



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Board of Directors Regular Meeting

MINUTES

June 17, 2015

5:00 p.m. Open Session

1. CALL TO ORDER/ROLL CALL

President Gerald Pasek called the regular meeting of the Board of Directors of Rancho Murieta Community Services District to order at 5:02 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; Eric Thompson, Controller; 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**. **Absent: None**.

3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES

None.

4. COMMENTS FROM THE PUBLIC

None.

5. CONSENT CALENDAR

Under Agenda Item 8b1, Director Pecotich asked if the District was still planning to pursue collecting email addresses for residents. Darlene Gillum stated yes, that is the plan.

Under Agenda Item 8b2, Director Pecotich asked about the status of Rancho Murieta Association (RMA) waiving the plan review fee for landscape. Darlene stated that RMA has to take it to their Board for review and approval.

Under Agenda Item 8b3, Director Martel commented on his concern with Patrol vehicles being left running while Patrol Officers are not in the vehicle and feels that the fuel portion of the budget should be reduced to take that option away from employees. Darlene stated that Chief Remson is looking into that matter and will report back at the Security meeting in July.

Director Pecotich commented on safety concerns in the community regarding issuing barcodes to vendors and non-residents. This matter will be addressed in the Gate Policy meeting on Friday.

Director Pecotich also commented on his concern with barcodes being able to be duplicated and used. Chief Remson will look into this matter and report back at the July Security meeting.

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

6. STAFF REPORTS

Under Agenda Item 9a, Director Pecotich commented on how well the Conversation About Water meetings went and how well they were received by the community.

Under Agenda Item 9d, Director Pecotich commented on the augmentation well. Paul Siebensohn stated that the wells are for drought conditions and also as a backup if there is some type of emergency that shuts down the water plant.

John Merchant commented on his concerns with the wells being dug due to the water needs of new development.

Director Martel commented on how he thought water rights went with the land.

7. CORRESPONDENCE

Director Gumbinger thanked Darlene for the responses to the two emails from residents.

8. DISCUSSION CONCERNING RANCHO MURIETA NORTH DEVELOPMENT PLANS AND LAND SETBACK AREAS AROUND CALERO, CHESBRO AND CLEMENTIA RESERVOIRS

Richard Shanahan, District General Counsel, gave a brief summary of the District's authority and options regarding the preservation of land around Calero, Chesbro, and Clementia Reservoirs in connection with the proposed Rancho Murieta North development. The District does have authority to do so under its water service authority (if the action protects the community's water supply) and under its authority to acquire parks and open space in Rancho Murieta.

If the Board wants to proceed with work on preserving open space, it would need to determine an available revenue source, which could include water service rates (if the action is related to water service or to protecting the watershed/water supply), property tax money, or a new assessment or special tax for recreation/parks.

Mr. Shanahan explained that Sacramento County is beginning CEQA environmental review of the development project application and that the District should engage and participate in the CEQA process to ensure that the project EIR fully evaluates and mitigates impacts on water supply and open space.

The District has no authority over land use - that is done by Sacramento County.

If the District owned the property and designated it a park, it could be restricted to residents, unless grant money was used to fund the park and the grant required that it be open to the public.

Director Gumbinger stated he is not in favor of the District purchasing the property but suggested the District hire a consultant to look at the development plans and represent the District at Sacramento County regarding the impact the development would have on the District.

Jacquelyn Shanahan gave a brief overview of the process the County follows regarding CEQA reports.

President Pasek stated that John Sullivan will be making a presentation to the District Board at the July Regular Board meeting regarding the plans for development.

Director Martel agreed with Director Gumbinger regarding the District not purchasing the property and the District hiring a consultant.

John Merchant agreed with the hiring of a consultant, commented on his concerns about the development planned for around the reservoirs and the possible need to change the Mutual Benefit Agreement (MBA) to accommodate the development plans, and noted that the District should look into trading not purchasing the property.

Ted Hart commented on the District needing to take the lead in speaking to the County regarding the best interest of the community.

Director Gumbinger stated that the MBA is written that RMA has to abide by it, regardless of whether or not they are in favor of the development.

Cheryl McElhany commented on her concern that water permits can be issued during a drought and that the District needs to show some leadership in this matter.

Ted Hart stated that the CEQA is the key to this matter and the need for the District to speak for the community.

Director Pecotich stated he agrees with getting a consultant in to look into the impact this development will have on the community's water supply and forming an ad hoc committee if the Board decides to proceed. The committee should include the District, RMA, and residents.

Randy Jenco commented on the District and RMA working together on this, that nothing has been formally proposed to the County yet, the MBA makes it impossible for RMA to be against development, and suggested keeping in contact with the County representative on this matter.

Staff will proceed with retaining a consultant for this item.

9. TIMED ITEM - PUBLIC HEARING - CONSIDER ADOPTION OF RESOLUTION 2015-08, FISCAL YEAR 2015-2016 BUDGET AND CAPITAL PROJECTS

Darlene Gillum provided a presentation, which included services provided by the District, current projects, budget assumptions, staffing, financial statistics, followed by a question and answer period.

President Pasek asked for public comments at 6:28 p.m.

No public comments.

President Pasek closed the public hearing at 6:29 p.m.

Motion/Pecotich to adopt Resolution 2015-08, Fiscal Year 2015-2016 Budget and Capital Projects. **Second/Ferraro. ROLL CALL VOTE: Ayes: Pasek, Ferraro, and Gumbinger. Noes: None. Abstain: Martel.**

10. CONSIDER ADOPTION OF ORDINANCE O2015-01, AN ORDINANCE AMENDING CHAPTER 14 OF THE DISTRICT CODE RELATING TO WATER SERVICE CHARGES; AMENDING CHAPTER 15 OF THE DISTRICT CODE RELATING TO SEWER SERVICE CHARGES; AMENDING CHAPTER 16A OF THE DISTRICT CODE RELATING TO DRAINAGE SPECIAL TAX; AMENDING CHAPTER 21 OF THE DISTRICT CODE RELATING TO SECURITY SPECIAL TAX; AND AMENDING CHAPTER 31 OF THE DISTRICT CODE RELATING TO SOLID WASTE COLLECTION AND DISPOSAL SERVICE CHARGES

Darlene Gillum gave a brief summary of Ordinance O2015-01, an Ordinance of the Rancho Murieta Community Services District, amending Chapter 14 of the District Code relating to Water Service Charges; amending Chapter 15 of the District Code relating to Sewer Service Charges; amending Chapter 16 of the District Code relating to Drainage Service Charges; amending Chapter 16A of the District Code relating to Drainage Special Tax; amending Chapter 21 of the District Code relating to Security Special Tax; and amending Chapter 31 of the District Code relating to Solid Waste Collection and Disposal Service Charges.

Motion/Gumbinger to adopt Ordinance O2015-01, an Ordinance of the Rancho Murieta Community Services District, amending Chapter 14 of the District Code relating to Water Service Charges; amending Chapter 15 of the District Code relating to Sewer Service Charges; amending Chapter 16 of the District Code relating to Drainage Service Charges; amending Chapter 16A of the District Code relating to Drainage Special Tax; amending Chapter 21 of the District Code relating to Security Special Tax; and amending Chapter 31 of the District Code relating to Solid Waste Collection and Disposal Service Charges. **Second/Ferraro. Roll Call Vote: Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

11. CONSIDER APPROVAL OF CALIFORNIA WASTE RECOVERY SYSTEMS CONTRACT AMENDMENT

Darlene Gillum gave a brief summary of the recommendation to approve the Second Amendment to the 2013 Contract between Rancho Murieta Community Services District and California Waste Recovery Systems for solid waste collection and disposal.

Motion/Pecotich to approve the Second Amendment to the 2013 Contract between Rancho Murieta Community Services District and California Waste Recovery Systems for solid waste collection and disposal. **Second/Ferraro. Roll Call Vote: Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

Darlene will work with Cal Waste regarding solid waste collection services for the commercial businesses.

12. CONSIDER APPROVAL OF RESOLUTION R2015-09 APPROVING INTERNAL BORROWING FOR THE NEW NORTH GATE PROJECT

Darlene Gillum gave a brief summary of the recommendation to adopt Resolution R2015-09 which formally documents the inter-fund transfer and loan to Security Capital Replacement Reserves for a portion of the cost of the New North Gate Project. Staff recommends that the repayment schedule be implemented to use 50% of the monthly reserves collected by the Security Special Taxes (currently \$3,806, of which 50% is \$1,903) with interest repaid at the rate earned by the Drainage Capital Improvement Reserve fund. This repayment schedule results in the borrowed funds being repaid over a 5-year period while at the same time provides for a re-building of the Security Capital Replacement Reserves.

Motion/Gumbinger to adopt Resolution 2015-09, Approving Inter-fund Transfer and Loan to Finance District's Share of New North Gate Project at the recommended 50% payment schedule. **Second/Pecotich**. Roll Call Vote: Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.

13. REVIEW DISTRICT CODE CHAPTER 4, PURCHASING AND BIDDING UPDATE

Darlene Gillum gave a brief summary of the District's General Counsel's updated District Code Chapter 4, Purchasing and Bidding. The proposed District Code, Chapter 4 will supersede the current Chapter 4 and also repeal District Policy 2009-03. The goal of this amendment to Chapter 4 is to streamline and simplify the District's existing procedures and make them consistent with the Public Contract Code provisions applicable to community services districts. By consensus, the Board agreed to proceed with the update to the Code, which will require future Board consideration of an ordinance.

14. CONSIDER APPROVAL OF NORTH GATE FACILITIES USE AGREEMENT WITH RANCHO MURIETA ASSOCIATION

Darlene Gillum gave a brief summary of the second draft of the North Gate Use Facilities Use Agreement. District Staff (Darlene Gillum and Chief Remson) and Rancho Murieta Association (RMA) staff (Greg Vorster and Danise Hetland) met on June 4, 2015 to continue the negotiation of the North Gate Use Agreement following the initial review by both respective Boards of Directors. Open items (pending further input from both Boards of Directors) includes: Exhibit A needs to be completed; generator responsibility (ownership, air quality reporting, maintenance, repair, etc.); and Exhibit B maintenance items – external building maintenance (spider web control, etc.) and external window washing.

Director Pecotich asked about pest control. Darlene stated that the District pays for that service. Director Pecotich suggested including who is responsible for what regarding items in the building, i.e., refrigerator, garbage disposal, etc.

Director Martel commented on his not being aware of RMA having two (2) cameras mounted on the North Gate building and wanted to know why Chief Remson approved that. Darlene Gillum stated that it is RMA's building, not the District's, therefore, the District does not have a say in RMA mounting cameras on the building. Chief Remson stated that they are stand alone cameras, not part of the District's system.

Director Ferraro asked if the District no longer provided security services, could the District sell the unneeded equipment to RMA. Richard Shanahan stated yes.

Director Pecotich suggested including water use in Exhibit C. Darlene Gillum stated that water use is already covered in the agreement.

Director Pecotich commented on the issuance of barcodes. Director Martel stated that RMA should do the entire process.

15. CONSIDER CHANGE TO DISTRICT REGULAR BOARD MEETING PROCESS AND SCHEDULE

Darlene Gillum gave a brief summary of the staff recommendation to move forward with the District changing the District Regular Board meeting process and schedule for a six month period and update District Code Chapter 2, Board of Directors, Rules and Procedures. This will address the concerns Directors have stated at various times that they feel they are not given the opportunity to give input or hear the conversations on topics that are addressed at committees they are not on.

President Pasek stated he is in favor of trying the recommendation for a six month period.

Director Gumbinger commented on his not being in favor of this change, feels that the Board meetings will take much longer than they do now, and that he wants to keep the committees.

Director Martel agreed with Director Gumbinger and stated the committees allow for a freer dialogue, no committee meetings but two Board meetings would allow for Director abuse, and that he feels the staff controls what is discussed at committee meetings. Suzanne stated that staff does not control what is discussed, the agenda decides that and if a Director wants a topic on the agenda then the Director needs to let staff know prior to the posting of the agenda so it can be added. Darlene Gillum stated that committee meetings and Board meetings have to follow the Brown Act.

Director Ferraro stated that she feels this is a good idea as it allows for all Directors to provide input and discuss all items, not just those items specific to the committees they are on.

Director Pecotich agreed with President Pasek and Director Ferraro.

John Merchant stated that he likes the committee meetings as they currently are.

With the support of Directors Pecotich, Pasek and Ferraro, Director Pasek asked that this item move forward for Board consideration of an ordinance to change the meeting schedule for a six month trial basis. Darlene stated that since this requires a change to Chapter 2 of the District Code, which is required to be done by Ordinance, the first reading of the Ordinance will be done at the July Board meeting. Adoption of the Ordinance will occur at the August Board meeting, with the trial basis beginning October 2015.

16. ELECTION OF CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS DIVISION 2, SEAT C

Motion/Ferraro to vote for Jim Barnes for the California Special Districts Association Board of Directors, Division 2, Seat C. **Second/Gumbinger. Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

17. RECEIVE WATER TREATMENT PLANT EXPANSION PROJECT UPDATE

Paul Siebensohn gave a brief update on the Water Treatment Plant Expansion Project. President Pasek suggested once the plant is up and running, staff conduct a comparison of the District's water with various bottled waters and publish the results.

18. RECEIVE WATER CONSERVATION UPDATE

Director Gumbinger stated that he had suggested to the Improvements Committee and to RanchoMurieta.com that acknowledgements be given to residents who have converted to drought resistant landscaping.

19. CONSIDER AMENDING EARLIER ACTION TO APPROVE AUDIT SERVICES CONTRACT FOR AUDIT OF 2014-2015 FINANCIAL STATEMENTS

Darlene Gillum gave a brief summary of the conversation with Larry Bain regarding the Board wanting to have this audit lead by the other auditor in his firm. Larry felt that having the other auditor in his firm perform as the "in-charge" for the District's audit this year may be a disservice to the District because she is not up to speed yet on some of the more complicated activities of the District (i.e., the new CFD 2014-1 and the construction/financing activity). His intent was to have her involved in some areas of our 2014/15 audit (and future audits) in preparation for her to take over in the 2019-20 fiscal year when it is required by AB 1345 to have a change in auditor. Also, this is also Eric's first year as our primary audit-interface it may be a better learning experience for him to work with Larry, who is familiar with our audit processes, than working with an auditor who is unfamiliar with the District.

Motion/Pecotich to approve amending earlier action to approve the audit services contract for audit of 2014-15 financial statements to have the audit performed by Larry Bain as the in-charge auditor. **Second/Martel. Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

20. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES

Darlene Gillum gave a brief summary of the water conference she went to. Topics discussed included drought, conservation, and sustainable groundwater.

21. REVIEW MEETING DATES/TIMES

No changes.

22. COMMENTS/SUGGESTIONS

Chief Remson stated that due to the location of the new North Gate, the July 4, 2015 parade route will be shortened. The fireworks will be shot off of a floating dock this year.

Director Martel stated that he feels this is a bad year for fireworks and wanted to know who makes that decision. Director Gumbinger stated that it is an RMA decision.

Director Martel wanted to know why staff is included in the Gate Policy Ad Hoc Committee meeting on Friday. Darlene Gillum stated that both the General Managers of RMA and the District and Chief Remson are the only staff attending committee meetings to provide input. Danise Hetland will be filling in for Greg Vorster this Friday.

Director Ferraro requested a report be provided to the Security Committee in July regarding the July 4, 2015 festivities.

Darlene Gillum stated that at the Conversation About Water meetings, 33 surveys were turned in. Of those, the top three (3) ways the community wants communication from the District is through email, special mailings/postcards, the Pipeline and website tied for 3rd.

Darlene stated that the District received a check today from Golden State Risk Management Authority in the amount of \$16,340 for reimbursement for participating in the LPIP program.

23. ADJOURNMENT

Motion/Ferraro to adjourn at 8:29 p.m. **Second/Gumbinger**. **Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

Respectfully submitted,



Suzanne Lindenfeld
District Secretary