, the party called/calling will exit the meeting room for conversation. Other electronic and internet enabled devices are to be used in the "silent" mode. Under no circumstances will recording devices or problems associated with them be permitted to interrupt or delay District meetings.

AGENDA

	RUNNING TIME
1. CALL TO ORDER - Determination of Quorum - President Pasek (Roll Call)	5:00
2. ADOPT AGENDA (Motion)	5:05
3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES <i>(5 min.)</i>	5:10
4. COMMENTS FROM THE PUBLIC	5:15
<i>Members of the public may comment on any item of interest within the subject matter jurisdiction of the District and any item specifically agendized. Members of the public wishing to address a specific agendized item are encouraged to offer their public comment during consideration of that item. With certain exceptions, the Board may not discuss or take action on items that are not on the agenda.</i>	
<i>If you wish to address the Board at this time or at the time of an agendized item, as a courtesy, please state your name and address, and reserve your comments to no more than 3 minutes so that others may be allowed to speak.</i>	
5. CONSENT CALENDAR (Motion) (Roll Call Vote) <i>(5 min.)</i>	5:20
<i>All the following items in Agenda Item 5 will be approved as one item if they are not excluded from the motion adopting the consent calendar.</i>	
a. Approval of Board Meeting Minutes	
1. January 23, 2015 Board Goal Workshop	
2. February 18, 2015 Regular Board Meeting	
3. March 4, 2015 Budget Workshop	
b. Committee Meeting Minutes (Receive and File)	
1. March 6, 2015 Finance Committee Meeting	
2. March 6, 2015 Security Committee Meeting	
c. Approval of Bills Paid Listing	
d. Receive Community Facilities District No. 1 Audited Financial Statements	

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|-----|--|------|
| 6. | 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 | |
| 7. | CORRESPONDENCE (5 min.) | 5:30 |
| 8. | RECEIVE PRESENTATION OF THE RESERVE STUDY, BY ASSOCIATION RESERVES
(Receive and File) (20 min.) | 5:35 |
| 9. | CONSIDER APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 3, AFL-CIO AND RANCHO MURIETA COMMUNITY SERVICES DISTRICT (Discussion/Action)
(Motion) (Roll Call Vote) (5 min.) | 5:55 |
| 10. | REVIEW 2015/2016 DRAFT BUDGET (Discussion/Action) (15 min.) | 6:00 |
| | a. Presentation of 2015/2016 Draft Budget Update | |
| | b. Authorize Staff to Mail Notice of Proposed Water, Sewer, and Solid Waste Utility Rates and Drainage and Security Special Taxes Increases and Public Hearing | |
| | c. Schedule Budget Hearing for May 20, 2015 | |
| 11. | RECEIVE REPORT BACK ON ESCUELA PARK WATER FEES (Receive and File) (5 min.) | 6:15 |
| 12. | ADOPT DISTRICT POLICY 2015-05, IN-CAR/BODY-WORN VIDEO SYSTEM
(Discussion/Action) (Motion) (Roll Call Vote) (5 min.) | 6:20 |
| 13. | REVIEW DRAFT SURVEILLANCE CAMERA IMPLEMENTATION, INTEGRATION, AND EXPANSION PLAN (Discussion/Action) (5 min.) | 6:25 |
| 14. | REVIEW DISTRICT SECURITY PATROL OFFICER DUTY BELT EQUIPMENT
(Discussion/Action) (5 min.) | 6:30 |
| 15. | REVIEW DISTRICT SECURITY PATROL AND GATE OFFICER TRAINING
(Discussion/Action) (5 min.) | 6:35 |
| 16. | CONSIDER NOMINATIONS FOR CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS (Discussion/Action) (Motion) (5 min.) | 6:40 |
| 17. | RECEIVE WATER TREATMENT PLANT EXPANSION PROJECT UPDATE AND DISCUSS CURRENT SCHEDULE (Discussion/Action) (10 min.) | 6:45 |
| 18. | RECEIVE WATER CONSERVATION UPDATE (Discussion/Action) (5 min.) | 6:55 |

19. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES 7:00
(Discussion/Action) (Motion) (5 min.)

20. REVIEW MEETING DATES/TIMES FOR THE FOLLOWING: (5 min.) 7:05

Next Regular Board Meeting: April 15, 2015

Committee Meeting Schedule:

✚ Communications	April 1, 2015 @ 4:00 p.m.
✚ Personnel	April 1, 2015 @ 4:30 p.m.
✚ Improvements	April 3, 2015 @ 8:30 a.m.
✚ Finance	April 3, 2015 @ 9:30 a.m.
✚ Security	April 3, 2015 @ 10:30 a.m.

21. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF 7:10

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.

22. ADJOURNMENT (Motion) 7:15

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
BOARD GOAL WORKSHOP
January 23, 2015 – 2:00 p.m.

1. CALL TO ORDER/ROLL CALL

President Gerald Pasek called the Board Goal Workshop 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, Betty Ferraro, Paul Gumbinger, Michael Martel, and Mark Pecotich. Also, present were Darlene J. Gillum, General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District/Recording Secretary.

2. ADOPT AGENDA

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

3. COMMENTS FROM THE PUBLIC

None.

4. CONSIDER APPROVING EMPLOYEE DISABILITY LEAVE

Darlene Gillum gave a brief summary of the recommendation to approve the request for disability leave.

Motion/Ferraro to approve Joyce Czerwinsky's request for Disability Leave of Absence not to exceed forty-five (45) days, according to Section 5.08, Disability Leave, of the District Personnel Manual. **Second/Gumbinger. Ayes: Pasek, Ferraro, Gumbinger, Martel, and Pecotich. Noes: None.**

5. GOAL PLANNING

Review of 2014 Board Goals

Darlene Gillum gave a brief review and status report on the 2014 Board Goals. During the review of the goals, a short Board dialogue ensued.

Director Gumbinger suggested the General Manager provide a weekly update to the Board of Directors via email. By consensus, the Board agreed.

Director Pecotich suggested staff look into internships to help in the District with communication to the public and grant writing.

Review Strategic Plan Action Items

After a discussion, the Board agreed to update the Plan by having each Committee review and update the related section.

Review of 2015 Dialogue Sheet

Darlene Gillum provided a summary of the goals listed on the dialogue sheet. Each Director provided input on their items on the 2015 dialogue sheet, their intent, and desired outcome. These categories included Water/Wastewater, Security, Community Relations, RMA/RMCC Relations, Employee Relations, Development and District Board. During presentation of each goal suggestion, a short Board dialogue ensued. After much dialogue, the following new goals were agreed to:

NEW GOALS
Review and Update 2011 Strategic Plan based on 2015 goals established.
Water
a. Ensure water supply is available to meet community needs. <ul style="list-style-type: none">i. Complete WTP Expansion Project on time and within budgetii. Ensure alternative supply and/or treatment is available if WTP schedule is delayed.iii. Complete the Augmentation Well Project.iv. Evaluate increasing storage capacity of reservoirs.v. Closely monitor number of connections as we near qualifying an Urban Water Supplier (3,000 connections) in the next few years.vi. Participate in/with regional agencies, associations, etc. to stay informed at the regional and state level of water issues.vii. Update long-term maintenance plan and identify estimated cost for future repairs/replacements - Reserve Study.vii. Evaluate ways to increase efficiency, reduce costs, and find alternative funding for specific project - GRANTS.
Wastewater
a. Ensure wastewater treatment and disposal facilities are adequate to meet future needs. <ul style="list-style-type: none">i. Continue coordinating with developers on development schedule and impact to amount of wastewater produced - develop facility update/expansion schedule and plan accordingly; leveraging existing recycled water system.ii. Conduct rate study for development of recycled water system.iii. Develop process/procedure for recycled water permit issuance.iv. Evaluate alternative methods of using reclaimed water, such as Indirect Potable Reuse.v. Coordinate with current users (VVR and RMCC) on use of reclaimed water and what the new WDR means.vi. Participate in/with regional agencies, associations, etc. to stay informed at the regional and state level of water issues.vii. Update long-term maintenance plan and identify estimated cost for future repairs/replacements - Reserve Study.viii. Evaluate ways to increase efficiency, reduce costs, and find alternative funding for specific project.ix. Develop reclaimed water plan.

Drainage

- a. Ensure drainage system is able to efficiently handle drainage water.
 - i. Evaluate drainage culverts and review/update maintenance schedule as needed.
 - ii. Update long-term maintenance plan and identify estimated cost of future repairs/replacements - Reserve Study.
 - iii. Evaluate ways to increase efficiency, reduce costs, and find alternative funding for specific projects.

Security

- a. Provide Security services to the community at a level that meets community needs and expectations.
 - i. develop long term Security Master Plan - 5 year.
 - ii. Develop security camera plan and policy.
 - iii. Investigate the process for placing initiative on ballot for increasing Security Tax escalation constraints.
 - iv. Develop gate operations policy/Security Support Agreement with cooperation from all stakeholders, which is compliant with the services authorized by Measure J.
 - v. Work with community leaders to address security needs and concerns throughout the year.
 - vi. Update long-term maintenance plan and identify estimated cost of future repairs/replacements - Reserve Study.
 - vii. Evaluate ways to increase efficiency, reduce costs, and find alternative funding for specific projects.

Solid Waste

- a. Provide Solid Waste services to the community at a level that meets community needs and expectations.
 - i. Evaluate the need for sponsoring a Household Hazardous Waste collection event.
 - ii. Improve communications to the community of changes to pick up schedule (i.e. due to holidays or roadwork) and special items allowed for collection.
 - iii. Evaluate ways to increase efficiency, reduce costs, and find alternative funding for specific projects.
 - iv. Research availability and cost of Commercial collections.

Community Relations

- a. Effectively communicate District activities to the community and act in a leadership role in responding to the needs of the community.
 - i. Evaluate the use of social media in communicating with the community.
 - ii. Seek training opportunities for District employees on improving communication skills and techniques.
 - iii. Leverage local news sources (i.e., .com, and RVT) to communicate effectively.
 - iv. Community workshops, visit schools, community meetings
 - v. Research use of internships for communication/community outreach.

<i>RMA/RMCC RELATIONS</i>
<ul style="list-style-type: none"> a. Work cooperatively with RMA and RMCC to meet the needs and desires of the community. <ul style="list-style-type: none"> i. Work toward developing a partnership-type relationship with RMA and RMCC that acknowledges and respects each entity’s area of authority and responsibility. ii. Develop/review/document agreements, policies and procedures so that all entities understand their obligations/responsibilities on certain issues (i.e., gate policy, Parks Committee, recycled water use, water use, etc. iii. Evaluate ways to increase efficiency, reduce costs, and find alternative funding for specific projects. iv. Quarterly joint board meetings - RMCCSD, RMA, RMCC, MTI, MV, etc.
<i>EMPLOYEE RELATIONS</i>
<ul style="list-style-type: none"> a. Ensure that the District employs and maintains a high quality workforce. <ul style="list-style-type: none"> i. Develop a relationship with employees that is respectful and inclusive of their opinions, ideas and suggestions of ways to make the District a sought out place of employment. ii. Identify areas for training and growth for employees. iii. Hold recurring meetings with employees (and ensure employees scheduled for all shifts have access to meetings) to exchange information and ideas.
<i>DEVELOPMENT</i>
<ul style="list-style-type: none"> a. Monitor development plans and evaluate impact on District’s provision of services. b. Participate in Parks Committee meetings and ensure the District’s role in the community parks is fulfilled. c. Effectively monitor and manager the District’s CFD 301401 continuing disclosure responsibilities. <ul style="list-style-type: none"> i. Ensure the timely filing of annual reports with EMMA. ii. Ensure the timely filing of any material events with EMMA. iii. Ensure the timely levy of taxes onto the county tax rolls. iv. Ensure that the foreclosure covenant is executed when required. d. Evaluate ways to increase efficiency, reduce costs, and find alternative funding for specific projects.
<i>DISTRICT/BOARD</i>
<ul style="list-style-type: none"> a. Effectively execute the duties and responsibilities of the District as authorized by government and District Code in the provision of services to the community. b. Evaluate “best use” of 10-acre parcel (i.e., solar farm, etc.) c. Use of solar panels - admin. Bldg, WTP, etc., use of electric vehicles d. Reduction of gas costs.

6. COMMENTS AND SUGGESTIONS FROM BOARD MEMBERS AND STAFF

None.

7. ADJOURNMENT

Motion/Gumbinger to adjourn at 4:30 p.m. **Second/Ferraro. Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich.**

Respectfully submitted,

Suzanne Lindenfeld
District Secretary

DRAFT



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Board of Directors Regular Meeting

MINUTES

February 18, 2015

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

1. CALL TO ORDER/ROLL CALL

President Gerald Pasek called the regular meeting of the Board of Directors of Rancho Murieta Community Services District to order at 4:00 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Gerald Pasek, Betty Ferraro, Paul Gumbinger, Michael Martel, and Mark Pecotich. Also present were Darlene J. Gillum, General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; Suzanne Lindenfeld, District Secretary; and Richard Shanahan, General Counsel.

2. ADOPT AGENDA

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

3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES

None.

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

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

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

Under Government Code 54956.9(d)(2) Conference with Legal Counsel - Existing Litigation -, Significant exposure to litigation involving an indemnity claim filed by Rancho Murieta Association relating to the Papas v. Rancho Murieta Community Services District Litigation.

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

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

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

Under Government Code 54956.9(d)(2) Conference with Legal Counsel - Existing Litigation -, Significant exposure to litigation involving an indemnity claim filed by Rancho Murieta Association relating to the Papas v. Rancho Murieta Community Services District Litigation. **Nothing to report.**

6. COMMENTS FROM THE PUBLIC

John Merchant, lot 723, commented on the new development and the need for dialogue between Rancho Murieta Association, the developers and the District to get a better idea of what the developers are planning. Mr. Merchant also suggested the District hold workshops to inform the community about the status of the water, including where it comes from through the process, augmentation issues, and the impact on water that full build out will have. President Pasek stated that was a good idea.

Pat Mellor, Murieta Village Board President, requested the District install cameras in Murieta Village and commented on a break-in that occurred over the weekend.

7. CONSENT CALENDAR

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

8. STAFF REPORTS

Under Agenda Item 8b, Darlene Gillum commented that the monthly report will now be showing funds being repaid to the reserve accounts.

Director Martel commented on the Reserve Study and asked about the clay piping. Darlene Gillum stated that the Reserve Study will be on the March 18, 2015 Board meeting agenda for discussion.

Under Agenda Item 8d, Paul Siebensohn stated that storage is at 89%.

Director Ferraro commented on Security going above and beyond by helping to secure some lose manhole covers in the community.

9. CORRESPONDENCE

a. Letter from Murieta Village, dated January 20, 2015 Concerning Request for Security Cameras
President Pasek stated that staff will be presenting the draft camera plan to the Security Committee in March.

10. CONSIDERATION OF JANUARY 30, 2015 CLAIM AGAINST DISTRICT SUBMITTED BY RANCHO MURIETA ASSOCIATION

Richard Shanahan, District General Counsel, recommended the Board defer action at this time, allowing for staff to discuss with the District's insurance carrier. By consensus, the Board agreed.

11. RECEIVE PRESENTATION OF THE FINAL 2013-2014 ANNUAL AUDIT REPORT BY LARRY BAIN, CPA

Larry Bain, CPA, gave a brief summary of the 2013-2014 audit report. It was a clean report with only two (2) findings. A question and answer period followed.

12. DISCUSS JANUARY 17, 2015 SECURITY PATROL CALL FOR SERVICE

President Pasek stated that this item has not been discussed by the Board in closed session, as stated by Director Martel in the Security Committee meeting. Director Martel stated that it was a misstatement on his part and that the Security Committee discussed the incident and is pleased with the outcome.

President Pasek suggested the body camera policy and training be reviewed.

Bob Tauber commented on the incident, stating that it was not an officer caused incident, the District needs to pay for additional training for the officers especially with the increase in service area for Security due to the new development coming in.

13. RECEIVE SECURITY DEPARTMENT ANNUAL REPORT - PRESENTATION BY GREG REMSON, SECURITY CHIEF

Chief Remson gave his annual presentation of the Security Department for 2014. The items covered in the presentation include: gate operations, patrol operations, calls for service, patrol time, and the James L. Noller Safety Center. A question and answer period followed.

14. RECEIVE FIELD OPERATIONS ANNUAL REPORT - PRESENTATION BY PAUL SIEBENSOHN, DIRECTOR OF FIELD OPERATIONS

Paul Siebensohn gave the annual presentation of the Field Operations for 2014. The presentation discussed the following: staffing, facilities, Capital Improvement Projects completed, projects completed, water production, and water quality. A question and answer period followed.

15. CONSIDER APPROVING AMENDMENT TO AGREEMENT WITH NBS GOVERNMENT FINANCE GROUP FOR COMMUNITY FACILITIES DISTRICT NO. 2014-1 FOR ADMINISTRATION SERVICES

Darlene Gillum gave a brief summary of the recommendation to approve the amendment to the agreement with NBS Government Finance Group for administrative services related to the Community Facilities District (CFD) No. 2014-1.

Motion/Martel to approve amendment to agreement with NBS Government Finance Group for Community Facilities District No. 2014-1 administrative services. **Second/Ferraro. Roll Call Vote: Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

16. CONSIDER APPROVING SOLE SOURCE CONTRACT FOR WATER TREATMENT PLANT EXPANSION PROJECT TEMPORARY FILTRATION SYSTEM

Paul Siebensohn gave a brief summary of the recommendation to approve the sole source contract for Water Treatment plant Expansion Project temporary filtration system. With the Water Treatment Plant Expansion Project extending into the warmer months, the community's water demand will increase beyond the capability of Plant #2. A temporary filtration unit will most likely be needed.

Director Martel asked if Plant #2 would be able to supply enough water to supply the community's water demand. Paul stated no, especially with the fire flow requirement.

Motion/Pecotich to approve sole source contracting for GE Mobile MPAK 80, as the use of GE Submerged Membrane Technology was previously approved as a sole source component for the Water Treatment Plant Expansion on December 18, 2013, and authorize the General Manager to negotiate, finalize, and sign an agreement with GE Mobile Water, Inc. in an amount not to exceed \$304,560. Funding to come from Water Operations Budget. **Second/Ferraro. Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

17. CONSIDER APPROVING CONTINUED ENGINEERING COSTS RELATED TO THE WATER TREATMENT PLANT EXPANSION PROJECT

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

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

Motion/Gumbinger to approve the proposal from HDR Engineering for additional engineering services related to the Water Treatment Plant Expansion Project in an amount not to exceed \$108,763. Funding to come from Water Treatment Plant Expansion Project Fund. **Second/Martel. Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

18. CONSIDER ADOPTION OF DISTRICT RESOLUTION 2015-01, ADVERTISING IN DISTRICT COMMUNICATIONS

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

Motion/Gumbinger to adopt District Policy 2015-01, advertising in District communications. **Second/Ferraro. Roll Call Vote: Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

19. CONSIDER APPROVING NORTH GATE PROJECT FUNDING COMPLETION COSTS AND UPDATE

Chief Remson gave a brief summary of the recommendation to approve North Gate Project Funding completion costs in an amount not to exceed \$258,203.34. This cost includes previously approved equipment and services in addition to final estimates of all known soft costs. The approval request includes the total projected cost plus contingency of \$11,000.00 (approximately 4.4%). By approving the final completion project costs, the District's General Manager will be authorized to approve the remaining project costs, to be paid from reserves, without the need to bring each of these small items to the Board for approval.

Motion/Martel to approve the request for the North Gate Project Funding completion costs not to exceed \$258,203.34. This cost includes previously approved equipment and services in addition to final estimates of all known soft costs. The approval request includes the total projected cost plus contingency of \$11,000.00 (approximately 4.4%). Funding to come from Security Replacement

Reserves and/or internal inter-fund borrowing from Capital Improvement Fees. **Second/Gumbinger. Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

20. RECEIVE REPORT BACK ON AD HOC SECURITY COMMITTEE

Director Martel gave a report back on the ad hoc Security Committee. The goal of the Committee was to enhance the Security Surveillance Camera Plan and Security Strategic Plan to reduce crime, including vandalism and thefts, throughout the community with the use of surveillance cameras.

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

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

21. RECEIVE WATER TREATMENT PLANT EXPANSION PROJECT UPDATE

Paul Siebensohn gave an update on the Water Treatment Plant Expansion Project. The major project news is that the project schedule provided by Roebbelen Construction Management (CMAR) is not realistic. The schedule showed commissioning activities of the facility would be completed within 48 days and we could begin Acceptance Testing on April 25, 2015. GE said, and had provided a schedule to CMAR on June 19, 2014, that commissioning would take them between 69-80 days, a three (3) week difference. CMAR reported that they were holding back on incorporating this into the overall schedule hoping to make a determination in January if they had made up enough time to roll back GE's commissioning time needs. Time had not been made up but had fallen further behind. CMAR contends that the primary cause for schedule delay is due to the District not allowing the Water Treatment Plant to be shut down on July 15, 2014, per a revised project schedule that had been added to the Contract bid documents in Addendum #4, pg. 39 of 63. This differed significantly from the late start schedule originally provide in bid Exhibit G – base bid Schedule A which had the operationally agreed upon shutdown scheduled for October 15, 2014. Also, it has always been in the Contract Documents and Specifications that *“Plant 1 can only be taken out of service, without the use of temporary filters, during the winter.”* The actual Plant 1 shutdown took place on September 11, 2014.

A new schedule has been provided by CMAR on January 19, 2015 revised to show Commissioning – Process Startup/ Acceptance testing on July 2, 2015. GE believes we may be able to provide processed effluent into our system sooner; however, Department of Drinking Water (DDW) approval must be obtained.

Paul stated that he is trying to coordinate a meeting with all contractors/subcontractors and the CMAR.

President Pasek suggested Paul get a copy of the construction schedule from other plants that have had this type of system installed.

John Sullivan commented on his frustration with Roebbelen not being able to meet the original time line/completion date promised for. Mr. Sullivan stated that it is not the District's fault.

22. RECEIVE WATER CONSERVATION UPDATE

Paul Siebensohn gave a brief update on water conservation in the community. Water treatment plant production for January 2015 was up 0.7% vs. the past five (5) year average and decreased 21.8% vs. January of last year. Since in January we received only 0.30" of rain and it was unseasonably warm, some of the community began irrigating again. Water treatment plant production for December was down 19.9% vs. the past five (5) year average and 28.7% vs. December of last year.

23. CONSIDER CONFERENCE/EDUCATION OPPORTUNITIES

No comments.

24. DISCUSS PARKS COMMITTEE MEETING AGENDA ITEMS

Director Pecotich asked the Board for input on the Parks Committee meeting agenda items.

Darlene Gillum stated that parks is one of the District's latent powers and therefore could take over the parks.

John Sullivan suggested a trust fund for the park funds be set up and commented on the District to providing funding for the proposed community center.

Richard Shanahan commented the Parks Committee is not a legal entity and the District has a very limited role with the Committee. Mr. Shanahan commented on how the various Parks Agreements are somewhat confusing as to the role the District plays.

Director Martel stated that the District needs to either get in the Parks business or get out of the Parks business. Mr. Shanahan agreed and suggested repealing the Ordinance regarding collecting Park Funds and reviewing and updated the Parks Agreement.

John Merchant commented that if the District took over the parks, then the parks would have to be open to the public.

Director Martel asked about the status of the water for the Escuela Park. Mr. Shanahan stated that District Code allows for the General Manager to approve temporary water connections in the District. Director Martel commented on RMA having received change of use approval from the County which would mean that a final plan has been approved. The Board directed Darlene Gillum to send a letter to RMA regarding the moneys owed for the water at Escuela Park. A report back will be provided at the March Board meeting.

25. REVIEW MEETING DATES/TIMES

No comments.

26. COMMENTS/SUGGESTIONS

Paul Siebensohn commented on staff looking into getting the District maps on a CAD system.

Director Martel commented on a meeting he and Darlene had with Brad Beer regarding Murieta Airport. He felt the meeting went well and he is satisfied that Mr. Beer has done everything

required. Director Martel also commented that Security should put criminal complaints as a priority and that he would like to see the Security Department be able to solve crimes in the future.

Director Gumbinger commented on the weekly updates that Darlene provides the Board. Darlene stated that she will be providing an update each week, except for Board packet week since the General Manager's report is in the packet.

Director Pecotich asked about the augmentation grant. Darlene stated she needs to verify the date.

Darlene Gillum gave a brief summary of the Presidents Meeting. Items covered include getting all the Boards together for a joint meeting which they were open to; RMA and the District will work on developing a list of equipment that can be shared and the necessary agreements along with the possibility of sharing fuel; Rancho Murieta Country Club is working on Phase II of their irrigation system and has a new golf cart maintenance contract.

President Pasek commented on an email he sent to Darlene regarding lost property/money the State is holding. Darlene stated she will get with Debby to see what the \$300 is from.

27. ADJOURNMENT

Motion/Ferraro to adjourn at 9:26 p.m. **Second/Gumbinger. Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

Respectfully submitted,

Suzanne Lindenfeld
District Secretary



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Board of Directors Special Meeting

MINUTES

March 4, 2015

4:00 p.m. Open Session

1. CALL TO ORDER/ROLL CALL

President Gerald Pasek called the special meeting of the Board of Directors of Rancho Murieta Community Services District to order at 4:00 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Gerald Pasek, Betty Ferraro, Paul Gumbinger, and Michael Martel. Also present were Darlene J. Gillum, General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary. Director Mark Pecotich was absent.

2. ADOPT AGENDA

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

3. COMMENTS FROM THE PUBLIC

None.

Director Pecotich arrived at 4:08 p.m.

4. REVIEW 2015-2016 PROPOSED BUDGET

Darlene Gillum gave a brief summary of the proposed 2015-2016 budget. The proposed budget is a "worst case scenario". The proposed average rate increase is \$4.74 (2.94%) for residential metered lots, \$3.32 for Murieta Village lots (2.75%), and \$0.52 (1.86%) for unmetered lots. A question and answer period followed.

Darlene stated she is going to check into being able to distribute more of the property tax money to the Security Department.

Director Pecotich commented on including time off in lieu of money as an incentive to staff.

John Sullivan commented on his concern that the District should not charge non-developed land the same amount for security services as developed land.

5. DISCUSS COMMUNITY COMMUNICATIONS

Director Pecotich led a discussion on ways he feels the District can improve communication with the community through changes to our website design layout and better use of social media. The general consensus was for District staff to work on improving our website and look for alternative methods of communication.

6. COMMENTS/SUGGESTIONS

Director Martel commented on how he feels the District staff is not being honest about things since what he is told from Rancho Murieta Association staff is different from what District staff report back. Director Martel stated he will be writing an article and making it available to the public regarding the gun incident.

Director Ferraro commented that staff should not be allowed to cancel committee meetings, only Directors should do that. Director Gumbinger stated that he was disappointed that there is no Improvements Committee meeting this month.

Darlene Gillum stated she will be speaking at the March 19, 2015 Kiwanis Club meeting.

7. ADJOURNMENT

Motion/Gumbinger to adjourn at 6:35 p.m. **Second/Ferraro. Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

Respectfully submitted,

Suzanne Lindenfeld
District Secretary

MEMORANDUM

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

1. CALL TO ORDER

Director Pasek called the meeting to order at 9:31 a.m. Present were Directors Pasek and Martel. Present from District staff were Darlene Gillum, General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary.

2. COMMENTS FROM THE PUBLIC

None.

3. UPDATES -WATER TREATMENT PLANT EXPANSION PROJECT FINANCING

The District received funds from the Reynen & Bardis letter of credit draw requested the end of February. Most supplies/equipment for construction have been received and/or being stored by GE. The production testing period is scheduled to start mid-September with the overall project being completed by late October. Director Pasek suggested the District hold a grand opening for the new plant.

4. 2015-2016 BUDGET UPDATE

Darlene Gillum is waiting for a response back from legal counsel regarding John Sullivan's comment on undeveloped property being charged a smaller increase than developed property.

With the increase of property tax being transferred to the Security Reserve Fund to help repay the internal money borrowed for the new North Gate, there will be a slight increase in rates: \$6.07 for residential metered instead of the \$4.74 and \$4.40 for Murieta Village instead of the \$3.32 as proposed at the budget workshop. Both scenarios will be presented at the March Board meeting.

5. DIRECTORS' & STAFF COMMENTS/SUGGESTIONS

Darlene Gillum stated that regarding the Hutchison out of District connection, the District's Water Code does allow for that and that they be charged 50% more than inside District connections but they are not required to pay a Capital Improvement Fee. Staff will notify the Hutchisons and work out the finances.

Director Martel stated that he felt the budget workshop was helpful and suggested staff go out to bid more for the smaller purchases like office supplies, printing, etc. Darlene stated that staff does check prices/costs regularly.

6. ADJOURNMENT

The meeting was adjourned at 10:03 a.m.

MEMORANDUM

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

1. CALL TO ORDER

Director Ferraro called the meeting to order at 10:06 a.m. Present were Directors Ferraro and Martel. Present from District staff were Darlene Gillum, General Manager; Greg Remson, Security Chief; and Suzanne Lindenfeld, District Secretary.

2. COMMENTS FROM THE PUBLIC

None.

3. MONTHLY UPDATES

Operations

During the heavy rains on the weekend of February 7, 2015, Security Patrol Officers assisted District and Rancho Murieta Association (RMA) workers in clearing clogged drains and ditches. Security Gate Officers answered numerous phone calls regarding flooding.

To date, about 25 applications for the vacant Security Gate Officer position have been received. Interviews will be held soon.

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

Incidents of Note

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

RMA Citations/Admonishments

Chief Remson reported on the following Rancho Murieta Association (RMA) rule violation citations for the month of February 2015, 9 speeding and 6 stop signs. RMA rule violation admonishments and/or complaints for the month of February, which included 40 loose/off leash dogs, 24 open garage doors, and 13 speeding.

Rancho Murieta Association Compliance/Grievance/Safety Committee Meeting

There were two (2) hearings at the February 2, 2015 meeting. One was regarding vandalism at the Gazebo and one was regarding speeding and a single vehicle collision into a planter. The next meeting is scheduled for March 2, 2015.

New North Gate

The barcode readers and gate operators are being stored at the District warehouse. The building has had stucco applied and the interior has been painted. The first three (3) gate operators and

barcode readers should be installed this week. Electrical from the SMUD transformer to the gate building should be connected early next week.

4. REVIEW SURVEILLANCE CAMERA IMPLEMENTATION, INTEGRATION AND EXPANSION PLAN

Chief Remson gave a brief summary of the draft surveillance camera plan. The detailed plan to be presented to the Board in April will include a list of locations for cameras, in an order that Security feels priority should be. **This item will be on the March 18, 2015 Board meeting agenda.**

Director Ferraro commented on the request from Murieta Village for cameras and gates. She also suggested that staff meet with Murieta Village Board of Directors and residents and explain the camera plan.

Director Martel stated that the report was well written.

5. REVIEW SECURITY PATROL OFFICER EQUIPMENT

Chief Remson gave a brief summary of the equipment a District Security Patrol Officer carries and the purpose for the equipment. **This item will be on the March 18, 2015 Board meeting agenda.**

Mrs. Garcia commented on her feeling that Patrol Officers should be allowed to continue to carry guns. Director Martel stated that he just wants to be sure that we are following the rules.

Director Ferraro asked where guns are stored when the Patrol Officer is off duty. Chief Remson stated that they could either take it home or leave it here, locked up.

6. REVIEW SECURITY PATROL AND GATE OFFICER TRAINING

Chief Remson gave a brief summary of the training outline for District Security Patrol and Gate Officers. Reviewing and commenting on some of the incidents that occur also helps in training. A short discussion followed. **This item will be on the March 18, 2015 Board meeting agenda.**

Director Martel stated that he is happy with the training.

7. REVIEW DISTRICT POLICY 2012-04, IN-CAR/BODY-WORN VIDEO SYSTEM

Chief Remson gave a brief summary of Policy 2012-04, In-Car/Body-Worn Video System. This policy outlines the purpose, objectives, District responsibilities, Sergeant's responsibilities, Patrol Officer's responsibilities, media duplication, and storage of the District's in-car/body-worn video system.

Each Patrol Officer will be issued his/her own body camera. With the cost of seven (7) cameras and charging/docking stations, the initial start up cost is estimated at \$6,000 or more. **This item will be on the March 18, 2015 Board meeting agenda.**

8. DIRECTOR & STAFF COMMENTS

None.

9. ADJOURNMENT

The meeting adjourned at 11:36 a.m.

MEMORANDUM

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

Enclosed is the Bills Paid Listing Report for **February 2015**. Please feel free to call me before the Board meeting regarding any questions you may have relating to this report. This information is provided to the Board to assist in answering possible questions regarding large expenditures.

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

Vendor	Project/Purpose	Amount	Funding
Roebbelen	WTPE #1	\$1,092,342.47	Reserve Funding, Bonds, Letter of Credit
California Waste Recovery Systems	Solid Waste Monthly Contract	\$46,118.55	Operating Expense
HDR Engineering, Inc	WTPE #1	\$19,719.84	Reserve Funding, Bonds, Letter of Credit
Roebbelen	WTPE #1	\$701,376.98	Reserve Funding, Bonds, Letter of Credit
Cosumnes River Land, LLC	Refund Developer Advance	\$358,245.00	Bond Funding
Apple One Employment Services	Admin - Hays	\$5,289.62	Operating Expense
Bartkiewicz, Kronick & Shanahan	Legal Services	\$13,898.11	Operating Expense
Golden State Flow Measurement	Water Meters	\$8,501.59	\$4,773.60 Reserve Funding; \$3,727.99 Operating Expense
Groeniger & Company	Maint & Repairs: Supplies	\$9,843.00	Operating Expense
Rancho Murieta Association	North Gate Generator & Conduit	\$65,000.00	Reserve Funding
SMUD	Monthly Power	\$28,197.63	Operating Expense
TNT Industrial Contractors, Inc.	Crane Rental/Drain Valve	\$11,945.22	\$4,848.00 Reserve Funding; \$7,097.22 Operating Expense
Youngdahl Consulting Group, Inc.	WTP #1	\$6,815.00	Reserve Funding, Bonds, Letter of Credit

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

Ck Number	Date	Vendor	Amount	Purpose
EFT	2/2/2015	EFTPS	\$8,911.23	Payroll
CM29193	2/3/2015	California Public Employees' Retirement Sys	\$39,891.70	Payroll
CM29194	2/3/2015	Guardian Life Insurance	\$5,479.57	Payroll
CM29195	2/3/2015	Rancho Murieta Association	\$732.96	Postage - Monthly Statements
CM29196	2/3/2015	Vision Service Plan (CA)	\$497.92	Payroll
CM29197	2/6/2015	Roebbelen Construction Management Services	\$1,092,342.47	WTP #1 Expansion
CM29198	2/13/2015	A Leap Ahead IT	\$3,585.07	Monthly IT Service
CM29199	2/13/2015	American Family Life Assurance Co.	\$548.53	Payroll
CM29200	2/13/2015	Apple One Employment Services	\$1,426.00	Temp - Hays
CM29201	2/13/2015	Aramark Uniform & Career Apparel, LLC	\$203.64	Uniform Service - Water
CM29202	2/13/2015	Atkins North America, Inc.	\$1,580.00	Augmentation Well Pipeline
CM29203	2/13/2015	California Rural Water Association	\$942.00	Membership CRWA 2015
CM29204	2/13/2015	California Waste Recovery Systems	\$46,118.55	Solid Waste Monthly Contract
CM29205	2/13/2015	CDW Government Inc.	\$4,979.53	Workstation: Water Department
CM29206	2/13/2015	Capital One Commercial	\$532.47	Monthly Supplies
CM29207	2/13/2015	County of Sacramento	\$54.00	Livescan: Truelock/Ansari
CM29208	2/13/2015	Russ Detrick	\$100.00	Toilet Rebate (1)
CM29209	2/13/2015	Ditch Witch Equipment Company, Inc.	\$648.63	Potholing Tool
CM29210	2/13/2015	Employment Development Department	\$2,160.58	Payroll
CM29211	2/13/2015	Express Office Products, Inc.	\$307.07	Office Supplies
CM29212	2/13/2015	Folsom Lake Fleet Services	\$541.99	Service: Truck #217
CM29213	2/13/2015	Franchise Tax Board	\$75.00	Payroll
CM29214	2/13/2015	Greenfield Communications	\$136.98	Internet/TV
CM29215	2/13/2015	Groeniger & Company	\$4,515.70	Maint & Rpr: Supplies
CM29216	2/13/2015	Hach Company	\$1,292.14	PH Probe
CM29217	2/13/2015	Albert Harris	\$100.00	Hot Water recirculating rebate
CM29218	2/13/2015	HDR Engineering, Inc	\$19,719.84	WTP #1 Expansion
CM29219	2/13/2015	Home Depot Credit Services	\$194.08	Maint & Rpr: Supplies
CM29220	2/13/2015	Legal Shield	\$91.95	Payroll
CM29221	2/13/2015	McMaster-Carr Supply Co.	\$110.27	Maint & Rpr: Supplies
CM29222	2/13/2015	Nationwide Retirement Solution	\$394.00	Payroll
CM29223	2/13/2015	Operating Engineers Local Union No. 3	\$624.00	Payroll
CM29224	2/13/2015	P. E. R. S.	\$25,121.48	Payroll
CM29225	2/13/2015	Rancho Murieta Ace Hardware	\$213.61	Monthly Supplies
CM29226	2/13/2015	Rancho Murieta Association	\$3,700.00	Gate Operators Barcode
CM29227	2/13/2015	Roebbelen Construction Management Services	\$701,376.98	WTP #1 Expansion
CM29228	2/13/2015	Socius	\$573.75	Greenshades Annual Maint
CM29229	2/13/2015	Sprint	\$1,225.11	Monthly Cell Phone Bill
CM29230	2/13/2015	TASC	\$122.69	Payroll
CM29231	2/13/2015	TelePacific Communications	\$538.96	Monthly Phone Bill

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

Ck Number	Date	Vendor	Amount	Purpose
CM29232	2/13/2015	U.S. Bank Corp. Payment System	\$3,719.49	Monthly Gasoline Bill
CM29233	2/13/2015	United Rentals Northwest, Inc.	\$715.18	Plug Rental
CM29234	2/13/2015	USA Blue Book	\$942.42	Maint & Rpr: Supplies
CM29235	2/13/2015	W.W. Grainger Inc.	\$1,308.65	Maint & Rpr: Supplies
CM29236	2/13/2015	Watchdogs Surveillance	\$75.00	Consultant Services N. Gate
CM29237	2/13/2015	Wilbur-Ellis Company	\$313.20	Roundup Pro Concentrate
CM29238	2/13/2015	Cosumnes River Land, LLC	\$358,245.00	Refund of Developer Advance
EFT	2/17/2015	EFTPS	\$8,900.76	Payroll
EFT	2/23/2015	EFTPS	\$234.55	Payroll
EFT	2/26/2015	US Postmaster	\$1,500.00	Postage
CM29239	2/27/2015	Action Cleaning Systems	\$1,172.00	Monthly Cleaning Service
CM29240	2/27/2015	American Family Life Assurance Co.	\$548.53	Payroll
CM29241	2/27/2015	American Water Works Association	\$634.95	Water Guide/Manuals
CM29242	2/27/2015	Apple One Employment Services	\$5,289.62	Temp - Hays
CM29243	2/27/2015	Applications By Design, Inc.	\$125.00	Security Data Backup
CM29244	2/27/2015	Aramark Uniform & Career Apparel, LLC	\$266.89	Uniform Service - Water
CM29245	2/27/2015	AT&T	\$100.00	Monthly Internet Bill - Admin/Security
CM29246	2/27/2015	AT&T	\$125.96	GM Cell Phone
CM29247	2/27/2015	AT&T	\$940.43	Monthly Phone Bill
CM29248	2/27/2015	Backflow Distributors Inc	\$1,084.32	Backflow Testing Supplies
CM29249	2/27/2015	Bartkiewicz, Kronick & Shanahan	\$13,898.11	Legal Services
CM29250	2/27/2015	Bay Area Coating Consultant Services. Inc.,	\$392.00	WTP #1 Expansion
CM29251	2/27/2015	Bay Area Process, Inc.	\$513.92	Submersible Pump
CM29252	2/27/2015	BlueLine Rental, LLC	\$2,727.00	Backhoe Rental
CM29253	2/27/2015	California Laboratory Services	\$4,678.58	Monthly Lab Tests
CM29254	2/27/2015	California Special Districts Association	\$225.00	Prop 26/218 conference E. Thompson
CM29255	2/27/2015	Caltronics Business Systems	\$2,239.11	Copier - Admin/Warehouse
CM29256	2/27/2015	CDW Government Inc.	\$320.61	Ram 4gb (6 workstations)
CM29257	2/27/2015	Corelogic Solutions, LLC	\$165.00	Void
CM29258	2/27/2015	Cummins Pacific LLC	\$2,730.22	Service: coolant/belt/battery
CM29259	2/27/2015	Employment Development Department	\$2,415.34	Payroll
CM29260	2/27/2015	Fastenal	\$10.16	Bolts/Stormvalve
CM29261	2/27/2015	Folsom Lake Fleet Services	\$44.34	Service: Truck #217
CM29262	2/27/2015	Ford Motor Credit Company LLC	\$234.78	2012 Ford Escape Lease Payment
CM29263	2/27/2015	Franchise Tax Board	\$75.00	Payroll
CM29264	2/27/2015	GM Crane Services, Inc	\$450.00	Quarterly Inspection
CM29265	2/27/2015	Golden State Flow Measurement	\$8,501.59	Water Meters
CM29266	2/27/2015	Groeniger & Company	\$9,843.00	Maint & Rpr: Supplies
CM29267	2/27/2015	Hastie's Capitol Sand and Gravel Co.	\$502.72	Entry Rock
CM29268	2/27/2015	Howe It's Done	\$291.38	Board Meeting Dinner
CM29269	2/27/2015	Legal Shield	\$91.95	Payroll

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

Ck Number	Date	Vendor	Amount	Purpose
CM29270	2/27/2015	N.J McCutchen, Inc.,	\$1,146.96	6SS Straps manhole repair
CM29271	2/27/2015	National Notary Association	\$480.50	Notary Training - S Lindenfeld
CM29272	2/27/2015	Nationwide Retirement Solution	\$394.00	Payroll
CM29273	2/27/2015	Operating Engineers Local Union No. 3	\$624.00	Payroll
CM29274	2/27/2015	P. E. R. S.	\$12,838.91	Payroll
CM29275	2/27/2015	Platt Electric	\$539.09	1500' Buried service comm
CM29276	2/27/2015	Pollardwater.com	\$252.20	Maint & Rpr: Supplies
CM29277	2/27/2015	Public Agency Retirement Services	\$300.00	Trust Admin Fees - Nov 2014
CM29278	2/27/2015	Rancho Murieta Association	\$688.68	Landscaping/Electric
CM29279	2/27/2015	Rancho Murieta Association	\$65,000.00	North Gate Generator & Conduit
CM29280	2/27/2015	S. M. U. D.	\$28,197.63	Monthly Bill
CM29281	2/27/2015	Sierra Office Supplies	\$42.12	Business Cards - E. Thompson
CM29282	2/27/2015	TASC	\$62.75	Payroll
CM29283	2/27/2015	TASC	\$112.00	Payroll
CM29284	2/27/2015	Taser International	\$874.79	Camera System
CM29285	2/27/2015	The Westmark Group, Inc.	\$1,714.50	2014 Reporting
CM29286	2/27/2015	TNT Industrial Contractors Inc.	\$11,945.22	Crane Rental/Drain Valve
CM29287	2/27/2015	UPS	\$30.28	Postage
CM29288	2/27/2015	W.W. Grainger Inc.	\$4,291.59	Maint & Rpr: Supplies
CM29289	2/27/2015	Western Exterminator Co.	\$527.00	Monthly Svc & Rodent Control
CM29290	2/27/2015	Youngdahl Consulting Group, Inc.	\$6,815.00	WTP #1 Expansion
		TOTAL	\$2,545,179.43	
		CFD#1 Bank of America Checking		
CM2744	2/13/2015	Rancho Murieta CSD	\$342,109.47	Sac Co Taxes/Teeter Plan
CM2745	2/27/2015	Corelogic Solutions, LLC	\$165.00	Technical Support
		TOTAL	\$342,274.47	
		EL DORADO PAYROLL		
Payroll (El Dorado)				
Checks: # CM11281 to CM11290		and Direct Deposits: DD07838 to DD07901	\$ 110,253.57	Payroll
EFT	1/31/2015	National Payment Corp	\$132.68	Payroll
		TOTAL	\$110,386.25	

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

COMMUNITY FACILITIES DISTRICT NO. 1

COMPONENT UNIT FINANCIAL STATEMENTS

JUNE 30, 2014

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

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LARRY BAIN, CPA

An Accounting Corporation

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INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Other Matters*Required Supplementary Information*

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

Other Information

We have also issued our report dated February 18, 2015 on our consideration of the CFD's internal control over financial reporting. That report should be read in conjunction with this report in considering our audit.

A handwritten signature in black ink, appearing to read "Larry Bain". The signature is fluid and cursive, with a long horizontal stroke at the end.

*Larry Bain, CPA,
An Accounting Corporation
February 18, 2015*

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

**STATEMENT OF NET POSITION
JUNE 30, 2014**

Current Assets	
Cash and investments	\$ 34,871
Total Assets	<u>\$ 34,871</u>
Current Liabilities	
Accounts payable	\$ 667
Total Liabilities	<u>667</u>
Net Position	
Restricted	<u>34,204</u>
Total Net Position	<u>\$ 34,204</u>

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

**STATEMENT OF ACTIVITIES
JUNE 30, 2014**

	Expenses	Program Revenues Capital Grants and Contributions	Total
Governmental Activities:			
General government	\$ 122,755	\$ -	\$ (122,755)
Interest expense	34,587		(34,587)
Total Governmental Activities	\$ 157,342	\$ -	(157,342)

General Revenues:

Investment income	6
Total general revenues	6
Change in net position	(157,336)
Net position - beginning	289,441
Prior period adjustment	(97,901)
Net position - ending	\$ 34,204

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO.1

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2014

Assets	
Cash and investments	\$ 34,871
Total Assets	<u>\$ 34,871</u>
Liabilities and Fund Balances	
Liabilities	
Accounts payable	\$ 667
Total Liabilities	<u>667</u>
Fund Balance	
Fund balances	
Restricted for CFD #1	34,204
Total Fund Balance	<u>34,204</u>
Total Liabilities and Fund Balance	<u>\$ 34,871</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO.1

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
JUNE 30, 2014

Fund Balances of Governmental Funds \$ 34,204

Amounts reported for governmental activities in the statement of net position are different because:

Some liabilities, including long-term debt and accrued interest are not due and payable in the current period and therefore are not reported in the funds.

Net position of governmental activities

-
\$ 34,204

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

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
JUNE 30, 2014**

Revenues	
Developer contributions	\$ 279,978
Investment income	<u>6</u>
Total Revenues	<u>279,984</u>
Expenditures	
Current:	
Administration	17,370
Debt Service	
Principal	2,530,000
Interest	<u>69,175</u>
Total Expenditures	<u>2,616,545</u>
Special item	
Transfer developer contributions to other government	<u>(279,978)</u>
Net Change in Fund Balance	<u>(2,616,539)</u>
Fund Balance, July 1, 2013	<u>2,748,644</u>
Prior Period Adjustment	<u>(97,901)</u>
Fund Balance, June 30, 2014	<u><u>\$ 34,204</u></u>

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2014**

Net Change in Fund Balances - Total Governmental Funds	\$ (2,616,539)
Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures and Changes in Fund Balances because:	
Governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the government-wide statements.	(99,821)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(5,564)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	2,530,000
The change in accrued interest is recorded as a current liability in the statement of activity, however interest expense is recorded when paid in the governmental funds.	<u>34,588</u>
Change in net position of governmental activities	<u><u>\$ (157,336)</u></u>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

B. Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities include the financial activities of the overall CFD government. Eliminations are made to minimize the double accounting of internal activities.

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

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO.1

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Major Funds:

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

The CFD reported the following major governmental fund in the accompanying component unit financial statements. This fund is also presented in the governmental units basic financial statements as a fiduciary fund type.

Debt Service Fund- The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principle and interest for the special assessment debt with no governmental commitment.

D. Basis of Accounting:

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

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

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

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

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

E. Budget and Budgetary Accounting

The CFD does not maintain a budget for the Debt Service Fund.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Estimates

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

G. Net Position/Fund Equity

Government-wide Financial Statements

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

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

Fund Financial Statements

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

NOTE 2: CASH AND INVESTMENTS

Deposits with financial institutions	\$ 26,567
Investments	<u>8,304</u>
Total cash and investments - restricted	<u><u>\$ 34,871</u></u>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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

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

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

B. Investments Authorized by Debt Agreements

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

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

C. Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Totals	Remaining Maturity (in Months)				
		12 Months or Less	13-24 Months	25-36 Months	49-60 Months	More Than 60 Months
CAMP Investment Pool*	\$ 8,304	\$ 8,304	\$ -	\$ -	\$ -	\$ -
Totals	<u>\$ 8,304</u>	<u>\$ 8,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Not subject to categorization

D. Disclosures Relating to Credit Risk

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

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
CAMP Investment Pool	\$ 8,304	N/A	\$ -	\$ -	\$ -	\$ -	\$ 8,304
Total investments	<u>\$ 8,304</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,304</u>

E. Concentration of Credit Risk

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

F. Custodial Credit Risk

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

At June 30, 2014, \$0 of the District's deposits with financial institutions were in excess of federal depository insurance limits required to be held in collateralized accounts.

NOTE 3: SPECIAL ASSESSMENTS RECEIVABLE

No assessments were levied by the CFD against property owners in the 2013/14 fiscal year because the special assessment debt was defeased as of June 30, 2014. Delinquent assessment receivables were \$0 at June 30, 2014.

NOTE 4: SPECIAL ASSESSMENT DEBT WITH NO GOVERNMENT COMMITMENT

On March 7, 1991, the District issued assessment bonds totaling \$12,925,000 under the "Mello-Roos Community Facilities Act of 1982". On October 1, 2002 the original bonds were refunded and defeased by issuing \$8,760,000 in special tax refunding bonds and applying the original bond reserve funds and redemption account funds to the redemption. The Bonds are not a general obligation of the District, but are limited obligations of the District and the CFD payable solely from and secured by the special taxes pledged therefore. Bond principle is paid annually on October 1 of each year and interest is paid semi annually on April 1 and October 1 beginning in 2003 and ending in the 2016 fiscal year. As of June 30, 2014 the CFD had accumulated sufficient funds to defease the bonds and the bonds were paid off during the 2013/14 fiscal year.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 5: CHANGES IN LONG-TERM DEBT

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

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due within One Year
Special Assessment Debt					
No Governmental Commitment	\$ 2,530,000	\$ -	\$ 2,530,000	\$ -	\$ -
Total	<u>\$ 2,530,000</u>	<u>\$ -</u>	<u>\$ 2,530,000</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 6: RESERVE FOR BOND SERVICE

By the terms of the bond indenture, \$876,000 of the proceeds of the bond issue plus an additional deposit by the District had been set aside for the purpose of paying any delinquent bond interest and principle payments. At June 30, 2014, the CFD used the \$876,000 reserve fund for the final debt payment.

NOTE 7: PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made reducing beginning fund balance and net position \$97,901 to account for a \$100,000 advance, by the County of Sacramento, for a bond assessment made in error in the prior year and for other assessments receivable.

LARRY BAIN, CPA

An Accounting Corporation

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

We have audited the Financial Statements of the Rancho Murieta Community Services District CFD #1 (CFD) as of and for the fiscal year ended June 30, 2014, and have issued our report thereon dated February 18, 2015. In our audit report we issued an unqualified opinion. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

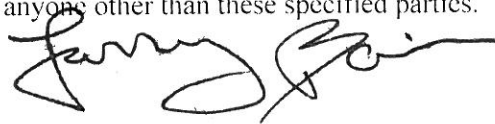
Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance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

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

Purpose of this Report

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

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



Larry Bain, CPA,
An Accounting Corporation
February 18, 2015

MEMORANDUM

Date: March 14, 2015
To: Board of Directors
From: Darlene J. Gillum, General Manager
Subject: General Manager's Report

The following are highlights since our last Board Meeting.

Employee Relations

The Union membership conducted their ratification vote on the proposed 2015 – 2017 Memorandum of Understanding on Wednesday, March 11, 2015. The proposed MOU was ratified and will be on the March 18, 2015 Board of Directors agenda for approval.

Finance/IT

We have received the \$1.4 m draw from Wells Fargo on the Reynen & Bardis letters of credit. That draw covers expenditures through 12/31/14.

The next quarterly review meeting with Cosumnes River Land/Rancho Murieta Properties is scheduled for March 27, 2015.

Community Facilities District 2014-1

On March 12, 2015, The Bond Buyer, which is a municipal bond market daily trade publication, published an article on the Community Facilities District 2014-1 bond issue. The link below will take you to the article (registering may be required to view the entire article).

<http://www.bondbuyer.com/news/regionalnews/deal-heralds-california-dirt-bond-renaissance-1071299-1.html>

Security

The open Gate Officer position is being covered by bringing the contract security officer back to fill in for patrol while our patrol officers back-fill for gate operations. Greg plans to begin review of applications and begin interviews by the end of March / early April.

I will begin review of the North Gate Lease Agreement next week. I will work with Greg on developing a list of items that need to be included in the lease agreement and then I will work with Dick Shanahan on revisions to his first draft. After we have the first draft finished, Greg and I will meet with RMA to begin discussing the terms of the lease. I anticipate meeting with RMA sometime in early April.

I am working with Greg Vorster on the new irrigation meter for the New North Gate. The connection is reflected on the North Gate plans as a potable supply connection, which is a new potable service since irrigation around the existing North Gate is provided by Laguna Joaquin raw water. However, in past meetings between RMA and the District, the District did not recognize this as a new potable connection. This connection will require District Board approval.

Water

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

According to District Code, Chapter 14, Out of Service Area connections are subject to different billing rates than in-boundary connections. Next week I will contact the ranch owner that received the Out of Service Area connection to discuss the necessary billing adjustments to his account for compliance with District Code.

Paul installed the stop logs early this year. The Division of Safety of Dams provided authorization to install the stop logs before April 15th. Several agencies have made similar requests due to the dry weather, which has increased the need to collect and store as much water as possible before river flows slow below 70 cfs.

There was concern that three of our Field Operations employees may have been exposed to Asbestos pipe while working near Lake Chesbro. Paul, David and Debby reacted quickly to ensure that the pipe material was tested and that the appropriate worker's compensation notifications were made. The test results came back on Friday as non-detect for asbestos.

Wastewater

The Wastewater Treatment Plant is offline for the winter season. Wastewater inflow in February was approximately 169 gpd per sewer connection; up 23 gpd from January inflow.

Drainage

Paul is planning to bring in the summer temporary employee by early April since the weather has been so warm.

Solid Waste

Nothing new to report.

Engineering

Augmentation Well

Bids for well drilling were due on Friday, 2/17/15. We had three drillers attend the pre-bid conference. However, we did not receive any bids. One of the drillers had a bid prepared but one of his ranch clients paid him to stay for two more wells, one company is having difficulty finding drillers and they felt the project was too small for them, and one company's drilling rig is still out of service. We will review our project requirements (such as start date and completion date) and go out for bid in the next few months. I have confirmed that the grant expiration date is June 1, 2016. In the meantime, I plan to take advantage of the time we have and work on solidifying the entire project to include reaching agreement with the property owner, Carol Anderson Ward, on the easement and use of the well, and identify the best method of getting the well water into the treatment and/or distribution system.

Murieta Gardens - Nothing new to report.

The Retreats West – Paul has received the outstanding easement for recycled water lines from Murieta Club Properties which will be brought forward to the April Improvements Committee for review.

Airport Hangars – the Airport Hangar project is reactivating. The hangars will be shells with water and sewer connections stubbed and inactive until tenant improvements are completed. Paul is drafting a letter to Brad Beer identifying the requirements for notifying the District when connections are activated and allowing the District access for periodic inspection. Connections fees are due upon active connection to our systems.

MEMORANDUM

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

Enclosed is a combined financial summary report for **February 2015**. Following are highlights from various internal financial reports. Please feel free to call me before the Board meeting regarding any questions you may have relating to these reports.

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

Water Consumption - Listed below are year-to-date water consumption numbers using weighted averages:

12 month rolling % increase		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Residences	0.0	2,513	2514	2514	2515	2516	2516	2515	2516				
Weighted average		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cubic Feet	1922	2383	2403	2037	1573	1215	656	678	756				
Gallons per day	479	594	599	508	392	303	163	169	189				
Planning Usage GPD	583												

Lock-Offs - For the month of February, there were 23 lock-offs.

Aging Report – Delinquent accounts total \$60,293 which is 12.24% of the total accounts receivable balance of \$492,693 Past due receivables, as a percent of total receivables, have increased approximately 1.14% or \$7,581 since January.

Summary of Reserve Accounts as of February 28, 2015 – The District’s reserve accounts have increased \$1,718,296 year to date, since July 1, 2014. The increase is due to the reserve amounts collected in the Water, Sewer, and Security base rates and interest earned. The District has expended \$2,263,419 of reserves since the beginning of the fiscal year, which started July 1, 2014. In February the District received Bond funds in the amount of \$2,358,245 for reimbursement of WTP#1 Expansion Project expenditures. The Letter of Credit funds in the amount of \$1,424,995 were received in early March. The total amount of reserves held by the District as of February 28, 2015 is \$6,853,222. WTP #1 internal borrowing repayment totals to date are \$35,084 for sewer replacement reserves and \$11,695 for water augmentation reserves. Please see the Reserve Fund Balances table below for information by specific reserve account.

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

<i>Reserve Descriptions</i>	<i>Fiscal Yr Beg Balance July 1, 2014</i>	<i>YTD Collected & Interest Earned</i>	<i>YTD Spent</i>	<i>Period End Balance Feb 28, 2015</i>
Water Capital Replacement (200-2505)	754,022	141,490	(7,610)	887,902
Sewer Capital Replacement (250-2505)	1,210,881	185,546	(42,295)	1,354,132
Drainage Capital Replacement (260-2505)	58,010	78	(2,352)	55,736
Security Capital Replacement (500-2505)	101,509	32,022	(73,746)	59,785
Admin Capital Replacement (xxx-2505-99)	38,381	0	(0)	38,381
Sewer Capital Improvement Connection (250-2500)	4,018	5	(0)	4,023
Capital Improvement (xxx-2510)	393,624	5,287	(0)	398,911
Water Supply Augmentation (200-2511)	1,756,479	27,795	(36,214)	1,748,060
WTP Construction Fund Reserve (200-2513)	4,358,245	3,830,310	(5,884,442)	2,304,113
Rate Stabilization (200/250/500-2515)	2,176	3	(0)	2,179
Total Reserves	8,677,345	4,222,536	(6,046,659)	6,853,222

Inter-fund Borrowing Balances

<i>Inter-fund Borrowing</i>	<i>Fiscal Yr Beg Balance July 1, 2014</i>	<i>YTD Interest</i>	<i>YTD Repayment</i>	<i>Period End Balance Feb 28, 2015</i>
Sewer Loan to WTP Construction Fund	1,500,000	2,568	(35,084)	1,467,484
WSA Loan to WTP Construction Fund	500,000	856	(11,695)	489,161
Total Inter-fund Borrowing	2,000,000	3,424	(46,779)	1,956,645

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 January 31, 2015		
1-Month	3-Months	1-Year
-0.60%	-0.01%	7.27%

Financial Summary Report (year to date through February 28, 2015)

Revenues:

Water Charges, year-to-date, are **below** budget \$97,362 or (7.5%)

Sewer Charges, year-to-date, are **above** budget \$696 or 0.1%

Drainage Charges, year-to-date, are **above** budget \$14 or 0.0%

Security Charges, year-to-date, are **above** budget \$469 or 0.1%

Solid Waste Charges, year-to-date, are **above** budget \$1,446 or 0.3%

Total Revenues, which includes other income, property taxes and interest income year-to-date, are **below** budget **\$104,674 or (2.7%)** (due mostly to water conservation efforts).

Expenses: Year-to-date total operating expenses are **below** budget **\$216,506 or (5.7) %**. Year-to-date operational reserve expenditures total **\$20,249**. 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 **\$58,243 or (5.3%)**, prior to reserve expenditures. Most of the operating expense accounts are currently under budget with the largest variances occurring in power, chemicals, and maintenance and repair. These reductions are offset by increased wages and employer costs. Year-to-date \$12,384 of expenses have been incurred from reserves expenditures.

Sewer Expenses, year-to-date, are **below** budget by **\$102,277 or (15.1%)**, prior to reserve expenditures. Currently most of the operating expense accounts are under budget being offset by overages reflected in lab tests, equipment rental and permits. Year-to-date \$5,513 of expenses have been incurred from reserves expenditures.

Drainage Expenses, year-to-date, are **above** budget by **\$5,748 or 6.2%**. This variance to the budget is due mostly to increased wages, employer costs, and equipment rental. Year-to-date \$2,352 of expenses have been incurred from reserves expenditures.

Security Expenses, year-to-date, are **below** budget by **\$6,817 or (1.0%)**. This reduction is due mostly to staffing gaps in the patrol and gate personnel.

Solid Waste Expenses, year-to-date, are **above** budget by **\$2,305 or 0.6%**. This increase in the expenses is related to the mix of service (i.e., size of collection cart) versus the assumed mix used for budget development. There is also a corresponding overage in Solid Waste revenues.

General Expenses, year-to-date, are **below** budget by **\$87,221 or (6.9%)**. The variance to the budget is due primarily to the vacancy of the Director of Administration position, affecting both wages and employer costs. This variance is offset by legal and clerical services.

Net Income: Year-to-date unadjusted net income, before depreciation, is \$198,113. Net income/(Loss) adjusted for estimated depreciation expense is (\$526,922).

The YTD expected net operating income before depreciation, per the 2014-2015 budget is \$106,530.

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

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE	
							Amount	%
REVENUES								
Water Charges	33.3%	\$1,963,040	33.3%	\$1,305,048	\$1,207,686	31.6%	(\$97,362)	(7.5%)
Sewer Charges	21.8%	1,286,784	21.9%	857,592	858,288	22.5%	696	0.1%
Drainage Charges	3.1%	183,456	3.1%	122,304	122,318	3.2%	14	0.0%
Security Charges	20.1%	1,183,210	20.1%	788,800	789,269	20.7%	469	0.1%
Solid Waste Charges	10.7%	631,830	10.7%	421,216	422,662	11.1%	1,446	0.3%
Other Income	2.0%	119,810	2.0%	78,664	68,176	1.8%	(10,488)	(13.3%)
Interest Earnings	0.0%	1,190	0.0%	865	1,416	0.0%	551	63.7%
Property Taxes	8.8%	519,960	8.8%	346,640	346,640	9.1%		0.0%
Total Revenues	100.0%	5,889,280	100.0%	3,921,129	3,816,455	100.0%	(104,674)	(2.7%)
OPERATING EXPENSES								
Water/Sewer/Drainage								
Wages	13.8%	810,420	13.7%	524,401	534,467	14.9%	10,066	1.9%
Employer Costs	7.0%	412,790	7.1%	272,699	261,059	7.3%	(11,640)	(4.3%)
Power	6.9%	406,913	6.6%	252,152	221,296	6.2%	(30,856)	(12.2%)
Chemicals	4.1%	240,200	3.7%	141,855	88,638	2.5%	(53,217)	(37.5%)
Maint & Repair	5.9%	345,470	5.4%	207,220	180,591	5.0%	(26,629)	(12.9%)
Meters/Boxes	0.9%	54,000	0.8%	31,750	20,807	0.6%	(10,943)	(34.5%)
Lab Tests	1.3%	74,250	1.1%	43,750	52,840	1.5%	9,090	20.8%
Permits	1.1%	65,600	1.4%	53,600	61,840	1.7%	8,240	15.4%
Training/Safety	0.3%	19,752	0.4%	13,495	6,635	0.2%	(6,860)	(50.8%)
Equipment Rental	0.9%	50,500	0.8%	30,200	43,700	1.2%	13,500	44.7%
Other	8.1%	474,144	8.1%	308,134	252,611	7.0%	(55,523)	(18.0%)
Subtotal Water/Sewer/Drainage	50.2%	2,954,039	49.3%	1,879,256	1,724,484	47.9%	(154,772)	(8.2%)
Security								
Wages	10.8%	637,600	10.9%	416,100	410,010	11.4%	(6,090)	(1.5%)
Employer Costs	6.1%	357,500	6.2%	237,750	228,421	6.3%	(9,329)	(3.9%)
Off Duty Sheriff Patrol	0.1%	6,000	0.1%	4,000	5,837	0.2%	1,837	45.9%
Other	1.6%	93,910	1.5%	55,889	62,654	1.7%	6,765	12.1%
Subtotal Security	18.6%	1,095,010	18.7%	713,739	706,922	19.6%	(6,817)	(1.0%)
Solid Waste								
CWRS Contract	9.3%	549,840	9.6%	366,560	368,790	10.2%	2,230	0.6%
Sacramento County Admin Fee	0.6%	34,920	0.6%	23,280	23,355	0.6%	75	0.3%
HHW Event	0.2%	12,000	0.0%			0.0%		0.0%
Subtotal Solid Waste	10.1%	596,760	10.2%	389,840	392,145	10.9%	2,305	0.6%
General / Admin								
Wages	9.4%	552,900	9.6%	364,300	268,855	7.5%	(95,445)	(26.2%)
Employer Costs	5.2%	305,000	5.3%	202,750	144,735	4.0%	(58,015)	(28.6%)
Insurance	1.3%	77,290	1.4%	51,523	54,434	1.5%	2,911	5.6%
Legal	0.5%	30,000	0.5%	20,000	50,772	1.4%	30,772	153.9%
Office Supplies	0.4%	22,800	0.4%	15,200	12,641	0.4%	(2,559)	(16.8%)
Director Meetings	0.3%	18,000	0.3%	12,000	10,600	0.3%	(1,400)	(11.7%)
Telephones	0.1%	4,800	0.1%	3,200	3,609	0.1%	409	12.8%
Information Systems	1.3%	79,400	1.5%	58,968	59,108	1.6%	140	0.2%
Community Communications	0.1%	5,900	0.1%	3,600	1,346	0.0%	(2,254)	(62.6%)
Postage	0.4%	22,202	0.4%	14,802	12,849	0.4%	(1,953)	(13.2%)
Janitorial/Landscape Maint	0.3%	17,820	0.3%	11,880	14,555	0.4%	2,675	22.5%
Other	1.8%	107,171	1.9%	73,541	141,039	3.9%	67,498	91.8%
Subtotal General / Admin	21.1%	1,243,283	21.8%	831,764	774,543	21.5%	(57,221)	(6.9%)
Total Operating Expenses	100.0%	5,889,092	100.0%	3,814,599	3,598,094	100.0%	(216,505)	(5.7%)
Operating Income (Loss)	100.0%	188	100.0%	106,530	218,361	100.0%	111,831	105.0%
Non-Operating Expenses								
Water Reserve Expenditure	0.0%		0.0%		12,384	61.2%	12,384	0.0%
Sewer Reserve Expenditure	0.0%		0.0%		5,513	27.2%	5,513	0.0%
Drainage Reserve Expenditure	0.0%		0.0%		2,352	11.6%	2,352	0.0%
Total Non-Operating Expenses	0.0%		0.0%		20,249	100.0%	20,249	0.0%
Net Income (Loss)	100.0%	188	100.0%	106,530	198,112	100.0%	91,582	86.0%

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

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE	
							Amount	%
WATER								
REVENUES								
Water Charges	98.5%	\$1,963,040	98.5%	\$1,305,048	\$1,207,686	98.0%	(\$97,362)	(7.5%)
Interest Earnings	0.0%	80	0.0%	60	821	0.1%	761	1,268.3%
Other Income	1.5%	29,460	1.5%	19,640	24,071	2.0%	4,431	22.6%
Total Water Revenues	100.0%	1,992,580	100.0%	1,324,748	1,232,578	100.0%	(92,170)	(7.0%)
EXPENSES (excluding depreciation)								
Wages	25.5%	437,630	25.6%	283,177	334,354	31.9%	51,177	18.1%
Employer Costs	13.0%	223,220	13.3%	147,417	162,409	15.5%	14,992	10.2%
Power	14.7%	252,702	13.9%	153,644	141,555	13.5%	(12,089)	(7.9%)
Chemicals	7.3%	124,500	7.1%	79,195	52,805	5.0%	(26,390)	(33.3%)
T&O - Chemicals/Treatment	3.0%	51,000	2.9%	31,900	14,411	1.4%	(17,489)	(54.8%)
Maint & Repair	9.4%	161,070	9.1%	101,220	95,425	9.1%	(5,795)	(5.7%)
Meters/Boxes	3.1%	54,000	2.9%	31,750	20,807	2.0%	(10,943)	(34.5%)
Lab Tests	2.1%	36,000	1.8%	20,000	6,637	0.6%	(13,363)	(66.8%)
Permits	1.9%	32,000	1.8%	20,000	20,823	2.0%	823	4.1%
Training/Safety	0.4%	7,500	0.4%	4,875	2,385	0.2%	(2,490)	(51.1%)
Equipment Rental	1.7%	30,000	1.4%	15,000	21,576	2.1%	6,576	43.8%
Other Direct Costs	17.9%	307,364	19.8%	219,688	176,436	16.8%	(43,252)	(19.7%)
Operational Expenses	100.0%	1,716,986	100.0%	1,107,866	1,049,623	100.0%	(58,243)	(5.3%)
Water Income (Loss)	16.1%	275,594	19.6%	216,882	182,955	17.4%	(33,927)	(15.6%)
38.9% Net Admin Alloc	16.0%	275,492	16.7%	185,260	164,151	15.6%	(21,109)	(11.4%)
Reserve Expenditures	0.0%		0.0%		12,384	1.2%	12,384	0.0%
Total Net Income (Loss)	0.0%	102	2.9%	31,622	6,420	0.6%	(25,202)	(79.7%)
SEWER								
REVENUES								
Sewer Charges	98.4%	1,286,784	98.4%	857,592	858,288	98.8%	696	0.1%
Interest Earnings	0.0%	140	0.0%	90	39	0.0%	(51)	(56.7%)
Other Income	1.5%	20,190	1.5%	13,456	9,995	1.2%	(3,461)	(25.7%)
Total Sewer Revenues	100.0%	1,307,114	100.0%	871,138	868,322	100.0%	(2,816)	(0.3%)
EXPENSES (excluding depreciation)								
Wages	28.8%	316,060	30.2%	204,516	150,928	26.2%	(53,588)	(26.2%)
Employer Costs	14.7%	160,720	15.7%	106,217	77,137	13.4%	(29,080)	(27.4%)
Power	12.9%	141,021	13.4%	90,737	75,719	13.2%	(15,018)	(16.6%)
Chemicals	6.4%	70,300	4.8%	32,660	31,830	5.5%	(830)	(2.5%)
Maint & Repair	15.7%	172,500	14.5%	98,000	79,019	13.7%	(18,981)	(19.4%)
Lab Tests	3.5%	38,250	3.5%	23,750	46,203	8.0%	22,453	94.5%
Permits	2.6%	28,600	4.2%	28,600	35,191	6.1%	6,591	23.0%
Training/Safety	1.1%	12,200	1.3%	8,620	4,250	0.7%	(4,370)	(50.7%)
Equipment Rental	1.5%	16,000	1.7%	11,200	13,050	2.3%	1,850	16.5%
Other Direct Costs	12.9%	141,040	10.9%	73,761	62,457	10.8%	(11,304)	(15.3%)
Operational Expenses	100.0%	1,096,691	100.0%	678,061	575,784	100.0%	(102,277)	(15.1%)
Sewer Income (Loss)	19.2%	210,423	28.5%	193,077	292,538	50.8%	99,461	51.5%
29.7% Net Admin Alloc	19.2%	210,336	20.9%	141,444	125,329	21.8%	(16,115)	(11.4%)
Reserve Expenditures	0.0%		0.0%		5,513	1.0%	5,513	0.0%
Total Net Income (Loss)	0.0%	87	7.6%	51,633	161,696	28.1%	110,063	213.2%
DRAINAGE								
REVENUES								
Drainage Charges	100.0%	183,456	100.0%	122,304	122,318	100.0%	14	0.0%
Interest Earnings	0.0%	50	0.0%	35	(12)	0.0%	(47)	(134.3%)
Total Drainage Revenues	100.0%	183,506	100.0%	122,339	122,306	100.0%	(33)	0.0%
EXPENSES (excluding depreciation)								
Wages	40.4%	56,730	39.3%	36,708	49,185	49.6%	12,477	34.0%
Employer Costs	20.6%	28,850	20.4%	19,065	21,513	21.7%	2,448	12.8%
Power	9.4%	13,190	8.3%	7,771	4,022	4.1%	(3,749)	(48.2%)
Chemicals	3.8%	5,400	3.9%	3,600	1,763	1.8%	(1,837)	(51.0%)
Maint & Repair	8.5%	11,900	8.6%	8,000	6,147	6.2%	(1,853)	(23.2%)
Permits	3.6%	5,000	5.4%	5,000	5,826	5.9%	826	16.5%
Equipment Rental	3.2%	4,500	4.3%	4,000	9,074	9.2%	5,074	126.9%
Other Direct Costs	10.5%	14,792	9.8%	9,185	1,547	1.6%	(7,638)	(83.2%)
Operational Expenses	100.0%	140,362	100.0%	93,329	99,077	100.0%	5,748	6.2%
Drainage Income (Loss)	30.7%	43,144	31.1%	29,010	23,229	23.4%	(5,781)	(19.9%)
6.1% Net Admin Alloc	30.8%	43,200	31.1%	29,051	25,741	26.0%	(3,310)	(11.4%)
Reserve Expenditures	0.0%		0.0%		2,352	2.4%	2,352	0.0%
Total Net Income (Loss)	0.0%	(56)	0.0%	(41)	(4,864)	-4.9%	(4,823)	11,763.4%
SECURITY								
REVENUES								
Security Charges	95.5%	1,183,210	95.5%	788,800	789,269	96.5%	469	0.1%
Interest Earnings	0.0%	400	0.0%	300	217	0.0%	(83)	(27.7%)

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

	% of Annual		% of YTD		YTD Actuals	% of Total	YTD VARIANCE	
	Total	Budget	Total	Budget			Amount	%
Other Income	4.5%	\$55,160	4.5%	\$36,768	\$28,384	3.5%	(\$8,384)	(22.8%)
Total Security Revenues	100.0%	1,238,770	100.0%	825,868	817,870	100.0%	(7,998)	(1.0%)
EXPENSES (excluding depreciation)								
Wages	58.2%	637,600	58.3%	416,100	410,010	58.0%	(6,090)	(1.5%)
Employer Costs	32.6%	357,500	33.3%	237,750	228,421	32.3%	(9,329)	(3.9%)
Equipment Repairs	0.4%	4,400	0.4%	2,936	1,435	0.2%	(1,501)	(51.1%)
Vehicle Maintenance	0.6%	6,700	0.6%	4,450	7,473	1.1%	3,023	67.9%
Vehicle Fuel	1.9%	20,550	1.9%	13,740	13,471	1.9%	(269)	(2.0%)
Off Duty Sheriff Patrol	0.5%	6,000	0.6%	4,000	5,837	0.8%	1,837	45.9%
Other	5.7%	62,260	4.9%	34,763	40,275	5.7%	5,512	15.9%
Operational Expenses	100.0%	1,095,010	100.0%	713,739	706,922	100.0%	(6,817)	(1.0%)
Security Income (Loss)	13.1%	143,760	15.7%	112,129	110,948	15.7%	(1,181)	(1.1%)
20.3% Net Admin Alloc	13.1%	143,765	13.5%	96,677	85,701	12.1%	(10,976)	(11.4%)
Total Net Income (Loss)	0.0%	(5)	2.2%	15,452	25,247	3.6%	9,795	63.4%
SOLID WASTE REVENUES								
Solid Waste Charges	99.9%	631,830	99.9%	421,216	422,662	100.0%	1,446	0.3%
Interest Earnings	0.1%	400	0.1%	300	197	0.0%	(103)	(34.3%)
Total Solid Waste Revenues	100.0%	632,230	100.0%	421,516	422,859	100.0%	1,343	0.3%
EXPENSES (excluding depreciation)								
CWRS Contract	92.1%	549,840	94.0%	366,560	368,790	94.0%	2,230	0.6%
Sacramento County Admin Fee	5.9%	34,920	6.0%	23,280	23,355	6.0%	75	0.3%
HHW Event	2.0%	12,000	0.0%			0.0%		0.0%
Operational Expenses	100.0%	596,760	100.0%	389,840	392,145	100.0%	2,305	0.6%
Solid Waste Income (Loss)	5.9%	35,470	8.1%	31,676	30,714	7.8%	(962)	(3.0%)
5.0% Net Admin Alloc	5.9%	35,410	6.1%	23,812	21,099	5.4%	(2,713)	(11.4%)
Total Net Income (Loss)	0.0%	60	2.0%	7,864	9,615	2.5%	1,751	22.3%
OVERALL NET INCOME(LOSS)	100.0%	188	100.0%	106,530	198,114	100.0%	91,584	86.0%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

INVESTMENT REPORT

CASH BALANCE AS OF February 28, 2015

INSTITUTION	YIELD	BALANCE
CSD FUNDS		
EL DORADO SAVINGS BANK		
SAVINGS	0.03%	\$ 459,400.31
CHECKING	0.02%	\$ 52,063.58
PAYROLL	0.02%	\$ 7,571.53
AMERICAN WEST BANK		
EFT	0.05%	\$ 5,413.77
LOCAL AGENCY INVESTMENT FUND (LAIF)		
UNRESTRICTED		\$ -
RESTRICTED RESERVES	0.23%	\$ 6,447,527.97
CALIFORNIA ASSET MGMT (CAMP)		
OPERATION ACCOUNT	0.06%	\$ 598,366.60
UNION BANK		
PARS GASB45 TRUST (balance as of 1/31/15)		\$ 826,420.24
TOTAL		\$ 8,396,764.00

BOND FUNDS

COMMUNITY FACILITIES DISTRICT NO. 1 (CFD)

BANK OF AMERICA		
CHECKING	N/A	\$ 24,555.49
CALIFORNIA ASSET MGMT (CAMP)		
SPECIAL TAX	0.05%	\$ 8,306.89
US BANK		
SPECIAL TAX REFUND	0.00%	\$ -
BOND RESERVE FUND/ SPECIAL TAX FUND	0.00%	\$ -

COMMUNITY FACILITIES DISTRICT NO. 2014-1 (CFD)

BANK OF AMERICA		
CHECKING	N/A	\$ 57,607.62
		\$ 90,470.00

TOTAL ALL FUNDS \$ 8,487,234.00

The investments comply with the CSD adopted investment policy.

PREPARED BY: Tracey Hays
Interim Controller

MEMORANDUM

Date: March 13, 2015
To: Board of Directors
From: Greg Remson, Security Chief
Subject: Security Report for the Month of February 2015

OPERATIONS

During the heavy rains on the weekend of February 7, 2015, Security Patrol Officers were knee deep in water assisting District and Rancho Murieta Association (RMA) workers in clearing clogged drains and ditches. Security Gate Officers answered numerous phone calls regarding flooding.

About 30 applications for the vacant Security Gate Officer position have been received. I hope to hold interviews soon.

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

INCIDENTS OF NOTE

February 5, Thursday, reported at 8:01 p.m. at the North Gate. DUI driver arrested by California Highway Patrol (CHP).

February 6, Friday, reported at 11:45 a.m. on De La Cruz. The front yard landscaping was vandalized.

February 7, Saturday, reported at 7:09 p.m. at the Country Club. A golf cart was taken without permission and later returned damaged. The driver said the cart was taken by accident. Options provided.

February 8, Sunday, reported at 4:09 p.m. near Granlees Beach. Report of a subject carrying a rifle. Subject was observed throwing an object into the bushes. The object was a bb rifle. Advised.

February 16, Monday, reported at 10:50 a.m. at the Murieta Village laundry room. The locked door knob was forced open, along with the washing machine coin box. A small amount of coin was taken. Sacramento Sheriff's Department (SSD) responded for a report.

February 17, Tuesday, reported at 8:38 a.m. at the Bass Lake pump house. The SMUD box and meter were knocked off the post. No damage to equipment.

February 22, Sunday, reported at 8:24 p.m. on Jackson Road just west of Murieta Parkway. Single vehicle collision into a fence. Driver was possibly had been drinking and fled the scene. CHP responded for a report.

February 26, Thursday, reported at 7:36 a.m. on Venado Drive. Burglary. Report that a travel bag was taken from inside an unlocked rear door. Nothing else found missing.

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

RANCHO MURIETA ASSOCIATION COMPLIANCE/GRIEVANCE/SAFETY COMMITTEE MEETING

The meeting was held on February 2, 2015 at the RMA office. There were two (2) hearings. One was regarding vandalism at the Gazebo and one regarding speeding and a single vehicle collision into a planter. The next meeting is scheduled for March 2, 2015.

NEW NORTH GATE

The barcode reader and intercom posts, along with the gate operators, have been installed at the lanes at the gate building. The electricians are still working on getting the County inspection passed. After this is done, SMUD will be requested to connect the building to the transformer, which will power the building. Once this has been completed, the barcode readers, gate operators and intercoms can be hooked up and tested. The sidewalks around the building and on Lago Drive were poured today.

MEMORANDUM

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

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

WATER

Water Plant #1 is offline and under rehabilitation. Water Treatment Plant #2 is set at 0.9 million gallons per day (MGD), at an average production flow of 0.79 MGD. Total potable water production for February 2015 was approximately 20.09 (MG) or 61.6 acre-feet (AF). This is approximately 274 gallons per day of production per connection, or 91 gallons per resident based on potable water usage.

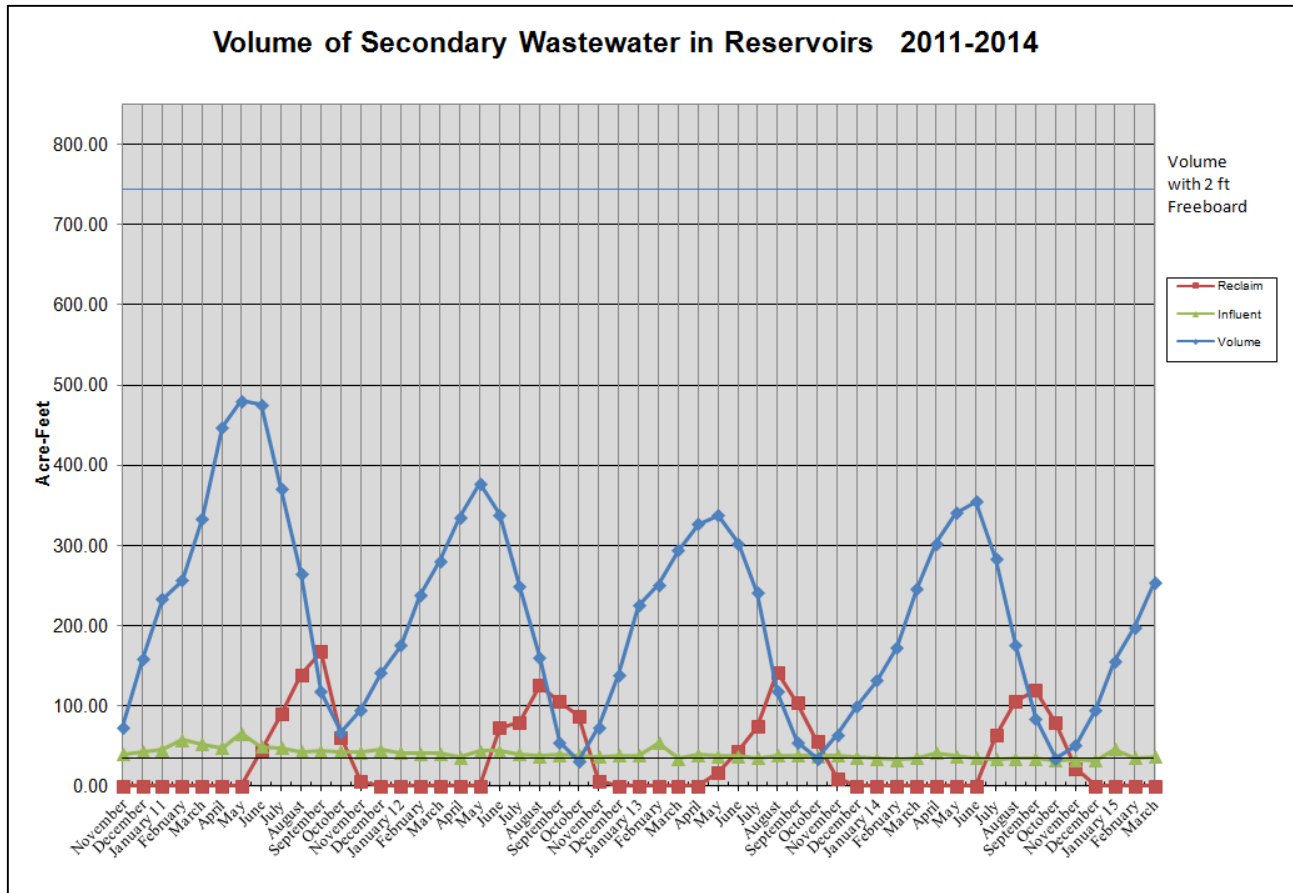
WATER SOURCE OF SUPPLY

On March 4, 2015, the combined raw water storage for Calero, Chesbro, and Clementia Reservoirs measured approximately 1493 MG (4,584 AF) of which 1330 MG (4,081 AF) is usable due to dead storage. For Calero and Chesbro Reservoirs alone, the storage measured 988.5 MG (3,033 AF), or 939.1 MG (2,580.8 AF) usable. For reference, an average year's production has been 580.1 MG (1,781 AF). The reservoirs are at 98.4 percent capacity as measured to the reservoir spillways.

We received 3.58" of rain in February. We have pumped 449.5 MG (1,379 AF) from the Cosumnes River to our storage reservoirs so far this season. We are currently utilizing one 500 hp pump and should be full in 19 days. Staff is utilizing one pump as it was estimated to allow us to fill up our reservoirs by the time the Cosumnes River tailed down below 70 cubic feet per second flow, the minimum it must be for us to draw water. Today the River flow is at 101 cfs.

WASTEWATER TREATMENT, COLLECTION AND RECLAMATION

Influent wastewater flow averaged 0.43 million gallons a day, for a total of 12.05 MG, (37 AF). This is approximately 169 gpd per sewer connection. Secondary wastewater storage measured 82.8 MG (254.1 AF) on March 4, 2015 of which 78 MG (239.2 acre-feet) is usable volume. No tertiary recycled water was delivered the Rancho Murieta Country Club (RMCC) in February as the tertiary recycling plant is off for the winter season. The graph below shows where our secondary storage is comparable to previous years, measured on the first Wednesday of each month.



Staff Collection system maintenance this past month included hydrojetting (cleaning) 7,450 feet and camera inspections (CCTVing) 2,220 feet of sewer collection system line.

DRAINAGE / CIA DITCH

Staff conducted pre-, during, and post stormwater inspections prior to the heavy rain we received in the beginning of February to ensure that there were no blockages or potential for debris to block culvert pipes to ensure drainage flow. Many residents and staff reported that that rain event was the heaviest they had ever seen here in Rancho Murieta in that short period of time. As the weather is warming up, staff has begun making repairs and cutting vegetation in the CIA ditch to make it operational for this upcoming irrigation season.

WATER METERING AND UTILITY STAFF WORK

Utility staff replaced two (2) fire-hydrants, twelve (12) ¾" water meters, one (1) 1" water meter, and one (1) MXU. Staff also repaired one (1) water service line and were called out for five (5) water issues that turned out to be homeowner issues. They also completed seventeen (17) underground service alerts (USAs), one (1) toilet rebate inspection and twenty-two (22) Utility Star service orders.

AUGMENTATION WELL

Again, no bids were received for our project even with our revised bid packet. The news that we are heading into a fourth (4th) year of drought, the federal water restriction announcement this past week, agriculture allowing drillers to work without specifications or bonding, and the booked schedules of well drillers, does not leave us in a good situation to receive interest in drilling a well here. Also, the June Schedule finish date and bonding requirements became a problem for drillers. Despite these aforementioned issues, we will put the project out to bid yet again and do what we can to attract interest in our project.

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

MEMORANDUM

Date: March 9, 2015
To: Board of Directors
From: Darlene J. Gillum, General Manager
Subject: Receive and File Draft Reserve Study Report

RECOMMENDED ACTION

No action - receive and file.

BACKGROUND

Attached is the Draft Reserve Study Report, by Association Reserves. They will attend the Regular Board of Directors Meeting on March 18, 2015 to present the final report and answer any questions the Board may have.

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San Francisco, CA 94104



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www.reservestudy.com

“Full” Reserve Study



RMCS D – Administrative Department Rancho Murieta, CA

Report #: 27003-0 ADMIN
For Period Beginning: July 1, 2015
Expires: June 30, 2016

Date Prepared: January 21, 2015



Hello, and welcome to your Reserve Study!

This Report is a valuable budget planning tool, for with it you control the future of your CSD's Administrative Department. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your CSD's Administration Department will face.

With respect to Reserves, this Report will tell you "where you are", and "where to go from here".

In this Report, you will find...

- 1) A List of What you're Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

877/618-1955



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3- Minute Executive Summary

Name: RMCSD – Admin **Assoc. #: 27003-0**
ADMIN
Location: Rancho Murieta, CA
of Units: 1
Report Period: July 1, 2015 through June 30, 2016

Results as-of 7/1/2015:

Projected Starting Reserve Balance:	\$38,382
Fully Funded Reserve Balance:	\$320,347
Average Reserve Deficit (Surplus) Per Unit:	\$281,965
Percent Funded:	12.0%
Recommended 2015/16 monthly Reserve Contribution:	\$5,500

Most Recent Reserve Contribution Rate:..... \$0

Economic Assumptions:

Net Annual “After Tax” Interest Earnings Accruing to Reserves..... 1.00%
Annual Inflation Rate..... 3.00%

- This is a “Full” Reserve Study (original, created “from scratch”).
- The information in this Reserve Study is based on our site inspection on August 4, 2014.
- This Reserve Study was prepared under the supervision of a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is at 12.0% Funded, this means the CSD’s Administrative Department deferred maintenance risk & need for a transfer of funds is currently high.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or “Fully Funded”.
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions.
- No assets appropriate for Reserve designation were excluded.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
202	Asphalt - Resurface	25	5	\$79,200	\$91,815
203	Asphalt - Seal/Repair	5	0	\$4,500	\$5,217
303	HVAC Condensers - Replace	25	5	\$24,750	\$28,692
323	Street/Pole Lights - Replace	40	17	\$11,000	\$18,181
509	Trellis - Replace	25	8	\$12,500	\$15,835
601	Carpet - Replace	15	5	\$19,750	\$22,896
909	Bathroom - Refurbish	25	5	\$7,000	\$8,115
913	Kitchen - Refurbish	25	5	\$9,000	\$10,433
918	Office Furniture - Replace 50%	10	4	\$39,000	\$43,895
940	Storage Cabinetry - Refurbish	22	8	\$11,000	\$13,934
1009	Landscaping & Irrigation- Replenish	6	2	\$12,500	\$13,261
1110	Interior Surfaces - Repaint	15	5	\$5,850	\$6,782
1115	Exteriors - Repaint/Repair	10	8	\$3,100	\$3,927
1305	Tile Roof - Replace Underlayment	30	9	\$55,000	\$71,763
1312	Gutters/Downspouts - Replace	30	5	\$4,000	\$4,637
1804	Internet/Wireless Systems - Replace	4	2	\$12,000	\$12,731
1812	Servers - Replace	5	0	\$20,000	\$23,185
1819	Fire Alarm System - Replace	15	10	\$9,500	\$12,767
1829	Video/Sound Systems - Replace 50%	6	5	\$12,250	\$14,201
2400	Stuffer Machine - Replace	8	4	\$21,000	\$23,636
2401	BizHub - Replace	5	0	\$31,100	\$36,053
2411	Admin Software - Replace	10	6	\$85,000	\$101,494
22	Total Funded Components				

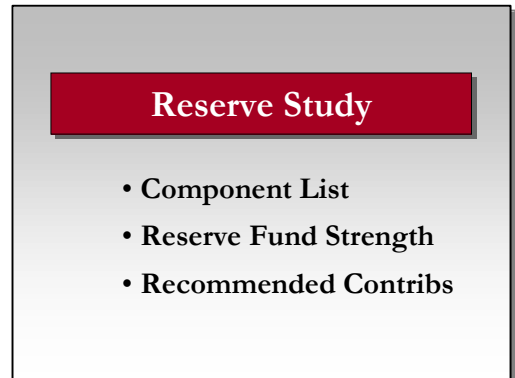
Note 1: **Yellow highlighted** line items are expected to require attention in initial year.

Note 2: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

Introduction

A Reserve Study is the art and science of anticipating, and preparing for, a CSD Administrative Department's major repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the Administrative Department is obligated to maintain. Based on that List and your starting balance we computed the Administrative Department's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.

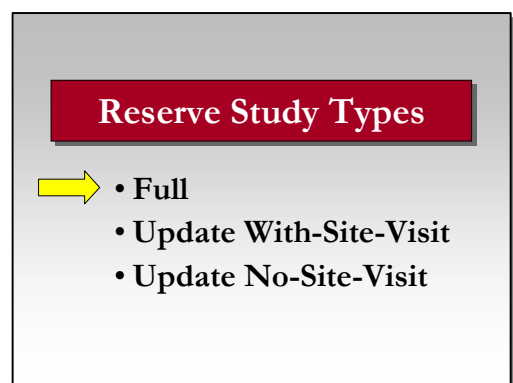


As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing deterioration.

Methodology

First we establish what the projected expenses are, then we determine the Administrative Department's financial status and create a Funding Plan. For this "Full" Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established CSD precedents.

We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List "from scratch".



Which Physical Assets are Covered by Reserves?

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be an Administrative Department maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a “surprise” which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include “lifetime” components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How are Useful Life and Remaining Useful Life established?

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client Component History
- 4) Vendor Evaluation and Recommendation

How are Cost Estimates Established?

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order...

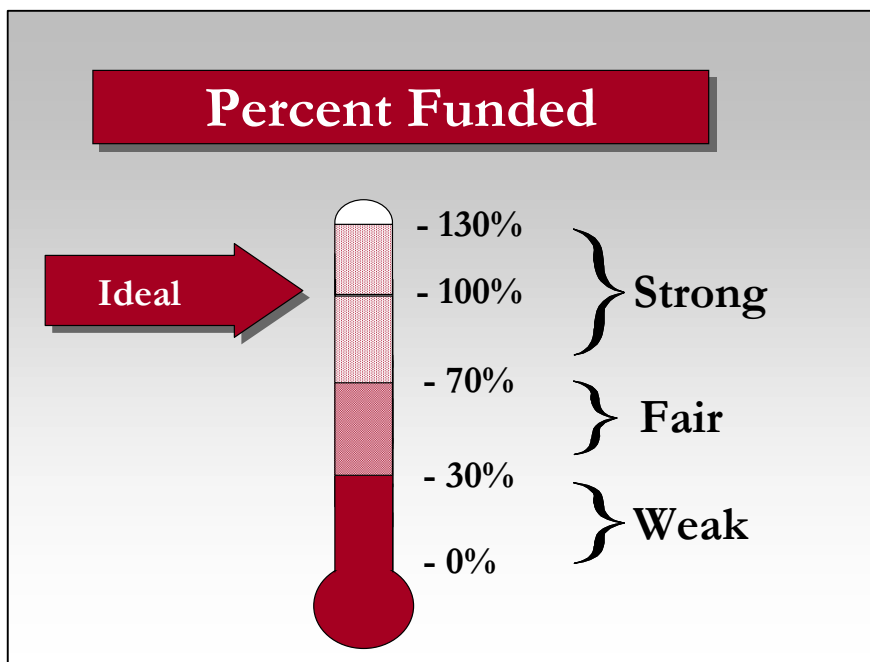
- 1) Client Cost History
- 2) Comparison to Association Reserves database of work done at similar CSDs
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

- 1) Calculate the Administrative Department's Fully Funded Balance (FFB).
- 2) Compare to the Administrative Department Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the Administrative Department increase, but shrinks when projects are accomplished and the Reserve needs of the Administrative Department decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



Deferred maintenance and the need for a transfer of funds are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered "strong" because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your Administrative Department is for upcoming Reserve expenses.

How much should we contribute?

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their “fair share” of the Administrative Department’s Reserve expenses (this means we recommend a transfer of funds only when all other options have been exhausted). We develop a plan that is fiscally responsible and “safe” for Board Members to recommend to their CSD.

Funding Principles

- Sufficient Cash
- Stable Contribution Rate
- Evenly Distributed
- Fiscally Responsible

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called “Full Funding” the Reserves (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, CSDs in the 100% range rarely experience deferred maintenance or the need for a transfer of funds to Reserves.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these CSDs, deterioration occurs without matching Reserve contributions. With a low Percent Funded, deferred maintenance or the need for a transfer of funds to Reserves is common.

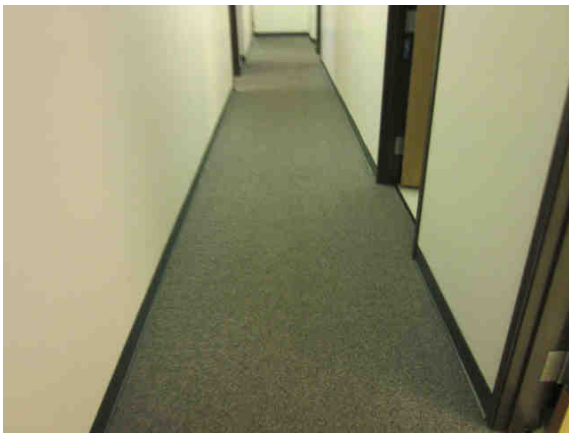
Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.

Funding Goals

- Full Funding
- Threshold Funding
- Baseline Funding

Site Inspection Notes

During our site visit on August 4, 2014, we started with a brief meeting with Paul Siebensohn (Director of Field Operations), and then started the site inspection beginning with the administrative building. We visually inspected all of the administrative areas.



Projected Expenses

The figure below shows the array of the projected future expenses at your CSD’s Administrative Department. All expenses are based on the average of our Best Case and Worst Case projections, inflated appropriately for future years.

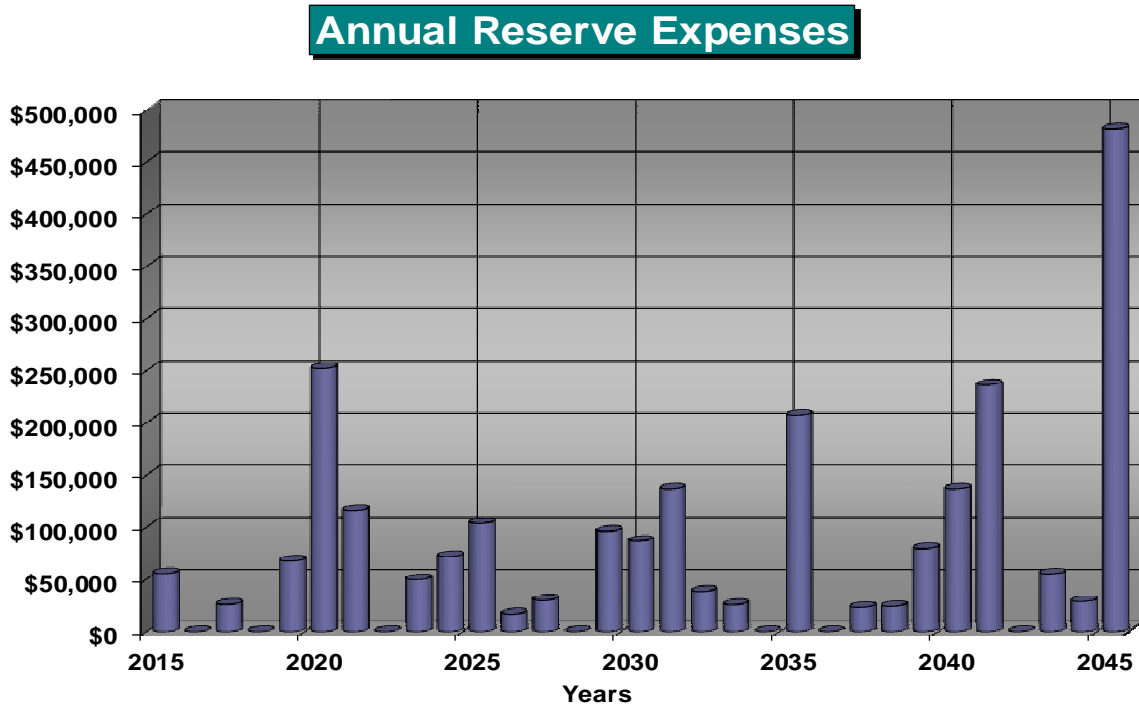


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years’ worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$38,382 as-of the start of your Fiscal Year on July 1, 2015. This is based on your actual balance on 9/30/2014 of \$38,382, no anticipated regular Reserve contributions, and no expenses projected through the end of your Fiscal Year. As of July 1, 2015, your Fully Funded Balance is computed to be \$320,347 (see Table 3). This figure represents the deteriorated value of your Administrative Department components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 12% Funded. As indicated earlier in the Executive Summary, this represents a weak status.

Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of \$5,500/month this 2015/2016 Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

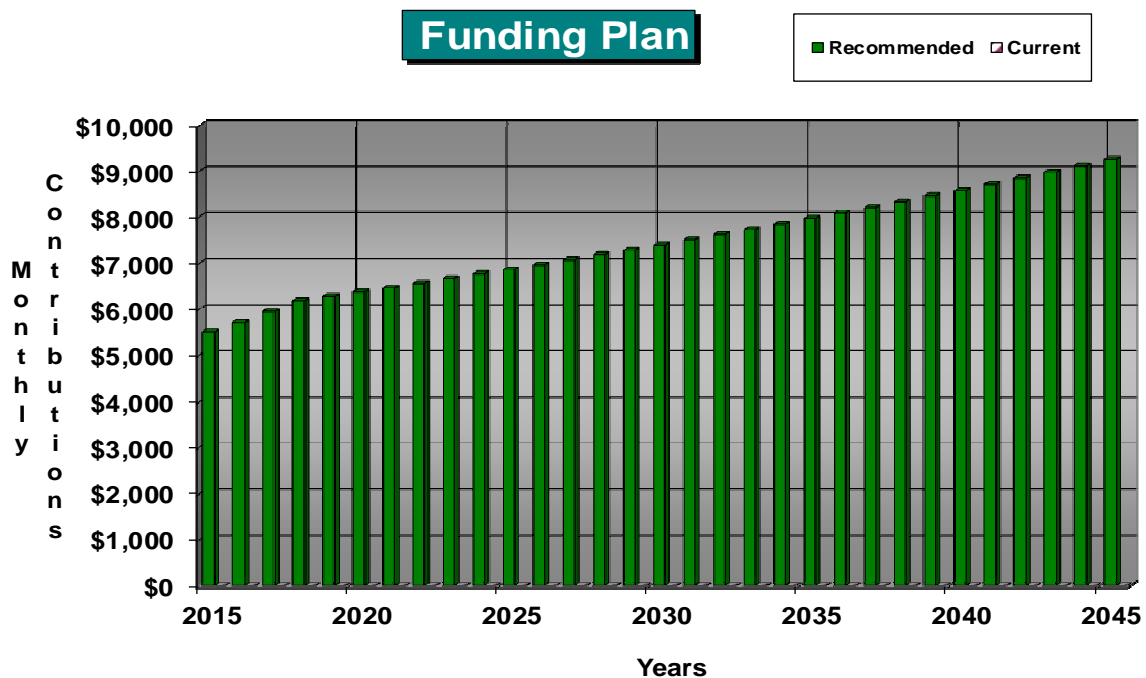


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

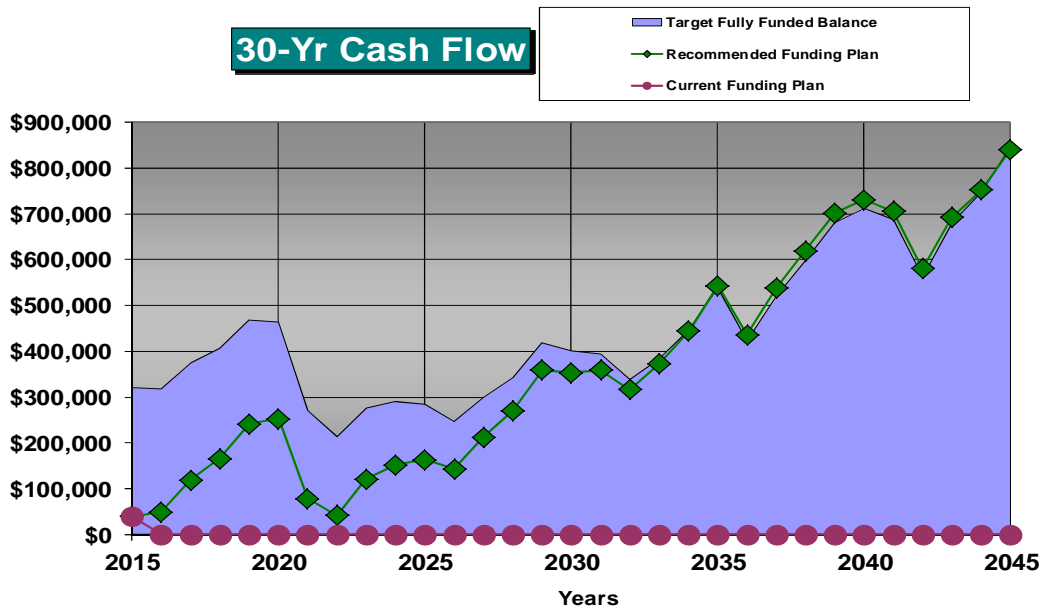


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

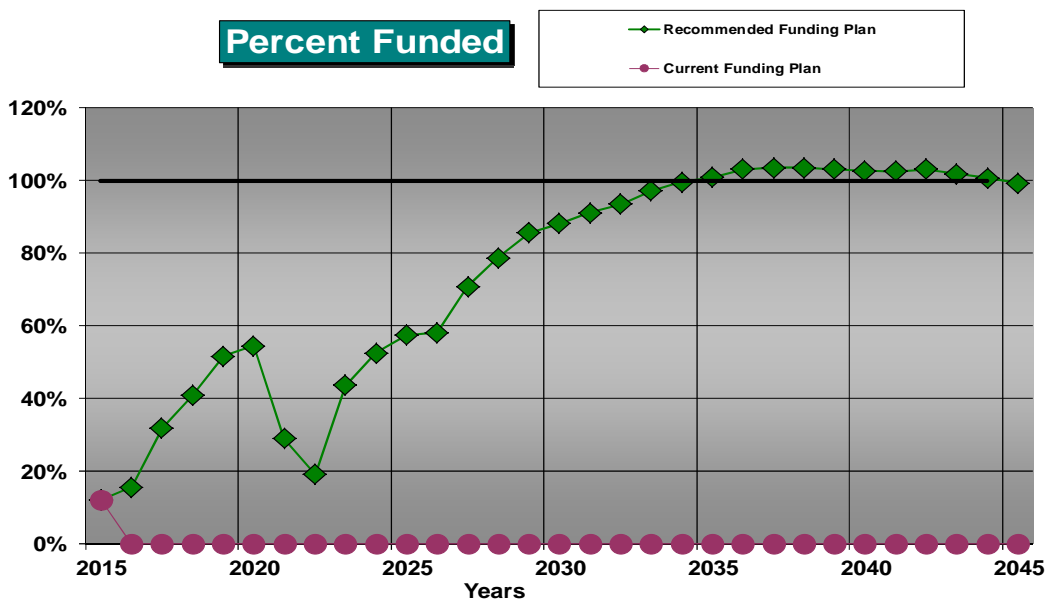


Figure 4

Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Administrative Department Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the Administrative Department as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the Administrative Department is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the Administrative Department's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the Administrative Department (current cost divided by useful life). This presentation is not meant to cause clients to redistribute Administrative Department funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the Administrative Department Reserve Fund, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail

**27003-0
ADMIN**

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
202	Asphalt - Resurface	Approx 16,000 GSF	25	5	\$72,000	\$86,400
203	Asphalt - Seal/Repair	Approx 16,000 GSF	5	0	\$4,000	\$5,000
303	HVAC Condensers - Replace	(5) York Units	25	5	\$22,500	\$27,000
323	Street/Pole Lights - Replace	(4) Fixtures, 2 Heads ea.	40	17	\$10,000	\$12,000
509	Trellis - Replace	Approx 400 GSF	25	8	\$10,000	\$15,000
601	Carpet - Replace	Approx 270 GSY	15	5	\$17,600	\$21,900
909	Bathroom - Refurbish	(2) Bathrooms, 200 GSF	25	5	\$6,000	\$8,000
913	Kitchen - Refurbish	(4) Appliances	25	5	\$8,000	\$10,000
918	Office Furniture - Replace 50%	(29) Tables, (79) Chairs	10	4	\$35,000	\$43,000
940	Storage Cabinetry - Refurbish	Various Storage Cabinets	22	8	\$10,000	\$12,000
1009	Landscaping & Irrigation- Replenish	Approx 1.9 Acres	6	2	\$10,000	\$15,000
1110	Interior Surfaces - Repaint	Approx 4,750 GSF	15	5	\$5,300	\$6,400
1115	Exteriors - Repaint/Repair	Approx 2,000 GSF	10	8	\$2,800	\$3,400
1305	Tile Roof - Replace Underlayment	Approx 6,000 GSF	30	9	\$50,000	\$60,000
1312	Gutters/Downspouts - Replace	Approx 260 LF	30	5	\$3,500	\$4,500
1804	Internet/Wireless Systems - Replace	Various Systems and Wires	4	2	\$11,000	\$13,000
1812	Servers - Replace	(2) Servers	5	0	\$18,000	\$22,000
1819	Fire Alarm System - Replace	(1) Fire Alarm System	15	10	\$8,500	\$10,500
1829	Video/Sound Systems - Replace 50%	Video/Audio Systems	6	5	\$11,000	\$13,500
2400	Stuffer Machine - Replace	(1) Pitney Bowes Machine	8	4	\$19,000	\$23,000
2401	BizHub - Replace	(1) BizHub Machine	5	0	\$28,300	\$33,900
2411	Admin Software - Replace	Admin Software	10	6	\$75,000	\$95,000
22	Total Funded Components					

Table 3: Contribution and Fund Breakdown**27003-0
ADMIN**

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
202	Asphalt - Resurface	25	5	\$79,200	\$63,360	\$0.00	\$396.36
203	Asphalt - Seal/Repair	5	0	\$4,500	\$4,500	\$4,500.00	\$112.60
303	HVAC Condensers - Replace	25	5	\$24,750	\$19,800	\$0.00	\$123.86
323	Street/Pole Lights - Replace	40	17	\$11,000	\$6,325	\$0.00	\$34.41
509	Trellis - Replace	25	8	\$12,500	\$8,500	\$0.00	\$62.56
601	Carpet - Replace	15	5	\$19,750	\$13,167	\$0.00	\$164.73
909	Bathroom - Refurbish	25	5	\$7,000	\$5,600	\$0.00	\$35.03
913	Kitchen - Refurbish	25	5	\$9,000	\$7,200	\$0.00	\$45.04
918	Office Furniture - Replace 50%	10	4	\$39,000	\$23,400	\$0.00	\$487.95
940	Storage Cabinetry - Refurbish	22	8	\$11,000	\$7,000	\$0.00	\$62.56
1009	Landscaping & Irrigation- Replenish	6	2	\$12,500	\$8,333	\$0.00	\$260.66
1110	Interior Surfaces - Repaint	15	5	\$5,850	\$3,900	\$0.00	\$48.79
1115	Exteriors - Repaint/Repair	10	8	\$3,100	\$620	\$0.00	\$38.79
1305	Tile Roof - Replace Underlayment	30	9	\$55,000	\$38,500	\$0.00	\$229.38
1312	Gutters/Downspouts - Replace	30	5	\$4,000	\$3,333	\$0.00	\$16.68
1804	Internet/Wireless Systems - Replace	4	2	\$12,000	\$6,000	\$0.00	\$375.34
1812	Servers - Replace	5	0	\$20,000	\$20,000	\$20,000.00	\$500.46
1819	Fire Alarm System - Replace	15	10	\$9,500	\$3,167	\$0.00	\$79.24
1829	Video/Sound Systems - Replace 50%	6	5	\$12,250	\$2,042	\$0.00	\$255.44
2400	Stuffer Machine - Replace	8	4	\$21,000	\$10,500	\$0.00	\$328.43
2401	BizHub - Replace	5	0	\$31,100	\$31,100	\$13,882.00	\$778.21
2411	Admin Software - Replace	10	6	\$85,000	\$34,000	\$0.00	\$1,063.47
22	Total Funded Components				\$320,347	\$38,382	\$5,500

Table 4: 30-Year Reserve Plan Summary Recommended by Association Reserves

**27003-0
ADMIN**

Fiscal Year Beginning: 07/01/15

Interest: 1.00%	Inflation: 3.0%
------------------------	------------------------

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase In Annual Reserve Contribs.	Annual Reserve Contribs.	Loans or Transfer Amnts	Interest Income	Projected Reserve Expenses
2015	\$38,382	\$320,347	12.0%	Weak		\$66,000	\$0	\$438	\$55,600
2016	\$49,220	\$317,968	15.5%	Weak	4.00%	\$68,640	\$0	\$839	\$0
2017	\$118,699	\$374,143	31.7%	Fair	4.00%	\$71,386	\$0	\$1,420	\$25,992
2018	\$165,513	\$406,632	40.7%	Fair	4.00%	\$74,241	\$0	\$2,036	\$0
2019	\$241,790	\$468,308	51.6%	Fair	1.50%	\$75,355	\$0	\$2,468	\$67,531
2020	\$252,082	\$463,762	54.4%	Fair	1.50%	\$76,485	\$0	\$1,651	\$252,026
2021	\$78,192	\$270,578	28.9%	Weak	1.50%	\$77,632	\$0	\$594	\$115,823
2022	\$40,594	\$213,462	19.0%	Weak	1.50%	\$78,797	\$0	\$804	\$0
2023	\$120,195	\$275,553	43.6%	Fair	1.50%	\$79,979	\$0	\$1,360	\$49,531
2024	\$152,003	\$290,160	52.4%	Fair	1.50%	\$81,178	\$0	\$1,574	\$71,763
2025	\$162,993	\$284,028	57.4%	Fair	1.50%	\$82,396	\$0	\$1,531	\$103,616
2026	\$143,304	\$246,675	58.1%	Fair	1.50%	\$83,632	\$0	\$1,775	\$16,957
2027	\$211,754	\$299,285	70.8%	Strong	1.50%	\$84,886	\$0	\$2,403	\$29,941
2028	\$269,103	\$341,981	78.7%	Strong	1.50%	\$86,160	\$0	\$3,136	\$0
2029	\$358,398	\$418,733	85.6%	Strong	1.50%	\$87,452	\$0	\$3,557	\$96,049
2030	\$353,358	\$400,852	88.2%	Strong	1.50%	\$88,764	\$0	\$3,561	\$86,623
2031	\$359,060	\$394,198	91.1%	Strong	1.50%	\$90,095	\$0	\$3,375	\$136,400
2032	\$316,130	\$338,191	93.5%	Strong	1.50%	\$91,447	\$0	\$3,442	\$38,429
2033	\$372,590	\$383,593	97.1%	Strong	1.50%	\$92,819	\$0	\$4,080	\$25,707
2034	\$443,782	\$445,707	99.6%	Strong	1.50%	\$94,211	\$0	\$4,931	\$0
2035	\$542,924	\$538,474	100.8%	Strong	1.50%	\$95,624	\$0	\$4,894	\$207,161
2036	\$436,281	\$423,030	103.1%	Strong	1.50%	\$97,058	\$0	\$4,870	\$0
2037	\$538,210	\$519,953	103.5%	Strong	1.50%	\$98,514	\$0	\$5,786	\$22,993
2038	\$619,517	\$598,626	103.5%	Strong	1.50%	\$99,992	\$0	\$6,604	\$24,176
2039	\$701,937	\$681,044	103.1%	Strong	1.50%	\$101,492	\$0	\$7,163	\$79,279
2040	\$731,313	\$711,860	102.7%	Strong	1.50%	\$103,014	\$0	\$7,180	\$136,305
2041	\$705,202	\$687,625	102.6%	Strong	1.50%	\$104,559	\$0	\$6,423	\$236,147
2042	\$580,038	\$562,670	103.1%	Strong	1.50%	\$106,128	\$0	\$6,360	\$0
2043	\$692,525	\$680,126	101.8%	Strong	1.50%	\$107,720	\$0	\$7,221	\$55,139
2044	\$752,327	\$747,331	100.7%	Strong	1.50%	\$109,335	\$0	\$7,962	\$28,868

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)

**27003-0
ADMIN**

Fiscal Year	2015	2016	2017	2018	2019
Starting Reserve Balance	\$38,382	\$49,220	\$118,699	\$165,513	\$241,790
Annual Reserve Contribution	\$66,000	\$68,640	\$71,386	\$74,241	\$75,355
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$438	\$839	\$1,420	\$2,036	\$2,468
Total Income	\$104,820	\$118,699	\$191,505	\$241,790	\$319,613
# Component					
202 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
203 Asphalt - Seal/Repair	\$4,500	\$0	\$0	\$0	\$0
303 HVAC Condensers - Replace	\$0	\$0	\$0	\$0	\$0
323 Street/Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
509 Trellis - Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet - Replace	\$0	\$0	\$0	\$0	\$0
909 Bathroom - Refurbish	\$0	\$0	\$0	\$0	\$0
913 Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
918 Office Furniture - Replace 50%	\$0	\$0	\$0	\$0	\$43,895
940 Storage Cabinetry - Refurbish	\$0	\$0	\$0	\$0	\$0
1009 Landscaping & Irrigation- Replenish	\$0	\$0	\$13,261	\$0	\$0
1110 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1115 Exteriors - Repaint/Repair	\$0	\$0	\$0	\$0	\$0
1305 Tile Roof - Replace Underlayment	\$0	\$0	\$0	\$0	\$0
1312 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1804 Internet/Wireless Systems - Replace	\$0	\$0	\$12,731	\$0	\$0
1812 Servers - Replace	\$20,000	\$0	\$0	\$0	\$0
1819 Fire Alarm System - Replace	\$0	\$0	\$0	\$0	\$0
1829 Video/Sound Systems - Replace 50%	\$0	\$0	\$0	\$0	\$0
2400 Stuffer Machine - Replace	\$0	\$0	\$0	\$0	\$23,636
2401 BizHub - Replace	\$31,100	\$0	\$0	\$0	\$0
2411 Admin Software - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$55,600	\$0	\$25,992	\$0	\$67,531
Ending Reserve Balance:	\$49,220	\$118,699	\$165,513	\$241,790	\$252,082

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)

**27003-0
ADMIN**

Fiscal Year	2020	2021	2022	2023	2024
Starting Reserve Balance	\$252,082	\$78,192	\$40,594	\$120,195	\$152,003
Annual Reserve Contribution	\$76,485	\$77,632	\$78,797	\$79,979	\$81,178
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,651	\$594	\$804	\$1,360	\$1,574
Total Income	\$330,218	\$156,418	\$120,195	\$201,534	\$234,756
# Component					
202 Asphalt - Resurface	\$91,815	\$0	\$0	\$0	\$0
203 Asphalt - Seal/Repair	\$5,217	\$0	\$0	\$0	\$0
303 HVAC Condensers - Replace	\$28,692	\$0	\$0	\$0	\$0
323 Street/Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
509 Trellis - Replace	\$0	\$0	\$0	\$15,835	\$0
601 Carpet - Replace	\$22,896	\$0	\$0	\$0	\$0
909 Bathroom - Refurbish	\$8,115	\$0	\$0	\$0	\$0
913 Kitchen - Refurbish	\$10,433	\$0	\$0	\$0	\$0
918 Office Furniture - Replace 50%	\$0	\$0	\$0	\$0	\$0
940 Storage Cabinetry - Refurbish	\$0	\$0	\$0	\$13,934	\$0
1009 Landscaping & Irrigation- Replenish	\$0	\$0	\$0	\$15,835	\$0
1110 Interior Surfaces - Repaint	\$6,782	\$0	\$0	\$0	\$0
1115 Exteriors - Repaint/Repair	\$0	\$0	\$0	\$3,927	\$0
1305 Tile Roof - Replace Underlayment	\$0	\$0	\$0	\$0	\$71,763
1312 Gutters/Downspouts - Replace	\$4,637	\$0	\$0	\$0	\$0
1804 Internet/Wireless Systems - Replace	\$0	\$14,329	\$0	\$0	\$0
1812 Servers - Replace	\$23,185	\$0	\$0	\$0	\$0
1819 Fire Alarm System - Replace	\$0	\$0	\$0	\$0	\$0
1829 Video/Sound Systems - Replace 50%	\$14,201	\$0	\$0	\$0	\$0
2400 Stuffer Machine - Replace	\$0	\$0	\$0	\$0	\$0
2401 BizHub - Replace	\$36,053	\$0	\$0	\$0	\$0
2411 Admin Software - Replace	\$0	\$101,494	\$0	\$0	\$0
Total Expenses	\$252,026	\$115,823	\$0	\$49,531	\$71,763
Ending Reserve Balance:	\$78,192	\$40,594	\$120,195	\$152,003	\$162,993

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)

**27003-0
ADMIN**

Fiscal Year	2025	2026	2027	2028	2029
Starting Reserve Balance	\$162,993	\$143,304	\$211,754	\$269,103	\$358,398
Annual Reserve Contribution	\$82,396	\$83,632	\$84,886	\$86,160	\$87,452
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,531	\$1,775	\$2,403	\$3,136	\$3,557
Total Income	\$246,920	\$228,711	\$299,044	\$358,398	\$449,408
# Component					
202 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
203 Asphalt - Seal/Repair	\$6,048	\$0	\$0	\$0	\$0
303 HVAC Condensers - Replace	\$0	\$0	\$0	\$0	\$0
323 Street/Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
509 Trellis - Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet - Replace	\$0	\$0	\$0	\$0	\$0
909 Bathroom - Refurbish	\$0	\$0	\$0	\$0	\$0
913 Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
918 Office Furniture - Replace 50%	\$0	\$0	\$0	\$0	\$58,991
940 Storage Cabinetry - Refurbish	\$0	\$0	\$0	\$0	\$0
1009 Landscaping & Irrigation- Replenish	\$0	\$0	\$0	\$0	\$18,907
1110 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1115 Exteriors - Repaint/Repair	\$0	\$0	\$0	\$0	\$0
1305 Tile Roof - Replace Underlayment	\$0	\$0	\$0	\$0	\$0
1312 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1804 Internet/Wireless Systems - Replace	\$16,127	\$0	\$0	\$0	\$18,151
1812 Servers - Replace	\$26,878	\$0	\$0	\$0	\$0
1819 Fire Alarm System - Replace	\$12,767	\$0	\$0	\$0	\$0
1829 Video/Sound Systems - Replace 50%	\$0	\$16,957	\$0	\$0	\$0
2400 Stuffer Machine - Replace	\$0	\$0	\$29,941	\$0	\$0
2401 BizHub - Replace	\$41,796	\$0	\$0	\$0	\$0
2411 Admin Software - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$103,616	\$16,957	\$29,941	\$0	\$96,049
Ending Reserve Balance:	\$143,304	\$211,754	\$269,103	\$358,398	\$353,358

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)

**27003-0
ADMIN**

Fiscal Year	2030	2031	2032	2033	2034
Starting Reserve Balance	\$353,358	\$359,060	\$316,130	\$372,590	\$443,782
Annual Reserve Contribution	\$88,764	\$90,095	\$91,447	\$92,819	\$94,211
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,561	\$3,375	\$3,442	\$4,080	\$4,931
Total Income	\$445,683	\$452,530	\$411,019	\$469,489	\$542,924
# Component					
202 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
203 Asphalt - Seal/Repair	\$7,011	\$0	\$0	\$0	\$0
303 HVAC Condensers - Replace	\$0	\$0	\$0	\$0	\$0
323 Street/Pole Lights - Replace	\$0	\$0	\$18,181	\$0	\$0
509 Trellis - Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet - Replace	\$0	\$0	\$0	\$0	\$0
909 Bathroom - Refurbish	\$0	\$0	\$0	\$0	\$0
913 Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
918 Office Furniture - Replace 50%	\$0	\$0	\$0	\$0	\$0
940 Storage Cabinetry - Refurbish	\$0	\$0	\$0	\$0	\$0
1009 Landscaping & Irrigation- Replenish	\$0	\$0	\$0	\$0	\$0
1110 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1115 Exteriors - Repaint/Repair	\$0	\$0	\$0	\$5,278	\$0
1305 Tile Roof - Replace Underlayment	\$0	\$0	\$0	\$0	\$0
1312 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1804 Internet/Wireless Systems - Replace	\$0	\$0	\$0	\$20,429	\$0
1812 Servers - Replace	\$31,159	\$0	\$0	\$0	\$0
1819 Fire Alarm System - Replace	\$0	\$0	\$0	\$0	\$0
1829 Video/Sound Systems - Replace 50%	\$0	\$0	\$20,247	\$0	\$0
2400 Stuffer Machine - Replace	\$0	\$0	\$0	\$0	\$0
2401 BizHub - Replace	\$48,453	\$0	\$0	\$0	\$0
2411 Admin Software - Replace	\$0	\$136,400	\$0	\$0	\$0
Total Expenses	\$86,623	\$136,400	\$38,429	\$25,707	\$0
Ending Reserve Balance:	\$359,060	\$316,130	\$372,590	\$443,782	\$542,924

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)

**27003-0
ADMIN**

Fiscal Year	2035	2036	2037	2038	2039
Starting Reserve Balance	\$542,924	\$436,281	\$538,210	\$619,517	\$701,937
Annual Reserve Contribution	\$95,624	\$97,058	\$98,514	\$99,992	\$101,492
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,894	\$4,870	\$5,786	\$6,604	\$7,163
Total Income	\$643,442	\$538,210	\$642,510	\$726,113	\$810,592
# Component					
202 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
203 Asphalt - Seal/Repair	\$8,128	\$0	\$0	\$0	\$0
303 HVAC Condensers - Replace	\$0	\$0	\$0	\$0	\$0
323 Street/Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
509 Trellis - Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet - Replace	\$35,671	\$0	\$0	\$0	\$0
909 Bathroom - Refurbish	\$0	\$0	\$0	\$0	\$0
913 Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
918 Office Furniture - Replace 50%	\$0	\$0	\$0	\$0	\$79,279
940 Storage Cabinetry - Refurbish	\$0	\$0	\$0	\$0	\$0
1009 Landscaping & Irrigation- Replenish	\$22,576	\$0	\$0	\$0	\$0
1110 Interior Surfaces - Repaint	\$10,566	\$0	\$0	\$0	\$0
1115 Exteriors - Repaint/Repair	\$0	\$0	\$0	\$0	\$0
1305 Tile Roof - Replace Underlayment	\$0	\$0	\$0	\$0	\$0
1312 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1804 Internet/Wireless Systems - Replace	\$0	\$0	\$22,993	\$0	\$0
1812 Servers - Replace	\$36,122	\$0	\$0	\$0	\$0
1819 Fire Alarm System - Replace	\$0	\$0	\$0	\$0	\$0
1829 Video/Sound Systems - Replace 50%	\$0	\$0	\$0	\$24,176	\$0
2400 Stuffer Machine - Replace	\$37,928	\$0	\$0	\$0	\$0
2401 BizHub - Replace	\$56,170	\$0	\$0	\$0	\$0
2411 Admin Software - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$207,161	\$0	\$22,993	\$24,176	\$79,279
Ending Reserve Balance:	\$436,281	\$538,210	\$619,517	\$701,937	\$731,313

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)

**27003-0
ADMIN**

Fiscal Year	2040	2041	2042	2043	2044
Starting Reserve Balance	\$731,313	\$705,202	\$580,038	\$692,525	\$752,327
Annual Reserve Contribution	\$103,014	\$104,559	\$106,128	\$107,720	\$109,335
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$7,180	\$6,423	\$6,360	\$7,221	\$7,962
Total Income	\$841,506	\$816,184	\$692,525	\$807,466	\$869,625
# Component					
202 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
203 Asphalt - Seal/Repair	\$9,422	\$0	\$0	\$0	\$0
303 HVAC Condensers - Replace	\$0	\$0	\$0	\$0	\$0
323 Street/Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
509 Trellis - Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet - Replace	\$0	\$0	\$0	\$0	\$0
909 Bathroom - Refurbish	\$0	\$0	\$0	\$0	\$0
913 Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
918 Office Furniture - Replace 50%	\$0	\$0	\$0	\$0	\$0
940 Storage Cabinetry - Refurbish	\$0	\$0	\$0	\$0	\$0
1009 Landscaping & Irrigation- Replenish	\$0	\$26,957	\$0	\$0	\$0
1110 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1115 Exteriors - Repaint/Repair	\$0	\$0	\$0	\$7,093	\$0
1305 Tile Roof - Replace Underlayment	\$0	\$0	\$0	\$0	\$0
1312 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1804 Internet/Wireless Systems - Replace	\$0	\$25,879	\$0	\$0	\$0
1812 Servers - Replace	\$41,876	\$0	\$0	\$0	\$0
1819 Fire Alarm System - Replace	\$19,891	\$0	\$0	\$0	\$0
1829 Video/Sound Systems - Replace 50%	\$0	\$0	\$0	\$0	\$28,868
2400 Stuffer Machine - Replace	\$0	\$0	\$0	\$48,046	\$0
2401 BizHub - Replace	\$65,116	\$0	\$0	\$0	\$0
2411 Admin Software - Replace	\$0	\$183,310	\$0	\$0	\$0
Total Expenses	\$136,305	\$236,147	\$0	\$55,139	\$28,868
Ending Reserve Balance:	\$705,202	\$580,038	\$692,525	\$752,327	\$840,757

Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the Administrative Department change each year, this Reserve Study is by nature a “one-year” document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Administrative Department Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, and physical factors. Because many years of financial preparation help prepare for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves – SF, LLC, and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Derek Eckert, R.S., company president, is a credentialed Reserve Specialist (#114). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the CSD’s situation.

We have relied upon the client to provide the current (or projected) Administrative Department Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Administrative Department Reserve Fund. In addition, we have considered the CSD’s representation of current and historical Administrative Department Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were derived from the prior Reserve Study, unless otherwise noted in our “Site Inspection Notes”. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budgeting purposes.

Association Reserves’ liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

Where any uncertainties exist, we urge the CSD to obtain a legal review and written opinion of the legitimacy of the funding policies, as stipulated or permitted under your Declaration and local statutes. As these are legal questions, we highly recommend use of an experienced attorney specializing in CSD law.

Re-use of reserve study, figures or calculations in any other format absolves ARSF of all responsibility.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area)
GSY	Gross Square Yards (area)
HP	Horsepower
LF	Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The Reserve Balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for a Administrative Department total.

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age}) / \text{Useful Life}$$

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

Percent Funded: The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life: The estimated time, in years, that a component can be expected to continue to serve its intended function.

Useful Life: The estimated time, in years, that a component can be expected to serve its intended function.

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Reserve Studies for Community Associations

“Full” Reserve Study



RMCS D – Drainage Department Rancho Murieta, CA

Report #: 27003-0 DRAINAGE
For Period Beginning: July 1, 2015
Expires: June 30, 2016
Date Prepared: January 23, 2015



Hello, and welcome to your Reserve Study!

This Report is a valuable budget planning tool, for with it you control the future of your CSD. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your CSD's Drainage Department will face.

With respect to Reserves, this Report will tell you "where you are", and "where to go from here".

In this Report, you will find...

- 1) A List of What you're Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

877/618-1955



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3- Minute Executive Summary

Name: RMCS D – Drainage Department **Assoc. #: 27003-0**
DRAINAGE
Location: Rancho Murieta, CA
of Units: 1
Report Period: July 1, 2015 through June 30, 2016

Results as-of 7/1/2015:

Projected Starting Reserve Balance:	\$55,805
Fully Funded Reserve Balance:	\$1,038,458
Average Reserve Deficit (Surplus) Per Unit:	\$982,653
Percent Funded:	5.4%
Recommended 2015/16 monthly Reserve Contribution:	\$10,000

Most Recent Reserve Contribution Rate:..... \$0

Economic Assumptions:

Net Annual “After Tax” Interest Earnings Accruing to Reserves..... 1.00%
Annual Inflation Rate..... 3.00%

- This is a “Full” Reserve Study (original, created “from scratch”).
- The information in this Reserve Study is based on our site inspection on August 4, 2014.
- This Reserve Study was prepared under the supervision of a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is at 5.4% Funded, this means the CSD’s Drainage Department deferred maintenance risk & need for a transfer of funds is currently high.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or “Fully Funded”.
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions.
- No assets appropriate for Reserve designation were excluded.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
312	Storm water Outfall Struct. Repair	30	7	\$815,750	\$1,003,270
501	Levees - Repair	100	62	\$400,000	\$2,500,161
1005	Drain Valve - Replace	20	12	\$55,000	\$78,417
1005	Equipment - Replace	10	5	\$16,500	\$19,128
1009	Drainage Culverts - Repair/Replace	5	1	\$93,500	\$96,305
1011	Main Lift South - Repair/Replace	20	10	\$125,000	\$167,990
1014	FAA Storm Water - Repair/Replace	20	10	\$30,000	\$40,317
1904	Basin 5 - Repair	25	15	\$190,000	\$296,014
2113	CIA Ditch - Maintain	15	10	\$7,500	\$10,079
9	Total Funded Components				

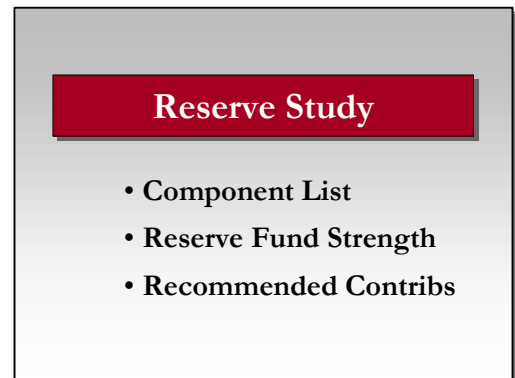
Note 1: Yellow highlighted line items are expected to require attention in initial year.

Note 2: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

Introduction

A Reserve Study is the art and science of anticipating, and preparing for, a CSD's major repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the Drainage Department is obligated to maintain. Based on that List and your starting balance we computed the Drainage Department's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.

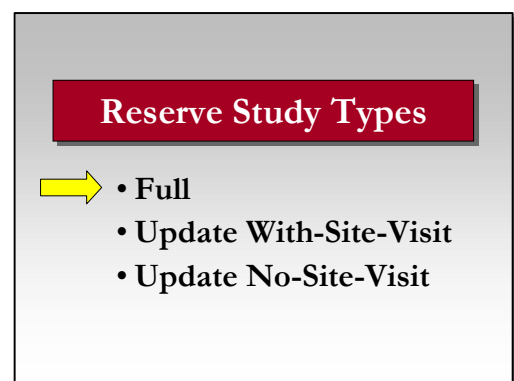


As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing deterioration.

Methodology

First we establish what the projected expenses are, then we determine the Drainage Department's financial status and create a Funding Plan. For this "Full" Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established CSD precedents.

We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List "from scratch".



Which Physical Assets are Covered by Reserves?

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a Drainage Department maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a “surprise” which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include “lifetime” components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How are Useful Life and Remaining Useful Life established?

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client Component History
- 4) Vendor Evaluation and Recommendation

How are Cost Estimates Established?

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order...

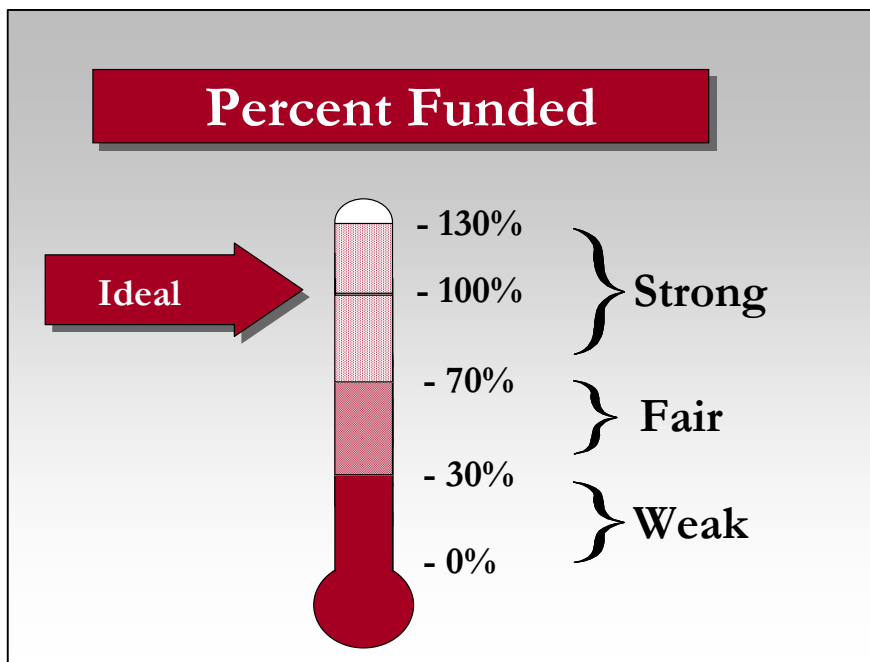
- 1) Client Cost History
- 2) Comparison to Association Reserves database of work done at similar CSDs
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

- 1) Calculate the Drainage Department's Fully Funded Balance (FFB).
- 2) Compare to the Drainage Department Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the Drainage Department increase, but shrinks when projects are accomplished and the Reserve needs of the Drainage Department decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



Deferred maintenance and the need for a transfer of funds are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered "strong" because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your Drainage Department is for upcoming Reserve expenses.

How much should we contribute?

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their “fair share” of the CSD’s Reserve expenses (this means we recommend a transfer of funds only when all other options have been exhausted). And finally, we develop a plan that is fiscally responsible and “safe” for Board Members to recommend to their CSD.

Funding Principles

- Sufficient Cash
- Stable Contribution Rate
- Evenly Distributed
- Fiscally Responsible

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called “Full Funding” the Reserves (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, CSDs in the 100% range rarely experience deferred maintenance or the need for a transfer of funds.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these CSD, deterioration occurs without matching Reserve contributions. With a low Percent Funded, deferred maintenance and the needs for a transfer of funds are common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.

Funding Goals

- Full Funding
- Threshold Funding
- Baseline Funding

Site Inspection Notes

During our site visit on August 4, 2014, we started with a brief meeting with Paul Siebensohn (Director of Field Operations), and then started the site inspection beginning with the drainage culverts. We visually inspected the property, and were able to see most drainage department areas.



Projected Expenses

The figure below shows the array of the projected future expenses at your CSD. All expenses are based on the average of our Best Case and Worst Case projections, inflated appropriately for future years.

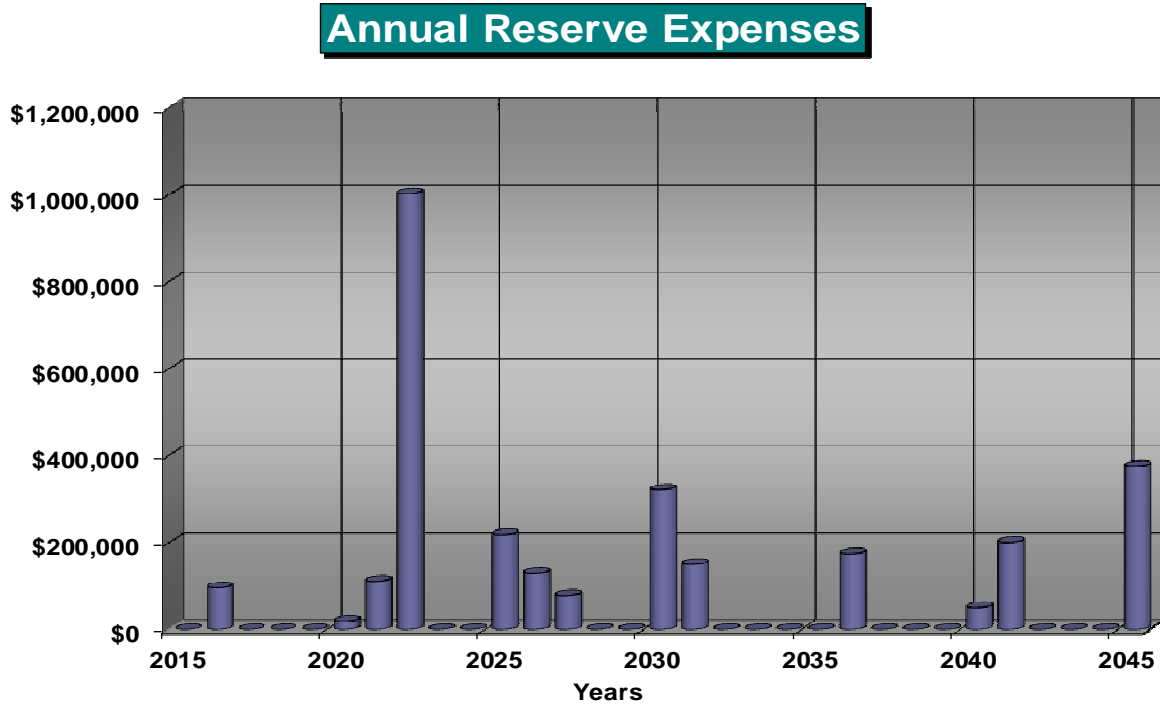


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years’ worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$55,805 as-of the start of your Fiscal Year on July 1, 2015. This is based on your actual balance on 9/30/14 of \$55,805, no anticipated regular Reserve contributions, and no expenses projected through the end of your Fiscal Year. As of July 1, 2015, your Fully Funded Balance is computed to be \$1,038,458 (see Table 3). This figure represents the deteriorated value of your Drainage Department components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 5% Funded.

Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of \$10,000/month this 2015/2016 Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

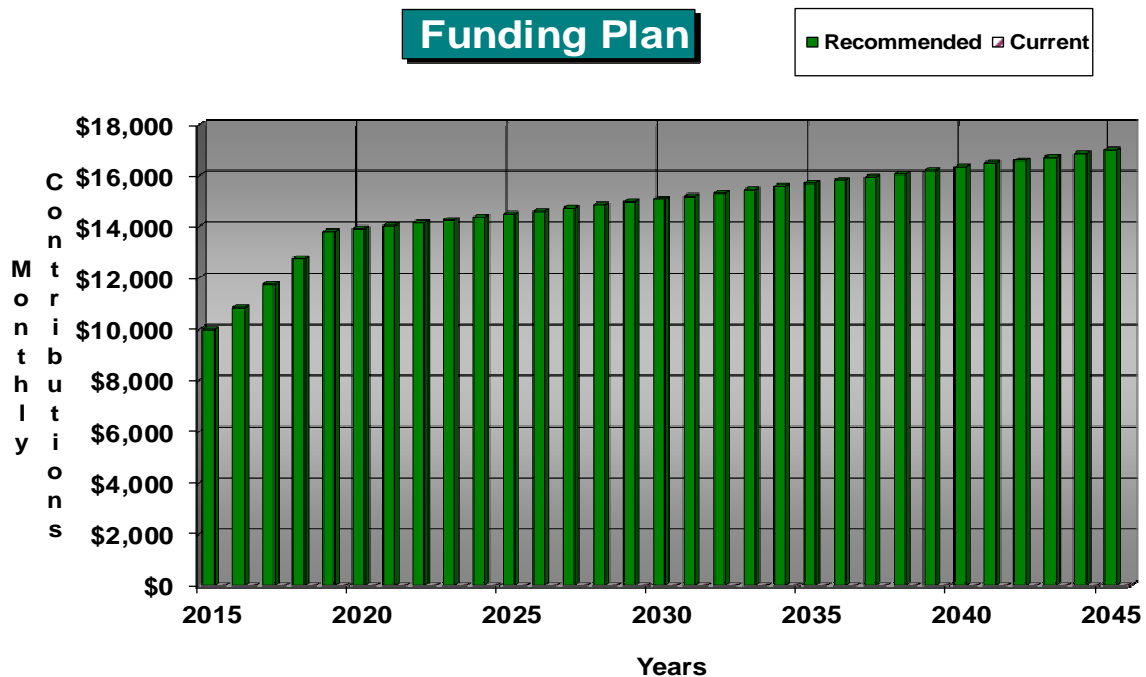


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

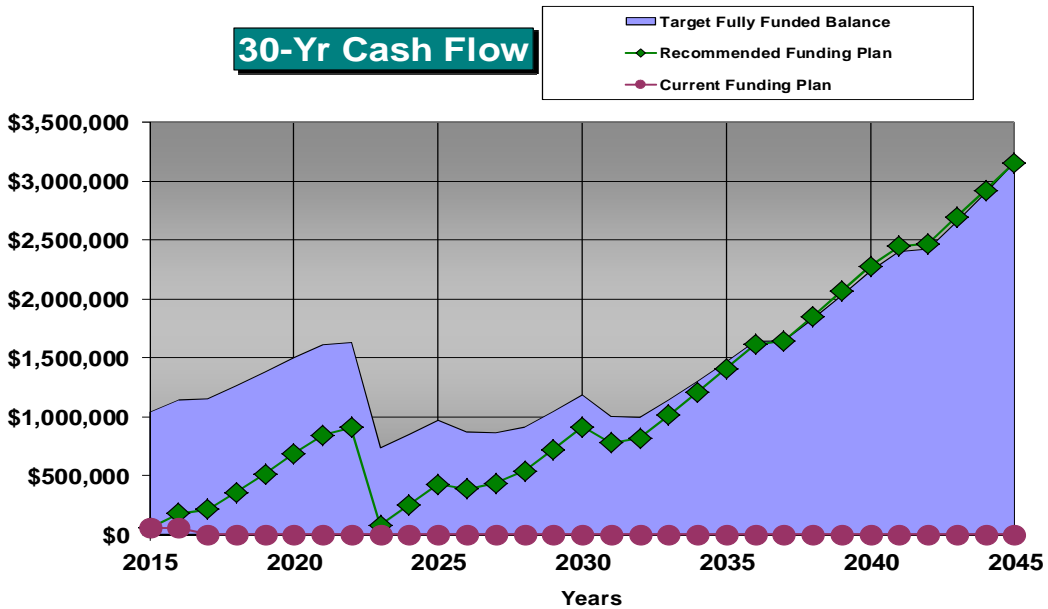


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

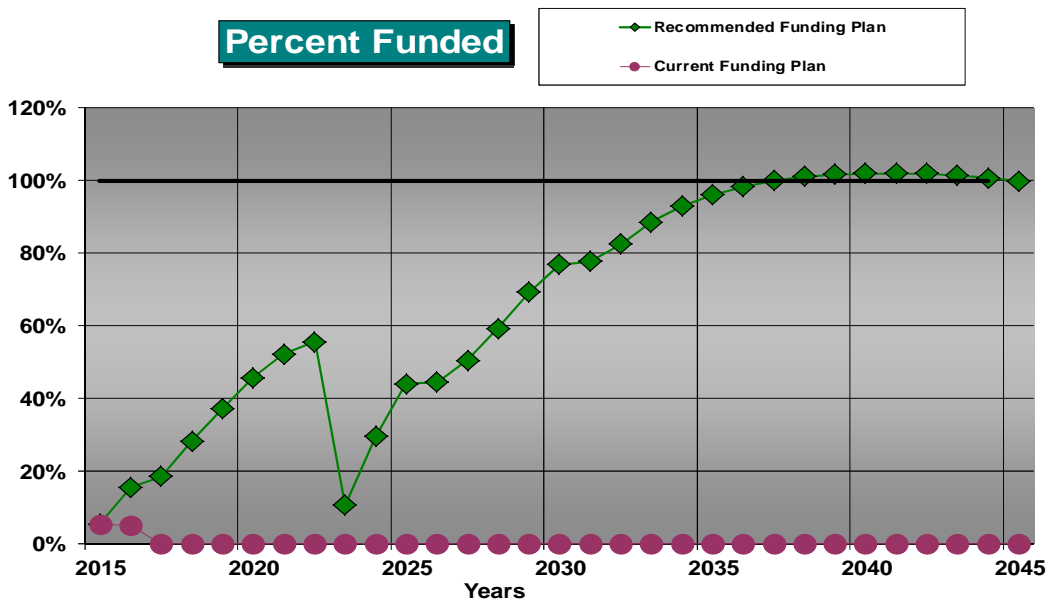


Figure 4

Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the Drainage Department as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the Drainage Department is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the Drainage Department's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the Drainage Department (current cost divided by useful life). This presentation is not meant to cause clients to redistribute Drainage Department funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the Drainage Department, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail**27003-0
DRAINAGE**

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
312	Storm water Outfall Struct. Repair	River Outfall Structure	30	7	\$741,500	\$890,000
501	Levees - Repair	Approx 12,900 LF, Levees	100	62	\$300,000	\$500,000
1005	Drain Valve - Replace	(1) 60" Drain Valve	20	12	\$50,000	\$60,000
1005	Equipment - Replace	Drainage Equipment	10	5	\$15,000	\$18,000
1009	Drainage Culverts - Repair/Replace	(31) Drainage Culverts	5	1	\$85,000	\$102,000
1011	Main Lift South - Repair/Replace	Storm water Pump Station	20	10	\$100,000	\$150,000
1014	FAA Storm Water - Repair/Replace	Storm water Pump Station	20	10	\$20,000	\$40,000
1904	Basin 5 - Repair	Approx 27,206 GSF, Basin	25	15	\$50,000	\$330,000
2113	CIA Ditch - Maintain	Approx 13 miles	15	10	\$5,000	\$10,000
9	Total Funded Components					

Table 3: Contribution and Fund Breakdown**27003-0
DRAINAGE**

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
312	Storm water Outfall Struct. Repair	30	7	\$815,750	\$625,408	\$0.00	\$3,876.68
501	Levees - Repair	100	62	\$400,000	\$152,000	\$0.00	\$570.27
1005	Drain Valve - Replace	20	12	\$55,000	\$22,000	\$0.00	\$392.06
1005	Equipment - Replace	10	5	\$16,500	\$8,250	\$0.00	\$235.24
1009	Drainage Culverts - Repair/Replace	5	1	\$93,500	\$74,800	\$55,805.00	\$2,666.03
1011	Main Lift South - Repair/Replace	20	10	\$125,000	\$62,500	\$0.00	\$891.05
1014	FAA Storm Water - Repair/Replace	20	10	\$30,000	\$15,000	\$0.00	\$213.85
1904	Basin 5 - Repair	25	15	\$190,000	\$76,000	\$0.00	\$1,083.52
2113	CIA Ditch - Maintain	15	10	\$7,500	\$2,500	\$0.00	\$71.28
9	Total Funded Components				\$1,038,458	\$55,805	\$10,000

Table 4: 30-Year Reserve Plan Summary Recommended by Association Reserves

27003-0
DRAINAGE

Fiscal Year Beginning: 07/01/15

Interest: 1.00%	Inflation: 3.0%
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase		Loans or Transfer Amnts	Interest Income	Projected Reserve Expenses
					In Annual Reserve Contribs.	Annual Reserve Contribs.			
2015	\$55,805	\$1,038,458	5.4%	Weak		\$120,000	\$0	\$1,163	\$0
2016	\$176,968	\$1,141,858	15.5%	Weak	8.40%	\$130,080	\$0	\$1,947	\$96,305
2017	\$212,691	\$1,151,333	18.5%	Weak	8.40%	\$141,007	\$0	\$2,845	\$0
2018	\$356,543	\$1,262,519	28.2%	Weak	8.40%	\$152,851	\$0	\$4,350	\$0
2019	\$513,743	\$1,379,339	37.2%	Fair	8.40%	\$165,691	\$0	\$5,993	\$0
2020	\$685,427	\$1,502,033	45.6%	Fair	0.80%	\$167,016	\$0	\$7,629	\$19,128
2021	\$840,944	\$1,611,145	52.2%	Fair	0.80%	\$168,352	\$0	\$8,733	\$111,644
2022	\$906,386	\$1,630,751	55.6%	Fair	0.80%	\$169,699	\$0	\$4,919	\$1,003,270
2023	\$77,734	\$735,159	10.6%	Weak	0.80%	\$171,057	\$0	\$1,640	\$0
2024	\$250,431	\$848,733	29.5%	Weak	0.80%	\$172,425	\$0	\$3,382	\$0
2025	\$426,238	\$968,460	44.0%	Fair	0.80%	\$173,805	\$0	\$4,058	\$218,386
2026	\$385,715	\$869,668	44.4%	Fair	0.80%	\$175,195	\$0	\$4,105	\$129,426
2027	\$435,589	\$862,455	50.5%	Fair	0.80%	\$176,597	\$0	\$4,869	\$78,417
2028	\$538,638	\$910,564	59.2%	Fair	0.80%	\$178,009	\$0	\$6,305	\$0
2029	\$722,952	\$1,043,977	69.2%	Fair	0.80%	\$179,434	\$0	\$8,164	\$0
2030	\$910,550	\$1,184,575	76.9%	Strong	0.80%	\$180,869	\$0	\$8,440	\$321,720
2031	\$778,139	\$1,001,297	77.7%	Strong	0.80%	\$182,316	\$0	\$7,979	\$150,040
2032	\$818,394	\$992,728	82.4%	Strong	0.80%	\$183,775	\$0	\$9,145	\$0
2033	\$1,011,313	\$1,141,921	88.6%	Strong	0.80%	\$185,245	\$0	\$11,090	\$0
2034	\$1,207,648	\$1,299,173	93.0%	Strong	0.80%	\$186,727	\$0	\$13,070	\$0
2035	\$1,407,444	\$1,464,831	96.1%	Strong	0.80%	\$188,220	\$0	\$15,085	\$0
2036	\$1,610,749	\$1,639,261	98.3%	Strong	0.80%	\$189,726	\$0	\$16,261	\$173,938
2037	\$1,642,799	\$1,643,681	99.9%	Strong	0.80%	\$191,244	\$0	\$17,464	\$0
2038	\$1,851,507	\$1,831,422	101.1%	Strong	0.80%	\$192,774	\$0	\$19,568	\$0
2039	\$2,063,850	\$2,028,949	101.7%	Strong	0.80%	\$194,316	\$0	\$21,709	\$0
2040	\$2,279,875	\$2,236,678	101.9%	Strong	0.80%	\$195,871	\$0	\$23,635	\$50,251
2041	\$2,449,130	\$2,403,287	101.9%	Strong	0.80%	\$197,438	\$0	\$24,583	\$201,641
2042	\$2,469,509	\$2,423,500	101.9%	Strong	0.80%	\$199,017	\$0	\$25,808	\$0
2043	\$2,694,335	\$2,656,684	101.4%	Strong	0.80%	\$200,609	\$0	\$28,075	\$0
2044	\$2,923,019	\$2,901,678	100.7%	Strong	0.80%	\$202,214	\$0	\$30,380	\$0

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)**27003-0
DRAINAGE**

Fiscal Year	2015	2016	2017	2018	2019
Starting Reserve Balance	\$55,805	\$176,968	\$212,691	\$356,543	\$513,743
Annual Reserve Contribution	\$120,000	\$130,080	\$141,007	\$152,851	\$165,691
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,163	\$1,947	\$2,845	\$4,350	\$5,993
Total Income	\$176,968	\$308,996	\$356,543	\$513,743	\$685,427
# Component					
312 Storm water Outfall Struct. Repair	\$0	\$0	\$0	\$0	\$0
501 Levees - Repair	\$0	\$0	\$0	\$0	\$0
1005 Drain Valve - Replace	\$0	\$0	\$0	\$0	\$0
1005 Equipment - Replace	\$0	\$0	\$0	\$0	\$0
1009 Drainage Culverts - Repair/Replace	\$0	\$96,305	\$0	\$0	\$0
1011 Main Lift South - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1014 FAA Storm Water - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1904 Basin 5 - Repair	\$0	\$0	\$0	\$0	\$0
2113 CIA Ditch - Maintain	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$96,305	\$0	\$0	\$0
Ending Reserve Balance:	\$176,968	\$212,691	\$356,543	\$513,743	\$685,427

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)

**27003-0
DRAINAGE**

Fiscal Year	2020	2021	2022	2023	2024
Starting Reserve Balance	\$685,427	\$840,944	\$906,386	\$77,734	\$250,431
Annual Reserve Contribution	\$167,016	\$168,352	\$169,699	\$171,057	\$172,425
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$7,629	\$8,733	\$4,919	\$1,640	\$3,382
Total Income	\$860,072	\$1,018,030	\$1,081,004	\$250,431	\$426,238
# Component					
312 Storm water Outfall Struct. Repair	\$0	\$0	\$1,003,270	\$0	\$0
501 Levees - Repair	\$0	\$0	\$0	\$0	\$0
1005 Drain Valve - Replace	\$0	\$0	\$0	\$0	\$0
1005 Equipment - Replace	\$19,128	\$0	\$0	\$0	\$0
1009 Drainage Culverts - Repair/Replace	\$0	\$111,644	\$0	\$0	\$0
1011 Main Lift South - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1014 FAA Storm Water - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1904 Basin 5 - Repair	\$0	\$0	\$0	\$0	\$0
2113 CIA Ditch - Maintain	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$19,128	\$111,644	\$1,003,270	\$0	\$0
Ending Reserve Balance:	\$840,944	\$906,386	\$77,734	\$250,431	\$426,238

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)**27003-0
DRAINAGE**

Fiscal Year	2025	2026	2027	2028	2029
Starting Reserve Balance	\$426,238	\$385,715	\$435,589	\$538,638	\$722,952
Annual Reserve Contribution	\$173,805	\$175,195	\$176,597	\$178,009	\$179,434
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,058	\$4,105	\$4,869	\$6,305	\$8,164
Total Income	\$604,101	\$565,015	\$617,054	\$722,952	\$910,550
# Component					
312 Storm water Outfall Struct. Repair	\$0	\$0	\$0	\$0	\$0
501 Levees - Repair	\$0	\$0	\$0	\$0	\$0
1005 Drain Valve - Replace	\$0	\$0	\$78,417	\$0	\$0
1005 Equipment - Replace	\$0	\$0	\$0	\$0	\$0
1009 Drainage Culverts - Repair/Replace	\$0	\$129,426	\$0	\$0	\$0
1011 Main Lift South - Repair/Replace	\$167,990	\$0	\$0	\$0	\$0
1014 FAA Storm Water - Repair/Replace	\$40,317	\$0	\$0	\$0	\$0
1904 Basin 5 - Repair	\$0	\$0	\$0	\$0	\$0
2113 CIA Ditch - Maintain	\$10,079	\$0	\$0	\$0	\$0
Total Expenses	\$218,386	\$129,426	\$78,417	\$0	\$0
Ending Reserve Balance:	\$385,715	\$435,589	\$538,638	\$722,952	\$910,550

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)

**27003-0
DRAINAGE**

Fiscal Year	2030	2031	2032	2033	2034
Starting Reserve Balance	\$910,550	\$778,139	\$818,394	\$1,011,313	\$1,207,648
Annual Reserve Contribution	\$180,869	\$182,316	\$183,775	\$185,245	\$186,727
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$8,440	\$7,979	\$9,145	\$11,090	\$13,070
Total Income	\$1,099,859	\$968,434	\$1,011,313	\$1,207,648	\$1,407,444
# Component					
312 Storm water Outfall Struct. Repair	\$0	\$0	\$0	\$0	\$0
501 Levees - Repair	\$0	\$0	\$0	\$0	\$0
1005 Drain Valve - Replace	\$0	\$0	\$0	\$0	\$0
1005 Equipment - Replace	\$25,706	\$0	\$0	\$0	\$0
1009 Drainage Culverts - Repair/Replace	\$0	\$150,040	\$0	\$0	\$0
1011 Main Lift South - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1014 FAA Storm Water - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1904 Basin 5 - Repair	\$296,014	\$0	\$0	\$0	\$0
2113 CIA Ditch - Maintain	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$321,720	\$150,040	\$0	\$0	\$0
Ending Reserve Balance:	\$778,139	\$818,394	\$1,011,313	\$1,207,648	\$1,407,444

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)

**27003-0
DRAINAGE**

Fiscal Year	2035	2036	2037	2038	2039
Starting Reserve Balance	\$1,407,444	\$1,610,749	\$1,642,799	\$1,851,507	\$2,063,850
Annual Reserve Contribution	\$188,220	\$189,726	\$191,244	\$192,774	\$194,316
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$15,085	\$16,261	\$17,464	\$19,568	\$21,709
Total Income	\$1,610,749	\$1,816,737	\$1,851,507	\$2,063,850	\$2,279,875
# Component					
312 Storm water Outfall Struct. Repair	\$0	\$0	\$0	\$0	\$0
501 Levees - Repair	\$0	\$0	\$0	\$0	\$0
1005 Drain Valve - Replace	\$0	\$0	\$0	\$0	\$0
1005 Equipment - Replace	\$0	\$0	\$0	\$0	\$0
1009 Drainage Culverts - Repair/Replace	\$0	\$173,938	\$0	\$0	\$0
1011 Main Lift South - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1014 FAA Storm Water - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1904 Basin 5 - Repair	\$0	\$0	\$0	\$0	\$0
2113 CIA Ditch - Maintain	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$173,938	\$0	\$0	\$0
Ending Reserve Balance:	\$1,610,749	\$1,642,799	\$1,851,507	\$2,063,850	\$2,279,875

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)

**27003-0
DRAINAGE**

Fiscal Year	2040	2041	2042	2043	2044
Starting Reserve Balance	\$2,279,875	\$2,449,130	\$2,469,509	\$2,694,335	\$2,923,019
Annual Reserve Contribution	\$195,871	\$197,438	\$199,017	\$200,609	\$202,214
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$23,635	\$24,583	\$25,808	\$28,075	\$30,380
Total Income	\$2,499,381	\$2,671,151	\$2,694,335	\$2,923,019	\$3,155,614
# Component					
312 Storm water Outfall Struct. Repair	\$0	\$0	\$0	\$0	\$0
501 Levees - Repair	\$0	\$0	\$0	\$0	\$0
1005 Drain Valve - Replace	\$0	\$0	\$0	\$0	\$0
1005 Equipment - Replace	\$34,547	\$0	\$0	\$0	\$0
1009 Drainage Culverts - Repair/Replace	\$0	\$201,641	\$0	\$0	\$0
1011 Main Lift South - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1014 FAA Storm Water - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1904 Basin 5 - Repair	\$0	\$0	\$0	\$0	\$0
2113 CIA Ditch - Maintain	\$15,703	\$0	\$0	\$0	\$0
Total Expenses	\$50,251	\$201,641	\$0	\$0	\$0
Ending Reserve Balance:	\$2,449,130	\$2,469,509	\$2,694,335	\$2,923,019	\$3,155,614

Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the Drainage Department change each year, this Reserve Study is by nature a “one-year” document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Drainage Department Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, and physical factors. Because many years of financial preparation help prepare for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves – SF, LLC, and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Derek Eckert, R.S., company president, is a credentialed Reserve Specialist (#114). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the CSD’s situation.

We have relied upon the client to provide the current (or projected) Drainage Department Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Drainage Department Reserve Fund. In addition, we have considered the CSD’s representation of current and historical Drainage Department Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were derived from the prior Reserve Study, unless otherwise noted in our “Site Inspection Notes”. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budgeting purposes.

Association Reserves’ liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

Where any uncertainties exist, we urge the CSD to obtain a legal review and written opinion of the legitimacy of the funding policies, as stipulated or permitted under your Declaration and local statutes. As these are legal questions, we highly recommend use of an experienced attorney specializing in CSD law.

Re-use of reserve study, figures or calculations in any other format absolves ARSF of all responsibility.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area)
GSY	Gross Square Yards (area)
HP	Horsepower
LF	Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The Reserve Balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for an CSD total.

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age}) / \text{Useful Life}$$

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

Percent Funded: The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life: The estimated time, in years, that a Drainage Department component can be expected to continue to serve its intended function.

Useful Life: The estimated time, in years, that a Drainage Department component can be expected to serve its intended function.

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Reserve Studies for Community Associations

“Full” Reserve Study



RMCS D – Security Department Rancho Murieta, CA

Report #: 27003-0 SECURITY
For Period Beginning: July 1, 2015
Expires: June 30, 2016

Date Prepared: January 16, 2015



Hello, and welcome to your Reserve Study!

This Report is a valuable budget planning tool, for with it you control the future of your CSD's Security Department. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your Security Department will face.

With respect to Reserves, this Report will tell you "where you are", and "where to go from here".

In this Report, you will find...

- 1) A List of What you're Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

877/618-1955



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3- Minute Executive Summary

Name: RMCSD – Security Department **Assoc. #: 27003-0 SECURITY**
Location: Rancho Murieta, CA
of Units: 1
Report Period: July 1, 2015 through June 30, 2016

Results as-of 7/1/2015:

Projected Starting Reserve Balance:	\$148,821
Fully Funded Reserve Balance:	\$256,601
Average Reserve Deficit (Surplus) Per Unit:	\$107,780
Percent Funded:	58.0%
Recommended 2015/16 monthly Reserve Contribution:	\$3,800

Most Recent Reserve Contribution Rate:..... \$0

Economic Assumptions:

Net Annual “After Tax” Interest Earnings Accruing to Reserves..... 1.00%
Annual Inflation Rate..... 3.00%

- This is a “Full” Reserve Study (original, created “from scratch”).
- The information in this Reserve Study is based on our site inspection on August 4, 2014.
- This Reserve Study was prepared under the supervision of a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is at 58.0% Funded, this means the CSD’s Security Department need for a transfer to Reserves & deferred maintenance risk is currently high.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or “Fully Funded”.
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions.
- No assets appropriate for Reserve designation were excluded.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
302	Generator - Replace (South)	40	25	\$30,000	\$62,813
302	Generators - Replace (North)	40	40	\$37,000	\$120,695
303	HVAC - Replace 50%	10	6	\$7,500	\$8,955
304	Security Systems - Replace	8	1	\$62,500	\$64,375
704	Intercoms - Replace	15	2	\$14,500	\$15,383
705	Gate Operators(North) - Repl/Repair	10	5	\$18,000	\$20,867
706	Gate Oper. New(North) - Repl/Repair	10	10	\$44,550	\$59,871
707	Gate Operators(South) - Repl/Repair	10	3	\$27,000	\$29,504
1808	Safety Center - Repair/Upgrade	20	9	\$12,000	\$15,657
1809	South Gate Sec. Bldg. - Repair	30	10	\$5,250	\$7,056
1810	Barcode Readers (North) - Replace	7	2	\$19,500	\$20,688
1810	Barcode Readers (South) - Replace	7	2	\$29,250	\$31,031
1860	2012 Ford Escape XLS - Replace	20	7	\$26,000	\$31,977
1861	2005 Ford Ranger VIPS - Replace	20	5	\$23,000	\$26,663
1862	2006 Ford Explorer XLT #517 - Repl.	20	1	\$35,500	\$36,565
1863	2010 Ford Escape XLS #519- Repl.	20	2	\$26,000	\$27,583
2501	Radios - Replace/Upgrade	7	0	\$11,000	\$13,529
17	Total Funded Components				

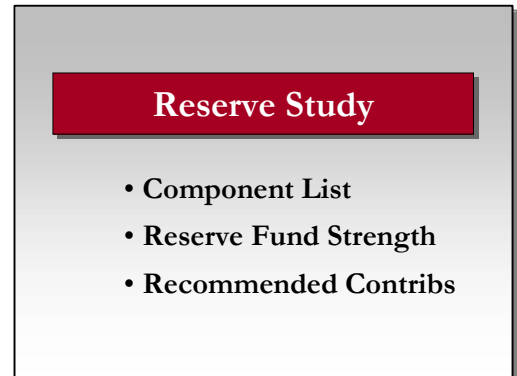
Note 1: Yellow highlighted line items are expected to require attention in initial year.

Note 2: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

Introduction

A Reserve Study is the art and science of anticipating, and preparing for, a CSD's major repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the Security Department is obligated to maintain. Based on that List and your starting balance we computed the Security Department's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.

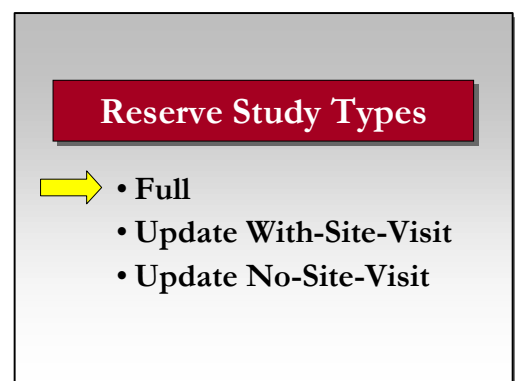


As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing deterioration.

Methodology

First we establish what the projected expenses are, then we determine the Security Department's financial status and create a Funding Plan. For this "Full" Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established CSD precedents.

We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List "from scratch".



Which Physical Assets are Covered by Reserves?

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a Security Department maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a “surprise” which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include “lifetime” components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How are Useful Life and Remaining Useful Life established?

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client Component History
- 4) Vendor Evaluation and Recommendation

How are Cost Estimates Established?

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order...

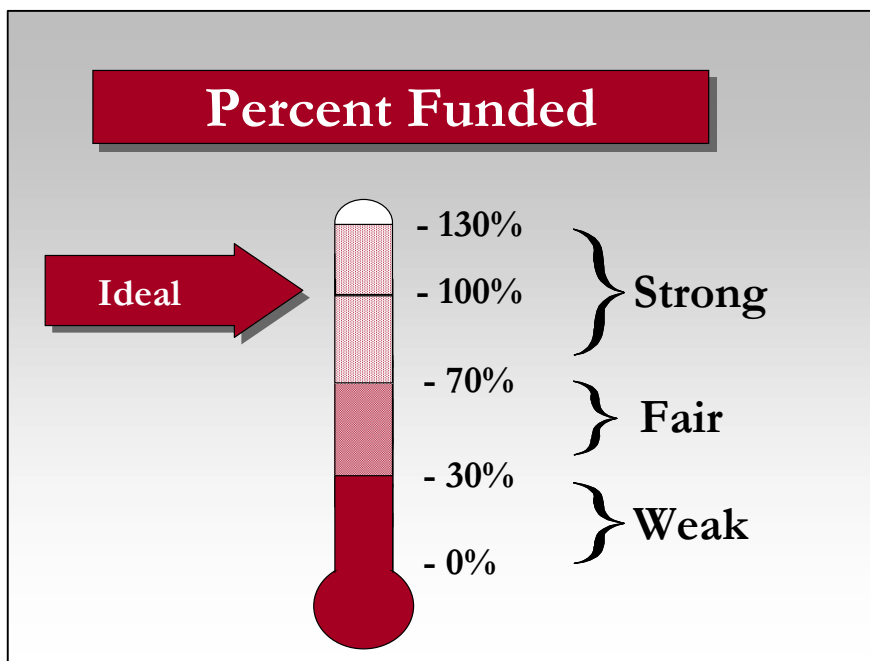
- 1) Client Cost History
- 2) Comparison to Association Reserves database of work done at similar CSDs
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

- 1) Calculate the Security Department Fully Funded Balance (FFB).
- 2) Compare to the Security Department Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the CSD Security Department increase, but shrinks when projects are accomplished and the Reserve needs of the CSD Security Department decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



Deferred maintenance and the need for a transfer of funds to Reserves are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered “strong” because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your CSD Security Department is for upcoming Reserve expenses.

How much should we contribute?

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their “fair share” of the CSD’s Security Department Reserve expenses (this means we recommend a transfer of funds only when all other options have been exhausted). We develop a plan that is fiscally responsible and “safe” for Board Members to recommend to their CSD Security Department.

Funding Principles

- Sufficient Cash
- Stable Contribution Rate
- Evenly Distributed
- Fiscally Responsible

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called “Full Funding” the Reserves (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, CSDs in the 100% range rarely experience deferred maintenance or the need for a transfer of funds to Reserves.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these CSDs, deterioration occurs without matching Reserve contributions. With a low Percent Funded, deferred maintenance or the need for a transfer of funds to Reserves is common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.

Funding Goals

- Full Funding
- Threshold Funding
- Baseline Funding

Site Inspection Notes

During our site visit on August 4, 2014, we started with a brief meeting with Paul Siebensohn (Director of Field Operations), and then started the site inspection beginning with the Security Department main office. We visually inspected all of the security areas.



Projected Expenses

The figure below shows the array of the projected future expenses at your CSD’s Security Department. All expenses are based on the average of our Best Case and Worst Case projections, inflated appropriately for future years.

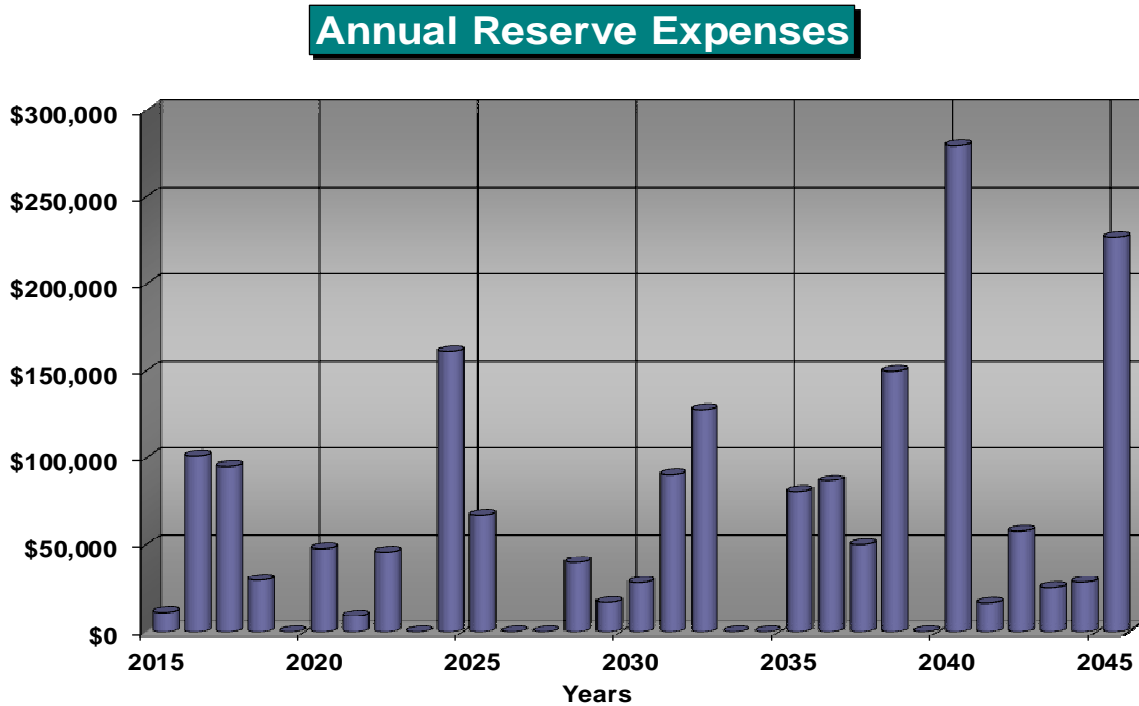


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years’ worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$148,821 as-of the start of your Fiscal Year on July 1, 2015. This is based on your actual balance on 1/16/15 of \$101,001, transfer of \$47,820, no anticipated regular Reserve contributions and no expenses projected through the end of your Fiscal Year. As of July 1, 2015, your Fully Funded Balance is computed to be \$256,601 (see Table 3). This figure represents the deteriorated value of your Security Department components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 58% Funded.

Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of \$3,800/month this 2015/16 Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

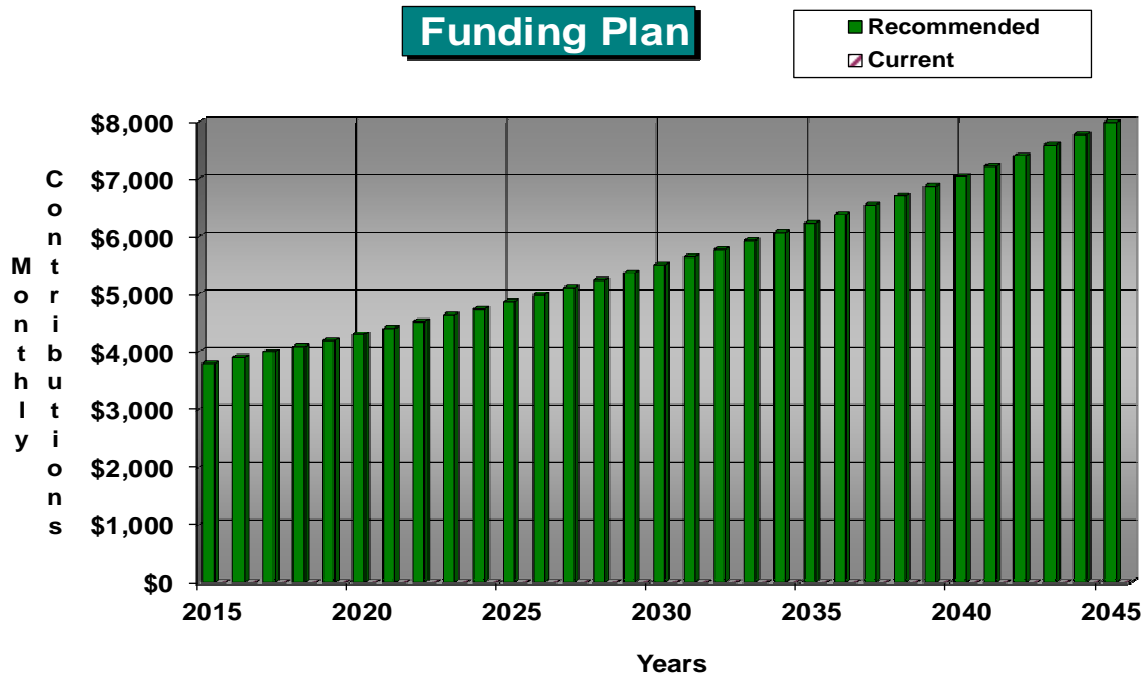


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

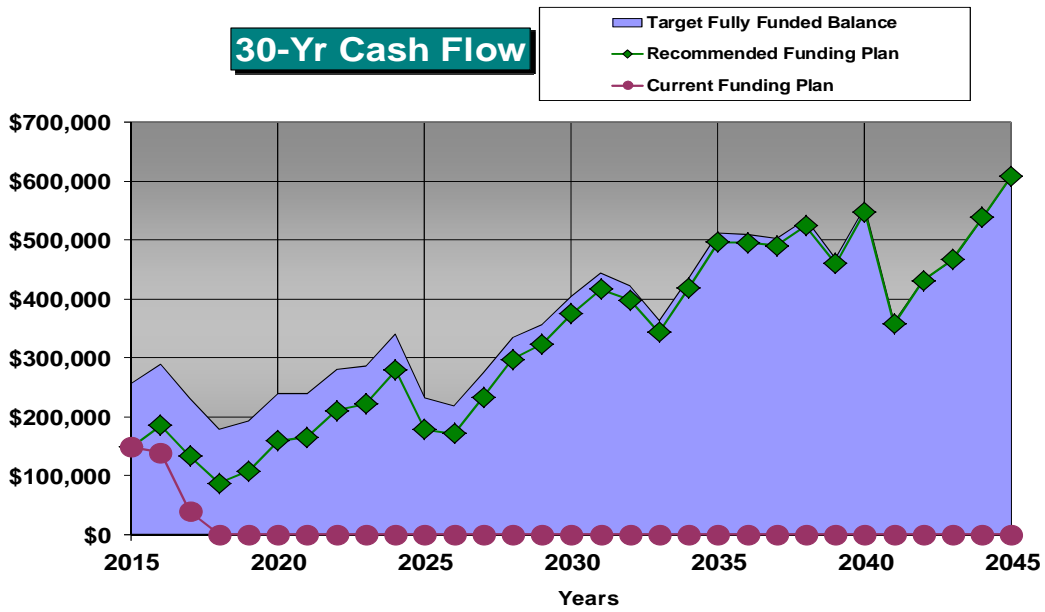


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

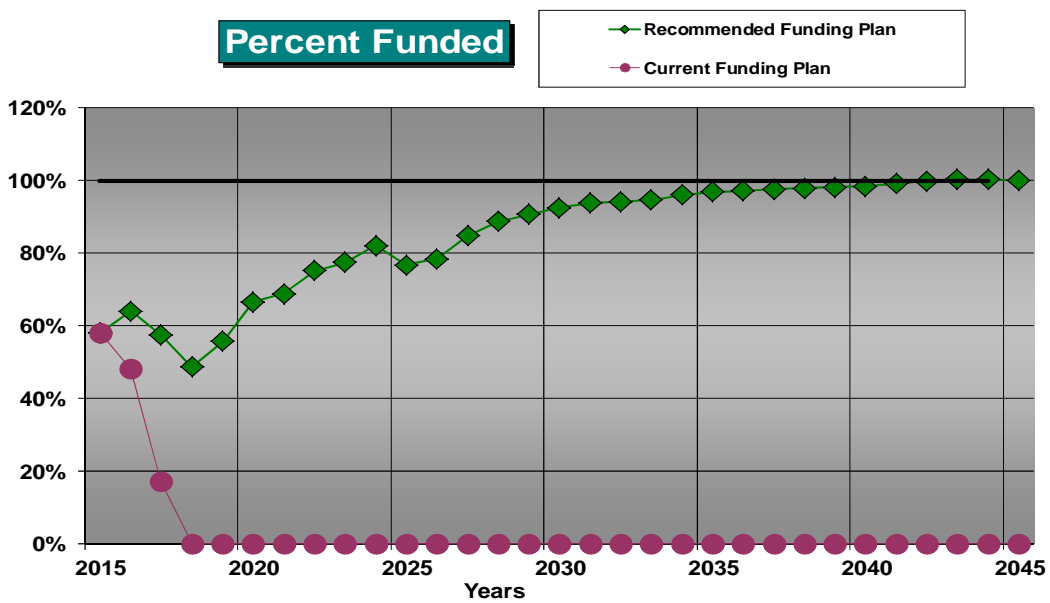


Figure 4

Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the Security Department as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the Security Department is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the Security Department's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the Security Department (current cost divided by useful life). This presentation is not meant to cause clients to redistribute Security Department funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the Security Department, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail**27003-0
SECURITY**

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
302	Generator - Replace (South)	(1) Diesel Generator	40	25	\$25,000	\$35,000
302	Generators - Replace (North)	(1) Generator	40	40	\$35,000	\$39,000
303	HVAC - Replace 50%	(2) HVAC	10	6	\$7,000	\$8,000
304	Security Systems - Replace	Security System Equip.	8	1	\$50,000	\$75,000
704	Intercoms - Replace	(2) Intercoms	15	2	\$13,000	\$16,000
705	Gate Operators(North) - Repl/Repair	(2) Gate Operators	10	5	\$16,200	\$19,800
706	Gate Oper. New(North) - Repl/Repair	(5) Gate Operators	10	10	\$40,500	\$48,600
707	Gate Operators(South) - Repl/Repair	(3) Gate Operators	10	3	\$24,300	\$29,700
1808	Safety Center - Repair/Upgrade	Approx 3,250 GSF	20	9	\$9,000	\$15,000
1809	South Gate Sec. Bldg. - Repair	Approx 250 GSF	30	10	\$4,500	\$6,000
1810	Barcode Readers (North) - Replace	(2) Barcode Readers	7	2	\$18,000	\$21,000
1810	Barcode Readers (South) - Replace	(3) Barcode Readers	7	2	\$27,000	\$31,500
1860	2012 Ford Escape XLS - Replace	(1) Ford EscapeXLS, V#520	20	7	\$24,000	\$28,000
1861	2005 Ford Ranger VIPS - Replace	(1) Ford Ranger, V#9157	20	5	\$21,000	\$25,000
1862	2006 Ford Explorer XLT #517 - Repl.	(1) Ford Explorer #517	20	1	\$33,000	\$38,000
1863	2010 Ford Escape XLS #519- Repl.	(1) Ford Escape #519	20	2	\$24,000	\$28,000
2501	Radios - Replace/Upgrade	(5) Radios	7	0	\$10,000	\$12,000
17	Total Funded Components					

Table 3: Contribution and Fund Breakdown**27003-0
SECURITY**

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
302	Generator - Replace (South)	40	25	\$30,000	\$11,250	\$0.00	\$96.24
302	Generators - Replace (North)	40	40	\$37,000	\$0	\$0.00	\$0.00
303	HVAC - Replace 50%	10	6	\$7,500	\$3,000	\$0.00	\$96.24
304	Security Systems - Replace	8	1	\$62,500	\$54,688	\$54,687.50	\$1,002.45
704	Intercoms - Replace	15	2	\$14,500	\$12,567	\$12,566.67	\$124.04
705	Gate Operators(North) - Repl/Repair	10	5	\$18,000	\$9,000	\$0.00	\$230.96
706	Gate Oper. New(North) - Repl/Repair	10	10	\$44,550	\$0	\$0.00	\$0.00
707	Gate Operators(South) - Repl/Repair	10	3	\$27,000	\$18,900	\$0.00	\$346.45
1808	Safety Center - Repair/Upgrade	20	9	\$12,000	\$6,600	\$0.00	\$76.99
1809	South Gate Sec. Bldg. - Repair	30	10	\$5,250	\$3,500	\$0.00	\$22.45
1810	Barcode Readers (North) - Replace	7	2	\$19,500	\$13,929	\$13,928.57	\$357.45
1810	Barcode Readers (South) - Replace	7	2	\$29,250	\$20,893	\$20,892.86	\$536.17
1860	2012 Ford Escape XLS - Replace	20	7	\$26,000	\$16,900	\$0.00	\$166.81
1861	2005 Ford Ranger VIPS - Replace	20	5	\$23,000	\$17,250	\$0.00	\$147.56
1862	2006 Ford Explorer XLT #517 - Repl.	20	1	\$35,500	\$33,725	\$33,725.00	\$227.76
1863	2010 Ford Escape XLS #519- Repl.	20	2	\$26,000	\$23,400	\$2,020.40	\$166.81
2501	Radios - Replace/Upgrade	7	0	\$11,000	\$11,000	\$11,000.00	\$201.64
17	Total Funded Components				\$256,601	\$148,821	\$3,800

Table 4: 30-Year Reserve Plan Summary Recommended by Association Reserves

**27003-0
SECURITY**

Fiscal Year Beginning: 07/01/15

Interest:	1.00%	Inflation:	3.0%
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase		Loans or Transfer Amnts	Interest Income	Projected Reserve Expenses
					In Annual Reserve Contribs.	Annual Reserve Contribs.			
2015	\$148,821	\$256,601	58.0%	Fair		\$45,600	\$0	\$1,669	\$11,000
2016	\$185,090	\$289,013	64.0%	Fair	2.50%	\$46,740	\$0	\$1,587	\$100,940
2017	\$132,477	\$230,842	57.4%	Fair	2.50%	\$47,909	\$0	\$1,096	\$94,685
2018	\$86,796	\$178,481	48.6%	Fair	2.50%	\$49,106	\$0	\$970	\$29,504
2019	\$107,369	\$192,834	55.7%	Fair	2.50%	\$50,334	\$0	\$1,331	\$0
2020	\$159,034	\$239,187	66.5%	Fair	2.50%	\$51,592	\$0	\$1,618	\$47,530
2021	\$164,714	\$239,192	68.9%	Fair	2.50%	\$52,882	\$0	\$1,875	\$8,955
2022	\$210,516	\$280,183	75.1%	Strong	2.50%	\$54,204	\$0	\$2,159	\$45,505
2023	\$221,374	\$286,049	77.4%	Strong	2.50%	\$55,559	\$0	\$2,503	\$0
2024	\$279,436	\$340,291	82.1%	Strong	2.50%	\$56,948	\$0	\$2,285	\$160,813
2025	\$177,856	\$231,892	76.7%	Strong	2.50%	\$58,372	\$0	\$1,744	\$66,927
2026	\$171,045	\$218,355	78.3%	Strong	2.50%	\$59,831	\$0	\$2,019	\$0
2027	\$232,895	\$274,800	84.8%	Strong	2.50%	\$61,327	\$0	\$2,648	\$0
2028	\$296,869	\$334,435	88.8%	Strong	2.50%	\$62,860	\$0	\$3,099	\$39,650
2029	\$323,178	\$356,561	90.6%	Strong	2.50%	\$64,432	\$0	\$3,487	\$16,638
2030	\$374,458	\$404,641	92.5%	Strong	2.50%	\$66,042	\$0	\$3,953	\$28,043
2031	\$416,409	\$444,052	93.8%	Strong	2.50%	\$67,693	\$0	\$4,070	\$90,265
2032	\$397,908	\$422,242	94.2%	Strong	2.50%	\$69,386	\$0	\$3,707	\$127,269
2033	\$343,731	\$363,399	94.6%	Strong	2.50%	\$71,120	\$0	\$3,810	\$0
2034	\$418,662	\$435,664	96.1%	Strong	2.50%	\$72,898	\$0	\$4,572	\$0
2035	\$496,132	\$511,939	96.9%	Strong	2.50%	\$74,721	\$0	\$4,955	\$80,462
2036	\$495,346	\$509,522	97.2%	Strong	2.50%	\$76,589	\$0	\$4,926	\$86,504
2037	\$490,358	\$502,762	97.5%	Strong	2.50%	\$78,504	\$0	\$5,070	\$49,819
2038	\$524,113	\$535,598	97.9%	Strong	2.50%	\$80,466	\$0	\$4,918	\$149,499
2039	\$459,999	\$468,819	98.1%	Strong	2.50%	\$82,478	\$0	\$5,035	\$0
2040	\$547,512	\$556,155	98.4%	Strong	2.50%	\$84,540	\$0	\$4,521	\$279,519
2041	\$357,053	\$360,404	99.1%	Strong	2.50%	\$86,653	\$0	\$3,941	\$16,174
2042	\$431,473	\$432,290	99.8%	Strong	2.50%	\$88,820	\$0	\$4,491	\$57,754
2043	\$467,030	\$465,839	100.3%	Strong	2.50%	\$91,040	\$0	\$5,023	\$25,167
2044	\$537,926	\$536,359	100.3%	Strong	2.50%	\$93,316	\$0	\$5,731	\$28,279

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)

**27003-0
SECURITY**

Fiscal Year	2015	2016	2017	2018	2019
Starting Reserve Balance	\$148,821	\$185,090	\$132,477	\$86,796	\$107,369
Annual Reserve Contribution	\$45,600	\$46,740	\$47,909	\$49,106	\$50,334
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,669	\$1,587	\$1,096	\$970	\$1,331
Total Income	\$196,090	\$233,417	\$181,481	\$136,873	\$159,034
# Component					
302 Generator - Replace (South)	\$0	\$0	\$0	\$0	\$0
302 Generators - Replace (North)	\$0	\$0	\$0	\$0	\$0
303 HVAC - Replace 50%	\$0	\$0	\$0	\$0	\$0
304 Security Systems - Replace	\$0	\$64,375	\$0	\$0	\$0
704 Intercoms - Replace	\$0	\$0	\$15,383	\$0	\$0
705 Gate Operators(North) - Repl/Repair	\$0	\$0	\$0	\$0	\$0
706 Gate Oper. New(North) - Repl/Repair	\$0	\$0	\$0	\$0	\$0
707 Gate Operators(South) - Repl/Repair	\$0	\$0	\$0	\$29,504	\$0
1808 Safety Center - Repair/Upgrade	\$0	\$0	\$0	\$0	\$0
1809 South Gate Sec. Bldg. - Repair	\$0	\$0	\$0	\$0	\$0
1810 Barcode Readers (North) - Replace	\$0	\$0	\$20,688	\$0	\$0
1810 Barcode Readers (South) - Replace	\$0	\$0	\$31,031	\$0	\$0
1860 2012 Ford Escape XLS - Replace	\$0	\$0	\$0	\$0	\$0
1861 2005 Ford Ranger VIPS - Replace	\$0	\$0	\$0	\$0	\$0
1862 2006 Ford Explorer XLT #517 - Repl.	\$0	\$36,565	\$0	\$0	\$0
1863 2010 Ford Escape XLS #519- Repl.	\$0	\$0	\$27,583	\$0	\$0
2501 Radios - Replace/Upgrade	\$11,000	\$0	\$0	\$0	\$0
Total Expenses	\$11,000	\$100,940	\$94,685	\$29,504	\$0
Ending Reserve Balance:	\$185,090	\$132,477	\$86,796	\$107,369	\$159,034

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)

**27003-0
SECURITY**

Fiscal Year	2020	2021	2022	2023	2024
Starting Reserve Balance	\$159,034	\$164,714	\$210,516	\$221,374	\$279,436
Annual Reserve Contribution	\$51,592	\$52,882	\$54,204	\$55,559	\$56,948
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,618	\$1,875	\$2,159	\$2,503	\$2,285
Total Income	\$212,245	\$219,472	\$266,879	\$279,436	\$338,669
# Component					
302 Generator - Replace (South)	\$0	\$0	\$0	\$0	\$0
302 Generators - Replace (North)	\$0	\$0	\$0	\$0	\$0
303 HVAC - Replace 50%	\$0	\$8,955	\$0	\$0	\$0
304 Security Systems - Replace	\$0	\$0	\$0	\$0	\$81,548
704 Intercoms - Replace	\$0	\$0	\$0	\$0	\$0
705 Gate Operators(North) - Repl/Repair	\$20,867	\$0	\$0	\$0	\$0
706 Gate Oper. New(North) - Repl/Repair	\$0	\$0	\$0	\$0	\$0
707 Gate Operators(South) - Repl/Repair	\$0	\$0	\$0	\$0	\$0
1808 Safety Center - Repair/Upgrade	\$0	\$0	\$0	\$0	\$15,657
1809 South Gate Sec. Bldg. - Repair	\$0	\$0	\$0	\$0	\$0
1810 Barcode Readers (North) - Replace	\$0	\$0	\$0	\$0	\$25,443
1810 Barcode Readers (South) - Replace	\$0	\$0	\$0	\$0	\$38,165
1860 2012 Ford Escape XLS - Replace	\$0	\$0	\$31,977	\$0	\$0
1861 2005 Ford Ranger VIPS - Replace	\$26,663	\$0	\$0	\$0	\$0
1862 2006 Ford Explorer XLT #517 - Repl.	\$0	\$0	\$0	\$0	\$0
1863 2010 Ford Escape XLS #519- Repl.	\$0	\$0	\$0	\$0	\$0
2501 Radios - Replace/Upgrade	\$0	\$0	\$13,529	\$0	\$0
Total Expenses	\$47,530	\$8,955	\$45,505	\$0	\$160,813
Ending Reserve Balance:	\$164,714	\$210,516	\$221,374	\$279,436	\$177,856

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)

**27003-0
SECURITY**

Fiscal Year	2025	2026	2027	2028	2029
Starting Reserve Balance	\$177,856	\$171,045	\$232,895	\$296,869	\$323,178
Annual Reserve Contribution	\$58,372	\$59,831	\$61,327	\$62,860	\$64,432
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,744	\$2,019	\$2,648	\$3,099	\$3,487
Total Income	\$237,972	\$232,895	\$296,869	\$362,828	\$391,096
# Component					
302 Generator - Replace (South)	\$0	\$0	\$0	\$0	\$0
302 Generators - Replace (North)	\$0	\$0	\$0	\$0	\$0
303 HVAC - Replace 50%	\$0	\$0	\$0	\$0	\$0
304 Security Systems - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercoms - Replace	\$0	\$0	\$0	\$0	\$0
705 Gate Operators(North) - Repl/Repair	\$0	\$0	\$0	\$0	\$0
706 Gate Oper. New(North) - Repl/Repair	\$59,871	\$0	\$0	\$0	\$0
707 Gate Operators(South) - Repl/Repair	\$0	\$0	\$0	\$39,650	\$0
1808 Safety Center - Repair/Upgrade	\$0	\$0	\$0	\$0	\$0
1809 South Gate Sec. Bldg. - Repair	\$7,056	\$0	\$0	\$0	\$0
1810 Barcode Readers (North) - Replace	\$0	\$0	\$0	\$0	\$0
1810 Barcode Readers (South) - Replace	\$0	\$0	\$0	\$0	\$0
1860 2012 Ford Escape XLS - Replace	\$0	\$0	\$0	\$0	\$0
1861 2005 Ford Ranger VIPS - Replace	\$0	\$0	\$0	\$0	\$0
1862 2006 Ford Explorer XLT #517 - Repl.	\$0	\$0	\$0	\$0	\$0
1863 2010 Ford Escape XLS #519- Repl.	\$0	\$0	\$0	\$0	\$0
2501 Radios - Replace/Upgrade	\$0	\$0	\$0	\$0	\$16,638
Total Expenses	\$66,927	\$0	\$0	\$39,650	\$16,638
Ending Reserve Balance:	\$171,045	\$232,895	\$296,869	\$323,178	\$374,458

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)

**27003-0
SECURITY**

Fiscal Year	2030	2031	2032	2033	2034
Starting Reserve Balance	\$374,458	\$416,409	\$397,908	\$343,731	\$418,662
Annual Reserve Contribution	\$66,042	\$67,693	\$69,386	\$71,120	\$72,898
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,953	\$4,070	\$3,707	\$3,810	\$4,572
Total Income	\$444,453	\$488,173	\$471,000	\$418,662	\$496,132
# Component					
302 Generator - Replace (South)	\$0	\$0	\$0	\$0	\$0
302 Generators - Replace (North)	\$0	\$0	\$0	\$0	\$0
303 HVAC - Replace 50%	\$0	\$12,035	\$0	\$0	\$0
304 Security Systems - Replace	\$0	\$0	\$103,303	\$0	\$0
704 Intercoms - Replace	\$0	\$0	\$23,966	\$0	\$0
705 Gate Operators(North) - Repl/Repair	\$28,043	\$0	\$0	\$0	\$0
706 Gate Oper. New(North) - Repl/Repair	\$0	\$0	\$0	\$0	\$0
707 Gate Operators(South) - Repl/Repair	\$0	\$0	\$0	\$0	\$0
1808 Safety Center - Repair/Upgrade	\$0	\$0	\$0	\$0	\$0
1809 South Gate Sec. Bldg. - Repair	\$0	\$0	\$0	\$0	\$0
1810 Barcode Readers (North) - Replace	\$0	\$31,292	\$0	\$0	\$0
1810 Barcode Readers (South) - Replace	\$0	\$46,938	\$0	\$0	\$0
1860 2012 Ford Escape XLS - Replace	\$0	\$0	\$0	\$0	\$0
1861 2005 Ford Ranger VIPS - Replace	\$0	\$0	\$0	\$0	\$0
1862 2006 Ford Explorer XLT #517 - Repl.	\$0	\$0	\$0	\$0	\$0
1863 2010 Ford Escape XLS #519- Repl.	\$0	\$0	\$0	\$0	\$0
2501 Radios - Replace/Upgrade	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$28,043	\$90,265	\$127,269	\$0	\$0
Ending Reserve Balance:	\$416,409	\$397,908	\$343,731	\$418,662	\$496,132

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)

**27003-0
SECURITY**

Fiscal Year	2035	2036	2037	2038	2039
Starting Reserve Balance	\$496,132	\$495,346	\$490,358	\$524,113	\$459,999
Annual Reserve Contribution	\$74,721	\$76,589	\$78,504	\$80,466	\$82,478
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,955	\$4,926	\$5,070	\$4,918	\$5,035
Total Income	\$575,809	\$576,862	\$573,932	\$609,498	\$547,512
# Component					
302 Generator - Replace (South)	\$0	\$0	\$0	\$0	\$0
302 Generators - Replace (North)	\$0	\$0	\$0	\$0	\$0
303 HVAC - Replace 50%	\$0	\$0	\$0	\$0	\$0
304 Security Systems - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercoms - Replace	\$0	\$0	\$0	\$0	\$0
705 Gate Operators(North) - Repl/Repair	\$0	\$0	\$0	\$0	\$0
706 Gate Oper. New(North) - Repl/Repair	\$80,462	\$0	\$0	\$0	\$0
707 Gate Operators(South) - Repl/Repair	\$0	\$0	\$0	\$53,287	\$0
1808 Safety Center - Repair/Upgrade	\$0	\$0	\$0	\$0	\$0
1809 South Gate Sec. Bldg. - Repair	\$0	\$0	\$0	\$0	\$0
1810 Barcode Readers (North) - Replace	\$0	\$0	\$0	\$38,485	\$0
1810 Barcode Readers (South) - Replace	\$0	\$0	\$0	\$57,727	\$0
1860 2012 Ford Escape XLS - Replace	\$0	\$0	\$0	\$0	\$0
1861 2005 Ford Ranger VIPS - Replace	\$0	\$0	\$0	\$0	\$0
1862 2006 Ford Explorer XLT #517 - Repl.	\$0	\$66,040	\$0	\$0	\$0
1863 2010 Ford Escape XLS #519- Repl.	\$0	\$0	\$49,819	\$0	\$0
2501 Radios - Replace/Upgrade	\$0	\$20,463	\$0	\$0	\$0
Total Expenses	\$80,462	\$86,504	\$49,819	\$149,499	\$0
Ending Reserve Balance:	\$495,346	\$490,358	\$524,113	\$459,999	\$547,512

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)

**27003-0
SECURITY**

Fiscal Year	2040	2041	2042	2043	2044
Starting Reserve Balance	\$547,512	\$357,053	\$431,473	\$467,030	\$537,926
Annual Reserve Contribution	\$84,540	\$86,653	\$88,820	\$91,040	\$93,316
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,521	\$3,941	\$4,491	\$5,023	\$5,731
Total Income	\$636,573	\$447,648	\$524,784	\$563,093	\$636,973
# Component					
302 Generator - Replace (South)	\$62,813	\$0	\$0	\$0	\$0
302 Generators - Replace (North)	\$0	\$0	\$0	\$0	\$0
303 HVAC - Replace 50%	\$0	\$16,174	\$0	\$0	\$0
304 Security Systems - Replace	\$130,861	\$0	\$0	\$0	\$0
704 Intercoms - Replace	\$0	\$0	\$0	\$0	\$0
705 Gate Operators(North) - Repl/Repair	\$37,688	\$0	\$0	\$0	\$0
706 Gate Oper. New(North) - Repl/Repair	\$0	\$0	\$0	\$0	\$0
707 Gate Operators(South) - Repl/Repair	\$0	\$0	\$0	\$0	\$0
1808 Safety Center - Repair/Upgrade	\$0	\$0	\$0	\$0	\$28,279
1809 South Gate Sec. Bldg. - Repair	\$0	\$0	\$0	\$0	\$0
1810 Barcode Readers (North) - Replace	\$0	\$0	\$0	\$0	\$0
1810 Barcode Readers (South) - Replace	\$0	\$0	\$0	\$0	\$0
1860 2012 Ford Escape XLS - Replace	\$0	\$0	\$57,754	\$0	\$0
1861 2005 Ford Ranger VIPS - Replace	\$48,157	\$0	\$0	\$0	\$0
1862 2006 Ford Explorer XLT #517 - Repl.	\$0	\$0	\$0	\$0	\$0
1863 2010 Ford Escape XLS #519- Repl.	\$0	\$0	\$0	\$0	\$0
2501 Radios - Replace/Upgrade	\$0	\$0	\$0	\$25,167	\$0
Total Expenses	\$279,519	\$16,174	\$57,754	\$25,167	\$28,279
Ending Reserve Balance:	\$357,053	\$431,473	\$467,030	\$537,926	\$608,694

Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the CSD's Security Department change each year, this Reserve Study is by nature a "one-year" document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Security Department Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, and physical factors. Because many years of financial preparation help prepare for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves – SF, LLC, and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Derek Eckert, R.S., company president, is a credentialed Reserve Specialist (#114). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the CSD's Security Department situation.

We have relied upon the client to provide the current (or projected) Security Department Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Security Department Reserve Fund. In addition, we have considered the CSD's Security Department representation of current and historical Security Department Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were derived from the prior Reserve Study, unless otherwise noted in our "Site Inspection Notes". No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budgeting purposes.

Association Reserves' liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

Where any uncertainties exist, we urge the CSD to obtain a legal review and written opinion of the legitimacy of the funding policies, as stipulated or permitted under your Declaration and local statutes. As these are legal questions, we highly recommend use of an experienced attorney specializing in CSD law.

Re-use of reserve study, figures or calculations in any other format absolves ARSF of all responsibility.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area)
GSY	Gross Square Yards (area)
HP	Horsepower
LF	Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The Reserve Balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for a Security Department total.

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age}) / \text{Useful Life}$$

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

Percent Funded: The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life: The estimated time, in years, that a Security Department component can be expected to continue to serve its intended function.

Useful Life: The estimated time, in years, that a Security Department component can be expected to serve its intended function.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
1	Main Lift N - Major Reconstruction	30	29	\$1,000,000	\$2,356,566
2	Main Lift N - Minor Reconstruction	15	14	\$200,000	\$302,518
3	Cantova - Major Reconstruction	30	2	\$142,500	\$151,178
4	Cantova - Minor Reconstruction	15	2	\$57,500	\$61,002
5	FAA - Major Reconstruction	30	4	\$55,000	\$61,903
6	FAA - Minor Reconstruction	15	4	\$30,000	\$33,765
7	6B - Major Reconstruction	30	8	\$154,500	\$195,716
8	6B - Minor Reconstruction	15	8	\$45,000	\$57,005
9	6A - Major Reconstruction	30	8	\$132,500	\$167,847
10	6A - Minor Reconstruction	15	8	\$45,000	\$57,005
11	3B - Major Reconstruction	30	11	\$132,500	\$183,411
12	3B - Minor Reconstruction	15	11	\$45,000	\$62,291
13	Alameda - Major Reconstruction	30	5	\$60,000	\$69,556
14	Alameda - Minor Reconstruction	15	5	\$15,000	\$17,389
15	Starter Shack- Major Reconstruction	30	3	\$60,000	\$65,564
16	Starter Shack- Minor Reconstruction	15	3	\$15,000	\$16,391
17	Main Lift S - Major Reconstruction	30	4	\$600,000	\$675,305
18	Main Lift S - Minor Reconstruction	15	4	\$170,000	\$191,336
19	Crest - Major Reconstruction	30	17	\$300,000	\$495,854
20	Crest - Minor Reconstruction	15	2	\$45,000	\$47,741
21	Greens - Major Reconstruction	30	16	\$100,000	\$160,471
22	Greens - Minor Reconstruction	15	1	\$35,000	\$36,050
23	Minor Lift Stations - Repair	15	5	\$21,000	\$24,345
66	Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in initial year.

Note 2: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

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Reserve Studies for Community Associations

“Full” Reserve Study



RMCS D – Sewer Department Rancho Murieta, CA

Report #: 27003-0 SEWER
For Period Beginning: July 1, 2015
Expires: June 30, 2016

Date Prepared: January 28, 2015



Hello, and welcome to your Reserve Study!

This Report is a valuable budget planning tool, for with it you control the future of your CSD. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your CSD's Sewer Department will face.

With respect to Reserves, this Report will tell you "where you are", and "where to go from here".

In this Report, you will find...

- 1) A List of What you're Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

877/618-1955



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3- Minute Executive Summary

Name: RMCS D – Sewer Department **Assoc. #: 27003-0**
SEWER
Location: Rancho Murieta, CA
of Units: 1
Report Period: July 1, 2015 through June 30, 2016

Results as-of 7/1/2015:

Projected Starting Reserve Balance:	\$2,630,712
Fully Funded Reserve Balance:	\$8,138,970
Average Reserve Deficit (Surplus) Per Unit:	\$5,508,258
Percent Funded:	32.3%
Recommended 2015/16 monthly Reserve Contribution:	\$47,450
Most Recent Reserve Contribution Rate:	\$15,000

Economic Assumptions:

Net Annual “After Tax” Interest Earnings Accruing to Reserves..... 1.00%
Annual Inflation Rate..... 3.00%

- This is a “Full” Reserve Study (original, created “from scratch”).
- The information in this Reserve Study is based on our site inspection on August 4, 2014.
- This Reserve Study was prepared under the supervision of a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is at 32.3% Funded, this means the CSD’s Sewer Department deferred maintenance risk & need for a transfer of funds is currently high.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or “Fully Funded”.
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions.
- No assets appropriate for Reserve designation were excluded.

Table 1: Executive Summary

27003-0
SEWER

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
Sewer					
336	Mechanical Equipment - Replace	8	5	\$35,000	\$40,575
1031	Groundwater Well - Repair	40	20	\$46,650	\$84,255
1860	1994 Ford Dump Truck - Replace	25	4	\$44,000	\$49,522
1861	2001 Ford F250 - Replace	15	1	\$35,000	\$36,050
1863	2003 Ford F150 - Replace	18	5	\$27,000	\$31,300
1864	2008 Ford F350 - Replace 50%	15	8	\$22,500	\$28,502
1865	2010 Ford Ranger - Replace 50%	15	10	\$13,750	\$18,479
1902	Pipeline (Airport) - Replace 25%	30	0	\$47,950	\$116,387
1902	Pipeline (Alameda) - Replace 25%	30	0	\$51,350	\$124,640
1902	Pipeline (MH Park) - Replace	45	0	\$770,600	\$2,914,098
1902	Pipelines (N. Unit 1) - Replace 25%	30	0	\$263,000	\$638,370
1902	Pipelines (N. Units 2-4) - Repl 25%	30	0	\$945,300	\$2,294,491
1902	Pipelines (RM South) - Replace 25%	30	6	\$349,350	\$417,142
1902	Pipelines (South 7&8) - Replace 25%	30	15	\$89,050	\$138,737
1902	Pipelines (South Newest) - Repl 25%	30	18	\$150,700	\$256,557
1902	Pipelines (Unit 6) - Repl 25%	30	2	\$137,675	\$146,059
1907	Sewer Jetting Unit - Replace	20	10	\$48,000	\$64,508
Waste Water Treatment Facility					
203	Asphalt - Seal/Repair	10	5	\$132,500	\$153,604
302	Generators - Replace	50	25	\$635,000	\$1,329,549
312	Pumping Stations - Repair	8	4	\$350,000	\$393,928
313	Tertiary Effluent - Replace	15	5	\$25,000	\$28,982
336	Air Compressors - Replace	10	5	\$35,900	\$41,618
337	Solar Pond Circulator - Replace	10	2	\$56,000	\$59,410
521	Fencing - Replace/Repair	25	10	\$98,000	\$131,704
941	Storage Buildings - Refurbish	30	10	\$265,000	\$356,138
1005	Filtration Valves - Replace	30	20	\$82,350	\$148,733
1011	WW Treatment Facility - Rehab	40	15	\$3,400,000	\$5,297,089
1015	Chemical Storage Room - Repair	30	10	\$17,600	\$23,653
1015	Chlorine Contact Tank - Repair	40	15	\$25,000	\$38,949
1015	Hydro Tank - Replace	30	26	\$17,500	\$37,740
1030	Equip & Devices - Partial Replace	10	5	\$98,500	\$114,188
1105	Exterior Surfaces - Repaint	15	11	\$29,700	\$41,112
1113	Tertiary Stations - Repair/Repaint	15	11	\$350,000	\$484,482
1206	Filters - Replace 33%	6	4	\$450,000	\$506,479
1703	WWT Holding Ponds - Repair	30	10	\$55,000	\$73,915
1712	Floating Aerators - Replace	10	5	\$132,000	\$153,024
1810	Automated Gate - Replace	5	3	\$9,500	\$10,381
1864	Fuel Tank - Replace	30	25	\$42,500	\$88,986
1904	EQ Basin - Repair	30	15	\$170,000	\$264,854
1912	Chem. Storage Tanks - Reline/Repair	30	15	\$160,000	\$249,275
2710	Aerator Brush Device - Repl 50%	20	4	\$67,500	\$75,972
2711	Aerator Pumps - Repl 50%	6	2	\$13,500	\$14,322
2712	Aerator Control Systems - Repl 50%	10	5	\$9,900	\$11,477
Lift Stations					

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
1	Main Lift N - Major Reconstruction	30	29	\$1,000,000	\$2,356,566
2	Main Lift N - Minor Reconstruction	15	14	\$200,000	\$302,518
3	Cantova - Major Reconstruction	30	2	\$142,500	\$151,178
4	Cantova - Minor Reconstruction	15	2	\$57,500	\$61,002
5	FAA - Major Reconstruction	30	4	\$55,000	\$61,903
6	FAA - Minor Reconstruction	15	4	\$30,000	\$33,765
7	6B - Major Reconstruction	30	8	\$154,500	\$195,716
8	6B - Minor Reconstruction	15	8	\$45,000	\$57,005
9	6A - Major Reconstruction	30	8	\$132,500	\$167,847
10	6A - Minor Reconstruction	15	8	\$45,000	\$57,005
11	3B - Major Reconstruction	30	11	\$132,500	\$183,411
12	3B - Minor Reconstruction	15	11	\$45,000	\$62,291
13	Alameda - Major Reconstruction	30	5	\$60,000	\$69,556
14	Alameda - Minor Reconstruction	15	5	\$15,000	\$17,389
15	Starter Shack- Major Reconstruction	30	3	\$60,000	\$65,564
16	Starter Shack- Minor Reconstruction	15	3	\$15,000	\$16,391
17	Main Lift S - Major Reconstruction	30	4	\$600,000	\$675,305
18	Main Lift S - Minor Reconstruction	15	4	\$170,000	\$191,336
19	Crest - Major Reconstruction	30	17	\$300,000	\$495,854
20	Crest - Minor Reconstruction	15	2	\$45,000	\$47,741
21	Greens - Major Reconstruction	30	16	\$100,000	\$160,471
22	Greens - Minor Reconstruction	15	1	\$35,000	\$36,050
23	Minor Lift Stations - Repair	15	5	\$21,000	\$24,345
66	Total Funded Components				

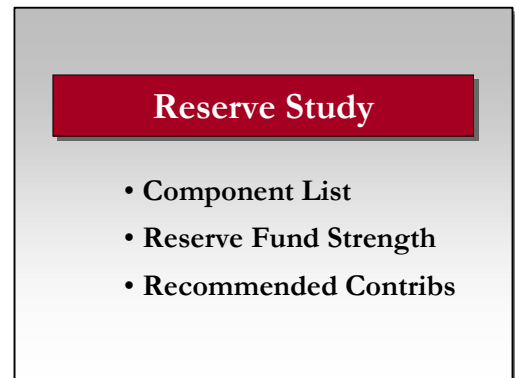
Note 1: Yellow highlighted line items are expected to require attention in initial year.

Note 2: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

Introduction

A Reserve Study is the art and science of anticipating, and preparing for, a CSD's major repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

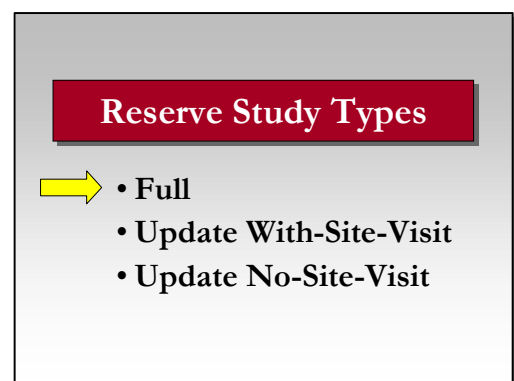
In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the Sewer Department is obligated to maintain. Based on that List and your starting balance we computed the Sewer Department's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.



As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing deterioration.

Methodology

First we establish what the projected expenses are, then we determine the Sewer Department's financial status and create a Funding Plan. For this "Full" Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established CSD precedents. We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List "from scratch".



Which Physical Assets are Covered by Reserves?

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a Sewer Department maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a “surprise” which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include “lifetime” components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How are Useful Life and Remaining Useful Life established?

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client Component History
- 4) Vendor Evaluation and Recommendation

How are Cost Estimates Established?

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order...

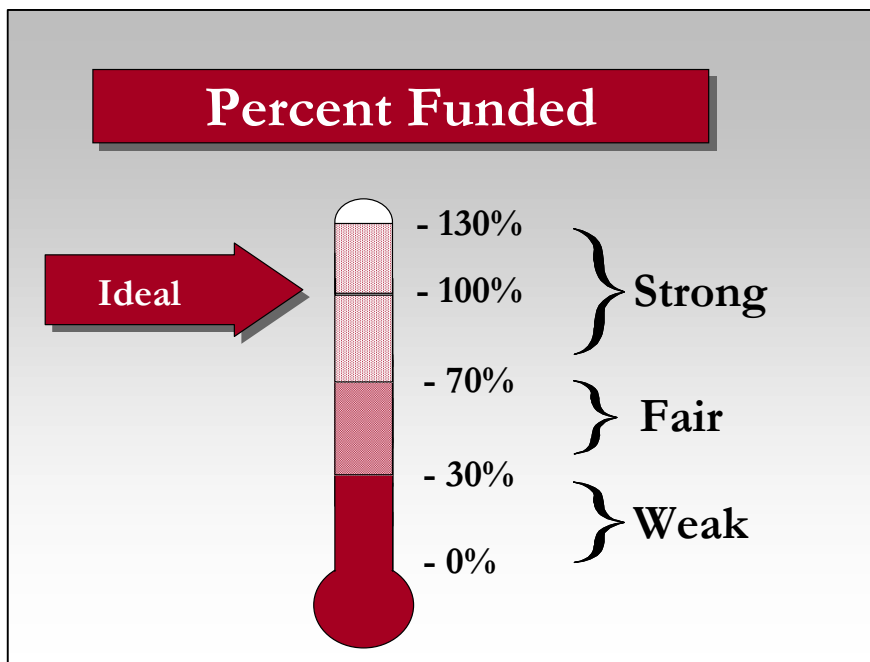
- 1) Client Cost History
- 2) Comparison to Association Reserves database of work done at similar CSDs
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

- 1) Calculate the Sewer Department's Fully Funded Balance (FFB).
- 2) Compare to the Sewer Department Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the Sewer Department increase, but shrinks when projects are accomplished and the Reserve needs of the Sewer Department decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



Deferred maintenance & the need for a transfer of funds are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered "strong" because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your Sewer Department is for upcoming Reserve expenses.

How much should we contribute?

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their “fair share” of the Sewer Department’s Reserve expenses (this means we recommend a transfer of funds only when all other options have been exhausted). And finally, we develop a plan that is fiscally responsible and “safe” for Board Members to recommend to their CSD.

Funding Principles

- Sufficient Cash
- Stable Contribution Rate
- Evenly Distributed
- Fiscally Responsible

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called “Full Funding” the Reserves (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, CSDs in the 100% range rarely experience the need for a transfer of funds or deferred maintenance.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these CSDs, deterioration occurs without matching Reserve contributions. With a low Percent Funded, the need for a transfer of funds and deferred maintenance are common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.

Funding Goals

- Full Funding
- Threshold Funding
- Baseline Funding

Site Inspection Notes

During our site visit on August 4, 2014, we started with a brief meeting with Paul Siebensohn (Director of Field Operations), and then started the site inspection beginning with the waste water treatment facility. We visually inspected the entire plant, and were able to see most Lift Stations. We were not able to inspect the underground/underwater equipment.



Projected Expenses

The figure below shows the array of the projected future expenses at your CSD’s Sewer Department. All expenses are based on the average of our Best Case and Worst Case projections, inflated appropriately for future years.

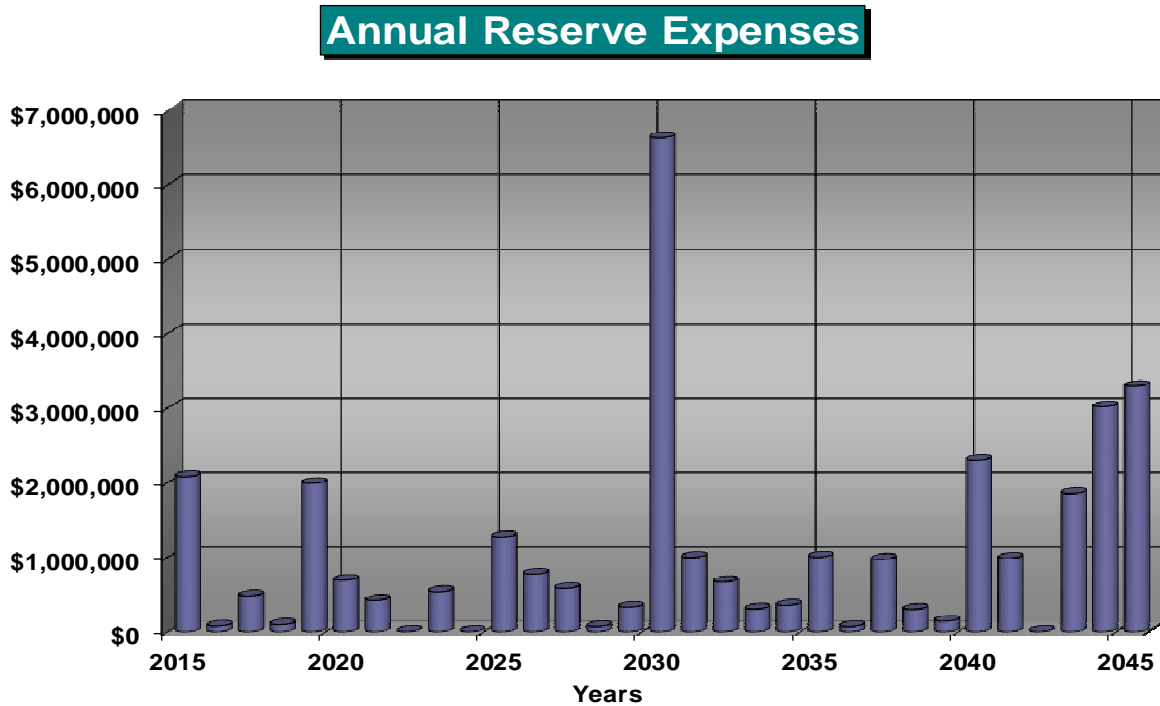


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years’ worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Sewer Department Reserve Fund balance, projected to be \$2,630,712 as-of the start of your Fiscal Year on July 1, 2015. This is based on your actual balance on 9/30/14 of \$2,495,712 and anticipated Reserve contributions totaling \$135,000 and no expenses projected through the end of your Fiscal Year. As of July 1, 2015, your Fully Funded Balance is computed to be \$8,138,970 (see Table 3). This figure represents the deteriorated value of your Sewer Department components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 32% Funded.

Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of \$47,450/month this 2015/2016 Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

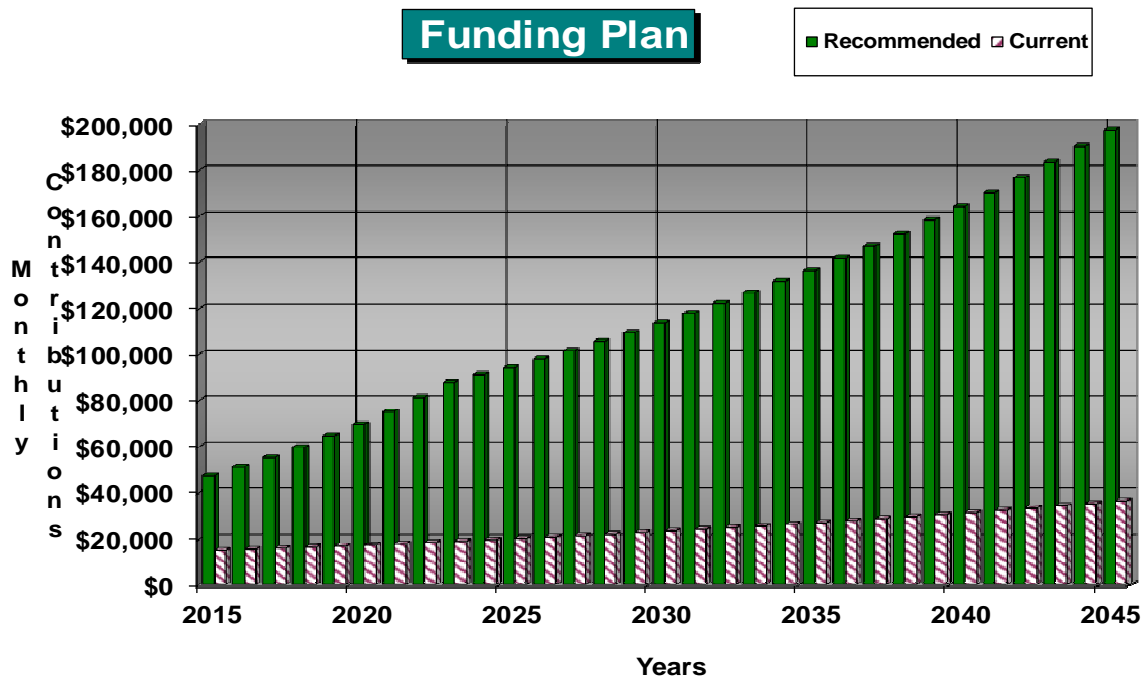


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

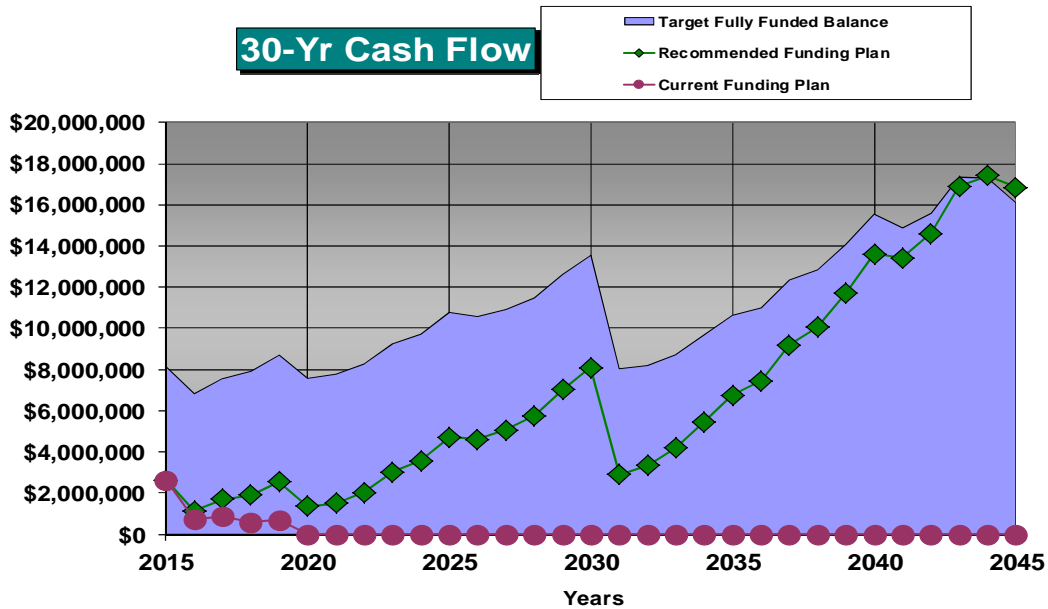


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

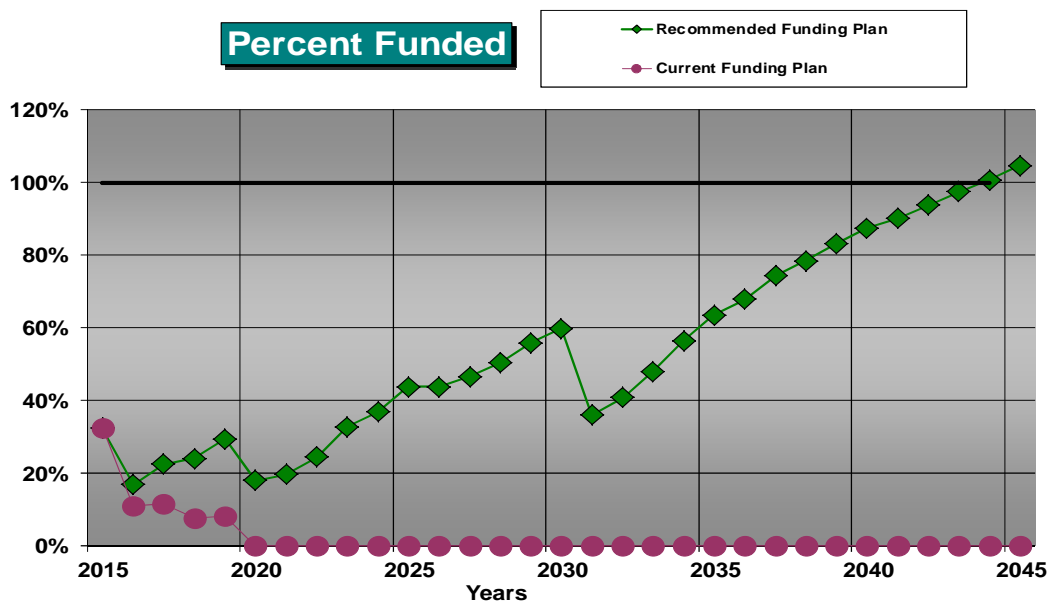


Figure 4

Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the Sewer Department as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the Sewer Department is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the Sewer Department's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the Sewer Department (current cost divided by useful life). This presentation is not meant to cause clients to redistribute Sewer Department funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the Sewer Department, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail

**27003-0
SEWER**

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
Sewer						
336	Mechanical Equipment - Replace	Various Equipment	8	5	\$30,000	\$40,000
1031	Groundwater Well - Repair	(5) Groundwater Wells	40	20	\$42,400	\$50,900
1860	1994 Ford Dump Truck - Replace	(1) Ford F250, V#1665	25	4	\$40,000	\$48,000
1861	2001 Ford F250 - Replace	(1) Ford F250, V#8523	15	1	\$32,000	\$38,000
1863	2003 Ford F150 - Replace	(1) Ford F150, V#1750	18	5	\$25,000	\$29,000
1864	2008 Ford F350 - Replace 50%	(1) Ford F350, V#0663	15	8	\$20,000	\$25,000
1865	2010 Ford Ranger - Replace 50%	(1) Ford Ranger, V#8210	15	10	\$12,500	\$15,000
1902	Pipeline (Airport) - Replace 25%	Approx 3,500 LF X 25%	30	0	\$43,400	\$52,500
1902	Pipeline (Alameda) - Replace 25%	Approx 3,750 LF X 25%	30	0	\$46,500	\$56,200
1902	Pipeline (MH Park) - Replace	Approx 11,250 LF	45	0	\$697,500	\$843,700
1902	Pipelines (N. Unit 1) - Replace 25%	Approx 19,200 LF X 25%	30	0	\$238,000	\$288,000
1902	Pipelines (N. Units 2-4) - Repl 25%	Approx 69,000 LF X 25%	30	0	\$855,600	\$1,035,000
1902	Pipelines (RM South) - Replace 25%	Approx 25,500 LF X 25%	30	6	\$316,200	\$382,500
1902	Pipelines (South 7&8) - Replace 25%	Approx 6,500 LF X 25%	30	15	\$80,600	\$97,500
1902	Pipelines (South Newest) - Repl 25%	Approx 11,000 LF X 25%	30	18	\$136,400	\$165,000
1902	Pipelines (Unit 6) - Repl 25%	Approx 10,100 LF X 25%	30	2	\$125,150	\$150,200
1907	Sewer Jetting Unit - Replace	Sewer Jetting Equipment	20	10	\$43,000	\$53,000
Waste Water Treatment Facility						
203	Asphalt - Seal/Repair	Approx 246,650 GSF	10	5	\$120,000	\$145,000
302	Generators - Replace	Generators	50	25	\$550,000	\$720,000
312	Pumping Stations - Repair	(3) Pump Stations	8	4	\$300,000	\$400,000
313	Tertiary Effluent - Replace	Filtered Tert. Effluent	15	5	\$20,000	\$30,000
336	Air Compressors - Replace	(4) Air Compressors	10	5	\$29,900	\$41,900
337	Solar Pond Circulator - Replace	(1) Solar Pond Circulator	10	2	\$51,000	\$61,000
521	Fencing - Replace/Repair	Approx 4,900 LF	25	10	\$88,200	\$107,800
941	Storage Buildings - Refurbish	Approx 7,730 GSF	30	10	\$240,000	\$290,000
1005	Filtration Valves - Replace	(3) Filtration Valves	30	20	\$74,900	\$89,800
1011	WW Treatment Facility - Rehab	WW Treatment Facility	40	15	\$2,800,000	\$4,000,000
1015	Chemical Storage Room - Repair	(1) Chem. Storage Room	30	10	\$16,000	\$19,200
1015	Chlorine Contact Tank - Repair	(1) Tank	40	15	\$20,000	\$30,000
1015	Hydro Tank - Replace	(1) Saturation Vessel	30	26	\$15,000	\$20,000
1030	Equip & Devices - Partial Replace	Reading Devices/Equipment	10	5	\$72,000	\$125,000
1105	Exterior Surfaces - Repaint	Approx 2,000 GSF	15	11	\$27,000	\$32,400
1113	Tertiary Stations - Repair/Repaint	(2) Tertiary Treatment St	15	11	\$300,000	\$400,000
1206	Filters - Replace 33%	(6) Filters	6	4	\$400,000	\$500,000
1703	WWT Holding Ponds - Repair	Approx 1,567,120 GSF	30	10	\$50,000	\$60,000
1712	Floating Aerators - Replace	(10) Floating Aerators	10	5	\$120,000	\$144,000
1810	Automated Gate - Replace	(1) Automated Gate	5	3	\$8,500	\$10,500
1864	Fuel Tank - Replace	Fuel Tank	30	25	\$35,000	\$50,000
1904	EQ Basin - Repair	Approx 48,000 GSF	30	15	\$150,000	\$190,000
1912	Chem. Storage Tanks - Reline/Repair	(3) Storage Containers	30	15	\$120,000	\$200,000
2710	Aerator Brush Device - Repl 50%	(5) Aerated Brush	20	4	\$60,000	\$75,000
2711	Aerator Pumps - Repl 50%	(4) Pumps, 10hp	6	2	\$12,500	\$14,500
2712	Aerator Control Systems - Repl 50%	(2) Aerator Controls	10	5	\$9,000	\$10,800
Lift Stations						
1	Main Lift N - Major Reconstruction	(1) Sewer Lift Station	30	29	\$550,000	\$1,450,000
2	Main Lift N - Minor Reconstruction	(1) Sewer Lift Station	15	14	\$150,000	\$250,000
3	Cantova - Major Reconstruction	(1) Sewer Lift Station	30	2	\$120,000	\$165,000
4	Cantova - Minor Reconstruction	(1) Sewer Lift Station	15	2	\$40,000	\$75,000
5	FAA - Major Reconstruction	(1) Sewer Lift Station	30	4	\$40,000	\$70,000
6	FAA - Minor Reconstruction	(1) Sewer/Stormwater Lift	15	4	\$25,000	\$35,000
7	6B - Major Reconstruction	(1) Sewer Lift Station	30	8	\$120,000	\$189,000
8	6B - Minor Reconstruction	(1) Sewer Lift Station	15	8	\$40,000	\$50,000
9	6A - Major Reconstruction	(1) Sewer Lift Station	30	8	\$120,000	\$145,000
10	6A - Minor Reconstruction	(1) Sewer Lift Station	15	8	\$40,000	\$50,000
11	3B - Major Reconstruction	(1) Sewer Lift Station	30	11	\$120,000	\$145,000
12	3B - Minor Reconstruction	(1) Sewer Lift Station	15	11	\$40,000	\$50,000
13	Alameda - Major Reconstruction	(1) Sewer Lift Station	30	5	\$50,000	\$70,000
14	Alameda - Minor Reconstruction	(1) Sewer Lift Station	15	5	\$10,000	\$20,000
15	Starter Shack- Major Reconstruction	(1) Sewer Lift Station	30	3	\$50,000	\$70,000

Table 2: Reserve Component List Detail

**27003-0
SEWER**

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
16	Starter Shack- Minor Reconstruction	(1) Sewer Lift Station	15	3	\$10,000	\$20,000
17	Main Lift S - Major Reconstruction	(1) Sewer/Stormwater Lift	30	4	\$450,000	\$750,000
18	Main Lift S - Minor Reconstruction	(1) Sewer/Stormwater Lift	15	4	\$150,000	\$190,000
19	Crest - Major Reconstruction	(1) Sewer Lift Station	30	17	\$250,000	\$350,000
20	Crest - Minor Reconstruction	(1) Sewer Lift Station	15	2	\$40,000	\$50,000
21	Greens - Major Reconstruction	(1) Sewer Lift Station	30	16	\$90,000	\$110,000
22	Greens - Minor Reconstruction	(1) Sewer Lift Station	15	1	\$30,000	\$40,000
23	Minor Lift Stations - Repair	(2) Sewage Lift Stations	15	5	\$12,000	\$30,000
66	Total Funded Components					

Table 3: Contribution and Fund Breakdown

**27003-0
SEWER**

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
Sewer							
336	Mechanical Equipment - Replace	8	5	\$35,000	\$13,125	\$0.00	\$364.63
1031	Groundwater Well - Repair	40	20	\$46,650	\$23,325	\$0.00	\$97.20
1860	1994 Ford Dump Truck - Replace	25	4	\$44,000	\$36,960	\$0.00	\$146.68
1861	2001 Ford F250 - Replace	15	1	\$35,000	\$32,667	\$32,666.67	\$194.47
1863	2003 Ford F150 - Replace	18	5	\$27,000	\$19,500	\$0.00	\$125.01
1864	2008 Ford F350 - Replace 50%	15	8	\$22,500	\$10,500	\$0.00	\$125.01
1865	2010 Ford Ranger - Replace 50%	15	10	\$13,750	\$4,583	\$0.00	\$76.40
1902	Pipeline (Airport) - Replace 25%	30	0	\$47,950	\$47,950	\$47,950.00	\$133.21
1902	Pipeline (Alameda) - Replace 25%	30	0	\$51,350	\$51,350	\$51,350.00	\$142.66
1902	Pipeline (MH Park) - Replace	45	0	\$770,600	\$770,600	\$770,600.00	\$1,427.20
1902	Pipelines (N. Unit 1) - Replace 25%	30	0	\$263,000	\$263,000	\$263,000.00	\$730.64
1902	Pipelines (N. Units 2-4) - Repl 25%	30	0	\$945,300	\$945,300	\$945,300.00	\$2,626.14
1902	Pipelines (RM South) - Replace 25%	30	6	\$349,350	\$279,480	\$0.00	\$970.53
1902	Pipelines (South 7&8) - Replace 25%	30	15	\$89,050	\$44,525	\$0.00	\$247.39
1902	Pipelines (South Newest) - Repl 25%	30	18	\$150,700	\$60,280	\$0.00	\$418.66
1902	Pipelines (Unit 6) - Repl 25%	30	2	\$137,675	\$128,497	\$128,496.67	\$382.48
1907	Sewer Jetting Unit - Replace	20	10	\$48,000	\$24,000	\$0.00	\$200.02
Waste Water Treatment Facility							
203	Asphalt - Seal/Repair	10	5	\$132,500	\$66,250	\$0.00	\$1,104.30
302	Generators - Replace	50	25	\$635,000	\$317,500	\$0.00	\$1,058.46
312	Pumping Stations - Repair	8	4	\$350,000	\$175,000	\$0.00	\$3,646.26
313	Tertiary Effluent - Replace	15	5	\$25,000	\$16,667	\$0.00	\$138.91
336	Air Compressors - Replace	10	5	\$35,900	\$17,950	\$0.00	\$299.20
337	Solar Pond Circulator - Replace	10	2	\$56,000	\$44,800	\$44,800.00	\$466.72
521	Fencing - Replace/Repair	25	10	\$98,000	\$58,800	\$0.00	\$326.70
941	Storage Buildings - Refurbish	30	10	\$265,000	\$176,667	\$0.00	\$736.20
1005	Filtration Valves - Replace	30	20	\$82,350	\$27,450	\$0.00	\$228.78
1011	WW Treatment Facility - Rehab	40	15	\$3,400,000	\$2,125,000	\$0.00	\$7,084.16
1015	Chemical Storage Room - Repair	30	10	\$17,600	\$11,733	\$0.00	\$48.89
1015	Chlorine Contact Tank - Repair	40	15	\$25,000	\$15,625	\$0.00	\$52.09
1015	Hydro Tank - Replace	30	26	\$17,500	\$2,333	\$0.00	\$48.62
1030	Equip & Devices - Partial Replace	10	5	\$98,500	\$49,250	\$0.00	\$820.93
1105	Exterior Surfaces - Repaint	15	11	\$29,700	\$7,920	\$0.00	\$165.02
1113	Tertiary Stations - Repair/Repaint	15	11	\$350,000	\$93,333	\$0.00	\$1,944.67
1206	Filters - Replace 33%	6	4	\$450,000	\$150,000	\$13,248.67	\$6,250.73
1703	WWT Holding Ponds - Repair	30	10	\$55,000	\$36,667	\$0.00	\$152.80
1712	Floating Aerators - Replace	10	5	\$132,000	\$66,000	\$0.00	\$1,100.13
1810	Automated Gate - Replace	5	3	\$9,500	\$3,800	\$3,800.00	\$158.35
1864	Fuel Tank - Replace	30	25	\$42,500	\$7,083	\$0.00	\$118.07
1904	EQ Basin - Repair	30	15	\$170,000	\$85,000	\$0.00	\$472.28
1912	Chem. Storage Tanks - Reline/Repair	30	15	\$160,000	\$80,000	\$0.00	\$444.50
2710	Aerator Brush Device - Repl 50%	20	4	\$67,500	\$54,000	\$0.00	\$281.28
2711	Aerator Pumps - Repl 50%	6	2	\$13,500	\$9,000	\$9,000.00	\$187.52
2712	Aerator Control Systems - Repl 50%	10	5	\$9,900	\$4,950	\$0.00	\$82.51
Lift Stations							
1	Main Lift N - Major Reconstruction	30	29	\$1,000,000	\$33,333	\$0.00	\$2,778.10
2	Main Lift N - Minor Reconstruction	15	14	\$200,000	\$13,333	\$0.00	\$1,111.24
3	Cantova - Major Reconstruction	30	2	\$142,500	\$133,000	\$133,000.00	\$395.88
4	Cantova - Minor Reconstruction	15	2	\$57,500	\$49,833	\$49,833.33	\$319.48
5	FAA - Major Reconstruction	30	4	\$55,000	\$47,667	\$0.00	\$152.80
6	FAA - Minor Reconstruction	15	4	\$30,000	\$22,000	\$0.00	\$166.69
7	6B - Major Reconstruction	30	8	\$154,500	\$113,300	\$0.00	\$429.22
8	6B - Minor Reconstruction	15	8	\$45,000	\$21,000	\$0.00	\$250.03
9	6A - Major Reconstruction	30	8	\$132,500	\$97,167	\$0.00	\$368.10
10	6A - Minor Reconstruction	15	8	\$45,000	\$21,000	\$0.00	\$250.03
11	3B - Major Reconstruction	30	11	\$132,500	\$83,917	\$0.00	\$368.10
12	3B - Minor Reconstruction	15	11	\$45,000	\$12,000	\$0.00	\$250.03
13	Alameda - Major Reconstruction	30	5	\$60,000	\$50,000	\$0.00	\$166.69
14	Alameda - Minor Reconstruction	15	5	\$15,000	\$10,000	\$0.00	\$83.34
15	Starter Shack- Major Reconstruction	30	3	\$60,000	\$54,000	\$54,000.00	\$166.69
16	Starter Shack- Minor Reconstruction	15	3	\$15,000	\$12,000	\$12,000.00	\$83.34
17	Main Lift S - Major Reconstruction	30	4	\$600,000	\$520,000	\$0.00	\$1,666.86

Table 3: Contribution and Fund Breakdown

**27003-0
SEWER**

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
18	Main Lift S - Minor Reconstruction	15	4	\$170,000	\$124,667	\$0.00	\$944.56
19	Crest - Major Reconstruction	30	17	\$300,000	\$130,000	\$0.00	\$833.43
20	Crest - Minor Reconstruction	15	2	\$45,000	\$39,000	\$39,000.00	\$250.03
21	Greens - Major Reconstruction	30	16	\$100,000	\$46,667	\$0.00	\$277.81
22	Greens - Minor Reconstruction	15	1	\$35,000	\$32,667	\$32,666.67	\$194.47
23	Minor Lift Stations - Repair	15	5	\$21,000	\$14,000	\$0.00	\$116.68
66	Total Funded Components				\$8,138,970	\$2,630,712	\$47,450

Table 4: 30-Year Reserve Plan Summary Recommended by Association Reserves

27003-0 SEWER

Fiscal Year Beginning: 07/01/15

Interest: 1.00%	Inflation: 3.0%
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase In Annual Reserve Contribs.	Annual Reserve Contribs.	Loans or Trnsfer Amnts	Interest Income	Projected Reserve Expenses
2015	\$2,630,712	\$8,138,970	32.3%	Fair		\$569,400	\$0	\$18,849	\$2,078,200
2016	\$1,140,761	\$6,829,006	16.7%	Weak	8.00%	\$614,952	\$0	\$14,187	\$72,100
2017	\$1,697,800	\$7,563,619	22.4%	Weak	8.00%	\$664,148	\$0	\$17,982	\$479,712
2018	\$1,900,218	\$7,918,550	24.0%	Weak	8.00%	\$717,280	\$0	\$22,229	\$92,335
2019	\$2,547,391	\$8,701,790	29.3%	Weak	8.00%	\$774,662	\$0	\$19,495	\$1,988,211
2020	\$1,353,338	\$7,574,999	17.9%	Weak	8.00%	\$836,635	\$0	\$14,352	\$686,058
2021	\$1,518,267	\$7,775,423	19.5%	Weak	8.00%	\$903,566	\$0	\$17,696	\$417,142
2022	\$2,022,387	\$8,279,237	24.4%	Weak	8.00%	\$975,852	\$0	\$25,219	\$0
2023	\$3,023,457	\$9,248,828	32.7%	Fair	8.00%	\$1,053,920	\$0	\$32,979	\$535,210
2024	\$3,575,145	\$9,717,877	36.8%	Fair	3.75%	\$1,093,442	\$0	\$41,408	\$0
2025	\$4,709,995	\$10,774,550	43.7%	Fair	3.75%	\$1,134,446	\$0	\$46,620	\$1,273,159
2026	\$4,617,901	\$10,574,523	43.7%	Fair	3.75%	\$1,176,987	\$0	\$48,429	\$771,295
2027	\$5,072,022	\$10,909,057	46.5%	Fair	3.75%	\$1,221,124	\$0	\$54,179	\$578,859
2028	\$5,768,467	\$11,476,189	50.3%	Fair	3.75%	\$1,266,917	\$0	\$63,985	\$65,350
2029	\$7,034,019	\$12,614,332	55.8%	Fair	3.75%	\$1,314,426	\$0	\$75,644	\$322,938
2030	\$8,101,151	\$13,547,139	59.8%	Fair	3.75%	\$1,363,717	\$0	\$54,952	\$6,625,802
2031	\$2,894,019	\$8,042,590	36.0%	Fair	3.75%	\$1,414,856	\$0	\$31,183	\$994,918
2032	\$3,345,140	\$8,200,123	40.8%	Fair	3.75%	\$1,467,913	\$0	\$37,637	\$665,271
2033	\$4,185,419	\$8,730,149	47.9%	Fair	3.75%	\$1,522,960	\$0	\$48,198	\$298,266
2034	\$5,458,311	\$9,683,169	56.4%	Fair	3.75%	\$1,580,071	\$0	\$61,009	\$350,701
2035	\$6,748,690	\$10,640,720	63.4%	Fair	3.75%	\$1,639,324	\$0	\$71,010	\$999,683
2036	\$7,459,341	\$10,989,396	67.9%	Fair	3.75%	\$1,700,799	\$0	\$83,152	\$65,110
2037	\$9,178,182	\$12,342,916	74.4%	Strong	3.75%	\$1,764,578	\$0	\$96,197	\$969,548
2038	\$10,069,409	\$12,838,197	78.4%	Strong	3.75%	\$1,830,750	\$0	\$108,876	\$294,064
2039	\$11,714,971	\$14,077,794	83.2%	Strong	3.75%	\$1,899,403	\$0	\$126,540	\$137,214
2040	\$13,603,700	\$15,550,855	87.5%	Strong	3.75%	\$1,970,631	\$0	\$134,991	\$2,303,260
2041	\$13,406,062	\$14,872,841	90.1%	Strong	3.75%	\$2,044,530	\$0	\$140,010	\$982,759
2042	\$14,607,843	\$15,571,439	93.8%	Strong	3.75%	\$2,121,199	\$0	\$157,405	\$0
2043	\$16,886,447	\$17,341,175	97.4%	Strong	3.75%	\$2,200,744	\$0	\$171,392	\$1,852,077
2044	\$17,406,506	\$17,295,441	100.6%	Strong	3.75%	\$2,283,272	\$0	\$171,194	\$3,014,047

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)

**27003-0
SEWER**

Fiscal Year	2015	2016	2017	2018	2019
Starting Reserve Balance	\$2,630,712	\$1,140,761	\$1,697,800	\$1,900,218	\$2,547,391
Annual Reserve Contribution	\$569,400	\$614,952	\$664,148	\$717,280	\$774,662
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$18,849	\$14,187	\$17,982	\$22,229	\$19,495
Total Income	\$3,218,961	\$1,769,900	\$2,379,931	\$2,639,727	\$3,341,549
# Component					
Sewer					
336 Mechanical Equipment - Replace	\$0	\$0	\$0	\$0	\$0
1031 Groundwater Well - Repair	\$0	\$0	\$0	\$0	\$0
1860 1994 Ford Dump Truck - Replace	\$0	\$0	\$0	\$0	\$49,522
1861 2001 Ford F250 - Replace	\$0	\$36,050	\$0	\$0	\$0
1863 2003 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1864 2008 Ford F350 - Replace 50%	\$0	\$0	\$0	\$0	\$0
1865 2010 Ford Ranger - Replace 50%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Airport) - Replace 25%	\$47,950	\$0	\$0	\$0	\$0
1902 Pipeline (Alameda) - Replace 25%	\$51,350	\$0	\$0	\$0	\$0
1902 Pipeline (MH Park) - Replace	\$770,600	\$0	\$0	\$0	\$0
1902 Pipelines (N. Unit 1) - Replace 25%	\$263,000	\$0	\$0	\$0	\$0
1902 Pipelines (N. Units 2-4) - Repl 25%	\$945,300	\$0	\$0	\$0	\$0
1902 Pipelines (RM South) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South 7&8) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South Newest) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (Unit 6) - Repl 25%	\$0	\$0	\$146,059	\$0	\$0
1907 Sewer Jetting Unit - Replace	\$0	\$0	\$0	\$0	\$0
Waste Water Treatment Facility					
203 Asphalt - Seal/Repair	\$0	\$0	\$0	\$0	\$0
302 Generators - Replace	\$0	\$0	\$0	\$0	\$0
312 Pumping Stations - Repair	\$0	\$0	\$0	\$0	\$393,928
313 Tertiary Effluent - Replace	\$0	\$0	\$0	\$0	\$0
336 Air Compressors - Replace	\$0	\$0	\$0	\$0	\$0
337 Solar Pond Circulator - Replace	\$0	\$0	\$59,410	\$0	\$0
521 Fencing - Replace/Repair	\$0	\$0	\$0	\$0	\$0
941 Storage Buildings - Refurbish	\$0	\$0	\$0	\$0	\$0
1005 Filtration Valves - Replace	\$0	\$0	\$0	\$0	\$0
1011 WW Treatment Facility - Rehab	\$0	\$0	\$0	\$0	\$0
1015 Chemical Storage Room - Repair	\$0	\$0	\$0	\$0	\$0
1015 Chlorine Contact Tank - Repair	\$0	\$0	\$0	\$0	\$0
1015 Hydro Tank - Replace	\$0	\$0	\$0	\$0	\$0
1030 Equip & Devices - Partial Replace	\$0	\$0	\$0	\$0	\$0
1105 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1113 Tertiary Stations - Repair/Repaint	\$0	\$0	\$0	\$0	\$0
1206 Filters - Replace 33%	\$0	\$0	\$0	\$0	\$506,479
1703 WWT Holding Ponds - Repair	\$0	\$0	\$0	\$0	\$0
1712 Floating Aerators - Replace	\$0	\$0	\$0	\$0	\$0
1810 Automated Gate - Replace	\$0	\$0	\$0	\$10,381	\$0

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)

**27003-0
SEWER**

Fiscal Year	2015	2016	2017	2018	2019
1864 Fuel Tank - Replace	\$0	\$0	\$0	\$0	\$0
1904 EQ Basin - Repair	\$0	\$0	\$0	\$0	\$0
1912 Chem. Storage Tanks - Reline/Repair	\$0	\$0	\$0	\$0	\$0
2710 Aerator Brush Device - Repl 50%	\$0	\$0	\$0	\$0	\$75,972
2711 Aerator Pumps - Repl 50%	\$0	\$0	\$14,322	\$0	\$0
2712 Aerator Control Systems - Repl 50%	\$0	\$0	\$0	\$0	\$0
Lift Stations					
1 Main Lift N - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
2 Main Lift N - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
3 Cantova - Major Reconstruction	\$0	\$0	\$151,178	\$0	\$0
4 Cantova - Minor Reconstruction	\$0	\$0	\$61,002	\$0	\$0
5 FAA - Major Reconstruction	\$0	\$0	\$0	\$0	\$61,903
6 FAA - Minor Reconstruction	\$0	\$0	\$0	\$0	\$33,765
7 6B - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
8 6B - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
9 6A - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
10 6A - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
11 3B - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
12 3B - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
13 Alameda - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
14 Alameda - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
15 Starter Shack- Major Reconstruction	\$0	\$0	\$0	\$65,564	\$0
16 Starter Shack- Minor Reconstruction	\$0	\$0	\$0	\$16,391	\$0
17 Main Lift S - Major Reconstruction	\$0	\$0	\$0	\$0	\$675,305
18 Main Lift S - Minor Reconstruction	\$0	\$0	\$0	\$0	\$191,336
19 Crest - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
20 Crest - Minor Reconstruction	\$0	\$0	\$47,741	\$0	\$0
21 Greens - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
22 Greens - Minor Reconstruction	\$0	\$36,050	\$0	\$0	\$0
23 Minor Lift Stations - Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$2,078,200	\$72,100	\$479,712	\$92,335	\$1,988,211
Ending Reserve Balance:	\$1,140,761	\$1,697,800	\$1,900,218	\$2,547,391	\$1,353,338

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)

**27003-0
SEWER**

Fiscal Year	2020	2021	2022	2023	2024
Starting Reserve Balance	\$1,353,338	\$1,518,267	\$2,022,387	\$3,023,457	\$3,575,145
Annual Reserve Contribution	\$836,635	\$903,566	\$975,852	\$1,053,920	\$1,093,442
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$14,352	\$17,696	\$25,219	\$32,979	\$41,408
Total Income	\$2,204,325	\$2,439,529	\$3,023,457	\$4,110,355	\$4,709,995
# Component					
Sewer					
336 Mechanical Equipment - Replace	\$40,575	\$0	\$0	\$0	\$0
1031 Groundwater Well - Repair	\$0	\$0	\$0	\$0	\$0
1860 1994 Ford Dump Truck - Replace	\$0	\$0	\$0	\$0	\$0
1861 2001 Ford F250 - Replace	\$0	\$0	\$0	\$0	\$0
1863 2003 Ford F150 - Replace	\$31,300	\$0	\$0	\$0	\$0
1864 2008 Ford F350 - Replace 50%	\$0	\$0	\$0	\$28,502	\$0
1865 2010 Ford Ranger - Replace 50%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Airport) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Alameda) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (MH Park) - Replace	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Unit 1) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Units 2-4) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (RM South) - Replace 25%	\$0	\$417,142	\$0	\$0	\$0
1902 Pipelines (South 7&8) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South Newest) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (Unit 6) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1907 Sewer Jetting Unit - Replace	\$0	\$0	\$0	\$0	\$0
Waste Water Treatment Facility					
203 Asphalt - Seal/Repair	\$153,604	\$0	\$0	\$0	\$0
302 Generators - Replace	\$0	\$0	\$0	\$0	\$0
312 Pumping Stations - Repair	\$0	\$0	\$0	\$0	\$0
313 Tertiary Effluent - Replace	\$28,982	\$0	\$0	\$0	\$0
336 Air Compressors - Replace	\$41,618	\$0	\$0	\$0	\$0
337 Solar Pond Circulator - Replace	\$0	\$0	\$0	\$0	\$0
521 Fencing - Replace/Repair	\$0	\$0	\$0	\$0	\$0
941 Storage Buildings - Refurbish	\$0	\$0	\$0	\$0	\$0
1005 Filtration Valves - Replace	\$0	\$0	\$0	\$0	\$0
1011 WW Treatment Facility - Rehab	\$0	\$0	\$0	\$0	\$0
1015 Chemical Storage Room - Repair	\$0	\$0	\$0	\$0	\$0
1015 Chlorine Contact Tank - Repair	\$0	\$0	\$0	\$0	\$0
1015 Hydro Tank - Replace	\$0	\$0	\$0	\$0	\$0
1030 Equip & Devices - Partial Replace	\$114,188	\$0	\$0	\$0	\$0
1105 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1113 Tertiary Stations - Repair/Repaint	\$0	\$0	\$0	\$0	\$0
1206 Filters - Replace 33%	\$0	\$0	\$0	\$0	\$0
1703 WWT Holding Ponds - Repair	\$0	\$0	\$0	\$0	\$0
1712 Floating Aerators - Replace	\$153,024	\$0	\$0	\$0	\$0
1810 Automated Gate - Replace	\$0	\$0	\$0	\$12,034	\$0

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)

Fiscal Year	2020	2021	2022	2023	2024
1864 Fuel Tank - Replace	\$0	\$0	\$0	\$0	\$0
1904 EQ Basin - Repair	\$0	\$0	\$0	\$0	\$0
1912 Chem. Storage Tanks - Reline/Repair	\$0	\$0	\$0	\$0	\$0
2710 Aerator Brush Device - Repl 50%	\$0	\$0	\$0	\$0	\$0
2711 Aerator Pumps - Repl 50%	\$0	\$0	\$0	\$17,101	\$0
2712 Aerator Control Systems - Repl 50%	\$11,477	\$0	\$0	\$0	\$0
Lift Stations					
1 Main Lift N - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
2 Main Lift N - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
3 Cantova - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
4 Cantova - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
5 FAA - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
6 FAA - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
7 6B - Major Reconstruction	\$0	\$0	\$0	\$195,716	\$0
8 6B - Minor Reconstruction	\$0	\$0	\$0	\$57,005	\$0
9 6A - Major Reconstruction	\$0	\$0	\$0	\$167,847	\$0
10 6A - Minor Reconstruction	\$0	\$0	\$0	\$57,005	\$0
11 3B - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
12 3B - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
13 Alameda - Major Reconstruction	\$69,556	\$0	\$0	\$0	\$0
14 Alameda - Minor Reconstruction	\$17,389	\$0	\$0	\$0	\$0
15 Starter Shack- Major Reconstruction	\$0	\$0	\$0	\$0	\$0
16 Starter Shack- Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
17 Main Lift S - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
18 Main Lift S - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
19 Crest - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
20 Crest - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
21 Greens - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
22 Greens - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
23 Minor Lift Stations - Repair	\$24,345	\$0	\$0	\$0	\$0
Total Expenses	\$686,058	\$417,142	\$0	\$535,210	\$0
Ending Reserve Balance:	\$1,518,267	\$2,022,387	\$3,023,457	\$3,575,145	\$4,709,995

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)

**27003-0
SEWER**

Fiscal Year	2025	2026	2027	2028	2029
Starting Reserve Balance	\$4,709,995	\$4,617,901	\$5,072,022	\$5,768,467	\$7,034,019
Annual Reserve Contribution	\$1,134,446	\$1,176,987	\$1,221,124	\$1,266,917	\$1,314,426
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$46,620	\$48,429	\$54,179	\$63,985	\$75,644
Total Income	\$5,891,060	\$5,843,317	\$6,347,326	\$7,099,369	\$8,424,089
# Component					
Sewer					
336 Mechanical Equipment - Replace	\$0	\$0	\$0	\$51,399	\$0
1031 Groundwater Well - Repair	\$0	\$0	\$0	\$0	\$0
1860 1994 Ford Dump Truck - Replace	\$0	\$0	\$0	\$0	\$0
1861 2001 Ford F250 - Replace	\$0	\$0	\$0	\$0	\$0
1863 2003 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1864 2008 Ford F350 - Replace 50%	\$0	\$0	\$0	\$0	\$0
1865 2010 Ford Ranger - Replace 50%	\$18,479	\$0	\$0	\$0	\$0
1902 Pipeline (Airport) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Alameda) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (MH Park) - Replace	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Unit 1) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Units 2-4) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (RM South) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South 7&8) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South Newest) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (Unit 6) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1907 Sewer Jetting Unit - Replace	\$64,508	\$0	\$0	\$0	\$0
Waste Water Treatment Facility					
203 Asphalt - Seal/Repair	\$0	\$0	\$0	\$0	\$0
302 Generators - Replace	\$0	\$0	\$0	\$0	\$0
312 Pumping Stations - Repair	\$0	\$0	\$499,016	\$0	\$0
313 Tertiary Effluent - Replace	\$0	\$0	\$0	\$0	\$0
336 Air Compressors - Replace	\$0	\$0	\$0	\$0	\$0
337 Solar Pond Circulator - Replace	\$0	\$0	\$79,843	\$0	\$0
521 Fencing - Replace/Repair	\$131,704	\$0	\$0	\$0	\$0
941 Storage Buildings - Refurbish	\$356,138	\$0	\$0	\$0	\$0
1005 Filtration Valves - Replace	\$0	\$0	\$0	\$0	\$0
1011 WW Treatment Facility - Rehab	\$0	\$0	\$0	\$0	\$0
1015 Chemical Storage Room - Repair	\$23,653	\$0	\$0	\$0	\$0
1015 Chlorine Contact Tank - Repair	\$0	\$0	\$0	\$0	\$0
1015 Hydro Tank - Replace	\$0	\$0	\$0	\$0	\$0
1030 Equip & Devices - Partial Replace	\$0	\$0	\$0	\$0	\$0
1105 Exterior Surfaces - Repaint	\$0	\$41,112	\$0	\$0	\$0
1113 Tertiary Stations - Repair/Repaint	\$0	\$484,482	\$0	\$0	\$0
1206 Filters - Replace 33%	\$604,762	\$0	\$0	\$0	\$0
1703 WWT Holding Ponds - Repair	\$73,915	\$0	\$0	\$0	\$0
1712 Floating Aerators - Replace	\$0	\$0	\$0	\$0	\$0
1810 Automated Gate - Replace	\$0	\$0	\$0	\$13,951	\$0

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)

Fiscal Year		2025	2026	2027	2028	2029
1864	Fuel Tank - Replace	\$0	\$0	\$0	\$0	\$0
1904	EQ Basin - Repair	\$0	\$0	\$0	\$0	\$0
1912	Chem. Storage Tanks - Reline/Repair	\$0	\$0	\$0	\$0	\$0
2710	Aerator Brush Device - Repl 50%	\$0	\$0	\$0	\$0	\$0
2711	Aerator Pumps - Repl 50%	\$0	\$0	\$0	\$0	\$20,420
2712	Aerator Control Systems - Repl 50%	\$0	\$0	\$0	\$0	\$0
Lift Stations						
1	Main Lift N - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
2	Main Lift N - Minor Reconstruction	\$0	\$0	\$0	\$0	\$302,518
3	Cantova - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
4	Cantova - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
5	FAA - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
6	FAA - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
7	6B - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
8	6B - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
9	6A - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
10	6A - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
11	3B - Major Reconstruction	\$0	\$183,411	\$0	\$0	\$0
12	3B - Minor Reconstruction	\$0	\$62,291	\$0	\$0	\$0
13	Alameda - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
14	Alameda - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
15	Starter Shack- Major Reconstruction	\$0	\$0	\$0	\$0	\$0
16	Starter Shack- Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
17	Main Lift S - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
18	Main Lift S - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
19	Crest - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
20	Crest - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
21	Greens - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
22	Greens - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
23	Minor Lift Stations - Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$1,273,159	\$771,295	\$578,859	\$65,350	\$322,938
Ending Reserve Balance:		\$4,617,901	\$5,072,022	\$5,768,467	\$7,034,019	\$8,101,151

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)

**27003-0
SEWER**

Fiscal Year	2030	2031	2032	2033	2034
Starting Reserve Balance	\$8,101,151	\$2,894,019	\$3,345,140	\$4,185,419	\$5,458,311
Annual Reserve Contribution	\$1,363,717	\$1,414,856	\$1,467,913	\$1,522,960	\$1,580,071
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$54,952	\$31,183	\$37,637	\$48,198	\$61,009
Total Income	\$9,519,821	\$4,340,058	\$4,850,690	\$5,756,577	\$7,099,391
# Component					
Sewer					
336 Mechanical Equipment - Replace	\$0	\$0	\$0	\$0	\$0
1031 Groundwater Well - Repair	\$0	\$0	\$0	\$0	\$0
1860 1994 Ford Dump Truck - Replace	\$0	\$0	\$0	\$0	\$0
1861 2001 Ford F250 - Replace	\$0	\$56,165	\$0	\$0	\$0
1863 2003 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1864 2008 Ford F350 - Replace 50%	\$0	\$0	\$0	\$0	\$0
1865 2010 Ford Ranger - Replace 50%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Airport) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Alameda) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (MH Park) - Replace	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Unit 1) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Units 2-4) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (RM South) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South 7&8) - Replace 25%	\$138,737	\$0	\$0	\$0	\$0
1902 Pipelines (South Newest) - Repl 25%	\$0	\$0	\$0	\$256,557	\$0
1902 Pipelines (Unit 6) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1907 Sewer Jetting Unit - Replace	\$0	\$0	\$0	\$0	\$0
Waste Water Treatment Facility					
203 Asphalt - Seal/Repair	\$206,431	\$0	\$0	\$0	\$0
302 Generators - Replace	\$0	\$0	\$0	\$0	\$0
312 Pumping Stations - Repair	\$0	\$0	\$0	\$0	\$0
313 Tertiary Effluent - Replace	\$0	\$0	\$0	\$0	\$0
336 Air Compressors - Replace	\$55,931	\$0	\$0	\$0	\$0
337 Solar Pond Circulator - Replace	\$0	\$0	\$0	\$0	\$0
521 Fencing - Replace/Repair	\$0	\$0	\$0	\$0	\$0
941 Storage Buildings - Refurbish	\$0	\$0	\$0	\$0	\$0
1005 Filtration Valves - Replace	\$0	\$0	\$0	\$0	\$0
1011 WW Treatment Facility - Rehab	\$5,297,089	\$0	\$0	\$0	\$0
1015 Chemical Storage Room - Repair	\$0	\$0	\$0	\$0	\$0
1015 Chlorine Contact Tank - Repair	\$38,949	\$0	\$0	\$0	\$0
1015 Hydro Tank - Replace	\$0	\$0	\$0	\$0	\$0
1030 Equip & Devices - Partial Replace	\$153,460	\$0	\$0	\$0	\$0
1105 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1113 Tertiary Stations - Repair/Repaint	\$0	\$0	\$0	\$0	\$0
1206 Filters - Replace 33%	\$0	\$722,118	\$0	\$0	\$0
1703 WWT Holding Ponds - Repair	\$0	\$0	\$0	\$0	\$0
1712 Floating Aerators - Replace	\$205,652	\$0	\$0	\$0	\$0
1810 Automated Gate - Replace	\$0	\$0	\$0	\$16,173	\$0

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)

**27003-0
SEWER**

Fiscal Year	2030	2031	2032	2033	2034
1864 Fuel Tank - Replace	\$0	\$0	\$0	\$0	\$0
1904 EQ Basin - Repair	\$264,854	\$0	\$0	\$0	\$0
1912 Chem. Storage Tanks - Reline/Repair	\$249,275	\$0	\$0	\$0	\$0
2710 Aerator Brush Device - Repl 50%	\$0	\$0	\$0	\$0	\$0
2711 Aerator Pumps - Repl 50%	\$0	\$0	\$0	\$0	\$0
2712 Aerator Control Systems - Repl 50%	\$15,424	\$0	\$0	\$0	\$0
Lift Stations					
1 Main Lift N - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
2 Main Lift N - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
3 Cantova - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
4 Cantova - Minor Reconstruction	\$0	\$0	\$95,039	\$0	\$0
5 FAA - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
6 FAA - Minor Reconstruction	\$0	\$0	\$0	\$0	\$52,605
7 6B - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
8 6B - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
9 6A - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
10 6A - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
11 3B - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
12 3B - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
13 Alameda - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
14 Alameda - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
15 Starter Shack- Major Reconstruction	\$0	\$0	\$0	\$0	\$0
16 Starter Shack- Minor Reconstruction	\$0	\$0	\$0	\$25,536	\$0
17 Main Lift S - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
18 Main Lift S - Minor Reconstruction	\$0	\$0	\$0	\$0	\$298,096
19 Crest - Major Reconstruction	\$0	\$0	\$495,854	\$0	\$0
20 Crest - Minor Reconstruction	\$0	\$0	\$74,378	\$0	\$0
21 Greens - Major Reconstruction	\$0	\$160,471	\$0	\$0	\$0
22 Greens - Minor Reconstruction	\$0	\$56,165	\$0	\$0	\$0
23 Minor Lift Stations - Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$6,625,802	\$994,918	\$665,271	\$298,266	\$350,701
Ending Reserve Balance:	\$2,894,019	\$3,345,140	\$4,185,419	\$5,458,311	\$6,748,690

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)

**27003-0
SEWER**

Fiscal Year	2035	2036	2037	2038	2039
Starting Reserve Balance	\$6,748,690	\$7,459,341	\$9,178,182	\$10,069,409	\$11,714,971
Annual Reserve Contribution	\$1,639,324	\$1,700,799	\$1,764,578	\$1,830,750	\$1,899,403
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$71,010	\$83,152	\$96,197	\$108,876	\$126,540
Total Income	\$8,459,024	\$9,243,292	\$11,038,958	\$12,009,035	\$13,740,914
# Component					
Sewer					
336 Mechanical Equipment - Replace	\$0	\$65,110	\$0	\$0	\$0
1031 Groundwater Well - Repair	\$84,255	\$0	\$0	\$0	\$0
1860 1994 Ford Dump Truck - Replace	\$0	\$0	\$0	\$0	\$0
1861 2001 Ford F250 - Replace	\$0	\$0	\$0	\$0	\$0
1863 2003 Ford F150 - Replace	\$0	\$0	\$0	\$53,287	\$0
1864 2008 Ford F350 - Replace 50%	\$0	\$0	\$0	\$44,406	\$0
1865 2010 Ford Ranger - Replace 50%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Airport) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Alameda) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (MH Park) - Replace	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Unit 1) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Units 2-4) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (RM South) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South 7&8) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South Newest) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (Unit 6) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1907 Sewer Jetting Unit - Replace	\$0	\$0	\$0	\$0	\$0
Waste Water Treatment Facility					
203 Asphalt - Seal/Repair	\$0	\$0	\$0	\$0	\$0
302 Generators - Replace	\$0	\$0	\$0	\$0	\$0
312 Pumping Stations - Repair	\$632,139	\$0	\$0	\$0	\$0
313 Tertiary Effluent - Replace	\$45,153	\$0	\$0	\$0	\$0
336 Air Compressors - Replace	\$0	\$0	\$0	\$0	\$0
337 Solar Pond Circulator - Replace	\$0	\$0	\$107,302	\$0	\$0
521 Fencing - Replace/Repair	\$0	\$0	\$0	\$0	\$0
941 Storage Buildings - Refurbish	\$0	\$0	\$0	\$0	\$0
1005 Filtration Valves - Replace	\$148,733	\$0	\$0	\$0	\$0
1011 WW Treatment Facility - Rehab	\$0	\$0	\$0	\$0	\$0
1015 Chemical Storage Room - Repair	\$0	\$0	\$0	\$0	\$0
1015 Chlorine Contact Tank - Repair	\$0	\$0	\$0	\$0	\$0
1015 Hydro Tank - Replace	\$0	\$0	\$0	\$0	\$0
1030 Equip & Devices - Partial Replace	\$0	\$0	\$0	\$0	\$0
1105 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1113 Tertiary Stations - Repair/Repaint	\$0	\$0	\$0	\$0	\$0
1206 Filters - Replace 33%	\$0	\$0	\$862,247	\$0	\$0
1703 WWT Holding Ponds - Repair	\$0	\$0	\$0	\$0	\$0
1712 Floating Aerators - Replace	\$0	\$0	\$0	\$0	\$0
1810 Automated Gate - Replace	\$0	\$0	\$0	\$18,749	\$0

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)

**27003-0
SEWER**

Fiscal Year	2035	2036	2037	2038	2039
1864 Fuel Tank - Replace	\$0	\$0	\$0	\$0	\$0
1904 EQ Basin - Repair	\$0	\$0	\$0	\$0	\$0
1912 Chem. Storage Tanks - Reline/Repair	\$0	\$0	\$0	\$0	\$0
2710 Aerator Brush Device - Repl 50%	\$0	\$0	\$0	\$0	\$137,214
2711 Aerator Pumps - Repl 50%	\$24,383	\$0	\$0	\$0	\$0
2712 Aerator Control Systems - Repl 50%	\$0	\$0	\$0	\$0	\$0
Lift Stations					
1 Main Lift N - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
2 Main Lift N - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
3 Cantova - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
4 Cantova - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
5 FAA - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
6 FAA - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
7 6B - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
8 6B - Minor Reconstruction	\$0	\$0	\$0	\$88,811	\$0
9 6A - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
10 6A - Minor Reconstruction	\$0	\$0	\$0	\$88,811	\$0
11 3B - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
12 3B - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
13 Alameda - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
14 Alameda - Minor Reconstruction	\$27,092	\$0	\$0	\$0	\$0
15 Starter Shack- Major Reconstruction	\$0	\$0	\$0	\$0	\$0
16 Starter Shack- Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
17 Main Lift S - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
18 Main Lift S - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
19 Crest - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
20 Crest - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
21 Greens - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
22 Greens - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
23 Minor Lift Stations - Repair	\$37,928	\$0	\$0	\$0	\$0
Total Expenses	\$999,683	\$65,110	\$969,548	\$294,064	\$137,214
Ending Reserve Balance:	\$7,459,341	\$9,178,182	\$10,069,409	\$11,714,971	\$13,603,700

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)

**27003-0
SEWER**

Fiscal Year	2040	2041	2042	2043	2044
Starting Reserve Balance	\$13,603,700	\$13,406,062	\$14,607,843	\$16,886,447	\$17,406,506
Annual Reserve Contribution	\$1,970,631	\$2,044,530	\$2,121,199	\$2,200,744	\$2,283,272
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$134,991	\$140,010	\$157,405	\$171,392	\$171,194
Total Income	\$15,709,322	\$15,590,602	\$16,886,447	\$19,258,583	\$19,860,973
# Component					
Sewer					
336 Mechanical Equipment - Replace	\$0	\$0	\$0	\$0	\$82,480
1031 Groundwater Well - Repair	\$0	\$0	\$0	\$0	\$0
1860 1994 Ford Dump Truck - Replace	\$0	\$0	\$0	\$0	\$103,689
1861 2001 Ford F250 - Replace	\$0	\$0	\$0	\$0	\$0
1863 2003 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1864 2008 Ford F350 - Replace 50%	\$0	\$0	\$0	\$0	\$0
1865 2010 Ford Ranger - Replace 50%	\$28,789	\$0	\$0	\$0	\$0
1902 Pipeline (Airport) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Alameda) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (MH Park) - Replace	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Unit 1) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Units 2-4) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (RM South) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South 7&8) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South Newest) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (Unit 6) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1907 Sewer Jetting Unit - Replace	\$0	\$0	\$0	\$0	\$0
Waste Water Treatment Facility					
203 Asphalt - Seal/Repair	\$277,426	\$0	\$0	\$0	\$0
302 Generators - Replace	\$1,329,549	\$0	\$0	\$0	\$0
312 Pumping Stations - Repair	\$0	\$0	\$0	\$800,775	\$0
313 Tertiary Effluent - Replace	\$0	\$0	\$0	\$0	\$0
336 Air Compressors - Replace	\$75,167	\$0	\$0	\$0	\$0
337 Solar Pond Circulator - Replace	\$0	\$0	\$0	\$0	\$0
521 Fencing - Replace/Repair	\$0	\$0	\$0	\$0	\$0
941 Storage Buildings - Refurbish	\$0	\$0	\$0	\$0	\$0
1005 Filtration Valves - Replace	\$0	\$0	\$0	\$0	\$0
1011 WW Treatment Facility - Rehab	\$0	\$0	\$0	\$0	\$0
1015 Chemical Storage Room - Repair	\$0	\$0	\$0	\$0	\$0
1015 Chlorine Contact Tank - Repair	\$0	\$0	\$0	\$0	\$0
1015 Hydro Tank - Replace	\$0	\$37,740	\$0	\$0	\$0
1030 Equip & Devices - Partial Replace	\$206,237	\$0	\$0	\$0	\$0
1105 Exterior Surfaces - Repaint	\$0	\$64,051	\$0	\$0	\$0
1113 Tertiary Stations - Repair/Repaint	\$0	\$754,807	\$0	\$0	\$0
1206 Filters - Replace 33%	\$0	\$0	\$0	\$1,029,567	\$0
1703 WWT Holding Ponds - Repair	\$0	\$0	\$0	\$0	\$0
1712 Floating Aerators - Replace	\$276,379	\$0	\$0	\$0	\$0
1810 Automated Gate - Replace	\$0	\$0	\$0	\$21,735	\$0

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)

**27003-0
SEWER**

Fiscal Year	2040	2041	2042	2043	2044
1864 Fuel Tank - Replace	\$88,986	\$0	\$0	\$0	\$0
1904 EQ Basin - Repair	\$0	\$0	\$0	\$0	\$0
1912 Chem. Storage Tanks - Reline/Repair	\$0	\$0	\$0	\$0	\$0
2710 Aerator Brush Device - Repl 50%	\$0	\$0	\$0	\$0	\$0
2711 Aerator Pumps - Repl 50%	\$0	\$29,114	\$0	\$0	\$0
2712 Aerator Control Systems - Repl 50%	\$20,728	\$0	\$0	\$0	\$0
Lift Stations					
1 Main Lift N - Major Reconstruction	\$0	\$0	\$0	\$0	\$2,356,566
2 Main Lift N - Minor Reconstruction	\$0	\$0	\$0	\$0	\$471,313
3 Cantova - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
4 Cantova - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
5 FAA - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
6 FAA - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
7 6B - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
8 6B - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
9 6A - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
10 6A - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
11 3B - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
12 3B - Minor Reconstruction	\$0	\$97,047	\$0	\$0	\$0
13 Alameda - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
14 Alameda - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
15 Starter Shack- Major Reconstruction	\$0	\$0	\$0	\$0	\$0
16 Starter Shack- Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
17 Main Lift S - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
18 Main Lift S - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
19 Crest - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
20 Crest - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
21 Greens - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
22 Greens - Minor Reconstruction	\$0	\$0	\$0	\$0	\$0
23 Minor Lift Stations - Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$2,303,260	\$982,759	\$0	\$1,852,077	\$3,014,047
Ending Reserve Balance:	\$13,406,062	\$14,607,843	\$16,886,447	\$17,406,506	\$16,846,925

Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the Sewer Department change each year, this Reserve Study is by nature a “one-year” document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Sewer Department Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, and physical factors. Because many years of financial preparation help prepare for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves – SF, LLC, and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Derek Eckert, R.S., company president, is a credentialed Reserve Specialist (#114). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the CSD’s situation.

We have relied upon the client to provide the current (or projected) Sewer Department Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Sewer Department Reserve Fund. In addition, we have considered the CSD’s representation of current and historical Sewer Department Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were derived from the prior Reserve Study, unless otherwise noted in our “Site Inspection Notes”. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budgeting purposes.

Association Reserves’ liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

Where any uncertainties exist, we urge the CSD to obtain a legal review and written opinion of the legitimacy of the funding policies, as stipulated or permitted under your Declaration and local statutes. As these are legal questions, we highly recommend use of an experienced attorney specializing in CSD law.

Re-use of reserve study, figures or calculations in any other format absolves ARSF of all responsibility.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area)
GSY	Gross Square Yards (area)
HP	Horsepower
LF	Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The Reserve Balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for an CSD total.

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age}) / \text{Useful Life}$$

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

Percent Funded: The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life: The estimated time, in years, that a Sewer Department component can be expected to continue to serve its intended function.

Useful Life: The estimated time, in years, that a Sewer Department component can be expected to serve its intended function.

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Reserve Studies for Community Associations

“Full” Reserve Study



RMCS D - Water Department Rancho Murieta, CA

Report #: 27003-0 WATER
For Period Beginning: July 1, 2015
Expires: June 30, 2016

Date Prepared: January 23, 2015



Hello, and welcome to your Reserve Study!

This Report is a valuable budget planning tool, for with it you control the future of your CSD. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your CSD's Water Department will face.

With respect to Reserves, this Report will tell you "where you are", and "where to go from here".

In this Report, you will find...

- 1) A List of What you're Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

877/618-1955



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3- Minute Executive Summary

Name: RMCSD - Water Department **Assoc. #: 27003-0**
WATER
Location: Rancho Murieta, CA
of Units: 1
Report Period: July 1, 2015 through June 30, 2016

Results as-of 7/1/2015:

Projected Starting Reserve Balance:	\$4,929,889
Fully Funded Reserve Balance:	\$6,055,439
Average Reserve Deficit (Surplus) Per Unit:	\$1,125,550
Percent Funded:	81.4%
Recommended 2015/16 monthly Reserve Contribution:	\$30,000
Most Recent Reserve Contribution Rate:	\$15,000

Economic Assumptions:

Net Annual “After Tax” Interest Earnings Accruing to Reserves..... 1.00%
Annual Inflation Rate..... 3.00%

- This is a “Full” Reserve Study (original, created “from scratch”).
- The information in this Reserve Study is based on our site inspection on August 4, 2014.
- This Reserve Study was prepared under the supervision of a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is at 81.4% Funded, this means the CSD Water Department’s deferred maintenance risk & need for a transfer of funds is currently low.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or “Fully Funded”.
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions.
- No assets appropriate for Reserve designation were excluded.

Table 1: Executive Summary

27003-0
WATER

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
Water					
203	Water Plant Road - Repair	15	14	\$35,000	\$52,941
303	HVAC (WT Facility) - Replace	10	9	\$7,500	\$9,786
304	Meters & MXUs - Replace 33%	6	1	\$559,200	\$575,976
314	Equipment - Replace	5	2	\$25,000	\$26,523
314	Software/Technology - Update	5	1	\$120,000	\$123,600
338	Transmission (Gran/Calero) - Repair	20	15	\$999,750	\$1,557,578
904	Van Vleck Tank - Refurbish/Repair	40	20	\$2,775,000	\$5,011,959
940	Rio Oso Tank - Rehabilitate	40	33	\$1,692,000	\$4,487,751
941	Rio Oso Booster Pump Station- Rehab	40	33	\$175,000	\$464,159
942	Rio Oso Equip. - Replace	40	33	\$152,500	\$404,481
1001	Backflow Devices - Replace 50%	5	1	\$98,650	\$101,610
1007	Fire hydrants - Replace (Partial)	25	5	\$165,550	\$191,918
1015	Rio Oso Fuel Tank - Replace	40	30	\$20,000	\$48,545
1016	Water Plant - Major Reconstruction	40	40	\$12,000,000	\$39,144,454
1017	Water Plant Membrane - Replace	10	10	\$200,000	\$268,783
1020	Flow Sensor (Arena) - Repair/Repl	25	23	\$10,800	\$21,315
1029	Plant #2 - Convert	N/A	5	\$7,500	\$8,695
1210	Subdrain Pump Stations - Repair	15	5	\$82,500	\$95,640
1211	Calero Siphon Pump Station - Repl	15	12	\$325,000	\$463,372
1212	Chesbro Influent Valve - Repair	15	10	\$60,000	\$80,635
1864	2008 Ford F350 - Replace 50%	15	8	\$22,500	\$28,502
1865	2010 Ford Ranger - Replace 50%	15	10	\$13,750	\$18,479
1902	Pipeline (Airport) - Replace 25%	40	7	\$41,200	\$50,671
1902	Pipeline (Alameda) - Replace 25%	40	0	\$38,625	\$125,996
1902	Pipeline (Hwy 16) - Replace 25%	40	0	\$61,800	\$201,594
1902	Pipeline (MH Park) - Replace	40	0	\$579,400	\$1,890,025
1902	Pipeline (Rio Oso) - Replace 25%	40	6	\$46,200	\$55,165
1902	Pipeline (Van Vleck) - Replace 25%	40	17	\$32,800	\$54,213
1902	Pipelines (N. Unit 1) - Replace 25%	40	0	\$197,750	\$645,068
1902	Pipelines (N. Units 2-4) - Repl 25%	40	5	\$712,250	\$825,693
1902	Pipelines (RM South) - Replace 25%	40	16	\$264,400	\$424,284
1902	Pipelines (South 7&8) - Replace 25%	40	25	\$67,950	\$142,272
1902	Pipelines (South Newest) - Repl 25%	40	28	\$115,350	\$263,912
1902	Pipelines (Unit 6) - Repl 25%	40	8	\$115,000	\$145,679
1903	Water Supply Valves - Replace 10%	10	5	\$82,500	\$95,640
2114	Granlees Diversion Struct - Repair	40	39	\$175,000	\$554,230
2114	Granlees Pump Station - Repair	15	10	\$350,000	\$470,371
2149	Water Reservoirs - Repair	40	20	\$1,500,000	\$2,709,167
2710	Lake Aerators - Replace	15	10	\$90,000	\$120,952
Vehicles					
1860	1997 Ford F250 - Replace	20	2	\$35,000	\$37,132
1861	1997 Ford F150 - Replace	18	0	\$27,000	\$45,966
1862	2000 Ford F150 - Replace	20	5	\$27,000	\$31,300
1863	2001 Ford F250 - Replace	17	3	\$35,000	\$38,245
1864	2003 Ford F150 - Replace	20	8	\$27,000	\$34,203

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
1865	2003 Ford F150 - Replace	20	8	\$27,000	\$34,203
1866	2003 Ford F150 Supercrew - Replace	20	8	\$34,000	\$43,070
1867	2011 Ford Ranger - Replace	20	16	\$23,000	\$36,908
1868	2013 Ford F-550 Truck - Replace	20	18	\$77,000	\$131,087
1870	Utility Vehicle - Replace	20	9	\$15,200	\$19,833
1871	1998 Hyster Fork Lift - Replace	20	3	\$11,000	\$12,020
1872	Fluid Excavator - Replace	15	5	\$43,700	\$50,660
1873	Bobcat Tractor - Replace	25	12	\$87,500	\$124,754
52	Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in initial year.

Note 2: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

Introduction

A Reserve Study is the art and science of anticipating, and preparing for a CSD's major repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

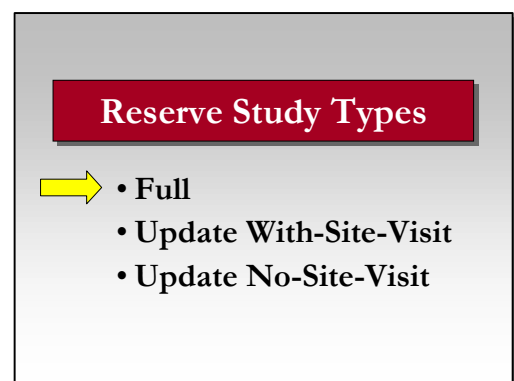
In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the Water Department is obligated to maintain. Based on that List and your starting balance we computed the Water Department's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.



As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing deterioration.

Methodology

First we establish what the projected expenses are, then we determine the Water Department's financial status and create a Funding Plan. For this "Full" Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established CSD precedents. We performed an on-site inspection to quantify and evaluate your Water Department, creating your Reserve Component List "from scratch".



Which Physical Assets are Covered by Reserves?

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a CSD Water Department maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a “surprise” which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include “lifetime” components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How are Useful Life and Remaining Useful Life established?

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client Component History
- 4) Vendor Evaluation and Recommendation

How are Cost Estimates Established?

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order...

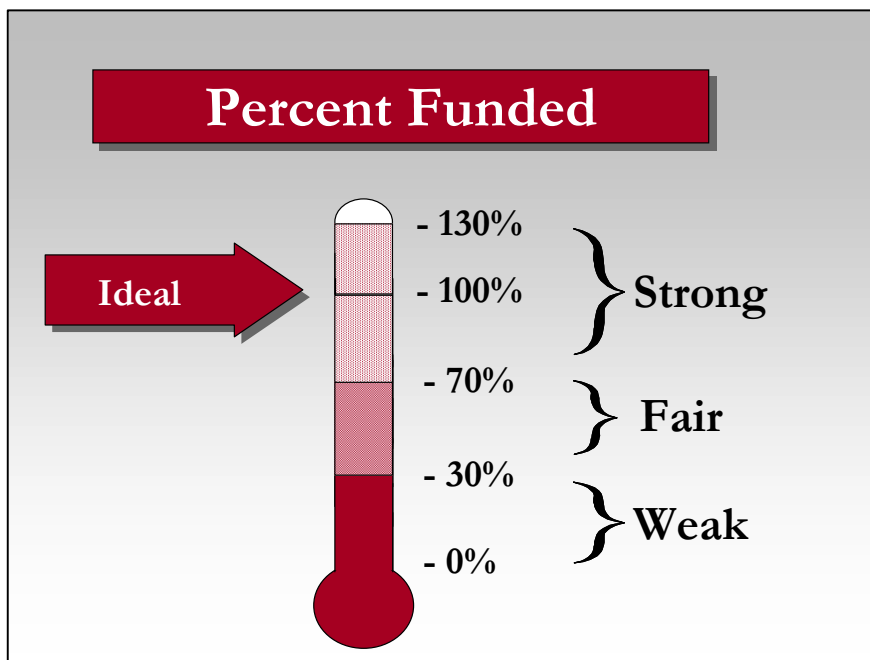
- 1) Client Cost History
- 2) Comparison to Association Reserves database of work done at similar CSDs
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

- 1) Calculate the Water Department's Fully Funded Balance (FFB).
- 2) Compare to the Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the Water Department increase, but shrinks when projects are accomplished and the Reserve needs of the Water Department decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



Deferred maintenance and the need for a transfer of funds are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered "strong" because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your Water Department is for upcoming Reserve expenses.

How much should we contribute?

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their “fair share” of the Water Department’s Reserve expenses (this means we recommend a transfer of funds only when all other options have been exhausted). And finally, we develop a plan that is fiscally responsible and “safe” for Board Members to recommend to their CSD

Funding Principles

- Sufficient Cash
- Stable Contribution Rate
- Evenly Distributed
- Fiscally Responsible

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called “Full Funding” the Reserves (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, CSDs in the 100% range rarely experience deferred maintenance or the need for a transfer of funds.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these CSDs, deterioration occurs without matching Reserve contributions. With a low Percent Funded, deferred maintenance and the need for a transfer of funds are common.

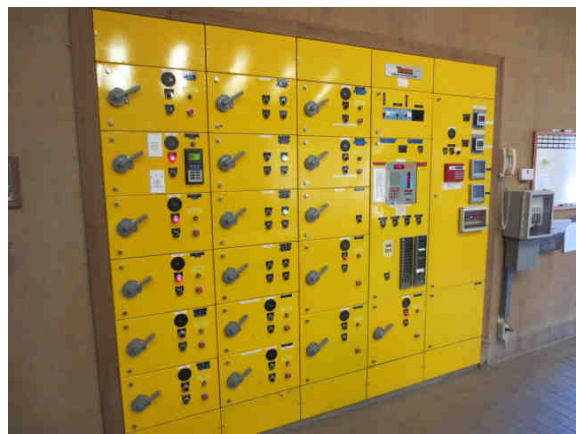
Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.

Funding Goals

- Full Funding
- Threshold Funding
- Baseline Funding

Site Inspection Notes

During our site visit on August 4, 2014, we started with a brief meeting with Paul Siebensohn (Director of Field Operations), and then started the site inspection beginning with the reservoirs. We visually inspected the entire property, and were able to see most areas including Granlees and the Water Plant construction. We were not able to inspect the pipelines.



Projected Expenses

The figure below shows the array of the projected future expenses at your CSD’s Water Department. All expenses are based on the average of our Best Case and Worst Case projections, inflated appropriately for future years.

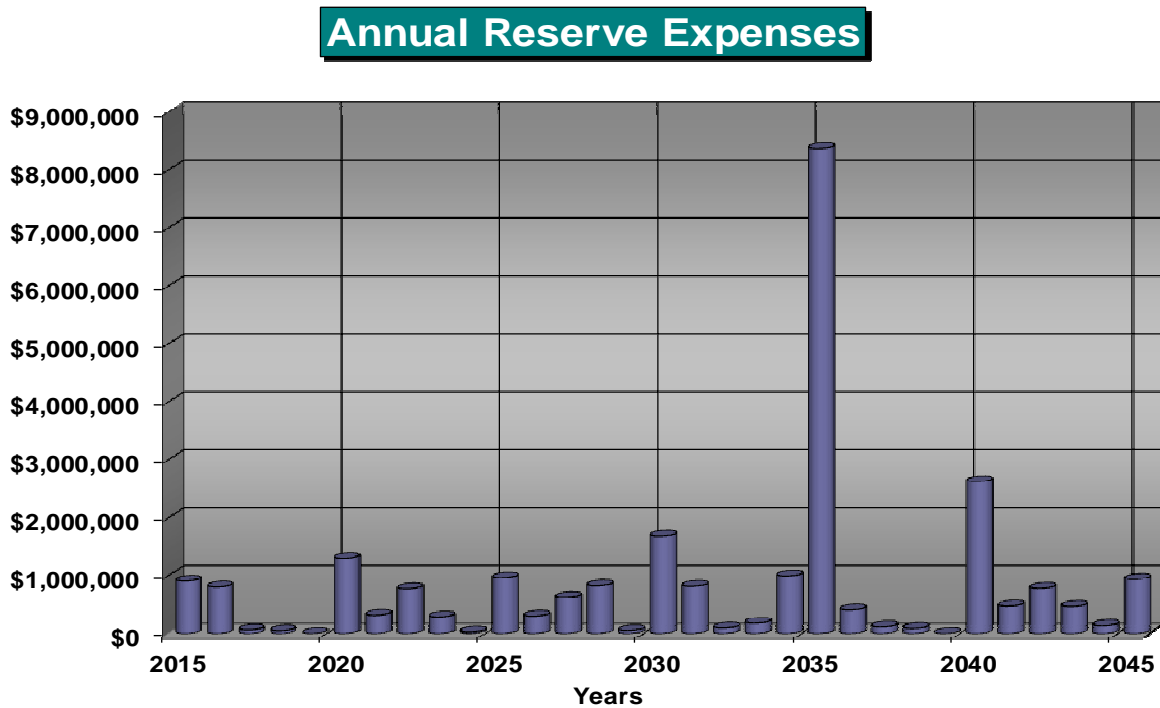


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years’ worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$4,929,889 as-of the start of your Fiscal Year on July 1, 2015. This is based on your actual balance on 9/30/2014 of \$4,794,889 and anticipated Reserve contributions totaling \$135,000 and no expenses projected through the end of your Fiscal Year. As of July 1, 2015, your Fully Funded Balance is computed to be \$6,055,439 (see Table 3). This figure represents the deteriorated value of your Water Department components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 81% Funded. As indicated earlier in the Executive Summary, this represents a mid-range status.

Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of \$30,000/month this 2015/16 Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

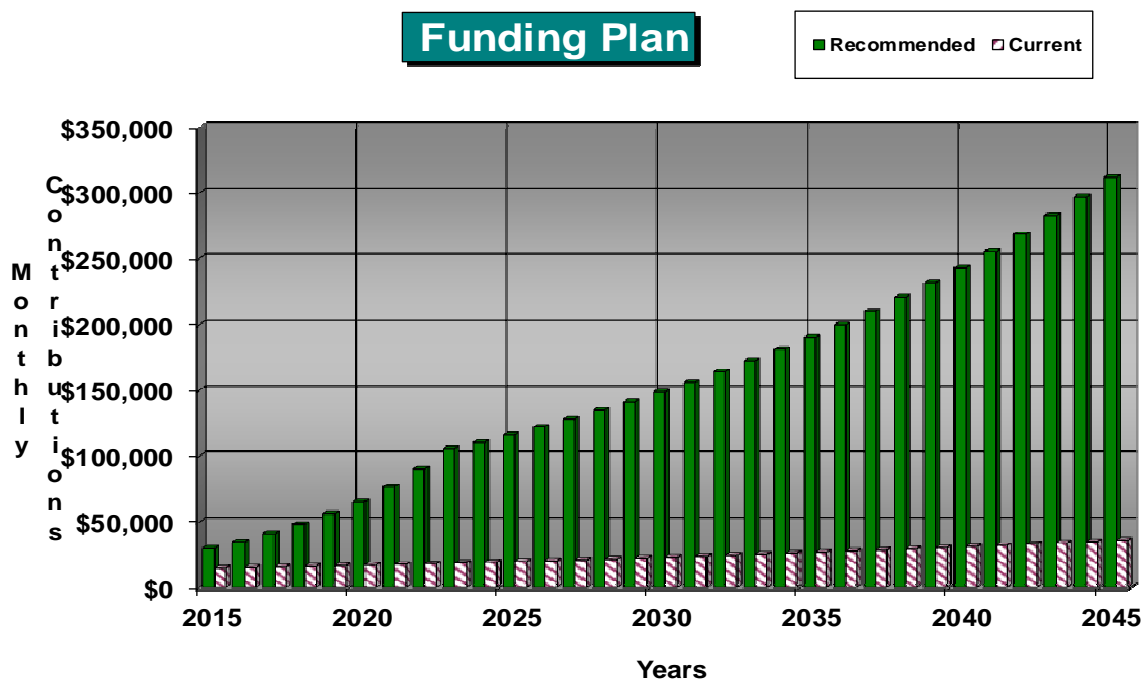


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

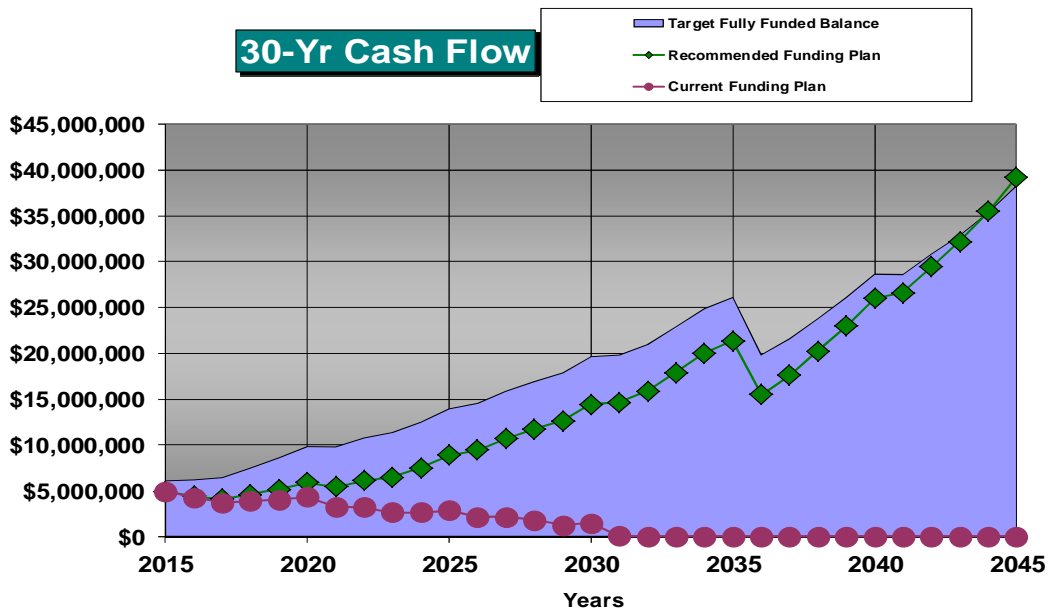


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

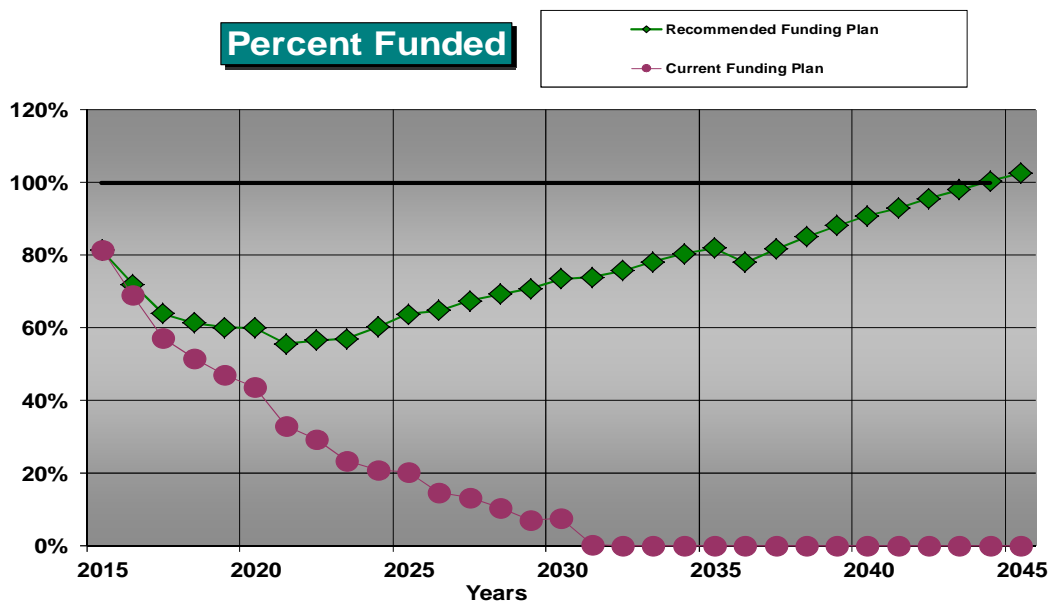


Figure 4

Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the Water Department as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the Water Department is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the Water Department's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the Water Department (current cost divided by useful life). This presentation is not meant to cause clients to redistribute Water Department funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the Water Department, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail

**27003-0
WATER**

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
Water						
203	Water Plant Road - Repair	Approx 23,500 GSF	15	14	\$30,000	\$40,000
303	HVAC (WT Facility) - Replace	(1) HVAC System	10	9	\$6,800	\$8,200
304	Meters & MXUs - Replace 33%	33% of (2610) Connections	6	1	\$508,400	\$610,000
314	Equipment - Replace	Various Equipment	5	2	\$20,000	\$30,000
314	Software/Technology - Update	(4) Software/Techs	5	1	\$100,000	\$140,000
338	Transmission (Gran/Calero) - Repair	Approx 9,300 LF	20	15	\$837,000	\$1,162,500
904	Van Vleck Tank - Refurbish/Repair	(1) 3M Gallon Water Tank	40	20	\$2,300,000	\$3,250,000
940	Rio Oso Tank - Rehabilitate	(1) 1.2M Gallon Tank	40	33	\$1,410,000	\$1,974,000
941	Rio Oso Booster Pump Station- Rehab	(1) Pump Station	40	33	\$150,000	\$200,000
942	Rio Oso Equip. - Replace	Generator/Trans Switch	40	33	\$125,000	\$180,000
1001	Backflow Devices - Replace 50%	(46) of (93) Backflows	5	1	\$89,700	\$107,600
1007	Fire hydrants - Replace (Partial)	(43) of (174) Hydrants	25	5	\$150,500	\$180,600
1015	Rio Oso Fuel Tank - Replace	(1) Fuel Tank	40	30	\$10,000	\$30,000
1016	Water Plant - Major Reconstruction	Water Plant	40	40	\$11,000,000	\$13,000,000
1017	Water Plant Membrane - Replace	Approx (95) sets	10	10	\$180,000	\$220,000
1020	Flow Sensor (Arena) - Repair/Repl	(1) Flow Sensor	25	23	\$9,000	\$12,600
1029	Plant #2 - Convert	Plant #2	N/A	5	\$5,000	\$10,000
1210	Subdrain Pump Stations - Repair	(6) Subdrain Pump Station	15	5	\$75,000	\$90,000
1211	Calero Siphon Pump Station - Repl	(1) Siphon Pump Station	15	12	\$250,000	\$400,000
1212	Chesbro Influent Valve - Repair	Siphon Influent Control	15	10	\$50,000	\$70,000
1864	2008 Ford F350 - Replace 50%	(1) Ford F350, V#0663	15	8	\$20,000	\$25,000
1865	2010 Ford Ranger - Replace 50%	(1) Ford Ranger, V#8210	15	10	\$12,500	\$15,000
1902	Pipeline (Airport) - Replace 25%	Approx 4,000 LF X 25%	40	7	\$37,600	\$44,800
1902	Pipeline (Alameda) - Replace 25%	Approx 3,750 LF X 25%	40	0	\$35,250	\$42,000
1902	Pipeline (Hwy 16) - Replace 25%	Approx 6,000 LF X 25%	40	0	\$56,400	\$67,200
1902	Pipeline (MH Park) - Replace	Approx 11,250 LF	40	0	\$528,800	\$630,000
1902	Pipeline (Rio Oso) - Replace 25%	Approx 4,480 LF X 25%	40	6	\$42,200	\$50,200
1902	Pipeline (Van Vleck) - Replace 25%	Approx 3,180 LF X 25%	40	17	\$29,900	\$35,700
1902	Pipelines (N. Unit 1) - Replace 25%	Approx 19,200 LF X 25%	40	0	\$180,500	\$215,000
1902	Pipelines (N. Units 2-4) - Repl 25%	Approx 69,150 LF X 25%	40	5	\$650,000	\$774,500
1902	Pipelines (RM South) - Replace 25%	Approx 25,670 LF X 25%	40	16	\$241,300	\$287,500
1902	Pipelines (South 7&8) - Replace 25%	Approx 6,600 LF X 25%	40	25	\$62,000	\$73,900
1902	Pipelines (South Newest) - Repl 25%	Approx 11,200 LF X 25%	40	28	\$105,300	\$125,400
1902	Pipelines (Unit 6) - Repl 25%	Approx 11,800 LF X 25%	40	8	\$105,000	\$125,000
1903	Water Supply Valves - Replace 10%	Approx 900 X 10%	10	5	\$75,000	\$90,000
2114	Granlees Diversion Struct - Repair	(1) Diversion Structure	40	39	\$150,000	\$200,000
2114	Granlees Pump Station - Repair	Raw Water Pump Station	15	10	\$300,000	\$400,000
2149	Water Reservoirs - Repair	Raw Water Storage Lakes	40	20	\$1,000,000	\$2,000,000
2710	Lake Aerators - Replace	(3) Aerators	15	10	\$81,000	\$99,000
Vehicles						
1860	1997 Ford F250 - Replace	(1) Ford F250, V#211	20	2	\$32,000	\$38,000
1861	1997 Ford F150 - Replace	(1) Ford F150, V#7003	18	0	\$25,000	\$29,000
1862	2000 Ford F150 - Replace	(1) Ford F150, V#6367	20	5	\$25,000	\$29,000
1863	2001 Ford F250 - Replace	(1) Ford F250, V#8524	17	3	\$32,000	\$38,000
1864	2003 Ford F150 - Replace	(1) Ford F150, V#4584	20	8	\$25,000	\$29,000
1865	2003 Ford F150 - Replace	(1) Ford F150, V#3817	20	8	\$25,000	\$29,000
1866	2003 Ford F150 Supercrew - Replace	(1) Ford F150, V#3233	20	8	\$31,000	\$37,000
1867	2011 Ford Ranger - Replace	(1) Ford Ranger, V#5636	20	16	\$21,000	\$25,000
1868	2013 Ford F-550 Truck - Replace	(1) Ford F-550 Truck	20	18	\$65,000	\$89,000
1870	Utility Vehicle - Replace	(1) Utility Vehicle	20	9	\$13,800	\$16,600
1871	1998 Hyster Fork Lift - Replace	(1) 1998 Hyster Fork Lift	20	3	\$10,000	\$12,000
1872	Fluid Excavator - Replace	(1) Fluid Excavator	15	5	\$39,700	\$47,700
1873	Bobcat Tractor - Replace	(1) Bobcat Comp. Tractor	25	12	\$75,000	\$100,000
52	Total Funded Components					

Table 3: Contribution and Fund Breakdown

**27003-0
WATER**

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
Water							
203	Water Plant Road - Repair	15	14	\$35,000	\$2,333	\$2,333.33	\$135.37
303	HVAC (WT Facility) - Replace	10	9	\$7,500	\$750	\$750.00	\$43.51
304	Meters & MXUs - Replace 33%	6	1	\$559,200	\$466,000	\$466,000.00	\$5,407.07
314	Equipment - Replace	5	2	\$25,000	\$15,000	\$15,000.00	\$290.08
314	Software/Technology - Update	5	1	\$120,000	\$96,000	\$96,000.00	\$1,392.38
338	Transmission (Gran/Calero) - Repair	20	15	\$999,750	\$249,938	\$249,937.50	\$2,900.06
904	Van Vleck Tank - Refurbish/Repair	40	20	\$2,775,000	\$1,387,500	\$1,387,500.00	\$4,024.84
940	Rio Oso Tank - Rehabilitate	40	33	\$1,692,000	\$296,100	\$0.00	\$2,454.07
941	Rio Oso Booster Pump Station- Rehab	40	33	\$175,000	\$30,625	\$0.00	\$253.82
942	Rio Oso Equip. - Replace	40	33	\$152,500	\$26,688	\$0.00	\$221.19
1001	Backflow Devices - Replace 50%	5	1	\$98,650	\$78,920	\$78,920.00	\$1,144.65
1007	Fire hydrants - Replace (Partial)	25	5	\$165,550	\$132,440	\$132,440.00	\$384.18
1015	Rio Oso Fuel Tank - Replace	40	30	\$20,000	\$5,000	\$0.00	\$29.01
1016	Water Plant - Major Reconstruction	40	40	\$12,000,000	\$0	\$0.00	\$0.00
1017	Water Plant Membrane - Replace	10	10	\$200,000	\$0	\$0.00	\$0.00
1020	Flow Sensor (Arena) - Repair/Repl	25	23	\$10,800	\$864	\$0.00	\$25.06
1029	Plant #2 - Convert	N/A	5	\$7,500	\$1,250	\$1,250.00	\$60.43
1210	Subdrain Pump Stations - Repair	15	5	\$82,500	\$55,000	\$55,000.00	\$319.09
1211	Calero Siphon Pump Station - Repl	15	12	\$325,000	\$65,000	\$65,000.00	\$1,257.01
1212	Chesbro Influent Valve - Repair	15	10	\$60,000	\$20,000	\$20,000.00	\$232.06
1864	2008 Ford F350 - Replace 50%	15	8	\$22,500	\$10,500	\$10,500.00	\$87.02
1865	2010 Ford Ranger - Replace 50%	15	10	\$13,750	\$4,583	\$4,583.33	\$53.18
1902	Pipeline (Airport) - Replace 25%	40	7	\$41,200	\$33,990	\$33,990.00	\$59.76
1902	Pipeline (Alameda) - Replace 25%	40	0	\$38,625	\$38,625	\$38,625.00	\$56.02
1902	Pipeline (Hwy 16) - Replace 25%	40	0	\$61,800	\$61,800	\$61,800.00	\$89.63
1902	Pipeline (MH Park) - Replace	40	0	\$579,400	\$579,400	\$579,400.00	\$840.36
1902	Pipeline (Rio Oso) - Replace 25%	40	6	\$46,200	\$39,270	\$39,270.00	\$67.01
1902	Pipeline (Van Vleck) - Replace 25%	40	17	\$32,800	\$18,860	\$18,860.00	\$47.57
1902	Pipelines (N. Unit 1) - Replace 25%	40	0	\$197,750	\$197,750	\$197,750.00	\$286.82
1902	Pipelines (N. Units 2-4) - Repl 25%	40	5	\$712,250	\$623,219	\$623,218.75	\$1,033.04
1902	Pipelines (RM South) - Replace 25%	40	16	\$264,400	\$158,640	\$158,640.00	\$383.48
1902	Pipelines (South 7&8) - Replace 25%	40	25	\$67,950	\$25,481	\$0.00	\$98.55
1902	Pipelines (South Newest) - Repl 25%	40	28	\$115,350	\$34,605	\$0.00	\$167.30
1902	Pipelines (Unit 6) - Repl 25%	40	8	\$115,000	\$92,000	\$92,000.00	\$166.80
1903	Water Supply Valves - Replace 10%	10	5	\$82,500	\$41,250	\$41,250.00	\$478.63
2114	Granlees Diversion Struct - Repair	40	39	\$175,000	\$4,375	\$0.00	\$253.82
2114	Granlees Pump Station - Repair	15	10	\$350,000	\$116,667	\$116,666.67	\$1,353.70
2149	Water Reservoirs - Repair	40	20	\$1,500,000	\$750,000	\$48,187.55	\$2,175.59
2710	Lake Aerators - Replace	15	10	\$90,000	\$30,000	\$30,000.00	\$348.09
Vehicles							
1860	1997 Ford F250 - Replace	20	2	\$35,000	\$31,500	\$31,500.00	\$101.53
1861	1997 Ford F150 - Replace	18	0	\$27,000	\$27,000	\$27,000.00	\$87.02
1862	2000 Ford F150 - Replace	20	5	\$27,000	\$20,250	\$20,250.00	\$78.32
1863	2001 Ford F250 - Replace	17	3	\$35,000	\$28,824	\$28,823.53	\$119.44
1864	2003 Ford F150 - Replace	20	8	\$27,000	\$16,200	\$16,200.00	\$78.32
1865	2003 Ford F150 - Replace	20	8	\$27,000	\$16,200	\$16,200.00	\$78.32
1866	2003 Ford F150 Supercrew - Replace	20	8	\$34,000	\$20,400	\$20,400.00	\$98.63
1867	2011 Ford Ranger - Replace	20	16	\$23,000	\$4,600	\$4,600.00	\$66.72
1868	2013 Ford F-550 Truck - Replace	20	18	\$77,000	\$7,700	\$7,700.00	\$223.36
1870	Utility Vehicle - Replace	20	9	\$15,200	\$8,360	\$8,360.00	\$44.09
1871	1998 Hyster Fork Lift - Replace	20	3	\$11,000	\$9,350	\$9,350.00	\$31.91
1872	Fluid Excavator - Replace	15	5	\$43,700	\$29,133	\$29,133.33	\$169.02
1873	Bobcat Tractor - Replace	25	12	\$87,500	\$45,500	\$45,500.00	\$203.06
52	Total Funded Components				\$6,055,439	\$4,929,889	\$30,000

Table 4: 30-Year Reserve Plan Summary Recommended by Association Reserves

27003-0 WATER

Fiscal Year Beginning: 07/01/15

Interest: 1.00%	Inflation: 3.0%
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase In Annual Reserve Contribs.	Annual Reserve Contribs.	Loans or Trnsfer Amnts	Interest Income	Projected Reserve Expenses
2015	\$4,929,889	\$6,055,439	81.4%	Strong	100.00%	\$360,000	\$0	\$46,790	\$904,575
2016	\$4,432,104	\$6,166,789	71.9%	Strong	17.00%	\$421,200	\$0	\$42,616	\$801,186
2017	\$4,094,735	\$6,413,944	63.8%	Fair	17.00%	\$492,804	\$0	\$43,291	\$63,654
2018	\$4,567,176	\$7,455,067	61.3%	Fair	17.00%	\$576,581	\$0	\$48,525	\$50,265
2019	\$5,142,016	\$8,569,344	60.0%	Fair	17.00%	\$674,599	\$0	\$55,045	\$0
2020	\$5,871,661	\$9,799,994	59.9%	Fair	17.00%	\$789,281	\$0	\$56,423	\$1,299,546
2021	\$5,417,819	\$9,753,759	55.5%	Fair	17.00%	\$923,459	\$0	\$57,477	\$316,245
2022	\$6,082,511	\$10,748,887	56.6%	Fair	17.00%	\$1,080,447	\$0	\$62,668	\$769,163
2023	\$6,456,463	\$11,338,211	56.9%	Fair	17.00%	\$1,264,123	\$0	\$69,776	\$285,657
2024	\$7,504,706	\$12,474,999	60.2%	Fair	5.05%	\$1,327,961	\$0	\$81,914	\$29,618
2025	\$8,884,962	\$13,942,336	63.7%	Fair	5.05%	\$1,395,023	\$0	\$91,447	\$959,220
2026	\$9,412,213	\$14,529,910	64.8%	Fair	5.05%	\$1,465,472	\$0	\$100,395	\$302,663
2027	\$10,675,417	\$15,846,086	67.4%	Fair	5.05%	\$1,539,478	\$0	\$111,844	\$623,770
2028	\$11,702,970	\$16,906,766	69.2%	Fair	5.05%	\$1,617,222	\$0	\$121,566	\$821,204
2029	\$12,620,554	\$17,832,743	70.8%	Strong	5.05%	\$1,698,892	\$0	\$135,053	\$52,941
2030	\$14,401,558	\$19,615,750	73.4%	Strong	5.05%	\$1,784,686	\$0	\$145,173	\$1,686,110
2031	\$14,645,307	\$19,809,159	73.9%	Strong	5.05%	\$1,874,813	\$0	\$152,464	\$812,062
2032	\$15,860,522	\$20,948,888	75.7%	Strong	5.05%	\$1,969,491	\$0	\$168,747	\$95,535
2033	\$17,903,225	\$22,902,289	78.2%	Strong	5.05%	\$2,068,950	\$0	\$189,358	\$177,053
2034	\$19,984,480	\$24,873,028	80.3%	Strong	5.05%	\$2,173,432	\$0	\$206,689	\$993,712
2035	\$21,370,889	\$26,105,712	81.9%	Strong	5.05%	\$2,283,190	\$0	\$184,100	\$8,373,493
2036	\$15,464,686	\$19,819,502	78.0%	Strong	5.05%	\$2,398,491	\$0	\$165,362	\$406,753
2037	\$17,621,785	\$21,597,107	81.6%	Strong	5.05%	\$2,519,615	\$0	\$189,106	\$114,966
2038	\$20,215,541	\$23,776,641	85.0%	Strong	5.05%	\$2,646,856	\$0	\$215,940	\$87,430
2039	\$22,990,907	\$26,099,424	88.1%	Strong	5.05%	\$2,780,522	\$0	\$244,932	\$0
2040	\$26,016,361	\$28,632,929	90.9%	Strong	5.05%	\$2,920,938	\$0	\$262,881	\$2,618,060
2041	\$26,582,120	\$28,598,353	92.9%	Strong	5.05%	\$3,068,446	\$0	\$280,087	\$471,539
2042	\$29,459,114	\$30,827,748	95.6%	Strong	5.05%	\$3,223,402	\$0	\$308,231	\$777,451
2043	\$32,213,296	\$32,864,649	98.0%	Strong	5.05%	\$3,386,184	\$0	\$338,285	\$465,250
2044	\$35,472,515	\$35,341,609	100.4%	Strong	5.05%	\$3,557,186	\$0	\$373,540	\$135,974

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)

**27003-0
WATER**

Fiscal Year	2015	2016	2017	2018	2019
Starting Reserve Balance	\$4,929,889	\$4,432,104	\$4,094,735	\$4,567,176	\$5,142,016
Annual Reserve Contribution	\$360,000	\$421,200	\$492,804	\$576,581	\$674,599
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$46,790	\$42,616	\$43,291	\$48,525	\$55,045
Total Income	\$5,336,679	\$4,895,920	\$4,630,830	\$5,192,282	\$5,871,661
# Component					
Water					
203 Water Plant Road - Repair	\$0	\$0	\$0	\$0	\$0
303 HVAC (WT Facility) - Replace	\$0	\$0	\$0	\$0	\$0
304 Meters & MXUs - Replace 33%	\$0	\$575,976	\$0	\$0	\$0
314 Equipment - Replace	\$0	\$0	\$26,523	\$0	\$0
314 Software/Technology - Update	\$0	\$123,600	\$0	\$0	\$0
338 Transmission (Gran/Calero) - Repair	\$0	\$0	\$0	\$0	\$0
904 Van Vleck Tank - Refurbish/Repair	\$0	\$0	\$0	\$0	\$0
940 Rio Oso Tank - Rehabilitate	\$0	\$0	\$0	\$0	\$0
941 Rio Oso Booster Pump Station- Rehab	\$0	\$0	\$0	\$0	\$0
942 Rio Oso Equip. - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Devices - Replace 50%	\$0	\$101,610	\$0	\$0	\$0
1007 Fire hydrants - Replace (Partial)	\$0	\$0	\$0	\$0	\$0
1015 Rio Oso Fuel Tank - Replace	\$0	\$0	\$0	\$0	\$0
1016 Water Plant - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
1017 Water Plant Membrane - Replace	\$0	\$0	\$0	\$0	\$0
1020 Flow Sensor (Arena) - Repair/Repl	\$0	\$0	\$0	\$0	\$0
1029 Plant #2 - Convert	\$0	\$0	\$0	\$0	\$0
1210 Subdrain Pump Stations - Repair	\$0	\$0	\$0	\$0	\$0
1211 Calero Siphon Pump Station - Repl	\$0	\$0	\$0	\$0	\$0
1212 Chesbro Influent Valve - Repair	\$0	\$0	\$0	\$0	\$0
1864 2008 Ford F350 - Replace 50%	\$0	\$0	\$0	\$0	\$0
1865 2010 Ford Ranger - Replace 50%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Airport) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Alameda) - Replace 25%	\$38,625	\$0	\$0	\$0	\$0
1902 Pipeline (Hwy 16) - Replace 25%	\$61,800	\$0	\$0	\$0	\$0
1902 Pipeline (MH Park) - Replace	\$579,400	\$0	\$0	\$0	\$0
1902 Pipeline (Rio Oso) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Van Vleck) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Unit 1) - Replace 25%	\$197,750	\$0	\$0	\$0	\$0
1902 Pipelines (N. Units 2-4) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (RM South) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South 7&8) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South Newest) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (Unit 6) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1903 Water Supply Valves - Replace 10%	\$0	\$0	\$0	\$0	\$0
2114 Granlees Diversion Struct - Repair	\$0	\$0	\$0	\$0	\$0
2114 Granlees Pump Station - Repair	\$0	\$0	\$0	\$0	\$0
2149 Water Reservoirs - Repair	\$0	\$0	\$0	\$0	\$0
2710 Lake Aerators - Replace	\$0	\$0	\$0	\$0	\$0
Vehicles					
1860 1997 Ford F250 - Replace	\$0	\$0	\$37,132	\$0	\$0
1861 1997 Ford F150 - Replace	\$27,000	\$0	\$0	\$0	\$0
1862 2000 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1863 2001 Ford F250 - Replace	\$0	\$0	\$0	\$38,245	\$0
1864 2003 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1865 2003 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1866 2003 Ford F150 Supercrew - Replace	\$0	\$0	\$0	\$0	\$0
1867 2011 Ford Ranger - Replace	\$0	\$0	\$0	\$0	\$0
1868 2013 Ford F-550 Truck - Replace	\$0	\$0	\$0	\$0	\$0
1870 Utility Vehicle - Replace	\$0	\$0	\$0	\$0	\$0
1871 1998 Hyster Fork Lift - Replace	\$0	\$0	\$0	\$12,020	\$0
1872 Fluid Excavator - Replace	\$0	\$0	\$0	\$0	\$0
1873 Bobcat Tractor - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$904,575	\$801,186	\$63,654	\$50,265	\$0
Ending Reserve Balance:	\$4,432,104	\$4,094,735	\$4,567,176	\$5,142,016	\$5,871,661

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)

**27003-0
WATER**

Fiscal Year	2020	2021	2022	2023	2024
Starting Reserve Balance	\$5,871,661	\$5,417,819	\$6,082,511	\$6,456,463	\$7,504,706
Annual Reserve Contribution	\$789,281	\$923,459	\$1,080,447	\$1,264,123	\$1,327,961
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$56,423	\$57,477	\$62,668	\$69,776	\$81,914
Total Income	\$6,717,366	\$6,398,756	\$7,225,626	\$7,790,363	\$8,914,581
# Component					
Water					
203 Water Plant Road - Repair	\$0	\$0	\$0	\$0	\$0
303 HVAC (WT Facility) - Replace	\$0	\$0	\$0	\$0	\$9,786
304 Meters & MXUs - Replace 33%	\$0	\$0	\$687,745	\$0	\$0
314 Equipment - Replace	\$0	\$0	\$30,747	\$0	\$0
314 Software/Technology - Update	\$0	\$143,286	\$0	\$0	\$0
338 Transmission (Gran/Calero) - Repair	\$0	\$0	\$0	\$0	\$0
904 Van Vleck Tank - Refurbish/Repair	\$0	\$0	\$0	\$0	\$0
940 Rio Oso Tank - Rehabilitate	\$0	\$0	\$0	\$0	\$0
941 Rio Oso Booster Pump Station- Rehab	\$0	\$0	\$0	\$0	\$0
942 Rio Oso Equip. - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Devices - Replace 50%	\$0	\$117,793	\$0	\$0	\$0
1007 Fire hydrants - Replace (Partial)	\$191,918	\$0	\$0	\$0	\$0
1015 Rio Oso Fuel Tank - Replace	\$0	\$0	\$0	\$0	\$0
1016 Water Plant - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
1017 Water Plant Membrane - Replace	\$0	\$0	\$0	\$0	\$0
1020 Flow Sensor (Arena) - Repair/Repl	\$0	\$0	\$0	\$0	\$0
1029 Plant #2 - Convert	\$8,695	\$0	\$0	\$0	\$0
1210 Subdrain Pump Stations - Repair	\$95,640	\$0	\$0	\$0	\$0
1211 Calero Siphon Pump Station - Repl	\$0	\$0	\$0	\$0	\$0
1212 Chesbro Influent Valve - Repair	\$0	\$0	\$0	\$0	\$0
1864 2008 Ford F350 - Replace 50%	\$0	\$0	\$0	\$28,502	\$0
1865 2010 Ford Ranger - Replace 50%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Airport) - Replace 25%	\$0	\$0	\$50,671	\$0	\$0
1902 Pipeline (Alameda) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Hwy 16) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (MH Park) - Replace	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Rio Oso) - Replace 25%	\$0	\$55,165	\$0	\$0	\$0
1902 Pipeline (Van Vleck) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Unit 1) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Units 2-4) - Repl 25%	\$825,693	\$0	\$0	\$0	\$0
1902 Pipelines (RM South) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South 7&8) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South Newest) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (Unit 6) - Repl 25%	\$0	\$0	\$0	\$145,679	\$0
1903 Water Supply Valves - Replace 10%	\$95,640	\$0	\$0	\$0	\$0
2114 Granlees Diversion Struct - Repair	\$0	\$0	\$0	\$0	\$0
2114 Granlees Pump Station - Repair	\$0	\$0	\$0	\$0	\$0
2149 Water Reservoirs - Repair	\$0	\$0	\$0	\$0	\$0
2710 Lake Aerators - Replace	\$0	\$0	\$0	\$0	\$0
Vehicles					
1860 1997 Ford F250 - Replace	\$0	\$0	\$0	\$0	\$0
1861 1997 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1862 2000 Ford F150 - Replace	\$31,300	\$0	\$0	\$0	\$0
1863 2001 Ford F250 - Replace	\$0	\$0	\$0	\$0	\$0
1864 2003 Ford F150 - Replace	\$0	\$0	\$0	\$34,203	\$0
1865 2003 Ford F150 - Replace	\$0	\$0	\$0	\$34,203	\$0
1866 2003 Ford F150 Supercrew - Replace	\$0	\$0	\$0	\$43,070	\$0
1867 2011 Ford Ranger - Replace	\$0	\$0	\$0	\$0	\$0
1868 2013 Ford F-550 Truck - Replace	\$0	\$0	\$0	\$0	\$0
1870 Utility Vehicle - Replace	\$0	\$0	\$0	\$0	\$19,833
1871 1998 Hyster Fork Lift - Replace	\$0	\$0	\$0	\$0	\$0
1872 Fluid Excavator - Replace	\$50,660	\$0	\$0	\$0	\$0
1873 Bobcat Tractor - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$1,299,546	\$316,245	\$769,163	\$285,657	\$29,618
Ending Reserve Balance:	\$5,417,819	\$6,082,511	\$6,456,463	\$7,504,706	\$8,884,962

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)

**27003-0
WATER**

Fiscal Year	2025	2026	2027	2028	2029
Starting Reserve Balance	\$8,884,962	\$9,412,213	\$10,675,417	\$11,702,970	\$12,620,554
Annual Reserve Contribution	\$1,395,023	\$1,465,472	\$1,539,478	\$1,617,222	\$1,698,892
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$91,447	\$100,395	\$111,844	\$121,566	\$135,053
Total Income	\$10,371,433	\$10,978,080	\$12,326,740	\$13,441,758	\$14,454,499
# Component					
Water					
203 Water Plant Road - Repair	\$0	\$0	\$0	\$0	\$52,941
303 HVAC (WT Facility) - Replace	\$0	\$0	\$0	\$0	\$0
304 Meters & MXUs - Replace 33%	\$0	\$0	\$0	\$821,204	\$0
314 Equipment - Replace	\$0	\$0	\$35,644	\$0	\$0
314 Software/Technology - Update	\$0	\$166,108	\$0	\$0	\$0
338 Transmission (Gran/Calero) - Repair	\$0	\$0	\$0	\$0	\$0
904 Van Vleck Tank - Refurbish/Repair	\$0	\$0	\$0	\$0	\$0
940 Rio Oso Tank - Rehabilitate	\$0	\$0	\$0	\$0	\$0
941 Rio Oso Booster Pump Station- Rehab	\$0	\$0	\$0	\$0	\$0
942 Rio Oso Equip. - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Devices - Replace 50%	\$0	\$136,555	\$0	\$0	\$0
1007 Fire hydrants - Replace (Partial)	\$0	\$0	\$0	\$0	\$0
1015 Rio Oso Fuel Tank - Replace	\$0	\$0	\$0	\$0	\$0
1016 Water Plant - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
1017 Water Plant Membrane - Replace	\$268,783	\$0	\$0	\$0	\$0
1020 Flow Sensor (Arena) - Repair/Repl	\$0	\$0	\$0	\$0	\$0
1029 Plant #2 - Convert	\$0	\$0	\$0	\$0	\$0
1210 Subdrain Pump Stations - Repair	\$0	\$0	\$0	\$0	\$0
1211 Calero Siphon Pump Station - Repl	\$0	\$0	\$463,372	\$0	\$0
1212 Chesbro Influent Valve - Repair	\$80,635	\$0	\$0	\$0	\$0
1864 2008 Ford F350 - Replace 50%	\$0	\$0	\$0	\$0	\$0
1865 2010 Ford Ranger - Replace 50%	\$18,479	\$0	\$0	\$0	\$0
1902 Pipeline (Airport) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Alameda) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Hwy 16) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (MH Park) - Replace	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Rio Oso) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Van Vleck) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Unit 1) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Units 2-4) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (RM South) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South 7&8) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South Newest) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (Unit 6) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1903 Water Supply Valves - Replace 10%	\$0	\$0	\$0	\$0	\$0
2114 Granlees Diversion Struct - Repair	\$0	\$0	\$0	\$0	\$0
2114 Granlees Pump Station - Repair	\$470,371	\$0	\$0	\$0	\$0
2149 Water Reservoirs - Repair	\$0	\$0	\$0	\$0	\$0
2710 Lake Aerators - Replace	\$120,952	\$0	\$0	\$0	\$0
Vehicles					
1860 1997 Ford F250 - Replace	\$0	\$0	\$0	\$0	\$0
1861 1997 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1862 2000 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1863 2001 Ford F250 - Replace	\$0	\$0	\$0	\$0	\$0
1864 2003 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1865 2003 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1866 2003 Ford F150 Supercrew - Replace	\$0	\$0	\$0	\$0	\$0
1867 2011 Ford Ranger - Replace	\$0	\$0	\$0	\$0	\$0
1868 2013 Ford F-550 Truck - Replace	\$0	\$0	\$0	\$0	\$0
1870 Utility Vehicle - Replace	\$0	\$0	\$0	\$0	\$0
1871 1998 Hyster Fork Lift - Replace	\$0	\$0	\$0	\$0	\$0
1872 Fluid Excavator - Replace	\$0	\$0	\$0	\$0	\$0
1873 Bobcat Tractor - Replace	\$0	\$0	\$124,754	\$0	\$0
Total Expenses	\$959,220	\$302,663	\$623,770	\$821,204	\$52,941
Ending Reserve Balance:	\$9,412,213	\$10,675,417	\$11,702,970	\$12,620,554	\$14,401,558

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)

Fiscal Year	2030	2031	2032	2033	2034
Starting Reserve Balance	\$14,401,558	\$14,645,307	\$15,860,522	\$17,903,225	\$19,984,480
Annual Reserve Contribution	\$1,784,686	\$1,874,813	\$1,969,491	\$2,068,950	\$2,173,432
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$145,173	\$152,464	\$168,747	\$189,358	\$206,689
Total Income	\$16,331,417	\$16,672,584	\$17,998,760	\$20,161,533	\$22,364,601
# Component					
Water					
203 Water Plant Road - Repair	\$0	\$0	\$0	\$0	\$0
303 HVAC (WT Facility) - Replace	\$0	\$0	\$0	\$0	\$13,151
304 Meters & MXUs - Replace 33%	\$0	\$0	\$0	\$0	\$980,561
314 Equipment - Replace	\$0	\$0	\$41,321	\$0	\$0
314 Software/Technology - Update	\$0	\$192,565	\$0	\$0	\$0
338 Transmission (Gran/Calero) - Repair	\$1,557,578	\$0	\$0	\$0	\$0
904 Van Vleck Tank - Refurbish/Repair	\$0	\$0	\$0	\$0	\$0
940 Rio Oso Tank - Rehabilitate	\$0	\$0	\$0	\$0	\$0
941 Rio Oso Booster Pump Station- Rehab	\$0	\$0	\$0	\$0	\$0
942 Rio Oso Equip. - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Devices - Replace 50%	\$0	\$158,304	\$0	\$0	\$0
1007 Fire hydrants - Replace (Partial)	\$0	\$0	\$0	\$0	\$0
1015 Rio Oso Fuel Tank - Replace	\$0	\$0	\$0	\$0	\$0
1016 Water Plant - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
1017 Water Plant Membrane - Replace	\$0	\$0	\$0	\$0	\$0
1020 Flow Sensor (Arena) - Repair/Repl	\$0	\$0	\$0	\$0	\$0
1029 Plant #2 - Convert	\$0	\$0	\$0	\$0	\$0
1210 Subdrain Pump Stations - Repair	\$0	\$0	\$0	\$0	\$0
1211 Calero Siphon Pump Station - Repl	\$0	\$0	\$0	\$0	\$0
1212 Chesbro Influent Valve - Repair	\$0	\$0	\$0	\$0	\$0
1864 2008 Ford F350 - Replace 50%	\$0	\$0	\$0	\$0	\$0
1865 2010 Ford Ranger - Replace 50%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Airport) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Alameda) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Hwy 16) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (MH Park) - Replace	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Rio Oso) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Van Vleck) - Replace 25%	\$0	\$0	\$54,213	\$0	\$0
1902 Pipelines (N. Unit 1) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Units 2-4) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (RM South) - Replace 25%	\$0	\$424,284	\$0	\$0	\$0
1902 Pipelines (South 7&8) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South Newest) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (Unit 6) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1903 Water Supply Valves - Replace 10%	\$128,532	\$0	\$0	\$0	\$0
2114 Granlees Diversion Struct - Repair	\$0	\$0	\$0	\$0	\$0
2114 Granlees Pump Station - Repair	\$0	\$0	\$0	\$0	\$0
2149 Water Reservoirs - Repair	\$0	\$0	\$0	\$0	\$0
2710 Lake Aerators - Replace	\$0	\$0	\$0	\$0	\$0
Vehicles					
1860 1997 Ford F250 - Replace	\$0	\$0	\$0	\$0	\$0
1861 1997 Ford F150 - Replace	\$0	\$0	\$0	\$45,966	\$0
1862 2000 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1863 2001 Ford F250 - Replace	\$0	\$0	\$0	\$0	\$0
1864 2003 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1865 2003 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1866 2003 Ford F150 Supercrew - Replace	\$0	\$0	\$0	\$0	\$0
1867 2011 Ford Ranger - Replace	\$0	\$36,908	\$0	\$0	\$0
1868 2013 Ford F-550 Truck - Replace	\$0	\$0	\$0	\$131,087	\$0
1870 Utility Vehicle - Replace	\$0	\$0	\$0	\$0	\$0
1871 1998 Hyster Fork Lift - Replace	\$0	\$0	\$0	\$0	\$0
1872 Fluid Excavator - Replace	\$0	\$0	\$0	\$0	\$0
1873 Bobcat Tractor - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$1,686,110	\$812,062	\$95,535	\$177,053	\$993,712
Ending Reserve Balance:	\$14,645,307	\$15,860,522	\$17,903,225	\$19,984,480	\$21,370,889

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)

**27003-0
WATER**

Fiscal Year	2035	2036	2037	2038	2039
Starting Reserve Balance	\$21,370,889	\$15,464,686	\$17,621,785	\$20,215,541	\$22,990,907
Annual Reserve Contribution	\$2,283,190	\$2,398,491	\$2,519,615	\$2,646,856	\$2,780,522
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$184,100	\$165,362	\$189,106	\$215,940	\$244,932
Total Income	\$23,838,178	\$18,028,539	\$20,330,507	\$23,078,337	\$26,016,361
# Component					
Water					
203 Water Plant Road - Repair	\$0	\$0	\$0	\$0	\$0
303 HVAC (WT Facility) - Replace	\$0	\$0	\$0	\$0	\$0
304 Meters & MXUs - Replace 33%	\$0	\$0	\$0	\$0	\$0
314 Equipment - Replace	\$0	\$0	\$47,903	\$0	\$0
314 Software/Technology - Update	\$0	\$223,235	\$0	\$0	\$0
338 Transmission (Gran/Calero) - Repair	\$0	\$0	\$0	\$0	\$0
904 Van Vleck Tank - Refurbish/Repair	\$5,011,959	\$0	\$0	\$0	\$0
940 Rio Oso Tank - Rehabilitate	\$0	\$0	\$0	\$0	\$0
941 Rio Oso Booster Pump Station- Rehab	\$0	\$0	\$0	\$0	\$0
942 Rio Oso Equip. - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Devices - Replace 50%	\$0	\$183,518	\$0	\$0	\$0
1007 Fire hydrants - Replace (Partial)	\$0	\$0	\$0	\$0	\$0
1015 Rio Oso Fuel Tank - Replace	\$0	\$0	\$0	\$0	\$0
1016 Water Plant - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
1017 Water Plant Membrane - Replace	\$361,222	\$0	\$0	\$0	\$0
1020 Flow Sensor (Arena) - Repair/Repl	\$0	\$0	\$0	\$21,315	\$0
1029 Plant #2 - Convert	\$0	\$0	\$0	\$0	\$0
1210 Subdrain Pump Stations - Repair	\$149,004	\$0	\$0	\$0	\$0
1211 Calero Siphon Pump Station - Repl	\$0	\$0	\$0	\$0	\$0
1212 Chesbro Influent Valve - Repair	\$0	\$0	\$0	\$0	\$0
1864 2008 Ford F350 - Replace 50%	\$0	\$0	\$0	\$44,406	\$0
1865 2010 Ford Ranger - Replace 50%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Airport) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Alameda) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Hwy 16) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (MH Park) - Replace	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Rio Oso) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Van Vleck) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Unit 1) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Units 2-4) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (RM South) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South 7&8) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South Newest) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (Unit 6) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1903 Water Supply Valves - Replace 10%	\$0	\$0	\$0	\$0	\$0
2114 Granlees Diversion Struct - Repair	\$0	\$0	\$0	\$0	\$0
2114 Granlees Pump Station - Repair	\$0	\$0	\$0	\$0	\$0
2149 Water Reservoirs - Repair	\$2,709,167	\$0	\$0	\$0	\$0
2710 Lake Aerators - Replace	\$0	\$0	\$0	\$0	\$0
Vehicles					
1860 1997 Ford F250 - Replace	\$0	\$0	\$67,064	\$0	\$0
1861 1997 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1862 2000 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1863 2001 Ford F250 - Replace	\$63,214	\$0	\$0	\$0	\$0
1864 2003 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1865 2003 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1866 2003 Ford F150 Supercrew - Replace	\$0	\$0	\$0	\$0	\$0
1867 2011 Ford Ranger - Replace	\$0	\$0	\$0	\$0	\$0
1868 2013 Ford F-550 Truck - Replace	\$0	\$0	\$0	\$0	\$0
1870 Utility Vehicle - Replace	\$0	\$0	\$0	\$0	\$0
1871 1998 Hyster Fork Lift - Replace	\$0	\$0	\$0	\$21,709	\$0
1872 Fluid Excavator - Replace	\$78,927	\$0	\$0	\$0	\$0
1873 Bobcat Tractor - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$8,373,493	\$406,753	\$114,966	\$87,430	\$0
Ending Reserve Balance:	\$15,464,686	\$17,621,785	\$20,215,541	\$22,990,907	\$26,016,361

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)

**27003-0
WATER**

Fiscal Year	2040	2041	2042	2043	2044
Starting Reserve Balance	\$26,016,361	\$26,582,120	\$29,459,114	\$32,213,296	\$35,472,515
Annual Reserve Contribution	\$2,920,938	\$3,068,446	\$3,223,402	\$3,386,184	\$3,557,186
Planned Transfer to Reserves	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$262,881	\$280,087	\$308,231	\$338,285	\$373,540
Total Income	\$29,200,180	\$29,930,652	\$32,990,747	\$35,937,765	\$39,403,241
# Component					
Water					
203 Water Plant Road - Repair	\$0	\$0	\$0	\$0	\$82,480
303 HVAC (WT Facility) - Replace	\$0	\$0	\$0	\$0	\$17,674
304 Meters & MXUs - Replace 33%	\$1,170,841	\$0	\$0	\$0	\$0
314 Equipment - Replace	\$0	\$0	\$55,532	\$0	\$0
314 Software/Technology - Update	\$0	\$258,791	\$0	\$0	\$0
338 Transmission (Gran/Calero) - Repair	\$0	\$0	\$0	\$0	\$0
904 Van Vleck Tank - Refurbish/Repair	\$0	\$0	\$0	\$0	\$0
940 Rio Oso Tank - Rehabilitate	\$0	\$0	\$0	\$0	\$0
941 Rio Oso Booster Pump Station- Rehab	\$0	\$0	\$0	\$0	\$0
942 Rio Oso Equip. - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Devices - Replace 50%	\$0	\$212,748	\$0	\$0	\$0
1007 Fire hydrants - Replace (Partial)	\$0	\$0	\$0	\$0	\$0
1015 Rio Oso Fuel Tank - Replace	\$0	\$0	\$0	\$0	\$0
1016 Water Plant - Major Reconstruction	\$0	\$0	\$0	\$0	\$0
1017 Water Plant Membrane - Replace	\$0	\$0	\$0	\$0	\$0
1020 Flow Sensor (Arena) - Repair/Repl	\$0	\$0	\$0	\$0	\$0
1029 Plant #2 - Convert	\$0	\$0	\$0	\$0	\$0
1210 Subdrain Pump Stations - Repair	\$0	\$0	\$0	\$0	\$0
1211 Calero Siphon Pump Station - Repl	\$0	\$0	\$721,919	\$0	\$0
1212 Chesbro Influent Valve - Repair	\$125,627	\$0	\$0	\$0	\$0
1864 2008 Ford F350 - Replace 50%	\$0	\$0	\$0	\$0	\$0
1865 2010 Ford Ranger - Replace 50%	\$28,789	\$0	\$0	\$0	\$0
1902 Pipeline (Airport) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Alameda) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Hwy 16) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (MH Park) - Replace	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Rio Oso) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipeline (Van Vleck) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Unit 1) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (N. Units 2-4) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (RM South) - Replace 25%	\$0	\$0	\$0	\$0	\$0
1902 Pipelines (South 7&8) - Replace 25%	\$142,272	\$0	\$0	\$0	\$0
1902 Pipelines (South Newest) - Repl 25%	\$0	\$0	\$0	\$263,912	\$0
1902 Pipelines (Unit 6) - Repl 25%	\$0	\$0	\$0	\$0	\$0
1903 Water Supply Valves - Replace 10%	\$172,737	\$0	\$0	\$0	\$0
2114 Granlees Diversion Struct - Repair	\$0	\$0	\$0	\$0	\$0
2114 Granlees Pump Station - Repair	\$732,822	\$0	\$0	\$0	\$0
2149 Water Reservoirs - Repair	\$0	\$0	\$0	\$0	\$0
2710 Lake Aerators - Replace	\$188,440	\$0	\$0	\$0	\$0
Vehicles					
1860 1997 Ford F250 - Replace	\$0	\$0	\$0	\$0	\$0
1861 1997 Ford F150 - Replace	\$0	\$0	\$0	\$0	\$0
1862 2000 Ford F150 - Replace	\$56,532	\$0	\$0	\$0	\$0
1863 2001 Ford F250 - Replace	\$0	\$0	\$0	\$0	\$0
1864 2003 Ford F150 - Replace	\$0	\$0	\$0	\$61,774	\$0
1865 2003 Ford F150 - Replace	\$0	\$0	\$0	\$61,774	\$0
1866 2003 Ford F150 Supercrew - Replace	\$0	\$0	\$0	\$77,790	\$0
1867 2011 Ford Ranger - Replace	\$0	\$0	\$0	\$0	\$0
1868 2013 Ford F-550 Truck - Replace	\$0	\$0	\$0	\$0	\$0
1870 Utility Vehicle - Replace	\$0	\$0	\$0	\$0	\$35,820
1871 1998 Hyster Fork Lift - Replace	\$0	\$0	\$0	\$0	\$0
1872 Fluid Excavator - Replace	\$0	\$0	\$0	\$0	\$0
1873 Bobcat Tractor - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$2,618,060	\$471,539	\$777,451	\$465,250	\$135,974
Ending Reserve Balance:	\$26,582,120	\$29,459,114	\$32,213,296	\$35,472,515	\$39,267,267

Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the Water Department change each year, this Reserve Study is by nature a “one-year” document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Water Department Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, and physical factors. Because many years of financial preparation help prepare for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves – SF, LLC, and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Derek Eckert, R.S., company president, is a credentialed Reserve Specialist (#114). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the CSD’s situation.

We have relied upon the client to provide the current (or projected) Water Department Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Water Department Reserve Fund. In addition, we have considered the CSD’s representation of current and historical Water Department Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were derived from the prior Reserve Study, unless otherwise noted in our “Site Inspection Notes”. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budgeting purposes.

Association Reserves’ liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

Where any uncertainties exist, we urge the CSD to obtain a legal review and written opinion of the legitimacy of the funding policies, as stipulated or permitted under your Declaration and local statutes. As these are legal questions, we highly recommend use of an experienced attorney specializing in CSD law.

Re-use of reserve study, figures or calculations in any other format absolves ARSF of all responsibility.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area)
GSY	Gross Square Yards (area)
HP	Horsepower
LF	Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The Reserve Balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for a CSD total.

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age}) / \text{Useful Life}$$

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

Percent Funded: The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life: The estimated time, in years, that a Water Department component can be expected to continue to serve its intended function.

Useful Life: The estimated time, in years, that a Water Department component can be expected to serve its intended function.

MEMORANDUM

Date: March 13, 2015
To: Board of Directors
From: Darlene J. Gillum, General Manager
Subject: Consider Approval of Memorandum of Understanding between the International Union of Operating Engineers, Local 3, AFL-CIO and Rancho Murieta Community Services District

RECOMMENDED ACTION

Approve the Memorandum of Understanding (MOU) between the International Union of Operating Engineers, Local 3, AFL-CIO and Rancho Murieta Community Services District.

BACKGROUND

Attached is the Tentative Agreement signed by the District and Gregory C. Ramirez, Senior Business Representative, on February 25, 2015, which notes the changes in the new MOU from the last MOU. The entire MOU is also attached for your review.

This MOU is for three (3) years January 1, 2015 thru December 31, 2017.

**The International Union of Operating Engineers, Local 3
and
Rancho Murieta Community Services District
2014 MOU Negotiations**

Tentative Agreement - February 25, 2015

Article VIII - Compensation and Benefits

- A. Three (3) wage adjustments:**
 - 1. Effective January 1, 2015 - 5% all classifications
 - 2. Effective January 1, 2016 - 3% all classifications
 - 3. Effective January 1, 2017 - 3% all classifications

- B. No additional COLAS.**

- C. PERS contributions by PERS Classic employees above current 3%**
 - 1. Effective January 1, 2015 - additional 2% contribution by all classifications
 - 2. Effective January 1, 2016 - additional 1% contribution by all classifications
 - 3. Effective January 1, 2017 - additional 1% contribution by all classifications

- D. ✓ Salary step conversion.** Maintain 8 step salary ranges for all classification except Gate and Patrol Officers. Employees on 8-step salary range move to 6-step salary range, closest but not less than current salary.

- E. Certificate pay capped at 5% for Utility and Plant Operator classifications.**
 - 1. Utility workers certificates for distribution and **collection** (added) systems
 - 2. Plant Operators certificates for treatment plant operator or **collection** (added) system.

- H. District will pay \$350 a month for opt out medical coverage.**

- I. Medical vesting** for new employees, effective January 1, 2016, (per Government Code Section 22893 - aka 50% at 10 years - 100% at 20 years).

Article X - Stand-By and Call Back

- A. Stand-by pay** at \$40.00 a day.

- B. ✓ Call back** to remain at 2 hours at 1 ½ time pay.

Article XI – Vacation Leave

B.	Schedule of Accrual		
	Svc Yrs	Accrual/hr	Max hrs/yr
Add	Year 20	.0962	200

MEMORANDUM OF UNDERSTANDING

between the

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

and the

INTERNATIONAL UNION OF OPERATING ENGINEERS
UNION LOCAL NO. 3, AFL-CIO

General Unit

January 1, 2015 to December 31, 2017

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2015-2017 Memorandum of Understanding
between the
RANCHO MURIETA COMMUNITY SERVICES DISTRICT
and the
INTERNATIONAL UNION OF OPERATING ENGINEERS UNION LOCAL NO. 3, AFL-CIO

GENERAL UNIT

ARTICLE I PARTIES

This Agreement is entered into March 19, 2015 by and between the Rancho Murieta Community Services District (hereinafter referred to as "Employer" or "District") and the International Union of Operating Engineers Union Local No. 3, AFL-CIO (hereinafter referred to as "Union").

Unless otherwise defined, all references to "days" shall mean calendar days.

ARTICLE II AUTHORIZED AGENTS

For the purpose of administering the terms and provision of this Agreement the following agents or his/her designee has been identified:

- A. District's principal authorized agent shall be:
 - General Manager
 - Rancho Murieta Community Services District
 - P.O. Box 1050
 - Rancho Murieta, CA 95683

- B. Union's principal authorized agent shall be:
 - Business Representative
 - Operating Engineers Union Local No. 3, AFL-CIO
 - 1916 North Broadway
 - Stockton, CA 95205

ARTICLE III RECOGNITION

The Employer recognizes the Union as the sole collective bargaining agent for all regular full-time and part-time employees (over 20 hours/week) in the General Unit of the Rancho Murieta Community Services District, excluding all management, supervisory, confidential, and independent contractor employees. See Attachment A for a list of classifications covered by this Agreement.

ARTICLE IV DISTRICT RIGHTS AND RESPONSIBILITIES

District retains all of its lawful rights, powers and authority, except as expressly limited by specific provision of this Agreement. Without limiting the generality of the foregoing, the rights, powers and authority of the District, include, but are not limited to the following: to manage and direct its business and personnel; to manage, control, and determine the mission of its departments, building facilities, and operations; to create, change, combine or eliminate budgeted positions, policies, departments and facilities in whole or in part; to subcontract or discontinue

work for economic or operational reasons; to direct the work force; to increase or decrease the work force and determine the number of employees needed; to hire, transfer, promote and maintain the discipline and efficiency of its employees; to determine the content of job classifications; to set standards of service, determine the procedures and standards of selection for employment and promotion; direct its employees to establish work standards, schedules of operation and reasonable work load; to specify or assign work requirements and require overtime; to schedule working hours and shifts; to adopt rules of conduct and penalties for violation thereof; to require employees to undergo testing for drugs and alcohol; to determine the type and scope of work to be performed by District employees and the services to be provided; to classify positions; to establish initial salaries of new classifications after notification of the Union; to determine the methods, processes, means and places of providing services and to take whatever action necessary to prepare for and operate in an emergency.

ARTICLE V UNION RIGHTS

- A. Union Access.** Union staff members shall be allowed to contact employees on District facilities or job sites before and after working hours and during duty-free unpaid work hours. The use of email to set up and confirm meetings is allowed. Union staff members shall have access to District facilities while representing unit members in meetings with management or for other purposes when specifically approved by District management in advance for each instance.
- B. Dues Deduction.** With signed authorization, the District will provide deductions for Union dues and Credit Union accounts.
- C. Indemnify and Defend.** The Union shall indemnify, defend, and hold the District harmless against any claim made and against any suit initiated against the District on account of check off of Union dues, premiums or Credit Union deductions.
- D. Agency Shop**
 - 1. The District and the Union recognize the right of employees to form, join, and participate in lawful activities of employee organizations and the equal affirmative right of employees to refuse to form, join, and participate in employee organizations. Neither party shall exert pressure upon or discriminate against an employee in the exercise of these alternative rights.
 - 2. Accordingly, membership in the Union shall not be compulsory. A unit member has the right to choose either: to become a member of the Union; or to pay to the Union a fee for representation services; or to refrain from either of the above courses of action upon the grounds set forth in Section (6) below.
 - 3. A bargaining unit member who does not fall within one of the exempted categories as set forth in Section (6) below, and who has not voluntarily made application for membership in the Union within the sixty (60) day period following the date upon which said employee has been formally hired by the District in a bargaining unit position, must as a condition of employment pay to the Union a representation fee, in exchange for representation services necessarily performed by the Union in conformance with its legally imposed duty of fair representation on behalf of said Union member who is not a member of the Union.

4. In the event that a unit member doesn't become a member of the Union or pay such fee directly to the Union, the District shall begin automatic payroll deduction. There shall be no charge to the Union for such mandatory agency fee deductions.
5. The agency fee collected pursuant to Section (4) above from unit members who are not members of the Union shall be an amount equal to regular Union dues paid by Union members within the District. Agency fee payers are entitled to apply to the Union for refunds of any amount paid which may be prohibited by the U.S. Constitution because such funds pay for political purposes not related to collective bargaining.
6. Any unit member shall be exempt from the requirements of Section (2) above, if such employee has a bona fide religious objection as defined by Section 3502.5 of the Government Code to the payment of any fee in support of a Union or "employee organization" as defined in Section 3540.1(d) of the Government Code.
7. Exempt unit members as defined in Section (6) above, shall, as an alternative to payment of a representation fee to the Union, pay an amount equivalent to such representation fee to:
 - a. United Way
 - b. American Cancer Society
 - c. Any charity jointly agreed to in writing by the parties.
8. Hold Harmless Provision. The Union shall hold the District harmless, and shall fully and promptly reimburse the District for any fees, costs, charges, or penalties incurred in responding to or defending against any claims, disputes, and/or challenges which are brought against the District or any of its agents or employees in connection with the interpretation, application, administration or enforcement of any Section of this Agreement pertaining to representation fees.

ARTICLE VI PROBATIONARY PERIOD

- A. Initial Probation.** Upon initial appointment, all unit employees shall serve the equivalent of twelve (12) months of full-time service as a probationary period, during which time the employee may be dismissed without cause or right of appeal.
- B. Promotional Probation.** Upon promotion to a different classification with a higher salary schedule, a unit employee shall serve the equivalent of twelve (12) months of full-time service as a probationary period, during which time the employee may be returned to his/her previous classification without cause or right of appeal provided the employee had successfully completed a probationary period in the previous class, otherwise, the employee shall be terminated from District service.
- C. Extension of Probationary Period.** Any accumulated time absent during the probationary period for a period of more than five (5) working days shall serve to extend the employee's probationary period for the total period of absence.

ARTICLE VII HOURS

- A. Work Hours.** Except in emergencies, the work week of full-time unit employees shall normally consist of five (5) days of eight (8) hours each, exclusive of a meal period. Persons who are part of 24/7 coverage may be assigned to work a straight eight-hour shift including a meal period. Each employee shall be assigned regular starting and quitting times, which

shall not be changed without prior notice. Other work schedules (including 4/10) may be implemented by the District at its sole discretion upon fourteen (14) days prior notice to affected employees. Any return to the standard 5/8 schedule shall remain at the sole discretion of the District management and may be implemented upon fourteen (14) days prior notice to the affected employees. Shift schedules for Security staff shall be posted at least fourteen (14) days in advance of the starting date of the schedule. Employees may be rescheduled within that period because of unplanned absences.

- B. Rest Periods.** When practical, employees shall be granted a ten (10) minute paid rest period during each half work shift of four (4) hours or longer. Such breaks shall not be taken within one (1) hour of the employee's starting time, quitting time, or meal break and shall not be accumulated or used to supplement meal breaks, arrive at work late or leave work early.

ARTICLE VIII COMPENSATION AND BENEFITS

A. Wages and Adjustments.

1. Effective with the pay period in which January 1, 2015 falls, a five percent (5%) salary range increase for all represented classifications. Concurrently with the five percent (5%) increase, all classifications, excluding Patrol and Gate Officer, will convert from an 8-step schedule to a 6-step schedule which is closest but is not lower than their previous wage rate on the 8-step schedule. There shall be no change in salary anniversary date of the employee.
2. Effective the pay period in which January 1, 2016 falls, a three percent (3%) salary range increase for all represented classifications.
3. Effective the pay period in which January 1, 2017 falls, a three percent (3%) salary range increase for all represented classifications.
4. PERS Contribution by Classic PERS Employees above Current Three Percent (3%)
 - Effective the pay period in which January 1, 2015 falls, all represented PERS Classic Employees shall contribute an additional two percent (2%) of the Employee Contribution to PERS; bringing their total contribution to five percent (5%) of the seven percent (7%) Classic Employee contribution to PERS. The District will contribute the remaining two percent (2%) of the Classic Employee contribution to PERS in addition to the Employer Contribution to PERS for each represented employee.
 - Effective the pay period in which January 1, 2016 falls, all represented PERS Classic Employees shall contribute an additional one percent (1%) of the Employee Contribution to PERS; bringing their total contribution to six percent (6%) of the seven percent (7%) Classic Employee contribution to PERS. The District will contribute the remaining one (1%) of the Classic Employee contribution to PERS in addition to the Employer Contribution to PERS for each represented employee.

- Effective the pay period in which January 1, 2017 falls, all represented PERS Classic Employees shall contribute an additional one percent (1%) of the Employee Contribution to PERS; bringing their total contribution to seven percent (7%) of the seven percent (7%) Classic Employee contribution to PERS. The District will continue to pay the Employer Contribution to PERS for each represented employee.

The District reserves the right to adjust wages and wage ranges to accomplish recruitment and retention goals as determined by the Board.

1. An eligible employee shall move from one step to the next higher step within the assigned range after receiving an annual evaluation by his/her supervisor/manager that indicates the employee received an overall standard rating (at least 100 points) for that position during the previous year. An employee who is determined to have not met standards during the previous year shall not be eligible for any step increase for a period of three (3) months at which time the employee's performance shall be re-evaluated and if found to meet standard on an overall basis, shall be granted a step increase prospectively.
 2. On promotion to a higher job classification, the employee shall be placed at the step on the higher wage range that provide for at least a five percent (5%) increase in pay.
- B. Shift Differential.** The District provides a \$7.00 per shift differential for each normally assigned shift worked by an employee that covers the hours between 12:01 a.m. and 6:00 a.m.
- C. Certificate Pay.** Certificate pay is capped at five percent (5%) for Represented Utility Worker and Plant Operator classifications.

1. **Additional Certificates.** Effective January 1, 2015, additional certificates for Plant Operator classifications shall be limited to Treatment Plant Operator certificates and/or collection system certificates issued by the State of California or a District-approved educational institution. Plant Operators shall be paid an additional two and one-half percent (2.5%) above base pay per additional certificate above those required by their classification level, not to exceed five percent (5%) or two additional certificates, for each month so qualified during the term of this Agreement.

Effective January 1, 2015, additional certificates for Utility Worker classifications shall be limited to distribution certificates and/or collection system certificates issued by the State of California or a District-approved educational institution. Utility Workers shall be paid an additional two and one-half percent (2.5%) above base pay per additional certificate above those required by their classification level, not to exceed five percent (5%) or two additional certificates, for each month so qualified during the term of this Agreement.

2. **Backhoe Operator.** Those persons who are trained and certified as a Backhoe Operator shall be eligible to receive an additional five percent (5%) during the hours they are required to operate the backhoe on assignments specifically requiring skilled backhoe operation. Such pay shall be for a minimum of two (2) hours or the length of the assignment, whichever is longer.
3. **Training Officer Pay.** Any Security Gate or Security Patrol Officer specifically designated by the District as a "Training Officer" shall receive an additional five percent (5%) above their base pay while training new Security employees for a period not to exceed two (2) weeks per new employee.

D. Paid Benefits

1. **Health and Supplemental Insurances.** The District will continue to contribute eighty percent (80%) of the total cost for dental, vision, life, long term disability and health insurance (not to exceed eighty percent (80%) of the cost of the least expensive HMO plan available that year) for full-time active employees and their dependents.

The District will continue to contribute eighty percent (80%) of the cost for health insurance (not to exceed 80% of the least expensive HMO plan available that year) for full-time retired represented employees and their dependents.

2. **Opting Out of Medical Coverage.** Eligible employees opting out of medical coverage who show proof of similar coverage shall receive a flat \$350.00 per month for the period not utilizing District-sponsored medical insurance.
3. **Postretirement Health Benefits – Medical Vesting.** Upon ratification of this Agreement by unit members, postretirement health benefits provided to employees hired on or after January 1, 2016, shall be provided in accordance with Government Code Section 22893.
4. **Less than Full Time Employees.** No paid benefits are provided.
5. **Waiting Period.** Benefits eligibility shall be governed by provider contracts with the District for full-time regular employees and shall begin after satisfactory completion of one (1) month of the probationary period.

ARTICLE IX OVERTIME

A. Definitions

1. **Overtime.** The use of overtime is discouraged. Except in emergencies, all overtime must be authorized in advance by the General Manager or his/her designee. For unit positions, any hours worked which exceed forty (40) hours per week shall be considered overtime. Unauthorized overtime worked may subject an employee to disciplinary action. The

District shall designate work week or work period for FLSA purposes as necessary.

2. **Hours Worked.** Those hours during which the employee actually works for the District or during his/her normal work week is observing one of those holidays listed in Article XIII. A.1-8 of this MOU.

B. Overtime Compensation. Employees who have actually worked over forty (40) hours during a work week shall receive pay at one and one-half times the employee's regular rate of pay for all hours in excess of forty (40) hours. When hours worked combined with other paid time off exceeds forty (40) hours per week, the employee shall receive overtime for those hours beyond forty (40) at the employee's regular rate of pay.

ARTICLE X STANDBY DUTY AND CALL BACK

A. Standby

1. Standby duty is defined as that circumstance which requires the employee so assigned to:
 - a. Be ready to respond in a reasonable time to calls for her/his service;
 - b. Be readily available at all hours by telephone or other communication devices; and
 - c. Refrain from activities which might impair her/his assigned duties upon call.
2. Standby duty shall be assigned in writing and shall be compensated at the rate of \$40.00 per day of such assignment.

B. Call Back

1. **Definition.** An employee who is required by the District to return to work after the work shift or work week has ended and the employee has left the work location shall be deemed "called back" for purposes of this section.
2. **Minimum.** All employees called back shall be paid a minimum of two (2) hours at one and one-half times the employee's regular rate or for time actually worked, whichever is greater.

ARTICLE XI VACATION LEAVE

A. Accrual. All full-time employees shall accrue vacation leave credits for each regular hour paid on the basis of the schedule below. Part-time workers who are assigned to at least twenty (20) hours per week shall also earn vacation on a pro rata basis.

B. Schedule of Accrual.

<i>Years of Continuous Service:</i>	Hours Accrued/ hour paid	Max Hours of Accrual/Year
Year 1 through Year 4	.03846	80
Year 5 through 10	.0577	120
Year 11	.0615	128
Year 12	.0654	136
Year 13	.0692	144

Year 14	.0731	152
Year 15	.0769	160
Year 16	.0808	168
Year 17	.0846	176
Year 18	.0885	184
Year 19	.0923	192
Year 20	.0962	200

- C. **Payment on Separation.** Employees who separate from District service shall be paid for accrued vacation leave.
- D. **Maximum Accrual.** No employee shall be allowed to carry forward from one calendar year to the next more than one hundred sixty (160) hours of accrued vacation leave (“Maximum Accrual Limit”). Once the Maximum Accrual Limit is reached, the employee shall stop accruing additional vacation leave until vacation leave is taken and accrued vacation leave is reduced below the Maximum Accrual Limit.
- E. **Scheduling.** Unit employees may request vacation leave by signing up for dates with their Supervisor on the posted schedule by February 1 of each year and submitting an Employee Absence Request form. Supervisors shall only grant such requests when the District will not be adversely affected. Conflicts in requested vacation leaves shall be resolved in favor of the person with the greatest continuous length of service in his/her present classification. Persons who request vacation leave after February 1st will be limited to using open dates. All time off for vacation leave requires the approval of an Employee Absence Request form by the employee’s Supervisor. The District may direct the use of vacation leave for persons who have reached the Maximum Accrual Limit and failed to take vacation leave within a reasonable period of time thereafter.

ARTICLE XII SICK LEAVE

- A. **Accrual.** All unit employees who are employed on a regular full-time or regular part-time basis shall accrue sick leave credits on the basis of .04615 hours of sick leave for each regular hour paid to a maximum of ninety-six (96) hours per year. Sick leave may accrue without limitation.
- B. **Catastrophic Illness or Injury.** All accrued sick leave may be used in the event of a catastrophic illness or injury.
- C. **Authorization for Usage.** Employees are authorized to use accrued sick leave only when incapacitated due to sickness, injury or when receiving necessary medical or dental service, or in the event of an illness or death in the immediate family which requires the employee’s presence.
- D. **Use of Sick Leave.** Sick leave must be accrued before taken or used. Up to forty-eight (48) hours per year may be used to care for sick immediate family members. A total of twenty-eight (28) hours of unscheduled personal sick leave use per year shall be considered the maximum which meets standard or better usage for performance evaluations. Consideration will be given to hospitalizations and severe illness or injuries.
- E. **Scheduled Vs. Unscheduled Sick Leave.** Sick leave shall be considered “unscheduled” when the employee provides less than twenty-four (24) hours notice of their absence from work. However, in the event an employee becomes suddenly ill and that illness requires several days absence from work, the first day of related sick leave, if the employee provides less

than twenty-four (24) hours notice, shall be considered "unscheduled". The subsequent and related consecutive sick leave taken shall be considered "scheduled".

- F. Evidence of Illness.** The District may require any employee who is absent due to illness or injury to be examined by the District's doctor at District's expense. At the District's discretion, satisfactory evidence of illness or injury for any period of absence may be required prior to the employees return to duty.

The District shall have the discretion to require the employee to present a physician's certificate upon his or her return to duty stating that the employee has fully recuperated from the illness and/or injury and has no physical limitations preventing the employee from performing his or her required job responsibilities. Until such a certificate is presented, the General Manager shall have the right to disallow the employee's return to work. In such cases, the employee shall continue to use accrued sick leave, if any, and after accrued sick leave is exhausted, shall be on authorized leave of absence without pay.

- G. Sick Leave Retirement Benefit.** No employee shall be compensated directly for accrued but unused sick leave upon termination of employment; however, accrued sick leave may be converted to time worked for the purposes of retirement under the District's contract with PERS.

ARTICLE XIII HOLIDAYS

- A. Paid Holidays for Regular Full-Time and Regular Part-Time Employees.** The following shall be paid holidays for eligible employees:

1. New Year's Day
2. President's Day (3rd Monday in February)
3. Memorial Day (last Monday in May)
4. Independence Day (July 4th)
5. Labor Day (1st Monday in September)
6. Thanksgiving Day (4th Thursday in November)
7. Day after Thanksgiving
8. Christmas Day
9. Four personal holidays (see below)

- B. Holiday Observance.** For employees regularly assigned to a five-day Monday through Friday work schedule recognized holidays which fall on a Saturday will be observed on a Friday; those falling on a Sunday will be observed on Monday. For all other employees, holidays will be observed on the actual declared holiday.

- C. Holiday Pay.** Eligible employees will receive holiday pay for up to eight (8) hours for each holiday.

- D. Holidays Worked.** If an employee is required to work on an observed holiday, the employee shall receive holiday pay plus time and one-half for any hours worked on that holiday.

- E. Personal Holidays.** Upon prior approval of his or her supervisor, a regular full-time or regular part-time employee who has completed the initial probationary period may take four (4) personal holidays with pay per calendar year. The employee must give his or her supervisor at least two (2) weeks advance notice and receive authorization before taking the personal holiday.

- F. **Part-time Employees.** Regular part-time employees shall accrue and be paid for holidays in the same proportion as his or her working hours bear to the normal working hours of a full-time employee in a comparable position.

ARTICLE XIV LEAVE OF ABSENCE WITHOUT PAY (LWOP)

- A. **Eligibility.** Leave without pay may be granted to an employee who desires to return therefrom to District service and does not have vacation leave available.
- B. **Short-term LWOP.** Leave without pay of less than thirty (30) consecutive days may be granted by the General Manager.
- C. **Long-term LWOP.** Leave without pay for more than thirty (30) consecutive days may be granted by the Board of Directors. If granted, the employee shall retain his/her status as an employee at the pay step, leave and benefits accrued prior to the leave. However, no additional leave shall accrue nor shall the District provide any pay or benefits during the period of the leave. Anyone failing to return from leave on the first working day after the end of his/her leave and who has failed to receive permission for a finite time extension from the General Manager by that time, will be deemed to have abandoned his/her position and voluntarily resigned.

ARTICLE XV MISCELLANEOUS PROVISIONS

- A. **Patrol Officer Equipment.** All newly-hired Patrol Officers shall be provided with the following items of safety equipment:
 - a. Bianchi Accumold Nylon Gear (or similar)
 - 1. Duty Belt
 - 2. Handgun Holster
 - 3. Double Cuff Case
 - 4. Double Magazine Case
 - 5. Pepper Spray Case
 - 6. Baton Holder
 - 7. Belt Keepers (4)
 - 8. Flashlight Holder
 - 9. Radio Holder
 - 10. Handcuffs
 - 11. Pepper Spray
 - 12. Baton (ASP)

The above items shall remain the property of the District and shall be returned by the employee upon leaving employment.

- B. **Boots.** Effective January 1, 2015 uniform/safety boots will be provided as follows:
 - 1. All represented employees in the Utility Worker classifications shall receive reimbursement for safety boots not to exceed two (2) times per calendar year, at a maximum of \$150 per pair.
 - 2. All represented employees in the Plant Operator classifications shall receive reimbursement for safety boots not to exceed one (1) time per calendar year, at a maximum of \$150 per pair.

3. All represented employees in the Patrol Officer classification shall receive reimbursement for uniform boots not to exceed one (1) time per calendar year, at a maximum of \$100 per pair.
4. All represented employees in the Gate Officer classification shall receive reimbursement for uniform boots not to exceed one (1) time per calendar year, at a maximum of \$100 per pair.

ARTICLE XVI GRIEVANCE PROCEDURE

A. Definitions.

1. **Grievance.** A grievance is a claimed violation, misapplication, or misinterpretation of a specific provision of this Agreement which adversely affects the grievant. The exercise or lack of exercise of District Rights (Article IV.) shall not be subject to the grievance procedure. The grievance procedure shall not be used for (a) the resolution of any complaint concerning any disciplinary action; (b) the resolution of any complaint concerning any aspect of the performance evaluation process; or (c) the resolution of any complaint relating to any concerted refusal to work.
2. **Grievant.** A grievant is an employee in the unit who is filing a grievance as defined above. Grievances that affect more than one employee in a substantially similar manner may be consolidated at the discretion of the District.
3. **Day.** Unless otherwise defined, for the purposes of this Article XVI, "day" shall mean a working day in which the District's main administrative office is open for business.

B. Process

1. **Informal Resolution.** When an employee has a complaint, the employee shall first informally discuss the matter with the employee's immediate supervisor within ten (10) days from the date of the incident or decision generating the grievance. If, after a discussion with the immediate supervisor, the complaint has not been satisfactorily resolved, the employee shall have the right within five (5) days to discuss the complaint informally with the supervisor's immediate superior. If, after such a discussion, the complaint has not been satisfactorily resolved, the employee shall have the right to file a formal grievance.
2. **Formal Levels.**
 - Level 1:** If a grievant is not satisfied with the resolution proposed at the informal level, he/she may, within five (5) days of the informal discussion, file a formal written grievance with his/her Department Head containing a statement describing the grievance, the section of this Agreement allegedly violated, and remedy requested. The Department Head (or designee) shall, within five (5) days have a meeting with the grievant and within ten (10) days thereafter give a written decision to the grievant.
 - Level 2:** If the grievant is not satisfied with the written decision from the Department Head, the grievant may, within five (5) days from the receipt of such decision, file a written appeal to the General Manager. Within ten (10) days of

receipt of the written appeal, the General Manager or his/her designee, shall investigate the grievance which may include meeting with the concerned parties. Within ten (10) days after the completion of the investigation, the General Manager shall give a written decision to the grievant.

Level 3: If the grievant is not satisfied with the written decision from the General Manager, the grievant may, within five (5) days from the receipt of such decision, file a written appeal to the District Board of Directors. In closed session, the Board shall review the grievance and shall have the option of granting the grievance or denying the grievance. The Board's action shall be final and binding. Its action shall be reported to District Management, the Grievant, and the Union.

C. General Provisions

1. If a grievant fails to carry his/her grievance forward to the next level within the prescribed time period, the grievance shall be considered settled based upon the decision rendered at the most recent step utilized.
2. If a supervisor or manager fails to respond with a decision within the given time period, the grievant may appeal his/her grievance to the next higher level as if a negative response had been received on the final day for the decision.
3. The grievant may be represented by a person of his/her choice at any formal level of this procedure.
4. Time limits and formal levels may be waived by mutual written consent of the parties.
5. Proof of service shall be accomplished by certified mail or personal service.

ARTICLE XVII DISCIPLINARY ACTION

- A. Basis for Disciplinary Action.** The tenure and status of every unit employee is conditioned on reasonable standards of personal conduct and job performance. Failure to meet such standards shall be grounds for appropriate disciplinary action. Disciplinary action may, in addition to the causes set forth in the Personnel Manual, be based upon any of the following grounds: failure to fully perform required duties, abuse of employer policies or rules, unexcused absences, misuse or abuse of District property or equipment, and commission of other acts which are incompatible with service to the public.
- B. Types of Discipline.** Three types of discipline are recognized for purposes of applying one of the procedures under this article, they are:
1. **Written Reprimands:** A reprimand, the details of which are committed to writing and placed in the employee's personnel file;
 2. **Short Suspensions:** Suspensions without pay for periods up to and including three (3) working days; and
 3. **Severe Disciplinary Action:** Suspensions without pay of four (4) days or longer, demotion, reduction in compensation, or discharge.
- C. Day.** Unless otherwise defined, for the purposes of this Article, "day" shall mean a day in which the District's main administrative office is open for business.
- D. Appeal from a Written Reprimand.** An employee receiving a written reprimand may, within five (5) days, appeal such action to the Department Head (or his designee) in writing or by personal interview. Within five (5) days thereafter, the Department Head (or his designee)

shall respond to the employee in writing by either granting or denying the appeal. Such response shall be final.

E. Appeal from a Short Suspension. An employee receiving a suspension without pay of one (1) through three (3) working days, shall be afforded the opportunity to clear him/herself through the Formal Levels of the Grievance Procedure (Article XVI B.2.) within five (5) days of the alleged incident or receipt of Notice of the Proposed Disciplinary Action, whichever is later.

F. Appeal from a Severe Disciplinary Action. An employee receiving a proposed suspension of four (4) working days or longer, demotion to an established classification with a lower maximum salary range, reduction in compensation, or discharge shall be notified of the charges and have the opportunities to appeal as described below:

1. **Notice.** The employee shall be advised in writing of proposed disciplinary action when such action is to result in demotion, suspension without pay, reduction in compensation or discharge. The written statement shall contain:
 - a. A description of the events which necessitated the proposed severe disciplinary action;
 - b. A statement of the charges;
 - c. A statement of the proposed disciplinary action;
 - d. Notification that the employee may review or make copies of available materials leading to the suspension;
 - e. A statement of the employee's right to representation; and
 - f. The right of the employee to meet with the designated management representative or to submit in writing his/her response to the proposed action at a given time and place.
2. **Employee's Response.** An employee's opportunity to respond to the designated management representative is not intended to be an adversarial hearing. However, the employee may present witnesses in support of his/her opposition to the proposed demotion, suspension, reduction in compensation, or discharge. The employee may be accompanied and represented by a person of his choice during this procedure. The limited nature of this response does not prevent management's representative from initiating further investigation if the employee's version of the facts raises doubts as to the accuracy of the supervisor's information leading to the proposed discipline.
3. **Management Representative's Decision.** Following a review of a proposed disciplinary action by the designated management representative, the latter shall cause to be served on the employee affected, by certified mail or personal delivery, a statement signed by him/her indicating, if applicable, the management representative's decision based on the employee's response and, if the proposed action is to be implemented, the specific charges against the employee and the effective date of the action.
 - a. This statement shall clearly inform the employee that he/she through the Union has the right, within five (5) days after receipt of this notice, to request in writing an appeal hearing before a hearing officer to

contest the action of the management representative. The request must be filed by the Union with the District's General Manager.

- b. If, within the five (5) day appeal period the Union does not file said appeal, the action of the management representative shall be considered conclusive.

4. **Appeal from Management Representative's Determination.** If, within the five-day appeal period, the Union files such notice of appeal by giving to the General Manager written notice of appeal, then a time for an appeal hearing before a Hearing Officer shall be established which shall not be less than ten (10) days, nor more than sixty (60) days from the date of the filing of the appeal. All interested parties shall be notified in writing of the date, time, and place of the hearing, at least five (5) days prior to the hearing.

- a. The Hearing Officer shall be selected by requesting a list of nine (9) labor arbitrators from the California Mediation and Conciliation Service and follow that organization's selection procedure.
- b. All hearings shall be conducted in private.
- c. The hearing shall be conducted in a manner most conducive to determination of the truth.
- d. Each party shall have the right to be represented by counsel or other person of his/her choice; to call and examine witnesses on any matter relevant to the issues; introduce exhibits, to cross-examine opposing witnesses on any matter relevant to the issues even though such matter was not covered on direct examination; to impeach any witness regardless of which party first called him/her to testify; and to rebut the evidence against him/her. If the respondent does not testify in his/her own behalf, he/she may be called and examined as if under cross-examination. Every witness shall declare by oath or affirmation that he/she will testify truthfully.
- e. The Hearing Officer shall determine whether to sustain, reject, or modify the action demoting, suspending, reducing compensation, or discharging the employee.
- f. Mutually incurred costs for the Hearing Officer Procedure shall be divided equally between the District and the Union.
- g. The jurisdiction and authority of the Hearing Officer and his/her opinion and award shall be confined exclusively to deciding properly filed, timely appeals from Severe Disciplinary Action as defined above. He/she shall have no authority to hear or decide issues of procedural or substantive arbitrability; to add to or detract from, alter, amend, or modify any provision of this Agreement; to impose on either party a limitation or obligation not explicitly provided for in this Agreement; or to establish or alter any wage rate or wage structure. The Hearing Officer shall not hear or decide more than one (1) appeal at the same time without the mutual consent of the District or the Union.

- h. The written award of the Hearing Officer on the merits of any appeal adjudicated within his/her jurisdiction and authority shall be final and binding on the employee, the Union, and the District.

G. Exclusive Procedure. This procedure shall be the exclusive procedure available to unit employees for disciplinary appeals.

ARTICLE XVIII NO STRIKES OR LOCKOUTS

A. No Strikes.

During the term of this Agreement, neither the Union nor its agents, nor any employee, individually or collectively, shall call, sanction, support, or participate in any strike, work stoppage, picketing, sit-down, sickout, slowdown, or any refusal to enter the Employer's premises, or any other interference with any of the Employer's services of operations, or with the movement or transportation of persons or goods to or from the Employer's premises.

The prohibitions of this Section shall apply whether or not (i) the dispute giving rise to the prohibited conduct is subject to any dispute resolution procedure provided under this Agreement; (ii) such conduct is in support of or in sympathy with a work stoppage or picketing conducted by the Union, any other labor organization, or any other group of employees; or (iii) such conduct is for any other reason, including but not limited to protest of an alleged violation of any state or federal law, political protest, civil rights protest, consumer protest, or environmental protest.

If any conduct prohibited by this Section occurs, the Union shall immediately make every reasonable effort to terminate such conduct. If the Union makes such effort to terminate, and does not in any way encourage any of the activities prohibited by this Section which were not instigated by the Union or its staff, the Union will not be liable for damages to the Employer caused by such activities.

The District will not lock out unit employees during the term of this Agreement with the intention of initiating a labor dispute.

B. Discipline.

Any employee who participates in any activity prohibited by Section A of this Article shall be subject to discharge or such less discipline as the Employer in its sole discretion shall determine without recourse to the grievance procedure; provided, however, that the employer shall have recourse to the grievance procedure as the sole question of whether or not the employee participated in any of such prohibited activities. If such participation occurred, the discharge or discipline imposed by the Employer cannot be altered by the person hearing the grievance.

C. Remedies for Breach.

The Employer and the Union shall be entitled to see all appropriate remedies, including but not limited to injunctive relief and damages, if Section A of this Article is violated, without prior resort to any dispute resolution procedure provided under this Agreement, and whether or not the dispute giving rise to the conduct which violates such Section is subject to such procedures.

ARTICLE XIX FULL UNDERSTANDING, MODIFICATION, AND WAIVER

A. Full Understanding

It is intended that this Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein and all other topics subject to bargaining, and therefore any other prior or existing understanding or Agreement by the parties, whether formal or informal, written or unwritten, regarding such matters is hereby superseded or terminated in their entirety.

B. No Interim Bargaining.

It is agreed and understood that during the negotiations which culminated in this Agreement each party enjoyed and exercised without restraint, except as provided by law, the right and opportunity to make demands and proposals or counter-proposals with respect to any matter subject to bargaining and that the understandings and agreements arrived at after the exercise of that right are set forth in this Agreement.

The parties agree, therefore, that except for changes from time to time in the District's Personnel Rules having to do with wages, benefits, and terms and conditions of employment which are within the scope of bargaining or as noted below in Article XX, Term, the other shall not be required to negotiate with respect to any subject or matter, whether referred to or not in this Agreement.

C. Modification.

Any agreement, alteration, understanding, waiver or modification of any of the terms or provisions contained in this Agreement shall not be binding on the parties unless made or signed in writing by all of the parties to this Agreement, and if required, approved, and implemented by the District's Board of Directors.

D. Waiver.

The waiver of any breach, term, or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and provisions. Regarding matters not covered by this Agreement, the Union agrees that it has specifically waived any further right to bargain during the term of this Agreement on any subject discussed in bargaining or listed in the District Rights Clause.

E. Status of Memorandum of Understanding.

This Memorandum of Understanding shall supersede any documents unilaterally adopted by the District where conflict exists regarding a subject covered herein.

ARTICLE XX SAVINGS PROVISION

If any provision(s) of this Agreement is held to be contrary to law by a court of competent jurisdiction, such provision(s) will not be deemed valid and subsisting except to the extent permitted by law, but all other provisions will continue in full force and effect.

ARTICLE XXI TERM OF AGREEMENT

- A. Term.** The District and the Union agree that the term of this Agreement shall commence on January 1, 2015 and expire in its entirety at midnight on December 31, 2017.
- B. Reopener.** Either party may reopen this Agreement during the month of September 2017 by sending to the other a written notice exercising this option to negotiate a successor agreement.
- C. Effective Date of Changes.** Unless otherwise noted herein, any changes caused by the approval of this Agreement shall be prospective and implemented as of the first of the payroll period immediately succeeding the later of January 1, 2015 or its formal adoption by the Board of Directors.

DRAFT

In acknowledgement of Agreement to this Memorandum of Understanding by the representatives of the parties, they have affixed their signatures below.

FOR THE DISTRICT:

Darlene Gillum, Chief Negotiator
Chief Negotiator / General Manager

FOR THE UNION:

Gregory Ramirez, Chief Negotiator

Sean Montgomery, Team Member

Michael Scarzella, Team Member

Russ Burns, Business Manager

Dan Redding, President

Pete Figueirido, Vice President

Jim Sullivan, Recording Corresponding Secretary

Steve Ingersoll, Financial Secretary

Justin Diston, Treasurer

Rick Davis, Director of Public Employees

Date

Date

Approved by the Rancho Murieta Community Services District Board of Directors.

Gerald Pasek, Board President

Date

2015 6-Step Wage Schedule
Effective January 1, 2015 - December 31, 2015

		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Accounting Assistant II	Monthly	\$ 3,554.26	\$ 3,731.97	\$ 3,909.69	\$ 4,087.40	\$ 4,265.11	\$ 4,442.82
	Hourly	\$ 20.505	\$ 21.531	\$ 22.556	\$ 23.581	\$ 24.606	\$ 25.632
	Annual	\$ 42,651.12	\$ 44,783.67	\$ 46,916.23	\$ 49,048.79	\$ 51,181.34	\$ 53,313.90
Accounting Assistant I	Monthly	\$ 3,198.83	\$ 3,358.77	\$ 3,518.72	\$ 3,678.66	\$ 3,838.60	\$ 3,998.54
	Hourly	\$ 18.455	\$ 19.378	\$ 20.300	\$ 21.223	\$ 22.146	\$ 23.069
	Annual	\$ 38,385.98	\$ 40,305.28	\$ 42,224.58	\$ 44,143.88	\$ 46,063.18	\$ 47,982.48
Office Assistant II	Monthly	\$ 2,688.71	\$ 2,823.14	\$ 2,957.58	\$ 3,092.01	\$ 3,226.45	\$ 3,360.88
	Hourly	\$ 15.512	\$ 16.287	\$ 17.063	\$ 17.839	\$ 18.614	\$ 19.390
	Annual	\$ 32,264.49	\$ 33,877.71	\$ 35,490.94	\$ 37,104.16	\$ 38,717.38	\$ 40,330.61
Office Assistant I	Monthly	\$ 2,444.28	\$ 2,566.49	\$ 2,688.71	\$ 2,810.92	\$ 2,933.14	\$ 3,055.35
	Hourly	\$ 14.102	\$ 14.807	\$ 15.512	\$ 16.217	\$ 16.922	\$ 17.627
	Annual	\$ 29,331.36	\$ 30,797.93	\$ 32,264.50	\$ 33,731.07	\$ 35,197.63	\$ 36,664.20
Equipment Mechanic	Monthly	\$ 4,291.30	\$ 4,505.86	\$ 4,720.43	\$ 4,934.99	\$ 5,149.56	\$ 5,364.12
	Hourly	\$ 24.757	\$ 25.995	\$ 27.233	\$ 28.471	\$ 29.709	\$ 30.947
	Annual	\$ 51,495.59	\$ 54,070.37	\$ 56,645.15	\$ 59,219.93	\$ 61,794.71	\$ 64,369.49
Plant Operator III	Monthly	\$ 4,656.87	\$ 4,889.71	\$ 5,122.55	\$ 5,355.40	\$ 5,588.24	\$ 5,821.08
	Hourly	\$ 26.867	\$ 28.210	\$ 29.553	\$ 30.897	\$ 32.240	\$ 33.583
	Annual	\$ 55,882.39	\$ 58,676.51	\$ 61,470.63	\$ 64,264.74	\$ 67,058.86	\$ 69,852.98
Plant Operator II	Monthly	\$ 4,248.46	\$ 4,460.88	\$ 4,673.31	\$ 4,885.73	\$ 5,098.15	\$ 5,310.58
	Hourly	\$ 24.510	\$ 25.736	\$ 26.961	\$ 28.187	\$ 29.412	\$ 30.638
	Annual	\$ 50,981.52	\$ 53,530.60	\$ 56,079.67	\$ 58,628.75	\$ 61,177.83	\$ 63,726.90
Plant Operator I	Monthly	\$ 3,647.86	\$ 3,830.25	\$ 4,012.64	\$ 4,195.04	\$ 4,377.43	\$ 4,559.82
	Hourly	\$ 21.045	\$ 22.098	\$ 23.150	\$ 24.202	\$ 25.254	\$ 26.307
	Annual	\$ 43,774.28	\$ 45,963.00	\$ 48,151.71	\$ 50,340.42	\$ 52,529.14	\$ 54,717.85
Operator in Training	Monthly	\$ 3,178.17	\$ 3,337.08	\$ 3,495.99	\$ 3,654.90	\$ 3,813.81	\$ 3,972.72
	Hourly	\$ 18.336	\$ 19.252	\$ 20.169	\$ 21.086	\$ 22.003	\$ 22.920
	Annual	\$ 38,138.08	\$ 40,044.99	\$ 41,951.89	\$ 43,858.79	\$ 45,765.70	\$ 47,672.60
Utility Worker III	Monthly	\$ 3,839.49	\$ 4,031.46	\$ 4,223.43	\$ 4,415.41	\$ 4,607.38	\$ 4,799.36
	Hourly	\$ 22.151	\$ 23.258	\$ 24.366	\$ 25.474	\$ 26.581	\$ 27.689
	Annual	\$ 46,073.82	\$ 48,377.52	\$ 50,681.21	\$ 52,984.90	\$ 55,288.59	\$ 57,592.28
Utility Worker II	Monthly	\$ 3,490.44	\$ 3,664.96	\$ 3,839.48	\$ 4,014.00	\$ 4,188.53	\$ 4,363.05
	Hourly	\$ 20.137	\$ 21.144	\$ 22.151	\$ 23.158	\$ 24.165	\$ 25.171
	Annual	\$ 41,885.26	\$ 43,979.53	\$ 46,073.79	\$ 48,168.05	\$ 50,262.32	\$ 52,356.58
Utility Worker I	Monthly	\$ 3,024.24	\$ 3,175.46	\$ 3,326.67	\$ 3,477.88	\$ 3,629.09	\$ 3,780.31
	Hourly	\$ 17.448	\$ 18.320	\$ 19.192	\$ 20.065	\$ 20.937	\$ 21.809
	Annual	\$ 36,290.93	\$ 38,105.48	\$ 39,920.03	\$ 41,734.57	\$ 43,549.12	\$ 45,363.67

2015 5-Step Wage Schedule
Effective January 1, 2015 - December 31, 2015

		Step 1	Step 2	Step 3	Step 4	Step 5
Patrol	Monthly	\$ 2,644.37	\$ 2,809.64	\$ 2,974.91	\$ 3,140.19	\$ 3,305.46
	Hourly	\$ 15.256	\$ 16.209	\$ 17.163	\$ 18.116	\$ 19.070
	Annual	\$ 31,732.42	\$ 33,715.70	\$ 35,698.97	\$ 37,682.25	\$ 39,665.52
Gate Officer	Monthly	\$ 2,097.19	\$ 2,228.26	\$ 2,359.34	\$ 2,490.41	\$ 2,621.48
	Hourly	\$ 12.099	\$ 12.855	\$ 13.612	\$ 14.368	\$ 15.124
	Annual	\$ 25,166.25	\$ 26,739.14	\$ 28,312.03	\$ 29,884.92	\$ 31,457.81

2016 6-Step Wage Schedule
Effective January 1, 2016 - December 31, 2016

		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Accounting Assistant II	Monthly	\$ 3,660.88	\$ 3,843.93	\$ 4,026.97	\$ 4,210.02	\$ 4,393.06	\$ 4,576.10
	Hourly	\$ 21.120	\$ 22.177	\$ 23.233	\$ 24.289	\$ 25.345	\$ 26.401
	Annual	\$ 43,930.60	\$ 46,127.13	\$ 48,323.66	\$ 50,520.19	\$ 52,716.72	\$ 54,913.26
Accounting Assistant I	Monthly	\$ 3,294.80	\$ 3,459.54	\$ 3,624.28	\$ 3,789.02	\$ 3,953.76	\$ 4,118.50
	Hourly	\$ 19.008	\$ 19.959	\$ 20.909	\$ 21.860	\$ 22.810	\$ 23.761
	Annual	\$ 39,537.56	\$ 41,514.44	\$ 43,491.32	\$ 45,468.20	\$ 47,445.08	\$ 49,421.95
Office Assistant II	Monthly	\$ 2,769.37	\$ 2,907.83	\$ 3,046.30	\$ 3,184.77	\$ 3,323.24	\$ 3,461.71
	Hourly	\$ 15.977	\$ 16.776	\$ 17.575	\$ 18.374	\$ 19.173	\$ 19.971
	Annual	\$ 33,232.38	\$ 34,894.00	\$ 36,555.62	\$ 38,217.24	\$ 39,878.86	\$ 41,540.48
Office Assistant I	Monthly	\$ 2,517.61	\$ 2,643.49	\$ 2,769.37	\$ 2,895.25	\$ 3,021.13	\$ 3,147.01
	Hourly	\$ 14.525	\$ 15.251	\$ 15.977	\$ 16.703	\$ 17.430	\$ 18.156
	Annual	\$ 30,211.30	\$ 31,721.87	\$ 33,232.43	\$ 34,743.00	\$ 36,253.56	\$ 37,764.13
Equipment Mechanic	Monthly	\$ 4,420.03	\$ 4,641.04	\$ 4,862.04	\$ 5,083.04	\$ 5,304.04	\$ 5,525.04
	Hourly	\$ 25.500	\$ 26.775	\$ 28.050	\$ 29.325	\$ 30.600	\$ 31.875
	Annual	\$ 53,040.42	\$ 55,692.44	\$ 58,344.46	\$ 60,996.48	\$ 63,648.50	\$ 66,300.52
Plant Operator III	Monthly	\$ 4,796.57	\$ 5,036.40	\$ 5,276.23	\$ 5,516.06	\$ 5,755.88	\$ 5,995.71
	Hourly	\$ 27.673	\$ 29.056	\$ 30.440	\$ 31.823	\$ 33.207	\$ 34.591
	Annual	\$ 57,558.84	\$ 60,436.78	\$ 63,314.72	\$ 66,192.66	\$ 69,070.61	\$ 71,948.55
Plant Operator II	Monthly	\$ 4,375.92	\$ 4,594.71	\$ 4,813.51	\$ 5,032.31	\$ 5,251.10	\$ 5,469.90
	Hourly	\$ 25.246	\$ 26.508	\$ 27.770	\$ 29.033	\$ 30.295	\$ 31.557
	Annual	\$ 52,511.02	\$ 55,136.57	\$ 57,762.12	\$ 60,387.67	\$ 63,013.22	\$ 65,638.77
Plant Operator I	Monthly	\$ 3,757.29	\$ 3,945.16	\$ 4,133.02	\$ 4,320.89	\$ 4,508.75	\$ 4,696.61
	Hourly	\$ 21.677	\$ 22.761	\$ 23.844	\$ 24.928	\$ 26.012	\$ 27.096
	Annual	\$ 45,087.50	\$ 47,341.88	\$ 49,596.25	\$ 51,850.63	\$ 54,105.00	\$ 56,359.38
Operator in Training	Monthly	\$ 3,273.52	\$ 3,437.20	\$ 3,600.87	\$ 3,764.55	\$ 3,928.23	\$ 4,091.90
	Hourly	\$ 18.886	\$ 19.830	\$ 20.774	\$ 21.719	\$ 22.663	\$ 23.607
	Annual	\$ 39,282.26	\$ 41,246.37	\$ 43,210.48	\$ 45,174.59	\$ 47,138.71	\$ 49,102.82
Utility Worker III	Monthly	\$ 3,954.67	\$ 4,152.41	\$ 4,350.14	\$ 4,547.87	\$ 4,745.61	\$ 4,943.34
	Hourly	\$ 22.815	\$ 23.956	\$ 25.097	\$ 26.238	\$ 27.379	\$ 28.519
	Annual	\$ 47,456.07	\$ 49,828.88	\$ 52,201.68	\$ 54,574.48	\$ 56,947.29	\$ 59,320.09
Utility Worker II	Monthly	\$ 3,595.15	\$ 3,774.91	\$ 3,954.67	\$ 4,134.43	\$ 4,314.18	\$ 4,493.94
	Hourly	\$ 20.741	\$ 21.778	\$ 22.815	\$ 23.852	\$ 24.890	\$ 25.927
	Annual	\$ 43,141.84	\$ 45,298.93	\$ 47,456.02	\$ 49,613.11	\$ 51,770.21	\$ 53,927.30
Utility Worker I	Monthly	\$ 3,114.98	\$ 3,270.72	\$ 3,426.47	\$ 3,582.22	\$ 3,737.97	\$ 3,893.72
	Hourly	\$ 17.971	\$ 18.870	\$ 19.768	\$ 20.667	\$ 21.565	\$ 22.464
	Annual	\$ 37,379.71	\$ 39,248.69	\$ 41,117.68	\$ 42,986.66	\$ 44,855.65	\$ 46,724.63

2016 5-Step Wage Schedule
Effective January 1, 2016 - December 31, 2016

		Step 1	Step 2	Step 3	Step 4	Step 5
Patrol	Monthly	\$ 2,723.70	\$ 2,893.93	\$ 3,064.16	\$ 3,234.39	\$ 3,404.62
	Hourly	\$ 15.714	\$ 16.696	\$ 17.678	\$ 18.660	\$ 19.642
	Annual	\$ 32,684.39	\$ 34,727.16	\$ 36,769.94	\$ 38,812.71	\$ 40,855.49
Gate Officer	Monthly	\$ 2,160.10	\$ 2,295.11	\$ 2,430.11	\$ 2,565.12	\$ 2,700.12
	Hourly	\$ 12.462	\$ 13.241	\$ 14.020	\$ 14.799	\$ 15.578
	Annual	\$ 25,921.19	\$ 27,541.27	\$ 29,161.34	\$ 30,781.42	\$ 32,401.49

2017 6-Step Wage Schedule
Effective January 1, 2017 - December 31, 2017

		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Accounting Assistant II	Monthly	\$ 3,770.71	\$ 3,959.24	\$ 4,147.78	\$ 4,336.31	\$ 4,524.85	\$ 4,713.38
	Hourly	\$ 21.754	\$ 22.842	\$ 23.929	\$ 25.017	\$ 26.105	\$ 27.193
	Annual	\$ 45,248.48	\$ 47,510.90	\$ 49,773.32	\$ 52,035.75	\$ 54,298.17	\$ 56,560.60
Accounting Assistant I	Monthly	\$ 3,393.64	\$ 3,563.33	\$ 3,733.01	\$ 3,902.69	\$ 4,072.37	\$ 4,242.06
	Hourly	\$ 19.579	\$ 20.558	\$ 21.537	\$ 22.516	\$ 23.494	\$ 24.473
	Annual	\$ 40,723.73	\$ 42,759.91	\$ 44,796.10	\$ 46,832.29	\$ 48,868.47	\$ 50,904.66
Office Assistant II	Monthly	\$ 2,852.45	\$ 2,995.07	\$ 3,137.69	\$ 3,280.32	\$ 3,422.94	\$ 3,565.56
	Hourly	\$ 16.456	\$ 17.279	\$ 18.102	\$ 18.925	\$ 19.748	\$ 20.571
	Annual	\$ 34,229.39	\$ 35,940.86	\$ 37,652.33	\$ 39,363.80	\$ 41,075.27	\$ 42,786.74
Office Assistant I	Monthly	\$ 2,593.14	\$ 2,722.79	\$ 2,852.45	\$ 2,982.11	\$ 3,111.76	\$ 3,241.42
	Hourly	\$ 14.960	\$ 15.708	\$ 16.456	\$ 17.204	\$ 17.952	\$ 18.701
	Annual	\$ 31,117.63	\$ 32,673.52	\$ 34,229.40	\$ 35,785.28	\$ 37,341.16	\$ 38,897.04
Equipment Mechanic	Monthly	\$ 4,552.63	\$ 4,780.26	\$ 5,007.90	\$ 5,235.53	\$ 5,463.16	\$ 5,690.79
	Hourly	\$ 26.265	\$ 27.578	\$ 28.892	\$ 30.205	\$ 31.518	\$ 32.831
	Annual	\$ 54,631.60	\$ 57,363.18	\$ 60,094.76	\$ 62,826.33	\$ 65,557.91	\$ 68,289.49
Plant Operator III	Monthly	\$ 4,940.47	\$ 5,187.49	\$ 5,434.51	\$ 5,681.53	\$ 5,928.56	\$ 6,175.58
	Hourly	\$ 28.503	\$ 29.928	\$ 31.353	\$ 32.778	\$ 34.203	\$ 35.628
	Annual	\$ 59,285.58	\$ 62,249.86	\$ 65,214.14	\$ 68,178.42	\$ 71,142.70	\$ 74,106.98
Plant Operator II	Monthly	\$ 4,507.20	\$ 4,732.56	\$ 4,957.92	\$ 5,183.28	\$ 5,408.64	\$ 5,634.00
	Hourly	\$ 26.003	\$ 27.303	\$ 28.603	\$ 29.904	\$ 31.204	\$ 32.504
	Annual	\$ 54,086.37	\$ 56,790.69	\$ 59,495.01	\$ 62,199.33	\$ 64,903.65	\$ 67,607.96
Plant Operator I	Monthly	\$ 3,870.01	\$ 4,063.51	\$ 4,257.01	\$ 4,450.51	\$ 4,644.01	\$ 4,837.51
	Hourly	\$ 22.327	\$ 23.443	\$ 24.560	\$ 25.676	\$ 26.792	\$ 27.909
	Annual	\$ 46,440.08	\$ 48,762.08	\$ 51,084.09	\$ 53,406.09	\$ 55,728.10	\$ 58,050.10
Operator in Training	Monthly	\$ 3,371.73	\$ 3,540.31	\$ 3,708.90	\$ 3,877.48	\$ 4,046.07	\$ 4,214.66
	Hourly	\$ 19.452	\$ 20.425	\$ 21.397	\$ 22.370	\$ 23.343	\$ 24.315
	Annual	\$ 40,460.71	\$ 42,483.74	\$ 44,506.78	\$ 46,529.81	\$ 48,552.85	\$ 50,575.88
Utility Worker III	Monthly	\$ 4,073.31	\$ 4,276.98	\$ 4,480.64	\$ 4,684.31	\$ 4,887.97	\$ 5,091.64
	Hourly	\$ 23.500	\$ 24.675	\$ 25.850	\$ 27.025	\$ 28.200	\$ 29.375
	Annual	\$ 48,879.75	\$ 51,323.73	\$ 53,767.72	\$ 56,211.71	\$ 58,655.70	\$ 61,099.68
Utility Worker II	Monthly	\$ 3,703.01	\$ 3,888.16	\$ 4,073.31	\$ 4,258.46	\$ 4,443.61	\$ 4,628.76
	Hourly	\$ 21.363	\$ 22.432	\$ 23.500	\$ 24.568	\$ 25.636	\$ 26.704
	Annual	\$ 44,436.08	\$ 46,657.88	\$ 48,879.69	\$ 51,101.49	\$ 53,323.29	\$ 55,545.10
Utility Worker I	Monthly	\$ 3,208.43	\$ 3,368.85	\$ 3,529.27	\$ 3,689.69	\$ 3,850.11	\$ 4,010.53
	Hourly	\$ 18.510	\$ 19.436	\$ 20.361	\$ 21.287	\$ 22.212	\$ 23.138
	Annual	\$ 38,501.10	\$ 40,426.16	\$ 42,351.21	\$ 44,276.27	\$ 46,201.32	\$ 48,126.38

2017 5-Step Wage Schedule
Effective January 1, 2017 - December 31, 2017

		Step 1	Step 2	Step 3	Step 4	Step 5
Patrol	Monthly	\$ 2,805.41	\$ 2,980.74	\$ 3,156.08	\$ 3,331.42	\$ 3,506.76
	Hourly	\$ 16.185	\$ 17.197	\$ 18.208	\$ 19.220	\$ 20.231
	Annual	\$ 33,664.88	\$ 35,768.94	\$ 37,872.99	\$ 39,977.05	\$ 42,081.10
Gate Officer	Monthly	\$ 2,224.90	\$ 2,363.96	\$ 2,503.01	\$ 2,642.07	\$ 2,781.12
	Hourly	\$ 12.836	\$ 13.638	\$ 14.440	\$ 15.243	\$ 16.045
	Annual	\$ 26,698.79	\$ 28,367.46	\$ 30,036.13	\$ 31,704.81	\$ 33,373.48

MEMORANDUM

Date: March 14, 2015
To: Board of Directors
From: Darlene J. Gillum, General Manager
Subject: Review Draft 2015-2016 Budget - Projected Worst Case Budget

RECOMMENDED ACTION

Authorize staff to mail the Proposition 218 proposed worst case rate increase based on the draft 2 budgeting approach, (i.e., with allocating property taxes to the Security Fund) and the Notice of Hearing by April 1, 2015.

BACKGROUND

Staff presented the 2015-2016 worst case budget projection to the Board of Directors on March 4, 2015 at the Budget Workshop. During that meeting, the Directors asked staff to consider allocating a portion of the Property Taxes received to the Security Fund as a means of collecting sufficient revenues to allow for setting aside a reserve for the replacement and repair of Security capital assets and to repay the internal borrowing for the North Gate project expenditures. Both budget approaches are presented for Board of Directors consideration.

As a reminder, the authorization of mailing the Proposition 218 notice based on this worst case budget does not adopt these rates for implementation on July 1, 2015. The final rates adopted for the 2015-2016 fiscal year can be lower than the rates noticed in compliance with Proposition 218 but cannot be higher.

BUDGET OVERVIEW

A Sample Bill-Worst Case and draft budget summaries for each fund are attached to assist in review of this draft of the 2015-2016 budget. The Sample Bill reflects the comparison of the two budgets: one without the property tax allocation to the Security Fund and one without.

The draft summary budget presented at the March 4, 2015 workshop reflects a total revenue increase of \$141,590 from the 2014-2015 adopted budget. This equates to an overall increase of 2.4%. This draft DOES NOT reflect the allocation of Property Taxes to the Security Fund.

Revenue assumptions used in this draft budget are:

1. Sacramento County property tax allocation is projected to increase \$8,520, approximately 1.6%, as a result of the County's increase in assessed value.
2. Growth of 16 new residential connections during the fiscal year.
3. The Murieta Inn, new commercial growth, is planned for April 2016.
4. Security and Drainage Special Taxes increase 2%.
5. Water consumption is estimated to continue at 2014 levels; reflecting that conservation continues but is not increased.

A comparison of the proposed rate increase by fund **WITHOUT AND WITH** a Property Tax allocation to the Security Fund is shown in the table below:

	Current Rate 2014-2015	Proposed Rate WITHOUT Property Tax allocation 2015-2016	Percent Increase over 2014-2015 Rates	Proposed Rate WITH Property Tax allocation 2015-2016	Percent Increase over 2014-2015 Rates
Security	\$26.93	\$27.47	2.0%	\$27.47	2.0%
Water			5.23%		5.45%
Base Charge	\$37.77	\$39.41		\$39.83	
Consumption/cubic foot	\$.0153	\$.0161		\$.0163	
WTP Debt Service Charge	\$6.00	\$6.00		\$6.00	
Sewer	\$45.32	\$45.96	1.65%	\$46.53	2.67%
Drainage	\$4.73	\$4.82	2.0%	\$4.82	2.0%
Solid Waste			2.3%		2.3%
64 gallon container	\$20.65	\$21.12		\$21.12	

The differences between the two proposed budgets and rate increases are:

1. \$65,040 of the \$528,480 of estimated property tax revenue is allocated directly to the Security Fund and is no longer included in the Administration/General Fund. Property tax revenues are one of the few revenue streams that the District can apply to any of our Enterprise Funds without restriction; however, a change in past practice of allocating 100% of property tax revenue to the Administration/General Fund has an impact on the other funds' rates.
2. The Security Fund in Draft 2 includes the estimated \$6,000 for the body cameras, chargers, and data storage capability for the Patrol Officers.
3. The Security Fund in Draft 2 has an estimated \$45,590 for Security Reserves.
4. The Security Special tax rates do not increase; however, \$13,450 of the allocated property tax is used to cover the increase in Administration/General Fund allocation.
5. The Water Fund rates in Draft 2 reflect an increase of 0.22%
6. The Sewer Fund rates in Draft 2 reflect an increase of 1.02%
7. The Drainage Special tax rates do not increase; however, Operating Expenses are decreased \$4,040 (taken from the Improvements line item).
8. The Solid Waste Fund rates do not increase; however, Operating Expenses are decreased \$3,000 (taken from the HHW Event).
9. The Administration/General Fund reflects a slight increase of \$1,200 in wages and employers cost for an additional 1% increase in non-represented salaries effective 4/1/16.

Rancho Murieta Community Services District - Sample Bill Comparison

Average Monthly Customer Bill			Scenario 2 Proposed Monthly Rates with Property Tax transfer to Sec July 1, 2015								
			Current Monthly Rates July 1, 2014	Proposed Monthly Rates July 1, 2015	\$ Change	% Change	\$ Change	% Change			
Residential Metered Lot											
Water	Average Usage in CF		1700	1700					1700		
Residential Base			\$ 37.77	\$ 39.41					\$ 39.83		
old rate	Water Usage	\$.0153 per cubic foot	26.01								
new rate	Water Usage	\$.0161/\$.0163 per cubic foot		27.37					27.71		
Total Water			\$ 63.78	\$ 66.78	3.00	4.7%	\$ 3.76	5.9%	\$ 67.54	3.76	
WTP Debt Service Charge (interfund borrowing)			6.00	6.00	-	0.0%	6.00	0.0%	6.00	-	
Sewer			45.32	45.96	0.64	1.4%	46.53	2.7%	46.53	1.21	
Solid Waste (avg. 64 Gallon Container)			20.65	21.12	0.47	2.3%	21.12	2.3%	21.12	0.47	
Security Tax (Maximum Tax Ceiling \$27.47)			26.93	27.47	0.54	2.0%	27.47	2.0%	27.47	0.54	
Drainage Tax (Maximum Tax Ceiling \$4.82)			4.73	4.82	0.09	1.9%	4.82	1.9%	4.82	0.09	
			\$ 161.41	\$ 166.15	\$ 4.74		\$ 167.48	\$ 6.07			
% Change over prior year					2.94%		3.76%				

Murieta Village Lot											
Water	Average Usage in CF		472	472					472		
Residential Base			\$ 37.77	\$ 39.41					\$ 39.83		
old rate	Water Usage	\$.0153 per cubic foot	7.22								
new rate	Water Usage	\$.0161/\$.0163 per cubic foot		7.60					7.69		
Total Water			\$ 44.99	\$ 47.01	2.02	4.5%	\$ 47.52	5.6%	\$ 47.52	2.53	
WTP Debt Service Charge (interfund borrowing)			6.00	6.00	-	0.0%	6.00	0.0%	6.00	-	
Sewer			45.32	45.96	0.64	1.4%	46.53	2.7%	46.53	1.21	
Solid Waste (avg. 64 Gallon Container)			20.65	21.12	0.47	2.3%	21.12	2.3%	21.12	0.47	
Security Tax (Maximum Tax Ceiling \$6.62)			6.49	6.62	0.13	2.0%	6.62	2.0%	6.62	0.13	
Drainage Tax (Maximum Tax Ceiling \$3.22)			3.16	3.22	0.06	1.9%	3.22	1.9%	3.22	0.06	
			\$ 120.61	\$ 123.93	\$ 3.32		\$ 125.01	\$ 4.40			
% Change over prior year					2.75%		3.65%				

Vacant or Unmetered Lot											
Security Tax (Maximum Tax Ceiling \$21.97)			21.54	21.97	0.43	2.0%	21.97	2.0%	21.97		
* Water Standby	\$10.00 PER YEAR		0.83	0.83	-	0.0%	0.83	0.0%	0.83		
* Sewer Standby	\$10.00 PER YEAR		0.83	0.83	-	0.0%	0.83	0.0%	0.83		
Drainage Tax (Maximum Tax Ceiling \$4.82)			4.73	4.82	0.09	1.9%	4.82	1.9%	4.82		
			\$27.93	\$28.45	\$ 0.52		\$28.45				
% Change over prior year					1.86%		1.86%				

* This fee is billed annually at \$10.00 and is shown as a monthly rate for comparison purposes only.

denotes increase in rates

Draft 1 Budget assumptions and cost impact by fund:

Security – Operating Budget Increase \$74,560	Cost Impact
1. Tentative agreement with the union – 5% salary range adjustment	\$27,500
2. Tentative agreement with union – 2% reduction in District Employer Paid Member Contribution for PERS Classic members	(\$10,393)
3. Non-represented salary increase – 3% average	\$6,000
4. 2% reduction in District Employer Paid Member Contribution for non-represented PERS Classic members	(\$3,028)
5. PERS Employer contribution rate of 8.512% plus \$2,573/month for PERS Classic members (2014-15 rate was 13.322% / 2015-16 effective rate 14.073%)	\$6,354
6. Tentative agreement with the union – medical opt out \$350/mo	\$8,400
7. Medical premium / coverage change from 2014 -15	\$10,928
8. Medical premium increase 1/1/16 of 7%	\$10,531
9. Employer costs (taxes and insurance)	\$6,900
10. Telephones – increase due to new cell phones and plan	\$2,020
11. Power – increase for new North Gate power	\$4,600
12. Uniforms – tentative agreement with union on safety/work boots	\$1,700
13. Vehicle Fuel	(\$1,160)
14. Patrol Training	\$3,300
15. Patrol Equipment / Repairs	\$500
16. Security reserve collection decreases \$45,500	

Water – Operating Budget Increase \$45,710	Cost Impact
1. Tentative agreement with the union – 5% salary range adjustment and conversion to 6-step salary range (includes promotion of 1)	\$26,132
2. Tentative agreement with union – 2% reduction in District Employer Paid Member Contribution for PERS Classic members	(\$5,900)
3. Non-represented salary increase – 3% average	\$5,691
4. 2% reduction in District Employer Paid Member Contribution for non-represented PERS Classic members	(\$2,983)
5. PERS Employer contribution rate of 8.512% plus \$3,938/month for PERS Classic members (2014-15 rate was 13.322% / 2015-16 effective rate 14.073%)	\$7,382
6. Tentative agreement with the union – medical opt out \$350/mo	\$5,670
7. Medical premium / coverage change from 2014 -15	(\$585)
8. Medical premium increase 1/1/16 of 7%	\$2,417
9. Employer costs (taxes and insurance)	\$4,187
10. Performance Incentive Plan	\$2,700
11. Tentative agreement with the union – Standby Pay @ \$40/day	\$5,832
12. Power – Source of Supply – estimated reduction in SMUD surcharge & 2.5% rate increase	(\$40,400)
13. Power – Water Treatment – estimated increase for new WTP & 2.5% rate increase	\$89,800
14. Power – Transmission & Distribution – 2.5% rate increase	\$1,300
15. Dam Inspection – brought in line with 2013-14 actual	(\$2,980)
16. Taste & Odor Chemicals	(\$32,800)
17. Lab Tests – brought in line with 2013-14 actual	(\$8,000)
18. Taste & Odor Treatment (Ozone)	(\$11,000)
19. Equipment Rental – brought in line with 2014-15 actual	\$7,000
20. Post Repair Road Paving – brought in line with 2013 -14 actual	\$12,000
21. Vehicle Fuel - brought in line with last two years actual	(\$7,460)
22. Training / Safety – brought in line with 2014-15 actual	\$1,800
23. Regional Water Authority – brought in line with last two years actual	(\$6,420)
24. South Area Water Council	(\$6,000)
25. Telephones – increase due to new cell phones and plan	\$2,520
26. Vehicle Maintenance	(\$1,300)
27. Uniforms – tentative agreement with union on safety/work boots	\$1,980
28. Conservation	(\$15,000)
29. Memberships (RWA miscoded to this line item in 2014-15)	\$8,560

Sewer – Operating Budget Increase \$39,750	Cost Impact
1. Tentative agreement with the union – 5% salary range adjustment and conversion to 6-step salary range (includes promotion of 1)	\$18,873
2. Tentative agreement with union – 2% reduction in District Employer Paid Member Contribution for PERS Classic members	(\$4,260)
3. Non-represented salary increase – 3% average	\$4,110
4. 2% reduction in District Employer Paid Member Contribution for non-represented PERS Classic members	(\$2,154)
5. PERS Employer contribution rate of 8.512% plus \$3,938/month for PERS Classic members (2014-15 rate was 13.322% / 2015-16 effective rate 14.073%)	\$5,332
6. Tentative agreement with the union – medical opt out \$350/mo	\$4,095
7. Medical premium / coverage change from 2014 -15	(\$423)
8. Medical premium increase 1/1/16 of 7%	\$1,745
9. Employer costs (taxes and insurance)	\$3,024
10. Performance Incentive Plan	\$1,950
11. Tentative agreement with the union – Standby Pay @ \$40/day	\$4,212
12. Lab Tests – reduction due to new Master Reclamation Permit	(\$22,050)
13. Equipment Maintenance- brought in line with historical trend	\$13,750
14. Vehicle Fuel - brought in line with historical trend	\$2,210
15. Permits – brought in line with historical trend	\$6,500
16. Telephones – increase due to new cell phones and plan	\$1,700
17. Uniforms – tentative agreement with union on safety/work boots	\$900

Drainage – Operating Budget Increase \$6,660	Cost Impact
1. Tentative agreement with the union – 5% salary range adjustment and conversion to 6-step salary range (includes promotion of 1)	\$3,387
2. Tentative agreement with union – 2% reduction in District Employer Paid Member Contribution for PERS Classic members	(\$765)
3. Non-represented salary increase – 3% average	\$738
4. 2% reduction in District Employer Paid Member Contribution for non-represented PERS Classic members	(\$387)
5. PERS Employer contribution rate of 8.512% plus \$3,938/month for PERS Classic members (2014-15 rate was 13.322% / 2015-16 effective rate 14.073%)	\$957
6. Tentative agreement with the union – medical opt out \$350/mo	\$735
7. Medical premium / coverage change from 2014 -15	(\$76)
8. Medical premium increase 1/1/16 of 7%	\$313
9. Employer costs (taxes and insurance)	\$543
10. Performance Incentive Plan	\$350
11. Tentative agreement with the union – Standby Pay @ \$40/day	\$756
12. MS4 Permit	\$1,000
13. Power – brought in line with historical trend plus 2.5% rate increase	(\$3,390)
14. Chemicals – brought in line with historical trend	(\$3,000)
15. Improvements – available balance for projects	\$5,290

Solid Waste – Operating Budget Increase \$17,470	Cost Impact
1. CWRS Contract estimated rate increase of 3.0%	\$16,740
2. Sacramento County estimated rate increase of 2.0%	\$730

Admin (General Fund) – Operating Budget Decrease (\$42,950)	Cost Impact
1. Tentative agreement with the union – 5% salary range adjustment and conversion to 6-step salary range (includes starting rate difference)	\$12,600
2. Tentative agreement with union – 2% reduction in District Employer Paid Member Contribution for PERS Classic members	(\$1,860)
3. 2% reduction in District Employer Paid Member Contribution for non-represented PERS Classic members	(\$7,792)
4. Reorganization Wage reduction & 3% non-represented salary increase combined effect	(\$49,000)
5. PERS Employer contribution rate of 8.512% plus \$3,938/month for PERS Classic members (2014-15 rate was 13.322% / 2015-16 effective rate 14.073%)	\$2,926
6. Medical premium / coverage change from 2014 -15	(\$12,000)
7. Medical premium increase 1/1/16 of 7%	\$3,912
8. Liability Insurance Premium Increase	\$4,310
9. Legal Services	\$12,000
10. Telephones – increase due to new cell phones and plan	\$1,200
11. Consulting	(\$3,000)
12. Training / Safety – brought in line with historical trend	(\$1,200)
13. Power – 2.5% rate increase	\$240
14. Elections costs – removed for non-election year	(\$5,000)
15. Vehicle Maintenance – no vehicles in Admin	(\$1,000)

Budget unknowns:

1. Actual Solid Waste contract rate increase
2. Actual Sacramento County Admin Fee increase
3. Final Sacramento County Property Tax estimate

PROPOSED 2015-2016 BUDGET
DRAFT 1
WITHOUT
PROPERTY TAX ALLOCATION TO SECURITY FUND
BUDGET SUMMARIES BY FUND



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY COMBINED FUNDS

	<i>Actual</i> 2013-14	<i>Adopted</i> Budget 2014-15	<i>Projected</i> 2014-15	<i>%</i> Variance 2014-15	<i>Proposed</i> Budget 2015-2016	<i>% Change</i> Budget 2014-15
Revenues:						
Service Charges	5,017,966	5,248,330	5,150,959	-1.9%	5,386,160	2.6%
Property Taxes	520,800	519,960	519,960	0.0	528,480	1.6%
Interest Earnings	1,239	670	1,250	86.5	670	0.0%
Other Charges / Reimbursements	120,233	120,330	107,857	-10.4	115,570	-4.0%
Total Revenues:	5,660,237	5,889,290	5,780,025	-1.9%	6,030,880	2.4%
Expenditures:						
Total Operating Expenses:	5,626,446	5,889,332	5,836,549	-0.9%	6,030,619	2.4%
<i>Initial Overage (Deficit)</i>	33,792	(42)	(56,523)	132924.7	261	-714.0
<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)	33,792	(42)	(56,523)	132924.7	261	-714.0
<i>Rate Transfers to Repl Reserves</i>	417,000	450,450	450,450	0.0	422,622	-6.2
<i>Add'l Transfers to Repl Reserves</i>	0	0	0	0.0	0	0.0
<i>Inter-fund Borrowing Repayment</i>					185,760	
<i>Security Reserves Collected</i>	0	47,820	47,820	0.0	2,320	-95.1
Depreciation	1,104,507	1,125,288	1,085,284	-3.6%	515,310	-52.5%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - SECURITY FUND

	<i>Actual</i> 2013-14	<i>Adopted</i> Budget 2014-15	<i>Projected</i> 2014-15	<i>%</i> Variance 2014-15	<i>Proposed</i> Budget 2015-16	<i>% Change</i> Projected 2014-15	<i>% Change</i> Budget 2014-15
Revenues:							
Residential Special Taxes	1,017,011	1,029,920	1,030,320	0.0%	1,075,930	4.4%	4.5%
Commercial Special Taxes	168,580	153,290	153,290	0.0	177,970	16.1	16.1%
Late Charges	30,919	36,000	26,095	-27.5	30,000	15.0	-16.7%
Title Transfer Fees	5,700	5,100	5,175	1.5	5,100	-1.4	0.0%
Bar Code Income	7,587	7,800	7,770	-0.4	7,800	0.4	0.0%
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	513	400	317	-20.8	400	26.2	0.0%
Misc	4,348	4,160	4,158	-0.1	4,160	0.1	0.0%
Operating Revenues	1,236,758	1,238,770	1,229,225	-0.8%	1,303,460	6.0%	5.2%
Expenditures:							
Security Gates	<i>13-14 Actual</i>	<i>14-15 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>15-16 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	281,385	288,300	284,957	-1.2%	302,900	6.3%	5.1%
Employers Costs	180,759	183,200	180,351	-1.6	188,900	4.7	3.1%
Information Systems Maint	2,060	2,800	2,482	-11.3	2,800	12.8	0.0%
Equipment Repairs	16,240	3,300	2,710	-17.9	3,300	21.8	0.0%
Bar Codes	6,162	5,000	4,311	-13.8	5,000	16.0	0.0%
Telephones	3,190	3,100	3,455	11.5	3,600	4.2	16.1%
Building Maint	3,130	3,250	3,272	0.7	3,250	-0.7	0.0%
Power	2,246	5,000	7,744	54.9	9,600	24.0	92.0%
Uniforms	2,223	2,400	2,472	3.0	3,400	37.5	41.7%
Supplies	309	200	200	0.0	200	0.0	0.0%
Training/Safety	50	600	250	-58.3	600	140.0	0.0%
Other	3,447	3,200	6,600	106.2	3,200	-51.5	0.0%
Subtotals	501,201	500,350	498,805	-0.3%	526,750	5.6%	5.3%
Security Patrol	<i>13-14 Actual</i>	<i>14-15 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>15-16 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	235,654	260,300	251,366	-3.4%	277,000	10.2%	6.4%
Employers Costs	124,827	137,600	131,120	-4.7	166,600	27.1	21.1%
Vehicle Fuel	19,366	20,550	19,522	-5.0	19,390	-0.7	-5.6%
Off Duty Sheriff Patrol	3,762	6,000	5,837	-2.7	4,000	-31.5	-33.3%
Vehicle Maint.	9,877	6,700	10,273	53.3	9,600	-6.6	43.3%
Vehicle Lease	3,007	5,970	2,423	-59.4	5,970	146.4	0.0%
Information Systems Maint	7,982	5,000	5,523	10.5	5,000	-9.5	0.0%
Training/Safety	1,890	1,500	1,281	-14.6	4,800	274.6	220.0%
Safety Center	1,974	1,920	2,111	9.9	2,110	0.0	9.9%
Uniforms	1,406	2,400	1,969	-18.0	3,100	57.4	29.2%
Telephones	2,146	2,250	2,374	5.5	3,240	36.5	44.0%
Equipment Repairs	521	1,100	556	-49.5	1,600	187.8	45.5%
Supplies	69	300	278	-7.4	300	8.0	0.0%
Other	420	2,000	1,843	-7.8	2,000	8.5	0.0%
Subtotals	412,900	453,590	436,475	-3.8%	504,710	15.6%	11.3%

BUDGET SUMMARY - SECURITY FUND

	<i>Actual</i> 2013-14	<i>Adopted</i> Budget 2014-15	<i>Projected</i> 2014-15	<i>%</i> Variance 2014-15	<i>Proposed</i> Budget 2015-16	<i>% Change</i> Projected 2014-15	<i>% Change</i> Budget 2014-15
Security Administration	13-14 Actual	14-15 Budget	Projected	Variance	15-16 Budget	Variance	Variance
Wages	86,500	89,000	94,786	6.5%	91,200	-3.8%	2.5%
Employers Costs	31,910	36,700	35,204	-4.1	31,700	-10.0	-13.6%
Legal/Consulting	2,015	3,500	3,500	0.0	3,500	0.0	0.0%
Supplies	5,811	5,000	6,123	22.5	5,000	-18.3	0.0%
Telephones	407	430	934	117.1	960	2.8	123.3%
Information System Maint	3,208	2,240	2,722	21.5	2,240	-17.7	0.0%
Training/Safety	687	1,200	1,418	18.2	1,200	-15.4	0.0%
Travel/Meetings	2,162	800	617	-22.9	800	29.7	0.0%
Uniforms	396	400	390	-2.5	400	2.6	0.0%
Bad Debts	50	600	927	54.5	0	-100.0	-100.0%
Equipment Maint	3,883	600	670	11.6	600	-10.4	0.0%
Other	3,542	600	600	0.0	600	0.0	0.0%
Subtotals	140,570	141,070	147,890	4.8%	138,200	-6.6%	-2.0%
Operating Expenses	1,054,671	1,095,010	1,083,170	-1.1%	1,169,660	8.0%	6.8%
General Fund Net Allocation	138,284	143,760	138,930	-3.4	133,800	-3.7	-6.9%
Total Expenses	1,192,955	1,238,770	1,222,100	-1.3%	1,303,460	6.7%	5.2%
Initial Overage(Deficit)	43,803	(0)	7,125	0.0%	(0)	-100.0%	608.0%
Transfer from Rate Stab Resr	0	0	0		0		
Net Income (Loss)	43,803	(0)	7,125	-1842263.7%	(0)	-100.0%	-57.7%
Depreciation	33,379	33,468	28,717	-14.2%	33,468	16.5%	0.0%
Security Reserves Collected	0	47,820	47,820		2,320		

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - WATER FUND

March 4, 2015

	Actual 2013-14	Adopted Budget 2014-15	Projected 2014-15	% Variance 2014-15	Proposed Budget 2015-16	% Change Projected 2014-15	% Change Budget 2014-15
Revenues:							
Residential Sales	1,613,832	1,767,340	1,675,424	-5.2%	1,770,180	5.7%	0.2%
Commercial Sales	170,428	186,950	178,499	-4.5	206,430	15.6	10.4%
Other Sales	8,651	8,410	8,675	3.2	8,410	-3.1	0.0%
Availability Fees	340	340	340	0.0	320	-5.9	-5.9%
Late Charges	15,355	18,000	14,598	-18.9	15,000	2.8	-16.7%
Telephone Line Contracts	5,475	5,460	5,545	1.6	5,600	1.0	2.6%
Meter Installation Fees	0	0	1,200	0.0	6,800	466.7	0.0%
Interest Income	245	80	841	951.4	80	-90.5	0.0%
Inspection Fees	0	0	380	0.0	2,150	466.4	0.0%
Project Reimbursement	0	0	139	0.0	0	-100.0	0.0%
Other	7,952	6,000	10,724	78.7	4,500	-58.0	-25.0%
Operating Revenues	1,822,276	1,992,580	1,896,365	-4.8%	2,019,470	6.5%	1.3%

Expenditures:

Water Source of Supply	13-14 Actual	14-15 Budget	Projected	Variance	15-16 Budget	Variance	Variance
Wages	18,903	10,540	16,288	54.5%	17,750	9.0%	68.4%
Employers Costs	11,039	5,340	8,628	61.6	8,600	-0.3	61.0%
Power	104,002	128,500	126,241	-1.8	88,100	-30.2	-31.4%
Dam Inspection	35,795	38,150	32,872	-13.8	35,170	7.0	-7.8%
Chemicals - Routine	2,572	6,500	3,892	-40.1	6,500	67.0	0.0%
Chemicals - Taste & Odor	39,708	40,000	15,840	-60.4	7,200	-54.5	-82.0%
Maint/Repairs	8,180	10,000	9,888	-1.1	10,000	1.1	0.0%
Equipment Rental	4,058	3,000	4,604	53.5	3,000	-34.8	0.0%
Supplies	291	600	250	-58.3	600	140.0	0.0%
Other	250	250	250	0.0	250	0.0	0.0%
Subtotals	224,798	242,880	218,752	-9.9%	177,170	-19.0%	-27.1%

Water Treatment	13-14 Actual	14-15 Budget	Projected	Variance	15-16 Budget	Variance	Variance
Wages	164,441	121,560	159,647	31.3%	195,300	22.3%	60.7%
Employers Costs	75,171	61,590	71,803	16.6	94,560	31.7	53.5%
Power	77,179	85,500	77,965	-8.8	175,300	124.8	105.0%
Chemicals	90,982	118,000	102,303	-13.3	118,000	15.3	0.0%
Maint/Repairs	57,769	45,070	44,972	-0.2	45,070	0.2	0.0%
Lab Tests	28,390	36,000	24,695	-31.4	28,000	13.4	-22.2%
Equipment Rental	8,165	8,000	8,000	0.0	8,000	0.0	0.0%
Taste & Odor Treatment	15,329	11,000	17,671	60.6	0	-100.0	-100.0%
Supplies	500	500	505	0.9	500	-0.9	0.0%
Other	500	500	500	0.0	500	0.0	0.0%
Subtotals	518,426	487,720	508,061	4.2%	665,230	30.9%	36.4%

Water Transmission & Distr	13-14 Actual	14-15 Budget	Projected	Variance	15-16 Budget	Variance	Variance
Wages	192,189	194,500	208,859	7.4%	177,540	-15.0%	-8.7%
Employers Costs	92,600	98,540	98,450	-0.1	85,960	-12.7	-12.8%
Maint/Repairs	36,275	48,000	32,617	-32.0	48,000	47.2	0.0%
Meters/Box/Valve	50,430	54,000	52,829	-2.2	54,000	2.2	0.0%
Power	41,832	38,700	39,716	2.6	40,000	0.7	3.4%
Equipment Rental	25,309	19,000	25,628	34.9	26,000	1.5	36.8%
Post Repair Road Paving	35,035	24,000	48,650	0.0	36,000	-26.0	50.0%
Supplies	4,416	4,000	3,907	-2.3	4,000	2.4	0.0%
Other	5,780	8,200	5,200	-36.6	8,200	57.7	0.0%
Subtotals	483,865	488,940	515,857	5.5%	479,700	-7.0%	-1.9%

BUDGET SUMMARY - WATER FUND

March 4, 2015

	<i>Actual</i> 2013-14	<i>Adopted</i> Budget 2014-15	<i>Projected</i> 2014-15	<i>%</i> Variance 2014-15	<i>Proposed</i> Budget 2015-16	<i>% Change</i> Projected 2014-15	<i>% Change</i> Budget 2014-15
Water Administration	13-14 Actual	14-15 Budget	Projected	Variance	15-16 Budget	Variance	Variance
Wages	99,939	111,030	95,369	-14.1%	88,770	-6.9%	-20.0%
Employers Costs	46,140	57,750	55,572	-3.8	44,480	-20.0	-23.0%
Permits	22,581	32,000	35,217	10.1	32,000	-9.1	0.0%
Equipment Maint	11,673	8,000	20,746	159.3	8,000	-61.4	0.0%
Legal/Consulting	48,136	60,500	60,203	-0.5	60,500	0.5	0.0%
Vehicle Fuel	10,379	18,860	10,563	-44.0	11,400	7.9	-39.6%
Training/Safety	11,647	7,500	9,875	31.7	9,300	-5.8	24.0%
Regional Water Authority	4,836	11,420	4,620	-59.5	5,000	8.2	-56.2%
Central Ground Water Authority	6,000	6,000	6,000	0.0	6,000	0.0	0.0%
South Area Water Council	0	6,000	0	-100.0	0	0.0	-100.0%
Supplies	4,980	5,500	5,905	7.4	5,500	-6.9	0.0%
Telephones	7,049	7,080	9,113	28.7	9,600	5.3	35.6%
Information Systems Maint	5,920	6,660	2,397	-64.0	6,660	177.9	0.0%
Vehicle Maint.	13,807	21,300	20,103	-5.6	20,000	-0.5	-6.1%
Tools	9,743	4,000	11,226	180.6	4,000	-64.4	0.0%
CIA Ditch Operations	275	3,500	1,450	-58.6	3,500	141.4	0.0%
Uniforms	4,301	3,000	3,029	1.0	4,980	64.4	66.0%
Conservation	50,535	65,000	38,609	-40.6	50,000	29.5	-23.1%
Travel/Meetings	1,577	1,800	1,820	1.1	1,800	-1.1	0.0%
Copier Maintenance	0	300	300	0.0	300	0.0	0.0%
Memberships	2,472	2,390	10,899	356.0	10,950	0.5	358.2%
Bad Debts	500	500	500	0.0	500	0.0	0.0%
Building Maint	1,601	1,650	1,699	3.0	1,650	-2.9	0.0%
Nonroutine Maint/Repair	89,110	50,000	46,254	-7.5	50,000	8.1	0.0%
Other	10,449	6,000	4,219	-29.7	6,000	42.2	0.0%
Subtotals	463,648	497,740	455,688	-8.4%	440,890	-3.2%	-11.4%
Operating Expenses	1,690,737	1,717,280	1,698,357	-1.1%	1,762,990	3.8%	2.7%
Reserve Expenditures	14,784	0	7,610		0		
General Fund Net Alloc	264,987	275,490	266,225	-3.4	256,400	-3.7	-6.9%
Total Expenses	1,970,509	1,992,770	1,972,193	-1.0%	2,019,390	2.4%	1.3%
Initial Overage(Deficit)	(148,232)	(190)	(75,828)	39735.5%	80	-100.1%	-141.8%
<i>Transfer from Fund Balance</i>	0	0	0		0		
<i>Transfer from Rate Stab Resr</i>	0	0	0		0		
Net Income (Loss)	(148,232)	(190)	(75,828)		80		
Depreciation	482,203	492,000	482,897	-1.9%	481,840		
Replacement Reserves and Debt Service Summary							
Interfund Borrowing Repayment					185,760		
Water Reserves Collected					212,248		

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - SEWER FUND

March 4, 2015

	<i>Actual</i> 2013-14	<i>Adopted</i> Budget 2014-15	<i>Projected</i> 2014-15	<i>%</i> Variance 2014-15	<i>Proposed</i> Budget 2015-16	<i>% Change</i> Projected 2014-15	<i>% Change</i> Budget 2014-15
Revenues:							
Residential Service	1,122,216	1,165,290	1,165,461	0.0%	1,187,670	1.9%	1.9%
Commercial Service	115,076	121,100	121,850	0.6	124,810	2.4	3.1%
Availability Fees	400	400	400	0.0	390	-2.5	-2.5%
Late Charges	15,465	18,000	14,598	-18.9	15,000	2.8	-16.7%
Interest Income	413	140	89	-36.6	140	57.6	0.0%
Project Reimbursement	2,190	2,190	2,190	0.0	2,190	0.0	0.0%
Inspection Fees	0	0	253	0.0	2,150	749.6	0.0%
Other	3,059	0	0	0.0	0	0.0	0.0%
Operating Revenues	1,258,819	1,307,120	1,304,841	-0.2%	1,332,350	2.1%	1.9%

Expenditures:

Sewer Collection	<i>13-14 Actual</i>	<i>14-15 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>15-16 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	99,669	113,460	98,414	-13.3%	124,280	26.3%	9.5%
Employers Costs	47,673	57,480	49,665	-13.6	60,170	21.2	4.7%
Power	13,263	15,020	15,048	0.2	14,700	-2.3	-2.1%
Maint/Repairs	59,253	40,000	41,602	4.0	40,000	-3.8	0.0%
Equipment Rental	2,206	6,000	8,017	33.6	6,000	-25.2	0.0%
Supplies	1,075	3,300	2,558	-22.5	3,300	29.0	0.0%
Other	0	1,000	1,000	0.0	1,000	0.0	0.0%
Subtotals	223,139	236,260	216,304	-8.4%	249,450	15.3%	5.6%

Sewer Treatment & Disposal	<i>13-14 Actual</i>	<i>14-15 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>15-16 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	122,395	153,980	132,168	-14.2%	186,420	41.0%	21.1%
Employers Costs	60,986	78,010	67,332	-13.7	90,260	34.1	15.7%
Power	128,688	126,000	121,194	-3.8	126,000	4.0	0.0%
Maint/Repairs	62,467	75,000	74,779	-0.3	75,000	0.3	0.0%
Chemicals	64,633	70,300	69,470	-1.2	70,300	1.2	0.0%
Lab Tests	35,356	38,250	57,252	49.7	16,200	-71.7	-57.6%
Supplies	150	900	997	10.8	900	-9.8	0.0%
Equipment Rental	15,811	10,000	9,969	-0.3	10,000	0.3	0.0%
Sludge Removal Off Site	7,325	7,000	10,072	43.9	7,000	-30.5	0.0%
Subtotals	497,811	559,440	543,234	-2.9%	582,080	7.2%	4.0%

BUDGET SUMMARY - SEWER FUND

March 4, 2015

	<i>Actual</i> 2013-14	<i>Adopted</i> Budget 2014-15	<i>Projected</i> 2014-15	<i>%</i> Variance 2014-15	<i>Proposed</i> Budget 2015-16	<i>% Change</i> Projected 2014-15	<i>% Change</i> Budget 2014-15
Sewer Administration							
Wages	42,032	48,620	41,375	-14.9%	35,510	-14.2%	-27.0%
Employers Costs	18,118	25,230	18,694	-25.9	17,780	-4.9	-29.5%
Equipment Maint	30,388	17,500	32,393	85.1	31,250	-3.5	78.6%
Vehicle Fuel	14,736	12,280	15,042	22.5	14,490	-3.7	18.0%
Permits	30,046	28,600	35,084	22.7	35,100	0.0	22.7%
Legal/Consulting (Engineer)	46,574	80,000	80,000	0.0	80,000	0.0	0.0%
Training/Safety	15,339	12,200	12,200	0.0	12,200	0.0	0.0%
Supplies	4,273	4,200	4,068	-3.1	4,200	3.2	0.0%
Information Systems Maint	4,008	5,010	2,143	-57.2	5,010	133.8	0.0%
Vehicle Maint.	4,080	6,000	7,213	20.2	6,000	-16.8	0.0%
Tools	6,211	4,200	11,864	182.5	4,200	-64.6	0.0%
Telephones	6,238	6,300	6,919	9.8	8,000	15.6	27.0%
Uniforms	4,445	3,400	3,464	1.9	4,300	24.1	26.5%
Travel/Meetings	1,642	2,000	2,070	3.5	2,000	-3.4	0.0%
Building Maint	1,561	1,650	1,670	1.2	1,670	0.0	1.2%
Copier Maintenance	510	800	657	-17.9	800	21.8	0.0%
Memberships	479	400	881	120.2	400	-54.6	0.0%
Bad Debts	300	600	600	0.0	0	-100.0	-100.0%
Sewer General Fine	0	0	0	0.0	0	0.0	0.0%
Nonroutine Maint/Repair	37,739	40,000	46,524	16.3	40,000	-14.0	0.0%
Other	5,192	2,000	2,246	12.3	2,000	-10.9	0.0%
Subtotals	273,910	300,990	325,107	8.0%	304,910	-6.2%	1.3%
Operating Expenses	994,861	1,096,690	1,084,644	-1.1%	1,136,440	4.8%	3.6%
Reserve Expenditures	29,631	0	0		0		
General Fund Net Allocation	202,317	210,340	203,262	-3.4	195,760	-3.7	-6.9%
Total Expenses	1,226,808	1,307,030	1,287,907	-1.5%	1,332,200	3.4%	1.9%
Initial Overage(Deficit)	32,011	90	16,934	18728.5%	150	-99.1%	67.2%
<i>Transfer from Misc Reserve:</i>	0	0	0		0		
<i>Transfer from Rate Stab Res</i>	0	0	0		0		
Net Income (Loss)	32,011	90	16,934		150		
Depreciation	588,925	599,820	573,670	-4.4	0	-100.0	-100.0

Replacement Reserves and Debt Service Summary

Sewer Reserves Collected

208,851

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - DRAINAGE FUND

March 4, 2015

	<i>Actual</i> 2013-14	<i>Adopted</i> <i>Budget</i> 2014-15	<i>Projected</i> 2014-15	<i>%</i> <i>Variance</i> 2014-15	<i>Proposed</i> <i>Budget</i> 2015-16	<i>% Change</i> <i>Projected</i> 2014-15	<i>% Change</i> <i>Budget</i> 2014-15
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Revenues:

Residential Special Taxes	150,788	153,650	153,675	0.0%	156,730	2.0%	2.0%
Commercial Special Taxes	29,208	29,810	29,794	-0.1	30,400	2.0	2.0%
Interest Income	68	50	3	-94.9	50	1845.5	0.0%
Inspection Fees	0	0	0	0.0	0	0.0	0.0%
Other	0	0	0	0.0	0	0.0	0.0%
Operating Revenues	180,063	183,511	183,471	0.0%	187,180	2.0%	2.0%

Expenditures:

	13-14 Actual	14-15 Budget	Projected	Variance	15-16 Budget	Variance	Variance
Wages	47,116	56,730	69,111	21.8	62,140	-10.1	9.5%
Employers Costs	22,141	28,850	31,314	8.5	30,200	-3.6	4.7%
MS4 Permit	4,864	5,000	5,826	16.5	6,000	3.0	20.0%
Power	11,099	13,190	9,635	-27.0	9,800	1.7	-25.7%
Chemicals	1,868	5,400	2,763	-48.8	2,400	-13.1	-55.6%
Maint/Repairs	6,539	11,900	11,224	-5.7	11,900	6.0	0.0%
Equipment Rental	1,411	4,500	9,574	112.8	4,500	-53.0	0.0%
Improvements	12,000	11,040	11,040	0.0	16,330	47.9	47.9%
Legal/Consulting	1,000	2,000	1,882	-5.9	2,000	6.3	0.0%
Uniforms	200	200	200	0.0	200	0.0	0.0%
Tools	3,065	400	893	123.3	400	-55.2	0.0%
Bad Debts	0	0	0	0.0	0	0.0	0.0%
Other	361	1,100	1,100	0.0	1,100	0.0	0.0%
Subtotals	111,662	140,310	154,562	10.2%	146,970	-4.9%	4.7%
Operating Expenses	111,662	140,310	154,562	10.2%	146,970	-4.9%	4.7%
Reserve Expenditures	18,922	0	0		0		
General Fund Net Allocation	41,553	43,200	41,747	-3.4	40,210	-3.7	-6.9%
Total Expenses	172,137	183,510	196,309	7.0%	187,180	-4.7%	2.0%
Net Income (Loss)	7,925	0	(12,838)	0.0%	0	-100.0%	100.0%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - SOLID WASTE FUND

March 4, 2015

	<i>Actual</i> 2013-14	<i>Adopted</i> <i>Budget</i> 2014-15	<i>Projected</i> 2014-15	<i>%</i> <i>Variance</i> 2014-15	<i>Proposed</i> <i>Budget</i> 2015-16	<i>% Change</i> <i>Projected</i> 2014-15	<i>% Change</i> <i>Budget</i> 2014-15
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Revenues:

Solid Waste Charges	621,437	631,830	633,232	0.2%	646,920	2.2%	2.4%
Other	385	400	297	-25.8	300	1.1%	-25.0%
Operating Revenues	621,822	632,230	633,529	0.2	647,220	2.2%	2.4%

Expenditures:

	<i>13-14 Actual</i>	<i>14-15 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>15-16 Budget</i>	<i>Variance</i>	<i>Variance</i>
CWRS Contract	544,782	549,840	551,845	0.4%	566,580	2.7%	3.0%
Sac. County Admin. Fee	34,657	34,920	34,991	0.2	35,650	1.9%	2.1%
Consulting/Legal	1,407	0	0	0.0	0	0.0%	0.0%
HHW Event	12,000	12,000	12,000	0.0	12,000	0.0%	0.0%
Bad Debts	0	0	0	0.0	0	0.0%	0.0%
Total Expenses	592,846	596,760	598,835	0.3	614,230	2.6%	2.9%
Operating Expenses	592,846	596,760	598,835	0.3	614,230	2.6%	2.9%
General Fund Net Allocation	34,060	35,410	34,219	-3.4	32,960	-3.7%	-6.9%
Total Expenses	626,906	632,170	633,055	0.1	647,190	2.2%	2.4%
Net Income (Loss)	(5,085)	60	474	690.0	30	-93.7%	-50.0%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - GENERAL FUND

March 4, 2015

	<i>Actual</i>	<i>Adopted</i>		<i>%</i>	<i>Proposed</i>	<i>% Change</i>	<i>% Change</i>
	<i>2013-14</i>	<i>Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>Budget</i>	<i>Projected</i>	<i>Budget</i>
		<i>2014-15</i>	<i>2014-15</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2014-15</i>	<i>2014-15</i>
Revenues:							
Property Taxes	520,800	519,960	519,960	0.0%	528,480	1.6%	1.6%
Title Transfer Fees	11,550	12,000	9,500	-20.8	9,600	1.1	-20.0%
Project Reimbursement	4,948	0	0	0.0	0	0.0	0.0%
Interest	178	120	180	50.0	120	-33.4	0.0%
CIA Ditch Admin Service Charges	1,800	1,800	1,800	0.0	1,800	0.0	0.0%
Other	1,225	1,200	1,156	-3.7	1,200	3.9	0.0%
Total Operating Revenues	540,500	535,080	532,596	-0.5%	541,200	1.6%	1.1%

Expenditures:


	<i>13-14 Actual</i>	<i>14-15 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>15-16 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	507,214	552,900	466,057	-15.7%	504,100	8.2%	-8.8%
Director Meeting Stipends	13,600	18,000	16,700	-7.2	18,000	7.8	0.0%
Employers Costs	264,092	305,000	249,631	-18.2	303,300	21.5	-0.6%
Liability Insurance	64,610	77,290	81,633	5.6	81,600	0.0	5.6%
Information Systems Maintenance	84,676	79,400	80,436	1.3	79,400	-1.3	0.0%
Community Communications	8,550	5,900	4,096	-30.6	5,900	44.0	0.0%
Legal	29,230	30,000	56,987	90.0	42,000	-26.3	40.0%
Office Supplies	28,916	22,800	21,807	-4.4	22,800	4.6	0.0%
Building/Grounds Maintenance	16,769	17,820	20,713	16.2	17,820	-14.0	0.0%
Postage	21,941	22,200	20,569	-7.3	22,200	7.9	0.0%
Telephones	4,716	4,800	5,011	4.4	6,000	19.7	25.0%
Contingency	12,219	11,000	11,000	0.0	11,000	0.0	0.0%
Audit	14,300	14,300	14,300	0.0	14,300	0.0	0.0%
Consulting	40,120	6,600	6,298	-4.6	3,600	-42.8	-45.5%
Memberships	9,683	9,860	8,683	-11.9	9,860	13.6	0.0%
Training/Safety	4,238	6,000	3,368	-43.9	4,800	42.5	-20.0%
Power	8,299	8,460	8,751	3.4	8,700	-0.6	2.8%
Meetings	9,674	9,000	11,429	27.0	9,000	-21.3	0.0%
Director Expense Reimbursement	6,655	6,600	5,391	-18.3	6,600	22.4	0.0%
Vehicle Fuel	2,914	0	0	#DIV/0!	0	0.0	0.0%
Equipment Maint	1,903	2,000	1,790	-10.5	2,000	11.7	0.0%
Election Costs	0	5,000	1,818	-63.6	0	-100.0	100.0%
Mail Machine Lease	2,803	2,800	3,259	16.4	2,800	-14.1	0.0%
Copy Machine Maintenance	20,530	18,250	18,616	2.0	18,250	-2.0	0.0%
Vehicle Maint	829	1,000	0	-100.0	0	0.0	0.0%
Clerical Services	35,906	0	86,229	0.0	0	-100.0	0.0%
Other	7,317	6,300	12,407	96.9	6,300	-49.2	0.0%
Total Operating Expenses	1,221,702	1,243,280	1,216,980	-2.1%	1,200,330	-1.4%	-3.5%

Overage(Deficit)	(681,201)	(708,200)	(684,384)	-3.4%	(659,130)	-3.7%	-6.9%
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RANCHO MURIETA COMMUNITY SERVICES DISTRICT

POSITION LISTING (headcount)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	APPROVED	APPROVED	APPROVED	Approved	Approved	Proposed
ADMIN DEPT.						
GENERAL MGR. / DIRECTOR OF ADMIN	1.0	1.0	1.0	1.0	1.0	1.0
DISTRICT SECRETARY	1.0	1.0	1.0	1.0	1.0	1.0
DIRECTOR OF ADMINISTRATION	1.0	1.0	1.0	1.0	0.0	0.0
CONTROLLER					1.0	1.0
ACCOUNTING SUPERVISOR	1.0	1.0	1.0	1.0	1.0	1.0
ACCOUNTING ASSISTANT I,II	1.0	1.0	1.0	1.0	1.0	1.0
OFFICE ASSISTANT I, II	1.0	1.0	1.0	1.0	1.0	1.0
DEPT. SUBTOTAL	6.0	6.0	6.0	6.0	6.0	6.0
WATER/SEWER/DRAINAGE DEPT.						
DIRECTOR OF FIELD OPS	1.0	1.0	1.0	1.0	1.0	1.0
CHIEF PLANT OPERATOR	1.0	1.0	1.0	1.0	1.0	1.0
PLANT OPERATOR I, II, III	4.0	4.0	4.0	4.0	4.0	4.0
EQUIPMENT MECHANIC	1.0	1.0	1.0	1.0	1.0	1.0
UTILITIES SUPERVISOR	1.0	1.0	1.0	1.0	1.0	1.0
UTILITY WORKER I, II, III	4.0	4.0	4.0	4.0	4.0	4.0
TEMP UTILITY WORKER	0.5	0.5	0.5	0.5	0.5	0.5
OPERATOR IN TRAINING	1.0	0.0	0.0	0.0	0.0	0.0
DEPT. SUBTOTAL	13.5	12.5	12.5	12.5	12.5	12.5
SECURITY DEPT.						
CHIEF	1.0	1.0	1.0	1.0	1.0	1.0
SERGEANT-PATROL	1.0	1.0	1.0	1.0	1.0	1.0
PATROL OFFICER	5.0	5.0	5.0	5.0	5.0	5.0
GATE OFFICER	8.0	8.0	8.0	8.0	8.0	8.0
PART-TIME GATE OFFICER	1.0	1.0	1.0	1.0	1.0	1.0
TEMP GATE OFFICER	1.0	1.0	1.0	1.0	1.0	1.0
DEPT. SUBTOTAL	17.0	17.0	17.0	17.0	17.0	17.0
TOTALS	36.5	35.5	35.5	35.5	35.5	35.5

 This indicates a change.

PROPOSED 2015-2016 BUDGET
DRAFT 2
WITH
PROPERTY TAX ALLOCATION TO SECURITY FUND
BUDGET SUMMARIES BY FUND



RANCHO MURIETA COMMUNITY SERVICES DISTRICT
DRAFT 2 - PROPERTY TAX ALLOCATION TO SECURITY FUND
BUDGET SUMMARY
COMBINED FUNDS

	<i>Actual</i> 2013-14	<i>Adopted</i> <i>Budget</i> 2014-15	<i>Projected</i> 2014-15	<i>%</i> <i>Variance</i> 2014-15	<i>Proposed</i> <i>Budget</i> 2015-2016	<i>% Change</i> <i>Budget</i> 2014-15
Revenues:						
Service Charges	5,017,966	5,248,330	5,150,959	-1.9%	5,429,480	3.5%
Property Taxes	520,800	519,960	519,960	0.0	528,480	1.6%
Interest Earnings	1,239	670	1,250	86.5	670	0.0%
Other Charges / Reimbursements	120,233	120,330	107,857	-10.4	117,170	-2.6%
Total Revenues:	5,660,237	5,889,290	5,780,025	-1.9%	6,075,800	3.2%
Expenditures:						
Total Operating Expenses:	5,626,446	5,889,332	5,836,549	-0.9%	6,030,779	2.4%
Security Reserve Collection:	0	28,717	25,797	-10.2%	45,590	58.8%
Initial Overage (Deficit)	33,792	(42)	(56,523)	132924.7	(569)	1239.8
Trans from Rate Stab. Fund	0	0	0	0.0	0	0.0
Transfer from Fund Balance	0	0	0	0.0	0	0.0
Net Income (Loss)	33,792	(42)	(56,523)	132924.7	(569)	1239.8
Rate Transfers to Repl Reserves	417,000	450,450	450,450	0.0	421,099	-6.5
Add'l Transfers to Repl Reserves	0	0	0	0.0	0	0.0
Inter-fund Borrowing Repayment					185,760	
Depreciation	1,104,507	1,125,288	1,085,284	-3.6%	1,088,474	0.3%

DRAFT 2 - WITH PROPERTY TAX ALLOCATION TO SECURITY FUND

March 14, 2015

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - SECURITY FUND

	<i>Actual</i>	<i>Adopted</i>		<i>%</i>	<i>Proposed</i>	<i>% Change</i>	<i>% Change</i>
	<i>2013-14</i>	<i>Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>Budget</i>	<i>Projected</i>	<i>Budget</i>
		<i>2014-15</i>	<i>2014-15</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2014-15</i>	<i>2014-15</i>
Revenues:							
Residential Special Taxes	1,017,011	1,029,920	1,030,320	0.0%	1,075,930	4.4%	4.5%
Commercial Special Taxes	168,580	153,290	153,290	0.0	177,970	16.1	16.1%
Late Charges	30,919	36,000	26,095	-27.5	30,000	15.0	-16.7%
Title Transfer Fees	5,700	5,100	5,175	1.5	5,100	-1.4	0.0%
Bar Code Income	7,587	7,800	7,770	-0.4	7,800	0.4	0.0%
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	513	400	317	-20.8	400	26.2	0.0%
Property Taxes	0	0	0	0.0	65,040	100.0	100.0%
Misc	4,348	4,160	4,158	-0.1	4,160	0.1	0.0%
Operating Revenues	1,236,758	1,238,770	1,229,225	-0.8%	1,368,500	11.3%	10.5%

Expenditures:

Security Gates	<i>13-14 Actual</i>	<i>14-15 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>15-16 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	281,385	288,300	284,957	-1.2%	302,900	6.3%	5.1%
Employers Costs	180,759	183,200	180,351	-1.6	188,900	4.7	3.1%
Information Systems Maint	2,060	2,800	2,482	-11.3	2,800	12.8	0.0%
Equipment Repairs	16,240	3,300	2,710	-17.9	3,300	21.8	0.0%
Bar Codes	6,162	5,000	4,311	-13.8	5,000	16.0	0.0%
Telephones	3,190	3,100	3,455	11.5	3,600	4.2	16.1%
Building Maint	3,130	3,250	3,272	0.7	3,250	-0.7	0.0%
Power	2,246	5,000	7,744	54.9	9,600	24.0	92.0%
Uniforms	2,223	2,400	2,472	3.0	3,400	37.5	41.7%
Supplies	309	200	200	0.0	200	0.0	0.0%
Training/Safety	50	600	250	-58.3	600	140.0	0.0%
Other	3,447	3,200	6,600	106.2	3,200	-51.5	0.0%
Subtotals	501,201	500,350	498,805	-0.3%	526,750	5.6%	5.3%

Security Patrol	<i>13-14 Actual</i>	<i>14-15 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>15-16 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	235,654	260,300	251,366	-3.4%	277,000	10.2%	6.4%
Employers Costs	124,827	137,600	131,120	-4.7	166,600	27.1	21.1%
Vehicle Fuel	19,366	20,550	19,522	-5.0	19,390	-0.7	-5.6%
Off Duty Sheriff Patrol	3,762	6,000	5,837	-2.7	4,000	-31.5	-33.3%
Vehicle Maint.	9,877	6,700	10,273	53.3	9,600	-6.6	43.3%
Vehicle Lease	3,007	5,970	2,423	-59.4	5,970	146.4	0.0%
Information Systems Maint	7,982	5,000	5,523	10.5	11,000	99.2	120.0%
Training/Safety	1,890	1,500	1,281	-14.6	4,800	274.6	220.0%
Safety Center	1,974	1,920	2,111	9.9	2,110	0.0	9.9%
Uniforms	1,406	2,400	1,969	-18.0	3,100	57.4	29.2%
Telephones	2,146	2,250	2,374	5.5	3,240	36.5	44.0%
Equipment Repairs	521	1,100	556	-49.5	1,600	187.8	45.5%
Supplies	69	300	278	-7.4	300	8.0	0.0%
Other	420	2,000	1,843	-7.8	2,000	8.5	0.0%
Subtotals	412,900	453,590	436,475	-3.8%	510,710	17.0%	12.6%

BUDGET SUMMARY - SECURITY FUND

	<i>Actual</i> 2013-14	<i>Adopted</i> Budget 2014-15	<i>Projected</i> 2014-15	<i>%</i> Variance 2014-15	<i>Proposed</i> Budget 2015-16	<i>% Change</i> Projected 2014-15	<i>% Change</i> Budget 2014-15
Security Administration	13-14 Actual	14-15 Budget	Projected	Variance	15-16 Budget	Variance	Variance
Wages	86,500	89,000	94,786	6.5%	91,200	-3.8%	2.5%
Employers Costs	31,910	36,700	35,204	-4.1	31,700	-10.0	-13.6%
Legal/Consulting	2,015	3,500	3,500	0.0	3,500	0.0	0.0%
Supplies	5,811	5,000	6,123	22.5	5,000	-18.3	0.0%
Telephones	407	430	934	117.1	960	2.8	123.3%
Information System Maint	3,208	2,240	2,722	21.5	2,240	-17.7	0.0%
Training/Safety	687	1,200	1,418	18.2	1,200	-15.4	0.0%
Travel/Meetings	2,162	800	617	-22.9	800	29.7	0.0%
Uniforms	396	400	390	-2.5	400	2.6	0.0%
Bad Debts	50	600	927	54.5	0	-100.0	-100.0%
Equipment Maint	3,883	600	670	11.6	600	-10.4	0.0%
Other	3,542	600	600	0.0	600	0.0	0.0%
Subtotals	140,570	141,070	147,890	4.8%	138,200	-6.6%	-2.0%
Operating Expenses	1,054,671	1,095,010	1,083,170	-1.1%	1,175,660	8.5%	7.4%
General Fund Net Allocation	138,284	143,760	138,930	-3.4	147,250	6.0	2.4%
Total Expenses	1,192,955	1,238,770	1,222,100	-1.3%	1,322,910	8.2%	6.8%
Initial Overage(Deficit)	43,803	(0)	7,125	0.0%	(0)	-100.0%	608.0%
Security Reserves	0	28,717	25,797		45,590		
Transfer from Rate Stab Resr	0	0	0		0		
Net Income (Loss)	43,803	28,717	32,922	14.6%	0	-100.0%	-100.0%
Depreciation	33,379	33,468	28,717	-14.2%	33,468	16.5%	0.0%

DRAFT 2 - WITH PROPERTY TAX ALLOCATION TO SECURITY FUND
RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - WATER FUND

March 13, 2015

	<i>Actual</i> 2013-14	<i>Adopted</i> <i>Budget</i> 2014-15	<i>Projected</i> 2014-15	<i>%</i> <i>Variance</i> 2014-15	<i>Proposed</i> <i>Budget</i> 2015-16	<i>% Change</i> <i>Projected</i> 2014-15	<i>% Change</i> <i>Budget</i> 2014-15
Revenues:							
Residential Sales	1,613,832	1,767,340	1,675,424	-5.2%	1,792,290	7.0%	1.4%
Commercial Sales	170,428	186,950	178,499	-4.5	208,920	17.0	11.8%
Other Sales	8,651	8,410	8,675	3.2	8,410	-3.1	0.0%
Availability Fees	340	340	340	0.0	320	-5.9	-5.9%
Late Charges	15,355	18,000	14,598	-18.9	15,800	8.2	-12.2%
Telephone Line Contracts	5,475	5,460	5,545	1.6	5,600	1.0	2.6%
Meter Installation Fees	0	0	1,200	0.0	6,800	466.7	0.0%
Interest Income	245	80	841	951.4	80	-90.5	0.0%
Inspection Fees	0	0	380	0.0	2,150	466.4	0.0%
Project Reimbursement	0	0	139	0.0	0	-100.0	0.0%
Other	7,952	6,000	10,724	78.7	4,500	-58.0	-25.0%
Operating Revenues	1,822,276	1,992,580	1,896,365	-4.8%	2,044,870	7.8%	2.6%

Expenditures:

Water Source of Supply	<i>13-14 Actual</i>	<i>14-15 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>15-16 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	18,903	10,540	16,288	54.5%	17,750	9.0%	68.4%
Employers Costs	11,039	5,340	8,628	61.6	8,600	-0.3	61.0%
Power	104,002	128,500	126,241	-1.8	88,100	-30.2	-31.4%
Dam Inspection	35,795	38,150	32,872	-13.8	35,170	7.0	-7.8%
Chemicals - Routine	2,572	6,500	3,892	-40.1	6,500	67.0	0.0%
Chemicals - Taste & Odor	39,708	40,000	15,840	-60.4	7,200	-54.5	-82.0%
Maint/Repairs	8,180	10,000	9,888	-1.1	10,000	1.1	0.0%
Equipment Rental	4,058	3,000	4,604	53.5	3,000	-34.8	0.0%
Supplies	291	600	250	-58.3	600	140.0	0.0%
Other	250	250	250	0.0	250	0.0	0.0%
Subtotals	224,798	242,880	218,752	-9.9%	177,170	-19.0%	-27.1%

Water Treatment	<i>13-14 Actual</i>	<i>14-15 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>15-16 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	164,441	121,560	159,647	31.3%	195,300	22.3%	60.7%
Employers Costs	75,171	61,590	71,803	16.6	94,560	31.7	53.5%
Power	77,179	85,500	77,965	-8.8	175,300	124.8	105.0%
Chemicals	90,982	118,000	102,303	-13.3	118,000	15.3	0.0%
Maint/Repairs	57,769	45,070	44,972	-0.2	45,070	0.2	0.0%
Lab Tests	28,390	36,000	24,695	-31.4	28,000	13.4	-22.2%
Equipment Rental	8,165	8,000	8,000	0.0	8,000	0.0	0.0%
Taste & Odor Treatment	15,329	11,000	17,671	60.6	0	-100.0	-100.0%
Supplies	500	500	505	0.9	500	-0.9	0.0%
Other	500	500	500	0.0	500	0.0	0.0%
Subtotals	518,426	487,720	508,061	4.2%	665,230	30.9%	36.4%

Water Transmission & Distr	<i>13-14 Actual</i>	<i>14-15 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>15-16 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	192,189	194,500	208,859	7.4%	177,540	-15.0%	-8.7%
Employers Costs	92,600	98,540	98,450	-0.1	85,960	-12.7	-12.8%
Maint/Repairs	36,275	48,000	32,617	-32.0	48,000	47.2	0.0%
Meters/Box/Valve	50,430	54,000	52,829	-2.2	54,000	2.2	0.0%
Power	41,832	38,700	39,716	2.6	40,000	0.7	3.4%
Equipment Rental	25,309	19,000	25,628	34.9	26,000	1.5	36.8%
Post Repair Road Paving	35,035	24,000	48,650	0.0	36,000	-26.0	50.0%
Supplies	4,416	4,000	3,907	-2.3	4,000	2.4	0.0%
Other	5,780	8,200	5,200	-36.6	8,200	57.7	0.0%
Subtotals	483,865	488,940	515,857	5.5%	479,700	-7.0%	-1.9%

BUDGET SUMMARY - WATER FUND

March 13, 2015

	<i>Actual</i> 2013-14	<i>Adopted</i> <i>Budget</i> 2014-15	<i>Projected</i> 2014-15	<i>%</i> <i>Variance</i> 2014-15	<i>Proposed</i> <i>Budget</i> 2015-16	<i>% Change</i> <i>Projected</i> 2014-15	<i>% Change</i> <i>Budget</i> 2014-15
Water Administration	13-14 Actual	14-15 Budget	Projected	Variance	15-16 Budget	Variance	Variance
Wages	99,939	111,030	95,369	-14.1%	88,770	-6.9%	-20.0%
Employers Costs	46,140	57,750	55,572	-3.8	44,480	-20.0	-23.0%
Permits	22,581	32,000	35,217	10.1	32,000	-9.1	0.0%
Equipment Maint	11,673	8,000	20,746	159.3	8,000	-61.4	0.0%
Legal/Consulting	48,136	60,500	60,203	-0.5	60,500	0.5	0.0%
Vehicle Fuel	10,379	18,860	10,563	-44.0	11,400	7.9	-39.6%
Training/Safety	11,647	7,500	9,875	31.7	9,300	-5.8	24.0%
Regional Water Authority	4,836	11,420	4,620	-59.5	5,000	8.2	-56.2%
Central Ground Water Authority	6,000	6,000	6,000	0.0	6,000	0.0	0.0%
South Area Water Council	0	6,000	0	-100.0	0	0.0	-100.0%
Supplies	4,980	5,500	5,905	7.4	5,500	-6.9	0.0%
Telephones	7,049	7,080	9,113	28.7	9,600	5.3	35.6%
Information Systems Maint	5,920	6,660	2,397	-64.0	6,660	177.9	0.0%
Vehicle Maint.	13,807	21,300	20,103	-5.6	20,000	-0.5	-6.1%
Tools	9,743	4,000	11,226	180.6	4,000	-64.4	0.0%
CIA Ditch Operations	275	3,500	1,450	-58.6	3,500	141.4	0.0%
Uniforms	4,301	3,000	3,029	1.0	4,980	64.4	66.0%
Conservation	50,535	65,000	38,609	-40.6	50,000	29.5	-23.1%
Travel/Meetings	1,577	1,800	1,820	1.1	1,800	-1.1	0.0%
Copier Maintenance	0	300	300	0.0	300	0.0	0.0%
Memberships	2,472	2,390	10,899	356.0	10,950	0.5	358.2%
Bad Debts	500	500	500	0.0	500	0.0	0.0%
Building Maint	1,601	1,650	1,699	3.0	1,650	-2.9	0.0%
Nonroutine Maint/Repair	89,110	50,000	46,254	-7.5	50,000	8.1	0.0%
Other	10,449	6,000	4,219	-29.7	6,000	42.2	0.0%
Subtotals	463,648	497,740	455,688	-8.4%	440,890	-3.2%	-11.4%
Operating Expenses	1,690,737	1,717,280	1,698,357	-1.1%	1,762,990	3.8%	2.7%
Reserve Expenditures	14,784	0	7,610		0		
General Fund Net Alloc	264,987	275,490	266,225	-3.4	282,170	6.0	2.4%
Total Expenses	1,970,509	1,992,770	1,972,193	-1.0%	2,045,160	3.7%	2.6%
Initial Overage(Deficit)	(148,232)	(190)	(75,828)	39735.5%	(291)	-99.6%	52.6%
<i>Transfer from Fund Balance</i>	0	0	0		0		
<i>Transfer from Rate Stab Resr</i>	0	0	0		0		
Net Income (Loss)	(148,232)	(190)	(75,828)		(291)		
Depreciation	482,203	492,000	482,897	-1.9%	481,840		
Replacement Reserves and Debt Service Summary							
Interfund Borrowing Repayment					185,760		
Water Reserves Collected					212,248		

DRAFT 2 - WITH PROPERTY TAX ALLOCATION TO SECURITY FUND
RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - SEWER FUND

March 13, 2015

	<i>Actual</i> 2013-14	<i>Adopted</i> Budget 2014-15	<i>Projected</i> 2014-15	<i>%</i> Variance 2014-15	<i>Proposed</i> Budget 2015-16	<i>% Change</i> Projected 2014-15	<i>% Change</i> Budget 2014-15
Revenues:							
Residential Service	1,122,216	1,165,290	1,165,461	0.0%	1,204,610	3.4%	3.4%
Commercial Service	115,076	121,100	121,850	0.6	126,590	3.9	4.5%
Availability Fees	400	400	400	0.0	390	-2.5	-2.5%
Late Charges	15,465	18,000	14,598	-18.9	15,800	8.2	-12.2%
Interest Income	413	140	89	-36.6	140	57.6	0.0%
Project Reimbursement	2,190	2,190	2,190	0.0	2,190	0.0	0.0%
Inspection Fees	0	0	253	0.0	2,150	749.6	0.0%
Other	3,059	0	0	0.0	0	0.0	0.0%
Operating Revenues	1,258,819	1,307,120	1,304,841	-0.2%	1,351,870	3.6%	3.4%

Expenditures:

Sewer Collection	<i>13-14 Actual</i>	<i>14-15 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>15-16 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	99,669	113,460	98,414	-13.3%	124,280	26.3%	9.5%
Employers Costs	47,673	57,480	49,665	-13.6	60,170	21.2	4.7%
Power	13,263	15,020	15,048	0.2	14,700	-2.3	-2.1%
Maint/Repairs	59,253	40,000	41,602	4.0	40,000	-3.8	0.0%
Equipment Rental	2,206	6,000	8,017	33.6	6,000	-25.2	0.0%
Supplies	1,075	3,300	2,558	-22.5	3,300	29.0	0.0%
Other	0	1,000	1,000	0.0	1,000	0.0	0.0%
Subtotals	223,139	236,260	216,304	-8.4%	249,450	15.3%	5.6%

Sewer Treatment & Disposal	<i>13-14 Actual</i>	<i>14-15 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>15-16 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	122,395	153,980	132,168	-14.2%	186,420	41.0%	21.1%
Employers Costs	60,986	78,010	67,332	-13.7	90,260	34.1	15.7%
Power	128,688	126,000	121,194	-3.8	126,000	4.0	0.0%
Maint/Repairs	62,467	75,000	74,779	-0.3	75,000	0.3	0.0%
Chemicals	64,633	70,300	69,470	-1.2	70,300	1.2	0.0%
Lab Tests	35,356	38,250	57,252	49.7	16,200	-71.7	-57.6%
Supplies	150	900	997	10.8	900	-9.8	0.0%
Equipment Rental	15,811	10,000	9,969	-0.3	10,000	0.3	0.0%
Sludge Removal Off Site	7,325	7,000	10,072	43.9	7,000	-30.5	0.0%
Subtotals	497,811	559,440	543,234	-2.9%	582,080	7.2%	4.0%

BUDGET SUMMARY - SEWER FUND

March 13, 2015

	<i>Actual</i> 2013-14	<i>Adopted</i> Budget 2014-15	<i>Projected</i> 2014-15	<i>%</i> Variance 2014-15	<i>Proposed</i> Budget 2015-16	<i>% Change</i> Projected 2014-15	<i>% Change</i> Budget 2014-15
Sewer Administration							
Wages	42,032	48,620	41,375	-14.9%	35,510	-14.2%	-27.0%
Employers Costs	18,118	25,230	18,694	-25.9	17,780	-4.9	-29.5%
Equipment Maint	30,388	17,500	32,393	85.1	31,250	-3.5	78.6%
Vehicle Fuel	14,736	12,280	15,042	22.5	14,490	-3.7	18.0%
Permits	30,046	28,600	35,084	22.7	35,100	0.0	22.7%
Legal/Consulting (Engineer)	46,574	80,000	80,000	0.0	80,000	0.0	0.0%
Training/Safety	15,339	12,200	12,200	0.0	12,200	0.0	0.0%
Supplies	4,273	4,200	4,068	-3.1	4,200	3.2	0.0%
Information Systems Maint	4,008	5,010	2,143	-57.2	5,010	133.8	0.0%
Vehicle Maint.	4,080	6,000	7,213	20.2	6,000	-16.8	0.0%
Tools	6,211	4,200	11,864	182.5	4,200	-64.6	0.0%
Telephones	6,238	6,300	6,919	9.8	8,000	15.6	27.0%
Uniforms	4,445	3,400	3,464	1.9	4,300	24.1	26.5%
Travel/Meetings	1,642	2,000	2,070	3.5	2,000	-3.4	0.0%
Building Maint	1,561	1,650	1,670	1.2	1,670	0.0	1.2%
Copier Maintenance	510	800	657	-17.9	800	21.8	0.0%
Memberships	479	400	881	120.2	400	-54.6	0.0%
Bad Debts	300	600	600	0.0	0	-100.0	-100.0%
Sewer General Fine	0	0	0	0.0	0	0.0	0.0%
Nonroutine Maint/Repair	37,739	40,000	46,524	16.3	40,000	-14.0	0.0%
Other	5,192	2,000	2,246	12.3	2,000	-10.9	0.0%
Subtotals	273,910	300,990	325,107	8.0%	304,910	-6.2%	1.3%
Operating Expenses	994,861	1,096,690	1,084,644	-1.1%	1,136,440	4.8%	3.6%
Reserve Expenditures	29,631	0	0		0		
General Fund Net Allocation	202,317	210,340	203,262	-3.4	215,430	6.0	2.4%
Total Expenses	1,226,808	1,307,030	1,287,907	-1.5%	1,351,870	5.0%	3.4%
Initial Overage(Deficit)	32,011	90	16,934	18728.5%	0	-100.0%	-99.9%
<i>Transfer from Misc Reserve:</i>	0	0	0		0		
<i>Transfer from Rate Stab Res</i>	0	0	0		0		
Net Income (Loss)	32,011	90	16,934		0		
Depreciation	588,925	599,820	573,670	-4.4	573,164	-0.1	-4.4

Replacement Reserves and Debt Service Summary

Sewer Reserves Collected

208,851

DRAFT 2 - WITH PROPERTY TAX ALLOCATION TO SECURITY FUND
RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - DRAINAGE FUND

March 13, 2015

	<i>Actual</i> 2013-14	<i>Adopted</i> Budget 2014-15	<i>Projected</i> 2014-15	<i>%</i> Variance 2014-15	<i>Proposed</i> Budget 2015-16	<i>% Change</i> Projected 2014-15	<i>% Change</i> Budget 2014-15
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Revenues:

Residential Special Taxes	150,788	153,650	153,675	0.0%	156,730	2.0%	2.0%
Commercial Special Taxes	29,208	29,810	29,794	-0.1	30,400	2.0	2.0%
Interest Income	68	50	3	-94.9	50	1845.5	0.0%
Inspection Fees	0	0	0	0.0	0	0.0	0.0%
Other	0	0	0	0.0	0	0.0	0.0%
Operating Revenues	180,063	183,511	183,471	0.0%	187,180	2.0%	2.0%

Expenditures:

	13-14 Actual	14-15 Budget	Projected	Variance	15-16 Budget	Variance	Variance
Wages	47,116	56,730	69,111	21.8	62,140	-10.1	9.5%
Employers Costs	22,141	28,850	31,314	8.5	30,200	-3.6	4.7%
MS4 Permit	4,864	5,000	5,826	16.5	6,000	3.0	20.0%
Power	11,099	13,190	9,635	-27.0	9,800	1.7	-25.7%
Chemicals	1,868	5,400	2,763	-48.8	2,400	-13.1	-55.6%
Maint/Repairs	6,539	11,900	11,224	-5.7	11,900	6.0	0.0%
Equipment Rental	1,411	4,500	9,574	112.8	4,500	-53.0	0.0%
Improvements	12,000	11,040	11,040	0.0	12,290	11.3	11.3%
Legal/Consulting	1,000	2,000	1,882	-5.9	2,000	6.3	0.0%
Uniforms	200	200	200	0.0	200	0.0	0.0%
Tools	3,065	400	893	123.3	400	-55.2	0.0%
Bad Debts	0	0	0	0.0	0	0.0	0.0%
Other	361	1,100	1,100	0.0	1,100	0.0	0.0%
Subtotals	111,662	140,310	154,562	10.2%	142,930	-7.5%	1.9%
Operating Expenses	111,662	140,310	154,562	10.2%	142,930	-7.5%	1.9%
Reserve Expenditures	18,922	0	0		0		
General Fund Net Allocation	41,553	43,200	41,747	-3.4	44,250	6.0	2.4%
Total Expenses	172,137	183,510	196,309	7.0%	187,180	-4.7%	2.0%
Net Income (Loss)	7,925	0	(12,838)	0.0%	0	-100.0%	100.0%

DRAFT 2 - WITH PROPERTY TAX ALLOCATION TO SECURITY FUND

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - SOLID WASTE FUND

March 13, 2015

	<i>Actual</i> 2013-14	<i>Adopted</i> <i>Budget</i> 2014-15	<i>Projected</i> 2014-15	<i>%</i> <i>Variance</i> 2014-15	<i>Proposed</i> <i>Budget</i> 2015-16	<i>% Change</i> <i>Projected</i> 2014-15	<i>% Change</i> <i>Budget</i> 2014-15
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Revenues:

Solid Waste Charges	621,437	631,830	633,232	0.2%	646,920	2.2%	2.4%
Other	385	400	297	-25.8	300	1.1%	-25.0%
Operating Revenues	621,822	632,230	633,529	0.2	647,220	2.2%	2.4%

Expenditures:

	<i>13-14 Actual</i>	<i>14-15 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>15-16 Budget</i>	<i>Variance</i>	<i>Variance</i>
CWRS Contract	544,782	549,840	551,845	0.4%	566,580	2.7%	3.0%
Sac. County Admin. Fee	34,657	34,920	34,991	0.2	35,650	1.9%	2.1%
Consulting/Legal	1,407	0	0	0.0	0	0.0%	0.0%
HHW Event	12,000	12,000	12,000	0.0	9,000	-25.0%	-25.0%
Bad Debts	0	0	0	0.0	0	0.0%	0.0%
Total Expenses	592,846	596,760	598,835	0.3	611,230	2.1%	2.4%
Operating Expenses	592,846	596,760	598,835	0.3	611,230	2.1%	2.4%
General Fund Net Allocation	34,060	35,410	34,219	-3.4	36,270	6.0%	2.4%
Total Expenses	626,906	632,170	633,055	0.1	647,500	2.3%	2.4%
Net Income (Loss)	(5,085)	60	474	690.0	(280)	-159.1%	-566.7%

DRAFT 2 - WITH PROPERTY TAX ALLOCATION TO SECURITY FUND
RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - GENERAL FUND

March 13, 2015

	<i>Actual</i>	<i>Adopted</i>		<i>%</i>	<i>Proposed</i>	<i>% Change</i>	<i>% Change</i>
	<i>2013-14</i>	<i>Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>Budget</i>	<i>Projected</i>	<i>Budget</i>
		<i>2014-15</i>	<i>2014-15</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2014-15</i>	<i>2014-15</i>
Revenues:							
Property Taxes	520,800	519,960	519,960	0.0%	463,440	-10.9%	-10.9%
Title Transfer Fees	11,550	12,000	9,500	-20.8	9,600	1.1	-20.0%
Project Reimbursement	4,948	0	0	0.0	0	0.0	0.0%
Interest	178	120	180	50.0	120	-33.4	0.0%
CIA Ditch Admin Service Charges	1,800	1,800	1,800	0.0	1,800	0.0	0.0%
Other	1,225	1,200	1,156	-3.7	1,200	3.9	0.0%
Total Operating Revenues	540,500	535,080	532,596	-0.5%	476,160	-10.6%	-11.0%

Expenditures:	<i>13-14 Actual</i>	<i>14-15 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>15-16 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	507,214	552,900	466,057	-15.7%	505,100	8.4%	-8.6%
Director Meeting Stipends	13,600	18,000	16,700	-7.2	18,000	7.8	0.0%
Employers Costs	264,092	305,000	249,631	-18.2	303,500	21.6	-0.5%
Liability Insurance	64,610	77,290	81,633	5.6	81,600	0.0	5.6%
Information Systems Maintenance	84,676	79,400	80,436	1.3	79,400	-1.3	0.0%
Community Communications	8,550	5,900	4,096	-30.6	5,900	44.0	0.0%
Legal	29,230	30,000	56,987	90.0	42,000	-26.3	40.0%
Office Supplies	28,916	22,800	21,807	-4.4	22,800	4.6	0.0%
Building/Grounds Maintenance	16,769	17,820	20,713	16.2	17,820	-14.0	0.0%
Postage	21,941	22,200	20,569	-7.3	22,200	7.9	0.0%
Telephones	4,716	4,800	5,011	4.4	6,000	19.7	25.0%
Contingency	12,219	11,000	11,000	0.0	11,000	0.0	0.0%
Audit	14,300	14,300	14,300	0.0	14,300	0.0	0.0%
Consulting	40,120	6,600	6,298	-4.6	3,600	-42.8	-45.5%
Memberships	9,683	9,860	8,683	-11.9	9,860	13.6	0.0%
Training/Safety	4,238	6,000	3,368	-43.9	4,800	42.5	-20.0%
Power	8,299	8,460	8,751	3.4	8,700	-0.6	2.8%
Meetings	9,674	9,000	11,429	27.0	9,000	-21.3	0.0%
Director Expense Reimbursement	6,655	6,600	5,391	-18.3	6,600	22.4	0.0%
Vehicle Fuel	2,914	0	0	#DIV/0!	0	0.0	0.0%
Equipment Maint	1,903	2,000	1,790	-10.5	2,000	11.7	0.0%
Election Costs	0	5,000	1,818	-63.6	0	-100.0	100.0%
Mail Machine Lease	2,803	2,800	3,259	16.4	2,800	-14.1	0.0%
Copy Machine Maintenance	20,530	18,250	18,616	2.0	18,250	-2.0	0.0%
Vehicle Maint	829	1,000	0	-100.0	0	0.0	0.0%
Clerical Services	35,906	0	86,229	0.0	0	-100.0	0.0%
Other	7,317	6,300	12,407	96.9	6,300	-49.2	0.0%
Total Operating Expenses	1,221,702	1,243,280	1,216,980	-2.1%	1,201,530	-1.3%	-3.4%

Overage(Deficit)	(681,201)	(708,200)	(684,384)	-3.4%	(725,370)	6.0%	2.4%
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MEMORANDUM

Date: March 14, 2015
To: Board of Directors
From: Darlene J. Gillum, General Manager
Subject: Escuela Park Water Update

RECOMMENDED ACTION

No action – receive update.

BACKGROUND

At the February Board Meeting, I was given direction to look into activities that have been observed at the Escuela Park site to determine if a final use of the park site has been determined.

I went to the park site on March 9, 2015 and saw that the park site currently has orange construction type fencing installed but did not observe anything that appeared to be permanent use construction. In a discussion with Greg Vorster regarding the permanent use designation for Escuela, Greg said that the permanent use of Escuela has to be approved through the Parks Committee. Until the determination is made as to whether or not a Community Center will be built and, if it is developed, where the Community Center will be located (it is possible that the Escuela site could be used for that purpose). Greg anticipates that it could be as long as ten years before a permanent use will be identified for Escuela Park. Currently, it is being used as temporary La Crosse play fields. The orange construction fencing is in place because they are enlarging the size of the La Crosse field by about twenty feet.

RMA currently pays for the water used at Escuela through the Stonehouse metered connection. The agreement that was made by former General Manager, Ed Crouse, was for the Water Supply Augmentation and Capital Improvement fees to be paid upon final determination of use for the park. As these fees are based on the EDU equivalent determined by the amount of water estimated for the connection

The pictures below are the Escuela Park site on Monday, March 9, 2015.



MEMORANDUM

Date: March 9, 2015
To: Board of Directors
From: Security Committee Staff
Subject: Adopt District Policy 2015-05, In-Car/Body-Worn Video System

RECOMMENDED ACTION

Adopt District Policy 2015-05, In-Car/Body-Worn Video System. This policy supersedes District Policy 2012-04.

BACKGROUND

District Policy 2012-04 was adopted on May 16, 2012. This policy outlines the purpose, objectives, District responsibilities, District Security Sergeant's responsibilities, District Patrol Officers' responsibilities, media duplication, and storage of the District's in-car/body-worn video system. This Policy has been updated to clarify that all District Security Patrol Officers are required to wear in-car/body-worn video system at all times when on duty. Attached is the policy with the changes/updates in tracked change mode.

During the meeting, we will discuss a last minute revision to the Policy regarding the need for verbal notice of use of recording devices as recommended by Richard Shanahan, District General Counsel.

This Policy will be updated as needed, when new camera systems are put in use.

The Security Committee recommends adoption.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Category:	Security	Policy # 2015-05
Title:	In-Car/Body-Worn Video System	

PURPOSE

To provide Rancho Murieta Community Services District's (District) Security Patrol Officers (Patrol Officers) with the necessary procedures for the in-car/body-worn video system's use as well as the management, storage and retrieval of audio/video material recorded by in-car/body-worn video. Recorded data serves a dual purpose to the District by protecting both Patrol Officers and citizens.

POLICY STATEMENT

The use of an in-car/body-worn video system provides persuasive documentary evidence and helps defend against civil litigation and allegations of officer misconduct. Patrol Officers assigned the use of these devices ~~shall~~ will adhere to the operational objectives and procedures outlined herein so as to maximize the effectiveness and utility for the in-car/body-worn video system and the integrity of evidence and related video documentation. District employees who violate this policy will be subject to disciplinary action, up to and including termination.

OBJECTIVES

The District's Security Department has adopted the use of in-car/body-worn video systems to accomplish the following objectives:

1. To enhance Patrol Officer safety and accountability.
2. To accurately capture statements and events during the course of an incident.
3. To enhance the Patrol Officer's ability to document and review statements and actions for both internal reporting requirements and for investigations.
4. To provide an impartial measurement for self-critique, evaluation, performance, and professionalism.
5. To capture visual and audio evidence/information for use in current and future investigations to protect against false accusations.

DISTRICT RESPONSIBILITIES

1. Issue and provide Patrol Officers and Sergeants with training on use of in-car/body-worn video systems.

2. Approve media viewing and duplication devices.

OFFICER RESPONSIBILITIES

1. ~~Patrol Officers will use body worn video system as a means of documenting all citizen contact. The Patrol Officer shall activate the in-car/body worn video system for any activity where video documentation could be needed for safety and/or documentation purposes.~~
2. The audio recording microphone is in the camera. When using the in-car video system and the Patrol Officer gets out of the vehicle, both front windows ~~should~~ will be rolled down to aid in audio recording.
3. When the in-car/body-worn video system is activated to document an event, it ~~shall~~ will not be deactivated until the event has been concluded, ~~unless:~~
 - a. ~~The incident or event is of such duration that the in-car/body worn video system may be deactivated to conserve recording times.~~
 - b. ~~The Patrol Officer does not reasonably believe that deactivation will result in the loss of critical documentation.~~
 - c. ~~The intention to stop recording shall be noted by the Patrol Officer verbally, visually or in written notation.~~
4. ~~When used as a body worn recording system, subjects within reasonable audio recording range will be notified that a body worn camera is in use.~~
4. When necessary to help ensure accuracy and consistency of accounts for written reports, Patrol Officers should contact the Patrol Sergeant or the Security Chief and request to review the recording.
5. Patrol Officers ~~shall~~ will not erase, alter, reuse, modify, or tamper with any in-car/body-worn video system recording or storage device. ~~Only authorized personnel may erase and reissue previously recorded devices and may only do so pursuant to the provisions of this policy.~~
6. Patrol Officers ~~shall~~ will notify the Patrol Sergeant or Security Chief when the in-car/body-worn video system has captured a felony, DUI, any event requested as evidence by a peace officer or any other significant event.
7. ~~Patrol Officers should consider using the in-car/body worn video system as a means of documenting all citizen contact.~~
8. ~~Patrol Officers shall conduct a daily inspection and general maintenance of in-car/body worn video system installed in security vehicles.~~
9. Patrol Officers shall operate the in-car/body-worn video system in accordance with the manufacturer's guidelines, departmental policy and training.

10. Patrol Officers shall inspect the in-car/body-worn video system at the beginning of each shift to ensure that the equipment is functioning according to manufacturer's guidelines.
11. Patrol Officers shall immediately report any malfunction, damage or theft of in-car/body-worn video system to the Patrol Sergeant or Security Chief.
12. To reduce the risk of damage, original recordings shall not be viewed in any equipment other than the equipment authorized by the Security Chief.
13. In-car/body-worn systems will be stored in the designated area, and will not be left inside an unattended patrol vehicle.
14. The District shall provide one personal body-worn video system for each Patrol Officer. Patrol Officers will use only District owned and issued in-car/body-worn camera systems.
15. Each Patrol Officer is responsible for his/her ~~own~~ District assigned body-work video system. There shall be no borrowing of equipment between Patrol Officers.

SERGEANT RESPONSIBILITIES

1. Sergeant shall be responsible for installing unrecorded media (memory cards), when applicable, into all District in-car/body-worn video systems in accordance with number 2 below and removing all recorded media from District in-car/body-worn video systems.
2. Sergeant shall assign identification numbers to all unrecorded media (memory cards), when applicable. The Sergeant shall record the identification number, along with the date issued; the Officer issued to, date submitted, officer submitting the media, and any evidence for which the media is held in the Chain of Custody Log.
- ~~23~~. When an incident arises that requires the immediate retrieval of the recording, the Patrol Sergeant, Security Chief or designee shall remove the memory card and the Security Chief shall transfer the recording to the Security Chief's computer video storage file on the District's Security Server and make an appropriate notation in the Chain of Custody Log.
 - a. Upon downloading, the Security Chief or designee shall flag the entry as evidence to ensure that it will not be inadvertently deleted after the thirty (30) day purging of the unnecessary video.
- ~~34~~. Security Chief or Sergeant shall conduct periodic reviews to:
 - a. Ensure the equipment is being used in accordance with policy and procedures.

- b. ~~To r~~Report and correct any Patrol Officer discrepancies in the use of the in-car/body-worn video system.
- c. ~~To m~~Make recommendations for revision to the policy and/or procedures, officer training or equipment needed.
- d. ~~To i~~Inspect for equipment damage, loss or misuse and to report and investigate the cause.
- e. ~~To a~~Assess Patrol Officer performance.

45. Officer infractions (non-criminal) discovered during a routine review of recorded material should be viewed as training opportunities and not as routine disciplinary actions. Should the behavior or action become habitual after being formally addressed, the appropriate disciplinary or corrective action shall be documented against the appropriate personnel.

NOTICES

- 1. All Vehicles ~~containing in-car/body-worn video system~~ shall have appropriate signage or use of in-car/body-worn video system.
- 2. ~~All Patrol Officers using in-car/body-worn video systems shall announce at initial contact that the incident/contact is being recorded.~~

MEDIA DUPLICATION

- 1. All recorded media, recorded images and audio/video recordings are the property of the District. Dissemination outside of the agency is strictly prohibited without specific written authorization from the Security Chief or General Manager.
- 2. Requests made under the Public Records Request shall be made through the Security Chief. Only those incidents specifically requested shall be duplicated.
- 3. To prevent damage to or the alteration of the original recorded media, it shall not be copied, viewed or otherwise inserted into any non-District approved device.
- 4. When possible and practical, a second copy of the original recorded media stored in evidence shall be used for viewing by investigators, staff, training personnel, etc., to preserve the original media in pristine condition.
- 5. At the conclusion of court proceedings and/or investigations or as otherwise authorized, all copies shall be submitted back to the Security Chief for retention.

MEDIA STORAGE

1. Recorded data from the in-car/body-worn video system shall be retained in the Security Chief's office for a minimum of thirty (30) days.

After thirty (30) days, if the data is not needed for training, disciplinary reviews, other investigative purposes, or linked to a citizen complaint, the data may be destroyed or erased to ensure ample storage of future data within the computer system with Security Chief's authorization.

2. Recorded data from in-car/body-worn video system shall not be destroyed and/or erased without the Security Chief's approval.

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

MEMORANDUM

Date: March 9, 2015
To: Board of Directors
From: Greg Remson, Security Chief
Subject: Review Surveillance Camera Implementation, Integration, and Expansion Plan

RECOMMENDED ACTION

No action - review the updated information. A detailed Surveillance Camera Implementation, Integration, and Expansion Plan will be presented at the April 15, 2015 Board meeting.

BACKGROUND

The Security Department, in an effort to use updated technology throughout the District to enhance public safety, has developed a Surveillance Camera Implementation, Integration, and Expansion Plan. The use of surveillance cameras can help deter criminal acts, unwanted activity, be used for prosecution and restitution, and enhance patrol operations.

Since the draft plan was submitted to the Security Committee for comment in 2013, I have met with various surveillance camera vendors and received suggestions and input from business owners, Board and Committee members and other community members. I have also participated in "field trips" to Mule Creek State Prison and the Natomas Park Master Association to observe their surveillance cameras systems.

After speaking with five (5) security camera vendors, two (2) submitted proposals for a community wide system. One of the plans was very detailed and expensive, using a microwave system. One was a standard system using Rancho Murieta Association (RMA) cable and wireless to cover areas without power, telephone or cable.

My recent focus has been on getting information and costs on a surveillance camera viewing system that can be used at the North and South gates and the patrol vehicle laptop. This would allow businesses to connect to the District's system to allow surveillance viewing. This would not be a full time monitoring system where the cameras are watched at all times. This viewing system would be used to "spot check" businesses and areas, observe areas when the Security Department is notified of in-progress incidents, and for after the fact viewing of an incident.

I have met with three (3) vendors in regards to this and have received two (2) proposals with costs between approximately \$2,000 and \$11,000. I should get the third proposal in the next two weeks.

The next step for the District is to finalize the Surveillance Camera Implementation, Integration and Expansion Plan, determine a budget to implement a viewing system, get Board approval for the expenditures, and install the viewing system.

Each separate entity would use their own camera vendor to assess their individual needs, including type of cameras, and to use a system that is compatible with the District's system. Any costs for acquiring, installing, operation and maintenance of surveillance cameras and related software and hardware would be the responsibility of each property owner or entity. At this time the District will not provide surveillance cameras and related software and hardware to any property owner or entity.

The District would have no responsibility or guarantee for 24 hour monitoring, recording of video, camera operation and maintenance, vandalism to equipment, or incidents that occur under a surveillance camera view.

Darlene Gillum and I are scheduled to meet with the Murieta Village Board of Directors on March 24, 2015 to review the plan.



“Serving Our Community”

Rancho Murieta Community Services District
Rancho Murieta Security Department

**Preliminary
(DRAFT)**

**Surveillance Camera
Implementation, Integration and Expansion Plan**

March 2015

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DRAFT

Surveillance Camera Implementation, Integration and Expansion Plan

Preliminary

1. Executive Summary

Security and law enforcement continually seek new and updated technology to enhance public safety. In that effort, technology, specifically surveillance cameras, can be used throughout the Rancho Murieta Community Services District (District) to act as a deterrent to crime and unwanted activity and to use in the prosecution of and/or restitution by those responsible. The use of surveillance cameras is part of the District's Security Strategic Plan.

The public use of surveillance cameras can deter criminal acts and other unwanted activity if the public knows that they are being watched and there is the possibility of identification and apprehension. An additional benefit is the law abiding public may feel safer and more comfortable using parks, streets, and other public areas.

Security Patrol Officers and local law enforcement cannot be in all areas at all times within the District. The Security Department will use surveillance cameras to enhance the patrol operations with the ability to monitor multiple areas within the District and use the patrol resources more effectively. The use of surveillance cameras helps keep the community a safe and comfortable place to live, work, and play.

Presently, surveillance cameras are located at the North and South Gates, Stonehouse Park, Riverview Park, Water Treatment Plant, Wastewater Reclamation Plant, Rancho Murieta Country Club (RMCC), and some commercial properties.

Additional areas for the future use of surveillance cameras include Clementia Park, Bass Lake, Granlees Beach, Murieta Plaza, Murieta Village, Equestrian Center, streets, intersections and other businesses in the community. Some of the present and future surveillance camera systems are/will be owned, monitored and serviced by separate entities from the District.

2. Issues/Problems

Unwanted activities, including rule violations and crimes such as vandalism, theft and malicious mischief have been occurring within the District. The vast majority of these incidents have occurred within the main residential areas, but unwanted activity also occurs District wide. Security Patrol Officers, along with Sacramento Sheriff's Deputies (SSD), strive to prevent and deter these issues by patrolling the District in marked, visible patrol vehicles. When unwanted activities, rule violations and crimes occur, District Security and SSD strive to hold those responsible for the acts.

3. Goal

To decrease crime and unwanted activities within the District by the increased use of surveillance cameras. The use of surveillance cameras can act as a deterrent and assist the District's Security Department and outside law enforcement in identifying those responsible for crimes and unwanted activities. To achieve this goal, additional surveillance cameras and equipment are needed. Surveillance cameras have been used in the past to identify suspects who have committed crimes and rule violations. They have been used recently at Riverview Park, Stonehouse Park and the Water Treatment Plant. This has been after the fact viewing of surveillance video.

4. Solutions

- A. Add additional surveillance cameras throughout the District. Implement a system that allows viewing of surveillance video by Security Patrol Officers in the field and in the North and South Gates. This would aid Security Patrol Officers and Security Gate Officers in viewing areas for unwanted activity and allow better use of patrol resources.
- B. Increase video viewing at the North and South Gates and Security Patrol laptop. The Gate Officers' primary duty is to follow the RMA Gate Policy. This, along with other requirements, does not allow the Officers to constantly monitor surveillance video. To assist the Patrol and Gate Officers, an offsite, third party monitoring and alert or notification system could be in place to notify Patrol and Gate Officers of any activity caught by a surveillance camera. This could be accomplished by a flashing screen or beeping notification to alert the Gate and Patrol Officers for response.
- C. Integrate new and existing systems throughout the District. This would include the ability to view surveillance video at the North and South Gates and the Security Patrol laptop computer. Some new and existing systems have proprietary software. These will need to be integrated with the Gate and Patrol computers to allow a seamless and easy to use system. This will provide event-driven surveillance video, reducing the need for Patrol and Gate Officers to constantly monitor video screens, to be used in concert with third party monitoring.

5. Evaluation of Pros and Cons of Solutions

- Pros
 - The ability to monitor areas throughout the District for crimes, rule violations, and unwanted behavior.
 - To act as a deterrent and to have video evidence for prosecution and restitution.
 - To assist Security Patrol Officers to more efficiently patrol the District by having the ability to view areas for activity, without having to drive to these areas. This may reduce staffing needs.

- Cons
 - The “Big Brother” effect of having the Security Department and others watch people and areas as they go about their lives in public places.
 - The implementation, operations and maintenance costs are presently unknown, and can take funds away from other budget areas.
 - Monitoring- the possibility of delayed response and after the fact response due to the Patrol and Gate Officers not monitoring surveillance video screens full time.

6. Present Surveillance Camera Locations

- District
 - North and South Gates- Murieta Parkway and Murieta South Parkway
 - Water Treatment Plant- Lake Clementia
 - Wastewater Reclamation Plant- Jackson Road behind District office
 - District Office- 15160 Jackson Road
- Rancho Murieta Association
 - Stonehouse Park- Escuela Drive, North residential
 - Riverview Park- Reynosa Drive, South residential
 - Laguna Joaquin Park- Gazebo, North residential
 - Camera presently inoperable
- Rancho Murieta Airport- Murieta Drive
- Rancho Murieta Country Club- Alameda Drive
- Rancho Murieta Country Store- Murieta Drive
- OE3 Joint Apprenticeship- Cantova Way
- Various commercial businesses
 - Some commercial properties have been contacted regarding their use and needs
 - Most have “stand alone” systems that allow IP viewing
 - Most have their own camera vendors
 - Some are ready to upgrade their systems
 - Some are not interested at this time due to lack of issues/problems/funds

7. Proposed Surveillance Camera Locations

These new locations are properties and facilities that are susceptible to theft and vandalism. Additional areas are parks and public areas that are not only susceptible to theft and vandalism, but also where public safety issues can be monitored.

- District
 - Cosumnes River Pump Station- Cosumnes River at Granlees Dam
 - Water Tank- Lone Pine Drive

- Water Tank- Van Vleck Ranch
- North & South Gate upgrades
- Rancho Murieta Association
 - Laguna Joaquin Park- Gazebo, North residential
 - Clementia Park- Lake Clementia
 - Granlees Beach- Cosumnes River
 - Office- Murieta Parkway
 - Maintenance Yard- Escuela Drive
 - Lake Calero/Chesbro/Bass Lake- North back area
 - Pedestrian Bridge- Cosumnes River, 2nd Green North & 2nd Fairway South
- Commercial businesses
 - Primarily outside locations
- Street Light Poles
 - To provide street view- Murieta Drive/Lone Pine Drive/Cantova Way
- Portable/Moveable Cameras
 - Street light poles
 - Trees
 - Streets/intersections
 - Parks
- Existing surveillance camera locations may be enhanced by additional cameras and/or upgraded cameras.

8. Power/Infrastructure Needs

- Power/telephone/cable is not available at all sites.
 - These sites include
 - Cosumnes River Pump Station- power only
 - Water Tank-Lone Pine Drive- power only
 - Water Tank-Van Vleck Ranch- power only
 - Clementia Park- power only
 - Granlees Beach- power only (from Cosumnes River Pump Station)
 - Lake Calero/Chesbro/Bass Lake- power only
 - Pedestrian Bridge- no power/telephone/cable
- To provide power/telephone/cable
 - Cable installation
 - Solar installation
 - Wireless systems
- Internet and cable needs should be addressed
 - Present District internet will not support constant surveillance video stream

- District needs to use RMA broadband to allow for potential high video stream viewing
- To overcome these deficiencies, the camera system should be compatible with wireless connectivity and future cable connectivity.

9. Vendor Selection

Five (5) vendors have been provided with basic information on the desire to increase surveillance video use. Included was the purpose, problems/issues, solutions, present cameras locations, the commercial properties, proposed camera locations, types of cameras, infrastructure needs, monitoring, cost as well as a site tour. Proposals were requested for, at a minimum, site and product recommendations, system proposals, equipment location, and network recommendations.

10. Monitoring Options

- An outside company could be used to monitor surveillance video
 - Guidelines would be put in place to allow notification
 - Cost would be divided between those using the system
- An additional Security Officer could be hired to monitor surveillance video
 - Cost would be divided between those using the system

11. Costs/Responsibilities of Solutions

Each separate entity would be responsible for acquiring, operating and maintaining their individual systems that would be compatible with the District's viewing system. The District would have no responsibility or guarantee for monitoring, recording, camera operation, vandalism to equipment, or incidents that occur under surveillance camera view.

Each entity would use their own camera vendor to assess their individual needs, including type of cameras, and to use a system that is compatible with the District's system. Any costs for acquiring, installing, operation and maintenance of surveillance cameras and related software and hardware would be the responsibility of each property owner or entity. At this time the District will not provide surveillance cameras and related software and hardware to any property owner or entity.

12. Policy and Procedures

Policy and Procedures will be written to address use, viewing, and access. These areas include storage and deletion. Since public areas may be viewed, a policy should be in place to address these areas to ensure the video is used for the intended purpose. These public areas may include private streets with public access, including Lone Pine Drive, Murieta Drive, and Cantova Way..

13. Budget

- Based on proposals received, the cost for the District's viewing system is approximately \$25,000, to account for software, hardware, monitors and unknowns.
- Additional cameras for District would include the Cosumnes River Pump Station, the water tanks on Lone Pine Drive and Van Vleck Ranch, various lift stations, and upgrades at the Water Treatment Plant and Wastewater Reclamation Plant at a cost of \$20,000 to \$30,000, depending on the number of cameras and their capabilities.
- Operation and maintenance costs could be \$5,000 to \$10,000 for upgrades and replacement.

14. Funding

- No funds have been identified or budgeted. Options could be using the operating budget and future Security Impact Fees.

15. Schedule

- Irrespective of funding, acquisition and installation of the District's viewing system is about 1-2 months.

MEMORANDUM

Date: March 9, 2015
To: Board of Directors
From: Greg Remson, Security Chief
Subject: Review District Security Patrol Officer Duty Belt Equipment

RECOMMENDED ACTION

No action - review District Security Patrol Officer Duty Belt Equipment.

BACKGROUND

The Rancho Murieta Security Department began in 1972, eventually becoming employees of the Operating Engineers, Rancho Murieta Properties Inc., the Rancho Murieta Association, and then in 1984 became part of the Rancho Murieta Community Services District. In about 1974, District Patrol Officers were armed with handguns, mace, and batons. District Patrol Officers follow the Bureau of Security and Investigative Services (BSIS) requirements for training.

Security Officers, by basic definition, provide “observe and report” services to their employer and Security Officers in different areas provide different levels of service. These differing levels can equate with varying levels of self defense equipment. For example a Security Officer who is assigned to watch a construction yard overnight may not have any self defense equipment, only a cell phone or radio. In the event of a crime or problem their responsibility would be to call either their supervisor or local law enforcement. No contact would be made and this would be strictly an “observe and report” situation.

In our situation, District Security Patrol Officers are expected to respond to calls for service, within policy and procedure, and to provide assistance as needed. These calls may have the possibility of the use of defensive weapons. Due to our remote location, law enforcement response time can be extended. Without the proper defensive weapons, District Security Patrol Officers would not respond and/or make contact due to the inability of self defense and the defense of others. District Security Patrol Officers would not be expected to place themselves in possible danger without the proper self defense tools.

Other communities similar to ours also employ Security Officers. The equipment carried by their Security Officers varies from a full complement of defensive weapons (as Rancho Murieta has) to none at all. The difference can be a combination of what calls for service the employers want their officers to respond to, and to the proximity and response time of local law enforcement.

Below is a list of the present equipment the District Security Patrol Officer carry, and the purpose for the equipment.

Present Duty Belt Equipment

Currently, the District Security Patrol Officers' duty belt includes the following:

Duty belt	Handgun holster	Handgun	Double handcuff case
Handcuffs (2)	Double magazine case	Magazines (2)	Pepper Spray case
Pepper Spray	Baton holder	Baton	Belt keepers
Radio holder	Radio	Flashlight	Flashlight holder

Purpose for Equipment

The primary need for the listed defensive weapons is the protection of others and self defense. This includes the ability to protect against attack or the threat of attack that may result in death or bodily injury.

- Visible deterrent
The defensive weapons act as a visible deterrent to attack, threat of attack, and may help stop an attack from continuing. Those who have or may plan to commit a crime and those who may think about attacking a District Patrol Officer may not due to the presence of defensive weapons.
- Protect life
The use of defensive weapons and deadly weapons is a last resort-when the District Patrol Officer's life or another life is in immediate danger. It is a last resort.
- Lack of timely response by the Sacramento Sheriff's Department
The Sacramento Sheriff's Department strives to provide a presence in the community and to respond to routine and emergency calls in a timely manner. Due to staffing levels, this does not always happen. There may be times where a District Patrol Officer may need to display or use their defensive weapons for their protection or the protection of others.
- Citizen's Arrest
District Patrol Officers may be required to make a Citizen's Arrest due to circumstances beyond their control. Those Citizens Arrests may involve violence or the threat of violence, which may require the display or use of defensive weapons.
- Animals
On occasion District Patrol Officers respond to calls involving wild and domestic animals. Wild animal calls that may involve the use of weapons include the need to euthanize an injured and suffering deer or other animal. Also included is the possibility of responding to a mountain lion call. Although rare, if an aggressive mountain lion is in the community, Sacramento County Sheriff's Department and Fish and Wildlife response may be extended. Dogs can be aggressive toward unknown people and may just be protecting their "home". District Patrol Officers have used pepper spray to keep aggressive dogs from attacking uninvolved people and Officers.

MEMORANDUM

Date: March 9, 2015
To: Board of Directors
From: Greg Remson, Security Chief
Subject: Review District Security Patrol and Gate Officer Training

RECOMMENDED ACTION

No action - review District Security Patrol and Gate Officer training.

BACKGROUND

New District Security Patrol Officers are required to possess a Bureau of Security and Investigative Services (BSIS) Guard Registration Card and Permit for Exposed Firearm Card prior to hiring. When hiring we look for previous armed Security Officer experience, extensive public contact, and prior law enforcement/military experience. New Security Patrol Officers then go through a formal, documented training process. When hired, each Officer is provided with an Employee Manual and a Security Operations Manual. These binders contain sections including Administrative Procedures, Patrol Officer Procedures, Gate Officer Procedures, and the Dispatching/Radio Procedure Manual. The training process begins at the North and South Gates. This usually takes one (1) to two (2) weeks to complete, depending on the Officer. The patrol training process may take up to an additional four (4) weeks.

New District Gate Officers are not required to possess a guard permit. When hiring, we look for candidates that have extensive public contact and customer service backgrounds, along with previous security work. Gate Officers also go through a formal, documented training process.

Training updates are primarily completed through in-service training, one-on-one training, training bulletins and memos. This is done on a regular basis, usually when new information is presented, to refresh old information and to address new issues and problems. Calls for service are regularly critiqued for improvement.

Below is a training outline for District Security Patrol Officers. Gate Officers go through the first phase of training only.

First Phase of Training is Gate Operations

- Initially assigned to one of three Gate Training Officers.
- Trained at North & South Gates.
- Trained on day/swing/grave shifts.
- Training material provided-
 - RMCSO Employee Manual.
 - Security Operations Manual, including Administrative Procedures, Gate Officer Procedures, and Patrol Officer Procedures.

- Gate Officer Training Manual.
- Dispatching/Radio Procedure Manual.
- Miscellaneous training information, including-
 - Training Bulletins.
 - Memos.
- Length of training fluctuates with each officer.
 - Usually one to two weeks.
 - Manuals are signed off by the Training Officer and Trainee.
- Information and training binders are located at each gate for reference.
- These binders include

User Manuals	Animal
Emergency Information	Gate Operations Manual
Country Club Cart & Member	Key Check Out
Lost & Found	Map Book
Rules (RMA/Villas/Murieta Village)	Special Event Permit
District Code	District Policy
- Regular training bulletins, memos, and in-service training.

Second Phase of Training is Patrol Operations

- Assigned to the training Sergeant, initially on swing shift.
- Trained on day/swing/grave shifts.
- Training material provided-
 - Patrol Officer Training Manual.
 - Patrol Operations Index.
- Regular training bulletins, memos, and in-service training.
- Updated training provided by Chief, Sergeant, & Patrol Officers.

BSIS Training/Certification (Bureau of Security and Investigative Services)

- State required training for Security Officers.
- Guard Registration Card-40 hour initial training includes-

Powers to Arrest/Laws of Arrest/Elements of a Lawful Arrest	Use of Force/Escalation of Force
Security Officer Arrest	Searching
Handcuffing	Report Writing/Field notes
Communications	Scenarios
Introduction to Law	Pepper spray
Baton-8 hrs.	Sexual Harassment
Ethics	
Observation and surveillance	
- Continuing training requirements- Guard Registration Card
8 hour annual refresher course.
 - Training includes weapons of mass destruction, laws/regulations.
- Permit for Exposed Firearm-14 hour initial training includes-

Moral and legal aspects	Firearms nomenclature
Weapon handling	Shooting fundamentals

Emergency procedures	Security Officer Arrest
Escalation of Force	Scenarios
Range training	Qualification

- Continuing training requirements-Permit for Exposed Firearm

Two (2) yearly firearms range qualifications

A two (2) hour training class at each qualification

- Training includes shoot/don't shoot scenarios, laws/regulations.

Yearly written test

- Seminars- time permitting, Officers are sent to seminars. Past seminar topics have included

Open, Ethical Leadership	Business Writing/Grammar
Chlorine Emergency Response Review	Computer training
CPR/1st Aid	Criticism/Discipline Skills for Managers
Customer Service	Dispatch Certificate of Completion (POST)
Ethics for Supervisors	Excel as a First Time Manager
Handcuffing	Hazardous Communications Compliance
Officer Survival	Sexual Harassment Training/Prevention
Various other seminars	

- In-Service webinars have included

Alcohol Free Workplace	Slips, Trips & Falls Prevention
Back Injury Prevention	Ethics in Workplace
Bldg Evacuation & Emergencies	Bloodborne Pathogens Safety
Disaster Preparedness	Driving Safety
Workplace Violence	Customer Service
Sexual Harassment Awareness	Ethics in Workplace
Fleet Program-Variou	Office Safety

Present District Security Patrol Officers-additional training/experience

Our current Security Patrol Officers have varying experience and training, which includes:

- Five (5) have graduated from a POST Regular Basic Academy
- Two (2) have been Tribal police officers (both Sergeants)
- Two (2) have been Reserve Deputies/Police Officers
- Two (2) have military experience
- One (1) is a military reservist
- One (1) has been a police officer
- One (1) has attended the Public Safety Dispatcher's Basic Course



**California Special
Districts Association**

Districts Stronger Together

DATE: February 20, 2015

TO: CSDA Voting Member Presidents and General Managers

FROM: CSDA Elections and Bylaws Committee

**SUBJECT: CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS
SEAT A**

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2016 - 2018 term.

The leadership of CSDA is elected from its six geographical networks. Each of the six networks has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA regular member located within the geographic network that they seek to represent. (See attached Network Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration. Serving on the Board requires one's interest in the issues confronting special districts statewide.

Commitment and Expectations:

- Attend all Board meetings, held every other month at the CSDA office in Sacramento.
- Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento.
(CSDA reimburses Directors for their related expenses for Board and committee meetings as outlined in Board policy).
- Attend CSDA's two annual events: Special District Legislative Days (held in the spring) and the CSDA Annual Conference (held in the fall).
- **Complete all four modules of CSDA's Special District Leadership Academy within 2 years.**
(CSDA does not reimburse for expenses for the two conferences or the Academy classes even if a Board or committee meeting is held in conjunction with the events).

Nomination Procedures: Any Regular Member is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors), for election to the CSDA Board of Directors. **A copy of the member district's resolution or minute action and Candidate Information Sheet must accompany the nomination. The deadline for receiving nominations is May 22, 2015.** Nominations and supporting documentation may be mailed or faxed.

Nominees will receive a Candidate's Packet in the mail. The packet will include campaign guidelines.

CSDA will mail ballots on June 5th. The ballots must be received by CSDA no later than 5:00 p.m. August 7, 2015 and must be the original ballot (no faxes or e-mails). The successful candidates will be notified no later than August 10th. All selected Board Members will be introduced at the Annual Conference in Monterey, CA in September.

Expiring Terms

(See enclosed map for regional breakdown)

Northern Network	Seat A John Woolley, Manila Community Services District
Sierra Network	Seat A Noelle Mattock, El Dorado Hills Community Services District*
Bay Area Network	Seat A <i>Currently vacant</i>
Central Network	Seat A Joel Bauer, West Side Cemetery District*
Coastal Network	Seat A Elaine Freeman, Rancho Simi Recreation & Park District
Southern Network	Seat A Jo MacKenzie, Vista Irrigation District*

(* = Incumbent is running for re-election)

If you have any questions, please contact Charlotte Lowe at 877-924-CSDA or charlottel@csda.net.



**California Special
Districts Association**
Districts Stronger Together

BOARD OF DIRECTORS NOMINATION FORM

Name of Candidate: _____

District: _____

Mailing Address: _____

Network: _____ (see map on back)

Telephone: _____

(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

Fax: _____

E-mail: _____

Nominated by (optional): _____

Return this form and a Board resolution/minute action supporting the candidate and Candidate Information Sheet by fax or mail to:

CSDA
Attn: Charlotte Lowe
1112 I Street, Suite 200
Sacramento, CA 95814
(877) 924-2732 (916) 442-7889 fax

DEADLINE FOR RECEIVING NOMINATIONS – May 22, 2015



**California Special
Districts Association**
Districts Stronger Together

CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: _____

District/Company: _____

Title: _____

Elected/Appointed/Staff: _____

Length of Service with District: _____

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

4. List civic organization involvement:

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after June 4, 2015 will not be included with the ballot mailing.**

MEMORANDUM

Date: March 11, 2015
To: Board of Directors
From: Paul Siebensohn, Director of Field Operations
Subject: Receive Water Treatment Plant Expansion Project Update

RECOMMENDED ACTION

None - receive update.

BACKGROUND

The project is continuing. Work completed includes: forming and pouring cement for the final pilasters for support of the canopy and crane I-beams; installation and wiring of the motor control center; forming and pouring cement for the discharge pump station; electrical and piping for bulk chemical tanks; installation of raw water screening system.

The most recent schedule provided by Roebbelen CMAR on February 24, shows commissioning – process startup/acceptance testing to begin on September 14, 2015. We have coordinated with GE to bring in temporary filtration on May 11, 2015 and intend to have it in operation by May 18, 2015. Depending on weather, that may be moved forward or backwards slightly in the schedule.

To get Plant #1 in operation sooner we are currently working on: revising order of work in project to have Canopy Construction go ahead of Membrane Piping installation - possible schedule savings of 1 week; possible overlapping TESCO & GE commissioning activities - possible schedule savings of 1 week; having mechanical and electrical trade contractors work longer hours on time critical sections if cost affective vs. rental cost of temporary filtration - under review.

Recent project photos are shown below.



Raw water automated screening system



Forming of final pilasters on outside of membrane basins



Framing of future effluent discharge pump station



Motor Control Center for Plant#1

MEMORANDUM

Date: March 11, 2015
To: Board of Directors
From: Paul Siebensohn, Director of Field Operations
Subject: Receive Conservation Update

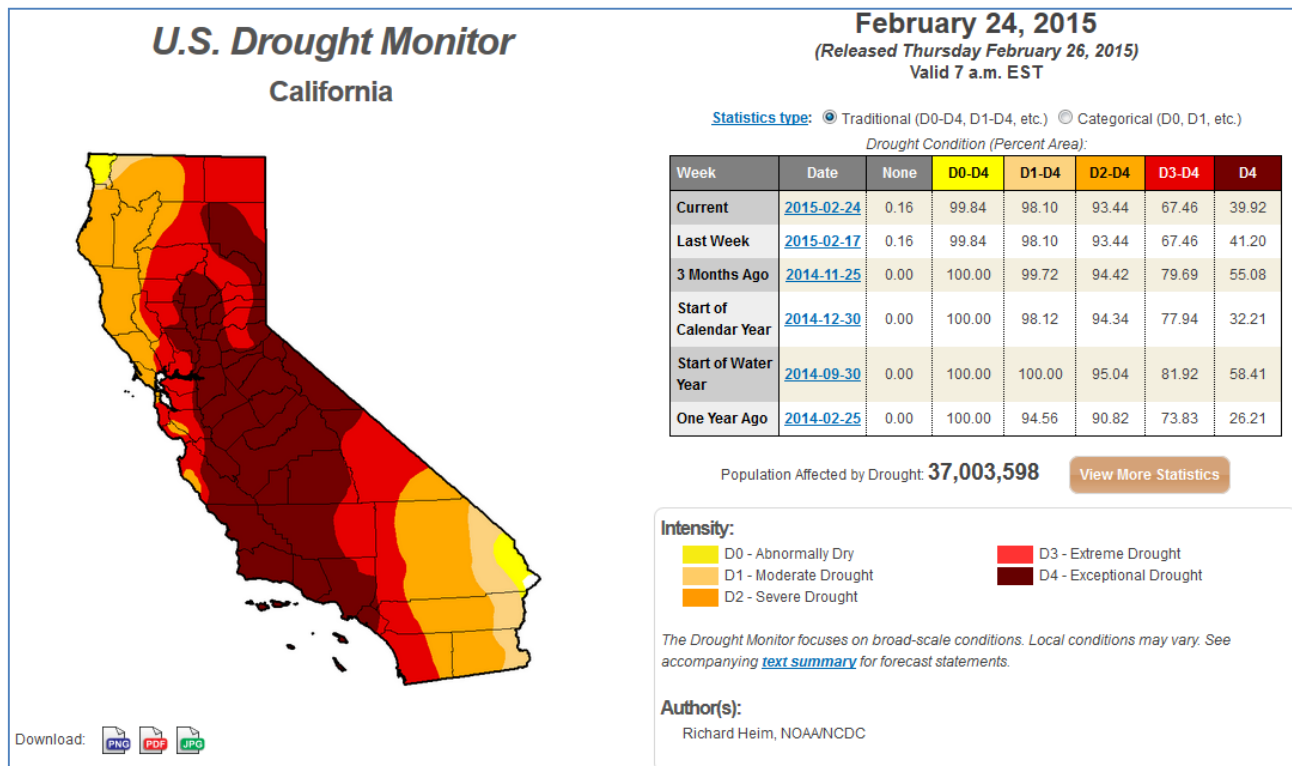
RECOMMENDED ACTION

None - receive update.

BACKGROUND

Water treatment plant production for February 2015 was up 4.3% vs. the past five (5) year average and increased 9% vs. February of last year. This past month we received 3.61" of rain. We are moving into our fourth (4th) year of drought with the long term forecasting from the National Weather Service Climate Prediction Center now showing that the drought is *Exceptional and will persist or intensify* in our region, the worst possible drought categories.

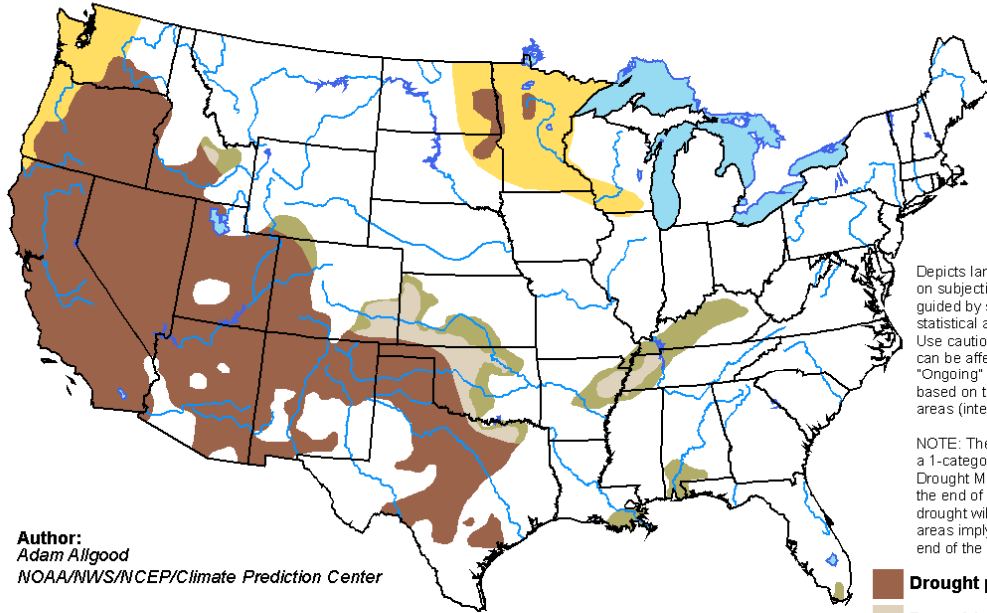
The Water Conservation schedule is still in effect and staff is monitoring the community for compliance. So far, the community is continuing to do a good job conserving water.



U.S. Seasonal Drought Outlook

Drought Tendency During the Valid Period





Valid for February 19 - May 31, 2015
Released February 19, 2015

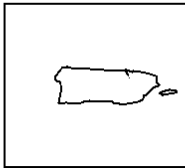
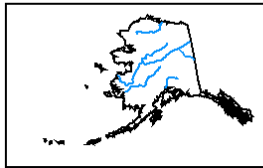


Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to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

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

Author:
Adam Allgood
NOAA/NWS/NCEP/Climate Prediction Center

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



<http://go.usa.gov/hHTe>

CONFERENCE/EDUCATION SCHEDULE

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

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

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

The upcoming conferences/educational opportunities include the following:

CALIFORNIA SPECIAL DISTRICT ASSOCIATION (CSDA)

Special Districts Legislative Days	May 19-20, 2015	Sacramento
General Manager Leadership Summit	July 12-14, 2015	TBA
Board Secretary/Clerk Conference	October 18-20, 2015	Lake Tahoe, CA

GOLDEN STATE RISK MANAGEMENT ASSOCIATION (GSRMA)

No Information Currently Available on Upcoming Conferences.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

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

No Information Currently Available on Upcoming Conferences.

ISC WEST

2015 ISC West Public Security
And Safety Expo

April 14 – 16, 2015

Las Vegas