RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 JACKSON ROAD
RANCHO MURIETA, CALIFORNIA 95683

SPECIAL MEETING
August 26, 2026
Closed Session 3:30 p.m. Open Session 5:00 p.m.

AGENDA

1. CALL TO ORDER, ROLL CALL

2. CLOSED SESSION –

A. **PUBLIC EMPLOYEE APPOINTMENT (Gov. Code, §§ 54957(b)(1), 54954.5(e)) — Title: General Manager**

B. **CONFERENCE WITH LEGAL COUNSEL — EXISTING LITIGATION**
Pursuant to Government Code § 54956.9(d)(1)
Number of Cases: One (1)
Name of Case:
Rancho Murieta Properties, LLC; Cosumnes River Land, LLC; Murieta Industrial Park, LLC; Murieta Lakeside Properties, LLC; and Murieta Highlands, LLC v. Rancho Murieta Community Services District, Sacramento County Superior Court Case No. 26CV018522

C. **CONFERENCE WITH LEGAL COUNSEL — ANTICIPATED LITIGATION**
Pursuant to Government Code § 54956.9(d)(2) — Significant Exposure to Litigation
Number of Cases: Two (2)
Existing Facts and Circumstances (Gov. Code, § 54956.9(e)(3)): Written communications from potential plaintiffs threatening litigation, including the Government Claims Act claim of Rancho Murieta 205, L.P., presented August 12, 2026. These writings are available for public inspection pursuant to Government Code section 54957.5.

3. OPEN SESSION/REPORT BACK FROM CLOSED SESSION

4. *Action Item* RECEIVE AND FILE THE FY22-23 AND FY23-24 ANNUAL RANCHO MURIETA COMMUNITY SERVICES DISTRICT AUDIT REPORT AND THE COMMUNITY FACILITIES DISTRICT #2014-1 ANNUAL FY22-23 AND FY23-24 AUDIT REPORT

5. COMMENTS FROM THE PUBLIC

*For this Special Meeting, members of the public may **ONLY** comment on items specifically agendized. With certain exceptions, the Board may not discuss or take action on items that are not on the agenda.*
If you wish to speak during Comments from the Public or would like to comment regarding an item appearing on the meeting agenda, please complete a public comment card and submit it to the Board Secretary prior to Public Comments. Speakers presenting individual opinions shall have 3 minutes to speak. Speakers presenting opinions of groups or organizations shall have 5 minutes per group.

6. CONSENT CALENDAR *All items in this agenda item will be approved as one motion if they are not excluded from the motion adopting the consent calendar*.

A. Approval of Board Meeting and Committee Meeting Minutes
1. *July 14, 2026, Special Board Meeting Minutes*
2. *July 21, 2026, Special Board Meeting Minutes*
3. *July 30, 2026, Special Board Meeting Minutes*
4. *August 4, 2026, Special Improvements Committee Meeting Minutes*
5. *August 5, 2026, Personnel Committee Meeting Minutes*
6. *August 6, 2026, Communications & Technology Committee Meeting Minutes*
7. *August 24, 2026, Special Finance Committee Meeting Minutes*

B. Bills Paid Listing

C. Continue Emergency Equestrian Center Culvert Repair

D. Approve Updated Org Chart Without Names

E. Approve Manager of Administrative Services/Clerk of the Board Job Description

F. Approve Emergency Repair of approximately $13,059 to Prodigy Electric for Emergency Repair to Run Wire to Transformer (Includes Labor)

G. Approve Emergency Repair for $19,877 Holt of California Upgrade Panel Assy for Rio Oso Generator

H. Approve Vendor Change on Previously Approved Sanitary Survey $33,440

I. First Reading – Introduction of Ordinance No. O2026-03 an Ordinance of the Board of Directors of the Rancho Murieta Community Services District Repealing and Replacing District Code Chapter 3 (Conflict of Interest); and Direction to Submit to the Sacramento County Board of Supervisors for Review and Approval Pursuant to Government Code Section 87303

7. REVIEW DISTRICT MEETING DATES/TIMES SEPTEMBER 2026

A. Personnel Committee – September 1, 2026, at 10:00 a.m.

B. Improvements Committee – September 2, 2026, at 8:00 a.m.

C. Security Committee – September 3, 2026, at 9:00 a.m.

D. Communications & Technology Committee – September 3, 2026, at 10:00 a.m.

E. Finance Committee – September 10, 2026, at 10:00 a.m.

F. Regular Board Meeting –September 16, 2026, at 5:00 p.m.

8. CORRESPONDENCE

A. Letter dated August 12, 2026, from David E. Cameron, Atkinson, Andelson, Loya, Ruud & Romo, to the Board of Directors re: Notice of Non-Compliance Regarding Board Agenda Procedures

B. Nellie Bloom

9. STAFF AND COMMITTEE REPORTS (Receive and File)

A. General Manager Report

B. Finance Report

C. Security Report

D. Operations Report

E. IT Report

10. *Discussion Item* **GRAND JURY REPORT RECOMMENDATIONS**

- **A.** Loan Agreement for Reclaimed Water Pump Repair at Bass Lake
- **B.** Review 1988 agreement for availability and use of reclaimed wastewater with Rancho Murieta Country Club (RMCC)

11. *Action Item* **APPROVE EXTENSION TO 1988 AGREEMENT FOR AVAILABILITY AND USE OF RECLAIMED WASTEWATER WITH RMCC**

12. *Action Item* **REVIEW AND PROVIDE DIRECTION ON PROPOSED INCREASES TO WATER AND SEWER INSTALLATION AND INSPECTION FEES AND ON A PROPOSED FIRE FLOW CAPACITY FEE FOR NEW DEVELOPMENT**

13. *Action Item* **APPROVE CYBER SECURITY PROTECTION EXPENSES**

14. *Action Item* **APPROVE TASK 1, 2 AND 3 SINKHOLES $42,613 ON PERA DRIVE AND APPROVE UPDATED RFP FROM DOMENICHELLI & ASSOCIATES**

15. *Action Item* **PROVIDE DIRECTION ON CANDIDATES NIGHT**

16. *Discussion Item* **REVIEW WATER VISION GROUP MATRIX**

17. *Action Item* **CONSIDER THE DISSOLUTION OF THE ADMINISTRATIVE OVERSIGHT AD HOC COMMITTEE AND THE WATER DEVELOPMENT WORKING GROUP, AND DIRECT DISPOSITION OF ANY PENDING ASSIGNMENTS**

18. DIRECTOR COMMENTS/SUGGESTIONS

19. ADJOURNMENT (Motion)

In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 24 hours prior to a special 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.
In compliance with federal and state laws concerning disabilities, if you are an individual with a disability and you need a disability-related modification or accommodation to participate in this meeting or need assistance to participate in this meeting, please contact the District Office at 916-354-3700 or dfleet@rmcsd.com. Requests must be made as soon as possible.

Note: This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. Posting location is the District Office. The date and time of this posting is August 21, 2026, at 3:30 p.m.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Auditor Presentation of
June 30, 2023 and 2024 Audits

Richardson & Company, LLP
Ingrid Sheipline

Reports Issued

- Financial Statements with Audit Opinion
- Report on Internal Control and Compliance
- Required Communications Letter
- Management Letter

Audit Results and Observations

- Modified opinion on Water and Sewer Funds due to missing developer-contracted infrastructure
- Unmodified opinion on Drainage, Solid Waste and Security Funds
- Reduction in number of adjustments during audit process
- Audits in process of being caught up – 2 years audited concurrently
- Internal control weaknesses in the process of being addressed

Highlights of Financial Statements

- Negative unrestricted net position of $1.6 million (due to pension OPEB liabilities of $7.6 million)
- Revenues exceeded expenses overall by $1.9 million
- All funds except security had a net income
- Includes $1.6 million of depreciation
- CFD Custodial Fund
  - Net position of $1.1 million
  - Debt of $5.1 million
  - Revenue exceeds expenses by $45,000

Report on Internal Control

Current Year Findings

None

Prior Year Findings (in process)

3 Material Weaknesses

- Accounting system to be kept up-to-date
- Improve year-end closing procedures
- Ensure developer-donated infrastructure is properly recorded

No Significant Deficiencies

4 findings from prior year were resolved

Required Communications

- 4 adjustments for 2024 and 7 adjustments for 2023 during the audit process
- 2 unadjusted differences
- Significant improvements made in number of audit adjustments
- Account analyses completed prior to start of audit fieldwork

Management Letter

- 4 areas where other recommendations were made
- Current Year Comments
  - Customer billing documents to be retained
  - Checks should be sequentially numbered
- Prior Year Comments
  - Reserve policy
  - Investment policy

Questions

RANCHO MURIETA
COMMUNITY SERVICES DISTRICT

Audited Financial Statements
and Compliance Report

June 30, 2024

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RANCHO MURIETA COMMUNITY SERVICES DISTRICT

June 30, 2024

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RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rancho Murieta Community Services District
Rancho Murieta, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the fiduciary fund of the Rancho Murieta Community Services District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Qualified Opinion on the Water and Sewer Funds

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above for the Water and Sewer funds present fairly, in all material respects, the financial position of each major fund and the fiduciary fund of the District as of June 30, 2024, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Drainage, Solid Waste and Security Funds

In our opinion, the financial statements referred to above are present fairly, in all material respects, the financial position of the Drainage, Solid Waste and Security Funds of the District, as of June 30, 2024, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to the Qualified Opinion on the Water and Sewer Funds

In past years, management had not adopted a methodology for verifying that easements and developer-donated infrastructure have been recorded in Water and Sewer Funds and, accordingly, has not verified the completeness of its capital assets. Accounting principles generally accepted in the United States of America require that such capital assets be valued and reflected in the financial statements, which would increase the assets, and investment in capital assets and change depreciation expense in the Water and Sewer Funds.

The amounts by which this departure would affect the capital assets and depreciation expense of the Water and Sewer Funds has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Board of Directors
Rancho Murieta Community Services District

Other Matters

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Richardson & Company, LLP

August 24, 2026

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENTS OF NET POSITION
PROPRIETARY FUNDS

As of June 30, 2024

	Major Funds					
	Water	Sewer	Drainage	Solid Waste	Security	Total
ASSETS						
Current Assets:						
Cash and investments	$ 1,842,978	$ 290,525	$ 355,549	$ 485,911	$ 796,533	$ 3,771,496
Accounts receivable	467,119	308,828	36,243	217,698	241,907	1,271,795
Assessments receivable	12,948	8,622	1,828		1,523	24,921
Interest receivable	7,530	3,910	434	579	2,027	14,480
Notes receivable, current portion		25,242				25,242
Prepaid expenses	26,566	14,478	1,450	1,934	8,949	53,377
Due from other funds	263,099	260,169	103,307			626,575
Due from Community Facilities District (CFD)	107,992					107,992
Due from developers	85,335					85,335
Total Current Assets	2,813,567	911,774	498,811	706,122	1,050,939	5,981,213
Capital Assets:						
Non-depreciable	394,955	5,580,492	1,307		6,101	5,982,855
Depreciable, net	16,110,387	7,959,014	1,014,142		283,465	25,367,008
Total Capital Assets, Net	16,505,342	13,539,506	1,015,449		289,566	31,349,863
Other Assets:						
Cash and investments - restricted	5,608,532	4,907,044	253,058		125,102	10,893,736
Notes receivable		23,866				23,866
Advances to other funds		240,482				240,482
Total Other Assets	5,608,532	5,171,392	253,058		125,102	11,158,084
TOTAL ASSETS	24,927,441	19,622,672	1,767,318	706,122	1,465,607	48,489,160
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow - pensions	1,006,394	522,551	58,061	77,415	270,952	1,935,373
Deferred outflow - OPEB	842,093	437,241	48,583	64,776	226,718	1,619,411
TOTAL DEFERRED OUTFLOWS	1,848,487	959,792	106,644	142,191	497,670	3,554,784
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 26,775,928	$ 20,582,464	$ 1,873,962	$ 848,313	$ 1,963,277	$ 52,043,944

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENTS OF NET POSITION
PROPRIETARY FUNDS

As of June 30, 2024

	Major Funds					
	Water	Sewer	Drainage	Solid Waste	Security	Total
LIABILITIES						
Current Liabilities:						
Accounts payable	$ 551,249	$ 311,814	$ 27,703	$ 188,146	$ 127,507	$ 1,206,419
Accrued payroll	58,617	39,209	10,058	1,861	51,152	160,897
Developer deposits	380,270					380,270
Due to other funds				374,790	251,785	626,575
Unearned revenue	453,999	464,820		75,000		993,819
Compensated absences	98,394	51,089	5,677	7,569	26,491	189,220
Lease liabilities - due within one year	1,412	1,412				2,824
Total Current Liabilities	1,543,941	868,344	43,438	647,366	456,935	3,560,024
Noncurrent Liabilities:						
Compensated absences - due after one year	9,239	4,794	532	711	2,488	17,764
Advances from other funds	240,482					240,482
Net pension liability	2,581,189	1,340,233	148,915	198,553	694,935	4,963,825
Net OPEB liability	1,371,218	711,979	79,109	105,478	369,174	2,636,958
Total Noncurrent Liabilities	4,202,128	2,057,006	228,556	304,742	1,066,597	7,859,029
TOTAL LIABILITIES	5,746,069	2,925,350	271,994	952,108	1,523,532	11,419,053
DEFERRED INFLOWS OF RESOURCES						
Deferred inflow - pensions	75,820	39,368	4,374	5,832	20,413	145,807
Deferred inflow - OPEB	145,104	75,342	8,371	11,162	39,066	279,045
TOTAL DEFERRED INFLOWS	220,924	114,710	12,745	16,994	59,479	424,852
TOTAL LIABILITIES AND DEFERRED INFLOWS	5,966,993	3,040,060	284,739	969,102	1,583,011	11,843,905
NET POSITION						
Net investment in capital assets	16,503,930	13,538,094	1,015,449		289,566	31,347,039
Restricted for capital projects	5,608,534	4,436,079	253,058		125,101	10,422,772
Unrestricted	(1,303,529)	(431,769)	320,716	(120,789)	(34,401)	(1,569,772)
Total Net Position	20,808,935	17,542,404	1,589,223	(120,789)	380,266	40,200,039
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 26,775,928	$ 20,582,464	$ 1,873,962	$ 848,313	$ 1,963,277	$ 52,043,944

The notes to the basic financial statements are an integral part of this statement.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended June 30, 2024

	Major Funds					
	Water	Sewer	Drainage	Solid Waste	Security	Total
Operating Revenues						
Service charges	$ 2,869,265	$ 1,909,673		$ 1,409,034	$ 2,550	$ 6,190,522
Special taxes			$ 226,294		1,529,255	1,755,549
Developers' fees	84,105	2,277				86,382
Total Operating Revenues	2,953,370	1,911,950	226,294	1,409,034	1,531,805	8,032,453
Operating Expenses						
Operation administration	652,296	608,190	121,313	1,329,839	265,770	2,977,408
Source of supply	485,487					485,487
Treatment	680,208					680,208
Transmission and distribution	239,337					239,337
Developers' expense	424,627					424,627
Sewer collection		490,551				490,551
Sewer treatment and disposal		582,531				582,531
Gate services					899,014	899,014
Patrol services					251,315	251,315
General and administrative	1,346,683	698,966	77,663	103,389	362,427	2,589,128
Grant expenses				20,000		20,000
Depreciation	911,009	621,489	41,039		64,630	1,638,167
Total Operating Expenses	4,739,647	3,001,727	240,015	1,453,228	1,843,156	11,277,773
Net Income (Loss) from Operations	(1,786,277)	(1,089,777)	(13,721)	(44,194)	(311,351)	(3,245,320)
Nonoperating Revenue (Expenses):						
Taxes	500,394	396,389		9,605		906,388
Interest revenue	358,462	213,996	24,489	26,682	82,821	706,450
Interest expense	(12,582)	(66)				(12,648)
Grant revenue				20,000		20,000
Miscellaneous nonoperating revenue (expenses)	29,818	18,619	1,533	2,044	7,156	59,170
Total Nonoperating Revenue (Expenses)	876,092	628,938	26,022	58,331	89,977	1,679,360
Change in Net Position Before Transfers and Capital Contributions	(910,185)	(460,839)	12,301	14,137	(221,374)	(1,565,960)

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Continued)
PROPRIETARY FUNDS

For the Year Ended June 30, 2024

	Major Funds					
	Water	Sewer	Drainage	Solid Waste	Security	Total
Capital Contributions						
Capital replacement reserve fees	$ 462,177	$ 492,293				$ 954,470
Debt reserve fee	188,580					188,580
Security impact fee					$ 33,600	33,600
Water augmentation fees	199,092					199,092
Capital improvement fees	61,675	35,198			2,347	99,220
Donated infrastructure	695,417	653,861	$ 521,900			1,871,178
Capital grant revenue	99,918	56,909				156,827
Total Capital Contributions	1,706,859	1,238,261	521,900		35,947	3,502,967
Change in Net Position	796,674	777,422	534,201	$ 14,137	(185,427)	1,937,007
Net position, Beginning of Year	20,012,261	16,764,982	1,055,022	(134,926)	565,693	38,263,032
Net Position, End of Year	$ 20,808,935	$ 17,542,404	$ 1,589,223	$ (120,789)	$ 380,266	$ 40,200,039

The notes to the basic financial statements are an integral part of this statement.

STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2024

	Major Funds					
	Water	Sewer	Drainage	Solid Waste	Security	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$ 2,845,114	$ 1,799,204	$ 220,915	$ 1,381,772	$ 1,498,124	$ 7,745,129
Payments to employees	(1,411,877)	(1,100,332)	(69,838)	(38,695)	(282,357)	(2,903,099)
Payments to suppliers	(2,058,320)	(1,109,277)	(101,504)	(1,337,404)	(1,375,774)	(5,982,279)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(625,083)	(410,405)	49,573	5,673	(160,007)	(1,140,249)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Assessments received	487,446	392,844		13,134	11,662	905,086
Amounts received/ (paid) from other funds	(681,839)	(34,306)	20,963	66,596	584,810	(43,776)
Grant revenue received				20,000		20,000
Other amounts received	29,818	18,619	1,533	2,044	7,156	59,170
NET CASH (USED) PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	(164,575)	377,157	22,496	101,774	603,628	940,480
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(307,589)	(388,874)				(696,463)
Water augmentation fees received	199,092					199,092
Debt reserve fee received	188,580					188,580
Payments on capital lease	(2,957)	(2,957)				(5,914)
Interest paid	(12,582)					(12,582)
Capital grant revenue received	99,918	56,909				156,827
Capital fees received	523,852	527,491			35,947	1,087,290
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	688,314	192,569			35,947	916,830

STATEMENTS OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS

For the Year Ended June 30, 2024

	Major Funds					
	Water	Sewer	Drainage	Solid Waste	Security	Total
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	$ 385,535	$ 227,987	$ 26,051	$ 28,765	$ 90,110	$ 758,448
NET CASH PROVIDED BY INVESTING ACTIVITIES	385,535	227,987	26,051	28,765	90,110	758,448
INCREASE IN CASH AND CASH EQUIVALENTS	284,191	387,308	98,120	136,212	569,678	1,475,509
Cash and cash equivalents at beginning of year	7,167,319	4,810,261	510,487	349,699	351,957	13,189,723
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 7,451,510	$ 5,197,569	$ 608,607	$ 485,911	$ 921,635	$ 14,665,232
RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION:						
Cash and investments	$ 1,842,978	$ 290,525	$ 355,549	$ 485,911	$ 796,533	$ 3,771,496
Cash and investments - restricted	5,608,532	4,907,044	253,058		125,102	10,893,736
TOTAL CASH AND CASH EQUIVALENTS	$ 7,451,510	$ 5,197,569	$ 608,607	$ 485,911	$ 921,635	$ 14,665,232

The notes to the basic financial statements are an integral part of this statement.

STATEMENTS OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS

For the Year Ended June 30, 2024

	Major Funds					
	Water	Sewer	Drainage	Solid Waste	Security	2024
RECONCILIATION OF OPERATING LOSSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Net (loss) income from operations	$ (1,786,277)	$ (1,089,777)	$ (13,721)	$ (44,194)	$ (311,351)	$ (3,245,320)
Adjustments to reconcile net loss from operations to net cash provided (used) by operating activities:						
Capital assets written off						
Depreciation and amortization	911,009	621,489	41,039		64,630	1,638,167
Changes in operating assets and liabilities:						
Accounts receivable	(63,105)	(76,806)	(5,379)	(82,262)	(33,681)	(261,233)
Prepaid expenses	9,143	4,743	529	704	2,434	17,553
Due from developers	54,766	20,969				75,735
Accounts payable	109,751	20,847	7,832	55,889	38,146	232,465
Accrued payroll	7,836	7,264	3,964	123	8,373	27,560
Deposits	(133,562)	(56,909)		55,000		(135,471)
Compensated absences	16,250	8,434	937	1,251	4,375	31,247
Net pension liability	182,528	94,774	10,531	14,041	49,142	351,016
Net OPEB liability	498,713	258,947	28,772	38,362	134,269	959,063
Deferred outflows	(209,381)	(108,718)	(12,079)	(16,106)	(56,371)	(402,655)
Deferred inflows	(222,754)	(115,662)	(12,852)	(17,135)	(59,973)	(428,376)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	$ (625,083)	$ (410,405)	$ 49,573	$ 5,673	$ (160,007)	$ (1,140,249)
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION						
Contributed assets	$ 99,918	$ 653,861	$ 521,900			$ 1,275,679

The notes to the basic financial statements are an integral part of this statement.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENT OF FIDUCIARY GOVERNMENT FUND BALANCE SHEET
CUSTODIAL FUNDS

June 30, 2024

Assets		
Cash and investments		$ 788,779
Assessments receivable		5,792
Restricted cash		399,681
	TOTAL ASSETS	1,194,252
Liabilities		
Due to CSD		107,992
Bond interest payable		78,758
Bonds payable		5,130,000
	TOTAL LIABILITIES	5,316,750
Net Position		
Restricted		399,681
Unrestricted		(4,522,179)
	TOTAL NET POSITION	$ (4,122,498)

The notes to the basic financial statements are an integral part of this statement.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS

For the Year Ended June 30, 2024

Additions		
Property taxes		$ 453,765
Interest and investment earnings		41,830
	TOTAL ADDITIONS	495,595
Deductions		
General government		61,895
Debt Service:		
Interest expense		237,150
	TOTAL DEDUCTIONS	299,045
	NET INCREASE IN FIDUCIARY NET POSITION	196,550
Net position, beginning of year		(4,319,048)
	NET POSITION, END OF YEAR	$ (4,122,498)

The notes to the basic financial statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Rancho Murieta Community Services District (the District) have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity: The District was formed in 1982, under California State Government Code 61600 and currently provides water, sewer, drainage, solid waste and security services throughout the Rancho Murieta Community. The District's financial and administrative functions are governed by a five-member Board of Directors elected by the voting population within the District. The component unit discussed below is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

Community Facilities District No. 2014-1 (CFD 2014-1) was created for the purpose of acquiring, constructing and maintaining water facilities within the Rancho Murieta boundaries. The District is not obligated to repay debt of the CFD 2014-1 but functions as an agent for the property owners by collecting assessments, forwarding collections to special assessment debt holders, and, if appropriate, initiating foreclosures on delinquent property owners. Because of the special financing relationships, the CFD 2014-1 has been included in the financial statements as a fiduciary component unit.

Basis of Presentation: The District's resources are allocated to and accounted for in these basic financial statements as five enterprise fund types of the proprietary fund group and one agency fund. The operation of a fund is accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, net position, revenues and expenses.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

The Fiduciary fund is used to account for assets held by the District in a fiduciary capacity for special assessment districts. They consist entirely of Custodial Funds. The financial activities of these funds are excluded from the District-wide financial statements but are presented in separate Fiduciary Fund financial statements. Fiduciary funds use the "economic resources" measurement focus and the accrual basis of accounting.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, net of related debt, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The agency funds do not involve the results of operations and do not use a measurement basis.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received they are recorded as unearned revenues until earned.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities.

When both unrestricted and restricted resources are available for use, it is the District's policy to use unrestricted resources first, then restricted resources as they are needed.

Major Funds: Major funds are defined as funds that have assets, liabilities, revenues, or expenditures/expenses equal to or greater than ten percent of their fund-type total or five percent of all fund-type totals. The District may also select other funds it believes should be presented as major funds. The District reports all of its proprietary funds as major funds.

The District reports on the following major proprietary funds:

Water – This fund accounts for the activities of providing water to the residents of the District.

Sewer – This fund accounts for the activities of collecting and treating wastewater of the residents in the District.

Drainage – This fund accounts for the activities of providing drainage to the residents of the District.

Solid Waste – This fund accounts for the activities of collecting solid waste of the residents of the District.

Security – This fund accounts for the activities of providing security to the residents of the District.

Budget and Budgeting: Budget integration is employed as a management control device. Budgets are formally adopted by the Board of Directors and take effect the following July 1. The budgets are a management tool and not a legal requirement.

Cash and Investments: For purposes of the statement of cash flows the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Amounts held in the State of California Local Agency Investment Fund (LAIF), California Asset Management Program (CAMP) and California Cooperative Liquid Assets Security System (CA CLASS) are considered to be cash and cash equivalents due to their highly liquid nature.

Restricted Cash and Investments: Certain capital expansion fees and capital replacement fees charged to customers are classified as restricted cash and investments because their use is legally restricted by the

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Water Code or District ordinance. Restricted cash and investments are not available for general operational expenses.

Receivables: Receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts, if applicable, and estimated refunds due. No allowance was deemed necessary at June 30, 2024.

Property Taxes: Secured property taxes are levied on January 1 and are payable in two installments on November 1 and February 1, which become delinquent after December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. Sacramento County (County) bills and collects the property taxes and allocates a portion to the District. Property tax revenues are recognized in the fiscal year for which they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

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

Capital Assets: Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are recorded at fair value at the date of donation. The District's policy is to capitalize all capital assets with costs exceeding $5,000, except for buildings, land improvements and infrastructure, which will be capitalized if it exceeds $25,000. Repair, maintenance and minor replacements of capital assets are expensed.

Capital assets are depreciated using the straight-line method, which means the costs of the capital asset is divided by its expected useful life in years and the result is charged to expense each year until the capital asset is fully depreciated. The District has assigned the useful lives listed below to capital assets:

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

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

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the District's OPEB plan (Plan), and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earning process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the District's pension and OPEB plans as described in Notes 8 and 9.

Deferred Compensation Plan: The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributed to those amounts, are maintained in a trust. Participants have sole rights under the plan in an amount equal to the fair value of the deferred account for each participant.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Pronouncements: In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement will be implemented during the year ended June 30, 2025.

In April 2024, the GASB issued Statements No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to provide key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

The District is currently analyzing the impact of the required implementation of these new statements.

NOTE 2 - CASH AND INVESTMENTS

The District's cash and investments consisted of the following at June 30, 2024:

Proprietary Funds:	
Cash and investments	$ 3,771,496
Restricted cash and investments	10,893,736
Fiduciary Funds:	
Cash and investments	788,779
Restricted cash	399,681
Total cash and investments	$ 15,853,692

Cash and investments were classified under GASB Statement No. 40 as follows at June 30, 2024:

Deposits with financial institutions	$ 5,127,744
Investments:	
Local Agency Investment Fund	17,843
CAMP investment pool	705,394
CA CLASS investment pool	8,914,374
Money market funds	1,088,337
Total Cash	$ 15,853,692

Investments Authorized by the California Government Code and the District's Investment Policy: The District's Investment Policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the District's Investment Policy where the District's Investment Policy is more restrictive. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of the debt agreement and not the provisions of the California Government Code or the District's Investment Policy.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Investment in One Issuer
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	270 days	20%	None
Negotiable Certificates of Deposit	2 years	20%	None
Re-purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None
Municipal Obligations	5 years	20%	None
Supranational debt	5 years	30%	None

NOTE 2 - CASH AND INVESTMENTS (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity or earliest call date as of June 30, 2024:

		Remaining Maturity	
Investment Type	Total	12 Months or Less	13 to 48 Months
Local Agency Investment Fund	$ 17,843	$ 17,843	
CAMP investment pool	705,394	705,394	
CA CLASS investment pool	8,914,374	8,914,374	
Money market funds	1,088,337	1,088,337	
Total	$ 10,725,948	$ 10,725,948	

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of June 30, 2024 for each investment type.

			Ratings as of fiscal year end	
Investment Type	Amount	Minimum Legal Rating	AAAm/AAA	Not rated
Local Agency Investment Fund	$ 17,843	N/A		$ 17,843
CAMP investment pool	705,394	N/A	$ 705,394	
CA CLASS investment pool	8,914,374	N/A	8,914,374	
Money market funds	1,088,337	N/A	1,088,337	
Total investments	$ 10,725,948		$ 10,708,105	$ 17,843

Concentration of Credit Risk: The investment policy of the District limited the amount that can be invested in any one issuer to the amount stipulated by the California Government Code. As of June 30, 2024, the District had no investments which represent more than 5% of its total investment in any one issuer (other than mutual funds and external investment pools).

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that

NOTE 2 - CASH AND INVESTMENTS (Continued)

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, 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 market 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 public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2024, the carrying amount of the District's deposits were $5,127,744 and the balances in financial institutions were $5,239,788. Of the balance in financial institutions, $354,104, was covered by federal depository insurance and $4,885,684 was collateralized by securities pledged by the financial institution.

Investments in LAIF: LAIF is stated at net asset value. LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The total fair value invested by all public agencies in LAIF is $178,255,132,764 and is managed by the State Treasurer. Of that amount, 3.00% is invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The weighted average maturity of investments held by LAIF was 217 days at June 30, 2024.

Investments in CAMP: The District is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The District reports its investments in CAMP at the pool share, which approximates fair value. At June 30, 2024, these investments of the pool had an average maturity of 43 days.

Investments in the California Cooperative Liquid Assets Securities System: The District is a voluntary participant in the California Cooperative Liquid Assets Securities System (California CLASS). California CLASS is a joint exercise of powers entity authorized under section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. The fair value of the District's investment in this pool is reported in the accompanying financial statement. The average maturity of the pool is less than twelve months.

Fair Value Measurement: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for

NOTE 2 - CASH AND INVESTMENTS (Continued)

identical assets, Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

The District's investment in the money market mutual fund is considered Level 2 because the value is calculated using amortized cost of the securities held in the fund, not the market value. The District's investment in LAIF, CAMP and CA CLASS are considered uncategorized.

NOTE 3 – INTERFUND TRANSACTIONS

In May 2014, the Sewer Fund advanced the Water Fund $1,500,000 for the water treatment plant expansion. Principal payments of approximately $11,800 per month, plus interest at the current investment earnings rate, are paid monthly through May 2026. Interest expense during the year ended June 30, 2024, was $12,384 in the Water Fund. The interest rate on the loan at June 30, 2024, was 4.480%. As of June 30, 2024, $240,482 was outstanding on this advance.

During the course of normal operations, transactions occur between funds to reimburse costs paid on behalf of other funds. These balances are expected to be repaid within one year.

Interfund balances for operations as of June 30, 2024:

	Due from other funds	Due to other funds
Water Fund	$ 263,099	
Sewer Fund	260,169	
Drainage Fund	103,307	
Solid Waste Fund		$ 374,790
Security Fund		251,785
	$ 626,575	$ 626,575

The balances resulted primarily from temporary cash advances and the timing of expenditures and reimbursements between funds. Management expects all balances to be settled during the subsequent fiscal years.

NOTE 4 – NOTES RECEIVABLE

In June 2021, the District loaned $114,514 to the Rancho Murieta Country Club to replace the recycled water irrigation pumps. The loan has an initial interest rate of 2%, which will be updated to the LAIF interest rate, but not less than 2%. The loan is due in monthly payments of $2,007 through June 30, 2026. This is paid off as of reporting date.

NOTE 5 – CAPITAL ASSETS

A. Capital assets activity

The activity in the capital assets for the year ended June 30, 2024 are summarized below:

	Balance at July 1, 2023	Additions	Deletions	Reclassifications/ Adjustments	Balance at June 30, 2024
Water Fund					
Capital Assets not being depreciated:					
Construction in Progress	$ 252,100	$ 193,743		$ (64,528)	$ 381,315
Land	13,640				13,640
Total Capital Assets not being depreciated	265,740	193,743		(64,528)	394,955
Capital Assets being depreciated:					
Utility Infrastructure and Related Improvements	31,569,966	767,861		55,659	32,393,486
Machinery and Equipment	419,063	41,402		8,869	469,334
Computer Equipments and Software	64,392				64,392
Furniture and Fixtures	30,249				30,249
Vehicle	341,605				341,605
Building and related improvements	7,218				7,218
Subtotal	32,432,492	809,263		64,528	33,306,283
Less: Accumulated Depreciation	(16,284,887)	(911,009)			(17,195,896)
Total Capital Assets being depreciated, net	16,147,605	(101,746)		64,528	16,110,387
Total Capital Assets, Net	$ 16,413,345	$ 91,997	$ -	$ -	$ 16,505,342

	Balance at July 1, 2023	Additions	Deletions	Reclassifications/ Adjustments	Balance at June 30, 2024
Sewer Fund					
Capital Assets not being depreciated:					
Construction in progress	$ 219,090	$ 64,654		$ (166,302)	$ 117,442
Land	5,463,050				5,463,050
Total Capital Assets not being depreciated	5,682,140	64,654		(166,302)	5,580,492
Capital Assets being depreciated:					
Utility Infrastructure and Related Improvements	21,967,680	978,081		166,302	23,112,063
Machinery and Equipment	616,405				616,405
Computer Equipments and Software	144,423				144,423
Furniture and Fixtures	16,494				16,494
Vehicle	210,186				210,186
Building and related improvements	888,609				888,609
Subtotal	23,843,797	978,081		166,302	24,988,180
Less: Accumulated Depreciation	(16,407,677)	(621,489)			(17,029,166)
Total Capital Assets being depreciated, net	7,436,120	356,592		166,302	7,959,014
Total Capital Assets, Net	$ 13,118,260	$ 421,246	$ -	$ -	$ 13,539,506

NOTE 5 – CAPITAL ASSETS (Continued)

	Balance at July 1, 2023	Additions	Deletions	Reclassifications/ Adjustments	Balance at June 30, 2024
Drainage					
Capital Assets not being depreciated:					
Construction in progress	$ 1,412			$ (105)	$ 1,307
Total Capital Assets not being depreciated	1,412			(105)	1,307
Depreciable assets:					
Utility Infrastructure and Related Improvements	511,337	$ 521,900			1,033,237
Machinery and Equipment	62,301				62,301
Computer Equipments and Software	2,796				2,796
Furniture and Fixtures	1,911				1,911
Vehicle	863				863
Subtotal	579,208	521,900			1,101,108
Less: Accumulated Depreciation	(45,927)	(41,039)			(86,966)
Total Capital Assets being depreciated, net	533,281	480,861			1,014,142
Total Capital Assets, Net	$ 534,693	$ 480,861	$ -	$ (105)	$ 1,015,449

	Balance at July 1, 2023	Additions	Deletions	Reclassifications/ Adjustments	Balance at June 30, 2024
Security					
Capital Assets not being depreciated:					
Construction in progress	$ 6,101				$ 6,101
Total Capital Assets not being depreciated	6,101				6,101
Depreciable assets:					
Machinery and Equipment	324,358				324,358
Computer Equipments and Software	166,262				166,262
Furniture and Fixtures	46,718				46,718
Vehicle	114,187				114,187
Building and related improvements	233,340				233,340
Subtotal	884,865				884,865
Less: Accumulated Depreciation	(536,770)	$ (64,630)	-	-	(601,400)
Total Capital Assets being depreciated, net	348,095	(64,630)			283,465
Total Capital Assets, Net	$ 354,196	$ (64,630)	$ -	-	$ 289,566

Depreciation expense is charged to the funds based on their usage of related assets. The amounts allocated were as follows:

Water	$ 911,009
Sewer	621,489
Drainage	41,039
Security	64,630
Total Depreciation Expense	$ 1,638,167

NOTE 6 – LONG-TERM LIABILITIES

The District's debt issues and transactions are summarized below and discussed in detail thereafter.

	Balance at July 1, 2023	Additions	Retirements	Balance at June 30, 2024	Due within One Year
Compensated absences	$ 175,737	$ 31,247		$ 206,984	$ 189,220
Lease liabilities	8,738		$ (5,914)	2,824	2,824
Net pension liability	4,612,809	351,016		4,963,825	
Net OPEB liability	1,677,895	959,063		2,636,958	
Total	$ 6,475,179	$ 1,341,326	$ (5,914)	$ 7,810,591	$ 192,044

Capital Leases: On January 16, 2021, the District Board of Directors authorized the financing and purchase of a Konica Copier lease through a Caltronics contract. The cost of the contract was $22,811. The District makes 48 monthly payments of $475 for four years. The interest rate on the lease is 4.40%. The accumulated depreciation on the copier at June 30, 2024, totaled $14,671.

NOTE 7 – NET POSITION

Net Position is the excess of all the District's assets and deferred outflows over all its liabilities, and deferred inflows. Net Position is divided into three categories as follows:

Net investment in capital assets describes the portion of net position which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets, excluding unspent proceeds.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter. These include connection fees restricted to capital expansion by Section 66013 of the Water Code and service charges received for use on capital projects consisting of the following:

	Water	Sewer	Drainage	Security
RESTRICTED:				
Capital replacements	$ 3,166,870	$ 3,832,542		
Water augmentation	2,330,724			
Capital improvements	110,939	603,538	$ 253,058	
Security projects				$ 125,101
TOTAL RESTRICTED NET POSITION	$ 5,608,534	$ 4,436,079	$ 253,058	$ 125,101

The District's Water Treatment Plant Construction Fund, which has a deficit balance of $791,260, borrowed from the water augmentation restricted net position to partially fund the water treatment plant project. The balance owed at June 30, 2024 is $83,787. Monthly principal and interest payments of approximately $4,000 are being made.

NOTE 7 – NET POSITION (Continued)

Unrestricted describes the portion of net position which is not restricted as to use.

Designations of unrestricted net position may be imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Board action. They are reported as part of the District's unrestricted net position.

The District's unrestricted net position consists of the following at June 30, 2024:

	Water	Sewer	Drainage	Solid Waste	Security
DESIGNATED:					
Property Tax Assessment Reserves				$ 32,844	
Capital replacements	$ 82,574	$ 57,184	$ 68,456		$ 326,814
TOTAL DESIGNATED	82,574	57,184	68,456	32,844	326,814
UNDESIGNATED	(1,386,103)	(488,953)	252,260	(153,633)	(361,215)
TOTAL UNRESTRICTED NET POSITION	$ (1,303,529)	$ (431,769)	$ 320,716	$ (120,789)	$ (34,401)

NOTE 8 – PENSION PLANS

Plan Description: All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Plan, a cost sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS) which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues a publicly available report that includes a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Optional Settlement 2 Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTE 8 – PENSION PLANS (Continued)

The Plans' provisions and benefits in effect for the year ended June 30, 2024 is summarized as follows for each rate plan:

Hire date	Miscellaneous Plan (Prior to January 1, 2013)	Miscellaneous Plan (On or after January 1, 2013)
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.00% to 2.5%
Required employee contribution rates	7.00%	7.75%
Required employer contribution rates	12.47%	7.68%

In addition to the contribution rates above, the District was required to make payments totaling $ 317,939 toward its unfunded actuarial liability during the year ended June 30, 2024. The Miscellaneous Plan is closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The total contributions paid to the Plan were $545,721 for the year ended June 30, 2024.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2024, the District reported a net pension liability for its proportionate share of the Plan's net pension liability of $4,963,825.

The District's net pension liability is measured as the proportionate share of the Plan's net pension liability. The net pension liability is measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30 was as follows:

Proportion - June 30, 2023	0.09858%
Proportion - June 30, 2024	0.09927%
Change - Increase/(Decrease)	0.00069%

NOTE 8 – PENSION PLANS (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: For the year ended June 30, 2024, the District recognized pension expense of $818,739. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 299,688	
Differences between Expected and Actual Experience	253,579	$ (39,335)
Differences between Projected and Actual Investment Earnings	803,688	
Differences between Employer's Contributions and Proportionate Share of Contributions	1,626	(104,162)
Change in Employer's Proportion	31,071	(2,310)
Pension Contributions Made Subsequent to Measurement Date	545,721	
Total	$ 1,935,373	$ (145,807)

The $545,721 reported as deferred outflows of resources related to contributions subsequent to the measurement date of June 30, 2023 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as net deferred outflows and inflows of resources related to pensions will be recognized as pension expense as follows as of June 30, 2024:

Year Ended June 30	
2025	$ 355,425
2026	250,688
2027	614,671
2028	23,061
	$ 1,243,845

Actuarial Assumptions: The total pension liability at the June 30, 2024 measurement date was determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by entry age and service
Mortality - pre-retirement	Derived using CalPERS Membership Data

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society

NOTE 8 – PENSION PLANS (Continued)

of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 6.90% in the June 30, 2023 valuation. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for the Plan as of the measurement dates of June 30. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a,b)
Global Equity cap-weighted	30.0%	4.54%
Global Equity non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yeild	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(a) An expected inflation of 2.3% used for this period.
(b) Figures are based on the 2021-22 Asset Liability Management Study.

NOTE 8 – PENSION PLANS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		5.90%
Net Pension Liability	$	7,391,542
Current Discount Rate		6.90%
Net Pension Liability	$	4,963,825
1% Increase		7.90%
Net Pension Liability	$	2,965,606

Pension Plan Fiduciary Net Position: Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description: The District's other postemployment benefits (OPEB) healthcare plan (the Plan) provides medical benefits to employees that directly retire from the District and their eligible dependents, subject to a monthly limitation pursuant to Government Code Section 22892, as amended by AB 2544, under an agent multiple-employer defined benefit plan. Eligibility rules include retirement from the District at age 50 or later with five years of service for employees hired prior to January 1, 2016 and 10 years of service for employees hired after January 1, 2016. When the retiree and/or spouse turn 65, benefits are reduced to include coverage provided by Medicare. Employees hired before January 1, 2016 are eligible for lifetime medical benefits under the CalPERS medical program up to a cap of $272 to $768 per month. Employees hired after January 1, 2016 must have 10 years of PERS service and are eligible for benefits at 50% of the cap of $272 to $768 per month, increasing 5% per year until reaching 100% after 20 years.

Contributions: The contribution requirements of the District are established and may be amended by the District's Board of Directors. Plan members are currently not required to contribute. The District participates in the Public Agency Retirement Services Trust (PARS), an irrevocable trust established to fund OPEB. The Trust is administrated by PARS, and is managed by an appointed board not under the control of the District's Board of Directors. This Trust is not considered a component unit by the District and has been excluded from these financial statements. Pre-funding contributions made by the District are at the discretion of the Board of Directors. During May 2024, the Board approved the transfer of OPEB assets from PARS' funding to California Employers' Retiree Benefit Trust (CERBT).

For the year ended June 30, 2024, the District paid $205,603 of current retiree premiums and contributed $107,699 in the form of an implied subsidy of retirement premiums.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Employees Covered by Benefit Terms: As of the June 30, 2023 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or Beneficiaries receiving benefit payments	26
Active employees	21
Total	47

Net OPEB Liability: The District's net OPEB liabilities as of June 30, 2023 were measured as of 2023, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions: The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%	
Salary increases	3.25%	
Discount rate	6.40%	
Investment rate of return	6.40%	Based on District funding Policy and CERBT Strategy 1 Investment Policy

	Year Begininning	Increase in Pre-65	Premium Rate Post-65
Healthcare trend rate	2023	Actual	Actual
	2024	7.72%	4.85%
	2025	7.47%	5.00%
	2026	7.22%	5.00%
	2027	6.81%	4.96%
	2028	6.40%	5.00%
	2029	5.99%	5.00%
	2030	5.58%	5.00%
	2031	5.18%	5.00%
	2032-2033	4.77%	4.77%
	2034-2051	4.69%	4.69%
	2052 +	4.00%	4.00%

Retirement mortality information was derived from data collected during 2021 CalPERS Experience Study. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

In February 2024, the District transferred the Plan's trust assets from PARS Balanced Index Investment fund to CERBT Strategy 1. This discount rate used for the June 30, 2023, measurement date was based on CERBT Strategy 1 Long-term expected rate of return.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

As of June 30, 2023, the long-term expected rates of return for each major investment class in the Plan's portfolio are as follows:

Investment Class	Target Allocation	Long-Term Expected Real Rate of Return (1)
Equity	60%	5.07%
Fixed Income	32%	1.56%
REIT/TIPS	8%	4.53%
Total	100%	

(1) JP Morgan arithmetic Long Term Capital Market Assumptions and expected inflation of 2.50%.

Discount Rate: The discount rates used to measure the net OPEB liabilities was 6.40 %, which was a decrease from the 7% discount rate used in the previous valuations. The discount rate is based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's fiduciary net positions were projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments were applied to all periods of projected benefit payments to determine the net OPEB liabilities.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Changes in the Net OPEB Liability: Changes in the net OPEB liability were as follows during the year ended June 30, 2024:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2023	$ 4,052,046	$ 2,374,151	$ 1,677,895
Changes in the year:			
Service cost	121,701		121,701
Interest	281,759		281,759
Changes in benefit terms			
Differences between expected and actual experience	294,450		294,450
Changes in assumptions or other inputs	746,730		746,730
Contributions - employer		297,243	(297,243)
Net investment income		196,349	(196,349)
Benefit payments	(297,243)	(297,243)	-
Administrative expenses		(8,015)	8,015
Net changes	1,147,397	188,334	959,063
Balance at June 30, 2024	$ 5,199,443	$ 2,562,485	$ 2,636,958

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the District's Net OPEB Liability if it were calculated using a discount rate that is 1% point lower (5.4%) or 1% point higher (7.4%) then the current rate.

	1% Decrease (5.40%)	Current Discount Rate (6.40%)	1% Increase (7.40%)
Net OPEB liability	$ 3,229,852	$ 2,636,958	$ 2,142,910

Sensitivity of the Net OPEB Liability to Changes in the Trend Rates: The following presents the District's Net OPEB Liability if it were calculated using a trend table that has rates that are 1% point lower or 1% point higher than the current set of rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	$ 2,118,568	$ 2,636,938	$ 3,264,157

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended December 31, 2024, the District recognized OPEB expense of $520,565. At June 30, 2024, the District had deferred inflows related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Unrecognized Deferred Resources due to:		
Differences betweeen expected and actual experience	$ 544,965	$ (6,564)
Change in assumptions	608,702	(272,481)
Net difference between projected and actual earnings	152,442	-
Contribution to OPEB plan after measurement date	313,302	-
Total	$ 1,619,411	$ (279,045)

The amount reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over 5 years for investment earning differences and over the expected average remaining service lifetime of 5.40 years for other changes and differences.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2025	$ 268,740
2026	253,170
2027	293,687
2028	132,561
2028	78,906
Thereafter	-
Total Deferred Resources:	$ 1,027,064

NOTE 10 – SPECIAL ASSESSMENT DISTRICT

The District adopted a resolution for the formation of Rancho Murieta Community Services District Community Facilities District No. 2014-1 (Rancho North/Murieta Gardens) CFD 2014-1. CFD 2014-1 was formed as part of a financing plan for public infrastructure Facilities and other governmental Facilities to support the development of a hotel and other commercial, residential and mixed use properties being developed on approximately 828 acres of land within the District boundaries of CFD 2014-1. On January 29, 2015 bonds in the amount of $5,960,000 were issued to finance the costs of the Facilities and to finance costs associated with the issuance of bonds. During the 2014-2015 fiscal year, a special tax was approved by voters and has been authorized by the Board of Directors to be levied on lots and parcels within CFD

NOTE 10 – SPECIAL ASSESSMENT DISTRICT (Continued)

2014-1 commencing with the fiscal year 2016-17 tax levy. Proceeds from the Special Tax will be used to repay the bonded indebtedness and associated costs. The District is acting as an agent for the property owners and is not liable for repayment of the bonds.

The amount of special assessment debt at June 30, 2024, is:

Community Facilities District No. 2014-1	$ 5,130,000

NOTE 11 – INSURANCE

The District participates in the Golden State Risk Management Authority (GSRMA), a public entity risk pool of California water agencies, for general and auto liability, employee liability, property damage and workers compensation liability. GSRMA provides insurance through the pool up to a certain level, beyond which group-purchased commercial excess insurance is obtained.

The District pays an annual premium to GSRMA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the GSRMA. The District's deductibles and maximum coverage are as follows:

Coverage	GSRMA	Commercial Insurance	Deductible
General and auto liability	$ 350,000	$ 1,000,000	None
Property damage	$ 5,000 to 25,000	$ 25,000,000	$ 250 to 1,000
Employee	$ 25,000	$ 10,000,000	$ 2,500
Workers compensation liability	$ 300,000	Statutory	None

NOTE 12 – REVENUE LIMITATION IMPOSED BY CALIFORNIA PROPOSITION 218

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

NOTE 13 – COMMITMENTS AND CONTINGENCIES

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

Commitments: The District entered into a solid waste agreement with California Waste Recovery System in 2023 that terminates June 30, 2035, with an option to extend. The rates are stated in the contract based

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

on the type of service and are subject to an annual increase based on the Consumer Price Index, not to exceed 5.5% per year.

The District received funding from landowners for the construction of Phase 1 of the water treatment plant expansion, of which $540,000 was to be reserved to fund a portion of the Phase 2 expansion. This reserve amount was used by the District to cover cost overruns on the Phase 1 construction. Should construction of Phase 2 move forward, the District would be required to provide the $540,000 of funding on the project within 12 months of notification that Phase 2 will proceed. The remaining cost of Phase 2 would be funded by the landowners. It is unknown whether the landowners will seek to move forward with Phase 2 of the project. The landowners did not move forward with Phase 2 and the funding remains with the District as of June 30, 2024.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent to June 2024, the District was involved in legal claims during the normal course of business. One of the legal claims was settled in May 2025 in the amount of $375,000. The District is responsible for $200,000 of the settlement and the remaining amount is covered by insurance.

In November 2024, the District executed a construction agreement for the Wastewater Treatment Facility Sodium Hypochlorite Improvements/Chlorine Contact Basin Expansion – Phase 1 Project in the amount of $2,402,558.

In May 2025, the District executed a construction agreement for the Equestrian Access Culvert Project in the amount of $343,000.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.09927%	0.09858%	0.11678%	0.09197%	0.08890%	0.08381%	0.08399%	0.07992%	0.07967%	0.08554%
Proportionate share of the net pension liability	$ 4,963,825	$ 4,612,809	$ 2,217,477	$ 3,879,564	$ 3,560,102	$ 3,158,658	$ 3,310,789	$ 2,776,304	$ 2,185,709	$ 2,114,104
Covered payroll - measurement period	$ 2,463,801	$ 2,440,518	$ 1,734,776	$ 2,011,198	$ 1,777,349	$ 1,700,521	$ 1,844,259	$ 1,854,042	$ 1,776,986	$ 1,776,986
Proportionate share of the net pension liability as a percentage of covered payroll	201.47%	189.01%	127.82%	192.90%	200.30%	185.75%	179.52%	149.74%	123.00%	118.97%
Plan fiduciary net position as a percentage of the total pension liability	72.35%	72.91%	86.39%	59.65%	68.19%	75.68%	73.42%	78.44%	81.69%	79.18%
Notes to Schedule:										
Reporting valuation date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Reporting measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Change in benefit terms: None										

Changes in assumptions: The discount rate was changed from 6.75% (net of administrative expenses) to 7.00% in the June 30, 2021 actuarial valuation. The discount rate was changed to 7.00% in the June 30, 2022 actuarial valuation.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN
Last 10 Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 545,721	$ 542,081	$ 467,657	$ 430,634	$ 393,756	$ 336,982	$ 282,817	$ 269,924	$ 250,997	$ 222,235
Contributions in relation to the actuarially determined contributions	(545,721)	(542,081)	(467,657)	(430,634)	(393,756)	(336,982)	(282,817)	(269,924)	(250,997)	(222,235)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll - fiscal year	$ 2,527,012	$ 2,463,801	$ 2,440,518	$ 1,734,776	$ 2,011,198	$ 1,777,349	$ 1,700,521	$ 1,844,259	$ 1,854,042	$ 1,776,986
Contributions as a percentage of covered payroll	21.60%	22.00%	19.16%	24.82%	19.58%	18.96%	16.63%	14.64%	13.54%	12.51%
Notes to Schedule:										
Contribution valuation date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Methods and assumptions used to determine contribution rates:	Entry age normal cost method									
Amortization method	Level percentage of payroll, closed									
Remaining amortization period	Varies by rate plan, not more than 30 years									
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Inflation	2.30%	2.50%	2.50%	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service									
Payroll growth	2.80%	2.75%	2.75%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return and discount rate	6.80%	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age	50 to 67 years. Probabilities of retirement are based on the most recent CalPERS Experience Study.									
Mortality	Most recent CalPERS Experience Study									

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Future years will be added prospectively as they become available.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last 10 Years

Measurement period	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	$ 121,701	$ 115,906	$ 132,255	$ 125,957	$ 119,959	$ 120,587	$ 120,587
Interest	281,759	274,665	291,638	279,650	218,561	202,076	193,101
Differences between expected and actual experience	294,450	-	38,018	(13,776)	819,620	(9,086)	(13,414)
Changes in assumptions	746,730	-	(406,563)		(116,222)		
Benefit payments	(297,243)	(287,910)	(275,268)	(180,096)	(170,520)	(114,202)	(101,226)
Net change in total OPEB liability	1,147,397	102,661	(219,920)	211,735	871,398	199,375	199,048
Total OPEB liability - beginning	4,052,046	3,949,385	4,169,305	3,957,570	3,086,172	2,886,797	2,687,749
Total OPEB liability - ending (a)	$ 5,199,443	$ 4,052,046	$ 3,949,385	$ 4,169,305	$ 3,957,570	$ 3,086,172	$ 2,886,797
Plan fiduciary net position							
Contributions - employer	$ 297,243	$ 287,910	$ 275,268	$ 292,596	$ 352,020	$ 328,402	$ 189,009
Net investment income	196,349	(325,300)	520,844	66,025	93,530	121,097	127,890
Benefit payments	(297,243)	(287,910)	(275,268)	(180,096)	(170,520)	(114,202)	
Administrative expenses	(8,015)					(5,456)	(4,337)
Net change in plan fiduciary net position	188,334	(325,300)	520,844	178,525	275,030	329,841	312,562
Plan fiduciary net position - beginning	2,374,151	2,699,451	2,178,607	2,000,082	1,725,052	1,395,211	1,082,649
Plan fiduciary net position - ending (b)	$ 2,562,485	$ 2,374,151	$ 2,699,451	$ 2,178,607	$ 2,000,082	$ 1,725,052	$ 1,395,211
Net OPEB liability - ending (a)-(b)	$ 2,636,958	$ 1,677,895	$ 1,249,934	$ 1,990,698	$ 1,957,488	$ 1,361,120	$ 1,491,586
Plan fiduciary net position as a percentage of the total OPEB liability	49.28%	58.59%	68.35%	52.25%	50.54%	55.90%	48.33%
Covered - employee payroll - measurement period	$ 2,255,304	$ 2,013,132	$ 1,734,776	$ 2,011,198	$ 1,933,439	$ 1,755,788	$ 1,770,521
Net OPEB liability as percentage of covered - employee payroll	116.92%	83.35%	72.05%	98.98%	101.24%	77.52%	84.25%
Notes to schedule:							
Valuation date	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Benefit changes. None.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
Last 10 Years

	2024	2023	2022	2021	2020	2019	2018
Actuarially or contractually determined contribution - employer fiscal year	$ 319,294	$ 229,742	$ 222,510	$ 287,225	$ 278,685	$ 298,011	$ 286,184
Contributions in relation to the determined contributions	(313,302)	(297,243)	(287,910)	(275,268)	(292,596)	(352,020)	(328,402)
Contribution deficiency (excess)	$ 5,992	$ (67,501)	$ (65,400)	$ 11,957	$ (13,911)	$ (54,009)	$ (42,218)
Covered - employee payroll - employer fiscal year	$ 2,527,012	$ 2,463,801	$ 2,013,132	$ 2,011,198	$ 1,996,276	$ 1,933,439	$ 1,777,349
Contributions as a percentage of covered - employee payroll	12.40%	12.06%	14.30%	13.69%	14.66%	18.21%	18.70%

Notes to Schedule:

	2024	2023	2022	2021	2020	2019	2018
Valuation date	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Methods and assumptions used to determine contribution rates:							
Actuarial Cost Method	Entry-age normal cost method						
Amortization method	Level percentage of ernings or service of the individual between entry age and assumed exit age.						
Asset valuation method	Market value of assets						
Inflation	2.50%						
Healthcare cost trend rates	5.20% in 2022 trending down to 4.00% in 2065						
Salary increases	3.25%	3.00%	3.00%	3.25%	3.25%		
Investment rate of return	6.40%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Retirement age	50-75 years. Probabilities of retirement are based on the 2017 CalPERS experience study.						
Mortality	Based on 2021 CalPERS experience study.						

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

COMPLIANCE REPORT

RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Rancho Murieta Community Services District
Rancho Murieta, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the funds and the fiduciary fund of the Rancho Murieta Community Services District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 24, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be material weaknesses as items 2022-001, 2021-001 and 2021-002.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Response to Findings

Government Auditing Standards require auditors to perform limited procedures on the District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

August 24, 2026

MATERIAL WEAKNESSES IN INTERNAL CONTROL

Prior Year Findings

Finding 2022-001: Timely record keeping

Condition: The accounting records were not maintained up-to-date during the fiscal year. Payroll expenses for employees were not recorded in the general ledger until after year-end in one large journal entry, and the bank reconciliations were not performed until after the end of the fiscal year.

Criteria: Accounting transactions must be recorded timely and accurately to maintain sufficient internal control over accounting records and to provide real-time financial information to manage the District.

Cause: The District has had staff turnovers over the last few years in the accounting department leaving its ability to record transactions timely limited.

Effect: Potential for misstated accounting records and the inability of the District to manage its cash balances.

Recommendation: We recommend the District ensure at least cash transactions are recorded on a timely basis, even though the District us behind in closing its books on the accrual basis.

Current Status: The District has retained a Director of Finance that has been working toward maintaining the District's accounting system up-to-date.

District's response: In conjunction with the preparation of outstanding audits, the District has continued to strengthen its financial recordkeeping processes. Monthly payroll journal entries, cash receipts and revenue transactions, and other material accounting activities have been recorded in the accounting system to bring the financial records current. Beginning in January 2026, preliminary financial reports for the five-month period ended November 30, 2025, have been presented to the Finance and Board Committee, enhancing financial transparency and strengthening governance oversight. As of August 2026, we are finalizing the accounting records through July 31, 2026, and continue to make significant progress in closing historical financial reporting gaps.

Finding 2021-001 and 2020-001: Year-End Closing Procedures

Condition: The audit was delayed because of delays in producing closing entries, trial balances, schedules, reconciliations, account analyses, and other financial reports needed by management and the auditors, due to the District having difficulty finding qualified staff.

To ensure the year-end closing process proceeds more quickly and smoothly, we recommend developing a checklist that indicates who will perform each procedure and when completion of each procedure is due and is accomplished. The District needs to ensure that all balance sheet accounts are reviewed and reconciled to supporting schedules and are reviewed and approved prior to the beginning of the audit.

Recommendation: We recommend that the District streamline accounting processes to create timely, accurate financial reporting. Reconciliations of account balances should be performed throughout the year. A closing procedures checklist would ensure account balances are reviewed and corrected prior to the start of the audit. The review function should include monitoring compliance with District policy and generally accepted accounting principles. Procedures should be in place to prepare the required reconciliations at year-end and post entries needed to close the books prior to the start of the audit.

Current Status: The District has now retained qualified staff to ensure that all the balance sheets are reviewed and reconciled and approved prior to the beginning of the audit. A streamlined accounting process which includes routine reconciliation according to the District policy and generally accepted accounting principles is substantially installed.

Finding 2021-002 and 2020-002: Developer-constructed infrastructure

Condition: Developer-constructed infrastructure that is deeded to the District does not appear to have been recorded as capital assets in the District's general ledger. One transaction was identified dating back to 2007, but there may be others.

Criteria: A complete and accurate capital asset listing, including developer-constructed assets, needs to be maintained.

Cause: It appears certain policies and procedures related to developer-donated infrastructure have not been put into place.

Effect: This situation creates a misstatement of the capital assets.

Recommendation: We recommend the District evaluate the extent of developer-donated infrastructure received and estimate and record the amount of developer-donated assets and related depreciation in its general ledger and capital asset listing.

Current Status: This issue still exists, but donated infrastructure was properly recorded in fiscal year 2023 and 2024.

District's response: The District has begun evaluating developer-donated infrastructure assets and has recorded the value of identified developer-contributed assets, along with the related depreciation, in both the general ledger and the fixed asset subledger for fiscal years 2023 and 2024. The District anticipates completing the identification and evaluation of all developer-donated infrastructure and making any necessary adjustments to the accounting records in subsequent fiscal years. This effort will help ensure the completeness and accuracy of the District's capital asset records and related financial reporting.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Audited Financial Statements
and Compliance Report

June 30, 2023

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RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rancho Murieta Community Services District
Rancho Murieta, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the fiduciary fund of the Rancho Murieta Community Services District (the District), as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Qualified Opinion on the Water and Sewer Funds

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above for the Water and Sewer funds present fairly, in all material respects, the financial position of each major fund and the fiduciary fund of the District as of June 30, 2023, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Drainage, Solid Waste and Security Funds

In our opinion, the financial statements referred to above are present fairly, in all material respects, the financial position of the Drainage, Solid Waste and Security Funds of the District, as of June 30, 2024, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to the Qualified Opinion on the Water and Sewer Funds

In past years, management had not adopted a methodology for verifying that easements and developer-donated infrastructure have been recorded in Water and Sewer Funds and, accordingly, has not verified the completeness of its capital assets. Accounting principles generally accepted in the United States of America require that such capital assets be valued and reflected in the financial statements, which would increase the assets, and investment in capital assets and change depreciation expense in the Water and Sewer Funds.

The amounts by which this departure would affect the capital assets and depreciation expense of the Water and Sewer Funds has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Board of Directors
Rancho Murieta Community Services District

Other Matters

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Richardson & Company, LLP

August 24, 2026

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENTS OF NET POSITION
PROPRIETARY FUNDS

As of June 30, 2023

	Major Funds					
	Water	Sewer	Drainage	Solid Waste	Security	Total
ASSETS						
Current Assets:						
Cash and investments	$ 2,182,836	$ 243,704	$ 274,360	$ 349,699	$ 334,308	$ 3,384,907
Accounts receivable	404,014	232,022	30,864	135,436	208,226	1,010,562
Assessments receivable		5,077	2,855	3,529	13,185	24,646
Interest receivable	34,603	17,967	1,996	2,662	9,316	66,544
Notes receivable, current portion		22,894				22,894
Prepaid expenses	35,709	19,221	1,979	2,638	11,383	70,930
Due from other funds		96,926	123,138		333,025	553,089
Due from CFD	63,084					63,084
Due from developers	140,101					140,101
Total Current Assets	2,860,347	637,811	435,192	493,964	909,443	5,336,757
Capital Assets:						
Non-depreciable	265,740	5,682,140	1,412		6,101	5,955,393
Depreciable, net	16,147,605	7,436,120	533,281		348,095	24,465,101
Total Capital Assets, Net	16,413,345	13,118,260	534,693		354,196	30,420,494
Other Assets:						
Cash and investments - restricted	4,984,483	4,566,557	236,127		17,649	9,804,816
Notes receivable		47,183				47,183
Advances to other funds		369,419				369,419
Total Other Assets	4,984,483	4,983,159	236,127		17,649	10,221,418
TOTAL ASSETS	24,258,175	18,739,230	1,206,012	493,964	1,281,288	45,978,669
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow - pensions	1,034,394	537,089	59,677	79,569	278,491	1,989,220
Deferred outflow - OPEB	604,712	313,985	34,888	46,516	162,808	1,162,909
TOTAL DEFERRED OUTFLOWS	1,639,106	851,074	94,565	126,085	441,299	3,152,129
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 25,897,281	$ 19,590,304	$ 1,300,577	$ 620,049	$ 1,722,587	$ 49,130,798

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENTS OF NET POSITION
PROPRIETARY FUNDS

As of June 30, 2023

	Major Funds					
	Water	Sewer	Drainage	Solid Waste	Security	Total
LIABILITIES						
Current Liabilities:						
Accounts payable	$ 441,498	$ 290,967	$ 19,871	$ 132,257	$ 89,361	$ 973,954
Accrued payroll	50,781	31,945	6,094	1,738	42,779	133,337
Developer deposits	413,915					413,915
Due to other funds	244,895			308,194		553,089
Unearned revenue	553,916	521,729		20,000		1,095,645
Compensated absences	83,539	43,376	4,820	6,426	22,491	160,652
Lease liabilities - due within one year	2,957	2,957				5,914
Total Current Liabilities	1,791,501	890,974	30,785	468,615	154,631	3,336,506
Noncurrent Liabilities:						
Compensated absences - due after one year	7,844	4,073	452	603	2,113	15,085
Lease liabilities - due after one year	1,412	1,412				2,824
Advances from other funds	369,419					369,419
Net pension liability	2,398,661	1,245,459	138,384	184,512	645,793	4,612,809
Net OPEB liability	872,505	453,032	50,337	67,116	234,905	1,677,895
Total Noncurrent Liabilities	3,649,841	1,703,976	189,173	252,231	882,811	6,678,032
TOTAL LIABILITIES	5,441,342	2,594,950	219,958	720,846	1,037,442	10,014,538
DEFERRED INFLOWS OF RESOURCES						
Deferred inflow - pensions	144,378	74,966	8,330	11,106	38,871	277,651
Deferred inflow - OPEB	299,300	155,406	17,267	23,023	80,581	575,577
TOTAL DEFERRED INFLOWS	443,678	230,372	25,597	34,129	119,452	853,228
TOTAL LIABILITIES AND DEFERRED INFLOWS	5,885,020	2,825,322	245,555	754,975	1,156,894	10,867,766
NET POSITION						
Net investment in capital assets	16,408,976	13,113,891	534,693		354,196	30,411,756
Restricted for capital projects	4,984,483	4,120,735	236,127		17,648	9,358,993
Unrestricted	(1,381,198)	(469,644)	284,202	(134,926)	193,849	(1,507,717)
Total Net Position	20,012,261	16,764,982	1,055,022	(134,926)	565,693	38,263,032
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 25,897,281	$ 19,590,304	$ 1,300,577	$ 620,049	$ 1,722,587	$ 49,130,798

The notes to the basic financial statements are an integral part of this statement.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended June 30, 2023

	Major Funds					
	Water	Sewer	Drainage	Solid Waste	Security	Total
Operating Revenues						
Service charges	$ 2,869,333	$ 1,641,994		$ 991,693	$ 7,350	$ 5,510,370
Special taxes			$ 221,359		1,499,906	1,721,265
Developers' fees	80,309	1,771				82,080
Total Operating Revenues	2,949,642	1,643,765	221,359	991,693	1,507,256	7,313,715
Operating Expenses						
Operation administration	837,305	223,456	20,953	982,433	172,584	2,236,731
Source of supply	370,796					370,796
Treatment	718,353					718,353
Transmission and distribution	254,465					254,465
Sewer collection		400,611				400,611
Sewer treatment and disposal		522,024				522,024
Gate services					779,761	779,761
Patrol services					392,223	392,223
Developers' expense	78,282					78,282
General and administrative	1,649,375	855,441	95,728	126,843	133,622	2,861,009
Depreciation	861,202	623,813	15,629		63,781	1,564,425
Total Operating Expenses	4,769,778	2,625,345	132,310	1,109,276	1,541,971	10,178,680
Net Income (Loss) from Operations	(1,820,136)	(981,580)	89,049	(117,583)	(34,715)	(2,864,965)
Nonoperating Revenue (Expenses):						
Taxes	540,008	288,844		34,615		863,467
Interest revenue	50,456	24,021		4,773	27,273	106,523
Interest expense	(10,729)	(110)	(898)			(11,737)
Miscellaneous nonoperating revenue (expenses)	10,828	11,729	398	530	1,856	25,341
Total Nonoperating Revenue (Expenses)	590,563	324,484	(500)	39,918	29,129	983,594
Change in Net Position Before Transfers and Capital Contributions	(1,229,573)	(657,096)	88,549	(77,665)	(5,586)	(1,881,371)

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Continued)
PROPRIETARY FUNDS

For the Year Ended June 30, 2023

	Major Funds					
	Water	Sewer	Drainage	Solid Waste	Security	Total
Capital Contributions						
Capital replacement reserve fees	$ 456,756	$ 458,127				$ 914,883
Debt reserve fee	188,240					188,240
Security impact fee					$ 3,600	3,600
Water augmentation fees	11,267					11,267
Capital improvement fees	19,112	42,008			587	61,707
Donated infrastructure	689,776	357,399	$ 410,882			1,458,057
Capital grant revenue	197,647	26,707				224,354
Total Capital Contributions	1,562,798	884,241	410,882		4,187	2,862,108
Change in Net Position	333,225	227,145	499,431	$ (77,665)	(1,399)	980,737
Net position, Beginning of Year	19,679,036	16,537,837	555,591	(57,261)	567,092	37,282,295
Net Position, End of Year	$ 20,012,261	$ 16,764,982	$ 1,055,022	$ (134,926)	$ 565,693	$ 38,263,032

The notes to the basic financial statements are an integral part of this statement.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2023

	Major Funds					
	Water	Sewer	Drainage	Solid Waste	Security	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$ 3,418,774	$ 2,180,702	$ 207,638	$ 968,137	$ 1,397,295	$ 8,172,546
Payments to employees	(1,538,290)	(1,184,790)	(109,322)	(47,597)	(10,318,831)	(13,198,830)
Payments to suppliers	(1,749,611)	(867,358)	(133,836)	(1,064,792)	8,568,519	4,752,922
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	130,873	128,554	(35,520)	(144,252)	(353,017)	(273,362)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Assessments received	550,799	289,370		31,916		872,085
Amounts received/ (paid) from other funds	(76,224)	165,997		308,194	(336,760)	61,207
Other amounts received	10,828	11,729	398	530	1,856	25,341
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	485,403	467,096	398	340,640	(334,904)	958,633
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(453,318)	(579,962)	(101,957)		(86,662)	(1,221,899)
Water augmentation fees received	11,267					11,267
Debt reserve fee received	188,240					188,240
Payments on capital lease	(2,687)	(997)			(1,104)	(4,788)
Interest paid	(10,729)	(110)				(10,839)
Grant revenues received	197,647	26,707				
Capital fees received	475,868	500,135			4,187	980,190
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	406,288	(54,227)	(101,957)		(83,579)	(57,829)

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENTS OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS

For the Year Ended June 30, 2023

	Major Funds					
	Water	Sewer	Drainage	Solid Waste	Security	Total
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	$ 23,964	$ 10,265	$ (2,426)	$ 2,735	$ 20,141	$ 54,679
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	23,964	10,265	(2,426)	2,735	20,141	54,679
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,046,528	551,688	(139,505)	199,123	(751,359)	906,475
Cash and cash equivalents at beginning of year	6,120,791	4,258,573	774,283	150,576	1,103,316	12,407,539
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 7,167,319	$ 4,810,261	$ 634,778	$ 349,699	$ 351,957	$ 13,314,014
RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION:						
Cash and investments	$ 2,182,836	$ 243,704	$ 274,360	$ 349,699	$ 334,308	$ 3,384,907
Cash and investments - restricted	4,984,483	4,566,557	236,127		17,649	9,804,816
TOTAL CASH AND CASH EQUIVALENTS	$ 7,167,319	$ 4,810,261	$ 510,487	$ 349,699	$ 351,957	$ 13,189,723

The notes to the basic financial statements are an integral part of this statement.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENTS OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS

For the Year Ended June 30, 2023

	Major Funds					
	Water	Sewer	Drainage	Solid Waste	Security	2024
RECONCILIATION OF OPERATING LOSSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Net (loss) income from operations	$ (1,820,136)	$ (981,580)	$ 89,049	$ (117,583)	$ (34,715)	$ (2,864,965)
Adjustments to reconcile net loss from operations to net cash provided (used) by operating activities:						
Depreciation and amortization	861,202	623,813	15,629		63,781	1,564,425
Write-off of fixed assets	208,621					208,621
Changes in operating assets and liabilities:						
Accounts receivable	(44,917)	(6,279)	(13,477)	(42,396)	(108,674)	(215,743)
Prepaid expenses	(21,533)	(11,106)	(1,252)	(1,668)	(5,944)	(41,503)
Due from developers	(35,554)	24,291				(11,263)
Accounts payable	271,795	217,607	18,327	52,385	36,609	596,723
Accrued payroll	(58,990)	7,638	1,016	155	12,780	(37,401)
Deposits	82,260	518,925	(244)	18,840	(1,287)	618,494
Unearned revenue	549,603					549,603
Compensated absences	8,568	(1,478)	(5,786)	4,551	(19,766)	(13,911)
Net pension liability	1,495,174	464,870	56,637	15,799	362,852	2,395,332
Net OPEB liability	222,539	115,550	12,839	17,119	59,914	427,961
Deferred outflows	(908,200)	(372,800)	(17,622)	(53,049)	(111,891)	(1,463,562)
Deferred inflows	(679,559)	(470,897)	(190,636)	(38,405)	(606,676)	(1,986,173)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 130,873	$ 128,554	$ (35,520)	$ (144,252)	$ (353,017)	$ (273,362)
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION						
Contributed assets	$ 689,776	$ 357,399	$ 410,882			$ 1,458,057

The notes to the basic financial statements are an integral part of this statement.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS

As of June 30, 2023

		Total Custodial Funds
Assets		
Cash and investments		$ 507,464
Assessments receivable		198,275
Restricted cash		398,805
	TOTAL ASSETS	1,104,544
Liabilities		
Due to CSD		63,084
Bond interest payable		80,508
Bonds payable		5,280,000
	TOTAL LIABILITIES	5,423,592
Net Position		
Restricted		398,805
Unrestricted		(4,717,853)
	TOTAL NET POSITION	$ (4,319,048)

The notes to the basic financial statements are an integral part of this statement.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS

June 30, 2023

		Total Custodial Funds
Additions		
Property taxes		$ 451,599
Interest and investment earnings		24,940
	TOTAL ADDITIONS	476,539
Deductions		
General government		59,984
Debt Service:		
Interest		242,324
	TOTAL DEDUCTIONS	302,308
	NET INCREASE IN FIDUCIARY NET POSITION	174,231
Net position, beginning of year		(4,493,279)
	NET POSITION, END OF YEAR	$ (4,319,048)

The notes to the basic financial statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Rancho Murieta Community Services District (District) have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity: The District was formed in 1982, under California State Government Code 61600 and currently provides water, sewer, drainage, solid waste and security services throughout the Rancho Murieta Community. The District's financial and administrative functions are governed by a five-member Board of Directors elected by the voting population within the District. The component unit discussed below is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

Community Facilities District No. 2014-1 (CFD 2014-1) was created for the purpose of acquiring, constructing and maintaining water facilities within the Rancho Murieta boundaries. The District is not obligated to repay debt of the CFD 2014-1 but functions as an agent for the property owners by collecting assessments, forwarding collections to special assessment debt holders, and, if appropriate, initiating foreclosures on delinquent property owners. Because of the special financing relationships, the CFD 2014-1 has been included in the financial statements as a fiduciary component unit.

Basis of Presentation: The District's resources are allocated to and accounted for in these basic financial statements as five enterprise fund types of the proprietary fund group and one agency fund. The operation of a fund is accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, net position, revenues and expenses.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

The Fiduciary fund is used to account for assets held by the District in a fiduciary capacity for special assessment districts. They consist entirely of Custodial Funds. The financial activities of these funds are excluded from the District-wide financial statements but are presented in separate Fiduciary Fund financial statements. Fiduciary funds use the "economic resources measurement focus and the accrual basis of accounting.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, net of related debt, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The agency funds do not involve the results of operations and do not use a measurement basis.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received they are recorded as unearned revenues until earned.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities.

When both unrestricted and restricted resources are available for use, it is the District's policy to use unrestricted resources first, then restricted resources as they are needed.

Major Funds: Major funds are defined as funds that have assets, liabilities, revenues, or expenditures/expenses equal to or greater than ten percent of their fund-type total or five percent of all fund-type totals. The District may also select other funds it believes should be presented as major funds. The District reports all of its proprietary funds as major funds.

The District reports on the following major proprietary funds:

Water – This fund accounts for the activities of providing water to the residents of the District.

Sewer – This fund accounts for the activities of collecting and treating wastewater of the residents in the District.

Drainage – This fund accounts for the activities of providing drainage to the residents of the District.

Solid Waste – This fund accounts for the activities of collecting solid waste of the residents of the District.

Security – This fund accounts for the activities of providing security to the residents of the District.

Budget and Budgeting: Budget integration is employed as a management control device. Budgets are formally adopted by the Board of Directors and take effect the following July 1. The budgets are a management tool and not a legal requirement.

Cash and Investments: For purposes of the statement of cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Amounts held in the State of California Local Agency Investment Fund (LAIF) and California Asset Management Program (CAMP) are considered to be cash and cash equivalents due to their highly liquid nature.

Restricted Cash and Investments: Certain capital expansion fees and capital replacement fees charged to customers are classified as restricted cash and investments because their use is legally restricted by the

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Water Code or District ordinance. Restricted cash and investments are not available for general operational expenses.

Receivables: Receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts, if applicable, and estimated refunds due. No allowance was deemed necessary at June 30, 2023.

Property Taxes: Secured property taxes are levied on January 1 and are payable in two installments on November 1 and February 1, which become delinquent after December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. Sacramento County (County) bills and collects the property taxes and allocates a portion to the District. Property tax revenues are recognized in the fiscal year for which they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

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

Capital Assets: Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are recorded at fair value at the date of donation. The District’s policy is to capitalize all capital assets with costs exceeding $5,000, except for buildings, land improvements and infrastructure, which will be capitalized if it exceeds $25,000. Repair, maintenance and minor replacements of capital assets are expensed.

Capital assets are depreciated using the straight-line method, which means the costs of the capital asset is divided by its expected useful life in years and the result is charged to expense each year until the capital asset is fully depreciated. The District has assigned the useful lives listed below to capital assets:

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

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

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District’s California Public Employees’ Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the District’s OPEB plan (Plan), and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earning process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the District's pension and OPEB plans as described in Notes 8 and 9.

Deferred Compensation Plan: The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributed to those amounts, are maintained in a trust. Participants have sole rights under the plan in an amount equal to the fair value of the deferred account for each participant.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Pronouncements: In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement will be implemented during the year ended June 30, 2025.

In April 2024, the GASB issued Statements No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to provide key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

NOTE 2 - CASH AND INVESTMENTS

The District's cash and investments consisted of the following at June 30, 2023:

Proprietary Funds:	
Cash and investments	$ 3,384,907
Restricted cash and investments	9,804,816
Fiduciary Funds:	
Cash and investments	507,464
Restricted cash	398,805
Total cash and investments	$ 14,095,992

Cash and investments were classified under GASB Statement No. 40 as follows at June 30, 2023:

Deposits with financial institutions	$ 4,284,040
Investments:	
Local Agency Investment Fund	8,346,811
CAMP investment pool	667,738
Money market funds	797,403
Total Cash	$ 14,095,992

Investments Authorized by the California Government Code and the District's Investment Policy: The District's Investment Policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the District's Investment Policy where the District's Investment Policy is more restrictive. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of the debt agreement and not the provisions of the California Government Code or the District's Investment Policy.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Investment in One Issuer
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	270 days	20%	None
Negotiable Certificates of Deposit	2 years	20%	None
Re-purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None
Municipal Obligations	5 years	20%	None
Supranational debt	5 years	30%	None

NOTE 2 - CASH AND INVESTMENTS (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity or earliest call date as of June 30, 2023:

		Remaining Maturity	
Investment Type	Total	12 Months or Less	13 to 48 Months
Local Agency Investment Fund	$ 8,346,811	$ 8,346,811	
CAMP investment pool	667,738	667,738	
Money market funds	797,403	797,403	
Total	$ 9,811,952	$ 9,811,952	

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of June 30, 2023 for each investment type.

			Ratings as of fiscal year end	
Investment Type	Amount	Minimum Legal Rating	AAAm/AAA	Not rated
Local Agency Investment Fund	$ 8,346,811	N/A		$ 8,346,811
CAMP investment pool	667,738	N/A	$ 667,738	
Money market funds	797,403	N/A	797,403	
Total investments	$ 9,811,952		$ 1,465,141	$ 8,346,811

Concentration of Credit Risk: The investment policy of the District limited the amount that can be invested in any one issuer to the amount stipulated by the California Government Code. As of June 30, 2023, the District had no investments which represent more than 5% of its total investment in any one issuer (other than mutual funds and external investment pools).

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for

NOTE 2 - CASH AND INVESTMENTS (Continued)

deposits, 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 market 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 public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2023, the carrying amount of the District's deposits were $4,284,040 and the balances in financial institutions were $4,587,458. Of the balance in financial institutions, $608,866, was covered by federal depository insurance and $3,978,592 was collateralized by securities pledged by the financial institution.

Investments in LAIF: LAIF is stated at net asset value. LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The total fair value invested by all public agencies in LAIF is $176,442,053,163 and is managed by the State Treasurer. Of that amount, 2.78% is invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The weighted average maturity of investments held by LAIF was 260 days at June 30, 2023.

Investments in CAMP: The District is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The District reports its investments in CAMP at the pool share, which approximates fair value. At June 30, 2023, these investments of the pool had an average maturity of 45 days.

Fair Value Measurement: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

The District's investment in the money market mutual fund is considered Level 2 because the value is calculated using amortized cost of the securities held in the fund, not the market value. The District's investment in LAIF and CAMP are considered uncategorized.

NOTE 3 – INTERFUND TRANSACTIONS

In May 2014, the Sewer Fund advanced the Water Fund $1,500,000 for the water treatment plant expansion. Principal payments of approximately $10,900 per month, plus interest at the current investment earnings rate, are paid monthly through May 2026. Interest expense during the year ended June 30, 2023, was $10,400 in the Water Fund. The interest rate on the loan at June 30, 2023, was 3.167%. As of June 30, 2023, $369,419 was outstanding on this advance.

During the course of normal operations, transactions occur between funds to reimburse costs paid on behalf of other funds. These balances are expected to be repaid within one year.

Interfund balances for operations as of June 30, 2023 were as follows:

	Due from other funds	Due to other funds
Water fund		$ 244,895
Sewer fund	$ 96,926	
Drainage fund	123,138	
Solid Waste fund		308,194
Security fund	333,025	
	$ 553,089	$ 553,089

The balances resulted primarily from temporary cash advances and the timing of expenditures and reimbursements between funds. Management expects all balances to be settled during the subsequent fiscal years.

NOTE 4 – NOTES RECEIVABLE

In June 2021, the District loaned $114,514 to the Rancho Murieta Country Club to replace the recycled water irrigation pumps. The loan has an initial interest rate of 2%, which will be updated to the LAIF interest rate, but not less than 2%. The loan is due in monthly payments of $2,007 through June 30, 2026. This is paid off as of reporting date.

NOTE 5 – CAPITAL ASSETS

A. Capital assets activity

The activity in the capital assets for the year ended June 30, 2023 are summarized below:

	Balance at July 1, 2022	Additions	Deletions	Reclassifications/ Adjustments	Balance at June 30, 2023
Water Fund					
Capital Assets not being depreciated:					
Construction in Progress		$ 252,100			$ 252,100
Land	$ 13,640				13,640
Total Capital Assets not being depreciated	13,640	252,100			265,740
Capital Assets being depreciated:					
Utility Infrastructure and Related Improvements		841,013		$ 30,728,953	31,569,966
Machinery and Equipment		48,301		370,761	419,063
Computer Equipments and Software		1,680		62,712	64,392
Furniture and Fixtures				30,249	30,249
Vehicle				341,605	341,605
Building and related improvements				7,218	7,218
Water transmission	8,071,594			(8,071,594)	
Water treatment	22,604,298			(22,604,298)	
Software	8,482			(8,482)	
Vehicles and equipment	938,488			(938,488)	
Subtotal	31,622,862	890,994		(81,364)	32,432,492
Less: Accumulated Depreciation	(15,423,685)	(861,202)			(16,284,887)
Total Capital Assets being depreciated, net	16,199,177	29,792		(81,364)	16,147,605
Total Capital Assets, Net	$ 16,212,817	$ 281,892	$ -	$ (81,364)	$ 16,413,345

NOTE 5 – CAPITAL ASSETS (Continued)

	Balance at July 1, 2022	Additions	Deletions	Reclassifications/ Adjustments	Balance at June 30, 2023
Sewer Fund					
Capital Assets not being depreciated:					
Construction in progress		$ 219,090			$ 219,090
Land	$ 5,463,050				5,463,050
Total Capital Assets not being depreciated	5,463,050	219,090			5,682,140
Capital Assets being depreciated:					
Utility Infrastructure and Related Improvements		684,806		$ 21,282,874	21,967,680
Machinery and Equipment		22,830		593,575	616,405
Computer Equipments and Software		10,635		133,788	144,423
Furniture and Fixtures				16,494	16,494
Vehicle				210,186	210,186
Building and related improvements				888,609	888,609
Collection facilities	4,990,707			(4,990,707)	
Pumping facility	160,466			(160,466)	
Treatment plant/facilities	15,651,378			(15,651,378)	
Vehicles and equipment	1,057,201			(1,057,201)	
Lake Chesbro Protection	216,119			(216,119)	
Disposal Facilities	673,852			(673,852)	
Software	4,090			(4,090)	
Telemetry building	503,857			(503,857)	
Subtotal	23,257,670	718,271		(132,144)	23,843,797
Less: Accumulated Depreciation	(15,783,864)	(623,813)			(16,407,677)
Total Capital Assets being depreciated, net	7,473,806	94,458		(132,144)	7,436,120
Total Capital Assets, Net	$ 12,936,857	$ 313,548	$ -	$ (132,144)	$ 13,118,260
Drainage					
Capital Assets not being depreciated:					
Construction in progress		$ 1,412			$ 1,412
Total Capital Assets not being depreciated		1,412			1,412
Depreciable assets:					
Utility Infrastructure and Related Improvements		511,337			511,337
Machinery and Equipment				$ 62,301	62,301
Computer Equipments and Software		90		2,706	2,796
Furniture and Fixtures				1,911	1,911
Vehicle				863	863
Software	$ 455			(455)	
Drainage facility	66,173			(66,173)	
Subtotal	66,628	511,427		1,153	579,208
Less: Accumulated Depreciation	(30,298)	(15,629)			(45,927)
Total Capital Assets being depreciated, net	36,330	495,797		1,153	533,281
Total Capital Assets, Net	$ 36,330	$ 497,210	$ -	$ 1,153	$ 534,693

NOTE 5 – CAPITAL ASSETS (Continued)

	Balance at July 1, 2022	Additions	Deletions	Reclassifications/ Adjustments	Balance at June 30, 2023
Security					
Capital Assets not being depreciated:					
Construction in progress		$ 6,101			$ 6,101
Total Capital Assets not being depreciated		6,101			6,101
Depreciable assets:					
Machinery and Equipment		24,409		$ 299,949	324,358
Computer Equipments and Software		420		165,842	166,262
Furniture and Fixtures		22,496		24,222	46,718
Vehicle		33,237		80,951	114,187
Building and related improvements				233,340	233,340
Vehicles and equipment	$ 547,996			(547,996)	
Software	196,660			(196,660)	
Buildings and improvements	55,913			(55,913)	
Subtotal	800,569	80,561		3,735	884,865
Less: Accumulated Depreciation	(472,989)	(63,781)		-	(536,770)
Total Capital Assets being depreciated, net	327,580	16,780		3,735	348,095
Total Capital Assets, Net	$ 327,580	$ 22,881	$ -	$ 3,735	$ 354,196

Depreciation expense is charged to the funds based on their usage of related assets. The amounts allocated were as follows:

Water	$ 861,202
Sewer	623,813
Drainage	15,629
Security	63,781
Total Depreciation Expense	$ 1,564,425

NOTE 6 – LONG-TERM LIABILITIES

The District's debt issues and transactions are summarized below and discussed in detail thereafter.

	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Due within One Year
Compensated absences	$ 189,648		$ (13,911)	$ 175,737	$ 160,652
Lease liabilities	13,526		(4,788)	8,738	5,914
Net pension liability	2,217,477	$ 2,395,332		4,612,809	
Net OPEB liability	1,249,934	427,961		1,677,895	
Total	$ 3,670,585	$ 2,823,293	$ (18,699)	$ 6,475,179	$ 166,566

NOTE 6 – LONG-TERM LIABILITIES (Continued)

Capital Leases: On January 16, 2021, the District Board of Directors authorized the financing and purchase of a Konica Copier lease through a Caltronics contract. The cost of the contract was $22,811. The District makes 48 monthly payments of $475 for four years. The interest rate on the lease is 4.40%. The accumulated depreciation on the copier at June 30, 2023, totaled $10,479.

NOTE 7 – NET POSITION

Net Position is the excess of all the District's assets and deferred outflows over all its liabilities, and deferred inflows. Net Position is divided into three categories as follows:

Net investment in capital assets describes the portion of net position which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets, excluding unspent proceeds.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter. These include connection fees restricted to capital expansion by Section 66013 of the Water Code and service charges received for use on capital projects consisting of the following:

	Water	Sewer	Drainage	Security
RESTRICTED:				
Capital replacements	$ 2,662,741	$ 3,670,205		
Water augmentation	2,275,217			
Capital improvements	46,525	450,530	$ 236,127	
Security projects				$ 17,648
TOTAL RESTRICTED NET POSITION	$ 4,984,483	$ 4,120,735	$ 236,127	$ 17,648

The District's Water Treatment Plant Construction Fund, which has a deficit balance of $791,420, borrowed from the water augmentation restricted net position to partially fund the water treatment plant project. The balance owed at June 30, 2023 is $123,150. Monthly principal and interest payments of approximately $4,000 are being made.

Unrestricted describes the portion of net position which is not restricted as to use.

Designations of unrestricted net position may be imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Board action. They are reported as part of the District's unrestricted net position.

NOTE 7 – NET POSITION (Continued)

The District's unrestricted net position consists of the following at June 30, 2023:

	Water	Sewer	Drainage	Solid Waste	Security
DESIGNATED:					
Property Tax Assessment Reserves				$ 10,269	
Capital replacements	$ 82,574	$ 57,184	$ 68,456		$ 326,814
TOTAL DESIGNATED	82,574	57,184	68,456	10,269	326,814
UNDESIGNATED	(1,463,772)	(526,828)	215,746	(145,195)	(132,965)
TOTAL UNRESTRICTED NET POSITION	$ (1,381,198)	$ (469,644)	$ 284,202	$ (134,926)	$ 193,849

NOTE 8 – PENSION PLANS

Plan Description: All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Plan, a cost sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS) which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues a publicly available report that includes a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Optional Settlement 2 Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect for the year ended June 30, 2023 is summarized as follows for each rate plan:

Hire date	Miscellaneous Plan (Prior to January 1, 2013)	Miscellaneous Plan (On or after January 1, 2013)
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.00% to 2.5%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	10.87%	7.47%

NOTE 8 – PENSION PLANS (Continued)

In addition to the contribution rates above, the District was required to make payments totaling $344,420 toward its unfunded actuarial liability during the year ended June 30, 2023. The Miscellaneous Plan is closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The total contributions paid to the Plan were $542,081 for the year ended June 30, 2023.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2023, the District reported a net pension liability for its proportionate share of the Plan's net pension liability of $4,612,809.

The District's net pension liability is measured as the proportionate share of the Plan's net pension liability. The net pension liability is measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30 was as follows:

Proportion - June 30, 2022	0.11678%
Proportion - June 30, 2023	0.09858%
Change - Increase	-0.01820%

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: For the year ended June 30, 2023, the District recognized a pension credit of $76,857. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 472,679	
Differences between Expected and Actual Experience	92,634	$ (62,042)
Differences between Projected and Actual Investment Earnings	844,944	
Differences between Employer's Contributions and Proportionate Share of Contributions		(211,940)
Change in Employer's Proportion	36,882	(3,668)
Pension Contributions Made Subsequent to Measurement Date	542,081	-
Total	$ 1,989,220	$ (277,651)

NOTE 8 – PENSION PLANS (Continued)

The $542,081 reported as deferred outflows of resources related to contributions subsequent to the measurement date of June 30, 2022 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as net deferred outflows and inflows of resources related to pensions will be recognized as pension expense as follows as of June 30, 2023:

Year Ended June 30	
2024	$ 274,070
2025	241,203
2026	137,418
2027	516,797
	$ 1,169,488

Actuarial Assumptions: The total pension liability at the June 30, 2022 measurement dates was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by entry age and service
Mortality - pre-retirement	Derived using CalPERS Membership Data

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 6.90% in the June 30, 2022 valuation. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10

NOTE 8 – PENSION PLANS (Continued)

years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for the Plan as of the measurement dates of June 30. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a,b)
Global Equity cap-weighted	30.0%	4.45%
Global Equity non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yeild	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(a) An expected inflation of 2.3% used for this period.
(b) Figures are based on the 2021-22 Asset Liability Management Study.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	5.90%
Net Pension Liability	$ 6,933,596
Current Discount Rate	6.90%
Net Pension Liability	$ 4,612,809
1% Increase	7.90%
Net Pension Liability	$ 2,703,380

Pension Plan Fiduciary Net Position: Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description: The District's other postemployment benefits (OPEB) healthcare plan (the Plan) provides medical benefits to employees that directly retire from the District and their eligible dependents, subject to a monthly limitation pursuant to Government Code Section 22892, as amended by AB 2544, under an agent multiple-employer defined benefit plan. Eligibility rules include retirement from the District at age 50 or later with five years of service for employees hired prior to January 1, 2016 and 10 years of service for employees hired after January 1, 2016. When the retiree and/or spouse turn 65, benefits are reduced to include coverage provided by Medicare. Employees hired before January 1, 2016 are eligible for lifetime medical benefits under the CalPERS medical program up to a cap of $272 to $768 per month. Employees hired after January 1, 2016 must have 10 years of PERS service and are eligible for benefits at 50% of the cap of $272 to $768 per month, increasing 5% per year until reaching 100% after 20 years.

Contributions: The contribution requirements of the District are established and may be amended by the District's Board of Directors. Plan members are currently not required to contribute. The District participates in the Public Agency Retirement Services Trust (PARS), an irrevocable trust established to fund OPEB. The Trust is administrated by PARS, and is managed by an appointed board not under the control of the District's Board of Directors. This Trust is not considered a component unit by the District and has been excluded from these financial statements. Pre-funding contributions made by the District are at the discretion of the Board of Directors.

For the year ended June 30, 2023, the District paid $221,806 of current retiree premiums and contributed $74,205 in the form of an implied subsidy of retirement premiums.

Employees Covered by Benefit Terms: As of the June 30, 2022 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or Beneficiaries receiving benefit payments	23
Active employees	31
Total	54

Net OPEB Liability: The District's net OPEB liabilities as of June 30, 2022 were measured as of June 30, 2022, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions: The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.25%
Discount rate	7.00%
Investment rate of return	7.00%, net of OPEB plan investment expenses
Healthcare trend rate	5.20% for 2022 through 2034; 5.00%for 2035 through 2049; 4.5% for 2050 through 2064; and 4.00% for 2065 and later years

Retirement mortality information was derived from data collected during 2021 CalPERS Experience Study. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class, based on published capital market assumptions, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Rate of Return
Broad U.S. Equity	48%	5.30%
U.S Fixed	45%	0.90%
Real Estate	2%	3.30%
Cash Equivalents	5%	-0.06%
Total	100%	

<u>Discount Rate</u>: The discount rates used to measure the net OPEB liabilities was 7.00%, which was the same discount rate used in the previous valuations. The discount rate is based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's fiduciary net positions were projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments were applied to all periods of projected benefit payments to determine the net OPEB liabilities.

<u>Changes in the Net OPEB Liability</u>: Changes in the net OPEB liability were as follows during the year ended June 30, 2022:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2021	$ 3,949,385	$ 2,699,451	$ 1,249,934
Changes in the year:			
Service cost	115,906		115,906
Interest	274,665		274,665
Contributions - employer		287,910	(287,910)
Net investment income		(325,300)	325,300
Benefit payments	(287,910)	(287,910)	-
Net changes	102,661	(325,300)	427,961
Balance at June 30, 2022	$ 4,052,046	$ 2,374,151	$ 1,677,895

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability	$ 2,095,244	$ 1,677,895	$ 1,326,734

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	$ 1,259,457	$ 1,677,895	$ 2,183,375

OPEB Plan Fiduciary Net Position: Separately issued financial statements for PARS may be obtained from Public Agency Retirement Services, 4350 Von Karman Avenue, Newport Beach, CA 95660.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2023, the District recognized OPEB expense of $288,508. At June 30, 2023, the District had deferred inflows related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	$ 296,011	
Difference between projected and actual earnings	449,244	$ (221,005)
Change in assumptions		(345,775)
Difference between expected and actual experience	417,654	(8,797)
Total	$ 1,162,909	$ (575,577)

The amount reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over 5 years for investment earning differences and over the expected average remaining service lifetime of 7.64 years for other changes and differences.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2024	$ 88,632
2025	82,370
2026	66,805
2027	107,320
2028	(53,806)
	$ 291,321

NOTE 10 – SPECIAL ASSESSMENT DISTRICT

The District adopted a resolution for the formation of Rancho Murieta Community Services District Community Facilities District No. 2014-1 (Rancho North/Murieta Gardens) CFD 2014-1. CFD 2014-1 was formed as part of a financing plan for public infrastructure Facilities and other governmental Facilities to support the development of a hotel and other commercial, residential and mixed use properties being developed on approximately 828 acres of land within the District boundaries of CFD 2014-1. On January 29, 2015 bonds in the amount of $5,960,000 were issued to finance the costs of the Facilities and to finance costs associated with the issuance of bonds. During the 2014-2015 fiscal year, a special tax was approved by voters and has been authorized by the Board of Directors to be levied on lots and parcels within CFD 2014-1 commencing with the fiscal year 2016-17 tax levy. Proceeds from the Special Tax will be used to repay the bonded indebtedness and associated costs. The District is acting as an agent for the property owners and is not liable for repayment of the bonds.

The amount of special assessment debt at June 30, 2024, is:

Community Facilities District No. 2014-1	$ 5,280,000

NOTE 11 – INSURANCE

The District participates in the Golden State Risk Management Authority (GSRMA), a public entity risk pool of California water agencies, for general and auto liability, employee liability, property damage and workers compensation liability. GSRMA provides insurance through the pool up to a certain level, beyond which group-purchased commercial excess insurance is obtained.

The District pays an annual premium to GSRMA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the GSRMA. The District's deductibles and maximum coverage are as follows:

NOTE 11 – INSURANCE (Continued)

Coverage	GSRMA	Commercial Insurance	Deductible
General and auto liability	$ 250,000	$ 1,000,000	None
Property damage	$ 5,000-25,000	$ 25,000,000	$ 250 to 1,000
Employee	$ 25,000	$ 10,000,000	$ 2,500
Workers compensation liability	$ 300,000	Statutory	None

NOTE 12 – REVENUE LIMITATION IMPOSED BY CALIFORNIA PROPOSITION 218

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

NOTE 13 – COMMITMENTS AND CONTINGENCIES

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

Commitments: The District entered into a solid waste agreement with California Waste Recovery System in 2023 that terminates June 30, 2035, with an option to extend. The rates are stated in the contract based on the type of service and are subject to an annual increase based on the Consumer Price Index, not to exceed 5.5% per year.

The District received funding from landowners for the construction of Phase 1 of the water treatment plant expansion, of which $540,000 was to be reserved to fund a portion of the Phase 2 expansion. This reserve amount was used by the District to cover cost overruns on the Phase 1 construction. Should construction of Phase 2 move forward, the District would be required to provide the $540,000 of funding on the project within 12 months of notification that Phase 2 will proceed. The remaining cost of Phase 2 would be funded by the landowners. It is unknown whether the landowners will seek to move forward with Phase 2 of the project. The landowners did not move forward with Phase 2 and the funding remains with the District as of June 30, 2023.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent to June 2023, the District was involved in legal claims during the normal course of business. One of the legal claims was settled in May 2025 in the amount of $375,000. The District is responsible for $200,000 of the settlement and the remaining amount is covered by insurance.

During May 2024, the Board approved the transfer of OPEB assets from PARS' funding to California Employers' Retiree Benefit Trust (CERBT).

NOTE 14 – SUBSEQUENT EVENTS (Continued)

In November 2024 the District executed a construction agreement for the Wastewater Treatment Facility Sodium Hypochlorite Improvements/Chlorine Contact Basin Expansion – Phase 1 Project in the amount of $2,402,558.

In May 2026 the District executed a construction agreement for the Equestrian Access Culvert Project in the amounts of $343,000.

REQUIRED SUPPLEMENTARY INFORMATION

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

For the Year Ended June 30, 2023

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.09858%	0.11678%	0.09197%	0.08890%	0.08381%	0.08399%	0.07992%	0.07967%	0.08554%
Proportionate share of the net pension liability	$ 4,612,809	$ 2,217,477	$ 3,879,564	$ 3,560,102	$ 3,158,658	$ 3,310,789	$ 2,776,304	$ 2,185,709	$ 2,114,104
Covered payroll - measurement period	$ 2,440,518	$ 1,734,776	$ 2,011,198	$ 1,777,349	$ 1,700,521	$ 1,844,259	$ 1,854,042	$ 1,776,986	$ 1,776,986
Proportionate share of the net pension liability as a percentage of covered payroll	189.01%	127.82%	192.90%	200.30%	185.75%	179.52%	149.74%	123.00%	118.97%
Plan fiduciary net position as a percentage of the total pension liability	72.91%	86.39%	59.65%	68.19%	75.68%	73.42%	78.44%	81.69%	79.18%
Notes to Schedule:									
Reporting valuation date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Reporting measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Change in benefit terms: None									

Changes in assumptions: The discount rate was changed from 6.75% (net of administrative expenses) to 7.00% in the June 30, 2021 actuarial valuation. The discount rate was changed to 7.00% in the June 30, 2022 actuarial valuation.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN
Last 10 Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 542,081	$ 467,657	$ 430,634	$ 393,756	$ 336,982	$ 282,817	$ 269,924	$ 250,997	$ 222,235
Contributions in relation to the actuarially determined contributions	(542,081)	(467,657)	(430,634)	(393,756)	(336,982)	(282,817)	(269,924)	(250,997)	(222,235)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll - fiscal year	$ 2,463,801	$ 2,440,518	$ 1,734,776	$ 2,011,198	$ 1,777,349	$ 1,700,521	$ 1,844,259	$ 1,854,042	$ 1,776,986
Contributions as a percentage of covered payroll	22.00%	19.16%	24.82%	19.58%	18.96%	16.63%	14.64%	13.54%	12.51%
Notes to Schedule:									
Contribution valuation date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Methods and assumptions used to determine contribution rates:	Entry age normal cost method								
Amortization method	Level percentage of payroll, closed								
Remaining amortization period	Varies by rate plan, not more than 30 years								
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Inflation	2.50%	2.50%	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service								
Payroll growth	2.75%	2.75%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return and discount rate	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age	50 to 67 years. Probabilities of retirement are based on the most recent CalPERS Experience Study.								
Mortality	Most recent CalPERS Experience Study								

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Future years will be added prospectively as they become available.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

For the Year Ended June 30, 2023

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last 10 Years

Measurement period	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	$ 115,906	$ 132,255	$ 125,957	$ 119,959	$ 120,587	$ 120,587
Interest	274,665	291,638	279,650	218,561	202,076	193,101
Differences between expected and actual experience		38,018	(13,776)	819,620	(9,086)	(13,414)
Changes in assumptions		(406,563)		(116,222)		
Benefit payments	(287,910)	(275,268)	(180,096)	(170,520)	(114,202)	(101,226)
Net change in total OPEB liability	102,661	(219,920)	211,735	871,398	199,375	199,048
Total OPEB liability - beginning	3,949,385	4,169,305	3,957,570	3,086,172	2,886,797	2,687,749
Total OPEB liability - ending (a)	$ 4,052,046	$ 3,949,385	$ 4,169,305	$ 3,957,570	$ 3,086,172	$ 2,886,797
Plan fiduciary net position						
Contributions - employer	$ 287,910	$ 275,268	$ 292,596	$ 352,020	$ 328,402	$ 189,009
Net investment income	(325,300)	520,844	66,025	93,530	121,097	127,890
Benefit payments	(287,910)	(275,268)	(180,096)	(170,520)	(114,202)	
Administrative expenses					(5,456)	(4,337)
Net change in plan fiduciary net position	(325,300)	520,844	178,525	275,030	329,841	312,562
Plan fiduciary net position - beginning	2,699,451	2,178,607	2,000,082	1,725,052	1,395,211	1,082,649
Plan fiduciary net position - ending (b)	$ 2,374,151	$ 2,699,451	$ 2,178,607	$ 2,000,082	$ 1,725,052	$ 1,395,211
Net OPEB liability - ending (a)-(b)	$ 1,677,895	$ 1,249,934	$ 1,990,698	$ 1,957,488	$ 1,361,120	$ 1,491,586
Plan fiduciary net position as a percentage of the total OPEB liability	58.59%	68.35%	52.25%	50.54%	55.90%	48.33%
Covered - employee payroll - measurement period	$ 2,013,132	$ 1,734,776	$ 2,011,198	$ 1,933,439	$ 1,755,788	$ 1,770,521
Net OPEB liability as percentage of covered - employee payroll	83.35%	72.05%	98.98%	101.24%	77.52%	84.25%
Notes to schedule:						
Valuation date	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Benefit changes. None.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

For the Year Ended June 30, 2023

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
Last 10 Years

	2024	2023	2022	2021	2020	2019	2018
Actuarially or contractually determined contribution - employer fiscal year	$ 319,294	$ 229,742	$ 222,510	$ 287,225	$ 278,685	$ 298,011	$ 286,184
Contributions in relation to the determined contributions	(313,302)	(297,243)	(287,910)	(275,268)	(292,596)	(352,020)	(328,402)
Contribution deficiency (excess)	$ 5,992	$ (67,501)	$ (65,400)	$ 11,957	$ (13,911)	$ (54,009)	$ (42,218)
Covered - employee payroll - employer fiscal year	$ 2,527,012	$ 2,463,801	$ 2,013,132	$ 2,011,198	$ 1,996,276	$ 1,933,439	$ 1,777,349
Contributions as a percentage of covered - employee payroll	12.40%	12.06%	14.30%	13.69%	14.66%	18.21%	18.70%

Notes to Schedule:

Valuation date	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-age normal cost method						
Amortization method	Level percentage of ernings or service of the individual between entry age and assumed exit age.						
Asset valuation method	Market value of assets						
Inflation	2.50%						
Healthcare cost trend rates	5.20% in 2022 trending down to 4.00% in 2065						
Salary increases	3.25%	3.00%	3.00%	3.25%	3.25%		
Investment rate of return	6.40%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Retirement age	50-75 years. Probabilities of retirement are based on the 2017 CalPERS experience study.						
Mortality	Based on 2021 CalPERS experience study.						

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

COMPLIANCE REPORT

RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Rancho Murieta Community Services District
Rancho Murieta, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the funds and the fiduciary fund of the Rancho Murieta Community Services District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 24, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be material weaknesses as items 2022-001, 2021-001 and 2021-002.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Response to Findings

Government Auditing Standards require auditors to perform limited procedures on the District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

August 24, 2026

MATERIAL WEAKNESSES IN INTERNAL CONTROL

Prior Year Findings

Finding 2022-001: Timely record keeping

Condition: The accounting records were not maintained up-to-date during the fiscal year. Payroll expenses for employees were not recorded in the general ledger until after year-end in one large journal entry, and the bank reconciliations were not performed until after the end of the fiscal year.

Criteria: Accounting transactions must be recorded timely and accurately to maintain sufficient internal control over accounting records and to provide real-time financial information to manage the District.

Cause: The District has had staff turnovers over the last few years in the accounting department leaving its ability to record transactions timely limited.

Effect: Potential for misstated accounting records and the inability of the District to manage its cash balances.

Recommendation: We recommend the District ensure at least cash transactions are recorded on a timely basis, even though the District us behind in closing its books on the accrual basis.

Current Status: The District has retained a Director of Finance that has been working toward maintaining the District's accounting system up-to-date.

District's response: In conjunction with the preparation of outstanding audits, the District has continued to strengthen its financial recordkeeping processes. Monthly payroll journal entries, cash receipts and revenue transactions, and other material accounting activities have been recorded in the accounting system to bring the financial records current. Beginning in January 2026, preliminary financial reports for the five-month period ended November 30, 2025, have been presented to the Finance and Board Committee, enhancing financial transparency and strengthening governance oversight. As of August 2026, we are finalizing the accounting records through July 31, 2026, and continue to make significant progress in closing historical financial reporting gaps.

Finding 2021-001 and 2020-001: Year-End Closing Procedures

Condition: The audit was delayed because of delays in producing closing entries, trial balances, schedules, reconciliations, account analyses, and other financial reports needed by management and the auditors, due to the District having difficulty finding qualified staff.

To ensure the year-end closing process proceeds more quickly and smoothly, we recommend developing a checklist that indicates who will perform each procedure and when completion of each procedure is due and is accomplished. The District needs to ensure that all balance sheet accounts are reviewed and reconciled to supporting schedules and are reviewed and approved prior to the beginning of the audit.

Recommendation: We recommend that the District streamline accounting processes to create timely, accurate financial reporting. Reconciliations of account balances should be performed throughout the year. A closing procedures checklist would ensure account balances are reviewed and corrected prior to the start of the audit. The review function should include monitoring compliance with District policy and generally accepted accounting principles. Procedures should be in place to prepare the required reconciliations at year-end and post entries needed to close the books prior to the start of the audit.

Current Status: The District has now retained qualified staff to ensure that all the balance sheets are reviewed and reconciled and approved prior to the beginning of the audit. A streamlined accounting process which includes routine reconciliation according to the District policy and generally accepted accounting principles is substantially installed.

Finding 2021-002 and 2020-002: Developer-constructed infrastructure

Condition: Developer-constructed infrastructure that is deeded to the District does not appear to have been recorded as capital assets in the District's general ledger. One transaction was identified dating back to 2007, but there may be others.

Criteria: A complete and accurate capital asset listing, including developer-constructed assets, needs to be maintained.

Cause: It appears certain policies and procedures related to developer-donated infrastructure have not been put into place.

Effect: This situation creates a misstatement of the capital assets.

Recommendation: We recommend the District evaluate the extent of developer-donated infrastructure received and estimate and record the amount of developer-donated assets and related depreciation in its general ledger and capital asset listing.

Current Status: This issue still exists, but donated infrastructure was properly recorded in fiscal year 2023 and 2024.

District's response: The District has begun evaluating developer-donated infrastructure assets and has recorded the value of identified developer-contributed assets, along with the related depreciation, in both the general ledger and the fixed asset subledger for fiscal years 2023 and 2024. The District anticipates completing the identification and evaluation of all developer-donated infrastructure and making any necessary adjustments to the accounting records in subsequent fiscal years. This effort will help ensure the completeness and accuracy of the District's capital asset records and related financial reporting.

RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

REQUIRED COMMUNICATIONS LETTER

To the Board of Directors
Rancho Murieta Community Services District
Rancho Murieta, California

We have audited the financial statements of the business type activities of the Rancho Murieta Community Service District (the District) for the years ended June 30, 2024 and 2023, and have issued our report thereon dated _August 24, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated April 9, 2025, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the system of internal control of the District. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Planned Scope, Timing of the Audit, Significant Risks, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including the system of internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Internal control matters are discussed in the Report on Internal Control and Compliance and the management letter.

We are required by the audit standards to identify potential risk of material misstatements during the audit process. We have identified the following significant risk of material misstatement as part of our audit planning: Management override of controls and revenue recognition. These are the areas that the audit standards require at a minimum to be identifies as significant risks; however, no such issues were noted during our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024 and 2023. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were: depreciable lives and methods used to depreciate capital assets, collectability of receivables, the valuation of donated assets and the accrual for employee pension and post-employment benefits. We evaluated the methods, assumptions, and data used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements include the employee retirement plan footnote (Note 8) and the other post-employment benefits plan footnote (Note 9) and the subsequent events discussed in Note 14.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit. Our audits have been delayed due to staffing issues that caused delays in preparing closing entries and reconciling general ledger accounts.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Adjustments included 4 entries and audit adjustments needed to correct balances of the accounts for 2024 and 7 entries for 2023, a significant reduction in the number of adjustments needed compared to past audits. A list of these adjustments has been provided to management.

The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter August 24, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, the District did not consult with any other group.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, and the Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Contributions – Pension Plan, Schedule of Changes in the Net OPEB Liability and Related Ratios and Schedule of Contributions to the OPEB Plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the District's supplementary information, which accompany the financial statements, but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Richardson & Company, LLP

August 24, 2026

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
SUMMARY OF UNADJUSTED DIFFERENCES
YEAR ENDED JUNE 30, 2024

	Financial Statement Effect - Amount of Overstatement (Understatement) of:			
Description (Nature) of Audit Difference	Total Assets	Total Liabilities	Net Position	Change in Net Position
Invoice not accrued for services provided prior to June 30, 2024	$ (18,353)	$ (18,353)		
Accrued payroll recorded was less than the calculated balance		(11,011)		$ 11,011
Net Unadjusted Audit Differences - This Year	(18,353)	(29,364)	-	11,011
Financial Statement Caption Totals	$ 48,489,160	$ 11,419,053	$ 40,200,039	$ 1,937,007
Net Audit Differences as % of Financial Statement Captions	-0.04%	-0.26%	0.00%	0.57%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
SUMMARY OF UNADJUSTED DIFFERENCES
YEAR ENDED JUNE 30, 2023

	Financial Statement Effect - Amount of Overstatement (Understatement) of:			
Description (Nature) of Audit Difference	Total Assets	Total Liabilities	Net Position	Change in Net Position
Invoice not accrued for services provided prior to June 30, 2023	$ (18,381)	$ (18,381)		
Net Unadjusted Audit Differences - This Year	(18,381)	(18,381)	-	-
Financial Statement Caption Totals	$ 45,978,669	$ 10,014,538	$ 38,263,032	$ 980,737
Net Audit Differences as % of Financial Statement Captions	-0.04%	-0.18%	0.00%	0.00%

RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

MANAGEMENT LETTER

To the Board of Directors and Management
Rancho Murieta Community Service District
Rancho Murieta, California

In planning and performing our audit of the financial statements of Rancho Murieta Community Services District (the District) as of and for the years ended June 30, 2024 and 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the District's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the district's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The list below summarizes our comments and suggestions regarding those matters. A separate report dated August 24, 2026 contains our report on significant deficiencies or material weaknesses in the Districts internal control. This letter does not affect our report dated August 24, 2026 on the financial statements of the District.

We noted the following items in our current audit:

<u>Document Retention</u>

The District was unable to access certain billing records due to a change in its software system. We recommend implementing procedures to retain and preserve all billing records to ensure they remain accessible for future reference, audits, and operational needs.

District Response: *During the FY23 audit, the District transitioned from the Utility Star billing system to the Tyler billing system. detailed transaction data was successfully imported into Tyler; however, certain customer billing invoices requested for audit testing could not be retrieved in the original Utility Star format. To improve record retention and accessibility, under the Tyler billing system the District now prints and retains all customer invoices monthly upon completion of the billing process.*

<u>Check Generation</u>

During the audit, we noted that voided checks were not maintained in an organized manner and checks were not consistently pre-numbered, making it difficult to account for the completeness and sequence of checks issued and voided.

We recommend that the District implement procedures to ensure checks are pre-numbered and sequentially accounted for. Voided checks should be clearly identified, properly documented, and maintained in an organized manner to provide a complete audit trail and strengthen internal controls over cash disbursements.

District Response: Beginning FY27, *The District has established a process to generate a monthly voided check report from Great Plains and maintain all voided checks in a designated file for proper documentation and review.*

In addition, the District has addressed the issue related to pre-numbered checks. Beginning in FY27, check numbers will be tracked for each check run, and the District will ensure that all checks are generated and used in sequential numerical order.

The following items noted in past audits warrant additional consideration:

Reserves and Reserve Policy

We reviewed the District's reserve policy and compared reserves established in the policy to reserve amounts recorded in the District's general ledger and noted inconsistencies. We recommend that the District review their reserve policy and update it as needed. The District should then ensure the balances established in the general ledger are consistent with the policy.

As part of the review of the reserve policy, the District needs to determine the implications and plan for addressing certain reserves in the general ledger that have a negative balance. These reserves with a negative balance include the following: Water Capital Improvement Fee Reserve and Security Capital Improvement Fee Reserve.

District responses: *No comment.*

Investment Policy

The District last updated the investment policy in 2016. The government code requires that the investment policy be reviewed by the Board annually. The District needs to include the investment policy on the Board agenda on an annual basis for review to comply with the government code.

District Response: *No change.*

* * * * *

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the examination. This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Richardson & Company, LLP

August 24, 2026

RANCHO MURIETA COMMUNITY FACILITIES
DISTRICT NO. 2014-1

(A Component Unit of the Rancho Murieta
Community Services District)

Audited Financial Statements

June 30, 2024

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1
(A Component Unit of the Rancho Murieta Community Services District)

June 30, 2024

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RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rancho Murieta Community Facilities District No. 2014-1
Rancho Murieta, California

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Rancho Murieta Community Facilities District No. 2014-1 (CFD 2014-1), a component unit of the Rancho Murieta Community Services District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the CFD 2014-1's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the CFD 2014-1 as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

As discussed in Note A, the financial statements present only the CFD 2014-1 and are not intended to present fairly the financial position and results of operations of the Rancho Murieta Community Services District in conformity with accounting principles generally accepted in the United States of America.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

To the Board of Directors
Rancho Murieta Community Facilities District No. 2014-1

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Richardson & Company, LLP

August 24, 2026

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1
(A Component Unit of the Rancho Murieta Community Services District)

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

As of June 30, 2024

	General Fund	Adjustments (Note G)	Statement of Net Position
ASSETS			
Cash and investments	$ 788,779		$ 788,779
Assessments receivable	5,792		5,792
Restricted cash	399,681		399,681
TOTAL ASSETS	$ 1,194,252	-	1,194,252
LIABILITIES			
Accounts payable	$ 107,992		107,992
Bond interest payable		$ 78,758	78,758
Bonds payable		5,130,000	5,130,000
TOTAL LIABILITIES	107,992	5,208,758	5,316,750
FUND BALANCES/NET POSITION			
Fund balances:			
Restricted	399,681		
Unassigned	686,579	(686,579)	
TOTAL FUND BALANCES	1,086,260	(686,579)	
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 1,194,252		
Net Position			
Restricted			399,681
Unrestricted		(4,522,179)	(4,522,179)
TOTAL NET POSITION		$ (4,522,179)	$ (4,122,498)

The accompanying notes to component unit financial statements are an integral part of this statement.

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1
(A Component Unit of the Rancho Murieta Community Services District)

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2024

	General Fund	Adjustments (Note H)	Statement of Activities
EXPENDITURES			
General government	$ 61,895		$ 61,895
Debt service:			
Principal payments	150,000	$ (150,000)	
Interest expense	238,900	(1,750)	237,150
TOTAL EXPENDITURES	450,795	(151,750)	299,045
GENERAL REVENUES			
Property tax	453,765		453,765
Interest income	41,830		41,830
TOTAL GENERAL REVENUES	495,595		495,595
EXCESS OF REVENUES OVER EXPENDITURES	44,800	151,750	196,550
FUND BALANCE/NET ASSETS			
Net position, beginning of the year	1,041,460	(5,360,508)	(4,319,048)
	$ 1,086,260	$ (5,208,758)	$ (4,122,498)

The accompanying notes to component unit financial statements are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying summary of the more significant accounting policies of the Rancho Murieta Community Facilities District No. 2014-1 (CFD 2014-1) is presented to assist the reader in interpreting the financial statements and other data in this report. The accounting policies of the CFD 2014-1 conform in all material respects to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

Reporting Entity: The Rancho Murieta Community Services District, CFD 2014-1 (Rancho North/Murieta Gardens) was formed on September 5, 2014, by resolution of the Rancho Murieta Community Services District's Board of Directors for the sole purpose of acquiring and constructing water facilities that will benefit the inhabitants within the Rancho Murieta Community. In order to finance the expansion of water facilities, special tax bonds totaling $5,960,000 were issued pursuant to the Mello-Roos Community Facilities Act of 1982.

During the 2016/17 fiscal year, the new water facility was paid for with CFD 2014-1 bond proceeds and transferred to the Rancho Murieta Community Services District. Additional construction costs were funded by developers under financing agreements and by the Rancho Murieta Community Services District.

The CFD 2014-1, a component unit of Rancho Murieta Community Services District, is a legally constituted governmental entity governed by the Board of Directors of the Rancho Murieta Community Services District. The financial records of the CFD 2014-1 are maintained by the Rancho Murieta Community Services District staff.

The financial statements present only the financial position and changes in financial position of the CFD 2014-1 and are not intended to present fairly the financial position of Rancho Murieta Community Services District and the changes in its financial position in conformity with accounting principles generally accepted in the U.S.

Basis of Presentation—Government-wide Financial Statement: The government-wide financial statements (i.e., the statement of net assets and statement of activities) report information on all of the nonfiduciary activities of the CFD 2014-1. For the most part, the effect of interfund activity has been removed from these statements. The CFD 2014-1 has only governmental activities, which are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Tax increment revenue and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When both restricted and unrestricted resources are available for use, it is the CFD 2014-1's policy to use restricted resources first, then unrestricted resources, as they are needed.

Basis of Presentation – Fund Financial Statements: The accounts of the CFD 2014-1 are organized on the basis of funds. A fund is a separate self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. Separate financial statements are provided for governmental funds. The CFD 2014-1 has only a General Fund. The CFD 2014-1 does not prepare a budget, so no budgetary comparison is presented.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the CFD 2014-1 considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property tax revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year end. All other revenue items are considered to be measurable and available only when cash is received by the government.

Governmental funds are used to account for the CFD 2014-1's expendable financial resources and related liabilities. The CFD 2014-1 reports the following major governmental fund:

> General Fund – The General Fund is the general operating fund of the CFD 2014-1. It is used to account for all financial resources except those required to be accounted for in another fund.

Restricted Assets: Cash held with fiscal agent, as well as certain resources set aside for special assessment debt repayment, are classified as restricted assets on the balance sheet because their use is limited by loan covenants.

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

Net Position/Fund Equity: The government-wide financial statements utilize a net assets presentation. Net assets consist of the following:

> 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 does not meet the definition of "invested in capital assets, net of related debt" or "restricted net position."

NOTE B – CASH AND INVESTMENTS

Cash and investments consisted of the following at June 30, 2024:

Deposits with financial institutions	$ 100,123
Money market funds	1,088,337
Total Cash and Investments	$ 1,188,460

Investments Authorized by the California Government Code and the CFD 2014-1's Investment Policy: The table below identifies the investment types that are authorized for the CFD 2014-1 by the California Government Code (or the CFD 2014-1's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the CFD 2014-1'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 CFD 2014-1, rather than the general provisions of the California Government Code or the CFD 2014-1's investment policy.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Investment in One Issuer
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

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 CFD 2014-1'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.

NOTE B – CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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
Money Market Accounts	N/A	None	None

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, 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 CFD 2014-1's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the CFD 2014-1's investments by maturity as of June 30, 2023:

		Remaining Maturity (in Months)	
Investment Type	Totals	12 Months or Less	13-48 Months
Money market funds	$ 1,088,337	$ 1,088,337	
Totals	$ 1,088,337	$ 1,088,337	

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 CFD 2014-1's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

				Rating as of Fiscal Year End	
Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	AAA	Not Rated
Money market funds	$1,088,337	N/A		$1,088,337	
Totals	$1,088,337			$1,088,337	

NOTE B – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk: The investment policy of the CFD 2014-1 limited the amount that can be invested in any one issuer to the amount stipulated by the California Government Code. As of June 30, 2024, there are five investment accounts in one issuer that represent 100% of total District investments.

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 CFD 2014-1'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 CFD 2014-1's deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2024, there were no CFD 2014-1 deposits with financial institutions in excess of federal depository insurance limits required to be held in collateralized accounts.

Fair Value Measurement: The CFD 2014-1 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs.

The CFD 2014-1's investment in the money market mutual fund is considered Level 2 because the value is calculated using amortized cost of the securities held in the fund, not the market value.

NOTE C – SPECIAL TAX

The CFD 2014-1 started levying the special tax against property owners during the 2016/17 fiscal year. The special taxes are collected through the secured property tax rolls of the County of Sacramento. The special tax represents the amount to be assessed to the property owners to pay bond principle and interest. In the event property owners are delinquent in their payments, the CFD 2014-1 is required to initiate foreclosure proceedings within 150 days following the date of delinquency. CFD 2014-1 will refer pending delinquency cases to the CFD 2014-1's legal counsel for collection.

NOTE D – SPECIAL ASSESSMENT DEBT

The Rancho Murieta Community Services District adopted a resolution for the formation of the CFD 2014-1. The CFD No. 2014-1 was formed as part of a financing plan for public infrastructure Facilities and other governmental facilities to support development of a hotel, commercial, residential and mixed

NOTE D – SPECIAL ASSESSMENT DEBT (Continued)

use properties being developed on approximately 828 acres of land within the District boundaries of CFD No. 2014-1. On January 29, 2015 bonds in the amount of $5,960,000 were issued to finance the costs of the facilities and to finance costs associated with the issuance of bonds. During the 2014-15 fiscal year a special tax was approved by voters and has been authorized by the Board of Directors to be levied on lots and parcels within CFD No. 2014-1 commencing with the fiscal year 2016-17 fiscal year tax levy. Proceeds from the Special Tax will be used to repay the bonded indebtedness and associated costs and to pay directly for the acquisition or construction of authorized facilities.

The bonds are due in annual payments of $154,029 to $391,560 through September 1, 2044, with interest at 4.4% per annum and payable from revenues generated through an ad valorem tax assessed by the CFD 2014-1 against properties located within the boundaries of the CFD 2014-1.

Long-term liabilities activity for the fiscal year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Sepcial Assessment Debt Series 2014-1	$ 5,280,000		$ (150,000)	$ 5,130,000	$ 155,000
Total	$ 5,280,000		$ (150,000)	$ 5,130,000	$ 155,000

Debt service requirements to maturity are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2025	$ 155,000	$ 233,563	$ 388,563
2026	160,000	227,850	387,850
2027	165,000	221,550	386,550
2028	170,000	214,850	384,850
2029	180,000	207,850	387,850
2030-2034	1,020,000	904,638	1,924,638
2035-2039	1,285,000	631,869	1,916,869
2040-2044	1,625,000	287,969	1,912,969
2045	370,000	8,788	378,788
Totals	$ 5,130,000	$ 2,938,927	$ 8,068,927

NOTE E – RESERVE FOR BOND SERVICE

By the terms of the bond indenture, $392,831 of the proceeds from the bond issue were set aside for the purpose of paying any delinquent bond interest and principal payments. The balance held in reserve as of June 30, 2024 is $399,681.

NOTE F – NET POSITION DEFICIT

CFD 2014-1 governmental activities had an unrestricted net position (deficit) of $4,522,179 at June 30, 2024. This is due to reporting the special assessment debt with no offsetting long-term special tax receivable in the statement of net position, as required under GASB Statement No. 6. The net position (deficit) is expected to be offset with special tax revenue used to pay the special assessment debt in future years.

NOTE G – RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

Amounts reported for governmental activities in the governmental fund balance sheet are being adjusted to arrive at the statement of net assets. The adjustments are as follows:

Total governmental fund balance	$ 1,086,260
Special assessment debt and interest payable that is not due and payable in the fund balance sheet current period and, therefore is not reported in the governmental fund balance sheet	(5,208,758)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ (4,122,498)

NOTE H – RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Amounts reported for governmental activities in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances are adjusted to arrive at the Statement of Activities for Government-wide presentation. The adjustments are as follows:

Net change in fund balance	$ 44,800
Long-term debt proceeds provide current financial resources to the governmental fund, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental fund, but in the Statement of Net Position the repayment	
Principal payments	150,000
The change in accrued interst is recorded as a current liability in the statement of activity, however, interest expense is recorded when paid in the governmental fund	1,750
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 196,550

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1

(A Component Unit of the Rancho Murieta Community Services District)

Audited Financial Statements

June 30, 2023

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1
(A Component Unit of the Rancho Murieta Community Services District)

June 30, 2023

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RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rancho Murieta Community Facilities District No. 2014-1
Rancho Murieta, California

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Rancho Murieta Community Facilities District No. 2014-1 (CFD 2014-1), a component unit of the Rancho Murieta Community Services District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the CFD 2014-1's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the CFD 2014-1 as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

As discussed in Note A, the financial statements present only the CFD 2014-1 and are not intended to present fairly the financial position and results of operations of the Rancho Murieta Community Services District in conformity with accounting principles generally accepted in the United States of America.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

To the Board of Directors
Rancho Murieta Community Facilities District No. 2014-1

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Richardson & Company, LLP

August 24, 2026

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1
(A Component Unit of the Rancho Murieta Community Services District)

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

As of June 30, 2023

	General Fund	Adjustments (Note G)	Statement of Net Position
ASSETS			
Cash and investments	$ 507,464		$ 507,464
Assessments receivable	198,275		198,275
Restricted cash	398,805		398,805
TOTAL ASSETS	$ 1,104,544	-	1,104,544
LIABILITIES			
Accounts payable	$ 63,084		63,084
Bond interest payable		$ 80,508	80,508
Bonds payable		5,280,000	5,280,000
TOTAL LIABILITIES	63,084	5,360,508	5,423,592
FUND BALANCES/NET POSITION			
Fund balances:			
Restricted	398,805		
Unassigned	642,655	(642,655)	
TOTAL FUND BALANCES	1,041,460	(642,655)	
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 1,104,544		
Net Position			
Restricted			398,805
Unrestricted		(4,717,853)	(4,717,853)
TOTAL NET POSITION		$ (4,717,853)	$ (4,319,048)

The accompanying notes to component unit financial statements are an integral part of this statement.

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1
(A Component Unit of the Rancho Murieta Community Services District)

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2023

	General Fund	Adjustments (Note H)	Statement of Activities
EXPENDITURES			
General government	$ 59,984		$ 59,984
Debt service:			
Principal payments	145,000	$ (145,000)	
Interest expense	243,919	(1,595)	242,324
TOTAL EXPENDITURES	448,903	(146,595)	302,308
GENERAL REVENUES			
Property tax	451,599		451,599
Interest income	24,940		24,940
TOTAL GENERAL REVENUES	476,539		476,539
EXCESS OF REVENUES OVER EXPENDITURES	27,636	146,595	174,231
FUND BALANCE/NET ASSETS			
Net position, beginning of the year	1,013,824	(5,507,103)	(4,493,279)
	$ 1,041,460	$ (5,360,508)	$ (4,319,048)

The accompanying notes to component unit financial statements are an integral part of this statement.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying summary of the more significant accounting policies of the Rancho Murieta Community Facilities District No. 2014-1 (CFD 2014-1) is presented to assist the reader in interpreting the financial statements and other data in this report. The accounting policies of the CFD 2014-1 conform in all material respects to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

Reporting Entity: The Rancho Murieta Community Services District, CFD 2014-1 (Rancho North/Murieta Gardens) was formed on September 5, 2014, by resolution of the Rancho Murieta Community Services District's Board of Directors for the sole purpose of acquiring and constructing water facilities that will benefit the inhabitants within the Rancho Murieta Community. In order to finance the expansion of water facilities, special tax bonds totaling $5,960,000 were issued pursuant to the Mello-Roos Community Facilities Act of 1982.

During the 2016/17 fiscal year, the new water facility was paid for with CFD 2014-1 bond proceeds and transferred to the Rancho Murieta Community Services District. Additional construction costs were funded by developers under financing agreements and by the Rancho Murieta Community Services District.

The CFD 2014-1, a component unit of Rancho Murieta Community Services District, is a legally constituted governmental entity governed by the Board of Directors of the Rancho Murieta Community Services District. The financial records of the CFD 2014-1 are maintained by the Rancho Murieta Community Services District staff.

The financial statements present only the financial position and changes in financial position of the CFD 2014-1 and are not intended to present fairly the financial position of Rancho Murieta Community Services District and the changes in its financial position in conformity with accounting principles generally accepted in the U.S.

Basis of Presentation—Government-wide Financial Statement: The government-wide financial statements (i.e., the statement of net assets and statement of activities) report information on all of the nonfiduciary activities of the CFD 2014-1. For the most part, the effect of interfund activity has been removed from these statements. The CFD 2014-1 has only governmental activities, which are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Tax increment revenue and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When both restricted and unrestricted resources are available for use, it is the CFD 2014-1's policy to use restricted resources first, then unrestricted resources, as they are needed.

Basis of Presentation – Fund Financial Statements: The accounts of the CFD 2014-1 are organized on the basis of funds. A fund is a separate self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. Separate financial statements are provided for governmental funds. The CFD 2014-1 has only a General Fund. The CFD 2014-1 does not prepare a budget, so no budgetary comparison is presented.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the CFD 2014-1 considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property tax revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year end. All other revenue items are considered to be measurable and available only when cash is received by the government.

Governmental funds are used to account for the CFD 2014-1's expendable financial resources and related liabilities. The CFD 2014-1 reports the following major governmental fund:

> General Fund – The General Fund is the general operating fund of the CFD 2014-1. It is used to account for all financial resources except those required to be accounted for in another fund.

Restricted Assets: Cash held with fiscal agent, as well as certain resources set aside for special assessment debt repayment, are classified as restricted assets on the balance sheet because their use is limited by loan covenants.

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

Net Position/Fund Equity: The government-wide financial statements utilize a net assets presentation. Net assets consist of the following:

> 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 does not meet the definition of "invested in capital assets, net of related debt" or "restricted net position."

NOTE B – CASH AND INVESTMENTS

Cash and investments consisted of the following at June 30, 2023:

Deposits with financial institutions	$ 108,866
Money market funds	797,403
Total Cash and Investments	$ 906,269

Investments Authorized by the California Government Code and the CFD 2014-1's Investment Policy: The table below identifies the investment types that are authorized for the CFD 2014-1 by the California Government Code (or the CFD 2014-1's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the CFD 2014-1'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 CFD 2014-1, rather than the general provisions of the California Government Code or the CFD 2014-1's investment policy.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Investment in One Issuer
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

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 CFD 2014-1'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.

NOTE B – CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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
Money Market Accounts	N/A	None	None

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, 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 CFD 2014-1's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the CFD 2014-1's investments by maturity as of June 30, 2023:

		Remaining Maturity (in Months)	
Investment Type	Totals	12 Months or Less	13-48 Months
Money market funds	$ 797,403	$ 797,403	
Totals	$ 797,403	$ 797,403	

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 CFD 2014-1's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

				Rating as of Fiscal Year End	
Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	AAA	Not Rated
Money market funds	$ 797,403	N/A		$ 797,403	
Totals	$ 797,403			$ 797,403	

NOTE B – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk: The investment policy of the CFD 2014-1 limited the amount that can be invested in any one issuer to the amount stipulated by the California Government Code. As of June 30, 2023, there are five investment accounts in one issuer that represent 100% of total District investments.

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 CFD 2014-1'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 CFD 2014-1's deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2023, there were no CFD 2014-1 deposits with financial institutions in excess of federal depository insurance limits required to be held in collateralized accounts.

Fair Value Measurement: The CFD 2014-1 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs.

The CFD 2014-1's investment in the money market mutual fund is considered Level 2 because the value is calculated using amortized cost of the securities held in the fund, not the market value.

NOTE C – SPECIAL TAX

The CFD 2014-1 started levying the special tax against property owners during the 2016/17 fiscal year. The special taxes are collected through the secured property tax rolls of the County of Sacramento. The special tax represents the amount to be assessed to the property owners to pay bond principle and interest. In the event property owners are delinquent in their payments, the CFD 2014-1 is required to initiate foreclosure proceedings within 150 days following the date of delinquency. CFD 2014-1 will refer pending delinquency cases to the CFD 2014-1's legal counsel for collection.

NOTE D – SPECIAL ASSESSMENT DEBT

The Rancho Murieta Community Services District adopted a resolution for the formation of the CFD 2014-1. The CFD No. 2014-1 was formed as part of a financing plan for public infrastructure Facilities and other governmental facilities to support development of a hotel, commercial, residential and mixed

NOTE D – SPECIAL ASSESSMENT DEBT (Continued)

use properties being developed on approximately 828 acres of land within the District boundaries of CFD No. 2014-1. On January 29, 2015 bonds in the amount of $5,960,000 were issued to finance the costs of the facilities and to finance costs associated with the issuance of bonds. During the 2014-15 fiscal year a special tax was approved by voters and has been authorized by the Board of Directors to be levied on lots and parcels within CFD No. 2014-1 commencing with the fiscal year 2016-17 fiscal year tax levy. Proceeds from the Special Tax will be used to repay the bonded indebtedness and associated costs and to pay directly for the acquisition or construction of authorized facilities.

The bonds are due in annual payments of $154,029 to $391,560 through September 1, 2044, with interest at 4.4% per annum and payable from revenues generated through an ad valorem tax assessed by the CFD 2014-1 against properties located within the boundaries of the CFD 2014-1.

Long-term liabilities activity for the fiscal year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Sepcial Assessment Debt Series 2014-1	$ 5,425,000		$ (145,000)	$ 5,280,000	$ 150,000
Total	$ 5,425,000		$ (145,000)	$ 5,280,000	$ 150,000

Debt service requirements to maturity are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2024	$ 150,000	$ 238,900	$ 388,900
2025	155,000	233,563	388,563
2026	160,000	227,850	387,850
2027	165,000	221,550	386,550
2028	170,000	214,850	384,850
2029-2033	975,000	951,344	1,926,344
2034-2038	1,230,000	691,600	1,921,600
2039-2043	1,550,000	363,375	1,913,375
2044-2045	725,000	34,794	759,794
Totals	$ 5,280,000	$ 3,177,826	$ 8,457,826

NOTE E – RESERVE FOR BOND SERVICE

By the terms of the bond indenture, $392,831 of the proceeds from the bond issue were set aside for the purpose of paying any delinquent bond interest and principal payments. The balance held in reserve as of June 30, 2023 is $398,805.

NOTE F – NET POSITION DEFICIT

CFD 2014-1 governmental activities had an unrestricted net position (deficit) of $4,717,853 at June 30, 2023. This is due to reporting the special assessment debt with no offsetting long-term special tax receivable in the statement of net position, as required under GASB Statement No. 6. The net position (deficit) is expected to be offset with special tax revenue used to pay the special assessment debt in future years.

NOTE G – RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

Amounts reported for governmental activities in the governmental fund balance sheet are being adjusted to arrive at the statement of net assets. The adjustments are as follows:

Total governmental fund balance	$ 1,041,460
Special assessment debt and interest payable that is not due and payable in the fund balance sheet current period and, therefore is not reported in the governmental fund balance sheet	(5,360,508)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ (4,319,048)

NOTE H – RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Amounts reported for governmental activities in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances are adjusted to arrive at the Statement of Activities for Government-wide presentation. The adjustments are as follows:

Net change in fund balance	$ 27,636
Long-term debt proceeds provide current financial resources to the governmental fund, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental fund, but in the Statement of Net Position the repayment	
Principal payments	145,000
The change in accrued interst is recorded as a current liability in the statement of activity, however, interest expense is recorded when paid in the governmental fund	1,595
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 174,231

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
SPECIAL BOARD MEETING MINUTES
July 14, 2026

1. CALL TO ORDER/ROLL CALL
President Merchant called the Special Board Meeting of the Board of Directors of Rancho Murieta Community Services District to order at 8:30 a.m. at the 15160 Jackson Rd. Directors present were Linda Butler, Bill Gere, Randy Jenco, Tim Maybee, and John Merchant. Carl Cahill with Peckham & McKenney was present. Also present from the District staff were Amelia Wilder, Interim General Manager; and Dyanne Fleet, Interim District Secretary/Clerk of the Board.

2. CLOSED SESSION
GENERAL MANAGER INTERVIEWS

CONFERENCE WITH LEGAL COUNSEL — EXISTING/THREATENED LITIGATION
Pursuant to Government Code § 54956.9(d)(1)
Number of Cases: One (1)
Name of Case/Matter: River Canyon Properties, LLC v. Rancho Murieta Community Services District, et al.

3. OPEN SESSION/REPORT ACTION FROM CLOSED SESSION
President Merchant reported that there was no action to report from the Closed Session.

4. COMMENTS FROM THE PUBLIC
Mr. Keil requested several items be returned to Improvements Committee and future Board agendas for discussion. Ms. Bullen requested status update on the District's response to the 2026 Grand Jury report and asked that reports from the Ad Hoc Committees to be included in future Board agendas.

5. CONSENT CALENDAR
Motion/Gere to *Approve Consent Calendar* **Second/Butler. Roll Call Vote: Ayes: Butler, Gere, Jenco, Maybee and Merchant. Noes: None. Absent: None. Abstain: None.**

6. REVIEW DISTRICT MEETING DATES/TIMES AUGUST 2026
The Board discussed and agreed to move the Finance Committee to August 24th and the Board meeting to August 26th.

7. CORRESPONDENCE
None

8. STAFF AND COMMITTEE REPORTS (Receive and File)
Complete Staff Reports can be found on July 14, 2026, Special Board Meeting Packet on the District's website or by clicking here.

Under Agenda Item 8A, Ms. Wilder gave a summary of the General Manager update, including:

- Update on Grand Jury report
- Update on Board of Directors Elections
- Update on General Manager Recruitment
- Update on HR Policies in Personnel Manual which will be brought back to the Board in August
- Update on Security Meeting with RMA
- Update on GM Leadership Seminar presented by CSDA

Under Agenda Item 8B. Ms. Min gave a summary of the General Manager update, including:

- Audit Reviews FY23/FY24, FY24/FY25 and current FY25/FY26
- Financial Review

Under Agenda Item 8C. Mr. Arino gave a summary of the General Manager update, including:

- Updated the Board on Security
- Update on training received on Aquatic Invasive Species
- Update on ongoing discussion with RMA regarding the Security department.

Under Agenda Item 8D, Mr. Bohannon gave a summary of the Operations Department update, including:

- Water Treatment Facility
- June 2026 Drinking Water Production Data
- Water Consumption
- Raw Water Storage & Delivery
- Utilities Activities
- Sewer
  - Wastewater Facility
- Project Updates
  - The Equestrian Culvert Repair project was awarded to M3 Construction. Construction is scheduled to begin on July 1, 2026, and is expected to take approximately one month to complete.
  - Clementia Spillway Culvert Repair will be completed in-house by the Districts Utility Staff middle of June.
  - Manganese Flare-Up at Water Plant: On June 19, the District experienced its annual manganese flare-up, resulting in a 12-hour "Code Red" water quality notification to residents. The issue was resolved, and staff reported they are evaluating improved methods to better manage and minimize future occurrences.

9. INVASIVE SPECIES REPORT

RMCSD Security personnel completed California Department of Fish and Wildlife training on aquatic invasive species and watercraft inspection procedures. The training covered the identification of invasive species, how they spread between waterways, and the importance of the Clean, Drain, Dry prevention program, along with proper inspection and decontamination techniques. This training enhances the department's ability to support lake protection efforts, promote responsible boating practices, and help safeguard Rancho Murieta's lakes, water quality, and recreational resources from the introduction of harmful aquatic invasive species.

10. VOTE FOR CSDA BOARD OF DIRECTORS – TERM 2027-2029; SEAT C – SIERRA NETWORK

Motion/Maybee to *Approve Peter Kampa to Seat C for Term 2027-2029* **Second/Merchant. Roll Call Vote: Ayes: Butler, Gere, Jenco, Maybee and Merchant. Noes: None. Absent: None. Abstain: None.**

10. APPROVAL TO AMEND ADOPTED FY23 AND FY24 BUDGETS TO REVISE PROPERTY TAX ALLOCATION PERCENTAGES

The Board discussed the request to amend the adopted FY23 and FY24 budget by reallocating unrestricted property tax revenues from the Security fund to the Water fund. The adjustment is necessary to accurately reflect the District's financial position and complete the annual audit.

Motion/Gere to *Approve Amending Adopted FY23 and FY24 Budgets to Revise Property Tax Allocation Percentages* **Second/Butler. Roll Call Vote: Ayes: Butler, Gere, Jenco, Maybee and Merchant. Noes: None. Absent: None. Abstain: None.**

11. DIRECTOR COMMENTS/SUGGESTIONS

12. ADJOURNMENT

Time meeting was adjourned at 6:31 p.m.

Respectfully submitted,

Dyanne Fleet
Interim District Secretary/Clerk of the Board

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
SPECIAL BOARD MEETING MINUTES
July 21, 2026

1. CALL TO ORDER/ROLL CALL

President Merchant called the Special Board Meeting of the Board of Directors of Rancho Murieta Community Services District to order at 8:00 a.m. at the 15160 Jackson Rd. Directors present were Linda Butler, Randy Jenco, Tim Maybee, John Merchant and Bill Gere was absent. Also present from the District staff were Amelia Wilder, Interim General Manager; and Dyanne Fleet, Interim District Secretary/Clerk of the Board.

2. COMMENTS FROM THE PUBLIC

No Comments.

3. PUBLIC HEARING TO CONSIDER PLACING DELINQUENT ACCOUNTS ON TAX ROLLS OF SACRAMENTO COUNTY FOR COLLECTION

Motion/Maybee to *Approve Resolution R2026-16 Placing Delinquent Accounts on Tax Rolls at Sacramento County for Collections* ***S*****econd/Merchant. Roll Call Vote: Ayes: Butler, Jenco, Maybee and Merchant. Noes: None. Absent: Gere. Abstain: None.**

4. DIRECTOR COMMENTS/SUGGESTIONS

5. ADJOURNMENT

Time meeting was adjourned at 8:03 a.m.

Respectfully submitted,

Dyanne Fleet
Interim District Secretary/Clerk of the Board

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
SPECIAL BOARD MEETING MINUTES

July 30, 2026

1. CALL TO ORDER/ROLL CALL

President Merchant called the Special Board Meeting of the Board of Directors of Rancho Murieta Community Services District to order at 1:30 p.m. at the 15160 Jackson Rd. Directors present were Linda Butler, Bill Gere, Randy Jenco, Tim Maybee, and John Merchant. Also present from the District staff were Amelia Wilder, Interim General Manager; and Dyanne Fleet, Interim District Secretary/Clerk of the Board.

2. CLOSED SESSION

No Comments.

3. OPEN SESSION/REPORT BACK FROM CLOSED SESSION

President Merchant reported Staff has been given direction.

4. COMMENTS FROM THE PUBLIC

No Public Comments

5. DIRECTOR COMMENTS/SUGGESTIONS

6. ADJOURNMENT

Time meeting was adjourned at 5:04 p.m.

Respectfully submitted,

Dyanne Fleet
Interim District Secretary/Clerk of the Board

MEMORANDUM

Date: August 4, 2026

To: Board of Directors

From: Special Improvements Committee Staff

Subject: August 4, 2026, Special Improvements Committee Meeting Minutes

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1. CALL TO ORDER

Director Gere called the meeting to order at 8:00 a.m. Present were Directors Gere and Jenco. Present from District staff were; Amelia Wilder, Interim General Manager, Travis Bohannon, Interim Director of Operations; Corey Carskaddon, Utility Supervisor; and Dyanne Fleet, Interim District Secretary/Clerk of the Board.

2. COMMENTS FROM THE PUBLIC

The community discussed with the Committee the importance of consistent meeting scheduling, procedures for adding items to meeting agendas, and the status of storage tanks, wells, and the Clementia conversion.

3. IMPROVEMENTS STAFF REPORT

The following topics were discussed:

A. WATER VISION WORKING GROUP (WVWG) UPDATED MATRIX

Tom Shewchuk presented the WVWG's updated Matrix. The Committee reviewed the Water Vision Working Group's updated matrix addressing wells, Clementia conversion, and other water related initiatives and determined that the updated WVWG Matrix was complete and approved to forwarded to the Board for discussion.

B. RMCC Club Storm Drain Easement Ownership

The Committee discussed storm drain easements and ownership on the Rancho Murieta Country Club property. The Committee agreed that storm drains for which the District does not have easements are not the District's responsibility to repair, and the District should not seek additional easements that would create unnecessary financial responsibility.

C. CHARGE FEES FIRE FLOW LETTERS

The Committee discussed establishing a fee for preparing required fire flow letters for new development and ADUs. Staff recommended a $396 fee to recover District staff and engineering costs, noting that the amount is comparable to fees charged by other local agencies. The Committee agreed to forward the proposed fee to the Board for consideration, with legal review to confirm the District's authority to impose the fee.

D. WATER TREATMENT PLANT AND MANGANESE

Staff advised that the manganese study RFP is complete but will be issued around November or December so that a consultant can be selected and ready to begin work when manganese conditions return next year.

E. UPDATE ON MEC CULVERT REPAIR PROGRESS

The MEC culvert repair was reported as 99.5% complete**,** with only the railings remaining, and the project will be completed within the allotted timeframe.

F. UPDATE ON OVERABUNDANCE OF WASTWATER

The Committee received an update on excess wastewater, with staff reporting that storage levels have improved compared with last year and that recycled water is being distributed at maximum capacity to the golf course and Van Vleck. Due to the high cost and limited benefit, wastewater hauling is not recommended at this time. Staff will continue monitoring storage and weather conditions and will contact the State regarding regulatory coordination and potential compliance concerns.

G. EMERGENCY WIRE REPLACEMENT FOR WASTEWATER PLANT FROM FILTER PANEL TO MAIN OP'S PANEL

The Committee received an update on the emergency replacement of damaged electrical wiring and a transformer serving the wastewater treatment plant. Temporary power is currently keeping the plant operational while permanent repairs, estimated at approximately $13,000, are completed. Because the repair exceeds staff's spending authority, the Committee agreed to place the expenditure on the Board's consent calendar for approval.

H. REHAB WASTEWATER PLANT FILTERS

The Committee discussed the deteriorating tertiary filter panels at the wastewater treatment plant, with corrosion accelerating following the switch to chlorine bleach. Repairs are preliminarily estimated at $250,000–$300,000**.** The Committee agreed to forward an action item to the Board to authorize an RFP**,** including consideration of alternative materials and coatings, with repairs planned for the winter and completion by April.

I. EMERGENCY STORM DRAIN FAILURE ON PERA DRIVE

The Committee discussed the sinkhole on Para Drive associated with deteriorating storm drainpipes beneath the roadway. Due to the condition of the pipes and the need for an engineered repair, the Committee agreed to forward Domenichelli & Associates $42,613 proposal to the Board for approval and requested that the proposal be expanded to include management of the project from design through completion.

4. DIRECTOR AND STAFF COMMENTS

Director Jenco requested an update on the Rio Oso Water Storage Tank, where corrosion has progressed around the cathodic protection system and previous repairs are no longer considered sufficient. Staff advised that the tank will need to be emptied to complete the necessary rehabilitation and discussed options for maintaining water service during the work, including use of another storage tank or the existing bypass system. Staff will prepare a report for the September Committee meeting outlining options and next steps.

5. ADJOURNMENT

The meeting was adjourned at 11:47 a.m.

MEMORANDUM

Date: August 5, 2026

To: Board of Directors

From: Personnel Committee Staff

Subject: August 5, 2026, Personnel Committee Meeting Minutes

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1. CALL TO ORDER

Director Merchant called the meeting to order at 10:00 a.m. Present were Directors Butler and Director Merchant. Present from District staff were Amelia Wilder, Interim General Manager; Travis Bohannon, Interim Director of Operations; Corey Carskaddon, Utilities Supervisor; and Dyanne Fleet, Interim District Secretary/Clerk of the Board.

2. PUBLIC COMMENTS

None.

3. UPDATED OR CHART

The Committee reviewed the proposed Organizational Chart, which would restore the District's traditional reporting structure with minor revisions. The Committee agreed to forward the revised Organizational Chart to the September Board meeting for review and approval.

4. UPDATE JOB DESCRIPTIONS

a. **Utility Worker I update to Utility Technician I**
b. **Utility Worker II update to Utility Technician II**
c. **Utility Worker III update to Utility Technician III**

The Committee reviewed proposed revisions to the Utility Worker classifications, creating Utility Technician I, II, and III positions to better align job duties, certifications, and advancement opportunities. The existing Utility Worker I classification would be retained as a temporary/entry-level position. The Committee supported moving forward with union review and approval**,** followed by Board consideration.

5. APPROVE MANAGER OF ADMINISTRATIVE SERVICES JOB DESCRIPTION

The committee agreed to move the Administrative Services Job Description to the Board for approval.

6. APPROVE DIRECTOR OF FINANCE JOB DESCRIPTION UPDATE

The job description will be reviewed with appropriate staff and then will be presented to the Board for approval

7. DIRECTORS & STAFF COMMENTS/SUGGESTIONS

President Merchant discussed the importance of an Emergency Evacuation Plan including coordination with the County, RMA, and the Fire and Flood Resilience group. The District's Firewise designation was also noted.

8. ADJOURNMENT

The meeting was adjourned at 10:42 a.m.

MEMORANDUM

Date: August 6, 2026

To: Board of Directors

From: Communication & Technology Committee Staff

Subject: August 6, 2026, Communication & Technology Committee Meeting Minutes

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1. CALL TO ORDER

Director Butler called the meeting to order at 10:00 a.m. Present was Director Butler; present from District staff were Amelia Wilder, Interim General Manager; Branden Arino, Security Supervisor; and Dyanne Fleet, Interim District Secretary/Clerk of the Board.

2. COMMENTS FROM THE PUBLIC

None.

3. UPDATE ON WEBSITE AND SOCIAL MEDIA

Ms. Wilder provided an update on the Website and Facebook statistics.

4. PIPELINE

A. Good News

- Strong community response to the Board Election. Candidate night is being planned for October.
- Audits are progressing and will receive an update at the August 26th Board meeting.
- Staff is working on the Grand Jury response.
- The Greenfield emergency highlighted the need for reliable backup; the District is working on a solution.

5. COMMUNITY LETTER

a. Magnet with phone numbers – RMCSD, RMA, S Gate, Sheriff and Hwy Patrol
b. Discussed the CC&R and will provide the 10 most important rules
c. Discussed Security – Gate and Patrol
d. Other – The District will reach out to the Community regarding Invasive Species and how to protect our waters

6. RANCHO MURIETA RESILIENCE PLAN

The Committee discussed the Sacramento County-led Rancho Murieta Resilience Plan, which is focused on developing a safe and efficient emergency evacuation strategy for Rancho Murieta and surrounding communities.

7. DIRECTOR AND STAFF COMMENTS

No Comments.

8. ADJOURNMENT

The meeting was adjourned at 11:12 a.m.

MEMORANDM

Date: August 24, 2026

To: Board of Directors

From: Special Finance Committee Staff

Subject: August 24, 2026, Finance Committee Meeting Minutes

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1. CALL TO ORDER

Director Merchant called the meeting to order at 10:00 a.m. Present were Director Merchant and Director Gere. Present from District staff were Amelia Wilder, Interim General Manager; Cecilia Min, Director of Finance and Administration; and Dyanne Fleet Interim District Secretary/Clerk of the Board. Present from Richardson & Company, LLP; Ingrid Sheipline and Heidi McLucas.

2. PUBLIC COMMENTS

None.

3. AUDITS PRESENTATION FY23 AND FY24

Audit presentation presented by Richardson & Company; Ingrid Sheipline and Heidi McLucas. The auditors presented the results of the District's FY23 and FY24 audits, noting significant improvements in the District's accounting and audit preparation processes. They recommended continued work on year-end closing procedures, developer-donated infrastructure, and updates to the District's reserve and investment policies.

4. AUDITS PREPARATION STATUS UPDATE FOR FY25 AND FY26

Ms. Min discussed the status update for FY25 and FY26.

5. FINANCIAL UPDATE – 12 MONTHS ENDING JUNE 30, 2026

Ms. Min reviewed the Financials from July to June 2026, noting the figures remain subject to change pending completion of bank reconciliations.

6. DIRECTOR COMMENTS

President Merchant and Director Gere approved moving Audits FY23 & FY24 to the Board for review and approval.

7. ADJOURNMENT

11:09 a.m.

Ranges:	From:	To:		From:	To:
Check Number	First	Last	Check Date	7/1/2026	7/31/2026
Vendor ID	First	Last	Checkbook ID	BANNER	BANNER
Vendor Name	First	Last			

Sorted By: Check Date

* Voided Checks

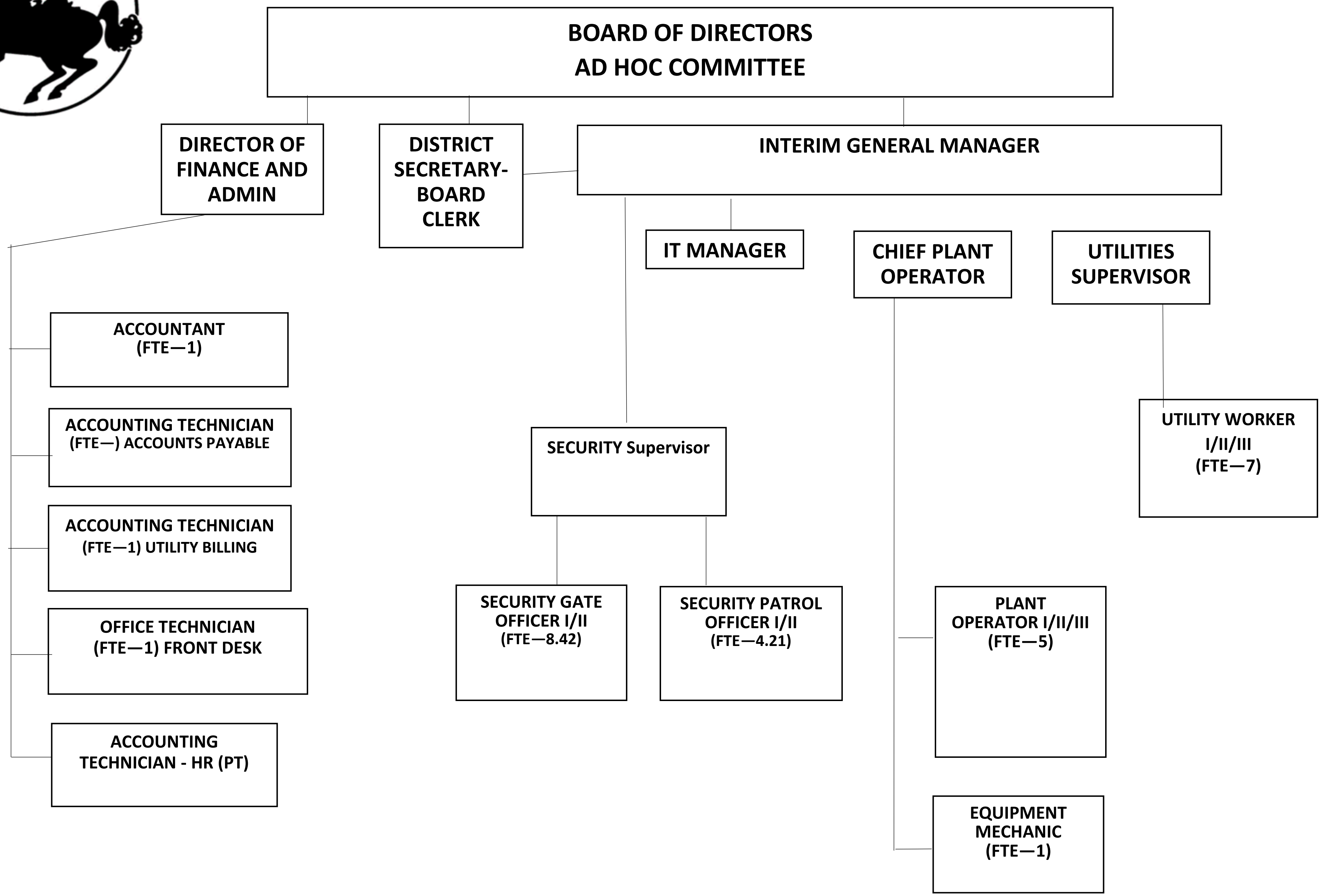
Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
003420	ADVINT&CON	Advanced Integration & Control	7/8/2026	BANNER	PMCHK00001998	$1,676.50
003421	APPBYDES	Applications By Design, LLC	7/8/2026	BANNER	PMCHK00001998	$1,295.00
003422	AQUMET	Aqua-Metric Sales Company	7/8/2026	BANNER	PMCHK00001998	$4,500.00
003423	BELKORP	Belkorp Ag LLC	7/8/2026	BANNER	PMCHK00001998	$2,192.65
003424	BROMEC	Brower Mechanical, Inc	7/8/2026	BANNER	PMCHK00001998	$708.10
003425	CASTLAN	California State Lands Commiss	7/8/2026	BANNER	PMCHK00001998	$599.00
003426	CENVALLENG	Central Valley Engineering & A	7/8/2026	BANNER	PMCHK00001998	$12,805.83
003427	CERLAWCAR	Cervantes Lawn Care	7/8/2026	BANNER	PMCHK00001998	$900.00
003428	CHITITCO	CHICAGO TITLE COMPANY	7/8/2026	BANNER	PMCHK00001998	$203.28
003429	CHITITCOM	Chicago Title Company	7/8/2026	BANNER	PMCHK00001998	$2,326.26
003430	CINTAS	Cintas	7/8/2026	BANNER	PMCHK00001998	$209.30
003431	COASTLI	Coastline Water Resources Inc	7/8/2026	BANNER	PMCHK00001998	$9,775.00
003432	CONEARTEC	Condor Earth Technologies	7/8/2026	BANNER	PMCHK00001998	$91.50
003433	COR&MAI	Core & Main LP	7/8/2026	BANNER	PMCHK00001998	$4,028.96
003434	COUNOFS	County of Sacramento	7/8/2026	BANNER	PMCHK00001998	$12,946.01
003435	DEPTTOX	Department of Toxic Substances	7/8/2026	BANNER	PMCHK00001998	$125.00
003436	FASTENERS	Fasteners Inc.	7/8/2026	BANNER	PMCHK00001998	$258.73
003437	FERENT	Ferguson Waterworks , Inc 1423	7/8/2026	BANNER	PMCHK00001998	$38,457.66
003438	FERWAT	Ferguson Waterworks	7/8/2026	BANNER	PMCHK00001998	$16,597.28
003439	FIDNAT	Fidelity National Title Compan	7/8/2026	BANNER	PMCHK00001998	$91.88
003440	FOLLAKFLE	Folsom Lake Fleet Services	7/8/2026	BANNER	PMCHK00001998	$144.95
003441	GRECOM	Greenfield Communications	7/8/2026	BANNER	PMCHK00001998	$228.00
003442	HASCAPSAN	Hastie's Capitol Sand and Grav	7/8/2026	BANNER	PMCHK00001998	$1,136.07
003443	ODLABSP	OD Labs Property	7/8/2026	BANNER	PMCHK00001998	$262.07
003444	OLICHLALK	Olin Corporation	7/8/2026	BANNER	PMCHK00001998	$17,462.30
003445	OSCCEJ	Oscar Ceja	7/8/2026	BANNER	PMCHK00001998	$206.25
003446	PACSUPCOR	Pace Supply Corp	7/8/2026	BANNER	PMCHK00001998	$4,199.83
003447	RSHUG	R.S. Hughes Company, Inc	7/8/2026	BANNER	PMCHK00001998	$157.45
003448	RAMENVSER	Ramos Oil Company	7/8/2026	BANNER	PMCHK00001998	$1,901.05
003449	RANMURASS	Rancho Murieta Association	7/8/2026	BANNER	PMCHK00001998	$728.46
003450	REGWATAUT	Regional Water Authority	7/8/2026	BANNER	PMCHK00001998	$7,334.00
003451	SACCORA	Sacramento County Radio Servic	7/8/2026	BANNER	PMCHK00001998	$2,695.00
003452	SOLLAKMAN	Solitude Lake Management LLC	7/8/2026	BANNER	PMCHK00001998	$2,559.07
003453	DEPFORF	CAL FIRE	7/8/2026	BANNER	PMCHK00001998	$3,859.86
003454	TESLA	TESLA INC	7/8/2026	BANNER	PMCHK00001998	$24,049.31
003455	UNISOLUSA	Univar Solutions USA Inc	7/8/2026	BANNER	PMCHK00001998	$11,368.57
003456	WATSUR	Watchdogs Surveillance	7/8/2026	BANNER	PMCHK00001998	$370.00
003457	WTRSCON	Water Systems Consulting, Inc.	7/8/2026	BANNER	PMCHK00001998	$1,675.00
003458	ZENENVCOR	Zenon Environmental Corporatio	7/8/2026	BANNER	PMCHK00001998	$42,360.96
003459	FIDNAT	Fidelity National Title Compan	7/8/2026	BANNER	PMCHK00001999	$264.63
EFT000000000175	A&DAUTGAT	A&D Automatic Gate	7/8/2026	BANNER	PMCHK00002000	$4,922.27
EFT000000000176	ALLORA	Allora Cleaning LLC	7/8/2026	BANNER	PMCHK00002000	$3,990.00
EFT000000000177	ASSOCIA	Associated Compressor & Equipm	7/8/2026	BANNER	PMCHK00002000	$10,857.79
EFT000000000178	CHECHEUS	Chemtrade Chemicals US LLC	7/8/2026	BANNER	PMCHK00002000	$5,630.99
EFT000000000179	CLAPESCON	Clark Pest Control	7/8/2026	BANNER	PMCHK00002000	$1,669.40
EFT000000000180	DOMANDASS	Domenichelli & Associates, Inc	7/8/2026	BANNER	PMCHK00002000	$3,526.00
EFT000000000181	ECOPLASYS	Economic & Planning Systems, I	7/8/2026	BANNER	PMCHK00002000	$1,291.25
EFT000000000182	GAL	Galls	7/8/2026	BANNER	PMCHK00002000	$146.48
EFT000000000183	HQESYST	HQE Systems, Inc	7/8/2026	BANNER	PMCHK00002000	$3,537.15
EFT000000000184	HRTOGO	HRtoGo, LLC	7/8/2026	BANNER	PMCHK00002000	$3,350.00
EFT000000000185	DAVIDCO	MF Media	7/8/2026	BANNER	PMCHK00002000	$2,400.00
EFT000000000186	PROELE&	Prodigy Electric & Controls In	7/8/2026	BANNER	PMCHK00002000	$16,576.25
EFT000000000187	RWG	RWG Law	7/8/2026	BANNER	PMCHK00002000	$23,178.10
EFT000000000188	ROBHAL	Robert Half	7/8/2026	BANNER	PMCHK00002000	$60,693.46
EFT000000000189	ROTHSTF	Roth Staffing Companies, L.P.	7/8/2026	BANNER	PMCHK00002000	$8,517.64
EFT000000000190	SUPEQUREP	Superior Equipment Repair	7/8/2026	BANNER	PMCHK00002000	$3,737.05

* Voided Checks

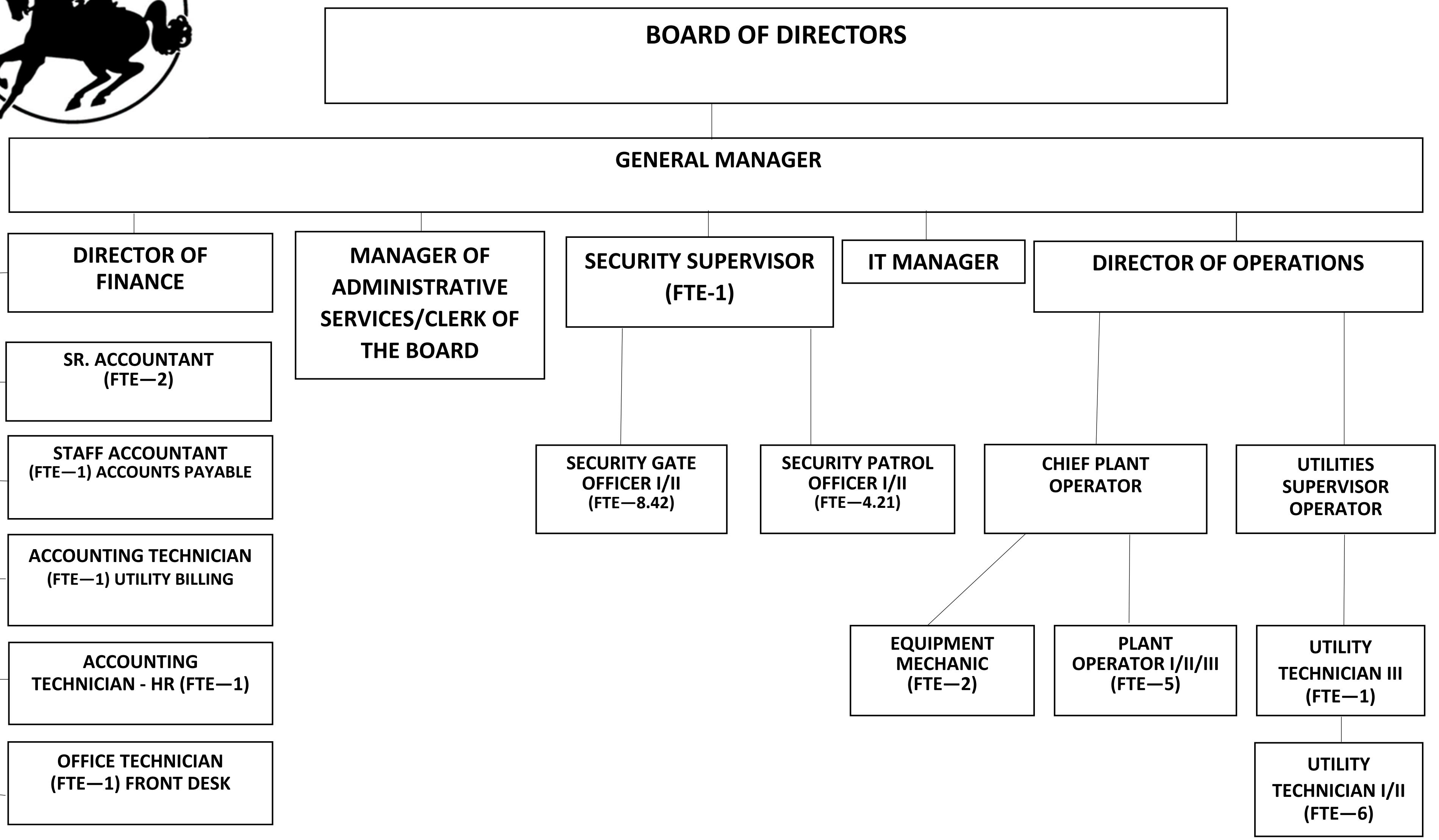
Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
EFT000000000191	TESCON	Tesco Controls, LLC	7/8/2026	BANNER	PMCHK00002000	$3,555.75
EFT000000000192	THACOM	Thatcher Company	7/8/2026	BANNER	PMCHK00002000	$2,749.00
EFT000000000193	USABLUBOO	HD Supply Inc DBA USABlueBook	7/8/2026	BANNER	PMCHK00002000	$11,212.75
EFT000000000194	VESTIS	Vestis	7/8/2026	BANNER	PMCHK00002000	$606.27
EFT000000000195	WWGRA	Grainger	7/8/2026	BANNER	PMCHK00002000	$1,764.02
EFT000000000217	SMUD	S. M. U. D.	7/16/2026	BANNER	PMPAY00000100	$24.18
EFT000000000218	SMUD	S. M. U. D.	7/16/2026	BANNER	PMPAY00000100	$33.21
EFT000000000219	SMUD	S. M. U. D.	7/16/2026	BANNER	PMPAY00000100	$52.72
EFT000000000220	SMUD	S. M. U. D.	7/16/2026	BANNER	PMPAY00000100	$102.18
EFT000000000221	SMUD	S. M. U. D.	7/16/2026	BANNER	PMPAY00000100	$539.99
EFT000000000222	SMUD	S. M. U. D.	7/16/2026	BANNER	PMPAY00000100	$25,982.79
003460	COR&MAI	Core & Main LP	7/22/2026	BANNER	PMCHK00002001	$4,770.64
003461	COUOFSAC	County of Sacramento	7/22/2026	BANNER	PMCHK00002001	$14,012.00
003462	INDELE	Industrial Electrical Company	7/22/2026	BANNER	PMCHK00002001	$4,984.14
003463	RAMENVSER	Ramos Oil Company	7/22/2026	BANNER	PMCHK00002001	$863.25
003464	SOLLAKMAN	Solitude Lake Management LLC	7/22/2026	BANNER	PMCHK00002001	$6,580.45
003465	UNISOLUSA	Univar Solutions USA Inc	7/22/2026	BANNER	PMCHK00002001	$1,124.25
003466	ZENENVCOR	Zenon Environmental Corporatio	7/22/2026	BANNER	PMCHK00002001	$107.75
EFT000000000198	ABSDIR	ABS Direct	7/22/2026	BANNER	PMCHK00002002	$1,547.90
EFT000000000199	ACC&ASS	Digital Solutions Inc dbaAccou	7/22/2026	BANNER	PMCHK00002002	$292.50
EFT000000000200	ASSOCIA	Associated Compressor & Equipm	7/22/2026	BANNER	PMCHK00002002	$1,669.38
EFT000000000201	CALLABSER	California Laboratory Services	7/22/2026	BANNER	PMCHK00002002	$6,895.00
EFT000000000202	CALTRON	FlexTG LLC	7/22/2026	BANNER	PMCHK00002002	$116.80
EFT000000000203	CHECHEUS	Chemtrade Chemicals US LLC	7/22/2026	BANNER	PMCHK00002002	$5,769.49
EFT000000000204	INTTECSOL	Intelligent Technical Solution	7/22/2026	BANNER	PMCHK00002002	$8,754.09
EFT000000000205	PAULVSC	Messenger Publishing Group	7/22/2026	BANNER	PMCHK00002002	$2,713.50
EFT000000000206	RWG	RWG Law	7/22/2026	BANNER	PMCHK00002002	$8,369.40
EFT000000000207	ROBHAL	Robert Half	7/22/2026	BANNER	PMCHK00002002	$27,626.27
EFT000000000208	ROTHSTF	Roth Staffing Companies, L.P.	7/22/2026	BANNER	PMCHK00002002	$4,376.48
EFT000000000209	TESCON	Tesco Controls, LLC	7/22/2026	BANNER	PMCHK00002002	$450.00
EFT000000000210	USABLUBOO	HD Supply Inc DBA USABlueBook	7/22/2026	BANNER	PMCHK00002002	$5,949.90
EFT000000000211	VESTIS	Vestis	7/22/2026	BANNER	PMCHK00002002	$855.84
EFT000000000212	WWGRA	Grainger	7/22/2026	BANNER	PMCHK00002002	$1,066.19
EFT000000000213	CALWASREC	California Waste Recovery Syst	7/22/2026	BANNER	PMCHK00002003	$128,054.29
EFT000000000214	GOLSTARIS	Golden State Risk Management A	7/22/2026	BANNER	PMCHK00002004	$777,745.80
EFT000000000215	AT&T	AT&T	7/27/2026	BANNER	PMPAY00000099	$1,770.51
EFT000000000216	AT&T	AT&T	7/27/2026	BANNER	PMPAY00000099	$9,198.37

Total Checks: 93 Total Amount of Checks: $1,459,061.65

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
ORGANIZATIONAL CHART—SEPTEMBER 2025



RANCHO MURIETA COMMUNITY SERVICES DISTRICT
ORGANIZATIONAL CHART—AUGUST 2026



MEMORANDUM

Date: August 26, 2026
To: Board of Directors
From: Amelia Wilder, Interim General Manager
Subject: Creation of Manager of Administrative Services Position

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ACTION REQUESTED:
Adopt Manager of Administrative Services Job Description.

BACKGROUND:
The position of Admin. Manager should to be SEPARATE from the Director of Finance for several reasons:

- The job descriptions require completely different and unrelated skills and knowledge.
- Individually both positions are extremely time consuming and demanding.
- Our new GM will need the full attention of an experienced and knowledgeable employee.

The tasks associated with the job description have been completed for several years by the permanent District Secretary/Clerk of the Board. This would not be a new position, simply adding in an official capacity the duties already performed, and changing the title form District Secretary/Clerk of the Board to Director of Administration Services/Clerk of the Board.

- It is time to solidify and confirm the Finance Dept. as a separate entity from an Administrative Manager position working collaboratively for and with the GM.
- Finally, to clarify any concerns – this is not a new position or a new hire. It will be a combined position with an existing employee.

CONCLUSION:
Staff requests that the Board adopt the changes to the District Secretary/Clerk of the Board job description.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
MANAGER OF ADMINISTRATIVE SERVICES /CLERK OF THE BOARD

DEPARTMENT: ADMINISTRATION
FLSA OVERTIME STATUS: EXEMPT
BARGAINING UNIT: N/A
APPROVED BY BOARD OF DIRECTORS – TBD

POSITION SUMMARY

Under direction of the General Manager, the Manager of Administrative Services/Clerk of the Board assists the General Manager in administrative, public relations, and general affairs of the District. In addition to offering historical knowledge of the District, this position also helps organize the District's administrative services and Board governance functions.

The Clerk of the Board serves as the official custodian of Board records and is responsible for the preparation and administration of Board and committee meetings, official actions, public notices, elections, conflict-of-interest filings, and compliance with applicable open-meeting and public-records laws. The position exercises substantial independent judgment and discretion, handles highly confidential and sensitive matters, and serves as a trusted advisor to the General Manager and Board of Directors.

DISTINGUISHING CHARACTERISTICS

This position has broad responsibility for District-wide administrative systems and Board governance. The position is distinguished by its responsibility for legally required Clerk of the Board functions and programs that affect the entire organization. The incumbent is expected to work anticipate organizational needs, manage competing priorities, and represent the District with professionalism and political acumen.

SUPERVISION RECEIVED AND EXERCISED

- Receives supervision and general direction from the General Manager.
- May serve as Acting General Manager when designated by the General Manager or Board of Directors.

ESSENTIAL FUNCTIONS

The following duties are representative of the work performed. The omission of a specific duty does not exclude it from the classification when the work is similar, related, or a logical assignment of the position.

Organizational Administration

- Assists in implementing District-wide goals, policies, strategic initiatives, and operating priorities.
- Assists the General Manager and Board of Directors on administrative, governance, organizational, personnel, and policy matters using a wide knowledge of documents that have shaped the District.
- Reviews administrative practices and recommends improvements to increase efficiency, transparency, accountability, internal controls, and customer service.

Board Governance and Clerk of the Board

- Serves as the official Clerk of the Board and performs all duties assigned by law, Board policy, or the General Manager.
- Plans and coordinates regular, special, emergency, and committee meetings of the Board of Directors, including agenda development, staff report coordination, agenda packet preparation, posting, distribution, and meeting logistics.
- Attends Board and committee meetings; records official actions; prepares accurate minutes; tracks motions, direction, referrals, and follow-up assignments.

- Ensures compliance with the Ralph M. Brown Act, California Public Records Act, Political Reform Act, District bylaws, parliamentary procedures, and other laws governing public agency meetings and records.
- Maintains the official legislative history of the District, including ordinances, resolutions, minutes, policies, contracts, deeds, easements, and other permanent records.
- Coordinates the preparation, review, adoption, publication, codification, and retention of ordinances, resolutions, policies, and governance documents in consultation with legal counsel.
- Administers public hearings and statutory notice requirements, including Proposition 218 notices and protest proceedings.
- Coordinates District elections, appointments, vacancies, oaths of office, and related filings with Sacramento County and other agencies.
- Administers Statements of Economic Interests (Form 700), conflict-of-interest code updates, ethics training records, and other required Board and employee compliance filings.
- Coordinates Board orientation, training, conference registration, travel documentation, and access to governance resources.
- Responds to requests from Board members in accordance with District policy and ensures appropriate coordination with the General Manager and staff.

Human Resources and Organizational Development

- Coordinates human resources programs in consultation with the General Manager, legal counsel, and contracted human resources professionals.
- Coordinates workplace investigations and other sensitive personnel matters with legal counsel or outside investigators, as directed.
- Develops, updates, and administers personnel policies, and employee handbooks.

Risk Management, Safety, and Regulatory Compliance

- Coordinates the District's risk management, insurance, claims, and loss-control programs.
- Works with department managers to identify organizational risks and promote compliance with applicable laws, regulations, permits, policies, and reporting requirements.
- Coordinates liability claims, subpoenas, and litigation support with insurers, third-party administrators, and legal counsel.
- Oversees development, implementation, and periodic review of the District's Injury and Illness Prevention Program and related safety training.
- Coordinates compliance reviews, audits, internal investigations, and document production.
- Supports emergency preparedness, and FEMA reimbursement or disaster recovery activities.
- Maintains required authorizations and access credentials, including California Department of Justice criminal-offender-record-information access, when applicable.

Records Management and Administrative Services

- Develops and administers District-wide records management, retention, imaging, indexing, retrieval, preservation, and destruction programs.
- Serves as the District's Public Records Act coordinator; receives, tracks, evaluates, and coordinates timely responses to requests in consultation with departments and legal counsel.
- Oversees document control, official files, and administrative forms.
- Coordinates contract administration, insurance certificates, professional services agreements, and administrative procurement, as assigned.
- Reviews and approves administrative transactions and vendor payments within delegated authority.
- Coordinates website content.
- Provides confidential executive support and technical assistance to the General Manager, and department managers.

Public Information, Community Relations, and Intergovernmental Coordination

- Coordinates District public information, communication, community outreach, and customer education activities.
- Oversees the accuracy and timeliness of website, social media, public notices, newsletters, press releases, and other official communications.

- Coordinates responses to media inquiries and public information needs in consultation with the General Manager.
- Maintains constructive relationships with residents, ratepayers, businesses, community organizations, partner agencies, and other stakeholders.
- Supports transparent, accessible, and customer-focused communication regarding District programs, projects, rates, and services.

Program and Project Management

- Coordinates major administrative initiatives, including rate studies, Proposition 218 proceedings, strategic planning efforts, governance reviews, and organizational improvement projects.
- Conducts research, policy analysis; prepares recommendations, reports, presentations, and implementation plans.
- Performs other duties and special assignments as requested by the General Manager.

QUALIFICATIONS

Any combination of education and experience that provides the required knowledge, skills, and abilities may be considered. A typical way to obtain the qualifications is described below.

Knowledge of

- Principles and practices of public administration, organizational management, strategic planning, and executive leadership.
- California special district governance and the operations of public utilities and local government agencies.
- Ralph M. Brown Act, California Public Records Act, Political Reform Act, Proposition 218, election requirements, records-retention requirements, and related public agency laws.
- Board and committee agenda administration, minute preparation, parliamentary procedure, and legislative recordkeeping.
- Risk management, insurance, claims administration, workplace safety, emergency preparedness, and regulatory compliance.
- Public information, community engagement, customer service, and conflict resolution.
- Records management principles, electronic document systems, confidentiality, privacy, and information security.

Ability to

- Provide assistance to General Manager in translating Board policy and organizational goals into effective programs, procedures, and results.
- Exercise sound judgment, discretion, diplomacy, confidentiality, and political acumen in sensitive or high-visibility matters.
- Apply policies, contracts, and administrative procedures.
- Organize, prioritize, and manage multiple complex assignments within strict legal and operational deadlines.
- Prepare clear, accurate, policies, minutes, correspondence, presentations, and public communications.
- Communicate effectively with elected officials, employees, labor representatives, consultants, legal counsel, regulators, media representatives, and the public.
- Use modern office technology, records systems, and communication platforms.

EDUCATION AND EXPERIENCE

Education

A bachelor’s degree from an accredited college or university in public administration, business administration, human resources, organizational leadership, political science, or a closely related field is required. A master’s degree in a related field is desirable.

Experience

Five (5) years of progressively responsible professional experience in public administration, Board administration, human resources, administrative services, or a closely related field. Experience with a California special district, municipal utility, or other public agency is highly desirable. Experience working in a unionized environment is also desirable.

LICENSES, CERTIFICATIONS, AND OTHER REQUIREMENTS

- Possession of, or ability to obtain and maintain, a valid California driver's license and an acceptable driving record consistent with District policy.
- Ability to obtain appointment as a Notary Public for the State of California within six (6) months of appointment, if required by the District.
- Ability to attend evening Board and committee meetings and occasional meetings or events outside normal business hours.

PHYSICAL DEMANDS

The physical demands described are representative of those required to perform the essential functions of the position. Reasonable accommodations may be made to enable qualified individuals with disabilities to perform the essential functions.

Work is primarily sedentary and performed in an office and public-meeting environment. The employee is regularly required to sit, stand, walk, speak, hear, use hands and fingers to operate office equipment, and reach with hands and arms. The position may occasionally require bending, stooping, kneeling, climbing, and lifting or moving materials weighing up to 25 pounds. Vision abilities include close and distance vision, color and peripheral vision, depth perception, and the ability to adjust focus.

WORKING CONDITIONS

Work is performed primarily in an office setting with frequent interaction with elected officials, employees, consultants, legal counsel, regulatory agencies, community members, and the public. The position requires attendance at evening Board and committee meetings and may require occasional travel, extended hours, and response during emergencies. The incumbent must manage multiple priorities and deadlines in a fast-paced, confidential, and highly visible public-service environment.

CLASSIFICATION STATUS

This is an at-will position exempt from overtime under the Fair Labor Standards Act. This job description is not an employment agreement and may be amended by the District to reflect changes in organizational needs, law, technology, or assigned responsibilities.

MEMORANDUM

Date: August 26, 2026

To: Board of Directors

From: Travis Bohannon, Chief Plant Operator

Subject: Emergency Repair to Run Wire to Transformer and Replace Transformer

Emergency repair was required to replace the electrical wire running to the transformer at the Wastewater Plant filter panel. After the wire was replaced, the transformer failed and required replacement. Staff is informing the Board this project has been completed by Prodigy Electric $13,058.85 (invoices attached) for the emergency wire and transformer replacement work.

PRODIGY ELECTRIC AND CONTROLS, INC
PRODIGYELECTRIC.COM

Invoice

Please Remit To This Address: **Prodigy Electric And Controls, Inc.**
PO Box 141
Lincoln, CA 95648

Bill To: Rancho Murieta CSD
15160 Jackson Road
Rancho Murieta, CA

Invoice #	41088
Date	8/4/2026
Total Due:	$9,108.85
Terms	Net 15
P.O. No.	

Billing/Service: 916.997.0798

CA License # 998361

Job Description
wwrp EM Filter panel

Description	Quantity	Rate	Amount
• Rmcsd 7/27/26 11 am -12, 1 pm- 9pm em wwrp filter panel acting weird alot of clicking, West daf panel and pumps going on and off. Found bad wires feeding the filter panel. Phase a and c. Also after replacing those wires we found the control transformer is bad. So we bypassed the the transformer with an extention cord for temporary till the new transformer gets in. Transformer most likely failed because of the phase imballace. New transformer and install will be on another bill.	16	325.00	5,200.00
Rmcsd 7/28/26 12pm-4:30pm wwrp t.s. back wash pumps and blowers. Had to change some wire and test again	4.5	162.50	731.25
Materials, wire, etc	1	3,177.60	3,177.60

Total Due: $9,108.85

PRODIGY
ELECTRIC AND CONTROLS, INC
PRODIGYELECTRIC.COM

Quote

Quote #	40623
Date	8/4/2026
Total Due:	$3,950.00
Terms	Net 15
P.O. No.	

Please Remit To This Address:

Prodigy Electric And Controls, Inc.
PO Box 141
Lincoln, CA 95648

Bill To:

Rancho Murieta CSD
15160 Jackson Road
Rancho Murieta, CA

Phone # 916.997.0798

CA License # 998361

Job Description

wwrp filter replace transf

Description	Qty	Rate	Total
Replace existing tranformer that failed and test	1	2,600.00	2,600.00
Materials	1	1,350.00	1,350.00

Total $3,950.00

MEMORANDUM

Date: August 26, 2026

To: Board of Directors

From: Travis Bohannon, Chief Plant Operator

Subject: Emergency Wire Replacement from Filter Panel to Main Op's Panel at Wastewater Plant

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Emergency Wire Replacement from Filter Panel to Main Op's Panel at Wastewater Plant

The repair of the Rio Oso generator requires replacement of electronic components at a cost of $19,876.91, including parts and labor. Staff received the quote and obtained approval from the Interim General Manager to proceed with the necessary repairs.

The replacement of these electronic components is expected to improve the reliability of the generator. In addition, staff has established an annual preventative maintenance program to help ensure the generator remains operational and reliable.

Staff recommends that the Board approve the attached quote for the Rio Oso generator repairs in an amount not to exceed $19,877.

Quote No: 186943 - 1

RANCHO MURIETA COMMUNITY   SERVICES DISTRICT
SERVICES DISTRICT PO BOX 1050
RANCHO MURIETA CA

CUSTOMER NO.	QUOTE NO.	DATE	CONTACT
4655900	186943	8/10/2026	TRAVIS BOHANNON
PHONE NO.	**FAX NO.**	**EMAIL**	
916-870-5368			
MODEL	**MAKE**		**SERIAL NO.**
30.0DFP-17	ONAN		G800513206
UNIT NO.	**HOURS**	**WO NO.**	**P.O. NO.**

SEGMENT: 01

PERFORM UPGRADE CONTROL PANEL ASSY   (611 F03A)
NOTES:PROPOSE TO FURNISH THE SUPPLIES, LABOR, PARTS, AND MATERIALS TO COMPLETE THE WORK DESCRIBED BELOW: THIS PROPOSAL ASSUMES THAT ALL WORK IS BEING COMPLETED DURING HOLT OF CALIFORNIA'S NORMAL BUSINESS HOURS. THIS PROPOSAL DOES NOT INCLUDE ANY TROUBLESHOOTING THAT HAS ALREADY TAKEN PLACE. NO RENTAL EQUIPMENT IS ACCOUNTED FOR IN THIS PROPOSAL. THIS SCOPE IS FOR A COMPLETE CONTROLLER UPGRADE DO TO THE AGE OF THE FAILED GENSET CONTROL PANEL. THE VOLTAGE REGULATOR IS ALSO OBSOLETE AND WILL BE REPLACED AS PART OF THIS UPGRADE. CUSTOM DOORS AND AND PROVISIONS FOR MOUNTING INTO THE EXISTING CONTROL BOX LOCATION IS PART OF THE SCOPE AS WELL. HOLT OF CA WILL LOTO ANY AC/DC POWER SOURCES TO ISOLATE ALL CONTROL SYSTEMS ON THE GENERATOR. NECESSARY OR OUTDATED GAUGES, SWITCHES, WIRING TERMINALS, RELAYS/BASES, FUSES/HOLDERS, WIRING AND PANEL DOORS WILL BE REMOVED AND A CUSTOM MOUNTING PLATE WITH NEW CAT GCCP 1.2 GENSET CONTROLLER WILL BE INSTALLED. ALL NECESSARY INTERFACE CONNECTIONS WILL BE TERMINATED TO NEW CONTROLLER. THE OUTDATED VOLATGE REGULATOR WILL BE REMOVED AND REPLACED AS WELL. ONCE SAFE, LOTO WILL BE REMOVED AND CONTROLLER WILL BE PROGRAMMED TO SITE SPECIFIC PARAMETERS. UNIT WILL BE FULLY TESTED OUT BOTH ON AND OFF LOAD TO CONFIRM PROPER OPERATION. LEAD TIME FOR ALL NECESSARY PARTS IS 3 WEEKS AS OF NOW, UPON ISSUING A PO FOR THIS SCOPE.

Parts — **Total Time and Material Parts:** 0.00

Labor

Item Number	Description	Qty	Unit Price	Discount%	Ext Price
AG1-03-**-1*	AGC FIELD LABOR	40.00	249.00		9,960.00
AG1-03-**-1*	AGC FIELD LABOR	8.00	373.50		2,988.00

Total Time and Material Labor: 12,948.00

Labor Summary

Misc

Item Number	Description	Qty	Unit Price	Discount%	Ext Price
#OP	OUTSIDE PARTS- CONTROL PANEL, VOLTAGE REGULATOR & MISC. ACCESSORIES	1	4,561.26	0	4,561.26
MLG	MILEAGE	315	0.00	0	1,165.50
SHF	SHIPPING/HANDLIN	1	130.00	0	130.00
LBK	LOADBANK	230	1.50	0	345.00
			Total Time and Material Misc:		6,201.76

Segment 01 Total:	19,149.76
Total Segments:	19,149.76
SUB TOTAL (BEFORE TAXES)	19,149.76
EV5 (OTHER DIV)	200.00
MS3 (OTHER DIV)	0.00
TAX RATE (1.25%)	77.52
TAX RATE (7.25%)	449.63
TOTAL ESTIMATE	19,876.91

PO#: ______________ Authorized Name: ______________________________ (signature)

Date: ______________ ______________________________ (print)

Thank you for this opportunity to serve your company

CONTACT INFORMATION:

Prepared by: Robert Porter Phone: 916-869-6686 Email: rporter@holtca.com Fax: 916-373-4177

-This estimate will expire 30 days from the estimate date.
-Price excludes Freight Charges, Operating Supplies/EPA Fees and Overtime.
-Terms: Net 10th Prox.
-Sales Taxes where applicable are not included with the above prices.

Terms and Conditions

Prices quoted are good for 90 days from the estimate date. Pricing includes the specific service listed and excludes freight, handling charges, applicable taxes, overtime, field service labor or additional services unless otherwise noted. All quotes are subject to credit approval.
Holt of California ("Holt") warrants its service labor for 12 months, 1,000 hours or 50,000 miles whichever occurs first from the date of last labor. The warranty does not apply if, in the opinion of Holt, the maintenance or operation is not reasonable and proper. Holt shall not be responsible for the removal or installation of any component installed by anyone other than Holt. All labor shall be provided during Holt 's normal working hours and any travel time, transportation or overtime shall be charged to the customer. In no event shall Holt be responsible, nor should the customer be entitled to any damages for loss of use of the equipment, productivity or any other consequential damages.

MEMORANDUM

Date: August 26, 2026

To: Board of Directors

From: Travis Bohannon, Chief Plant Operator

Subject: Approve Vendor Change on Previously Approved Sanitary Survey

A. Purchase – 2026 Rancho Murieta Watershed Sanitary Survey Update

The State of California requires water districts to update their Watershed Sanitary Survey every five years. The Rancho Murieta Community Services District's next update is due by December 2026.

At its June 17, 2026, meeting, the Board approved Verdantas Engineering to complete the 2026 Watershed Sanitary Survey Update at a cost of $37,990**.**

Subsequently, the District received a proposal from Lumos & Associates to complete the same work for $33,440**,** resulting in a cost savings of $4,550**.**

Staff recommends that the Board rescind its previous approval of Verdantas Engineering and instead approve Lumos & Associates to complete the 2026 Rancho Murieta Watershed Sanitary Survey Update for an amount not to exceed $33,440**.**

LUMOS & ASSOCIATES

Boise • Carson City • El Dorado Hills • Fallon • Lake Tahoe • Reno • Roseville

Roseville
3200 Douglas Boulevard, Suite 320
Roseville, CA 95661
279.230.8336
LumosInc.com

August 18, 2026

Via email: tbohannon@rmcsd.com
LA26.831

Mr. Travis Bohannon
Chief Plant Operator
Rancho Murieta Community Services District
15160 Jackson Road
Rancho Murieta, California 95682

Subject: RMCSD Cosumnes River Watershed Sanitary Survey Report Update Proposal for Professional Engineering Services

Dear Mr. Bohannon:

Lumos & Associates, Inc. is pleased to provide you with this proposal for the preparation of an updated Cosumnes River Watershed Sanitary Survey for the Rancho Murieta Community Services District (RMCSD). It is our understanding that RMCSD is required to produce an update to this report to meet the requirements of the State of California Surface Water Treatment Regulations (SWTR), Title 22, Article 7, Section 64655 of the State Code of Regulations, which requires that every public water system in California that uses surface water to conduct a comprehensive sanitary survey of its watershed every five years.

It is our understanding that the scope of work for this project is to update the 2021 Cosumnes River Watershed Sanitary Survey to reflect system updates and current conditions of the Cosumnes River Watershed since the previous report was prepared.

We propose the following tasks to assist you with your project:

Project Scope

Task 1 – Cosumnes River Watershed Sanitary Survey Report Update

Lumos will prepare an update to the previously prepared Cosumnes River Watershed Sanitary Survey Report from 2021 that meets the requirements of the State of California Surface Water Treatment Regulations (SWTR), Title 22, Article 7, Section 64655. The report will describe the geography, topography and hydrogeological aspects of the overall watershed, four sub-watersheds, and water supply system. The report will describe potential known contaminants or activities that may be detrimental to the District's surface water supply source, the Cosumnes River. The report will describe how the watershed and water supply system is managed and controlled and will identify practices that are already in place to protect the Cosumnes River Watershed. The report will also identify potential management practices that could be considered and that are economically and legally implementable by RMCSD that could further protect the water quality of the Cosumnes River watershed. The report will provide a description of publicly available water quality data upstream of RMCSD's point of diversion.

We assume that the report updates will consist of online public documentation review, as well as the review of documentation available from RMCSD. We anticipate the facilitation of two to three meetings with RMCSD during the preparation of the report update. At each of these meetings, Lumos will provide a list of questions and data needs ahead of time, to give RMCSD time to prepare responses for our meetings.

Assumptions / Exceptions

Lumos has made the following assumptions in preparation of this proposal:

- RMCSD will provide documentation of upgrades to their water supply and treatment systems since the 2021 report was prepared.
- RMCSD will provide known sources of contamination within the Cosumnes River watershed, and contact information for any other individuals that may be aware of known sources of contamination.
- No field investigations are anticipated or included in this scope of work.

Schedule

Task 1 can be completed within 4-6 weeks of receipt of an approved contract.

Fee Schedule

The tasks described in the Scope of Work will be completed for the following fees:

Task	Description	Lump Sum Fee
Task 1	Cosumnes River Watershed Sanitary Survey	$33,440
	Total	**$33,440**

If this proposal is acceptable, please provide a Services Agreement for signature. Any additional services requested but not covered by this Scope of Work can be provided by an amendment to this proposal. The attached Standard Provisions of Agreement are a part of this proposal.

Lumos & Associates, Inc. will send monthly progress billings on this project. The amount of these billings will be based upon the percentage of work completed. The terms are 'Due Upon Receipt' and accounts are past due after 30 days. Accounts over 30 days old will be subject to interest at the rate of 1 ½% per month and such collection action as may be necessary to collect the account. In addition, a "Stop Work Order" may be issued on past due accounts. In this case, no further work will be performed until the account is brought current.

Thank you again for allowing Lumos & Associates to provide you with this proposal. Please do not hesitate to call me if you have questions.

Sincerely,

Cami L. Jackson

Cami L. Jackson, P.E.
Project Manager

Justin Sand
Group Manager

Cc: Ian Mahaffey – Senior Engineer
Nick Ballachey, P.E. - Project Engineer

STAFF REPORT

TO: **BOARD OF DIRECTORS**
RANCHO MURIETA COMMUNITY SERVICES DISTRICT

FROM: **Patrick Enright, District Counsel**

MEETING DATE: **August 26, 2026**

SUBJECT: **First Reading — Introduction of Ordinance No. O2026-03 Repealing and Replacing District Code Chapter 3 (Conflict of Interest Code); Direction to Submit to Sacramento County Board of Supervisors for Review**

RECOMMENDED ACTION

1. By motion, introduce Ordinance No. O2026-03 at its first reading, repealing District Code Chapter 3 (Conflict of Interest Code) in its entirety and replacing it with an updated Conflict of Interest Code as set forth in Exhibit A to the Ordinance, with final adoption scheduled for the September 16, 2026, regular Board meeting.
2. Direct the District Secretary to submit Ordinance No. O2026-03 and the proposed new District Code Chapter 3 (Exhibit A) to the Sacramento County Board of Supervisors for review and approval pursuant to Government Code Section 87303 within ten (10) days of this meeting.

BACKGROUND

The Political Reform Act of 1974 (Government Code Sections 81000 et seq.) requires every local public agency to adopt and maintain a Conflict of Interest Code identifying designated employees who must file annual Statements of Economic Interests (Form 700) disclosing financial interests that could be affected by their official decisions. Under Government Code Section 87303, a local agency's conflict of interest code — and any amendments to it — must be submitted to the code reviewing body for approval. For the District, the code reviewing body is the Sacramento County Board of Supervisors.

The District adopted its current Conflict of Interest Code as Chapter 3 of the District Code, most recently amended by Ordinance No. O2023-02, adopted February 15, 2023. Since that amendment, the District's organizational structure has changed in ways not reflected in the current Chapter 3. Most significantly, the position of Director of Administration has been retitled to Director of Finance and Administration, and the position of Accounting Manager has been eliminated. The current Chapter 3 continues to list both obsolete positions as designated filers while omitting the Director of Finance and Administration and other current positions, creating uncertainty about who is required to file Form 700.

In June 2026, the Sacramento County Grand Jury released its report titled "Rancho Murieta Community Services District: Still a Work in Progress" (June 24, 2026). The Grand Jury found that the District's Conflict of Interest Code is not updated, resulting in confusion over Form 700 filing obligations (Finding F7), and recommended the District update the Code by September 30, 2026 (Recommendation R7).

This Staff Report presents for the Board's consideration Ordinance No. O2026-03 for introduction at its first reading, which repeals and replaces Chapter 3 in its entirety. The Board previously adopted Board Policy No. 2026-04 (Ethics and Fiscal Training Policy) addressing Grand Jury Finding F10 and Recommendation R10.

DISCUSSION

A. Updated Conflict of Interest Code — Ordinance No. O2026-03 (First Reading)

Need for Update. The proposed ordinance repeals the current Chapter 3 in its entirety and replaces it with a new, streamlined Conflict of Interest Code written specifically for the District's current organizational structure. The current Chapter 3 incorporates lengthy regulatory text applicable only to state officers and employees that has no application to this District. The proposed Chapter 3 eliminates that extraneous language and is organized for clarity and ease of use by Board members and staff.

Updated Designated Positions. The proposed Code updates the designated filer list to accurately reflect the District's current positions:

- Removed: Director of Administration (position no longer exists)
- Removed: Accounting Manager (position no longer exists)
- Added: Director of Finance and Administration (current title for the finance/administration function)
- Added: IT Manager (position with procurement authority over technology systems and services)
- Retained: Director of Operations, Chief Plant Operator, Utilities Supervisor, Security Supervisor, District Secretary/Clerk of the Board
- Consultants (District Engineer, IT Consulting Firm): subject to General Manager written determination per Section 5 of the new Code

Statutory Filers. A new Section 2 identifies statutory filers — Board members, the General Manager/District Treasurer, and General Counsel — who file Form 700 directly with the Sacramento County Board of Supervisors and the District Secretary under Government Code Section 87200, independent of the Conflict of Interest Code. General Counsel has been reclassified from designated to statutory filer status consistent with Government Code Section 87200, which includes the attorney for a local government agency.

Concurrent Repeal and Replacement — No Gap in Coverage. Sections 2 and 4 of the Ordinance are expressly coordinated so that the repeal of the prior Chapter 3 and the effectiveness of the new Chapter 3 occur simultaneously, ensuring the District is never without an operative Conflict of Interest Code during the transition.

Recusal Procedure. Section 9 of the new Code establishes a clear, four-step recusal procedure directly responsive to Grand Jury Finding F8: announce the conflict, recuse from discussion and vote, leave the meeting room, and ensure the recusal is noted in the minutes.

Gift Reporting and Limits. Section 11 clarifies both the $50 cumulative reporting threshold (Government Code Section 87206, not inflation-adjusted) and the current $630 acceptance limit (subject to periodic FPPC adjustment). Distinguishing these two thresholds addresses a common source of confusion among Board members and staff.

Biennial Review. Section 14 codifies the District's obligation under Government Code Section 87306.5 to review the Code biennially in odd-numbered years and submit a proposed amendment or statement of no change to the Sacramento County Board of Supervisors by October 1. The next required review will be October 1, 2027.

Savings Provisions. Section 3 of the Ordinance preserves all Form 700 filing obligations that accrued under the prior Chapter 3. Repeal of the old Code does not extinguish any unfiled Form 700 obligation, and any pending enforcement action is unaffected.

B. Sacramento County Review and Anticipated Timeline

Under Government Code Section 87303, the District's conflict of interest code and any amendments must be submitted to the Sacramento County Board of Supervisors as the code reviewing body for review and approval. The District Secretary is directed to submit the introduced Ordinance and Exhibit A within ten (10) days of this meeting. The anticipated timeline is as follows:

Date	Action	Effect
August 26, 2026	Board introduces Ordinance O2026-03 at first reading; District Secretary submits to Sacramento County for review	County review period begins
September 16, 2026	Board adopts Ordinance O2026-03 at second reading (final adoption)	30-day post-adoption effective date period begins; publication required within 15 days
~September 22, 2026	Grand Jury 90-day response deadline	District response reflects adoption of updated Code on September 16
~October 16, 2026	Ordinance effective date (30 days post-adoption)	New Chapter 3 and repeal of prior Chapter 3 take effect concurrently

While the Ordinance's 30-day effective date falls after the Grand Jury's September 22 deadline, the District's Grand Jury response can accurately represent that: (1) the Board introduced the updated Conflict of Interest Code on July 15 and submitted it to Sacramento County for review; and (2) the Board formally adopted the Code on September 16 — before the Grand Jury's September 30 deadline — with an effective date of October 16 pending the County review period. This is a complete and accurate response to Recommendation R7.

FISCAL IMPACT

Minimal. Associated costs include:

- Publication of Ordinance No. O2026-03 following final adoption on September 16, 2026 — estimated less than $200.
- Staff time for the District Secretary to submit documents to Sacramento County and notify designated employees of filing obligations under the new Code — absorbable within existing staff workload.

No additional budget appropriation is required.

ENVIRONMENTAL REVIEW

This action is not subject to the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(1). Adoption of an updated Conflict of Interest Code is an organizational and administrative activity that will not result in direct or indirect physical changes to the environment.

LEGAL AUTHORITY

Government Code Section 87300 (authority to adopt Conflict of Interest Code); Government Code Section 87303 (submission to code reviewing body — Sacramento County Board of Supervisors); Government Code Section 87306.5 (biennial review obligation); Government Code Section 61100 et seq. (Community Services District Law — single-reading authority).

ATTACHMENTS

- Attachment 1: Ordinance No. O2026-03 (with Exhibit A — Proposed District Code Chapter 3, Conflict of Interest Code)

ORDINANCE NO. O2026-03

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT REPEALING AND REPLACING DISTRICT CODE CHAPTER 3 (CONFLICT OF INTEREST CODE)

The Board of Directors of the Rancho Murieta Community Services District hereby ordains as follows:

SECTION 1. FINDINGS AND PURPOSE

The Board of Directors finds and declares as follows:

(a) Government Code Section 87300 requires each local public agency to adopt and maintain a Conflict of Interest Code pursuant to the Political Reform Act of 1974 (Government Code Sections 81000 et seq.) ("Act").

(b) The District previously adopted a Conflict of Interest Code as District Code Chapter 3, most recently amended by Ordinance No. O2023-02, adopted February 15, 2023.

(c) The District's organizational structure has changed since the last amendment to Chapter 3, including the elimination of the positions of Director of Administration and Accounting Manager, the creation of the position of Director of Finance and Administration, and other position changes, resulting in the current Chapter 3 no longer accurately reflecting the District's designated filer positions as required by the Act.

(d) The 2025-2026 Sacramento County Grand Jury, in its report titled "Rancho Murieta Community Services District: Still a Work in Progress" (June 24, 2026), found that the District's Conflict of Interest ordinance is not updated, resulting in confusion over who must complete Form 700 filings, and recommended that the District update its Conflict of Interest Code by September 24, 2026 to accurately reflect those positions for which a Form 700 is required.

(e) The Board of Directors has determined that it is in the best interests of the District and its ratepayers to repeal the existing Chapter 3 in its entirety and replace it with a new, streamlined Conflict of Interest Code that accurately reflects current District positions, clarifies the status of statutory filers, incorporates a formal recusal procedure, and establishes a biennial review obligation consistent with Government Code Section 87306.5.

(f) Government Code Section 82011(b) provides that the code reviewing body for a local government agency, other than a city agency, with jurisdiction wholly within a county is the board of supervisors of that county. The District's jurisdiction is wholly within the County of Sacramento. The code reviewing body for the District's Conflict of Interest Code is therefore the Sacramento County Board of Supervisors, and an amended Code of the District shall be submitted to that body for approval pursuant to Government Code Sections 87303 and 87306.

(g) This Ordinance was introduced at a special meeting of the Board of Directors held on August 26, 2026.

SECTION 2. REPEAL OF EXISTING CHAPTER 3

District Code Chapter 3 (Conflict of Interest Code), as originally adopted and as amended by Ordinance No. O2023-02, is hereby repealed in its entirety. The repeal shall become effective concurrently with, and not before, the effective date of the new Chapter 3 adopted pursuant to Section 4 of this Ordinance. This provision is intended to ensure that the District is not without an operative Conflict of Interest Code at any time during the transition from the prior Code to the new Code.

SECTION 3. SAVINGS PROVISIONS

The repeal of the prior Chapter 3 shall not affect any of the following:

(a) Any obligation to file a Statement of Economic Interests (Form 700) that accrued under the prior Chapter 3, including any initial, annual, or leaving office statement that was due but not yet filed as of the effective date of this Ordinance. Such obligations remain in full force and effect and are enforceable.

(b) Any enforcement action, investigation, or proceeding pending or initiated under the prior Chapter 3 or under the Political Reform Act based on conduct occurring prior to the effective date of this Ordinance.

(c) Any civil, administrative, or criminal liability arising from a violation of the prior Chapter 3 or any provision of the Political Reform Act.

SECTION 4. ADOPTION OF NEW CHAPTER 3

The proposed District Code Chapter 3 (Conflict of Interest Code) is hereby adopted in its entirety in the form attached hereto as Exhibit A and incorporated by reference herein. The new Chapter 3 shall take effect upon the later of: (a) thirty (30) days after final adoption of this Ordinance at its second reading; or (b) approval of the new Chapter 3 by the Sacramento County Board of Supervisors, as the District's code reviewing body, pursuant to Government Code Sections 87303 and 87306. The repeal of the prior Chapter 3 under Section 2 and the effectiveness of the new Chapter 3 under this Section shall occur simultaneously, so that the District shall have an operative Conflict of Interest Code at all times.

SECTION 5. INITIAL FILING OBLIGATIONS UNDER NEW CODE

All persons holding designated positions listed in the new Chapter 3 on the effective date of this Ordinance shall file an initial Statement of Economic Interests within thirty (30) days after the effective date, unless such persons have filed a current annual or assuming office statement under the prior Chapter 3 within the preceding twelve (12) months that covers substantially equivalent disclosure obligations, in which case no new initial statement is required until the next annual filing deadline.

The District Secretary shall notify all designated employees of their filing obligations within ten (10) days of the effective date of this Ordinance.

SECTION 6. SUBMISSION TO CODE REVIEWING BODY

Upon adoption of this Ordinance, the District Secretary is directed to submit this Ordinance and the new Chapter 3 (Exhibit A) to the Sacramento County Board of Supervisors, as the District's code reviewing body under Government Code Section 82011(b), for approval pursuant to Government Code Sections 87303 and 87306.

If the code reviewing body requires modifications to the new Chapter 3 as a condition of approval, the General Manager and District legal counsel shall present those modifications to the Board of Directors for approval at the next available regular meeting. Nothing in this Section authorizes any person to amend the Conflict of Interest Code without Board approval.

SECTION 7. CEQA

The Board of Directors finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(1) as it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment.

SECTION 8. SEVERABILITY

If any section, subsection, clause, or provision of this Ordinance or the new Chapter 3 is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity of any other section, subsection, clause, or provision, all of which shall remain in full force and effect.

SECTION 9. EFFECTIVE DATE AND PUBLICATION

This Ordinance shall take effect upon the later of: (a) thirty (30) days after final adoption at its second reading or (b) approval of the new Chapter 3 by the Sacramento County Board of Supervisors, as the District's code reviewing body, pursuant to Government Code Sections 87303 and 87306. The District Secretary is directed to publish this Ordinance once in a newspaper of general circulation published within or near the District within fifteen (15) days after final adoption, as required by applicable law.

INTRODUCED by the Board of Directors of the Rancho Murieta Community Services District at a special meeting on the 26th day of August, 2026.

____

Board President

ATTEST:

____

District Secretary

APPROVED AS TO FORM:

____

District Legal Counsel

PASSED AND ADOPTED by the Board of Directors of the Rancho Murieta Community Services District at a regular meeting on the 16th day of September, 2026, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____

Board President

ATTEST:

____

District Secretary

APPROVED AS TO FORM:

____

District Legal Counsel

EXHIBIT A

DISTRICT CODE CHAPTER 3

CONFLICT OF INTEREST CODE

(Adopted by Ordinance No. O2026-03)

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
DISTRICT CODE
CHAPTER 3

CONFLICT OF INTEREST CODE
Amended [DATE], 2026
By Ordinance No. O2026-03

Government Code Section 87300 requires each local public agency to adopt and promulgate a conflict of interest code pursuant to the Political Reform Act (Gov. Code § 81000, et seq.) for the purpose of ensuring that designated officials disclose economic interests that might be foreseeably affected by the making or participation in the making of agency decisions. This Conflict of Interest Code incorporates by reference the terms of Title 2, Section 18730 of the California Code of Regulations and any amendments thereto duly adopted the by Fair Political Practices Commission. The statements of economic interest required by this Conflict of Interest Code shall be filed as provided in Section 6 of this Code.

SECTION 1. PURPOSE AND AUTHORITY

This Conflict of Interest Code is adopted by the Board of Directors of the Rancho Murieta Community Services District ("District") pursuant to Government Code Section 87300 and the California Political Reform Act of 1974, as amended (Government Code Sections 81000 et seq.) ("Act"). The purpose of this Code is to require designated employees to disclose material financial interests that could be foreseeably affected by their official actions, and to disqualify such employees from participating in decisions in which they have a disqualifying financial interest. This Code is in addition to, and does not replace, other provisions of the Act or other laws pertaining to conflicts of interest.

SECTION 2. STATUTORY FILERS — FOR INFORMATION ONLY

District officials who manage public investments, as defined by 2 California Code of Regulations Section 18700.3(b)(1), are not subject to the District's Code, but must file disclosure statements under Government Code Section 87200. (Regs. § 18730(b)(3)). The following officials are considered "statutory filers" under Government Code Section 87200 and these positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments:[1]

Position	Authority
Members of the Board of Directors	Gov. Code § 87200
General Manager / District Treasurer	Gov. Code § 87200

[1] Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

SECTION 3. DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES

The officers and employees listed in the table below are designated as persons who make or participate in the making of decisions that may have a material effect on financial interests. Persons holding designated positions shall disclose interests and investments in accordance with the corresponding disclosure categories set forth in Section 4 of this Code. All designated employees shall file their Statements of Economic Interests (Form 700) as provided in Section 6 of this Code.

Designated Position	Disclosure Category
Members of the Board of Directors	1
General Manager / District Treasurer	1
General Counsel	1
Director of Finance and Administration	1
Director of Operations	1
Chief Plant Operator	1
Utilities Supervisor	1
Security Supervisor	1
IT Manager	1
District Secretary/Clerk of the Board	1
District Engineer (Consultant)	See Section 5
IT Consulting Firm (Consultant)	See Section 5

The positions of Members of the Board of Directors and General Manager/District Treasurer are designated in this Section 3 only to the extent those positions are not statutory filers under Government Code section 87200. A public official who holds a position specified in section 87200 is not required to file a statement under the conflict of interest code of an agency having the same or a smaller jurisdiction.

If a position title changes, the incumbent shall continue to be treated as a designated employee and shall file Form 700 under the broadest applicable disclosure category until the Code is amended to reflect the new title.

If the District creates a new position that requires disclosure under this Code without simultaneously amending the Code, the person appointed to that position shall file a Form 700 assuming office statement and thereafter file annual Form 700 disclosure statements using the broadest disclosure category until the Code is amended.

SECTION 4. DISCLOSURE CATEGORIES

The disclosure categories applicable to designated positions are defined as follows:

Category 1 — Full Disclosure: All persons in this disclosure category shall disclose all interests in real property located within two (2) miles of the boundaries of the District, as well as all investments, business positions, and sources of income, including gifts, loans, and travel payments, from all sources, as required by the Act and applicable FPPC regulations.

Category 2 — Investments and Income (No Real Property): All persons in this disclosure category shall disclose all investments, business positions, and sources of income, including gifts, loans, and travel payments, from all sources, but shall not be required to disclose interests in real property.

Category 3 — Contracting Interests: All persons in this disclosure category shall disclose all investments, business positions, and income, including gifts, loans, and travel payments, in or from sources that provide goods, equipment, or services, including training or consulting services, of the type utilized by the District.

SECTION 5. CONSULTANTS

For purposes of this Code, "consultant" means an individual who, pursuant to a contract with the District, either: (a) makes a governmental decision as described in California Code of Regulations, Title 2, Section 18701(a)(2)(i); or (b) serves in a staff capacity with the District and participates in making a governmental decision as described in California Code of Regulations, Title 2, Section 18702.2, or performs the same or substantially all of the same duties that would otherwise be performed by a designated employee.

A consultant who works on a single project or a limited range of projects for the District is not deemed a consultant subject to the filing requirements of this Code unless the engagement extends over a substantial period of time, generally more than one (1) year.

The General Manager shall determine in writing, on a case-by-case basis for each engagement, whether a consultant must be treated as a designated employee for purposes of this Code. Consultants so designated shall disclose pursuant to the broadest applicable disclosure category, subject to the following:

The General Manager may, in the written determination, reduce the disclosure category of a consultant if the General Manager determines that the consultant: (a) will not make or participate in making governmental decisions; (b) will not use their position to influence governmental decisions; and (c) has no independent governmental decision-making authority. The written determination shall describe the consultant's duties and specify the extent of applicable disclosure requirements.

The General Manager's written determination is a public record and shall be retained for public inspection in the same manner and location as this Code, as required by Government Code Section 81008.

The following consultants are currently designated and are subject to a written General Manager determination specifying their applicable disclosure category:

- District Engineer
- IT Consulting Firm

SECTION 6. STATEMENTS OF ECONOMIC INTERESTS — PLACE OF FILING

The Sacramento County Board of Supervisors is the code reviewing body for this Code pursuant to Government Code section 82011(b). The County of Sacramento Clerk of the Board of Supervisors serves as the filing officer and receives the original Statement of Economic Interests, and the District Secretary serves as the District's filing official, acting as liaison between the filing officer and the District's filers, consistent with FPPC Regulation 18115. All designated employees, including consultants designated under Section 5, shall file their Statements of Economic Interests (Form 700) with the County of Sacramento Clerk of the Board of Supervisors filing officer, in the manner prescribed by the County of Sacramento, which currently requires electronic filing through the County's electronic disclosure system. The District Secretary shall maintain the District's list of designated positions and filers with the County, shall notify filers of applicable filing deadlines, and shall retain a copy of each statement filed.

Statements of Economic Interests are public records and shall be available for public inspection and copying during normal business hours at the District's principal office, as required by Government Code Section 81008. Copies retained by the District shall be available during normal business hours at the District's principal office, and requests for original statements may be directed to the County of Sacramento as filing officer.

SECTION 7. STATEMENTS OF ECONOMIC INTERESTS — TIME OF FILING

Designated employees shall file Statements of Economic Interests as follows:

(A) Initial Statements. All designated employees holding a designated position on the effective date of this Code, or on the effective date of any amendment adding their position, shall file an initial statement within thirty (30) days after the effective date of this Code or such amendment.

(B) Assuming Office Statements. All persons assuming a designated position after the effective date of this Code shall file a statement within thirty (30) days after assuming the designated position.

(C) Annual Statements. All designated employees shall file annual statements no later than April 1 of each year, covering the prior calendar year.

(D) Leaving Office Statements. All persons leaving a designated position shall file a leaving office statement within thirty (30) days after leaving the position, covering the period since the closing date of the last statement filed.

SECTION 8. CONTENTS OF STATEMENTS OF ECONOMIC INTERESTS

Statements of Economic Interests shall be made on forms prescribed by the FPPC and shall contain the information required by the Act and applicable FPPC regulations for the filer's assigned disclosure category, including:

- Interests in real property (Category 1 filers only): nature of interest, address or precise location, and fair market value rang;
- Investments: name and description of business entity, nature of investment, and fair market value range;
- Business positions: name, address, and description of business entity, and the filer's position;

- Income and loans: name and address of source, description of business activity, and value range;
- Gifts: name, address, and description of donor; description and value of gift; and date received.

SECTION 9. DISQUALIFICATION AND RECUSAL PROCEDURE

No designated employee shall make, participate in making, or in any way use their official position to influence the making of any governmental decision in which the employee knows or has reason to know they have a disqualifying financial interest. A disqualifying financial interest exists when it is reasonably foreseeable that the governmental decision will have a material financial effect, distinguishable from its effect on the public generally, on the designated employee, a member of their immediate family, or on:

- Any business entity in which the designated employee has a direct or indirect investment worth $2,000 or more;
- Any real property in which the designated employee has a direct or indirect interest worth $2,000 or more;
- Any source of income (other than gifts and commercial loans on terms available to the general public) aggregating $500 or more in value received by, or promised to, the designated employee within twelve (12) months prior to the time the decision is made;
- Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or
- Any donor of, or intermediary or agent for a donor of, a gift or gifts aggregating $630 or more provided to, received by, or promised to the designated employee within twelve (12) months prior to the time the decision is made.

When a designated employee determines they have a disqualifying financial interest in a matter, they shall promptly take all of the following steps:

1. Announce the potential conflict publicly before any discussion of the matter begins, identifying the nature of the interest without disclosing unnecessary personal financial detail;
2. Recuse themselves from any and all discussion, deliberation, and vote on the matter;
3. Leave the meeting room during any deliberations on the matter and not return until the matter has been concluded; and
4. Ensure the recusal is noted in the minutes of the meeting.

A designated employee who is uncertain whether a financial interest requires recusal should consult with District legal counsel or request advice from the FPPC prior to the meeting at which the matter will be considered.

SECTION 10. LEGALLY REQUIRED PARTICIPATION

No designated employee shall be prevented from making or participating in the making of any decision to the extent their participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make their participation legally required for purposes of this Section.

SECTION 11. GIFTS — REPORTING THRESHOLD AND ACCEPTANCE LIMIT

No designated employee shall accept gifts with a total value exceeding the applicable annual gift limit established by the FPPC (currently $630 per calendar year from a single source, subject to periodic FPPC adjustment) if the designated employee would be required to report receipt of income or gifts from that source on their Statement of Economic Interests. Gift limitations and reporting requirements are governed by the Act and applicable FPPC regulations, which are incorporated by reference.

Designated employees are reminded that gifts aggregating $50 or more from a single source during a reporting period must be disclosed on the Statement of Economic Interests, regardless of whether the total remains below the acceptance limit. This $50 reporting threshold is established by Government Code Section 87206 and is not subject to inflation adjustment. The reporting obligation is cumulative — all gifts from a single source during the reporting period are aggregated for purposes of determining whether the $50 threshold is met.

SECTION 12. ASSISTANCE OF THE FPPC AND DISTRICT COUNSEL

Any designated employee who is uncertain about their duties or obligations under this Code may request assistance from the FPPC pursuant to Government Code Section 83114 and FPPC Regulations 18329 and 18329.5, or may consult the District's legal counsel. Nothing in this Section requires District legal counsel to issue any formal or informal opinion.

SECTION 13. VIOLATIONS

This Code has the force and effect of law. Designated employees who violate any provision of this Code are subject to the administrative, civil, and criminal sanctions provided in the Political Reform Act, Government Code Sections 81000 through 91014. A decision in relation to which a violation of the disqualification provisions of this Code or of Government Code Sections 87100 or 87450 has occurred may be set aside as void pursuant to Government Code Section 91003.

SECTION 14. REVIEW AND AMENDMENT

This Code shall be reviewed biennially by the General Manager and District legal counsel, as required by Government Code Section 87306.5. In each even-numbered year, and no later than October 1, the District shall submit to the Sacramento County Board of Supervisors, as the District’s code reviewing body, either a proposed amendment to this Code or a written statement that no amendment is necessary. The review shall assess whether designated positions accurately reflect the District's current organizational structure and whether disclosure categories remain appropriate given the duties of each designated position.

Nothing in this Section limits the District's authority to amend this Code at any time outside the biennial review cycle. Proposed amendments to this Code shall be submitted to the code reviewing body for approval pursuant to Government Code Sections 87303 and 87306 following adoption by the Board of Directors.

Authority: Government Code Sections 82011, 83112, 87200, 87300, 87303, 87306, 87306.5, 87500. Reference: Government Code Sections 87100, 87103(e), 87200, 87206, 87300–87302, 87450, 89501, 89502, 89503; California Code of Regulations, Title 2, Section 18730.

Rancho Murieta Community Services District

September 2026

Board/Committee Meeting Schedule

September 1, 2026

Personnel	**10:00 a.m.**

September 2, 2026

Improvements	**8:00 a.m.**

September 3, 2026

Security	**9:00 a.m.**
Communications	**10:00 a.m.**

September 10, 2026

Finance	**10:00 a.m.**

September 16, 2026

Regular Board Meeting - Open Session	**5:00 p.m.**

All meetings will be held in person at the District Office: 15160 Jackson Rd.

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL LAW CORPORATION

ATTORNEYS AT LAW

2151 RIVER PLAZA DRIVE, SUITE 300
SACRAMENTO, CALIFORNIA 95833-4130
(916) 923-1200

FAX (916) 923-1222
WWW.AALRR.COM

CERRITOS
(562) 653-3200

FRESNO
(559) 225-6700

IRVINE
(949) 453-4260

MARIN
(628) 234-6200

PASADENA
(626) 583-8600

PLEASANTON
(925) 227-9200

RIVERSIDE
(951) 683-1122

SAN DIEGO
(858) 485-9526

WESTLAKE VILLAGE
(805) 446-4141

David.Cameron@aalrr.com
(916) 920-6968

August 12, 2026

VIA FIRST CLASS MAIL & EMAIL DFLEET@RMCSD.COM

Board of Directors
c/o Dyanne Fleet
Interim District Secretary/Clerk of the Board
P.O. Box 1050
Rancho Murieta, CA 95683

Re: Notice of Non-Compliance Regarding Board Agenda Procedures

Dear Members of the Board,

I am writing to address a recent procedural deviation regarding the setting of the Board's agenda. Ensuring that governance procedures are consistently followed is vital for transparency and the effective operation of the District.

Under the District Code, Board of Directors Rules and Procedures, "the General Manager, in consultation with the Board President, shall set the agenda" (Chapter 5). Additionally, the General Manager and President hold the authority to consider and decide requests from the public to have an item placed on a future agenda (Chapter 6).

Additionally however, the Board's guidelines explicitly outline a **mandatory, non-discretionary procedure for items originating from Directors and Committees**:

- Individual Directors may request items be placed on the agenda by notifying the General Manager no later than 2:00 p.m. five business days prior to the meeting date.
- Any Director may request that an item be placed on a future agenda during the Director Comment section of a Board meeting.
- Committee members shall notify the General Manager of items to be placed on the Board meeting agenda no later than 2:00 p.m. five business days prior to the meeting date.

When these steps are followed, the policy explicitly dictates that "the General Manager **shall** place the matter on the Board agenda for discussion at the next reasonably available Board meeting" (Chapter 6).

Requests have been made to place discussion of an emergency District water tank on the Board's agenda, adhering strictly to the notification timeline. Despite this, there has been discussion, including during the August 4, 2026 Improvements Committee, that there must be "authorization" from the Board President for such an item to be on the Board's agenda. As noted under the District's own policies, that is not accurate – the General Manager **shall** place the matter on the Board agenda, without the need for "authorization" from the Board President, when individual Board members or Committee members so request as outlined above.

Any failure to do so is a direct violation of the mandatory language in the District's own code.

Thank you for your time, attention, and commitment to our established procedures.

Sincerely,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

David E. Cameron

DEC:tda

Cc: Amelia Wilder (awilder@rmcsd.com)
Patrick Enright (PEnright@rwglaw.com)

Dyanne Fleet

From: Amelia Wilder
Sent: Friday, August 21, 2026 8:40 AM
To: Dyanne Fleet
Cc: Patrick Enright
Subject: FW: Subject: Public Meeting Access — Follow-Up on the May 7 and May 27, 2026 Discussions
Attachments: May 7 2026 Communications and Tech Committee Meeting Audio Final (3).docx; May 27 2026 Special Board Meeting Final (1).pdf

Dyanne,

Please add this to the Correspondence section of next week's meeting. Ask Linda if she wants to discuss this in Communications.

Thanks!

Amelia Wilder
Interim General Manager

Rancho Murieta CSD

15160 Jackson Road
P.O. Box 1050
Rancho Murieta, CA 95683

(916) 354-3700 * FAX 916-354-2082
awilder@rmcsd.com
www.rmcsd.com

From: Mrs Bloom <bloommrs@gmail.com>
Sent: Friday, August 21, 2026 8:28 AM
To: Amelia Wilder <awilder@rmcsd.com>; John Merchant <jmerchant@rmcsd.com>; Linda Butler <lbutler@rmcsd.com>; Randy Jenco <rjenco@rmcsd.com>; Tim Maybee <TMaybee@rmcsd.com>; William Gere <wgere@rmcsd.com>
Cc: Gail Bullen <wilton.reporter@gmail.com>
Subject: Subject: Public Meeting Access — Follow-Up on the May 7 and May 27, 2026 Discussions

N. Bloom
Rancho Murieta, California

8.21.2026

Board of Directors and Staff
Rancho Murieta Community Services District
15160 Jackson Road
Rancho Murieta, CA 95683

Dear President, Directors, Interim General Manager, and Staff,

Thank you for taking the time to discuss my earlier correspondence about public meeting access.

I listened to both the May 7 Communications and Technology Committee meeting and the May 27 special board meeting in full. I have included speaker-identified transcripts of both meetings with this letter so residents who could not attend — or who find it difficult to follow several hours of recorded audio — can more easily review what was discussed.

I produced these transcripts at my own expense with a $20 subscription to Rev. I am including them partly because they provide a practical example of the kind of access I am asking the District to consider.

The legal question has been addressed

I appreciate the District's legal analysis of what it is required to do regarding accessibility under SB 707. As counsel explained on May 27, RMCSD does not fall within the category of agencies currently required to provide those additional meeting-access measures.

I also appreciate the improvements the District has already made, including upgrading meeting audio, getting the Meeting Owl operating on a dedicated computer, presenting the Brown Act update publicly, and posting meeting recordings.

I also recently noted that the deadline for ADA web accessibility compliance for public agencies has been updated to **April 26, 2028**, following the U.S. Department of Justice's April 20, 2026 rule making.

With those legal questions clarified, I hope the conversation can now move to a more practical one.

Three questions I hope guide the next discussion

For each proposed improvement, I think the board should ask:

Would this help residents?

What would it cost?

How much staff time would it require — or save?

At the May 7 and May 27 meetings, the District understandably spent considerable time determining what it is legally required to provide.

What I did not hear were actual estimates for what the various options would cost or how they would affect staff workload. Without that information, it is difficult for the board to make an informed choice.

Some may require more staff time than the district can afford. But others are inexpensive — and at least one may actually substantially **save staff time.**

Transcription is worth testing because it makes existing work easier

This is the part of my original request I most hope the District will reconsider. The District Secretary already has to prepare minutes from meetings that can last several hours. That work exists whether or not the District provides transcripts.

A searchable, speaker-identified draft transcript could make that existing job easier. Instead of repeatedly moving through a multi-hour recording to find a particular discussion, statement, motion, or decision, staff could search the text by speaker, topic, or keyword and then return to the recording only when verification is needed. Rev, for example, also provides summaries, actions taken etc. Staff can review and correct but the initial work will be done.

So transcription is not adding another meeting access task. It is potentially giving staff a better tool for work they already have to do.

A searchable transcript could also help with:

- **Preparing minutes:** staff can locate discussions and motions quickly rather than searching manually through hours of audio.
- **Public Records Act requests:** staff can search meeting text before reviewing recordings.
- **Routine resident questions:** questions such as "What did the board say about this?" or "When was this discussed?" become much easier to answer.
- **Follow up between meetings:** directors and staff can quickly locate prior discussions, commitments, and decisions.
- **The public record:** residents who cannot easily follow a long audio recording have another way to understand what happened.

Automated transcripts will contain errors. Names, technical terminology, and overlapping conversations are especially difficult for automated systems. Each machine generated transcript could carry a clear notice:

Unofficial machine-generated transcript. The approved minutes are the official record of the meeting.

The useful question to ask is:

Does having a searchable draft transcript save enough staff time and provide enough public benefit to justify its modest cost?

That is something the District could find out through a short pilot rather than debating it in the abstract.

A 90 day pilot would provide the answer

I suggest trying automated transcription for regular board meetings for 90 days.

At the end of the pilot, staff could give the board a simple assessment:

- What did it cost?
- How much staff time did it take to produce and post?
- Did it make preparation of meeting minutes easier?
- Did staff use it to answer questions or locate previous discussions?
- Did residents use it?
- Were the errors manageable?
- Would staff recommend continuing it?

The transcripts attached to this letter are examples of the end product. I am also happy to show staff the workflow I have been using, including the cost, limitations, and amount of time involved, at no charge.

Why this matters for residents

Not everyone can attend a four-hour evening meeting and some cannot hear audio recordings. Others do not have time to listen to multi hour recordings. Posting the recording is valuable. Making that same meeting searchable makes the information much easier to access and use.

For a resident trying to find a ten minute discussion about water, finance, security, infrastructure, or another community issue, the difference between searching a transcript and listening through several hours of audio is significant.

It also helps the District. When residents can find answers themselves, they are less likely to need staff to find those answers for them. Public access and staff efficiency do not have to be competing goals. In this case, they support each other.

Other practical improvements

I hope the District will consider the remaining suggestions using the same three question test:

Would this help residents? What would it cost? How much staff time would it require or save?

My suggested next steps are:

1. **Include clear disability-accommodation information and an ADA contact on every agenda.**
2. **Post Meeting Owl video within 72 hours of board and standing committee meetings**, when a usable recording is available.
3. **Conduct a 90-day automated transcription pilot for regular board meetings**, followed by a short staff report on cost, workload, usefulness, and whether it saved time.
4. **Create a simple written standard for meeting recordings**, including retention and a check that the recording is complete and audible before posting.
5. **Make each meeting easier to follow online** by grouping the agenda, packet, recording, transcript, and approved minutes together.
6. **Create a clearly labeled archive for older documents** rather than removing useful historical records when possible.
7. **Bring remote participation and captioning back for future board consideration with actual cost and staffing estimates.**
8. **Keep public access and transparency as a recurring Communications and Technology Committee topic** so improvements can be considered gradually and realistically.

I understand that the District cannot do everything at once. I am asking the board to separate inexpensive improvements from expensive ones, identify anything that might actually reduce staff workload, and make those decisions with real cost and staffing information.

Two questions

I would also appreciate clarification on two related matters:

- Has the District designated an ADA coordinator and grievance procedure, and if so, where can residents find that information?
- Does the adopted FY 2026–27 budget contain funding specifically intended for meeting access or website accessibility?

In closing

I appreciate the time the board, staff, and counsel have already spent considering these issues.

I also recognize the extraordinary workload District staff have carried this year. That is one reason I think it is particularly important to utilize cost effective tools that might make existing work easier.

The attached transcripts provide a real example rather than a theoretical one. I hope the next discussion can focus less on what the District is required to do and more on four practical questions:

Would it help residents? What would it cost? How much staff time would it require or save? And is it worth doing?

I would appreciate having this letter and the attached transcripts included in the public record and referred to the Communications and Technology Committee for further discussion.

Thank you for your service to Rancho Murieta and for considering these suggestions.

Respectfully,

N. Bloom
Rancho Murieta Resident

Attachments

- Complete speaker-identified transcript — Communications and Technology Committee, May 7, 2026
- Complete speaker-identified transcript — Special Board Meeting, May 27, 2026

References

- SB 707 (Durazo, 2025); Gov. Code §§ 54952.7, 54953, 54953.4, 54953.5, 54954.2
- 28 C.F.R. Part 35, including §§ 35.106, 35.107, 35.130(b)(7), 35.200–35.201
- U.S. Department of Justice, Interim Final Rule, 91 Fed. Reg. 20902 (April 20, 2026)

Example of a Rev https://www.rev.com/ AI summary of action items from transcript
May 7 2026

Tasks and Action Items from May 7, 2026 Communications and Tech Committee Meeting

1. Travis to provide chemical cost analysis

Responsible Person: Travis
Description: Take three or four high-end chemical costs and show the community what has happened to prices over three years [4:02].

2. Amelia to call about water operations manager search

Responsible Person: Amelia
Description: Call regarding the water operations manager hiring process, with the goal of completing the search within four to six weeks of hiring the general manager [11:18] [11:25].

3. Brandon to work on boat inspection certification

Responsible Person: Brandon
Description: Work with appropriate authorities to find out how the district can get certified to inspect boats coming into the community [7:31].

4. Patrick to review Brown Act changes

Responsible Person: Patrick
Description: Go over the Brown Act changes with the committee/board, focusing on the specific changes rather than the entire Brown Act [14:02].

5. Diane to include legal compliance information in general manager's report

Responsible Person: Diane
Description: Include information about legal requirements and compliance regarding meeting procedures in the general manager's report for the board meeting [28:32].

6. Staff to coordinate on Brown Act compliance points

Responsible Person: Speaker 1 and Diane
Description: Go over key points regarding Brown Act compliance and legal requirements before presenting to the board meeting [30:33].

Speaker 1 (00:00):

Technology. May 7th, 2026 at 10 o'clock, two weeks after 10. Oh, we have to silence our cell phones.

Speaker 2 (00:10):

Oh, that's a good idea, huh?

Speaker 1 (00:12):

And that's our call to order. Mike Martel is here. Myself and Amelia and Diane.

Speaker 2 (00:20):

Good morning.

Speaker 1 (00:23):

The interesting thing always to me is that communications could play such a part in this community. Nobody pays any attention and we struggle to try and get anything accomplished. That's just my, and so the first order of business, Mike, do you guys have any comments? No. Okay. So let's do our update on the website and social media.

Speaker 2 (00:52):

We had just about always the same number of users. Looking at the website, we had a big uptick the first week in May. Mostly folks from the United States followed by Singapore, China, uk, Norway, Vietnam, Germany. Our homepage, ranch from Marietta had the most number of hits. And then Deer Creek Scott Road, which we must have had a storm on the fourth or 5th of May. I bet that's when we had those electric April. Oh, it is May. Yeah. I got it. I'm with you. Board meeting Arizona. This is my favorite people looking at board meetings, employment opportunities, and then the active cities by users. Here we go April 8th, we have that same spike that weekend. That must've been the stormy weekend. And then it was just leveled out on Facebook. The number one page was the meetings, when the meetings would happen. And these are the main meetings that people were looking at. We have had a lot of changes and those are our recent post number one are the main meetings. And last month the most pages visited were the meeting.

Speaker 1 (02:14):

The meetings.

Speaker 2 (02:15):

The meetings. So while they're not coming, they are interested in when we will be having those meetings. It's clear. Yeah.

Speaker 1 (02:25):

So

Speaker 2 (02:27):

There's your report. That's it.

Speaker 1 (02:32):

We aren't going to keep trying to find out why we have China and stuff. We always think,

Speaker 2 (02:38):

No,

Speaker 1 (02:38):

We got the explanation. So

Speaker 2 (02:41):

Yeah, it's

Speaker 1 (02:42):

Okay. The pipeline. Amelia, thank you for bringing me this. I've been really proud of the pipeline and the messages that you've putting out

Speaker 2 (02:53):

To Oh, thank you

Speaker 1 (02:59):

About stuff like that. But I think you've done a great

Speaker 2 (03:02):

Job. I try to let everybody know the situation that's really happening here. And this was the harshest one I've written, but it's true.

Speaker 1 (03:18):

Tough times.

Speaker 2 (03:19):

Yeah. And it just blows my mind. Every single time it rains, I've got a generator out, a pipe burst a flood at the lift station. And so that's all has to do with the infrastructure, the aging infrastructure. So we need people and we need money. I mean, I don't want to say we need money, but we need money, you know that.

Speaker 1 (03:48):

And for board, we've all talked about how chemicals have increased, but I think the community needs to hear specifics. So I

Speaker 2 (04:02):

Ask

Speaker 1 (04:02):

Travis to take three or four of his high-end costs or chemicals and just show people in three years what's happened. And he was telling me, one of them is I think that what we're doing in terms of trying to get the community to see the situation, ultimately I think the reality of the situation is going to come across. I have not heard anything more about,

Speaker 2 (04:48):

I only have a half a dozen protest letters. But let's keep in mind, Diane and I, it was Sicilian and I going over this yesterday. They have until the end of the public hearing to bring the protest letters so they could come in with boxes of letters. I don't think that's going to happen. I don't either.

Speaker 3 (05:11):

What we

Speaker 2 (05:11):

Count, there's six or 10. There's very few. The

Speaker 3 (05:14):

Pullback is going to be after you vote,

Speaker 2 (05:17):

I'm sorry,

Speaker 3 (05:18):

The pullback is going to be after you adopt the budget, you got to have a whole board.

Speaker 2 (05:27):

Yeah, yeah.

Speaker 3 (05:29):

You're going to get it afterwards. Not beforehand.

Speaker 1 (05:33):

It doesn't. Even a new board and a new general manager and a new water operations manager doesn't change the facts. It

Speaker 2 (05:41):

Doesn't change the facts. You can have as many general managers as you want. You would still need money.

Speaker 1 (05:47):

We have 50 years of writing infrastructure and the list goes on. And my favorite topic, not my total favorite topic, but one of my favorite topics is we have not planned for anything in years, in decades. The 10 years that, or eight years that I've been here before that there's no plans. There's no plans. I mean, we have the Lewis

Speaker 2 (06:13):

Report

Speaker 1 (06:14):

And this is going under internal communication. We have the Loomis report. We've done nothing with it in terms of integrating that our situation into what they're recommending as a plan. So those are things that I think if we don't get that pulled together soon, we are going to continue to have a lot of problems. So how about good news? Do we have any?

Speaker 2 (06:44):

Yeah, we have good news.

Speaker 1 (06:45):

Okay, good.

Speaker 2 (06:47):

The good news is the reservoirs are full wakeful, so hallelujah. The good news is we're getting new membranes with the CIP.

Speaker 1 (07:02):

Okay.

Speaker 2 (07:04):

I don't know that that really translates

Speaker 1 (07:07):

Well, it makes our plant work.

Speaker 2 (07:11):

We need those, right? Yeah, it's super important. So this is under pipeline. We did run the article last month about stay out of the water, the river's cold and fast. And we also ran the article on the mollusks.

Speaker 1 (07:30):

Okay,

Speaker 2 (07:31):

Good. That's good. I've asked Brandon to work with, I don't even know who to find out how we get certified to inspect the boats that are coming in. Oh

Speaker 1 (07:43):

Yeah. Right.

Speaker 2 (07:44):

That's

Speaker 1 (07:44):
Been his idea for quite a while.

Speaker 2 (07:46):
Yeah.

Speaker 1 (07:47):
Whoops.

Speaker 2 (07:48):
See if

Speaker 1 (07:48):
We can to set up our own inspection place maybe two days a week during

Speaker 2 (07:55):
The summer

Speaker 1 (07:56):
Or

Speaker 2 (07:56):
As needed

Speaker 1 (07:58):
Because

Speaker 2 (07:58):
It has to be a resident who owns the boat. So then the resident would have to, only resident owned boats can come in here. Right. So then it would have to be a resident who took their boat to somewhere else and then brought it back in.

Speaker 1 (08:13):
But

Speaker 2 (08:13):
We

Speaker 1 (08:13):
Don't know that. So the way, I mean, we can't keep track of people taking their boats in and out. Well, yeah, you can see they have a boat.

Speaker 2 (08:21):

Well,

Speaker 1 (08:21):

I guess they could just

Speaker 2 (08:22):

Go with,

Speaker 1 (08:22):

Don't

Speaker 3 (08:22):

Have to be residents. All I can do is say I'm meeting Michael and you watch every night the gate, you guys have cameras, phones come in and out here all the time. They don't live here

Speaker 1 (08:34):

It

Speaker 3 (08:35):

Of residence.

Speaker 1 (08:36):

And we made a huge presentation, I guess you would call it an emphasis on the boats. We put the rules for boats in both of the gate houses. Brandon's gone over them. We've talked about it. There's no outside boats allowed in here.

Speaker 2 (08:59):

That's not what Mr. Martel is saying.

Speaker 3 (09:02):

All you can do is go look at your video cameras.

Speaker 1 (09:05):

But I'm saying the rule is

Speaker 3 (09:07):

Absolutely

Speaker 1 (09:08):

Each

Speaker 3 (09:08):

Other's compliance. It's like these electric bikes,

Speaker 1 (09:15):

The rule is very clear and the gate people are implementing the rule. We haven't had much of it because it's been winter,

Speaker 2 (09:23):

But it

Speaker 1 (09:24):

Will come back again. And along with that procedure is the possibility of for our own residents having their boats inspected and cleaned. And I think Brandon and I have talked about that. So what we were talking about doing is maybe a couple times a week in the summertime in our parking lot or somebody's parking lot, bring your boat, we'll inspect it and wash it. So I don't know that that's gone through yet or not, but that would be one way of encouraging people to make sure that they're not dragging something else in here. Okay.

Speaker 2 (10:10):

More good news.

Speaker 3 (10:13):

My neighbor's, the fishing guy, Nick,

Speaker 1 (10:16):

It's a committee meeting.

Speaker 2 (10:19):

Any good news. Here's the good news. They have a new, oh, new general manager at RMA. I mean, I'm just going to say everything that comes to my mind.

Speaker 1 (10:32):

Well, I think one thing that's really good news is that we are deep into our process for hiring a new general manager and

Speaker 2 (10:41):

Good.

Speaker 1 (10:41):

And all the, he gave us a long list of places where they've already

Speaker 2 (10:47):

Advertised like 16.

Speaker 1 (10:49):

So that process is complete. And now we're going out to look for the new general manager. Well, we're also in the process of upgrading the audio. Wait, yes. That's good news. Yeah, it is. Hang on, write that down. The other part of that is water operations. We're going right into that search as fast as we can so that we would have,

Speaker 2 (11:18):

In fact, I should call him today

Speaker 1 (11:20):

So that we would have a relatively full staff.

Speaker 2 (11:25):

Right. Hopefully it'll be like four to six weeks between the day the

Speaker 1 (11:30):

General manager

Speaker 2 (11:31):

Gets

Speaker 1 (11:31):

Hired and the

Speaker 2 (11:32):

Day that,

Speaker 1 (11:33):

Right. So anyways, I think that's good news. We're looking and hiring and getting people in here who can help. Right. The ship. I can't, oh, and Diane, you said, what were you saying for good news?

Speaker 2 (11:51):

Just that we're upgrading our audios.

Speaker 1 (11:54):

Okay, that's fine. Yeah. Okay. Living in harmony, I think we should just take that out from now on because

Speaker 2 (12:05):

We just don't have the energy to tackle it.

Speaker 1 (12:06):

Well, there are certain things that have to be cleared up and understood, et cetera. Before I want to spend money sending the whole community a letter with a magnet. We have to be able to say this is what's happening in security and as one part of the equation. And so I may continue to sort of work on the letter, but there's no point in talking about it anymore, at least until maybe the budget's over and the audits are in. And we have some concept of if we have some money and just in general where we stand if we can report to the residents. And then are we on discussion item six.

(13:04):

Okay. Nelly Bloom. Ms. Bloom has brought to our attention with her correspondence at the last board meeting, the concerns that she has and probably she represents others regarding our meetings and our legal obligations to present things in a certain way. And so what I want to say, and Diane are going to speak to this, we've already started this process. Any of the legal processes that need to happen via the Brown Act, et cetera. Fortunately the letter came, but we were already working on it. We were ahead of the game and the Brown Act. I have copies of the changes, et cetera.

Speaker 2 (14:01):

I

Speaker 1 (14:02):

Really think that we need to get, I'm sorry Patrick, to go over the changes. He doesn't have to do the whole Brown Act, but to go over the changes. So that's another, A place to go forward with this. And finally beyond what we have to do to, oh God, what we have to do to make sure that we are legally compliant to how we do meetings, et cetera. Beyond that, there were other comments in the letter and one of the comments was the length of the meetings. So I just wanted to make mention of this. Nobody likes it. Staff is here, they have to drive home, nobody likes it. The interactions sometimes are unnecessary. And we need to be better about letting people speak their mind and then sit down

Speaker 2 (15:14):

And saying three minutes. Thank you.

Speaker 1 (15:17):

So we can control a little bit of that, but what we can't control is the amount of work that has to be done. Right now we are in the middle of finance audits, two audits

Speaker 2 (15:30):

Being

Speaker 1 (15:30):

Ready by June, I think she said we were going to have 'em, and then also the budget in June. So there are lots of things that we have to talk about.

Speaker 2 (15:39):

She's submitting fiscal year 22, 23 and fiscal year 23, 24 to the auditors next Friday the 18th.

Speaker 1 (15:50):

That's big.

Speaker 2 (15:51):

So it's happening and then the auditors look at 'em and then they come back with a laundry list of questions and more documentation that they look for and then, and then we submit all that. And that takes a couple months to go back and forth, I think.

Speaker 1 (16:07):

But when you just think of just that alone, audits and budget over the last three months, are we surprised it's wise that we have long meetings

Speaker 2 (16:17):

To

Speaker 1 (16:17):

Say nothing of development to say nothing of security. And we're dealing with a lot of

Speaker 2 (16:23):

Stuff. We have a lot. And

Speaker 1 (16:25):

We don't have a general manager yet. And we don't have a water operations manager yet.

Speaker 2 (16:29):

We have a really good interim general manager. That girl is rocking it.

Speaker 1 (16:33):

I know. I know. Absolutely.

Speaker 2 (16:38):

I'm

Speaker 1 (16:39):

Just addressing the fact that there's a reason why these meetings are long and it's not an excuse. I once had a teacher tell me the difference between a reason and an excuse.

Speaker 2 (16:51):

And there's one thing that we could do as staff and as the board that would cut about an hour off of the board meeting. And that would be is if staff had our reports and said, do you have any questions? But it's my understanding and feeling that the board wants to hear our reports in addition to looking at that information. And this board is so engaged in what's happening.

Speaker 1 (17:17):

We don't have a choice.

Speaker 2 (17:19):

You are so engaged and you want to know, know everything about what Travis has to say. And so yeah,

Speaker 1 (17:27):

It is basically what it is right now. And there are, like I said, so many things that we're trying to do all at once. And I called this a working board a while ago,

Speaker 2 (17:37):

And

Speaker 1 (17:38):

That's what it is. Without the structure of a new structure in the district, we have to do it. You're doing two jobs, you're doing a job. We're all involved. I

Speaker 2 (17:53):

We're all involved. Yeah.

Speaker 1 (17:54):

Like I said, two weeks out of the month with preparing for committee meetings and board meetings.

Speaker 2 (18:03):

So on item six, I do have a few comments. I

Speaker 1 (18:07):

Know you do. Yeah. I just want to make sure that we address that because like I said, nobody likes it. We'd rather it be different, but it's not and it's not going to change right away. So get over it. And if there's any other questions that she had in the letter that we can comment on, we will. But basically what we need to do is we need to comply with our legal things.

Speaker 2 (18:32):

And so here are the legal requirements. Governor Newsom signed into law SB 7 0 7 in October of 2025 to go into effect April of 2026. And she even talks about it in the letter. This new mandate applies to larger organizations. We don't meet the basis, we don't meet the size threshold to have to comply to. That's

Speaker 1 (19:02):

What I thought too

Speaker 2 (19:03):

When I read it. So Patrick sent me, she asked that we restore Zoom live two remote access. Is this legally required? No, it's mandatory only for eligible legislative bodies against those bodies that have more than a hundred employees. So we're little, we don't have to do this. We don't qualify because all meetings are conducted entirely in person with no teleconferencing. The teleconferencing rules are not triggered. So that is to say that if a board member had something that they were some reason that they couldn't physically be here, the same laws applied that have always applied. It used to be that you could call in, but I have to, on the agenda, I have to say that my board member is going to be calling in where they will be specifically and post on their door that that's a public meeting so that the public can go in to your hotel room in Massachusetts and listen to it. So because I think that's happened once in the six years that I've been here. If board members were doing that all the time and it would be a Zoom meeting, obviously then that would trigger the Zoom rules that everybody would be able to zoom in and out. But we don't do that. So we don't have to restore Zoom. She asked that written transcripts with speakers identified be available. That's not legally required. No current state or federal law requires transcripts of public meetings for districts of our sites. Improved audio recording quality there, no, excuse me.

Speaker 1 (20:52):

Once. And we put the drafts of all the meetings in the packets,

Speaker 2 (20:57):

The drafts.

Speaker 1 (20:59):

In other words, we had committee meetings this week or last week or whenever or this this week. And so Diane writes the notes from that,

Speaker 2 (21:09):

The minutes.

Speaker 1 (21:10):

The minutes. And so those are totally available.

Speaker 2 (21:13):

Yes, the minutes are available. So is every audio recording for every meeting?

(21:19):

And we'll continue to do that. No statute mandates a specific audio quality standard. However, the ADA's general effective communication obligation remains applicable to persons with disabilities who request access to meeting content. So if somebody with a disability came in and specifically said, I'm having trouble reading it, understanding or the quality, then I would get together with it. And we would just always do everything we can to help the community, whether they're disabled or not. Consolidated, dedicated meeting webpage. Is this required? No, required only of eligible bodies. Again, those bigger CSDs, real-time captioning for live recorded meetings, not required. Only required for larger CSDs. So what is required of us is new levels of a website of eligibility. It's required of all special districts by April 26th, 2027. So that means that if there's a PDF document, and Mike, I know you've been on, we've all been on the website probably more than we care to admit, looking at those archive historic documents of the district.

(22:40):

If it is a document that I write on word today and print A PDF in my computer and then put it on the website that PDF, anybody who has the program on their computer because maybe they're blind, they can't see, they can click on the document and their computer will read it out loud. That's not the case for a scanned document or an older PDF. And so many of those documents are older. So they're not currently a accessible. It's always been that if somebody asked for this document to be a accessible, then I would turn it into a readable PDF and I put it on a, then I would've taken steps. I've never had that happen. So we either have to, through our website, they have an add-on, which is very expensive that we could put on there for those archive documents to translate those to a compliance. Or I can remove those because it's not required that I keep those older documents

Speaker 1 (23:50):

Except for people like me need them.

Speaker 2 (23:52):

And so that would mean more PRA requests. And it would also mean lessening the amount of information that's available. You don't know. You think I wonder what that, and so then you'd look and say, oh, this document, oh look, it mentions this. And then I can go and find you kind of do your search

Speaker 1 (24:11):

Or I can call you.

Speaker 2 (24:13):

Yeah. So it's going. She

Speaker 1 (24:15):

Knows where everything is

Speaker 2 (24:16):

Because yeah. So the board will decide between now and April of 2027 how they want to do that, if that's worth the money. Since this is a new regulation, it wouldn't surprise me if some other software doesn't come out to make these a accessible for a lot less money. So I'm kind of waiting on that. You will notice that

Speaker 1 (24:49):

Microphones,

Speaker 2 (24:50):

We have the owl, right? So what this little buddy does is he records, gives a video recording of the meetings would imagine we'll start putting those on the website right away. We know how it works. We know how to reduce the size of the file so that it's accessible to people on the internet. So that's what we have done. This is a big upgrade. That's what we

Speaker 1 (25:18):

It's very much in the testing.

Speaker 2 (25:21):

Yeah, it's in the testing stage. But hopefully

Speaker 1 (25:25):

We've used it before. I'm trying to

Speaker 2 (25:27):

And we never got it to work, right?

Speaker 1 (25:28):

Oh, is that right? Yeah.

Speaker 2 (25:29):

Yeah. We never got it to work. So our tech came in and he's got, that's a dedicated computer now, which was part of the problem. We didn't have a dedicated, which I think was most of the problem. We didn't have a dedicated computer that had enough storage to hold the information until we had the chance to make the file smaller. And because the district secretary can't be running over there to monkey around with the owl while the meeting's going on. So other things Nelly asked for were technology disruption, zoom outage policy. It's only required for those bigger legislative bodies. Translation of agendas and participation instructions. Not required for us public written update in the pipeline within 30 days. No, not required for us. So it's very much on our radar. We're working on it and done. And

Speaker 1 (26:24):

That's what I was going to say.

(26:28):

We don't have to do all of that, but we can do all of that. We just can't do it all at once. So we're going to do what we have to comply. And when we're a little less stressed out, all of us and we have some actual calmness and breathing room, then we can start to pursue some of these. Even though we don't have to, we can start to pursue being able to provide that to the community. But it's a task right now that it's task. We only need to do what we need to do because it's a big undertaking and we're not ready to take on anything else. Right now,

Speaker 2 (27:13):

If we were to have audience participation in Zoom meetings, then there would have to be another human to manage that because Oh

Speaker 1 (27:23):

Yeah,

Speaker 2 (27:26):

If

Speaker 1 (27:26):

They think the meetings are long now, just make them Zoom. Meetings

Speaker 2 (27:30):

Don't go on forever. When we had COVID, I did it, but I was home, so all I had to do so I didn't have to manage all of this and people coming up and yeah, it's a lot. It's a lot. That's why they pay me though.

Speaker 1 (27:48):

Two times in almost eight years. I've never missed a meeting, a board meeting. And I've made it during COVID. I used to listen to all the improvements and all that stuff. But my point is that I did have hip surgery, hip replacement surgery and I think it was the next day after I got home or the day after that that we did do a phone thing.

Speaker 2 (28:13):

That was quite

Speaker 1 (28:14):

A while ago now.

Speaker 2 (28:16):

And I did it once for John. And again, both times we did a compliant with the Brown Act.

Speaker 1 (28:25):

So I think that it would be a good idea if you ran through that at the board meeting.

Speaker 2 (28:32):

I'm going to put this in my general managers report.

Speaker 1 (28:35):

That's great. And Mike, do you have anything you'd like to ask or any comments?

Speaker 3 (28:48):

Actually, I got my meetings mixed up. I thought this is security.

Speaker 2 (28:51):

Security, that's why he's here seventh.

Speaker 1 (28:54):

Yeah. Yeah. We all did that Something. I

Speaker 3 (28:56):

Saw it on the original thing, it was the seventh and then I saw six. I put it on my calendar. That was way, so

Speaker 1 (29:03):

John had to have,

Speaker 3 (29:04):

How are you guys

Speaker 2 (29:04):

Talking about

Speaker 1 (29:05):

John's? John's having cataract surgery today as we speak. And so that was one of the issues. We wanted both board members that are on security to be there. And security was hard yesterday. It was hard because the fact of the matter is we don't know how

Speaker 3 (29:27):

I actually got my meeting days wrong.

Speaker 2 (29:31):

Yes, there was quite a bit of confusion. We'll be moving improvements permanently to Wednesday, the first Wednesday of the month at 8:00 AM and then the rest of 'em are going to stay the same. But if the board members, it's more important that the board member anyway to me, to change a meeting day or time to accommodate the board members. We all have lives.

Speaker 1 (29:53):

Well, we have to also recognize the amount of energy that people are putting into this situation that we have right now. And so I just think that we are doing the best possible job we can and we do communicate with each other pretty well internally.

Speaker 2 (30:18):

I

Speaker 1 (30:18):

Think that we have a good way of doing that. So, alright, so you're going to put that in this correspond. I'm making that a bit right now to the board meeting.

Speaker 2 (30:31):

Yes. That's a good thing for me to talk about.

Speaker 1 (30:33):

We can, you and I could just go over a few of those points that we made so that we're starting from the right place.

Speaker 2 (30:45):

Okay.

Speaker 1 (30:46):

Perfect. Anything else? Any other directors and staff communication? Are we adjourned?

Speaker 2 (30:52):
I'm good. Adjourned 33.

Speaker 1 (00:00:00):

Cecilia.

Speaker 2 (00:00:00):

All right. It is four

Speaker 1 (00:00:02):

O'clock

Speaker 2 (00:00:02):

And we

Speaker 1 (00:00:02):

Are

Speaker 2 (00:00:03):

Recording.

Speaker 1 (00:00:03):

This

Speaker 2 (00:00:04):

Is

Speaker 3 (00:00:04):

The special meeting of the board of directors, Wednesday, May.

Speaker 2 (00:00:07):

Regular meeting. Oh, it is special. You're right.

Speaker 3 (00:00:09):

Special meeting. Special meeting. I can read now. Board of directors, Wednesday, May 27th, 2026. Determination of a quorum call to order. Diane, will you call

Speaker 1 (00:00:23):

The role, please? Director Batler.

Speaker 4 (00:00:24):

Here.

Speaker 1 (00:00:26):

Director

Speaker 3 (00:00:27):

Gear. Here.

Speaker 1 (00:00:27):

Director Janko. Here. Director Mabe. Here. And President Merchant. Here. Thank

Speaker 3 (00:00:33):

You. Action. Item two, approved certificate of appreciation honoring James Cullis. James, will you

Speaker 2 (00:00:39):

Come up and -

Speaker 5 (00:00:41):

We don't get to vote on it? I vote yes, of course. James, I

Speaker 2 (00:00:51):

Am very happy to present you with this certificate of appreciation and recognition of your many years of dedicated service. We're proud to honor and celebrate your 20 years.

Speaker 6 (00:01:12):

He is a lot grayer than when he started. Aren't
Speaker 4 (00:01:15):

We all?
Speaker 2 (00:01:17):

Of outstanding service and commitment to the Rancho Marietta Community Services District. Your dedication, hard work, and loyalty have been instrumental in our success. Your continuous contributions and unwavering support have made a significant impact on our team and our organization as a whole. With heartfelt appreciation, we express our gratitude for your exceptional performance and the invaluable role that you have played in our family, in our journey, and our family. Your efforts and dedication service is an inspiration to us all. Thank you for your many years of service and we look forward to many more years of shared success.
Speaker 6 (00:02:07):

Can we get a picture with his daughters?
Speaker 2 (00:02:10):

Yeah. Yeah, yeah, yeah. Can I grandpa it up?
Speaker 5 (00:02:13):

Oh yeah. Let's get grandpa here. Come on. It's either that or you have to stay for the whole meeting.
Speaker 2 (00:02:28):

Congratulations, James.
Speaker 3 (00:02:38):

So moving on to item three, approved certificate of appreciation, honoring Jason Dill.
Speaker 2 (00:02:53):

I am so happy to present to you for your many years of dedicated service. Jason Dill, we are proud to honor and celebrate your 20 years of outstanding service and commitment to the Rancho Marietta Community Services District. Your dedication, hard work, and loyalty have been instrumental in our success. Your continuous contributions and unwavering support have made a significant impact on our team and our organization as a whole. With heartfelt appreciation, we express our gratitude for your exceptional performance and the invaluable role that you have played in our journey and our family. Your efforts and dedication serve as an inspiration to us all. Thank you for your many years of service, Jason. And we look forward to many more years of shared success.
Speaker 6 (00:03:51):

Can we get a picture of James and Jason together? Yeah. That would be great. And then we get one with Amelia because she's there. And then we'll get one with your two bosses on the side.
Speaker 7 (00:04:10):

Travis, have you thought about a career and wedding plan?
Speaker 6 (00:04:16):

It is my side hustle.
Speaker 2 (00:04:19):

Okay. Travis, Lori, if you please. They have to do a nice thing.
Speaker 6 (00:04:30):

Smile.
Speaker 4 (00:04:33):

Congratulations. This district. Beautiful. That
Speaker 2 (00:04:42):

Was very nice. Thank
Speaker 6 (00:04:43):

You. Oh,
Speaker 8 (00:04:44):

You got to say the rest of the meeting.
Speaker 4 (00:04:46):

You want to know what we really go through?
Speaker 2 (00:04:54):

Nice to meet you girls. They got to come in.
Speaker 6 (00:04:59):

He's got a parade with Friday Joyce.
Speaker 2 (00:05:02):

Right. Right.
Speaker 3 (00:05:05):

Moving on to item four, closed session. The board will now move to closed session. Conference with legal counsel, existing or threatened litigation, government code section 54956. 9D1. Name of case and matter, River Canyon Properties LLC versus Rancho Marietta Community Services District et al. One case. We will now go.
Speaker 9 (00:05:31):

Thank you.
Speaker 3 (00:05:50):

We have returned from closed session and the report back. Patrick, please.
Speaker 8 (00:05:58):

We have no
Speaker 3 (00:05:59):

Reportable action. Okay. Very good.

(00:06:02):

Moving on to item six, public comments. The public comments section is for the board of directors to receive comments except for brief questions for clarification. No discussion or action may be taken on any item that is not listed on the agenda. If you wish to speak during comments from the public or would like to comment regarding an item appearing on the meeting agenda, you must complete a public comment card and submit it to the board secretary prior to public comments or the item you wish to comment on. Speakers presenting individual opinions shall have three minutes to speak. Speakers presenting opinions of groups and organizations shall have five minutes per group. Each individual will be limited to one comment per item. Any comments from the public, Madam Secretary?
Speaker 1 (00:06:55):

No sir, not on there.
Speaker 3 (00:06:56):

Okay. Seeing that, we'll move to item seven WSC presentation on well siting.
Speaker 2 (00:07:05):

I do have they're joining in a minute. Joe Kingsbury and Jessica. I won't say her name because then I won't mess it up. Joining us via teams admit all. Hi Joe. Hi Jessica. Thank you so much for joining us. We are in the meeting. We started a little late and we're very happy to have you here. So I'll put you on, I'll

put my microphone right next to my speaker and I will share my screen so that you can see your presentation.
Speaker 10 (00:07:55):

All right. Thank you, Amelia.
Speaker 2 (00:07:59):

I don't know how to do that. We are on the first page if you want to go ahead and start while I'm getting the screen up.
Speaker 10 (00:08:20):

Wonderful. Okay. Good evening everybody. My name is Jessica Choman. I am a geologist and the project manager for this project with WSC, that's water systems consulting. I'm joined this evening by WSC's senior hydrogeologist, Joe Kingsbury. And we appreciate the opportunity to run you guys through our test well siding study and the conclusions that we've presented there. Amelia, did you want to just roll through the slides that I sent you or did you want me to share?
Speaker 2 (00:08:55):

I'll roll through the slides. There you go. Okay.
Speaker 10 (00:08:58):

Wonderful. Okay, perfect. Okay. Good to go?
Speaker 2 (00:09:04):

We're ready.
Speaker 10 (00:09:06):

Okay, great. So yeah, I guess we'll just roll right into it. Really the test well siding study is a screening level test well siding assessment. I really want to hit this home. This is not a production well design or selection. The purpose here was to identify locations suitable for exploratory test holes that could really help the district evaluate groundwater availability and production potential. You can go ahead and leave it on that slide. That's fine.
Speaker 9 (00:09:37):

Okay.
Speaker 10 (00:09:39):

And maybe if you reduce the size a little bit. There we go. Oh, perfect. Yeah, that's perfect.

(00:09:46):

Okay. So WSC, we understand the district's goal here was really to strengthen drought resiliency to reduce reliance on single water resources and then support water demands and achieve sustainability to meet future water needs. That being said, all the conclusions herein are based on existing data. So that's geologic mapping, GSP data, DWR well completion reports, plus a variety of historical studies that were made available to the WSC team. This siting analysis really focuses on identifying locations where exploratory test tools could be advanced to evaluate favorable hydrogeologic conditions. But the bottom line is the subsurface conditions remain uncertain until those test holes are drilled. So the purpose of this exercise was to identify candidate locations for exploratory drilling within the district's service area. And we use the available hydrogeologic data to understand where groundwater production may be and where it's most plausible. And then consider other practical constraints.

(00:10:58):

So that's access, that's ingress and egress of both equipment during and testing of the well drilling as well as long-term access. It's proximity to the existing conveyance infrastructure. It's proximity to the FEMA hundred year flood plains, and then also historical and existing land use and land ownership. The

idea here was really to give the district kind of a menu of viable next steps and sites and really not be limited to a single location. So I would like to point out if you could roll to the next screen.
Speaker 2 (00:11:32):

Very good.
Speaker 10 (00:11:33):

The project area. Okay, perfect. So our project area really encompasses the Rancho Marietta Community Service District Service Area, which sits at the eastern edge of the Sacramento County along the transition between the Sierra Nevada Foothills and the Sacramento Valley. From a regional perspective, the project area lies within two groundwater sub-basins, which introduces both opportunities, but also constraints related to groundwater availability and management and long-term use and sustainability. As a note, you can see here in the southwestern portion, you can see a series of black and white bullseyes shown there on the screen. Those are a series. What was
Speaker 2 (00:12:24):

That? Nothing. Go ahead.
Speaker 10 (00:12:25):

Oh, sorry. So you can see those bullseyes. Those bullseyes represent a series of historical boreholes, which were advanced prior to the year 2000. WSC did not cite potential locations for extoratory drilling in proximity to those with the understanding that the district has that subsurface data. So we didn't want to double up or provide redundant information. All right. Amelia, can you roll on to the next slide? Perfect. Thank you. All right. So what drove our site selection? The primary driver here was potential for groundwater production. So we were really trying to focus in on areas which may provide us with favorable sediment selections and evidence of sand and gravel units, and then evaluated historical well yields from reviewing available DWR records. We reviewed the nearby well historical completion reports to estimate well yields. And then also kind of considered secondary conditions, again, such as proximity to FEMA's hundred year floodplains.

(00:13:31):

While this is very important, is not necessarily exclusionary. Also proximity to existing conveyance infrastructure, available space for well construction. We're really looking for a 10,000 square foot zone, which is recommended to be able to get the drill rig on site. And then also again, parcel ownership and land use, land use compatibility. And then lastly, water quality. So we took time and we evaluated online resources for water quality information. This included the state water board's gamma register data available in the existing GSPs, that's the groundwater sustainability plans, and then data which was made available to us from historical reports. All right, Amelia, next slide.
Speaker 9 (00:14:20):

Perfect.
Speaker 10 (00:14:21):

All right. Geologic study. So considering the geology in the area, again, we understand the primary driver here was to locate sites that would provide viable, would be the most viable for producing groundwater. So we looked at the DWR bulletins, that's the Department of Water Resources bulletins, available geologic maps for the area, the GSPs. And again, going back to any of the historical reports which were made available to us. We were really trying to understand those areas which may likely have thicker alluvial basins. From a geologic standpoint, we were targeting areas underlaying by alluvial sands and gravel sequences and then also the volcanoclastic Merton formation. Keeping in mind, we were limited to evaluating locations within the district's service boundary. We also tried to provide a few potential sites which may offer the district an opportunity to get a broader understanding of the hydrogeologic conditions within their service area.

(00:15:22):

So WSC understands generally within this area, the alluvial basins as well as the mertin formation tend to be more productive. And as you continue westward away from the Sierra Nevada Foothills, production generally increases. However, through reading the GSPs and available reports, we also understand there is evidence that the Ion formation and the Valley Springs formation can and have proven to be significantly productive formations within the eastern portions of the basin. So that's kind of a breakdown as to where we started and the criteria that we use to select our potential sites. So now let's get into some of the sites that we selected. Next slide, please.

(00:16:16):

Joe, don't hesitate to jump in there if you think I overlooked something. Okay. Starting with site RM1, this is our first location. It is the most northern of the locations which we propose. Cited in the ion formation, we acknowledge potentially less favorable, however, can be more productive in the eastern portions of the sub-basins. Estimated groundwater production potential shown here was done looking at the available DWR logs for that area and trying to get a range from what we're seeing from other pumpers in that area. So we estimated a range from about 30 to 100 gallons per minute. Again, this is just an estimate. This site is outside the FEMA 100 year floodplain and in proximity to existing water infrastructure. We've got water mains located up to the north on Esquela Drive. And then as we can see here on the figure, there's ample available sites to ingress, ingress in and out of this property.

(00:17:18):

And then review of the gamma sites, no water quality concerns for this location.

(00:17:25):

Moving on to the next one, RM2. Perfect. So moving a little bit easterly, we're still in the iron formation, but we're seeing a little bit lower estimated production for this location. We are getting a little bit closer to the river. So that puts us inside that hundred year floodplain. But we are, and we are a little bit further from existing infrastructure. At this point, it looks like there might be a water main to the north of the proposed site, about a thousand feet, but there's ample space for maneuverability and site set up. And then no water quality concerns were listed for this location.

(00:18:03):

Moving to RM3. So RM3 cited here in the modesto formation. So that's a loosely to moderately compacted sand, silts and gravels. Estimated groundwater production in this area is more favorable and we're edging closer to about an estimated 200 gallons per minute. We are within the hundred year flood plain. A downside to this location is it's not actually in proximity to an existing water main, but again, there's suitable space for drill rig and for equipment and for clear points for ingress and egress for construction. Moving to four. RM4. So this is our most southeasterly location. We're back in the ion formation. So again, some likely lower estimates for production potential. As we can see with the DWR reports in this area, we are estimating some lower production or well yields for this site. We are not located within the hundred year floodplain. And there is a closer proximity to the water main infrastructure, which is about 400 feet to the west.

(00:19:12):

So would be able to tap into that line. Again, ample site here for maneuverability and construction setup. And again, no water quality concerns listed.

(00:19:26):

Site RM5, this is our most westerly location cited in the IM formation, but we are seeing estimated yields slightly higher for this site. Closer in the ballpark of about 200 to 400 GPM from what we're seeing from available DWR logs. We're outside of that 100 year FEMA flood plain. There wasn't evidence from our review of the existing or available information that the water conveyance infrastructure was going to be readily available. But again, as you can see from the figure, there's a lot of space here, a lot of potential for ingress, ingress. And again, no water quality issues were reported for this location.

(00:20:07):

And lastly, so this is our final location. This was not actually included in the first version of the report. RM6 was cited as an additional candidate location for an exploratory test for hole.This is actually in the vicinity of Lake 16 and 17 of the Country Club golf course. The purpose of this location is to support exploratory drilling to assess groundwater availability and potential extraction feasibility for non-potable irrigation use. And those are the sites that we have put together as a result of this siting assessment. That's a very high level rundown of our well siting tech memo. And I guess at this point I'm happy to open it up for any questions.
Speaker 3 (00:20:58):

Any questions from the board first?
Speaker 2 (00:21:02):

Thank you very much, Jessica. I
Speaker 4 (00:21:04):

Was just thinking about -
Speaker 1 (00:21:06):

Pleasure.
Speaker 4 (00:21:06):

I'm sorry. Jessica, everything that I've heard and read has about the ion formation is that it's very questionable. And yet some of the things that you talked about can. Well, it's not as serious or not as bad as I was led to believe. So is there any backup reason for that or has anything changed?
Speaker 10 (00:21:40):

So I think the question is why were the locations cited in the ion formation?
Speaker 2 (00:21:46):

That's right.
Speaker 9 (00:21:47):

Yeah.
Speaker 10 (00:21:47):

Yeah. So Amelia, can you scroll back up to the image showing the geologic map? The
Speaker 2 (00:21:54):

Very first one? Yeah.
Speaker 10 (00:21:57):

I think it's slide four.
Speaker 2 (00:21:59):

Slide four.
Speaker 11 (00:22:01):

Yeah. I did want to point out just five
Speaker 12 (00:22:05):

Please.
Speaker 2 (00:22:06):

Site five.
Speaker 11 (00:22:08):

Site five is actually in the riverbain formation, not the ion.
Speaker 10 (00:22:15):

RM5 is in. Oh, Modesto.
Speaker 11 (00:22:18):

Yeah. I think we have a typo on that.
Speaker 4 (00:22:20):

Okay. So say that again. Oh,
Speaker 10 (00:22:23):

That is a typo. Thank you, Joe. Okay.
Speaker 4 (00:22:27):

Could you say that again? Could
Speaker 2 (00:22:30):

You say that again, please? We missed it.
Speaker 10 (00:22:31):

Sure. Yeah. Joe just corrected me. RM5 is actually in the Modesto formation. That is a typo in the technical memo that we're going to have to add. So WSC acknowledges that the Ion formation, while not considered the most productive of the geologic formations, there are a number of outcrops within the service area boundary for which the ion formation can be found. And evidence that we've been able to come across in both GSPs suggests that the ion formation can be favorable for production in the eastern portion of the basin. So generally the ion formation is considered the bottom of the aquifer in this area. So potential for suitable or substantial production should still be considered. Definitely it should be noted that the Dunn investigation completed in 2012, they completed a series of testoles along the riverbank there to the southwest, just south of the airport. And they identified that ideally testoles really should target alluvial basins, sands, gravel units within the Mertons, the Valley Springs and the Ion formations, really targeting more coarse material.

(00:23:50):

So really targeting those coarsers, sandier gravel materials and not being limited to just a single geologic formation.
Speaker 11 (00:24:00):

I think I'd like to add on this. If we can go up one more slide.
Speaker 2 (00:24:04):

Yes,
Speaker 11 (00:24:04):

Sir.

(00:24:07):

So keeping in mind that geology that we were just looking at. So this is another part of our site selection. So in other words, as Jess mentioned, over by the airport, we already have subsurface data from previous studies, which most of those, like for example, TH-B, LSCE-1988, et cetera. Those are from a geologic, hydrogeologic well siting purpose or production well purpose, that's ideal. That's where we're probably going to see the highest producing formations. But because we already had coverage there, we wanted to provide a more comprehensive study area. So along with that, and also this is a good figure because the yellow and green lines, those represents essentially developed areas. So that constrains us as well with respect to siting in a new well. So it's really an overlap with geology and the existing land use and the previous investigations that were done.
Speaker 3 (00:25:26):

Any questions? Board? No, sir. Public?
Speaker 1 (00:25:28):

Yes. We have Jeff Pearson.
Speaker 13 (00:25:37):

Hi, Jeff Pearson. I was on the water vision working group here that one of the things that we were asked to do was to take a look at your study. And I'm speaking - Can you
Speaker 2 (00:25:49):

Hear him, Jessica?
Speaker 13 (00:25:50):

Can you hear me at all?
Speaker 10 (00:25:51):

I can. Yeah. Yeah. Okay.
Speaker 13 (00:25:53):

Jessica and Joe, isn't it right? Yes. We were looking at your study, so we're really familiar with it and we really appreciate the time that you took in order to put this together. A little background for those who might not be familiar with this. We got here with this WSC study because of a proposal that WSC gave back in May 21st, 2025 for a water vision report. That was about a $388,000 proposal. Obviously pretty expensive. And I think in order to get something out of it, we took a menued approach, right? The district took a menued approach to this to where they selected a subset of the items on that proposal. And that totaled, according to Gail, River Valley Times, somewhere around an $80,000 contract. So that's what this effort was for. That's kind of how we got here. Just for those of you who don't recall that.

(00:26:52):

I see that you took some of your material from Dunn, which is great. I have a question on how the thing was scoped. I see that you're looking for 3,000 acre feet of water. It seems high based upon the previous engineering studies and the projections of the area. Could you tell me how it was scoped?
Speaker 10 (00:27:15):

I'm just going to reiterate it. So Jeff, it sounds like you're asking us why specifically we were utilizing the metric of an additional 3,000 acre feet. Is that correct?
Speaker 13 (00:27:29):

Yeah. It seems to me that such a high value limits your search.
Speaker 10 (00:27:33):

Right. Yeah. No, we received this question a few times now. The origination for that is we had a kickoff meeting with Eric Houston back in, I think September. And he was very adamant during that, that was an integral part of WSC's understanding of this project, that it was not just a number plucked out of the air, that it was meant to support future development, residential commercial development within the area. And an additional 3,000 acre feet per year was going to help subsidize that additional need. And then when we presented this study back in December with a small group from this team, that number was also discussed in length. So we kept it in the report because we did not receive any feedback that it should be removed.
Speaker 13 (00:28:30):

Do you think that there would have been an advantage if you had been allowed to search for a lesser value, say half or 2,000?
Speaker 4 (00:28:37):

Can we translate into gallons per minute?
Speaker 13 (00:28:42):

Acre feet is a volume, not a

Speaker 4 (00:28:43):

Full. I understand that, but -

Speaker 13 (00:28:46):

There's no way to convert that. I'm sorry. 25,000

Speaker 14 (00:28:49):

Gallons in an acre foot.

Speaker 13 (00:28:50):

Yeah. Yeah.

Speaker 4 (00:28:52):

Tell me again. 325,000 gallons.

Speaker 13 (00:28:55):

It doesn't run it for me.

Speaker 3 (00:28:55):

327, 850.

Speaker 13 (00:28:57):

Sure. A volume. Right. So we deal in acre feet when we're talking about large quantities like this. Do you think that there may be other opportunities with a lesser value than 3,000? Jessica?

Speaker 10 (00:29:13):

So I think what you're asking is. Well, maybe you could clarify. When you say other opportunities with a lesser value.

Speaker 13 (00:29:23):

What I mean by that is if I'm looking for a great volume of something, I may overlook areas that have less than that because I'm looking for a larger value.

Speaker 10 (00:29:36):

Right. Yeah. So I think, and Joe, jump in here if I misspeak, but I think the short answer would be yes. We're seeing wells, we're seeing pumpers within the district's area, which have wells which are yielding on the order of 200 to potentially up to 400 gallons per minute. So I think An approach of dispersing wells across multiple suitable or favorable areas would be one approach to achieving the desired additional output to add to the portfolio. Absolutely. I do not think a singular location would produce the volume of 3,000 acre feet additional.

Speaker 13 (00:30:28):

I completely agree with that approach. I think that's a fantastic idea. One last question, if I may. I see that in your summary, the results of the siding assessment are as a screening level decision tool to guide target and exploratory drilling efforts. Do you think another study that gets us closer, like geophysics, that the Dunn study did for RMCSD back in 2013? Remember, those were the studies that got them to THA and THB. Do you support those kinds of studies? Is that something that your firm typically does?

Speaker 10 (00:31:14):

Absolutely. I think that the use of geophysics can absolutely help us have an understanding of the capacity of the well. Joe, do you want to speak a little bit more on this? Sure. Yeah.

Speaker 11 (00:31:28):

Thanks. First, let's just make sure we're on the same page. With geophysics, that could be surface geophysics where you get kind of a bigger picture of an area such as surface-wise, or it's pinpointed as borehole geophysics. So I think what Jess is referring to is borehole geophysics. Is that what we're asking about our opinion on?

Speaker 13 (00:31:48):

Yeah, there was a two different geophysics. Well, there was two different geophysics studies that we have looked at with our water vision group that was presented to the board. One of them was similar to the study that was done in the Dunn proposal where they run a couple of transects and they run a. Okay. Yeah. So you know what

Speaker 11 (00:32:07):

I'm talking about. So that's surface. Yeah, that's the first type. Yes. I'm not trying to give you a consultant answer, meaning there's no guarantees. I just recently did a project that relied on surface geophysics. The overall purpose wasn't necessarily finding the water or trying to identify where the water would be. It was more about we wanted to make sure there wasn't an unknown fault or a higher bedrock that was resulting in a thinner illuvium. But because of the area that we did it in was urbanized, which could be some of these sites like arm one, two, four, six would apply. And unfortunately with surface geophysics, sometimes you can get too much noise that's generated from traffic, et cetera. And it becomes more of a challenge for the geophysicist to interpret the data. And we spent quite a bit of money, hired a very competent geophysics team, and they came back to us and said, "We can't tell you a whole lot.

(00:33:26):

Alls we can tell you is there's probably not a fault there." So what I'm getting at is yes in general, but once again, it's a tool and the site condition needs to be suitable for that tool.

Speaker 13 (00:33:40):

Yeah. I've heard the same thing in highly urbanized areas where the noise is a problem. Fortunately, most of the transects out here are not. Okay. Hey, thank you very much for answering my questions. I really appreciate it. Welcome.

Speaker 3 (00:33:55):

I have one. It's a question and a comment. In the two reports that we did, the analysis done in the Integrated Water Master Plan by Lisa Mattis and in the working group report, you look at numbers when you combine the demand of development and the demand of the existing community. Actually the 3000 acre foot number as a raw number in itself is low. The number is higher than that. Well, just excuse me, Tom. And if you project that out into year two and year three, discounted conservation, you find that you will be in trouble in the second year. So I'm not understanding why we would be concentrating on trying to find a lower amount of water at the same time. I'm also asking the questions that why all of our eggs at this point seem to be put into the groundwater basket when there's water upriver that we haven't talked about and there is the integrated diversion of recycled water that is now approved for Northern California that would allow us to take advantage of a supply of water that is finite and we can actually now measure inside a reservoir that is the same size of Clementia.

(00:35:29):

So I don't know why we would look for less water or look for less water with the hope of finding something. That was just my comment. Thank

Speaker 1 (00:35:39):

You. Javier Lopez.

Speaker 14 (00:35:48):

Hello, my name is Javier Lopez. And I have a simple question on two questions. One is simple. What is the depth of these wells that you are planning to drill approximately?

Speaker 2 (00:36:02):

Did you hear that Jessica?

Speaker 10 (00:36:04):

I did. And I don't know that we cited the depths of these. Javier, I don't know that I have an answer for you on that. I don't know that we

Speaker 14 (00:36:19):

Cited it. Okay. I'll accept it at this time.

Speaker 15 (00:36:21):

Are you talking about a production well or a test well?

Speaker 14 (00:36:24):

A production well.

Speaker 15 (00:36:25):

Okay.

Speaker 14 (00:36:26):

Yeah. Well, hopefully you'll have the answer next time that we speak. My other question is, since this well is potentially to be dug at the airport site, is the infrastructure been considered to get it to. Where in the heck are we going to store 3,000 acre feet of water? Because at the present time, I understand that our lakes only hold 4,000 acre feet of water.

Speaker 3 (00:36:56):

Less than that.

Speaker 14 (00:36:58):

So is there a plan to store this amount of water?

Speaker 2 (00:37:12):

Is there a plan to store the water or would we only use it in emergency situations? Maybe Randy does.

Speaker 7 (00:37:21):

We are looking to get 3,000 acre feet of water every year and put it somewhere. The whole study that was done is totally based upon a severe drought year when we need additional water. So when we would need the additional water, the reservoirs theoretically would be empty.

Speaker 14 (00:37:48):

But is the infrastructure in place to carry that water?

Speaker 7 (00:37:51):

Depends upon where the wells would be. The THA and THB that they're talking about that Dunn actually. We do know how deep they went on those two wells. Somebody's got it here. 300. 300 feet. Those are within a reasonable distance from the end of one of our big lines.

Speaker 9 (00:38:18):

Now,

Speaker 7 (00:38:19):

If we went with Dunn is telling us that it's very possible that we may find water more towards the Clementia Dam. If we explored there and found the water, we can hook right into our big line that runs the water up to Calero. So yeah, each site would be different. I understand that. But yes, all those things are being considered as we look at this.

Speaker 14 (00:38:52):

If I may direct the question to you, Mr. Jenko, don't we get our water from the river? Wouldn't it be, since the pumps are already in place, I gather that are in place, couldn't we just pull more water out of the river into the lakes?

Speaker 7 (00:39:06):

Because we don't have the capacity for storage.

Speaker 14 (00:39:11):

But we have the capacity for 3,000 acre feet coming from the well. You made the comment that we'd find someplace to put it.

Speaker 7 (00:39:19):

No, I didn't say that. I said the whole premise of why we need this additional water is for a severe drought year that we had once back in the '70s. That's what all of this money is going to be spent on. And time and effort is in case that year happens again. And if that happens, the reservoirs will be drawn down because of the drought to where there's more capacity to put well water in.

Speaker 2 (00:39:52):

If

Speaker 7 (00:39:52):

There's

Speaker 2 (00:39:53):

A drought, there won't be any water running in the river. So we can't pump more water from the river.

Speaker 15 (00:39:58):

But to answer your question, the reason we don't take more water out of the river is because we have a permit from the state and we cannot pump water after the end of May. So that's why we can't just pump more water out of the river. But

Speaker 14 (00:40:10):

How many acre feet does the state allow us to pull?

Speaker 3 (00:40:14):

6,200. 6,250.

Speaker 14 (00:40:18):

So we're actually only two thirds full.

Speaker 3 (00:40:20):

Right.

Speaker 14 (00:40:21):

Yeah.

Speaker 3 (00:40:23):

It's not a permit problem for the total volume of water. It's a storage problem.

Speaker 14 (00:40:28):

Thank you.

Speaker 2 (00:40:28):

Okay.

Speaker 10 (00:40:33):

And I will say, Javier, just looking at the historical gun report, those pestles drilled back in 2012 were drilled to a maximum depth of 380 feet, reporting water bearing zones between 180 and 300. So I think we're discussing wells on the order of three to 400 feet below grade.

Speaker 14 (00:40:52):

Thank you much. Appreciate it. Thank you, sir. Thank you.

Speaker 3 (00:40:55):

Jennifer, I have one.

Speaker 2 (00:40:57):

Jessica.
Speaker 3 (00:40:59):

Jessica, I'm sorry.
Speaker 2 (00:41:01):

Two
Speaker 3 (00:41:01):

Different meetings. I'm sorry. Is there any way of measuring or estimating any impact that there would be on the surrounding water table if we start drawing water from the ground in municipal quantities? For example, directly across the street from us, on the other side of Highway 17, there are a number of residents in there that have been down in their wells two times, drilling deeper to draw water up. I'm just wondering if there's any way of measuring impact on a groundwater table or a aquifer as a result of heavy use of municipal quantities.
Speaker 2 (00:41:54):

Highway 16. Did you hear her? Yeah. Okay.
Speaker 10 (00:41:57):

Yeah. Yeah, absolutely. And I'm going to take a first stab at this and then volley it over to our senior hydro to all my mistakes. But absolutely, the first steps here, looking into doing slug tests as we drill these exploratory test holes to really gain an understanding of the transmissivity in that area. What we don't want are wells talking to each other. But kind of the next step from there is looking at what's a more involved pumping test. So whether that be a constant rate or a variable rate test, but having observation wells to try to understand if those wells, if the wellbeing pump is in fact in hydraulic connection with the surrounding wells. Joe, do you want to tear apart my answer and correct me?
Speaker 11 (00:42:46):

No, no. You did fine. That's more of a local information. I think what's needed here is more of a big picture. And so there's really two conventional methods for that. And one is like a spreadsheet calculations. We call it basically a water budget. And then the other is a little bit fancier. That's where you get into numerical groundwater modeling. Both are tools and both rely on understanding of what. It's like your checking account. Groundwater that's coming into the area, water that gets extracted from production. And you calculate that delta or that difference. Also accounting for seasonal changes, hydrology or climatic changes, seasonal, depending on some groundwater basins, you don't see much of a change in groundwater elevation, whether it's fall or spring. Others are highly sensitive to that. Another thing that you have to account for is pumping by others, recharge by others. So there are definitely methods to do that.

(00:44:08):

And again, usually if we're tasked with that, we try to get as much information as we can with all those different pieces that allow us to come up with kind of a good estimation. Is it precise? Absolutely not. But it definitely gives you an idea of. It's almost like it's a way of screening or doing a feasibility of a well-filled project. Is this a go or no go? In other words, we see a lot of risk with this. Let's reconsider or no, it looks fine. We should be okay. So there are means of doing this.
Speaker 3 (00:44:48):

Okay. Thank you. Thank you. More comments? Yes.
Speaker 2 (00:44:53):

Tom. You made it.
Speaker 16 (00:44:58):

So Tom Schuchuk, also part of the Water Vision Working Group. So Javier, I'm a numbers guy too. And I've been studying this stuff for the past two years. So if you and I want to get together, I will give you all the data that I got.

(00:45:13):

So we already reviewed this study, Jessica and Joe, in the Water Vision Working Group, and we pretty much eliminated RM2 and RM4, which are over by the Green Park on the south side because of the low flow rate. We've also eliminated RM3 because of the access. It's on the south side of the river on Schneider's property and the access is just too hard. So we're kind of left with RM1, which is in Stonehouse Park. And Rod and I talked about, do we even need that to be potable or do we just use that well just to water Stonehouse Park? And then we don't even have to pump it to filter it and get it back. We might even be able to take straight Wellwater and water Stonehouse Park and save 50 homes worth of water that is used in Stonehouse Park. So that's kind of what Rod and I had talked about for RM1.

(00:46:19):

And ARM six is the one right out here at the corner of this property that would then be pumped right into the lakes, which would then go to the golf course property. And then maybe the golf course property could be sharing the recycled water that goes there with other parks and RMA. So there's a lot of intricacies that go along with everything that is going here. Of all of these, ARM five is the best one along with Testhole A and Testhole B and LSCE 1988. So they're all down on the Equestrian Center or Breeze property or airport property. So those are the ones when you merge all of these studies together. These are the ones that we're really the most serious about. The Dunn proposal that was not funded last meeting was to actually look in village B and Village C, to see if we could find some water closer to the lakes, to the reservoir.

(00:47:24):

So it would cost us less money to pump it from the wells into the reservoirs during the drought year. So that's why the Water Vision Working Group is recommending that we follow through with the Dunn study proposed to see if there's any, what the potential well water would be in village B and in Village C, which is much closer to the reservoirs. And then Jeff, you even mentioned one other site over by the subway, by the gas station next to the river. It's just outside of that ion zone or whatever.

Speaker 4 (00:48:02):

Floodplain.

Speaker 16 (00:48:03):

And again, that might be cheaper to get back to the lakes closer than from the equestrian center or from the airport property. So there's a lot of stuff going on. We have a lot of work still to do. But I think Jessica and Joe, thank you. You guys did some great work here. And now we're going to just take that and integrate it with everything else and maybe do some more work to make a firm recommendation. First, close in the vision group, bring it to improvements committee, and then eventually bring it to the board for approval before we spend any money drilling any testholds. And then finally to your question, one of the wells has to be bi-directional so that in wet years we actually pump water down into the aquifer. And so for 50 years in a row, had we had the well, we could have been pumping water down in the aquifer and being a good neighbor to all of our folks downstream.

(00:49:03):

For the one year or two years or three years we have a drought, then we will draw it out from the aquifer. So we'll be pumping more, if this is how it works out, we can actually pump more water down into the aquifer than we'll ever need to draw up. So that's to answer your question, John, on the aquifer reduction. We should be trying to raise the aquifer.

Speaker 4 (00:49:28):

Recharge.
Speaker 9 (00:49:29):

Yeah. And
Speaker 16 (00:49:30):

Recharge. And then we just, like a bank account, we draw out of it the one or two or three years, every 50 that we need it. But the rest of the years, we push water down so that the aquifers fills up.
Speaker 15 (00:49:47):

Tom, do you know what the state would say if we said that we were going to pump water out? Tom?
Speaker 16 (00:49:55):

Oh, sorry. Sounded behind me. Go ahead.
Speaker 15 (00:49:58):

Clever once. Do you have any idea if the state would allow us to recharge the aquifer using water we'd draw out of the river? I mean, that's basically what you're talking about, right?
Speaker 17 (00:50:11):

Yeah.
Speaker 15 (00:50:12):

Yeah.
Speaker 2 (00:50:12):

Maybe Joe Kingsbury knows that. Do you know, sir, what the state would say? We
Speaker 16 (00:50:16):

Could also put a well very close to one of our reservoirs and pump it down.
Speaker 15 (00:50:21):

Well, it's controlled by regulation, not by fluid mechanics.
Speaker 16 (00:50:26):

I mean, would we have to get approval? Sure.
Speaker 15 (00:50:28):

Yeah.
Speaker 16 (00:50:29):

But given the scarcity of water in this area -
Speaker 2 (00:50:34):

Thank you for your comment, sir. Joe, what -
Speaker 16 (00:50:38):

Go
Speaker 2 (00:50:38):

Ahead. May I? Yeah. Joe, what would the state say if we pumped water from a well and sent it immediately to recharge the aquifer?
Speaker 15 (00:50:46):

Pumped it from the river.
Speaker 2 (00:50:48):

Oh, pump the water from the river. I'm sorry.
Speaker 15 (00:50:50):

The river. And pumped it down into the aquifer.
Speaker 2 (00:50:53):

And pumped it into the aquifer.
Speaker 11 (00:50:55):

Is this for an adjudicated basin?
Speaker 2 (00:51:00):

What's
Speaker 4 (00:51:00):

An adjudicated
Speaker 2 (00:51:00):

Basin? Well, what's an adjudicated basin is a good question.
Speaker 8 (00:51:03):

I
Speaker 2 (00:51:03):

Don't believe
Speaker 4 (00:51:04):

We are.
Speaker 11 (00:51:04):

No,
Speaker 8 (00:51:05):

We're not. No. No, they're not.
Speaker 11 (00:51:08):

The adjudication, it's the water rights, established water rights. If it was adjudicated, the state would definitely have an opinion on that. And you would probably be constrained. With respect to just the concept of diverting or whatever the source of that water is and using, as I think Tom was describing, we call it an ASR well or aquifer storage and recovery well. So it's a well that you can inject water into the groundwater and then extract it again at some other point. There are regulations associated with the water quality. So for example, I know we didn't mention this, but let's just say it's treated wastewater and it's treated to a tertiary degree. Then there's regulations that you have that you would need to apply for and obtain a permit from Division of Drinking Water and probably the State Water Resources Control Board. And that's all established criteria and processes that you can look into.

(00:52:18):

So that, yes, there is definitely opportunities for that, but you would have to follow the. There are regulations that you would have to abide by.
Speaker 2 (00:52:32):

Okay. Oh, go ahead. And Patrick Enriter, our general counsel has a question. Bark
Speaker 8 (00:52:38):

On it. But this is river water. We're not talking about tertiary water from the wastewater treatment. So wouldn't those be pretty minimal? I mean, that's the cleanest water we can find. That's why that's the preferred method.
Speaker 11 (00:52:52):

Yes. So all different types of water quality, they'll have a different requirement, regulatory requirement. Yeah.
Speaker 3 (00:53:04):

Further question. Go ahead.
Speaker 4 (00:53:05):

I have a question for Jessica. On that property behind Clementia, I think somebody said village B and C. Have we looked at that in any way?
Speaker 2 (00:53:19):

I think you're
Speaker 10 (00:53:19):

Talking about to the northwest of THB and THA. Is that correct?
Speaker 2 (00:53:25):

No, she's talking about the Lake Clementia over on the.
Speaker 4 (00:53:30):

North.
Speaker 2 (00:53:31):

In the non-water bearing area.
Speaker 10 (00:53:36):

Are you talking about the hatch zone to the northeast?
Speaker 7 (00:53:41):

Yes.
Speaker 10 (00:53:42):

Yes. Okay. No, that area is considered outside of the groundwater basin, meaning there would not be a significant waterbearing zone. So that area was not evaluated.
Speaker 4 (00:53:56):

Okay. Thank you.
Speaker 1 (00:53:58):

And Jim Farrell.
Speaker 3 (00:54:00):

Jim. Oh, there you are. Okay.
Speaker 17 (00:54:04):

Jim Farrell, I just want to thank Tom. My question was really the same one you had about Stonehouse Park. I was wondering the economic feasibility of actually putting in a less expensive well and just using the raw water to water the park. And then thereby you don't have to use your potable water for that. You can now divert that for some other purpose. But the other question that I have is more related to, I see the hundred year floodplain as a screening device on here. Is that primarily because you're thinking about how building a well on the site or are there limitations of drilling within the hundred year floodplain or in close proximity to the river?
Speaker 10 (00:54:43):

Yeah, no, it's considering if we find a location that we find suitable hydrogeologic conditions and we say, "Hey, this is the sweet spot. We think a well would be phenomenal here." Well, drilling and installing a well within that FEMA hundred year floodplain. It is not exclusionary, but there are additional realms of permitting that one will have to go through to actually install a drinking water well within that boundary.
Speaker 9 (00:55:13):

Thank you.
Speaker 11 (00:55:13):

Let me add to that. The other is the wellhead feature. So in other words, if you're in a designated floodplain area, there's an elevation established for that. So your wellhead, your concrete pedestal

would have to be at a certain elevation to provide public safety for that wellhead. That's how the state looks at it. Interesting.
Speaker 3 (00:55:37):

Any further questions?
Speaker 7 (00:55:40):

One comment to follow up on what Tom said about Jeff. Jeff's suggestion was that we look at that area. How would you describe that?
Speaker 13 (00:55:53):

I would say the next, well, the basin, north end of the basin that's next to the pet hospital.
Speaker 7 (00:55:59):

Yeah. And the key word there is basin. It's a drainage basin that the CSD will eventually own. So it's CSD properties. That seems to be an important part of this discussion.
Speaker 3 (00:56:20):

Anything else? That's it. Thank you folks very much. We appreciate it.
Speaker 12 (00:56:25):

Thanks.
Speaker 10 (00:56:26):

Thank you. Thank you very much everybody. We appreciate your time.
Speaker 15 (00:56:29):

Have a good evening. You
Speaker 10 (00:56:30):

Too.
Speaker 4 (00:56:31):

Thank you so much. We
Speaker 10 (00:56:31):

Appreciate
Speaker 15 (00:56:32):

Your time.
Speaker 3 (00:56:35):

Okay. Yeah, you're on, sir. Okay.
Speaker 2 (00:56:42):

No, we want you to stand up.
Speaker 15 (00:56:43):

Amelia?
Speaker 2 (00:56:44):

Yes,
Speaker 15 (00:56:44):

Sir. I couldn't find the water presentation in the packet.
Speaker 2 (00:56:49):

Thank you for mentioning that. The water presentation was just sent to us this afternoon. So it is available on the website.
Speaker 3 (00:56:58):

Item eight. Brown Act.

Speaker 8 (00:57:00):

So this is a - Brown

Speaker 3 (00:57:01):

Act training.

Speaker 8 (00:57:02):

Yeah. This is an update on the Brown Act. And also I approve in Senate Bill 827. Both SB 707 and SB 827 were enacted last year by the legislature. And SB 707 is probably the most significant. Can't you hear me? It's the most significant updates

(00:57:26):

To the legislation at least since the mid '90s to the Brown Act. And SB 827 are new requirements for fiscal and financial training for public employees and elected officials. Next. So I'm just going to give a brief overview of the Brown Act. The Brown Act covers all open meetings of legislative bodies throughout the states, cities, counties, special districts of all kinds. All meetings, of course, must be open and public. They apply to the board of directors and all of the standing committees of the board. There's of course notice and agenda requirements, which we comply with. Agendas have to be posted at least 72 hours before a regular meeting and 24 hours for a special meeting. And action can only be taken on items appearing on the posted agenda.

(00:58:29):

Public comment. The public, of course, has an opportunity to address the body on any of the agenda items before the action is taken. That's a key ingredient before it is taken. Non-agenda public comment may also be permitted on matters within the body's subject matter jurisdiction. So generally anything that the governing body has jurisdiction or has authority over. Closed sessions are permitted only for specific topics. Among them are of course litigation, real property negotiations, labor negotiations and personnel matters to name a few, but those are the primary ones. It must be listed on the agenda with the statutory authority cited and general counsel needs to attend to advise. Reports out are required after the closing session when the final action is approved or in the case of some things when the board approves it in open session, like a real estate agreement.

(00:59:28):

There are cure and correct provisions in the Brown Act. Any person may demand that the legislative body cure and correct an action that they believe has been taken in violation of the Brown Act. The board gets the opportunity to cure it if they agree. They have 30 days within 30 days of the action, 90 days for a secret ballot, which shouldn't be occurring. Bodies have 30, like I said, have 30 days to cure it. Failure to cure exposes the Action to civil challenge so somebody could file a court action. Null and void actions. A court may declare an action taken in violation of the Brown Act null and void, which would mean you'd have to redo the action. It has no effect. And it applies when cure demands was made and not cured or when the action was taken in open session that should have been taken in closed session or vice versa.

(01:00:28):

Next, the Brown Act also does allow for the district attorney or any interested person to seek an injunction to stop or prevent violations. And the prevailing plaintiff, if they prevail, may recover attorney's fees. There's also certain criminal penalties for attendance in an unlawful closed session. I haven't seen any criminal activities. You would have to show that the intent and that you're knew you're in violation, but they are a possibility. Next.

(01:01:02):

So SB 707 made some very discreet but important updates to the Brown Act effective as of January one, 2020. I want to be clear that a lot of these are like the floor. The board can do more than what is required by SB 707 and the Brown Act now, but these are the minimum that need to be done. The district, this is a new requirement. We must provide a copy of the Brown Act to every person elected or appointed to a legislative body. This has been generally done, could be

(01:01:40):

Either a hard copy or be done electronically, but you need to receive a copy of the Brown Act. It clarifies authority to warn and remove disruptors and applies equally to remote participations if that's an option that you have. So it makes it a little easier to remove people who are disrupting the meetings. Special meetings agendas must now be posted on the district's website. I think we are already doing that, but that's now a requirement of the Brown Act. The district must, before a final action, verbally report out compensation for department heads and similar administrative officials. This expanded the scope. It used to be just the executives, so the city manager, general manager, whatever the county calls them, chief executive officer. Now it's been expanded to include most department heads. Also as to that their compensation need to be reported out. Next, allows for members of a legislative body with a disability to request a reasonable accommodation to appear remotely.

(01:03:00):

If you do do it, so right now we don't allow remote at all. So if we did have the issue, we'd have to somehow see how we could arrange for this. The person who is appearing remotely would have to disclose whether anyone 18 or older is in the room. Disclosure is made to the body at the start of the meeting and applies each time the member participates remotely. Must be able to use both audio and visual technology during the meeting unless disability prevents such participation. Person with a disability is treated as physically present for all purposes. So they count as part of the quorum.

(01:03:49):

No posting of the agenda or public access required at the remote location. So you won't have to physically post the agenda. Now this is for a member of a legislative body with a disability. So it's to make reasonable accommodation in those cases. Next. Also, there's alternative teleconferencing meeting requirements. They provide uniform rules for this. Now right now we do not allow for alternative teleconferencing meeting requirements, but if we did, these types of rules would apply. So it allows for virtual participation. Must use a two-way audio visual platform or a two-way telephonic service and a live broadcast of the meeting. So what I see most public agencies have now is whether it's through Zoom or Teams or whatever the mechanism where people can both listen to what the meeting is doing live and they can also call in with questions. So during public comment, you get comments both from people who are physically here as well as comments from members of the public participating remotely.This

Speaker 4 (01:05:02):

Says when a board member participates remotely.

Speaker 8 (01:05:07):

That was the last slide. Yeah.

Speaker 2 (01:05:09):

No, it says it right there.

Speaker 8 (01:05:10):

It

Speaker 2 (01:05:11):

Applies when a board member participates remotely.

Speaker 8 (01:05:18):

Oh, okay. Yeah. Yeah.
Speaker 3 (01:05:24):

I can tell you though, Patrick, I sit on the CPAC for and we now are required to do this as a county organization. I've never seen it for board members. We have a larger board, so we operate with a quorum. But when folks want to call in remotely and we have to have the ability and we have to drag it with us to Dillard Road, they have to have that ability to call in and we have to have the ability to answer their questions.
Speaker 8 (01:06:03):

Most public agencies do it anymore. Yeah. Yeah.
Speaker 4 (01:06:07):

Differentiating between the board
Speaker 8 (01:06:10):

And
Speaker 4 (01:06:11):

The public.
Speaker 8 (01:06:12):

Right. So this would just apply to a board member, but if we did have remote, we'd have to have a two way system. So yeah. The notice must state how the public can access the meeting and offer public comment. And the public must have an opportunity to provide comments in real time. And the minutes must list the member who participates remotely and traditional teleconferencing rules do not apply. Next. During COVID, and part of SB 707 was to clean up the legislation, the emergency legislation that was adopted during COVID. COVID created something called a just cause way because of COVID and people could not attend in person and a lot of the meetings weren't even in person.

(01:07:07):

So to have just cause, first of all, if a member does use just cause, you still must have a quorum who are physically present in the meeting location. It consolidates what used to be the just cause under the COVID legislation to include care taking or contagious illness that you have, et cetera, or an emergency circumstance, physical or family medical condition. So it sets forth standards and it's one uniform standard as to apply for just cause. The maximum you can do it is two times per year if the meeting is once a month or less, and it's higher if you meet more frequently. Minutes must identify basis for the remote participation and the live webcasting not required if call-in option provided for public comment. And obviously the entire legislative body cannot meet remotely since a quorum needs to be present. Next. Expanded meeting accessibility requirements. Now this applies to eligible legislative bodies, which the Rancho Marietta Community Service District does not fit within the definition.

(01:08:31):

This is if the boundaries of the district include the entirety of a county with a population over 600,000, which we would qualify as Sacramento County. But the special district also must have over 200 full-time employees, which we would not qualify for. Or the special district, no matter what county you're in, has over 1,000 full-time employees. Or the special district has annual revenue over, good Lord, 400 million I guess. And over 200 full-time employees. Marancho Marietta doesn't meet any of the eligibility requirements. But the general requirements for a legislative or for an eligible body, if we were, is you need to have a hybrid meeting required, public participation via two-way telephone service or two-way audio platform, adopted service disruption policy, including procedures for recessing and reconvening a meeting. If you lose access in the middle of the meeting, which I recently had with another agency. We took a 10 minute break until it was brought back online.

(01:09:46):

Provides public assistance for public meeting translation interpreters, provides translated agenda materials and promotes public participation.

(01:09:59):

Well, it's not technically. We are not ineligible, so we don't have to do this, but we could certainly look at doing some or all of this in the future. Next. Our current practice is of course we require meetings in person. There is no remote participation currently authorized. The meeting is recorded and posted to the district's website the following day. This practice is commendable, but satisfies no current legal posting requirement. We wouldn't have to do that. The live webcast is required only when a board member participates remotely. It is not triggered by in-person only meetings. The policy gap requires the board of procedures for disability accommodation and just cause remote participation, but defaults to the traditional rule for in-person attendance.

(01:11:03):

Remote participation policy, this is just kind of some of the recommended policies that could be adopted for a remote participation for a board member. Next. So the other thing I want to talk to is just briefly about the fiscal and financial training. So this is a new requirement, kind of similar to what we'll call AB 1234. It's the ethics training, which the board members and many staff members have to take every two years depending on ethics. This is focused on fiscal and financial training. So this is a new biannual requirements, two hours, just like the other training. And it's for all local officials. It includes elected officials, appointed officials, department heads, and designated staff. Board members are definitely local agency officials and are required to take the training. Training will cover the public finance, including municipal budgeting, financial reporting, capital financing, debt management and ethics of safeguarding public resources.

(01:12:19):

Officials in service, officials who are currently in place as of January one, 2026 have two years to complete the first training. Must do it by January one of 2028. Officials who begin service, so if somebody's elected in November or you get a new employee who this is covered, they must complete the training within six months of their start date.

(01:12:49):

The California Special Districts has an on demand training and they also have a live webinar on June 17th, which you're all eligible. And it's free for CSDA members, which the district is a member. So I believe it'd be free for

(01:13:07):

All members. Next. So which officials would be covered by it? The statutory filers, the board level officials who file 700s in general. The board members, the five members, the interim, the general manager, the district secretary, which I believe is a position traditionally held by the general manager. Designated employees. So this would be the director of finance and administration, director of operations, accounting managers, basically security operation manager. Anybody dealing with budgets or financial matters would be required to take the training. As far as finance department staff, probably the rank and file are not covered. Only the accounting manager or as designated by the conflict of interest code filer is required to complete the training. And this is also a good opportunity to take a look at our conflict of interest code and amend it as need be. The last time we did that was 2023. Right now we've got several positions that have been renamed, what have you.

(01:14:25):

So it'd be a good time to take a look at it and see which officials should be doing the training. Right now we got the director of administrations, a security supervisor. Those titles no longer match their current

positions. And so in the next couple months we should probably look at updating that. Next, I think that's it. Next. And that's it. Any questions?
Speaker 3 (01:14:53):

Are there specific cutoff levels in terms of like you had the one on there for 400 million and 2,000 employees? 50,000. I mean if you run a cemetery district, do you have to still do all this stuff?
Speaker 8 (01:15:08):

Well, you still got to do the basic requirements. You still got to comply with the disability. If you have a member who's disabled, you don't have to comply with the remote thing for the public in general. That's to accommodate a disabled member.
Speaker 9 (01:15:23):

Okay.
Speaker 8 (01:15:24):

Disabled member on the body.
Speaker 4 (01:15:28):

The American Disabilities Act. Pardon me? I'm sorry. They had some requirements that they anticipated would begin for April 26, 26, and then it was moved to 27. And for people and districts that are under 50,000 people and under, it's not until 2028.
Speaker 8 (01:15:53):

Right, right. They got different thresholds depending on the size of the district.
Speaker 3 (01:16:01):

Questions? Comments? Public comments?
Speaker 1 (01:16:04):

Public comment from Ms. Gill.
Speaker 8 (01:16:09):

Go for it. Yeah, I'm sorry. I don't need to take the microphone.
Speaker 12 (01:16:19):

Patrick, is there any reason why the district couldn't choose to livestream meetings? Is there anything that precludes that? No,
Speaker 8 (01:16:28):

There's not - Money. Well, besides money, but no, there's nothing legally. Yeah. Yeah. Like I said, those are minimum standards. You at least got to comply with that, but you can go beyond what the requirements are.
Speaker 3 (01:16:45):

Anything further?
Speaker 1 (01:16:47):

That is it.
Speaker 3 (01:16:48):

Thank you. We'll move on to item nine, the consent calendar. All items in this agenda will be approved as one motion. If they are not excluded from the motion, adopting the consent calendar. Is there anything in item nine A through K that a director would like to remove and discuss individually?
Speaker 4 (01:17:11):

Yes.
Speaker 9 (01:17:15):

Go ahead.

Speaker 4 (01:17:16):

Item C? I want to review or understand that we are going forward with that, correct?
Speaker 2 (01:17:27):

Yes.
Speaker 4 (01:17:27):

And
Speaker 2 (01:17:27):

That'll stay on the consent calendar until the work is all completed.
Speaker 4 (01:17:32):

Okay.
Speaker 2 (01:17:33):

Patrick says we have to do that.
Speaker 4 (01:17:35):

And has the work started?
Speaker 6 (01:17:38):

No, it has not. There is the kickoff meeting, which is tomorrow, and it's scheduled to begin July 1st.
Speaker 4 (01:17:47):

Okay. And then the next one would be item E, discontinue work on Rio Oso. I know that you wrote a proposal on that. Could you just do a quick review?
Speaker 6 (01:18:00):

Correct. So what I'm asking to do is I want to stop further

(01:18:11):

Study, drawings, everything on the Rio Oso valve project. But I would like to continue the communications part from the tanks. And this lightning storm we just had that blew out our communication from the VanFlik tank. We actually had a staff member sit at that tank all night long because it was spilling and we had turned the plant off. So we need to get more reliable communication, whether it be radio, cell, whatever is more stable and that we can utilize here. So I would like that part of the task order that was given to Joe to continue to move forward and just at this present time, stop any further spending on the valve project. The valve project was slated to be completed and working by the start of this summer. And obviously that's not realistic. So if we find out that this summer that we are spending a lot of time, staff hours, moving that valve to make it work, then that can be something that can be brought back to the improvements committee after the summer and talked about.

(01:19:45):

But that's my recommendation at this time.
Speaker 4 (01:19:49):

Okay. Thank you. The other thing is H&I, two job positions, equipment mechanic, and it was not senior accountant. That was on there twice. Senior accountant. Is -
Speaker 2 (01:20:03):

It
Speaker 4 (01:20:04):

Wasn't senior accountant.
Speaker 2 (01:20:05):

Oh, it's the staff accountant that you.

Speaker 4 (01:20:07):

Right.

Speaker 2 (01:20:08):

Cecilia, do you want to add a position for a senior accountant or a staff accountant? No,

Speaker 4 (01:20:14):

She wanted two. Staff accountant and senior accountant, but under H, approved two job positions was equipment mechanic. And then there was another job description. It wasn't -

Speaker 2 (01:20:25):

So the job description for equipment mechanic is not changing. It's the same.

Speaker 4 (01:20:30):

Right.

Speaker 2 (01:20:30):

She's changing two job descriptions. One's for the senior accountant, one's for the staff accountant.

Speaker 4 (01:20:35):

Okay. They're senior accountant in both H and I.

Speaker 5 (01:20:38):

Those are positions.

Speaker 2 (01:20:40):

Those are positions. We want to bring two new bodies into our family. One is an equipment mechanic. One is

Speaker 4 (01:20:48):

For water operations, one is for financial. So we don't have a senior accountant under water operations.

Speaker 3 (01:20:55):

But they're approving job descriptions in one and positions in the other.

Speaker 2 (01:21:01):

The positions is to add two more people to our team.

Speaker 18 (01:21:05):

So H.

Speaker 2 (01:21:06):

Three more people. Go

Speaker 9 (01:21:07):

Ahead.

Speaker 18 (01:21:09):

So this is kind of confusing. Did

Speaker 2 (01:21:12):

I make a mistake?

Speaker 18 (01:21:13):

No, no, no, you didn't. But approved two job position is H. So the two new position for the next fiscal year are equipment mechanic and senior accounting. But I is just approving the job description, not the position, because I rewrote both positions. Okay. So it's two different things.

Speaker 4 (01:21:35):

New job description. Two new job descriptions? Okay.

Speaker 3 (01:21:41):

So you'll have descriptions for unfilled positions.
Speaker 4 (01:21:44):

It just looked like we were doing two different things. Okay. Okay.
Speaker 3 (01:21:49):

Okay. Any more? Any further on J and K? Can we now consider, Patrick, that these have been satisfied and vote on all of these in one motion?
Speaker 8 (01:21:59):

Nobody's pulled an either.
Speaker 3 (01:22:00):

Yeah, we didn't pull it. We just clarified. Okay. Can I get a motion to do that, please?
Speaker 4 (01:22:05):

I move that we approve the consent calendar.
Speaker 3 (01:22:07):

Second, please.
Speaker 15 (01:22:08):

I second it. Roll.
Speaker 1 (01:22:11):

Director Butler.
Speaker 4 (01:22:13):

Yes.
Speaker 1 (01:22:13):

Director Gear?
Speaker 15 (01:22:15):

Yes.
Speaker 1 (01:22:15):

Director Janko?
Speaker 7 (01:22:17):

Aye.
Speaker 1 (01:22:18):

Director Mabe. Aye. And President Merchant.
Speaker 3 (01:22:20):

Yes.
Speaker 1 (01:22:21):

Thank you.
Speaker 3 (01:22:23):

Item 10, review district meeting dates, times June 2026.
Speaker 1 (01:22:27):

Sorry. It's all right.
Speaker 3 (01:22:31):

I lose my discount with my daughter. There's two meetings on here that are left uncanceled. We have heavy use of this room during the election season.
Speaker 2 (01:22:43):

Exactly. They'll be here tomorrow. I believe they start opening the doors and letting voters in on Saturday, and they'll be here throughout until Tuesday evening. And then they don't come and get everything again until Thursday. So we'll see this again in November.
Speaker 3 (01:23:02):

Okay. So is there any conflict with anything as it exists? That would be Randy and Bill primarily.
Speaker 7 (01:23:10):

No,
Speaker 3 (01:23:11):

We're good. Okay. Okay. All right. Then we will move on to 11 correspondence. Is there any - If
Speaker 2 (01:23:19):

There's correspondence in the packet, sir?
Speaker 3 (01:23:21):

Yes. Is there any comment or questions or public comment on correspondence?
Speaker 2 (01:23:28):

Any questions? Any comments on correspondence? No.
Speaker 3 (01:23:32):

Okay. Very well. Staff committee reports. General manager report. All
Speaker 2 (01:23:36):

Right. Thank you so much.

(01:23:38):

I am, yes, including security and IT. I will make this brief. The most important thing, the number one thing that I've mentioned is the board election, a historic turning point. So this November registered voters will elect four new board members coupled with the upcoming hire of a new general manager and director of operations. This election marks a major turning point for our district. We encourage any resident interested in local government. Of course, they have to be registered to vote here. To come in, to go down to the county, the website is right there. And the address between July 13th and August 7th to pick up the paperwork. I think it costs $250 to throw your hat in the ring. So talk to your friends. If you have, I don't know, some extra time. It's at least one board meeting a month. And if you want to be on a committee, then there's a committee meeting too.

(01:24:36):

So we are very excited about all the changes coming up. Next would be the executive recruitment. Our recruitment partner, Peckham McKinney, reports strong interest in the general manager position. They'll close the recruitments on all the newspapers. Well, I guess we don't use newspapers anymore. May 31st, then they'll start a review period of all the candidates they've got. Weed out their top candidates and the board will start to be able to meet with those top candidates the middle of June. So we're excited about that.

(01:25:15):

We remain focused on unwinding the FSAs with our development partners. HR2Go is working on a new personnel manual, updating the old one and putting all the personnel related policies into that manual. We're hoping to have that in July for the board. It's a big, big, big product, but it will bring us into compliance. We've just heard about SB 707 and we've had an emergency sewer main repair and the financial reality of that. We had a major break in a sewer line. It's on the agenda later on. I mostly want to thank staff who go out again and again in the middle of the night, stay all night, do everything necessary to make sure that water doesn't spill into our river, that we all have water and sewer services all the time. The dedication is overwhelming. I appreciate it very much. And Travis will speak to the details of that incident later.

(01:26:24):

For the security report, a few key things. The key services from your Murietta Village have been discontinued. And Brandon writes, "The need for updated gate entry technology has been identified as a priority. Modernizing access control systems would support the community's continued growth and provide operational efficiencies. Specifically automation during low traffic hours from 10:0 PM to 6:00 AM has the potential to reduce man-hour demands and operating costs. At this time, fiscal constraints limit the department's ability to pursue new technology upgrades and capital improvements in the upcoming budget cycle. However, modernization of gate access systems and related infrastructure remains a priority and will be revisited in the future.

(01:27:17):

And for the IT report, Andy and Travis have been working on all of the spreadsheets are in the packet for those of you that want to dig into the security department and what they've been doing. Travis and Andy and AT&T and AIC have completed work installing dedicated hardware that utilizes the existing copper telephone infrastructure wiring to provide connectivity to SCADA sensors at the water plants, which is what Travis just talked about going down over the weekend or yes, a couple days ago. Staff is currently undergoing cybersecurity training. We've put in wifi access points, this little white guy up here with the blue ring in the middle. He is helping us in the room get better wifi access on the guest wifi. We only have a couple of computers left that need to have the Windows 11 installation. That's because staff needed more computers and we bought more computers.

(01:28:23):

Oh, I'm excited about this one. We're looking at when the network fails here, that means that we lose the gates. So the gates don't work anymore. And we have to basically open the gate and let everybody in. We don't have access to those programs that are check people in and out. So Andy's been working on a network failover for Greenfield, who's our internet provider, using Starlink. And so that means that if Greenfield went down, Starlink would automatically pick it up and there would be no loss of connectivity and loss of gate working. So that's important. Working on upgrading, always working on upgrading the surveillance systems. We are still replacing the hardware that goes from this building to the water treatment plant to give them wifi connectivity in the back. We're updating inventory and disposal of equipment. He's got a nice spreadsheet in here. Any questions?
Speaker 3 (01:29:24):

Questions?
Speaker 7 (01:29:26):

This is probably for Cecilia. Current staffing levels, security seven, six, four, 17 total employees. Is that
Speaker 2 (01:29:40):

Within
Speaker 7 (01:29:41):

Our revenue from the taxes?
Speaker 18 (01:29:44):

No. What number are you quoting from?
Speaker 2 (01:29:46):

So he's looking at page 172, which is Brandon's report. And that's our current staffing levels. So that is still being
Speaker 18 (01:29:57):

Taken out of this year's budget. I We'll have a more updated information for you during the budget
Speaker 7 (01:30:03):

Process. Patrick, what was the resolution that we passed last month regarding using property taxes?
Speaker 4 (01:30:15):

We're not using property taxes.
Speaker 15 (01:30:18):

No, it's discretionary money from the county, Randy.
Speaker 2 (01:30:23):

And the board voted that that would not be used for the security department, that it would go into reserves. It were
Speaker 9 (01:30:29):

Not.
Speaker 7 (01:30:30):

That was a resolution that passed.
Speaker 2 (01:30:31):

It was not a resolution. No, sir. It wasn't a motion. It was just a motion. It was an item on the agenda and a motion. So I don't remember. I thought that we just talked about it and Cecilia talked about it and the security department.
Speaker 15 (01:30:46):

I think it was an action item.
Speaker 2 (01:30:47):

It was an action
Speaker 15 (01:30:48):

Item on the
Speaker 2 (01:30:48):

Agenda.
Speaker 15 (01:30:49):

Yeah.
Speaker 2 (01:30:50):

When the board voted on it.
Speaker 8 (01:30:52):

I don't believe we had a resolution. So we won't
Speaker 2 (01:30:55):

Be using property taxes to support the security department in the 26 - ' 27 budget cycle.
Speaker 8 (01:31:04):

But we could definitely formalize it and put it in a resolution. It may be part of the budget process next month.
Speaker 7 (01:31:12):

We approved the annual unrestricted revenue allocation. I guess it was just a motion that passed, but I don't see - I though we approved it
Speaker 4 (01:31:25):

To go to reserves. I
Speaker 7 (01:31:26):

Don't - We
Speaker 4 (01:31:26):

Approved it to go to reserves.
Speaker 7 (01:31:29):

Right. And not be used for security. That's my question.
Speaker 2 (01:31:32):

That's exactly
Speaker 7 (01:31:33):

Correct,
Speaker 2 (01:31:34):

Sir. And we're saying
Speaker 7 (01:31:34):

That - And that's the direction that we're taking. The money we're spending right now is above the revenue budget from the taxes, and it's coming from where?
Speaker 2 (01:31:52):

Well, it's in this year's budget. And so next year, the revenues received in the 26 - ' 27 budget cycle will not be used for security.
Speaker 7 (01:32:02):

But that's not what we passed last month.
Speaker 18 (01:32:05):

It
Speaker 2 (01:32:05):

Is.
Speaker 18 (01:32:07):

The direction that I took from you is to balance the budget and not to tap into the reserve money in the property tax. And that's the direction that I took in compiling the NICS budgets. And I will have a budget update towards the end of this board meeting, which you will be able
Speaker 7 (01:32:27):

To see. The motion that passed didn't have anything to do with future budgets. Oh, it did. I'm sorry. It is for future security budget. Operating expenses be reduced to match the. So we're going to have - I got it.
Speaker 2 (01:32:46):

Thank you.
Speaker 7 (01:32:48):

Thank
Speaker 3 (01:32:48):

You. So to clarify, we're not spending or we're not budgeting for anything over and above the amount of revenue collected by Measure J Tax.
Speaker 2 (01:32:59):

That's exactly right.
Speaker 3 (01:33:00):

Correct. Okay. Okay.
Speaker 18 (01:33:05):

My turn?

Speaker 3 (01:33:06):

Yes. Your back right?

Speaker 2 (01:33:08):

Thank you so much. Yes. Yes,

Speaker 3 (01:33:09):

Ma'am.

Speaker 18 (01:33:10):

All right. So the audits, the two years audit, fiscal year 23, 24. We started the audit last week. And right now we have a lot of questions from the auditors. So my staff and me are trying to tame the auditor's question and answer to all their query. And at the same time, we are preparing for the financial statement and also budget versus actual analysis, which is a require statement for the audits. So I think the two audits should be completed within three months, but I don't control the auditor's schedule, but they think that it should be fine. So while we are preparing for the two audits, once we get to the point that they're almost done, then we'll start the fiscal year 24, 25 preparation for the accounting. And to make sure that this audits start on time, I'm stopping all other project, but just concentrating on audit audits.

(01:34:25):

So this show you that there are a lot of the processes are complete 100%. And the stuff that we're working on right now is fieldwork testing, financial statement preparation, and hopefully issue the first draft. And then if you can go to the next page, so you can see that all the tasks that we want to do, they're mostly completed except for the budget versus actual analysis. If you go further.

(01:34:58):

So this is just showing you the budget process where we're at. The last few thing is today. What we will be going through is the prop 218 and then the presentation of budgets once to 218 results are known. And the next slide here, I just want to talk about the status of finding from the last audit. We had material weaknesses noted in the last fiscal year, June 30th, 2022, and also significant deficiency. So I want to talk about that. If you can go to the second page. So the first one that you see, these finding will continue to be reflected in the audit results for the next two fiscal year. And the first one is timely record keeping. Of course, I'm doing 23, 24. This will stay in the finding. The second finding is year-end closing procedure. This is referring to, are we closing the month with a schedule?

(01:36:03):

In those two years, we were not. So this finding will continue to stay in the next audit. Next page, please.

(01:36:12):

So the other finding is developer constructed infrastructure. The condition. This finding started in 2021 and 2020 audits. And it says that developer constructed infrastructure that is deeded to the district does not appear to have been recorded as capital asset. And one transaction was identified dating back to 2007. So when I will be working on fiscal year 25 and 26, I will be going back to 2008 and find out all the developer infrastructure donation and book it back. So that stay into the two year audit. And the next one is. So this finding here is new active customer accounts.

Speaker 9 (01:37:12):

Sorry.

Speaker 18 (01:37:14):

The finding was noted in 2019. We have not changed the system that much. So this finding will stay. Next page. Reserve and policy. The auditor want us to update our policy. As of this point, we have not done that. So this comment will stay. The next one is procedure menu. The district procedure menu have not been updated since 2010. So I have not gone through. My concentration right now is to finish the audit. So I've not gone through and really rewrite all the procedure menu. So this will continue to be a problem, a finding for us. The next one is AR aging report and customer account.

(01:38:05):

I continuously having problem with the same accounting system, the Tyler system. So these two comments will continue to stay. Risk assessment process, we have not started that. So this comment also will stay. Inventory. We have not done anything with the inventory system here, so this will continue to stay as well. Now the next few items, if you can go back up one more. So these few items will be fully resolved in this coming two audits. The first one is review of journal entry. Basically, there's a lot of writing here, but basically saying that the accounting department head did not review any accounting. So everything it's not done well. I'm here now. I've been reviewing everything. So this will be going in a way. The second finding is fund accounting system. This finding started in 2019. I have now installed the interfund module. So the fund accounting system, it's now working.

(01:39:12):

So this comment should be gone. The next one is general fund allocation.

(01:39:21):

I have to say this, we fixed it already through the interfund module and the fixed allocation process that we have now used in GP Great Plains. So this will be going away. Another one is our Bang reconciliation. Basically the auditor is saying that we've never done a Bang Rec. This is not done and our system does not accommodate. So in the past few months, I have already fixed that Bang Rec. It's now being done and it's automated in the Great Plains. So this finding should go away. Capital asset. Basically what this is, is we don't have a system in place to keep track of our fixed asset. Everything was done in Excel. This should go away because I've already turned on the module for fixed asset and we now have everything that was noted there that says we recommend having all these system. We have it now.

(01:40:17):

The last one is.
Speaker 4 (01:40:20):

Developer
Speaker 9 (01:40:20):

Deposit.
Speaker 18 (01:40:21):

Developer deposit. So this, we fixed it already. It's now documented well. So it should be going away. So I just want to manage your expectation that when you get the audit, you will still see from some finding, but we have made great progress in the finding. So here it is. That's my. Do I have a second page too? That's it. That's it? Thank you,
Speaker 4 (01:40:49):

Cecilia. You're
Speaker 18 (01:40:49):

Welcome.
Speaker 7 (01:40:52):

All set?
Speaker 18 (01:40:53):

Yep.
Speaker 7 (01:40:54):

Travis?
Speaker 6 (01:40:57):

This is my operations report. We'll start off with the water plant. In April of this year, plant one was the only plant that was online and we produced 33.8 million gallons of water throughout the month. Right now, currently, both plants are running and we are producing about, this says 1.73 at the time I did this. We're down to about 1.5. Obviously that goes up and down with weather and demand and usage. So we've been averaging this past week about 1.5. As of the end of April, the total water production for 2026 has been 120.8 million gallons or 370.9 acre feet.

(01:41:52):

Raw water storage, Grandley Pump Station is running. As it sits right now, I have one pump running. I'm just playing top off with the reservoirs. As of today's measurements, I've got a half an inch to the top of the boards in Chesboro. And I stopped to siphon because we would've spilled overnight, so I didn't want to do that. We've got about one inch in Colero and Clementia is full. So we will probably pump with one pump for the rest of the week and stop pumping for the season Saturday morning. And so this year we're able to top off and that's very, very nice. Below that is the amounts of water that we have available for potable treatment and total in the reservoirs. And then also in the wastewater storage. We are slowly but surely bringing that down. We are meeting the golf course's needs and we've also been sending water back to the VanFlex gray field.

(01:43:06):

So we are currently running at about 1.3 million gallons a day at the wastewater plant.

(01:43:16):

The next couple of pages are graphs that for storage for Clementia and for Chesbro and Calero. And also the pumping from Consumers for this pumping season. And then we have the two capital improvement projects that are both completely done. The hypochlorite conversion and the SCADA server replacement. The next page, Director Janko had asked me to put together a list of all the water storage and production and usage for both recycled water and potable water and then also storage into Grandleys. And those are the purple are the recycled. The light blue is the production. The green is what we've pumped from storage. Now what you want to pay attention to on the one that we've pumped from storage, there's the two lines, or excuse me, the two columns at the end of that. The second to last one is total for that physical year. The last one is the total for the pumping season.

(01:44:37):

Remember, the pumping season starts November 1st and ends May 31st. So that's what that number will calculate to be. It'll start in November the year before and end in May of that year. And then we have the total potable water production. This is based on. I need my eyes fixed. This is based on the reports that I get from administration from when they do the meter reads once a month.
Speaker 7 (01:45:12):

Could you make the font just a little bit smaller? I can exercise my eyes. I
Speaker 6 (01:45:19):

Know, but to be able to fit it on the page, because if I go down more, it looks weird. The
Speaker 7 (01:45:26):

Landscape.
Speaker 4 (01:45:27):

Yeah. I was going to say.
Speaker 6 (01:45:29):

Then it takes the whole report. It's

Speaker 4 (01:45:31):

Got to

Speaker 6 (01:45:31):

Be a win. You know what? For you, sir, I'll put an extra five minutes into it. Take care for it.

Speaker 7 (01:45:37):

Travis,

Speaker 14 (01:45:37):

If

Speaker 3 (01:45:37):

You're the man, don't worry about it. Just having them, looking at them like this is -

Speaker 6 (01:45:43):

Yes, sir. I can do a separate page of it and get it out so we'll have

Speaker 7 (01:45:50):

It. I appreciate what you did here. This is exactly what I had in mind.

Speaker 4 (01:45:55):

More information than we usually have.

Speaker 6 (01:45:58):

The wastewater plan, as I said, we are averaging, right now we're up to 1.3 million gallons a day with our average inflow of about 0.54 million gallons a day coming in. The next section is the utilities report for all of the work that they did throughout the month with changing out meters, flushing, marking lines for construction and stuff like that. Next, I have a list of current projects. The equestrian culvert repair, as we discussed earlier, the kickoff meeting is tomorrow and it is projected to start July 1st and to be done at the end of the month. All parties concerned we'll be meeting tomorrow to discuss that so we can move that forward. The whole 14 culvert repair, that started last Monday on the 18th. And it's my understanding that that is supposed to be done by Friday. Is it looking good?

Speaker 7 (01:47:16):

Yeah. They were putting the sod back on over the weekend.

Speaker 6 (01:47:22):

Okay, perfect. And then what VeerCamp is going to do some in the drainage ditch that's after that, they're going to do some cleaning. And there's been a lot of sediment in there and it kind of leveled that storm drain out. And so they're going to dig it out and make it to where the drainage is a lot better so it doesn't get stayed stuck in there. The Clementia Spillway, I spoke to Corey about this. We have to wait until water stops spilling from Clementia and it dries out. We're hoping to get that done in the middle of June. We have everything needed. That's going to be done in-house by staff. So once it's dried out and water stops going there, he'll get that scheduled to work. It's on his big whiteboard to get done.

(01:48:27):

I want to talk about the emergency sewer line break from Mainlift North. We have a line that flows from Mainlift North to the wastewater treatment plant. The line goes down Highway 16, crosses the street and goes over the yellow bridge, comes out of the yellow bridge, goes down Highway 16, crosses the street again, and then comes into the wastewater plant. There is on the South Course hole one, there is a lift station there. And there's a two inch PVC pipe that when that pumps out, it pumps into the main lift north line through a two inch pipe and a saddle. That was installed 21 years ago. And the saddle, the all thread connection on the saddle just finally rusted through and it gave up the ghost. So the sewage started coming up above the ground. I got a call from Leland Schneider Sunday morning saying, "You guys got a little bit of a problem." So he told me what was going on.

(01:50:00):

As I was coming in, I started to get assets into the area because our first main concern was to make sure we don't spill into Kosumas River.

(01:50:13):

When I got here, Corey was already here. The utility supervisor, he had the vector over at the yellow bridge sucking up any sewage that was on the ground and creating a barrier so none of the sewage can go through. I do want to make it 100% understandable. We did not spill a drop of sewage into Rio Kosumis River or into any of the storm drains. We have pictures that shows that we got the storm drains blocked and where Corey had put the dam and was doing the cleanup. So once at that time then I was able to get ahold of Josh from T&T and he came out and took a look at it. We had staff doing everything that we needed to do to make sure that the sewage wasn't getting spilled. We had to turn off the pumps at Mainlift North. We had to turn off the pumps at 6B.

(01:51:26):

We closed one lane down on Highway 16 for safety. And we had one, two, three, four, five, six, seven pumper trunks running back and forth with sewage. And T&T had staff out here and we uncovered the leak. And we had all the parts in-house here. And with a combined effort, we were able to get the leak stopped and get everything back into normal operation. It went into Monday. The leak was pretty much repaired early, early Monday morning. And then we went back, staff got some rest and we went back and closed it all up and tested everything Monday morning.

(01:52:29):

We did have a total cost of a little bit under $107,000 was the total cost for everything. Staff timing, T&T and his staff and all pumper trucks and everything. It did come in. I don't know if this is any consolation. It did come in a lot lower than what we had anticipated. It seems like the days of the small inexpensive repairs are behind us. But I do want to say, I want to give my staff kudos for answering their phones and coming out and helping. And I want to thank Josh and T&T and his staff for the work that they did because a lot of us were here for 24 plus hours getting this going. So other than that, that's all I got. Any questions?

Speaker 15 (01:53:44):

I didn't want to interrupt you. How many vector trucks did you have?

Speaker 6 (01:53:47):

I had one, two, three, four, five. I had six vactor trucks and one pumper truck.

Speaker 2 (01:53:53):

Wow. And later in tonight's agenda, we do have an item to approve this emergency repair. Yeah.

Speaker 4 (01:54:04):

Chemical costs, do you want?

Speaker 6 (01:54:06):

Oh, I'm sorry. I have one more page. Chemical costs. I apologize. I was asked to get chemical costs together that we use at the water treatment plant and the wastewater plant from 2020 to the current BACC year. There is a list of the chemicals that are used at the water plant and the wastewater plant. The caustic soda, the liquid chlorine, the hypochlorite, citric acid, sodium bisulfite, alomer, polymer and zinc. You can see there the 2020 costs and then the 2026 costs and the difference of what they've gone up. And one of the big costs is the citric acid. Citric acid just skyrocketed.

(01:55:06):

The other thing, like for the sodium hypochlorite, we're going to have two prices on the sodium hypochlorite. The sodium hypochlorite is the bleach where we've converted from gas to the bleach. That

770 per gallon is our mini bulk price. So for cleaning the membranes, it was only 330 gallon tanks were provided. And so it's considered a mini bulk. And that's what they charge. The current BACC price for if you get 5,000 gallons or more is $3.51. So my strategy moving forward will be when we get a delivery here at the wastewater plant of hypochlorite, if they've got any leftover and they'll drive over and top off our smaller ones, if the driver will do it, that will help some. But that's not guaranteed that they'll do it, but it's a question that I'll ask. But all these other chemicals, the citric acid is used for cleaning the membranes.

(01:56:20):

Sodium bisulfide is, and the caustic soda is part of that too. So these are just costs that we're going to incur because we have the membrane plant. And then the alum is used at both the water plant and the wastewater plant. And the zinc is used at the water treatment plant. With the zinc, we have a minimum we have to order $10,000 worth every time. So that's the minimum that they have.

Speaker 4 (01:57:00):

I had originally asked Travis if he would put this together for us because Cecilia has talked about it in the budget. And it's one thing to say costs of chemicals have gone up. It's another thing to look at the actual costs over the past five years. And these are incredibly high percentages. And this is a part of what we're living with in terms of supporting our water, sewer and drainage. It's just, that's it. No choice. Thank you, Travis.

Speaker 6 (01:57:34):

You're welcome. And then there's the development updates for the lots and the current meter connections.

Speaker 15 (01:57:41):

I have one question for you, Travis.

Speaker 6 (01:57:42):

Now, once again, now that I'm done, any questions?

Speaker 15 (01:57:46):

Yeah,

Speaker 6 (01:57:46):

Absolutely. Now that I'm done, done.

Speaker 15 (01:57:47):

No. But wait, there's one more.

Speaker 6 (01:57:49):

Yeah. Can I

Speaker 15 (01:57:50):

Help you, sir? The two new fire hydrants on the parkway.

Speaker 6 (01:57:52):

Okay. Thank you very much. So I've actually seen the back and forth on next door. The two new fire hydrants on the parkway are for water quality flushing purposes only. Utility supervisor Corey noticed that that line dead ends there. And it has been like that for well over 20 years. I've actually got a video of us flushing in and it took almost 10 minutes for it to clear out. It was wonderful. But what that'll do is that will be part of our flushing program now, which will help with the water quality in the upper area. They were not put in for new development for houses or anything. They were put in for flushing and water quality purposes only.

Speaker 1 (01:58:52):

And I have two public comments.

Speaker 9 (01:58:54):

Go ahead. Tom?

Speaker 6 (01:58:56):

Yeah. I don't know, sir.

Speaker 16 (01:59:01):

There was actually no question. So I actually drove by the reservoirs this morning and they look awesome. Thank you. So I would encourage everybody to drive by them in the next three days and see what they look like when they're fold to the sop boards. They look really cool and really great. And then if you want my help for his AR to make that thing a little bigger, just send me the Excel. It'll take me 15 minutes to reformat it.

Speaker 6 (01:59:29):

It's not in Excel. This is actually just cut and paste from Word. Oh no, I'm sorry. Nevermind. I'll send it to you. Send

Speaker 16 (01:59:36):

Me the Excel and I can make it so that Randy can read it pretty easily.

Speaker 6 (01:59:40):

Yeah, no problem. Did

Speaker 7 (01:59:41):

You add up the column yourself? In every couple of years you're going to have to make it. Oh wait a minute. I'm not going to be.

Speaker 6 (01:59:48):

You know what? But until I retire, I'm going to make one every year and send it to you.

Speaker 1 (01:59:52):

And then one last comment, Jim Farrell. Yes,

Speaker 3 (01:59:56):

Sir.

Speaker 17 (01:59:59):

Okay. Great job on that sewer repair. Thank you, sir.

Speaker 6 (02:00:02):

Congratulations.

Speaker 17 (02:00:03):

Hey, just a question on this report here. On the purple ones, can you kind of just take a second to briefly? And correct me because I was under the impression that the first row was all of the recycled water that was produced and the second set of numbers was that which was sent to the golf course. Is that wrong?

Speaker 6 (02:00:26):

No. So the top one is everything that's produced. Okay. And then everything goes to the golf course, but then we also have to at least once every two years send water to Van Fleck. And if we have an excess like we have this year, we send more. But these are based off of the meters that we have. So they get sent over to the golf course to Bass Lake and across the street to 1617.

Speaker 17 (02:01:07):

Okay. So all of it goes to the golf course, but then only. I'm still not through what you said. So this is the total amount that -

Speaker 6 (02:01:16):

So this tertiary recycled water produced. This is the total amount. This number gets taken from at the end of the contact chamber. Okay? And before it goes into the big white piping goes in and goes into the basin there. That's the total amount that we produced. And then we have meters at the end of the big basin that we gravity feed water across the street to 16 and 17. And then we send water to Bass Lake. So the one meter is what we produce. Now, here's where you're going to get a discrepancy. So in the middle of the night, if we have an alarm for let's say low chlorine, the valve, there's a safety valve there that opens up and sends water out to our storage reservoirs. So what happens is that full pipe now becomes a half empty pipe. So that flow meter goes from say whatever the flow is up to 10,000 gallons a minute.

(02:02:34):

So it's actually, depending on how long it takes us to get here to unplug the meter so it'll stop doing that. So you're going to get a higher skewed number on the production versus what we send out just because of the way the plant is designed and set up. Okay? Thank you.

Speaker 7 (02:02:58):

So Travis, you've got.

Speaker 6 (02:03:02):

Nothing I can do about that unless you guys want to completely read

Speaker 7 (02:03:04):

That. You've got 643 acre feet sitting in storage. And obviously by this chart, the golf course doesn't take near that much. The rest of it goes to Van Fleck?

Speaker 6 (02:03:19):

Yes. We are sending, every other day we're sending water to Van Fleck as long as it's not flooding because we can't have any water ponding. So he is graciously taking as much water as we can give him. As we've just started the year, as we get down, I don't anticipate being back down to our empty level this year because we are higher. I anticipate it taking maybe two years or three years as long as I'm progressively taking that excess because I have 55 million gallons more at the end of the season. But also too, we can technically produce recycled water to the end through November 30th, 31st, whatever it is. As long as it's not raining and the golf course can use it. So my hope is to be able to produce farther into November because generally we're done in October. So I have asked Art to not even put his river pump in this year.

(02:04:48):

I've got plenty of water and I've got staff diligently making sure that nothing breaks down. And Art is ensuring that he can take what he can so that we can give as much that we can. But we are giving a lot more to the VanFlex spray fields this year.

Speaker 9 (02:05:15):

Sounds

Speaker 7 (02:05:15):

Like you do, this is just a comment. Sounds like you do a lot of coordinating with the country club to make everything balance and work out. Yes

Speaker 6 (02:05:26):

Sir.

Speaker 7 (02:05:26):

So that relationship is very important.

Speaker 6 (02:05:29):

Yes, sir. We are in contact. I talk with Art either myself or one of my lead operators. We are in contact with him three to four times a week to make sure we are in contact with him Monday morning, find out

what his plans are throughout the week, see how things are going. And then Friday we are in touch bases with him to make sure he's transferring over the weekend. So it's a constant back and forth cooperation between us and Art and the golf course.
Speaker 3 (02:06:05):

So in a normal year where they take, for argument's sake, 475 acre feet, and your pond holds 735 acre feet, I believe. How often have we ever got, I know once we did, but how often have we ever got up that high?
Speaker 6 (02:06:29):

So got up as high as we got this year. This is the highest I've seen it
Speaker 3 (02:06:34):

Since
Speaker 6 (02:06:34):

I've been here. We're supposed to keep two foot freeboard from spill. We were at 2.1.
Speaker 3 (02:06:41):

So then the only thing in my thinking is that I've looked at some of these alternatives in conjunction with indirect diversion. So you could conceivably go from that level, which is the highest or better in most years where you would be lower, up to 735 if you were capable in July, August, September, and maybe a touch of October to move that water into the system and put it in Calero.
Speaker 6 (02:07:12):

So yes, if the district decided to go what they call toilet to tap or however you want it
Speaker 3 (02:07:19):

To -
Speaker 6 (02:07:20):

But
Speaker 3 (02:07:21):

That's not what they talk about here. They talk about indirect diversion.
Speaker 6 (02:07:24):

Okay. Yes, but the process, you have to get better than tertiary process to be able to do that because of PFAS.
Speaker 3 (02:07:38):

You need permits.
Speaker 6 (02:07:39):

You need permits. A lot
Speaker 3 (02:07:41):

Of
Speaker 6 (02:07:41):

Permits. And you're going to need a better, you're going to need a reverse osmosis system. You have to get the
Speaker 3 (02:07:47):

PFAS out of the water.
Speaker 6 (02:07:48):

Because you don't want to put PFAS water into non - PFAS water.
Speaker 3 (02:07:53):

But the other part of that, that will become an issue is that there is going to be a point in our life where we're going to do the PFAS processing regardless of whether we use indirect diversion or not. They're going to continue to allow you to put that water on a golf course, but they're probably never going to allow you to put it on a park. If they let you put it on a park, I think that the outcry is going to be my kids are walking around their barefoot and blah, blah, blah. So there is some synergy there. I don't fully though it through and it would take a lot of engineering to work it out. But that reservoir back there at its peak potential represents the same amount of water that's in Clementia.

Speaker 6 (02:08:42):

Roughly.

Speaker 3 (02:08:42):

Yeah. Cool. Okay. Thanks. All right. Security.

Speaker 4 (02:08:51):

We're going to do -

Speaker 3 (02:08:52):

Et al.

Speaker 4 (02:08:53):

Yeah. I have been the chairman of the security personnel and communications committee and also the leader of the camera workshop group. And because of health issues, I am going to have to take myself out of that mix. John is going to still be in security and in personnel. I will try to make some communication meetings. And so given that and security is security. Personnel committee, it's all in here, so I'm not going to read all of this, but just generally speaking, Cecilia already went over. I'm sorry, can you hear me? Cecilia already went over the four. No, Cecilia went over the four positions that we're adding. Actually, it's three positions.

(02:09:51):

I'm sorry. Travis had the other one. Yeah, the other two. Okay. So that was addressed. Both of them were addressed in the personnel committee meeting. There was also, we tried to put together a. Excuse me. I'm so sorry about my voice. We tried to put together some comments and communications with the concerns about our audio communications and improvements, and that's all in there. Security. I just went over everything that we've tried to do. I want to make sure that we understand the difference between our operating budget and our security impact fees. And I put in here the policy for implementation and use of security impact fees so we're all clear that we don't use that for personnel or for operating budgets.

(02:10:51):

Security is in a bad position, very bad position. We are probably going to have to do layoffs. A considerable amount of things that we need to fix and take care of, new gates, and particularly GoAccess, which may ultimately help us with substituting technology for people. I hate to say that, but that unfortunately is what we may be looking at. So going through all of that, again, just wanted to make sure that we've explained the differences between our operating budget and our security impact budget. What we had hoped for with security impact was particularly the go access new technology. Also, we had a plan for replacing the gates a couple a year, but we're only going to replace them now if they break. And so that's the sad story. Oh, I did want to make a couple other comments. RMA and their interest in taking over security from CSD.

(02:12:09):

There have been conversations. There have been letters back and forth. We most recently sent a letter to RMA asking about their interest in doing this. There has been nothing completed, I guess is the right word.

Speaker 2 (02:12:27):

We're working
Speaker 4 (02:12:28):

On
Speaker 2 (02:12:28):

Getting a meeting together
Speaker 4 (02:12:29):

With
Speaker 2 (02:12:29):

Them. But
Speaker 4 (02:12:30):

Right right now it is just been back and forth stuff and there's nothing official, I guess is the right word to use. Also, what was the other thing I had on there? Oh, there is a draft in here from 2017 where they did a complete study of security. And I found it very interesting. I don't know what happened to the draft. I don't know what happened to any of the things that were projected, et cetera. But Burns and McDonald did the study and a survey also. And so it's very concise. It's very complete. And like I said, I don't know what happened after this was done. So that's one of the things that in the security committee, I would consider it a special project that perhaps the new general manager and admin person, admin manager would take a look at and try and figure out where all of this stuff is and how it all fits together.

(02:13:49):

And then the last one, the last one is the camera work group. And we met about four times. It was created to examine the possibility of reinstating the camera program. The group consisted of myself, Brandon Areno, from Rancho Murrieta and Chris Smith and Rod Hart from RMA and Mike Martel as an informed member of the community and prior RMCSD member. Another situation where there's no thread of information. Tim helped me some, but we haven't been able to. We know how many cameras there are. We don't know exactly, and we mostly know how many are working. We don't know how they will fit with new technology and possibly a new camera program. And we can use, if there are any security impact fees left over or left, we can use that to work on this camera program. But as it stands right now, we have a lot of information that we need to gather before we can do anything else.

(02:14:58):

And I think, and we need to find out how much money we have. And I think again, that needs to be some type of a special project. And hopefully we can get going on that. I did make a recommendation and that is that the camera project is complex. Available funding is yet to be determined and details of the existing program need to be examined and clarified. It is my recommendation that a joint RMCSD and RMA ad hoc committee be formed to assess and complete this project. Members of this committee could include RMA and RMCSD GMs, both of which will be new. RMCSD security supervisor, RMA compliance officers, finance departments and representatives and surveillance camera professionals. We really do need a professional to come in and look at what we have and what we can do with it. I believe the work of the group is completed.

(02:15:57):

It's task. So that's the end.
Speaker 2 (02:16:00):

Thank you.
Speaker 4 (02:16:02):

Oh, and we do have a policy actually about district surveillance cameras, which is also in the packet. John?
Speaker 3 (02:16:09):

Thank you. Any public comment at this point? No, sir. Okay. Moving on to ad hoc committee reports, administrative oversight. Help me out here.
Speaker 15 (02:16:23):

We're talking about the ad hoc committee? Yeah. We haven't really met in the last month. We've kind of been trying to pull back a little bit. The ad hoc committee is still around. I think we're probably due to meet with Lisa with Amelia. We don't have to meet with all of staff, but we should probably touch base with Amelia shortly and talk over items. But really nothing retrospectively that we've done in the last month.
Speaker 3 (02:16:50):

Yeah. And I continue to answer numerous calls and answer numerous questions throughout the month that at this point in time I think are more related to my position as the president than they are to the position of any kind of ad hoc committee, which I think is good. Thank you. I think that the inner workings of the staff on a day-to-day basis have really come a long way since we got into the beginnings of the chaos. And that is, I think, a tribute to the three of you and to Brendan as well for really, really - Thank
Speaker 2 (02:17:37):

You.
Speaker 3 (02:17:38):

I think my takeaway from this process to this point internally is how hard the people that we have working here work. And that continues to impress me. And I think we've made tremendous strides in personnel and in finance and administration and in the dialogue on security. And of course with Travis holding up the administrative and the operational end of a water system that seems to need more frequent repair.
Speaker 6 (02:18:15):

Do I hear a job offer in your head?
Speaker 3 (02:18:19):

I just thank you, Travis. You're welcome. So that really is my report. I have one comment I'd like to make on security and the talk of or the potential of transition from RMA to RMA from CSD in some way, shape or form. I made the comment at the last security meeting that I think the preliminary thing that has to happen there is to really go back and dig in and find out again or finally what the community really wants. We know what they're willing to pay for. We have a bond issue to prove it. But in terms of night gates or night operators or any of the functions of patrol or inside the gates or across Highway 50, I think all that stuff needs a really thorough vetting before we start moving into a process. Some of it can happen simultaneously, I think, but this thing's got a long way to go.

(02:19:23):

So I don't want anybody to be fooled by the fact that because we have an opening meeting with these folks, that this is well on its way to becoming reality because it's not. That's all I have to say. Yes. Okay. Item two, direction for Water Vision Working Group Future.
Speaker 15 (02:19:45):

Okay. So the Water Vision Working Group has been around for, I don't know, six months or so. And we originally formed the Water Vision Working Group to help WSC identify sites for future well exploration. And with our presentation from WSC tonight, I think that mission is largely concluded. And I know that there's other things on the table that they could do. There's always a million things around here. But I

think that at this time we need to evaluate whether the working group should be brought back into the improvements committee. And I feel there are strong reasons for this. The first and foremost, as an ad hoc committee, they aren't covered by any public process. They don't - Pardon?
Speaker 4 (02:20:43):

It's just a working group. It's not an ad hoc. It's just a
Speaker 8 (02:20:45):

Working group. It's a working group created by a board member. Yes. We've got to be careful as to what direction we're given to it because it's under the board member. Yeah. If you want to have the improvements committee do some duplicate work, that's certainly okay. But you're not in a position to limit what the working group can or cannot do. Well,
Speaker 15 (02:21:12):

I think that I'm leading something - Without being
Speaker 8 (02:21:15):

Subject to the Brown Act.
Speaker 15 (02:21:17):

Yeah. And I think, I mean, we have an improvements committee. And with a working group, I called it an ad hoc, you can call it a working group. I feel that it's inappropriate because they don't publish a public agenda and they don't meet at designated times here where people like Gail and other interested members can come and listen to them. So I think that we should consider bringing them back under the improvements committee in total.
Speaker 3 (02:21:55):

Questions, comments?
Speaker 7 (02:21:57):

Well, my first comment is that that's inaccurate that we were only put together to oversee the very first, and I have what I gave everyone as to what the objectives of the group was. The very first one was to oversee the well site plan. We were given further direction after that, subsequent to that, maybe the following meeting or a meeting after that. We were given three or four more tasks by this board. Motion was made and it passed. So I guess if you want to disband us, Patrick, I leave it up to you. Or I ask you, since it was put together by the board, there was a motion and it was passed for the tasks that we were given. To disband it, would that not take another motion and vote? Yeah,
Speaker 8 (02:23:23):

It would take another motion. And if you want to limit what the water vision group does, you would have to have a vote to limit because you've already given it different responsibilities.
Speaker 3 (02:23:37):

Well, I have a couple of comments. I'm concerned about a couple of areas. We have hired a incredibly competent water attorney with 30 years of experience who I had an extensive conversation with when we brought her on board. And we are in a position, and it has been my opinion, and this is my opinion, that as it related to the drilling of test wells or the expansion of that project into other areas, i.e. The Dunn expansion into the Clementia area, that we would have a legal agreement in place before we moved any further. And it has been my concern that we would get to a position, and I've said this before, that one of three things happens. We find no water. There's an easy solution. Please, just once not talk when I'm talking and I don't talk when you're talking. Number two is we find all the water we need and then we don't have a problem either.

(02:25:08):

But remarkably, I think it's a very high degree of possibility that we may find some of the water. And what that means in terms of satisfying, you want to call it SB 552 or just common business practice for the district to satisfy an emergency supply and drought resiliency for the community that lives here. There's established priorities in that. And all of that would be reflected in an agreement that we as a board approve after discussion with a new GM or the existing GM and the water attorney to put the structure of that agreement in place.

(02:25:59):

I'm uncomfortable with having a working group that is a combination of development personnel and district personnel negotiating the front end of an agreement or participating in the discussion of that agreement. Because I understand the way we've done things here in the past is that we develop an agreement that would go out to a contractor or a vendor or a developer. And if there was a negotiation to be had in that process, it would be from attorney to attorney. And so that's one of the areas that concerns me. The other is primarily that the board came to a conclusion that we would ask Mr. Ferrell and Ms. Mattis to collaborate on a compromise to see if we could come to a basic understanding of supply and demand as it relates to the integrated water master plan and to reservoir capacity and comparing reports from the working group that performed it.

(02:27:25):

And understand that the working group that we put together to prepare that report was approved by a board vote. Did exactly approve for the people that would participate in that group.

(02:27:40):

Was tasked with coming up with an analysis of that agreement and then tasked with presenting a report to the board. And that's what it did. And after it did that, it went away. Okay. We're now asking them to take the data that they created, one of the principal architects of that, and meet with Lisa Madison, come up with a common understanding. And once we do that, we as a board can decide how we want to treat the integrated water master plan as a whole. And there are parts of it in there. We could work through this easily because there's a whole lot of fluff in the beginning of it. There's a very weak executive summary. There's mitigation that some of us don't agree with in the working group. And there is backend stuff all about wells that seems to be somewhat irrelevant now to what this working group has found.

(02:28:37):

And I find that what they have shown us to this point is very constructive. I'm not debating that they're not making the evaluation. That was the second part. It concerns me that then when they have a meeting, and again, these are not meetings that we have in the way we have an improvements committee. I listened to the tape and it's well, once they get done with their analysis, we're the water vision group and we're going to talk to Lisa Mattis. That's not what we said we would do. I mean, if we want to say that's what we do, we bring that to the board and we vote on it.

(02:29:18):

I am really concerned that. And I though about this after we did it and there is nothing we are doing here, nothing we talk about that is not going to require a new permit or the modification of an existing permit. And in some of the preliminary conversation that I had with our new water attorney, I suspected and now I fully understand exactly how difficult that is going to be. I think that is attorney only. I really do. I think it is up to the board or the improvements can to design a system that is structured to tell us how we would use Lake Clamentia. Do you want to change a recreational use to irrigation only? That's a lot easier than changing it to a potable use. How do you want to integrate the other two or more alternatives, which is indirect diversion of recycled water if you choose to do it?

(02:30:25):

Or if you want to take a sophisticated conversation to someone upriver like EID. And I tested whether that's possible and so I got a meeting with them. I canceled it, but I got a meeting. Okay? They are willing to talk about it, but it seems to me that this has not taken the shape of a cohesive plan. So I don't know what conveniently making everybody happy the structure ought to be, but there are things that I've just reiterated that I am very concerned stay inside the house. Okay?That's the way we've done it before and I think that's the way we should do it going forward. So I will leave it at that. If there are any other questions or comments, please.
Speaker 15 (02:31:19):

I think you're right. It should be conducted by RMCSD. And the idea of a working group that is predominantly developers meeting with our attorney to discuss what we're going to present to the developers, that's just ridiculous. It needs to be done through the improvements committee.
Speaker 13 (02:31:44):

Predominantly developers? There's one of five.
Speaker 3 (02:31:49):

Excuse me. There's a podium and there's forms. So let's do it the right way, please. Are there any board conversations, Randy or Tim or something?
Speaker 5 (02:31:59):

Yeah, I'll jump in.
Speaker 7 (02:32:01):

I can't disagree more. And they're absolutely right. You're way off base on the whole process and what we do. Travis is on the committee. Amelia sits in on the committee. We've got members of the public on the committee. We're trying to move the process forward.
Speaker 15 (02:32:30):

What you said is silly, Randy. I mean, you're an aligned developer and Travis and - I'm what? You're aligned with the developers. Aligned
Speaker 7 (02:32:39):

With the developers.
Speaker 15 (02:32:40):

And Amelia and Travis will sit there and listen to anything that you guys gin up. They're not going to say, no, no, you can't do that. So it's really you - And Carol's crew. Talk about
Speaker 7 (02:32:52):

Silly.
Speaker 15 (02:32:53):

What's that?
Speaker 7 (02:32:54):

Talk about silly.
Speaker 15 (02:32:55):

What do you think?
Speaker 7 (02:32:56):

I think that you have no idea what you're talking about.
Speaker 15 (02:33:00):

Because your stuff is all done in secret rather than in the improvements committee. So why do you laugh at that? You don't have public meetings. You don't record your meetings. You've just become a secret little committee that's going which way you want. And it's high time that we brought it under control.
Speaker 7 (02:33:24):

We were given not a charter, but we were put together by this board and given task. And that is what we've been doing. This idea that we're going to somehow negotiate an agreement with the property owners is ludicrous. Well,
Speaker 15 (02:33:45):

You negotiated to have Dunn come and give us a presentation to hire without really -
Speaker 7 (02:33:50):

What does that have to do with negotiating
Speaker 15 (02:33:53):

With the
Speaker 7 (02:33:53):

Property owners?
Speaker 15 (02:33:55):

I think that it shows how you guys do business. You just said, "Hey, Dunn, give us a proposal for 90,000 bucks." And that was the first. It should have gone through the improvements committee from start to finish.
Speaker 7 (02:34:07):

Improvements
Speaker 15 (02:34:07):

Committee. It should have started there.
Speaker 7 (02:34:09):

If we waited for you to start something to get this going -
Speaker 15 (02:34:15):

I'm more than willing to start things.
Speaker 7 (02:34:18):

Absolutely. I haven't observed that.
Speaker 5 (02:34:22):

I'll jump in here. As a sitting board member, I apologize to the interim ops and to the interim GM on the allegation that you would not stand up, you would not make a decision. You would just go with whatever was ginned up from a board member. So as a sitting board member, I absolutely apologize to you. I don't know who put this on the agenda, but I probably would have done my homework. I would humbly ask if the board feels the way they do, come back next meeting with what the objectives and the tasks were. We can figure out what got done, what still needs to be done, and then a decision coherently could then be moved forward. I would humbly now ask for the formal minutes from the working group that put this data that I don't agree with. I'll take their formal minutes.

(02:35:28):

They didn't have any. That was okay then, but it's not okay now. I think it's horseshit, but there it is.
Speaker 1 (02:35:38):

We do have public comments.
Speaker 3 (02:35:40):

Okay. Do you have anybody else up here before we go there? Okay.
Speaker 1 (02:35:45):

Jeff Pearson.
Speaker 13 (02:35:52):

Yeah. Jeff Pearson now is a member of the working group. All due respect, Mr. Director. Most of what you said was completely incorrect in fabrication. The group is not developers. There was one person who represents a developer. It was very carefully crafted to have members from each community sector. We did this. And for you to indicate what you did - Hold on
Speaker 15 (02:36:20):

A second. Who was from the community other than you?
Speaker 13 (02:36:25):

Tom Schuchek.
Speaker 15 (02:36:26):

Yeah. Did you invite Jim Ferrell?
Speaker 19 (02:36:29):

You made the team.
Speaker 13 (02:36:31):

There was - No, Randy made
Speaker 15 (02:36:32):

The team. Bob. The board approved.
Speaker 13 (02:36:34):

No, the board approved the team. Yes. Part of the problem we're having here is there's a difficulty that you're having with recollection. Look at the minutes. Listen to the minutes. Listen to the audio. Please, I challenge you to do that. You're having a challenge with recalling what has happened in the past. I'll leave it at that.
Speaker 15 (02:36:56):

The board did not say we're going to pick these five guys. We left it up to Randy to pick the people on the committee, which is why nobody - And the
Speaker 13 (02:37:04):

Board voted on it and it passed it.
Speaker 15 (02:37:06):

We did. Yes. Period. End of
Speaker 13 (02:37:08):

Story.
Speaker 15 (02:37:09):

It seems like we- We said Randy can pick his committee and then we voted on that. Wait, wait, wait, wait, wait.
Speaker 13 (02:37:16):

There were people who expressed interest. It went through a process. It did.
Speaker 15 (02:37:22):

It did. I agree.
Speaker 13 (02:37:23):

Okay. If you disagree with me, listen to the minutes. Listen to the audio, listen to the minutes. Collaboration is the best way to get things done. The group has been invaluable because of different perspectives. A perspective of the community, a perspective of the interim general manager, director of operations, board member, myself. We each come from a different direction for a common goal. There's nothing insidious happening here. Nobody's trying to hide anything. Interim general manager's been at all the meetings. I don't think that there's been anything nefarious there. And I think that she'd probably back that up.

Speaker 2 (02:38:10):

I would. And I also would like to say that I am the least knowledgeable. Mike. I'm the least knowledgeable person that sits on that committee.

Speaker 13 (02:38:20):

Right, but you have -

Speaker 2 (02:38:21):

Yeah. But I've been at. I think I was ticking I missed one. Perhaps.

Speaker 13 (02:38:26):

Yeah.

Speaker 2 (02:38:26):

Yeah, I

Speaker 13 (02:38:26):

Think the first one, but you were there all the rest of them.

Speaker 2 (02:38:29):

So it's definitely been a learning experience for me about water and the district and the. Yeah, it's wonderful.

Speaker 13 (02:38:35):

We all got important pieces to bear here. I've been happy to be able to submit things like a great location for the district that isn't part of any private property. That doesn't get found without me. Mr. Suchek has been a great resource of being able to take this data apart and be able to put it back together in a way that is wonderful. I think that Amelia would agree with that.

Speaker 2 (02:39:03):

Yeah. Absolutely.

Speaker 13 (02:39:04):

The blending of this and the collaboration is what makes it work. You take that away and you have one perspective and you lose the cooperation of the community and the development. We're on the same. We want to do the same as you. Smirk at me all you will, but it's not our interest. We are a customer. We pay rates.

Speaker 15 (02:39:29):

I agree with that.

Speaker 13 (02:39:29):

Same as everybody else.

Speaker 15 (02:39:30):

But characterizing yourself as being an altruistic part of the community is untrue, Jeff.

Speaker 13 (02:39:35):

Is there anything that I have done that has not been? I let my record stand for itself.

Speaker 15 (02:39:41):

You're a developer.

Speaker 13 (02:39:42):

No, I'm not. I work for a developer. I have other things that I do. You're employed by a developer. I work for an equestrian center. If you have specific things you want to say about me, I think you better be careful about that. I

Speaker 15 (02:39:53):

Just did. I said you're a developer. You're paid for by Carol who's a

Speaker 13 (02:39:57):

Developer.

Speaker 15 (02:39:58):

So I extend

Speaker 13 (02:39:59):

That to say that you're a developer. I'm going to argue with you about it, but I haven't moved my position one way or the other with this committee.

Speaker 3 (02:40:06):

Okay. I think we'll move on.

Speaker 2 (02:40:11):

I have direction from - No,

Speaker 3 (02:40:13):

No. There's more. There's more public comment,

Speaker 2 (02:40:16):

I

Speaker 3 (02:40:16):

Think.

Speaker 9 (02:40:21):

Thank you.

Speaker 16 (02:40:25):

Okay. I'm going to try to get back to what we were chartered to do, which is one, come to a recommendation and bring it to the improvements committee of where we should do test wells. That was our first charter or one of our first charters. We are not done. Okay. What WSC did was great, but we're not done. We have to integrate that with the Dunroom study from before with LSCE. I talked about that earlier. We can decide if we want to look for other locations, which after we hear what WSC did, Jeff said maybe on developer property is not the best thing. And he came up with other ideas. So I stand behind Jeff that he is not acting as a developer on the working group. He is not. You can say he is, but he is not acting that way. Okay? He's not.

Speaker 15 (02:41:27):

That's absurd, Tom. That is absolutely absurd.

Speaker 16 (02:41:30):

I've been in every meetings. He doesn't act like a developer. You have not been at any of them. So you can't say. Because

Speaker 15 (02:41:39):

We're not invited.

Speaker 16 (02:41:40):

You're not invited because the board said who was the work group. If you want a motion to be added to the work group, make a motion. Well,

Speaker 15 (02:41:50):

I move that the. Can I make a motion? We're not done

Speaker 16 (02:41:53):

Here. We're not done with that. So that's the first one. We're not done. Second one was to figure out how to go about Lake Clementia repermitting. We haven't even started that charter because we have said continuously we need a water attorney to consult with. We've set up two meetings with said water attorney over the last two weeks and said water attorney has canceled both of them. So we have not even started that charter. Now, if you want to eliminate that charter before we even start, go for it.
Speaker 3 (02:42:30):

Can we then talk about what I go back to, which I gave you what I consider to be my primary concerns. And I'm not going to label Jeff as a developer or non-developer, but what concerns me, Tom, is that I think I can go through these. I think there are six of them. There have been six individual comments or documents or statements in these meetings from the developer that starting with, "Hi, I'm Mr. Dyer. I'm representing Ms. Anderson." Excuse me. Excuse me, please. If you don't give us water, we're going to sue you. Listen to the tape. Okay? So we have a conflict there as to what the financing and services agreement says. Okay? I don't think that's a working group kind of problem. Okay? I don't think the formulation of a agreement based on an existing resolution and/or understandings that we might gain from our water attorney as to who has rights to what water and when they have rights to it as it relates to SB 552 and everything else.

(02:43:47):

I don't think that's a water group responsibility. Okay? Agreed. We agree.
Speaker 7 (02:43:54):

Agreed. Okay.
Speaker 3 (02:43:55):

Well, we're getting -
Speaker 7 (02:43:56):

We agree. Now we are, but then again -
Speaker 3 (02:43:58):

20 minutes ago. Let me also go to the fact that I know Jeff is a resident and I know he's on your committee. And like I said, he's not a developer, but he works for one. But that doesn't have any bearing on his request that when Jim and Lisa get together, geez, I'd really like to be in those meetings. No, no, that's not what the board decided. The principal architects of the conflicting data, which is quite. There's not nearly as much of it as what you might think. I think there is a very possible chance that Lisa and Jim will come to some understanding we can work with. That's not for the working group. It's not.
Speaker 16 (02:44:45):

That's fine.
Speaker 3 (02:44:46):

Okay. Okay. If you want to stay infrastructure related and you want to. And the other part of this is there doesn't seem to be beyond recycled water. And in the limited research I've done upriver and with the integrated diversion of recycled water, there seemed to be other opportunities that we are neglecting. There is not a cohesive plan. So if we have a cohesive plan that we all agree on and it's infrastructure related and it's not supply and demand related and it's not legally related, we can maybe come to some understanding here and move forward. But I'm just speaking for myself. Those things concern me. You guys doing the well thing doesn't concern me, but that stuff does. And the other part of it was that I was, and I said it at the last meeting and we voted on it. I was really concerned that we would move forward with infrastructure related projects until that agreement was in place and signed by both parties.

(02:46:05):

Those are my concerns.
Speaker 16 (02:46:07):

So let me finish to the third item. And let me see. I might have lost my track, but I started a water audit with Travis and Amelia and it's not done yet. Okay. And if eventually we want to do tiered pricing next year, a year from now, because we don't have time to do it this year, a lot more work has to be done there. And that has to start with this water audit. Yeah. And

Speaker 3 (02:46:40):

Let me - But here's the thing - That might just be number four in my considerations. Go look at the SACWA analysis of the last rate structure changes that they made. Okay? I mean, just go look at it. I mean, and then go read all 60 or 70 or 80 pages of it, whatever there are. I mean, it's an engineering function. If we decide we want to do rate structure changes to accommodate all the other financial problems we have, that's a discussion that happens here. That's not a working group discussion. Not in my opinion.

Speaker 16 (02:47:22):

So I think there was. What's our fourth charter, Randy? Oh, I remember. Should we go for the UWMP now? The urban water master management plan? Or should we finalize the IWMP? That was the fourth charter.

Speaker 3 (02:47:39):

I think the board took a step when it voted to let them see if we could come to a supply and demand agreement. I though that's where we were going with that, that once we got to where the war was over about mitigation and supply and reservoir capacity and droughts, we would have a document. Your other problem is going to be yours. I'm not collectively you. Our problem collectively is going to be that I don't know how you're going to get around that. And that's a board function because these folks, before they go any further than here, are going to have to complete a water supply assessment. And that was radically changed in 2024 and 2025 into where the water board was trying to take paper supply away. So you are going to need. And what they assume for the most majority of the people they deal with is you take an urban plan, which has only half the stuff that Lisa put in that thing or Atkins did.

(02:48:45):

It was an engineering study. It wasn't

Speaker 4 (02:48:48):

A plan.

Speaker 3 (02:48:49):

You take the concrete supply and demand and per capita numbers and all the other accumulated data controlled by the state in the urban plan. And you use that to formulate a water supply assessment that's ordered by the county and goes back to the county and becomes the document that tells the developer whether they can proceed or not. You don't get to an EIR without a water supply assessment. So you need that commonality. You need that data to go forward because if they sent that and they're really close. I mean, they're doing Native American analysis out there and they have a few other technical problems, but they're close to getting an integrated water master plan dropped on us, of which law says we have 90 days to complete. Forget it. You're never going to get water that way. So there may be two tracks here. One is an in-house track and one is a working group track that goes after specifically authorized infrastructure, but there's a separation here that in my opinion has to happen.

Speaker 16 (02:50:06):

So those are the four charters that we've been given. If you want to say stop them before they finish, that can be a board motion and action. But that would be a shame in my opinion. Okay. And that would be a true shame. Thank

Speaker 9 (02:50:26):

You. Thank

Speaker 16 (02:50:26):

You. Thank

Speaker 1 (02:50:27):

You, Tom. And Bob Kyle.

Speaker 19 (02:50:32):

So Bill, you've shown your true colors tonight.

Speaker 15 (02:50:36):

And what are those colors, Bob?

Speaker 19 (02:50:39):

Well, you're accusing. Well, first off, you say things that aren't true. You do have a horrible memory and I'm concerned about it. Wait a second.

Speaker 15 (02:50:47):

What did I say that wasn't true? That

Speaker 19 (02:50:48):

It was comprised mostly of developers.

Speaker 15 (02:50:53):

I think that characterization

Speaker 19 (02:50:54):

Is accurate. Okay. Which is another reason why you shouldn't be on the board. But would you say that you align against the developers? If you're placing Randy in the aligns with, would you put yourselves against? Because it sounds like it.

Speaker 15 (02:51:11):

No, Bob. Actually, Bob, you have me wrong. I want to come to a resolution for your issues and I want to come to a resolution for Carol's issues. Okay? And I want to do it through a business-like process, which ensures that we go through the public process and we vet all of the things and we come to a logical conclusion. And I did not like the private working group that John had with Jim Farrell. And I also don't like the private group that Randy has.

Speaker 19 (02:51:45):

And the Mattis Ferrell group that's a private group? Yes. I

Speaker 15 (02:51:48):

Said, okay, John as

Speaker 19 (02:51:50):

Well. The one you just voted to give him permission to go speak in private with Matt.

Speaker 15 (02:51:55):

They were formed long before I was, and I complained -

Speaker 19 (02:51:57):

No, no, no, no. You just voted on it last month.

Speaker 3 (02:52:02):

That's true. We did.

Speaker 19 (02:52:03):

Bill, this is again, concerns with memory. You voted to have Jim Farrell represent CSD in discussions with Mattis. Do you remember that vote?

Speaker 15 (02:52:12):

Yes, I do. And you're correct. I did make that vote. But
Speaker 19 (02:52:16):

Yet it's a secret committee that's working outside the framework. Every time we have something that moves forward -
Speaker 15 (02:52:24):

I said I didn't like that committee and I don't like this committee. But
Speaker 19 (02:52:28):

You voted for it.
Speaker 15 (02:52:29):

You're right. How do
Speaker 19 (02:52:31):

You -
Speaker 15 (02:52:31):

Both things are true, Bob.
Speaker 19 (02:52:33):

Okay. Which is why you shouldn't be on the board in the next session. Oh, Bob. Can
Speaker 4 (02:52:41):

We stop
Speaker 19 (02:52:42):

This? Every time we come close to a solution, the three Solos members on the board stop it.
Speaker 15 (02:52:51):

I'm not a Solos member. Never have been. Never will be. I stop people from trying to get around the rules. I stop people from trying to get things for free because if we give things to people for free, meaning you, it means that all of the residents arrange -
Speaker 8 (02:53:09):

Why do you think I get things for free? Let's backtrack here.
Speaker 19 (02:53:13):

Mr.
Speaker 8 (02:53:13):

Merchant got to sit up here
Speaker 19 (02:53:15):

And repeat himself for the thousandth times. And you get your
Speaker 8 (02:53:17):

Three minutes.
Speaker 19 (02:53:19):

I know. And you're interrupting him right now. I know.
Speaker 8 (02:53:21):

Okay. You got 19
Speaker 19 (02:53:21):

Seconds, Bob.
Speaker 8 (02:53:22):

But let's stop having interruptions. Okay. Let Mr. Kyle have his three minutes. And then we can respond after that. But let's stop having a debate going back and forth.

Speaker 19 (02:53:34):

This committee has done more in the last two months to get this moving along than it's been done since 2019. And it's apparent that you don't like the progress so that you're eliminating this. You formed it. You made him. You didn't even give him the ability to pick his own people. You said have applications and the board will approve who's on his committee. That's what happened. I know you don't remember, but that's what happened. So to tell him that he's got a developer heavy group that you approved is ridiculous. And to call him in line, you know what Randy's in line with? Finding freaking water. That's what Randy's in line with. That's what Tim's aligned with. You guys don't want water. You get water, you get building. It's very apparent that you're using water to stop development. Otherwise, why would you not be spending $3 million you have in the bank trying to solve the water problem?

(02:54:42):

Thank
Speaker 2 (02:54:42):

You for your comment, sir. You're
Speaker 19 (02:54:44):

Welcome.
Speaker 3 (02:54:46):

That's it. That's it? Okie dokie. Okay.
Speaker 7 (02:54:51):

I have two comments. One is, to his point, every time we seem to be making progress, there are objections that, to my mind, are only objections. They're not valid reasons for this group not to go forward on our tasks. Spent a lot of time talking about getting lawyers involved in agreements. We've made it very clear every time this subject comes up that it's not us that are going to negotiate these agreements. The only thing we want to do is find out where the water is. To that point, and this is kind of off subject, but I keep hearing this same theme over and over again. And I'm wondering based on the resolutions that have been put forward in the past to this board about the priorities of who gets the water, which I still don't understand how you even come up with that concept without knowing if the water's there and how much water is needed by everybody.

(02:56:25):

But to the point that I don't think you've thought it all the way through that if the water is on the developer's land and we need it, how do you prioritize it to the point where there's no benefit to the developer? This has to be collaborative. And to put the cart in front of the horse and say, "We've got to have an agreement in place about who gets the water." And then go to the developer and say, "We're going to put test wells on your property, but oh, by the way, it's for our benefit, not for your benefit." How is that ever going to work? And how does it move us forward in any way for us to solve the problems, to solve the water problem? I hate to say it, but Bob's got a point. To me, it's almost like you don't want to find the water.

(02:57:50):

And I'm as open to anybody about people's motives and whatnot, but that sure is the perception because every time we seem to be finding our way and making progress, something like this comes up where you're finding reasons to get rid of a group that might actually make some progress on the problem. And I will leave it at that.
Speaker 3 (02:58:28):

One final comment is that you've made a fairly good case for having an agreement in place because of the very fact of the precarious situation that's created by not having it and then finding the water.

Nobody says to not go look for the water. What I'm saying is that you get a concrete agreement and a very specific understanding as to what happens to it and the order in which that happens. Because this is the only place. And I've sat down on CPAC and I've been through 10,000 page EIRs across the Jackson Highway. I've made presentations at the vineyard, all of that. And the one thing that you will find if you talk to those folks downtown is that when you try to explain this situation, they're a little confused because developers come to the table with water in their back pocket. And then you start from there.

(02:59:28):

And then you create an application. We're suffering from the fact that it took us 20 years to figure out realistically that the water wasn't here. So I'm done. Thank you very much. Okay.

Speaker 1 (02:59:45):

We have a couple more comments.

Speaker 5 (02:59:47):

Which is fine. After me, please. John, and I told you at last month's meeting, I agree with your concerns you just had. One of the reasons We wanted to hire this extremely expensive attorney was to address those issues specifically. If you remember in the Dunn report, you brought up those exact same issues to them and he said, "That's what we do. We work through all those agreements before we do anything to the dirt." So we kind of get going and we're tripping ourselves over these hurdles. So I'm going to make the assumption we've already given direction to the new attorney to address all of your issues and she's working on that. Is that correct? Yes,

Speaker 3 (03:00:42):

That's correct. Yeah.

Speaker 5 (03:00:42):

Okay. So if I could be included, I don't know if the other board members want to be on that process and that conversation, because I think we're getting close to where even tonight's presentation from those folks, it's starting to narrow down really where we're at on some of those things. So I think there's still a ton of work to do. I'll just leave it at that.

Speaker 3 (03:01:16):

And you and I can have that conversation together. There's some of that that leans its way towards closed session.

Speaker 5 (03:01:25):

Oh,

Speaker 3 (03:01:26):

Absolutely.

Speaker 5 (03:01:27):

Absolutely.

Speaker 3 (03:01:28):

And there's some of it that we can go beyond that and you and I -

Speaker 15 (03:01:35):

Understood.

Speaker 3 (03:01:35):

That's fine. Okay. More comments?

Speaker 1 (03:01:40):

A couple more comments. Ms. Betty.

Speaker 9 (03:01:51):

Good evening board. My name is Betty Ferraro. My lot number is 196B. I'm going to give you a history lesson. What you're trying to do has been done before, period. And it was undone in the interim. There was money available. The well area was done just like what you're doing, and the money was there to pay for it. A agreement between the Anderson Trust and the CS Board was in place. They did a tap. So if you go back in your history, you'll find that true. And I'm sure that Mike Martel remembers it. Is he still there? Okay. What it exists is you guys are fighting among yourselves because that well was never completed. Yes, it went down 300 feet. Some have said it wasn't deep enough. Yes, water was fine out. Yes, we didn't go down maybe far enough to find out if there was any minerals in there that was going to be dangerous to us.

(03:03:17):

Okay? But before all that could be done, COVID hit. And therefore our manager decided not to go forward with what the board had agreed to, which was to get a driller to go down farther. The money was there. It was stopped by the developer, not stopped by the developers. It was stopped by CSD manager. However, I won't go into details right now. If you want details later, I can do that personally. However, the money that was left over was taken by the next board who stopped it, took the money, what was left over, and went and drilled to see if the pipe that goes between behind the fire station up to Stonehouse was viable for pressure. Theirs went the money. What you decide here, and if my memory still serves me, and remember, I'm not the youngest chick in the world. If this board decides to go forward, what makes you think that the next board that might be elected might do the same thing?

(03:04:36):

And you do not have the funds that we all know that is needed. So in history, what one board did to do exactly what you're doing got thrown aside and we're back in the same argument. I am disgusted with your behaviors. I am appreciative to the members of the staff. Thank you very much.

Speaker 2 (03:05:02):

Thank you, Betty, for your comments.

Speaker 3 (03:05:04):

Any more?

Speaker 1 (03:05:05):

I think we have one more. One more. Gail.

Speaker 2 (03:05:10):

No.

Speaker 1 (03:05:11):

Okay. Thank you. All right.

Speaker 2 (03:05:13):

Very good. Sir, I did receive direction only from director maybe, and that was to bring this topic back to the board next month with a full list of the tasks that the working group

Speaker 5 (03:05:27):

Was - And Amelia, I don't mean to correct you, but -

Speaker 2 (03:05:29):

Yes, please do. That's why I bring it up so you'll

Speaker 5 (03:05:31):

Correct me. I just requested that that would be the process so that we're all on the same

Speaker 2 (03:05:36):

Page.

Speaker 5 (03:05:37):

Okay.

Speaker 2 (03:05:38):

So I'm looking for direction, friends.

Speaker 4 (03:05:40):

I have a comment.

Speaker 2 (03:05:41):

Yeah.

Speaker 4 (03:05:42):

And it goes to direction. I believe, and I've talked about this as it relates to many other things. I'm sorry. As it relates to many other things that we do in this board and in this community and the district, and that is we don't have a plan. Yes, there are things happening, but we need direction. If the work group is going to work on other things, we need to be very specific about what that is and how that goes forward. And we need to figure out how it goes together. We have groundwater well issues. We have clementia issues. We have all this work to do, but you need a plan, somebody. And I'm hoping that when we get a general manager and we have Amelia to dig up to all the details and follow up on all those things, and we have a water operations manager, we can come up with a plan.

(03:06:40):

We have no plan.

Speaker 3 (03:06:44):

One more. No comments. We're done.

Speaker 4 (03:06:46):

We're done.

Speaker 2 (03:06:47):

We're done.

Speaker 3 (03:06:47):

So is that a - We're

Speaker 2 (03:06:50):

Looking for

Speaker 3 (03:06:51):

Direction. We're looking for

Speaker 2 (03:06:53):

Direction.

Speaker 3 (03:06:54):

Or should we-

Speaker 5 (03:06:55):

Well, just to move this forward. We

Speaker 3 (03:06:57):

Can table it because that works.

Speaker 5 (03:06:59):

Well, however we want to do it. My point is specific tasks, and it appears we're very unclear or some of us are, how the committee was formed, why it was formed, direction it was given and all of that process. I think all of that needs to come back because if we're going to stop something that is actually producing something, I think we need to have a pretty logical process why we're stopping it. So I'm humbly requesting that we bring back the tasks. Where are we at? Are we getting them done? Identify those things. And then the other things that they've identified. Please understand. Well, no, you don't have to understand. This is all done under the direction of legal counsel. So the ginning up for staff members and all those other things that you accused of, which I said is horseshit, I still stand by.

(03:07:59):

But I think that would be the best process. Thank you.

Speaker 3 (03:08:05):

Other comments?

Speaker 2 (03:08:09):

Is that the direction

Speaker 4 (03:08:10):

Of the board? Should we make that a motion? Go ahead. Yep.

Speaker 2 (03:08:15):

Yeah, because if I have direction, I'll do it.

Speaker 7 (03:08:18):

This is. Oh, it is actually here.

Speaker 9 (03:08:22):

Yes, sir.

Speaker 7 (03:08:23):

Nevermind.

Speaker 5 (03:08:25):

Yeah. I'll make a motion that staff gather all the necessary documents that were established for the objectives and tasks. And then identify those tasks, percentage of completion, other items identified. And then I would also ask in that document request just a historical process where it went out to the website. We asked for input, et cetera. Thank you. Very

Speaker 4 (03:08:58):

Good. I'll second the motion.

Speaker 7 (03:08:59):

Okay. Discussion. Amelia, Tom's already done this. Tom's got spreadsheets on everything we've done.

Speaker 2 (03:09:09):

Yeah. Oh, I'll be working with the members of my committee. Very simple

Speaker 7 (03:09:13):

For you.

Speaker 2 (03:09:14):

Yeah, of my working group to put together all this information. I appreciate the brilliance in the room that I've been exposed to. And the history that I've been exposed to and so many things.

Speaker 3 (03:09:31):

As discussion for this motion, I want that to include not only what we have done to this point, but I would like to start to delineate lines of responsibility within that, that pertain to the integrated water master plan, the urban water master plan, the legal agreement, and the analysis of the financing and services agreement and all of those things that you're going to take one side of this is going to go down an infrastructure track and the other side of it is going to go down a non-infrastructure, but related path. And I want those clearly defined.

Speaker 5 (03:10:21):

I humbly pull back my motion because I don't agree with what you just threw on there. I'm dealing with somebody wants to do away with this working group. Everything you just said, I think is separate. We need to identify all that and figure out where it goes. I don't think that deals with the objectives of the working group as it was originally given to him. Does that make sense?
Speaker 7 (03:10:50):

Agreed.
Speaker 5 (03:10:51):

I agree with what you're saying, John, because that has to be done. But I don't think that wasn't part of the objectives of the working group. So then -
Speaker 2 (03:11:01):

So then maybe we need another motion once this one's completed.
Speaker 5 (03:11:04):

Yeah, because I think where you're trying to go, John, is identifying the tracks, right? And that's probably a good way of putting it because there's going to be more than two because we have purely just the legal one. But that's completely separate in my mind from the working group and what its tasks were. Now, once we identify those tracks, that's when the assignments can be handed out, right? And that's who they go to. Does it sit with the legal counsel? Does it sit with the water group? Does it go back to improvements, et cetera, et cetera. So I think in my mind, what you just said, that's my understanding of it.
Speaker 4 (03:11:52):

So how do we do this?
Speaker 2 (03:11:54):

So first we finished the first motion, which was Tim's motion that Linda seconded. And then we have another motion because we can have multiple motions. It's an action item, right? Then we have another motion with John and what he wants to get done. So combined.
Speaker 15 (03:12:11):

Don't we need to vote on the first motion?
Speaker 4 (03:12:13):

They're the same topic.
Speaker 2 (03:12:15):

Yes, we do. I would say we need to vote on the first motion if the board is ready for that. Oh, very good. Read
Speaker 3 (03:12:27):

It back. Read it back.
Speaker 2 (03:12:37):

I have the Tim made a motion that staff gather the necessary documents that established the working group, their objectives and tasks, then to tell us what was identified and completed and give us the historical process when we went.
Speaker 5 (03:12:58):

For the selection of the committee.
Speaker 2 (03:13:00):

Oh, right. For the selection. For the selection. Okay.
Speaker 5 (03:13:03):

That's pretty good.
Speaker 2 (03:13:07):

And then Ms. Butler seconded the motion and we are at roll call vote Diane.
Speaker 1 (03:13:17):

All right. Director Butler.
Speaker 4 (03:13:19):

Yes.
Speaker 1 (03:13:21):

Director Gear.
Speaker 15 (03:13:23):

Yes.
Speaker 1 (03:13:25):

Director Janko. Aye. Director Maybe. Aye. And President Merchant?
Speaker 7 (03:13:32):

Yes.
Speaker 1 (03:13:33):

Okay. We're
Speaker 2 (03:13:34):

Getting somewhere.
Speaker 5 (03:13:35):

So John, I say we do a motion staying with the working group, right?
Speaker 9 (03:13:40):

Right.
Speaker 5 (03:13:40):

Because that can be the vehicle to identify the tracks. It doesn't have to be going to the group, but because we're discussing it and it's an action item, now we can identify, and we can give direction because we're still working under the vision of the group, right? Identify the tracks. And I think that then addresses what you were talking about anyway. Yeah. And
Speaker 3 (03:14:06):

I just want to make it clear that there are specific tracks in what at least I envision.
Speaker 5 (03:14:15):

Correct. So I say -
Speaker 3 (03:14:19):

That stay independent of the working group.
Speaker 5 (03:14:22):

Oh, I agree. Because some things are going to stay at the board. Now the direction, and it can be, we kick that back to the working group to have them do the first draft of it, bring it back next month, even if we disband them. At least we've got where they could identify fiscal infrastructure, legal, and anything else that comes with it. Does that make sense?
Speaker 3 (03:14:49):

Yeah. I can rather have the board.
Speaker 5 (03:14:56):

Hang on. Did I hear the comment? I'd rather have the board do that? So I don't disagree, Tom, but right now the lack of. We're at 8:30. We haven't even touched the budget, right? So that tells you how local government's ineffective. So the only effective thing we can do here is to move it to them to do the first

blush. We get a look at it as a board and then we can add, give direction, because some of it, quite frankly, is going to be fiscal at our level when we kick it over to the attorneys.
Speaker 7 (03:15:33):

Don't you want that to go to the improvements committee before it comes to the board though?
Speaker 5 (03:15:38):

Yeah. It goes through that process. Yes.
Speaker 3 (03:15:45):

Yeah. And again, okay, I don't want to make a laundry list and send that whole laundry list to the working group and have them decide how we're going to allocate it. No,
Speaker 5 (03:16:00):

No, no. And I'm fine with that. I think we need to identify the tracks because tax always going to be added, right? As some come off, others are going to be added, if that makes sense.
Speaker 3 (03:16:11):

Okay. Perhaps we can wind up building a matrix and putting
Speaker 5 (03:16:16):

It - That would be another way of doing
Speaker 9 (03:16:18):

It. Okay.
Speaker 3 (03:16:19):

All right. So.
Speaker 2 (03:16:24):

John's going to make a motion. He work it up to it.
Speaker 3 (03:16:30):

I'm going to make a motion that we identify and categorize specific parts of the water development supply and demand process. And I think when we get that matrix identified and we assign each of these to a specific responsibility, that we take that matrix and the board approve it.
Speaker 9 (03:17:09):

So
Speaker 3 (03:17:10):

We will know at the end of this process how we're going to deal with the fiscal part of it, the infrastructure part of it, and the legal part of it. Right. And by legal, I would include things like permits. Oh,
Speaker 5 (03:17:23):

Absolutely. Absolutely. And so that's where I think I would like them to give the first blush than us just trying to sit here off top of our head. And so that way we can get a feel of is the work necessary or can 99% of it go to improvements? And that's what they're doing. So that's kind of my thought process of where you're trying to get to.
Speaker 2 (03:17:53):

And I believe I missed something about who you wanted to do that work.
Speaker 3 (03:17:58):

You know what? Let's meet it in the middle. Why don't we start it in the improvements committee? Why don't we come out of the improvements committee with a matrix? Okay. And I think that everybody can, over the course of time through Amelia, if you have specific parts of this, okay, and I do.
Speaker 2 (03:18:20):

Yes.

Speaker 3 (03:18:21):

Okay. That I want to entertain on this matrix, that we should clearly define those. Let the matrix be built inside the improvements committee and then it can come here. So that's a middle ground.

Speaker 5 (03:18:44):

So with that being said, you've got an improvements meeting on the 10th of June. That's true. So I would ask for a deadline of all the input so that the improvements committee can have the documents ahead of time. So whether that's

Speaker 2 (03:19:06):

The

Speaker 5 (03:19:06):

Third - That's

Speaker 2 (03:19:07):

Going to be June 3rd. That's going to be June 2nd. I'm

Speaker 3 (03:19:12):

Sorry. You lost me there with this date. What do you.

Speaker 2 (03:19:16):

Well, a deadline when I need all of the parts and pieces so that I can put them all into some kind of a cohesive document to start with. I don't

Speaker 4 (03:19:24):

Think that's enough time.

Speaker 2 (03:19:26):

Well, then I don't think I'm going to be able to have it published on the 4th for the committee meeting.

Speaker 3 (03:19:31):

Well, now time out. Time out. The improvements committee is when?

Speaker 2 (03:19:35):

It's on the 10th. So I have to publish on the 4th. Or I can have a late publication if the committee will.

Speaker 3 (03:19:46):

When do you need an agenda?

Speaker 2 (03:19:48):

I publish the agenda on June 4th.

Speaker 3 (03:19:50):

Is that because the law says it has to be on the 4th seven days in advance?

Speaker 2 (03:19:54):

No, I could publish it as late as 8:00 AM on the 8th, which is Monday.

Speaker 15 (03:20:01):

Okay. So on Sunday, you cannot. No.

Speaker 2 (03:20:04):

I could publish it - 72 hours. Oh, 72 hours. By 80 AM on Sunday. 80 AM on Sunday. He's right. The 10th. On the 10th. Yeah.

Speaker 3 (03:20:15):

Fiscal infrastructure legal. So if you have an agenda, okay?

Speaker 4 (03:20:22):

Then you have to have a packet.
Speaker 3 (03:20:24):

And we have a packet, and that packet includes specific directions sent to you by individual directors, you can deal with that. And it probably won't be very long. I mean, it'll come out of that improvements meeting into a matrix, and from there, it can be further defined. But if it starts that way -
Speaker 2 (03:20:52):

So if everybody sends me what they want on the matrix by the 8th, I'll have a draft ready, and then we'll tighten it up at the improvements committee. Is that what you want me to do? Does that sound okay to everybody?
Speaker 3 (03:21:06):

And being that you gave us last Friday 198 pages, I think we can handle this.
Speaker 16 (03:21:14):

We can do it on the fifth.
Speaker 2 (03:21:16):

You can do it on the fifth, but that's my day off. Perfect. And then Monday I'll work on it. I'll get kind of a framework together, a working document, and then the committee will give me direction.
Speaker 9 (03:21:32):

Okay.
Speaker 2 (03:21:33):

But I'll at least have everybody's ideas. I'll have everybody's ideas and I'll have them categorized into what I think are your three main groups, fiscal, infrastructure and legal.
Speaker 9 (03:21:44):

Okay.
Speaker 2 (03:21:45):

And then we can prioritize them and go from there. And the committee will probably say, move this over here. And I'll say, okay.
Speaker 3 (03:21:52):

Okay.
Speaker 2 (03:21:53):

Okay. So
Speaker 3 (03:21:54):

You just now, while you were doing that, wrote that into a motion. Is that how you did that?
Speaker 2 (03:21:57):

You had a motion, but can I repeat it for you, sir? Yes,
Speaker 3 (03:21:59):

Please do.
Speaker 2 (03:22:00):

Mr. Merchant made a motion that the improvements committee identify and categorize specific parts of and sub-parts of projects that we need to have done and define specific responsibilities. Those three main categories will be fiscal infrastructure and legal. And that we build a matrix with that information in the improvements committee, bring it back to the board at the next meeting for discussion, action. Yeah.
Speaker 3 (03:22:35):

They're going to bring it to - The board. Yeah. Yeah. It
Speaker 5 (03:22:39):

Just
Speaker 3 (03:22:39):

Goes to the - It's like every other thing that
Speaker 5 (03:22:40):

Goes. Yeah, it goes to the improvement committee and then they'll decide.
Speaker 2 (03:22:43):

And they'll tell me what to do. Okay. All
Speaker 3 (03:22:44):

Right.
Speaker 2 (03:22:45):

And do we have a second?
Speaker 4 (03:22:46):

I'll second.
Speaker 2 (03:22:47):

Thank you.
Speaker 4 (03:22:48):

And I want to say we have a plan. We have a plan. Hallelujah.
Speaker 2 (03:22:55):

Okay. Any more board comments?
Speaker 3 (03:22:59):

No.
Speaker 2 (03:23:00):

Roll call.
Speaker 3 (03:23:00):

Roll call, please.
Speaker 2 (03:23:02):

Director
Speaker 1 (03:23:03):

Butler?
Speaker 4 (03:23:04):

Yes.
Speaker 1 (03:23:04):

Director Geer?
Speaker 14 (03:23:06):

Yes.
Speaker 1 (03:23:06):

Director. All
Speaker 14 (03:23:07):

Right.
Speaker 1 (03:23:08):

Director Maby. President Merchant.
Speaker 3 (03:23:11):

Yes. Thank
Speaker 1 (03:23:12):

You.
Speaker 3 (03:23:14):

Okay.
Speaker 4 (03:23:16):

Action items.
Speaker 3 (03:23:17):

Approve emergency repair sewer mainline break by Yellowbridge. There are two alternatives here. One is to do it and one is to not. We've
Speaker 2 (03:23:27):

Already
Speaker 3 (03:23:28):

Spent the
Speaker 2 (03:23:28):

Money. We've already done it. We've already spent the money. Travis gave us a great report, I think, about what happened and how it happened. When we wrote these agenda in this packet, we didn't have the final numbers. We do have them now.
Speaker 4 (03:23:40):

Which are?
Speaker 2 (03:23:41):

109, 106.
Speaker 6 (03:23:45):

106 and some change. So 107.
Speaker 2 (03:23:48):

So far less.
Speaker 5 (03:23:49):

If we leave the resolution the way it is, it's under 250,000.
Speaker 14 (03:23:56):

I
Speaker 5 (03:23:56):

Get a tip. So we don't need to edit the resolution is what I'm trying to get to. We just need to vote on it. Yes. I'm just trying to move
Speaker 2 (03:24:06):

Things along.
Speaker 3 (03:24:07):

I'll go ahead and make a motion to approve the emergency repair sewer main landline break by the yellow bridge. I
Speaker 15 (03:24:15):

Second it.
Speaker 2 (03:24:17):

We have to wait for Randy to get back. And I did want to say that even though we have finished the work and we have the final amounts, I still have to put it on the agenda next month. It'll be in consent calendar to discontinue the emergency. And then
Speaker 5 (03:24:33):

We can adjust. Exactly.
Speaker 2 (03:24:36):

Yeah. Then we can forget about it. Yep. Because this does have to be approved by a four-fifth vote. It's an emergency. One, two, three, four. Oh, you want to call the vote or you want to wait for Randy?
Speaker 9 (03:24:54):

Well, he
Speaker 2 (03:24:54):

Can vote. I mean, I don't want to be rude.
Speaker 15 (03:24:56):

Well, he could vote last.
Speaker 4 (03:25:00):

We can just wait.
Speaker 3 (03:25:06):

We're all old. So these kind of things take time.
Speaker 2 (03:25:12):

He wouldn't have gone if we wait. Shall we vote?
Speaker 3 (03:25:17):

Yeah. Is he having a sandwich?
Speaker 2 (03:25:20):

Okay,
Speaker 3 (03:25:20):

Here we go.
Speaker 2 (03:25:22):

Okay. So we're going to have roll call vote.
Speaker 1 (03:25:24):

Director Butler?
Speaker 4 (03:25:25):

Yes.
Speaker 1 (03:25:27):

Director Geer?
Speaker 3 (03:25:28):

Yes.
Speaker 1 (03:25:29):

Director Maybe?
Speaker 9 (03:25:31):

Aye.
Speaker 1 (03:25:32):

And President Merchant?
Speaker 3 (03:25:33):

Yes. And?
Speaker 1 (03:25:35):

And there he is.
Speaker 3 (03:25:46):

The motion carries.
Speaker 2 (03:25:48):

Motion carries.
Speaker 3 (03:25:50):

Okay. Moving on to item 15. Should we do that? Yeah. Okay. Public hearing to receive and consider written protests related to water wastewater solid waste service rate increases pursuant to California Constitution. Article 13D, Section C, Proposition 218 and Government Code Section 53755. Yes. Do you want me to open this or
Speaker 2 (03:26:27):

You
Speaker 3 (03:26:27):

Have an opening comment to it?
Speaker 2 (03:26:29):

Open it.
Speaker 3 (03:26:31):

Okay.

(03:26:33):

Okay. We will conduct all three hearings together for efficiency as permitted by our notice. However, the board will receive separate protest counts for each service and each will be acted on independently. I want to explain how this evening will proceed. First, district staff will present the rate, the budget schedule, and the board will then have an opportunity to ask questions of the staff. Second, our district secretary will report the number of parcels subject to each proposed rate increase. The number of written protests needed to constitute a majority protest for each service and the number of protests received as of the opening of the hearing. Third, I will open the public hearing. Every person who wishes to speak will be heard. Speakers will be taken in the order we receive your speaker slips. So put them in if you have them. I ask that you limit comments to the rate proposals and be respectful of other attendees.

(03:27:35):

If you wish your appearance tonight to count as a protest, you must complete a written protest form. Oral statements alone do not constitute a legal protest under proposition 218. Fourth, after testimony concludes, we will recess briefly to tally all written protests, including any submitted tonight. Fifth, the secretary will report the tally. If a majority protest exists on any service, the board may take no further action on that rate. If no majority protest exists, the board will deliberate and vote on the proposed ordinance.
Speaker 2 (03:28:17):

Okay. So presentation.
Speaker 1 (03:28:27):

So on the total water and sewer connections, we have 2,938 connections. Protests, we had 10 protests on water and 10 protest wastewater. Trash residences, we have 2,676 connections. And we had five protests solid waste.
Speaker 3 (03:28:57):

Okay. So therefore, Mr. Enright, where do we proceed from here? I
Speaker 8 (03:29:04):

Guess we're okay. I guess we've done the staff report several times as to -
Speaker 2 (03:29:08):

Cecilia, I think it's going to add the CIP to the staff reporter. You can add that in the next item if you want.
Speaker 8 (03:29:15):

Okay. All right. Okay. All right.
Speaker 9 (03:29:20):

Yeah.
Speaker 8 (03:29:22):

So then we need to open the public protest hearing, take any public comments.
Speaker 3 (03:29:27):

Okay. Okay. The board president opens the public hearing. We have already totaled the enterprise fund protests.
Speaker 8 (03:29:45):

Well, actually we shouldn't be counting them until they're done. We're supposed to just give the tally as to how many protests we need to get to have a majority. But let's open the public hearing and see if we receive any additional Okay.
Speaker 3 (03:30:01):

I do. I open the public hearing.
Speaker 1 (03:30:03):

Okay. We have Javier Lopez. Can
Speaker 14 (03:30:07):

I go after somebody else?
Speaker 1 (03:30:10):

We have Tom. Well, Tom is.
Speaker 2 (03:30:16):

You want
Speaker 1 (03:30:16):

To talk about the
Speaker 2 (03:30:16):

Rights? Director of comments. No, wait, Tom, do you want to talk about director comments or
Speaker 16 (03:30:21):

This? So this is probably to you, Cecilia. This is what he talks
Speaker 2 (03:30:25):

About.
Speaker 16 (03:30:28):

I don't remember if it was one month or two months ago you had started the ZBB process and had asked for everything that everybody wanted to do and that was your bottoms up budget. And then you set rates based on that. And then over the last six weeks, I've seen each department kind of ZBBing certain items like he ZBB'd the valve project to save money. And I think they decided not to hire administrative manager versus have two people instead of one. So a lot of people, each department has started to save money. And so my question to you is, is that money saved in the ZBB process reducing the rates or is it just all getting put into surplus or reserves or something like that? All the money that the department had saved over the last two months.

Speaker 18 (03:31:33):

Can I answer the question? Okay. Your first question has to do with the addition of the administration manager. That was never in my original budgets. Okay.

(03:31:42):

The second question has to do with the CBB or CBV that you mentioned for the CIP projects. The CIP project originally presented was 3.4 million approximately. Don't quote me on that. And that was the very, very first draft. And we have went back and got an actual quote and really discussed what are we actually going to do. That is only affecting the reserve. And I already presented in the last few meeting that we have so much money in the reserve. We cannot have 3.4 million of CIP. That's when we went back to tame it down to one point something million, which will be discussed a little bit. Both the improvement and finance committee have looked at each project. How are we going to do it? Should we do it? And approve that. So that's what I would talk about next. But you're still

Speaker 16 (03:32:41):

Sticking with what you said in the initial. Yeah,

Speaker 18 (03:32:45):

The initial presentation of the rate increase did not include the administration manager and we actually came down the slide. You had to come

Speaker 16 (03:32:55):

Down to fit

Speaker 18 (03:32:55):

Within it. Okay. That's

Speaker 16 (03:32:56):

What I wanted to know.

Speaker 3 (03:32:57):

Thank you. Yes, sir.

Speaker 14 (03:33:09):

Well, I'm a Simpleton and I'm really confused or do not understand why we have such a shortage of waters. I'm assuming that this is the position of the board here. I would like to know how many acre feet of water do the lakes hold?

Speaker 5 (03:33:36):

Point of order. We're on the budget. I understand what you're asking, but that doesn't pertain to -

Speaker 8 (03:33:43):

We're actually on the fee increase. It's

Speaker 5 (03:33:45):

About 218 fee

Speaker 8 (03:33:46):

Increases.

Speaker 5 (03:33:46):

Item 15.

Speaker 14 (03:33:50):

Okay. Since we are on the budget, do I have a right to ask why such a high increase on the water rates?

Speaker 5 (03:34:02):

You absolutely
Speaker 14 (03:34:03):

Do. Okay.

(03:34:04):

Well, my arithmetic tells me that at the present time, the CSD is receiving approximately $9 million in fees due to the figures that you presented in the sample bill. And with the raise, you're going to be receiving approximately $12 million. And I see in the report that was done, I believe in 24, 25, that replacing the water lines and the sewer lines is estimated to be between 191 million and $255 million. I don't know where in God's name we're going to be able to raise that kind of money. And also doing the figures for those estimates. At $191 million, that's a cost of $406 a lineal foot. And at $255 million, that's a cost of $541 a lineal foot. I don't know who gets these bids or where this money's going to come from, but I wish you guys would really take into consideration that while we're a upper class community here, there's not unlimited money for all these expenses, for all these ideas.

(03:35:48):

I'd like to go back to when I can about the water situation. But for now, those are my comments. Thank you.
Speaker 3 (03:35:57):

Thank you.
Speaker 2 (03:35:58):

Javier, I think it's important that you and every resident here understands where these numbers come from, but you're asking a lot of really big, really complex questions. So you can give us a call at the number listed on the website or you can email me and I'll do my best to provide the information that you're looking for because some of the things that you've asked, I know that there's documents that will help you understand them. And I'll gladly help and share those with you.
Speaker 14 (03:36:30):

Well, I have no doubt that you have the information, but at the same time, I just cannot grasp how we're looking at these kind of figures with such a limited availability.
Speaker 18 (03:36:45):

Can I add something? Sure. I did a very thorough drop in presenting the budgets two months ago. And I went through slide by slide in terms of revenue expenses, what we're spending on, how we increased from the projected current financial statement to the budgets. And Gail actually wrote an excellent article summarizing my idea. So there's a lot of information posted on our website. I encourage you to go back and feel free to reach out to Amelia as to where the link is. Because I did a two and a half hours of presentation on detailing out what we're spending, how we're going to spend it, why, what's the reason, and the trend and market of the past few years.
Speaker 14 (03:37:31):

Well, I will certainly go look into it. Yes, please. Thank you very much for that.
Speaker 3 (03:37:34):

Thank you, sir.
Speaker 2 (03:37:35):

Thank you.
Speaker 3 (03:37:36):

Anything further, Diane?
Speaker 2 (03:37:38):

That is

Speaker 3 (03:37:39):

It. Okay. So do we close the public hearing at this point? As president and I will close the public hearing.
Speaker 8 (03:37:51):

And this is when you're to ask the district secretary for the tally of the written protest, which she's already given unless she received additional protests.
Speaker 2 (03:38:00):

Have you received additional protests during the meeting? No. No.
Speaker 4 (03:38:06):

So it's 25.
Speaker 2 (03:38:09):

No, it's 10 for water, 10 for sewer, five for solid waste. So that only represents 10 letters. 10 pieces of paper, right? I got it. And then I think we had two letters that just said I live on a fixed income. I can't afford this.That really didn't protest the rate increase.
Speaker 8 (03:38:35):

All right. And then you can just report out that there were not sufficient protests on water, sewer or solid waste. And the board will accordingly take no action at this time. And we've got the ordinance on the agenda. I think one item down.
Speaker 3 (03:38:53):

Yes.
Speaker 8 (03:38:55):

So
Speaker 3 (03:38:55):

We're done. I will so report that there are not enough protests and we will move on.
Speaker 2 (03:39:05):

So then the next item on the agenda is the budget presentation with the.
Speaker 3 (03:39:11):

With reserve development and CIP.
Speaker 2 (03:39:14):

Yes. And this will be briefed because we've had so many thorough budget presentations. I think the only thing that hasn't been presented to the whole board is the CIP.
Speaker 18 (03:39:22):

Yes, ma'am.
Speaker 2 (03:39:24):

Brief.
Speaker 18 (03:39:26):

So because Amelia wants a brief, I'm going to concentrate on the total column here. The revenue, it's at 12.3 million. And the expenses is also 12.3 million with a net income of 2143. Now in the last board meeting, we worked on the security budget to make sure that the property tax reserve is not being used for that. What I have done in the security budget is we eliminate the position and cut off the payroll. And that's in the second slide that I will talk about in detail. And you can tell that in the non-operations section, the first line property tax, I projected that there will be about a million dollars coming from property tax. And all of them, I'm hoping that we can use as our reserve, as our operating reserve. And we should be keeping six months of it. As of now, we're not at that goal.

(03:40:30):

So it'd be great to have that as a operating reserve. And for the reserve, the 1.962, I did not change anything. It was us presented in the last two board meeting. Now I did put professional fee water attorney down below. As I think that this will be used for the water augmentation funds, I put that underneath in the non-operating section. So all in all, if we focus on the total column, we will be at 2.8 million net income with all the reserve. So now any question before I move to the next slide? So I just want to -

Speaker 7 (03:41:17):

That's a

Speaker 18 (03:41:17):

Net

Speaker 7 (03:41:17):

2.8 million increase in reserves. Am I reading that right?

Speaker 18 (03:41:22):

Yes.

Speaker 7 (03:41:24):

Yeah.

Speaker 3 (03:41:26):

It will be, yeah. If that money is allocated into enterprise funds, then yes.

Speaker 18 (03:41:33):

If you go back to the first slide. So if you make it a little bit bigger and just point to the total column. So under the non-operating section, yes. Can you put your cursor up to the 2.880711? That's the total reserve fund. And then - Addition to it. Yeah. So if you add the 2.88 and the 2.143, which is the operation net results, the total will be the last number, 2.882.

Speaker 9 (03:42:06):

Got it.

Speaker 18 (03:42:07):

Yeah. So now let's go to the next slide. I want to talk about what are the differences between the very first budget that I presented versus this one. So I kind of line up the revenue expenses in the second column, which is the first draft. The difference, it's about 517,000. So if you go to the next slide, what I have done is. Can you make it bigger? So what I've done is first I eliminate two position, which is patrol officer with their salary and benefits and all that. That's about 181,000. And then I have also looked at the GNA costs and tame it down. Legal expenses used to be 200 grand. Now I am cutting 131 because when I went back and analyzed the legal fee, a lot of them are FSA related, which we should be billed back. So that's not an expenses for us.

(03:43:13):

Utility repairs maintenance. I also cut overall all the repair and maintenance for utility by $50,000. The dam insurance, we've talked about it so many times, but yet GSRMA have not given us a definite number. And the board has not decided whether we should go for it or not. So I cut it out. And do

Speaker 15 (03:43:38):

You want - Is it correct, Amelia? We did not take them up on their interim till the end of the year.

Speaker 2 (03:43:44):

That is true. Well, to the end of the fiscal year, which is only the month of June at this point.

Speaker 15 (03:43:48):

Thank

Speaker 2 (03:43:49):

You. And we're waiting to hear what it'll be from July 1st until June 30th next year.
Speaker 18 (03:43:54):

And then I decided that I'm not going to go through Great Plains Cloud conversion because at the end of this calendar year, I will be still working on the two last audit. I don't have any chance to really go through a conversion. The best time is to. Next year I should be deciding what software to use and then we can go through just one conversion. So I took out $20,000, but all the monthly new converted software, I also took it out from my operating. And I updated the HR recruitment fee because now I know how much we will be charged. At the first draft, I didn't know. I just put in a number.
Speaker 3 (03:44:34):

Just one quick question on that. You're completely confident with our backups and where we are.
Speaker 18 (03:44:42):

The GP? Yes.
Speaker 3 (03:44:43):

Okay.
Speaker 18 (03:44:43):

Yeah. It's still backed up by our existing. The conversion cloud base is just a better, higher level software. I'm just driving an old car.
Speaker 3 (03:44:51):

Better
Speaker 18 (03:44:52):

We
Speaker 3 (03:44:52):

Can defer.
Speaker 18 (03:44:53):

Right.
Speaker 3 (03:44:53):

Not so good we can't defer.
Speaker 18 (03:44:55):

Yes. I'm just driving the GP as it is. It's an old car, but it's still working.
Speaker 3 (03:45:01):

Okay. Well. Hope it's better than mine.
Speaker 18 (03:45:06):

I also trimmed down the administration costs for personnel by $40,000, just updating all the payroll. And since the last three months we've changed some of the payroll costs. So that's the 517 at a very high level. Any question before I need to move to the next page? So here I'm not going to talk about all the details, but this is how the financial will look like by fund in detail. And then if you go to this next page, the property tax, I still don't know how we're going to allocate it, but my plan is not allocated to anything and just keep it in the bank. But for presentation, I have to put it into against water, wastewater and drainage. And then the last line will be the reserve, which included the interest as well.
Speaker 4 (03:46:10):

So
Speaker 18 (03:46:10):

We're
Speaker 4 (03:46:11):

Not going to put property tax money into the reserve account?
Speaker 18 (03:46:16):

We are. But for presentation, I just have to allocate it, but we're going to put it against the bank account. Do you have a question for me?
Speaker 5 (03:46:25):

Yeah. So on the security in the reserve, it's 92,000.
Speaker 18 (03:46:32):

Those are just interest income from our existing funds. So we have a balance there. So when I allocate interest, income, earn, I allocate it based on the balance that we have projected. So that's how the 90K sit there.
Speaker 5 (03:46:48):

Okay. Thank you.
Speaker 7 (03:46:50):

And that 92,000 is not operating. It's reserved so it can only be
Speaker 18 (03:46:55):

Spent. It's reserved. It's part of our reserve. On
Speaker 7 (03:46:58):

Improvements.
Speaker 18 (03:47:00):

Yeah,
Speaker 7 (03:47:00):

Camera systems. Cameras work.
Speaker 18 (03:47:02):

Yeah. But remember my reserve balance, I'm still projecting. So I don't know. I've worked until fiscal year 24, 25, 26. I don't know yet. So that's an allocation that it's projected.
Speaker 5 (03:47:14):

Understood. Understood.
Speaker 18 (03:47:17):

And I'm still going back to redo the security impact fee and developer fee to true it up. So that might increase or decrease as well. And then I've also shown a monthly financial statement. That's a lot of details, but feel free to read it when you go home.
Speaker 3 (03:47:42):

Okay. No, it looks good. I think you should read every column.
Speaker 18 (03:47:46):

I compile every numbers here. Now, do you have any question before I talk about the position listing? Okay. Let's move to the next one. So you can tell that the last column is the budget. And for the accounting department or administration department, the total count is 9.5 compared to 9.0. I'm adding a senior accountant position, but that accounts for only half FTE increase because the composition of personnel last year has changed. And I lost a half FTE. Now I'm adding one FTE. So that's why it's nine versus 9.5. The water utility department, which is the second. Yep. The total changed from 16 to 17, which is the mechanic. You can see the mechanic line, which is the last one, changed from one to two. Now the security department, the biggest change is the patrol officer used to be four. Now it's down to two. And that's the difference between 15 to 13.
Speaker 7 (03:49:04):

So by reducing patrol officers by two, you've gone underneath the revenue budget?
Speaker 18 (03:49:13):

Yeah. Yeah, because there's a lot of benefits for that.
Speaker 3 (03:49:17):

With the fringe two means
Speaker 18 (03:49:21):

2.75. Yeah.
Speaker 3 (03:49:23):

Yeah.
Speaker 18 (03:49:25):

I think they're about $70,000. Right. Okay. So that's where we're at. Thank you. Now, can we talk about the CIP? Yeah. So the CIP, if you can turn to the first page, this is the CIP. We've worked a lot to tame down from 3.4 to this amount now. And all the project, we've discussed it in improvement committee and finance committee. So I'm not going to go through each of the project again because last time it took us two hours. But if you have any question, let me know and we can answer that.
Speaker 5 (03:50:08):

I do. And it's to Travis. So just going off of our conversation of the number of trucks, vac trucks that we used.
Speaker 7 (03:50:19):

Correct.
Speaker 5 (03:50:22):

I get it's only 141,000, but it's eight years, so it's pushing 8.2 million that pay for that truck. I think -
Speaker 15 (03:50:31):

What? 1.6.
Speaker 5 (03:50:33):

I'm sorry, 1.6. Yeah. 1.8 is what I came up with. Thank you. So I think the price for the vehicle's fine. My question to you, I was completely surprised at what they charged us for emergency rates.
Speaker 6 (03:50:46):

Yes. Correct.
Speaker 5 (03:50:48):

Would it behoove us to leave this amount in there? Now the decision is, do we rent it and go there for the fiscal cycle? Or do you think we still have to move forward with it? I
Speaker 6 (03:51:05):

Still think we should move forward.
Speaker 5 (03:51:07):

I know Corey's for it.
Speaker 6 (03:51:08):

Yes. No, I understand that. So now with that, I still think we should move forward because it took an hour to get the first truck out here.
Speaker 5 (03:51:18):

Answer my question.
Speaker 6 (03:51:19):

Okay.
Speaker 5 (03:51:21):

That's all I have on it. Thank you.
Speaker 18 (03:51:26):

Any other question on any of the items presented?
Speaker 9 (03:51:33):

No. Nope.
Speaker 18 (03:51:35):

So that's my CIP, but I do want to point out that a lot of the items here can be financed if we have a grant. So if you can go to the pages that I show for grant opportunity. So right here, I researched that for the urban management plan. You can obtain grants for it. And then there's another grant available for water master plan and any other thing. So it'd be great if we have a director of operation or GM, they can start applying for it because definitely state and federal has a lot of grant opportunity. You're going
Speaker 3 (03:52:20):

To have an audited financial back them up?
Speaker 18 (03:52:23):

I will. Yes. I will.
Speaker 3 (03:52:27):

Just a normal requirement for grants. Yeah.
Speaker 18 (03:52:32):

I know. But I think by the time you apply for it, I'll be done. Okay,
Speaker 15 (03:52:37):

Good. So do we need to approve
Speaker 5 (03:52:39):

This? I have just a couple more things for Amelia. For
Speaker 2 (03:52:43):

Cecilia or Aprilia?
Speaker 5 (03:52:44):

Or Cecilia. I'm sorry. On the CIP, once we approve it, spending can take effect at whenever it needs to be done, correct?
Speaker 18 (03:52:56):

Yes. And I do actually have this by month. The guys told me what month they're going to spend.
Speaker 5 (03:53:06):

So I'm going to pick on Travis for a second. So when you order up the trains, right? And we know there's a lead time. It's been approved. It's within your authorization.
Speaker 6 (03:53:17):

Correct. We have to pay a third upfront and then you pay the other two third. So
Speaker 3 (03:53:22):

We don't really have to, other than it's showing up in the bills paid listing, we don't have to
Speaker 5 (03:53:27):

Know. We're done with it.
Speaker 6 (03:53:29):

So I don't have to bring individual purchases to improvements committee. I just, if it's approved.
Speaker 18 (03:53:36):

You have to bring in the vendor selection.

Speaker 6 (03:53:39):

Right. I understand that. I do have to do my due diligence.

Speaker 5 (03:53:42):

Right. And I think you run it through improvements, advise them. Improvements committee members go, no, stop, or anything like that. It's completely different. Otherwise, it is not an agenda item for this board. And if it

Speaker 3 (03:53:55):

Shows up here after it's been there, we'll approve it. I had 198 pages out of

Speaker 6 (03:54:00):

You. I usually always take everything to improvements as advisory if necessary and approve it. Okay. Great. Sounds good.

Speaker 2 (03:54:11):

I think that there is in the purchasing and bidding chapter four about that. So we're looking really quick.

Speaker 5 (03:54:20):

No, that's fine. It's good. Once it's approved, you don't have to come ask us for money. You

Speaker 6 (03:54:25):

Don't want to be

Speaker 5 (03:54:25):

Bothered anymore. There's a process. And because then if it does come to us, I think John, we can put it to the consent calendar and it's going to move through.

Speaker 3 (03:54:35):

Then it's on you, Amelia, just make sure that however this is going to work and continues to work or will work, that it's following the policy. And if the policy needs to be changed, then just do that for something.

Speaker 2 (03:54:47):

Yeah. Okay. Thank you.

Speaker 4 (03:54:49):

Travis, did we mix the tower that was going to be built for the smart meters? Do you remember that?

Speaker 6 (03:54:58):

Yeah. We haven't done anything on that. I'd have to ask Corey about that because I think we did. We were talking about cell phones

Speaker 15 (03:55:06):

Or

Speaker 6 (03:55:06):

Something. We

Speaker 15 (03:55:09):

Mix that.

Speaker 6 (03:55:09):

Yeah, because I think with these different meters, that tower wasn't going to be necessary. What I can do is I'll talk with Corey and bring it back to the improvements committee to at least get a clarification of the direction we're going. If you want it or I can get an answer. But I think that was squashed because of the new meters. We're different meters now.

Speaker 4 (03:55:37):

Originally what happened was this was brought to us by our previous -

Speaker 6 (03:55:44):

I know what happened. With census, if we would have stayed with census, we would have had to get the towers. We went with these other meters, which are completely better all the way around with and different communication.

Speaker 4 (03:56:00):

But they're not going to cost us 1.5 million dollars.

Speaker 18 (03:56:04):

Because Corey and my accountant is doing billing. And I do know that they're using the smart meter and trying to replace all the meters on sites with the smarter one, a better one. I don't think they're using the towers anymore because they're picking up the signal as it

Speaker 4 (03:56:21):

Goes. It wasn't just whether we were using towers or not. What was concerning me was that we had gone through this process of 1.5 mil for

Speaker 6 (03:56:35):

All this other

Speaker 4 (03:56:36):

Stuff. And so then we found out that we could put the tower up with our existing meters, right?

Speaker 6 (03:56:45):

Yeah. If we were going to go census, but then instead of, because we were allocating $100,000 a fiscal year to - Replace meters. To replace meters. So Corey came in and he's like, "Hey, this meter is better. It doesn't require the towers. And we can still put smart points on the census and then we'll just replace them as they go bad."

Speaker 4 (03:57:11):

I just want to understand what the process was we were thinking because it started off being way, way super expensive.

Speaker 6 (03:57:17):

Yes. Yes. And that got way, way squashed.

Speaker 4 (03:57:20):

Good news.

Speaker 2 (03:57:22):

The general manager may approve a purchase of commodities, general services contract, professional services contract, or construction contracts in an amount or estimated amount of $25,000 or less. And that's under expenditures on budget approved capital projects. Okay. So I believe anything over 25,000. We'll come back to you, but I'll put it on consent.

Speaker 3 (03:57:44):

Okay. Okay. Great. So any other further questions on the budget, public comments, anything out there? So does this mean at this point we waive the reading? Patrick? Is this next up? No,

Speaker 2 (03:57:59):

I've got a reading here. It just says review the

Speaker 3 (03:58:03):

Budget.

Speaker 8 (03:58:03):

Oh yeah. We're on

Speaker 3 (03:58:05):

16.
Speaker 8 (03:58:06):

We're
Speaker 2 (03:58:06):

On 17.
Speaker 8 (03:58:06):

For the ordinance, we can waive the reading. Yeah.
Speaker 3 (03:58:09):

Yeah. So we're done with 16, right? We just did that. So 17, we need a motion to waive the first reading of the ordinance 2026-02, increasing water, sewer and solid waste service charges and storm drainage and security special taxes.
Speaker 4 (03:58:29):

That we do that.
Speaker 15 (03:58:33):

Second? I second it.
Speaker 7 (03:58:36):

Okay. So Cecilia, these rates in the resolution are unchanged from the first draft that you gave us.
Speaker 18 (03:58:52):

Yeah, no change.
Speaker 7 (03:58:52):

These are all the same.
Speaker 18 (03:58:53):

Yeah.
Speaker 7 (03:58:54):

Thank you.
Speaker 1 (03:58:57):

Director Butler?
Speaker 18 (03:58:58):

Yes.
Speaker 2 (03:58:59):

Can we ask
Speaker 3 (03:58:59):

For public comments?
Speaker 1 (03:59:00):

For
Speaker 2 (03:59:00):

Public comment?
Speaker 3 (03:59:01):

Public comment. Hearing none.
Speaker 5 (03:59:05):

Well, hang on. I think it's getting up. You can't use the card that you didn't use earlier. You got to fill out another one. I know you're tricked. No.
Speaker 12 (03:59:21):

So Cecilia, sorry.
Speaker 3 (03:59:23):

Pull the mic down.
Speaker 12 (03:59:26):

Cecilia, yeah. So the first draft of the budget you came up with, you haven't changed the figures at all, even though you came up with $517,000 reduction. So the rates are going to stay the same as you first proposed?
Speaker 18 (03:59:46):

The rates are going to stay the same as proposed. But from the first draft to the second draft, I've also gotten new information on some of the numbers that I put in. So I've increased it a little bit and then decrease it Through the major 517, the items.
Speaker 12 (04:00:05):

So the rates that you first put out on the prompt 218 notice will stay the same.
Speaker 18 (04:00:10):

Stay the same. That's what we need to do.
Speaker 3 (04:00:16):

So call roll. We have a motion and a second. Who
Speaker 1 (04:00:20):

Seconded?
Speaker 4 (04:00:21):

I
Speaker 3 (04:00:21):

Did.
Speaker 1 (04:00:22):

I see. Director Butler?
Speaker 4 (04:00:23):

Yes.
Speaker 1 (04:00:24):

Director Here?
Speaker 15 (04:00:25):

Yes.
Speaker 1 (04:00:26):

Director Jaco? Aye. Director Mavy? Aye. And President Merchant?
Speaker 3 (04:00:31):

Yes.
Speaker 1 (04:00:32):

Thank you.
Speaker 3 (04:00:35):

Can we move on to 18? If there's anything else we need to do here?
Speaker 2 (04:00:39):

Comments.
Speaker 3 (04:00:41):

Any comments?

Speaker 5 (04:00:43):

Amelia, thank you for taking the. I hate to say it, but our safety center. But with that -

Speaker 2 (04:00:53):

I want to say thank Diane. Thank Diane.

Speaker 5 (04:00:56):

Diane, thank you.

Speaker 3 (04:00:57):

Is that looking good in your yard or what?

Speaker 5 (04:00:59):

Yeah. It's a planner box. With the removal of the safety center, we probably need to update the sign out front, remove highway patrol, sheriffs and the safety center.

Speaker 2 (04:01:13):

Oh, that's a good idea. Thank you.

Speaker 5 (04:01:15):

Or we can wait until the weeds grow high again and we'll cover.

Speaker 6 (04:01:20):

Hurtful.

Speaker 3 (04:01:23):

We have a gardener now as opposed to your staff, by the way. That being said, the meeting is adjourned.

Speaker 2 (04:01:35):

For everyone that is here, I'm going to lock the door. So if you want to come back in, knock on the door. That way I don't

MEMORANDUM

Date: August 26, 2026
To: Board of Directors
From: Amelia Wilder, Interim General Manager
Re: General Manager’s Report

GRAND JURY REPORT

The District received a report from the Grand Jury June 24, 2026. Staff and Legal Counsel are preparing our response which is due September 24, 2026. Please refer to the reports on Country Club findings located later in this packet.

HR PROGRESS

Comprehensive updates to the Personnel Manual are nearly finished. The final draft, incorporating updated employee policies, has turned into a very big project, as Staff and HR to GO work to finalize the manual. Staff have decided to wait until the MO negotiations are complete at the end of the year to present this for Board approval so that MO changes can be incorporated into the Personnel Manual.

GENERAL MANAGER RECRUITMENT

General Manager recruitment is progressing as planned.

LAGO GATE

Staff have been attempting to determine the cause of the malfunction with the Lago Gate for over a month. We are in contact with our vendor who repairs gates and have decided to replace the wires that run under the street, which have probably been there since the new North Gate was built, with a wireless system. e hope that this upgrade will fix the problem.

BOARD ROOM AND WEBSITE UPGRADES

Staff have been working to find affordable solutions to bring the Board room into compliance with ADA standards. Since these do not go into effect until the future however, we are working on this as time allows.

CYBER SECURITY

Attacks by cyber terrorists is on the rise, especially for small water districts like ours. These terrorists hack into the system, lock all data and hold a District for ransom to get their data back. Protecting ourselves is the focus of the team, and we are doing everything we can to safeguard our system, so that we don’t fall under one of these attacks.

MEMORANDUM

Date: Aug 26, 2026

To: Finance Committee/Board of Directors

From: Cecilia Min, Director of Finance and Administration

Subject: Audit and Finance Report

AUDIT FY 23 / FY 24 - COMPLETED

Audit 24/25

Preparation for FY25 started at the end of July 2026.

- The last financial report for this fiscal year was February 2025, we must put in the accounting work from March to June. Completed the revenue section and in progress with payroll transactions.
- Noted duplicated transactions within the account payable transactions. Remove all duplicated transactions and make sure that all transactions were properly recorded in the correct period.
- Bond accounting is 80% completed
- Review Repairs and Maintenance transactions to properly capture fixed asset items – 10%

TASK	Projects	ASSIGNED TO	PROGRESS
Reconstruction of accounting - March to June	**Audit 24/25**	RH	60%
Bank Reconciliations	**Audit 24/25**	RH	5%
CFD Bond Audit	**Audit 24/25**	RH	80%
Interim Audit Preparation	**Audit 24/25**	RH	0%
Balance Sheet Reconciliation	**Audit 24/25**	RH	0%
Audit Workpaper Preparation	**Audit 24/25**	RH	0%
Review Balance Sheet Reconciliation + Audit Preparation	**Audit 24/25**	RH	0%
Audit Field Work	**Audit 24/25**	RH	0%
Financial Statement preparation & Partner Review	**Audit 24/25**	RH	0%
Review First Draft of Financial Statement	**Audit 23/24**	RH	0%

Balance Sheets Reconciliations - FY24

Tasks	FY2	FY24 - Reviewed	Notes
Bank Reconciliations: 1000	☐	☐	
Bank Reconciliations: 1001	☐	☐	
Bank Reconciliations: 1002	☐	☐	
Bank Reconciliations: 1008 & 1009	☐	☐	Started
Bank Reconciliations: 1009	☐	☐	Started
Bank Reconciliations: 1003	☐	☐	Started
Investment&Interest Income	☐	☐	
Tyler AR	☐	☐	
Tyler Revenue/customers overpayment	☐	☐	
Tyler Installment Plan	☐	☐	
Property Tax Receivable and Revenue	☐	☐	
Prepaids	☐	☐	
Interfund Loans	☐	☐	
Tyler credit balances	☐	☐	
Due to/From Reconciliation	☐	☐	
Admin Allocation/Due to From	☐	☐	
AP aging	☑	☐	
Accrued Expenses	☑	☐	
Search for Unrecorded Liabilities	☑	☐	
Fixed Assets	☐	☐	
Repairs and Mainteance Review	☐	☐	Started
Deeded Transactions	☐	☐	
Restricted Cash	☐	☐	
Pension	☐	☐	
OPEB liability	☐	☐	
Notes Receivable	☐	☐	
Developer deposits	☐	☐	
Capital Leases	☐	☐	
Unearned revenue	☐	☐	
Water Hydrant Deposit	☐	☐	
Property Loss Reimbursement/Rebates	☐	☐	
Payroll Expenses	☐	☐	
Misc income 3500	☐	☐	
Accrued Payroll	☐	☐	
GASB 101	☐	☐	
Compensation Absences	☐	☐	
Net Asset Rolled Forward	☐	☐	
Revenue: Reserve	☐	☐	
Insurance	☐	☐	
Income/Expenses Analysis	☐	☐	
Budget vs. Actual Analysis	☐	☐	
Calwaste and related surcharge in Fd 49	☐	☐	
Legal	☐	☐	
Bond Audit	☑	☐	
Due From CFD Bond	☐	☐	
Reclass to G&A	☐	☐	
Revenue per customers analysis	☐	☐	
Revenue Flux year after year	☐	☐	

Audit 25/26

Audit preparation for FY26 started mid-August 2026

- Bank Reconciliation started and around 30%

Bank Reconciliations	Audit 25/26	RH	30%
CFD Bond Audit	Audit 25/26	RH	0%
Interim Audit Preparation	Audit 25/26	RH	0%
Balance Sheet Reconciliation	Audit 25/26	RH - all	0%
Audit Workpaper Preparation	Audit 25/26	RH	0%
Review Balance Sheet Reconciliation + Audit Preparation	Audit 25/26	RH	0%
Audit Field Work	Audit 25/26	RH	0%
Financial Statement preparation & Partner Review	Audit 25/26	RH	0%
Review First Draft of Financial Statement	Audit 25/26	RH	0%

Accounting 26/27 – July accounting is in progress

FY 2026 Financials

Period: July 2025 – June 2026

Statement of Revenue and Expenses - Preliminary
July 2025 to June 2026
Commentary

This is preliminary financial and will be subjected to change after bank reconciliations and balance sheet reconciliations. These will be completed in the later months after the completion of past audit years.

This statement represents all twelve months of fiscal 25/26. The expenses as a % of the annual budget should be at **100%**.

Monthly statement of revenue and expense has been provided showing monthly revenue and expense for the past twelve months. The monthly expenses are not consistent as coding was not consistent in those months. Negative amounts showing in certain months are reclassed to correct YTD miscoding.

Rancho Murieta Community Services District
Statement of Revenue and Expenses
Budget vs. Actual
For the Twelve Months Ending Tuesday, June 30, 2026

	Total	Annual Budget	% of Budget
Operation			
Total Operating Revenue	9,394,943	9,611,854	98%
Expenses			
Total Operating Expenses	7,105,373	6,897,910	103%
Total General and Administrative Expenses	3,108,887	2,679,197	116%
Total Expenses	10,214,260	9,577,107	107%
Operation Income (Loss)	(819,316)	34,747	(2358%)
Less: Property Taxes Revenue	989,917	970,000	102%
Operation Result after Property Taxes Revenu	170,601	1,004,747	17%
Other Non-Operation Activities			
Total Reserve Revenue	2,001,490	1,814,889	110%
Developer Activities			
Developer Income/Expenses	3,385,985	0	0%
Net Income (Loss)	5,428,358	2,819,636	193%

Overall

As of June 30, 2026, the preliminary financial results show a net operating loss of **$819,000**, which is fully offset by property tax revenue.

Financials by Fund

Rancho Murieta Community Services District
Statement of Revenue and Expenses By Fund
For the Twelve Months Ending Tuesday, June 30, 2026

	Water	Wastewater	Drainage	Solid Waste	Security	Total
Operation						
Total Operating Revenue	3,508,459	2,286,838	251,068	1,709,844	1,638,732	9,394,943
Expenses						
Total Operating Expenses	2,908,104	1,357,939	124,832	1,549,931	1,164,564	7,105,373
Total General and Administrative Expenses	1,709,885	683,894	217,601	124,344	373,160	3,108,887
Total Expenses	4,617,989	2,041,833	342,433	1,674,275	1,537,724	10,214,260
Operation Income (Loss)	(1,109,530)	245,005	(91,365)	35,569	101,008	(819,316)
Less: Property Taxes Revenue	494,959	485,059	9,899	0	0	989,917
Operation Result after Property Taxes Revenue	(614,571)	730,064	(81,466)	35,569	101,008	170,601
Other Non-Operation Activities						
Total Reserve Revenue	1,194,617	786,488	0	0	20,385	2,001,490
Developer Activities						
Developer Income/Expenses	1,315,475	909,719	1,160,791	0	0	3,385,985
Net Income (Loss)	1,760,716	2,428,758	1,080,116	36,021	122,750	5,428,358

The **Water Fund** reported an operating loss of $1.0 million, primarily due to higher repairs and maintenance, consulting, and salary expenses. The **Wastewater Fund** generated operating income of $245,000. The **Drainage Fund** incurred an operating loss of $81,000, mainly because repairs and maintenance costs exceeded budget by $55,000. The **Solid Waste Fund** reported operating income of $35,000, while the Security Fund generated operating income of $101,000, primarily driven by lower salary and benefit costs.

<u>Detailed Analysis</u>

Operation

***Operating Revenue* – was at 98% which is below target as compared to the benchmark of 100%.**

Residential Fees are lower than budget as the budget was calculated based on the number of connections instead of invoices.

Investment earnings and interest income totaled $189k as compared to an annual budget of 97k which is 195% of the total budget. The budget for investment earnings was prepared conservatively.

***Operating Expenses* – total Operating expenses was at 103% which is slightly above target.**

Salaries and Wages – was at 92% which is below the target of 100%. The Director of Operations position remained vacant for past months, and multiple security team positions were also unfilled during the first few months. In February, salary adjustments were implemented for Security Supervisors to align compensation with updated job descriptions, and an additional security staff member was hired. Furthermore, following salary surveys conducted in April and May, retroactive payroll adjustments were applied to all unrepresented employees. These factors contributed to the increase in wage expenses observed during April and May.

Benefits were at 52% of the annual budget, lower than expected considering the vacant positions.

Capacity Purchase/Utilities - Utility expenses were allocated between the Operations and Administration accounts; however, approximately 99.8% of the budget was allocated to the Capacity Purchase account. When Capacity Purchase is combined with the two Utility expense accounts, total expenditures are at 119% of the annual budget.

Regulatory- Inspections – This new account tracks all expenses related to the cost of inspecting utility plants due to governmental regulation. This used to be coded in consulting costs.

Tools & Supplies – at 145% of annual budget. These costs consist of recurring monthly bulk purchases as well as various smaller purchases throughout the year. In addition, the repairs and maintenance issues noted below have resulted in increased spending on tools and supplies. Consequently, expenditures in this category have exceeded budgeted levels, indicating that the budget was insufficient to support actual operational needs.

Repairs & Maintenance – at 268% of annual budget.

- July - lift repairs for $30k and annual service of gas feeders for $11k.

    - Lift station repair is the Alameda rehab CIP project, which we will need to reclass. The gas feeders are for the chlorine system at the wastewater plant.

- August –asphalt patch repair for $9k.
    - This is for service line repairs – general maintenance.

- October –motor replacement for $17k for Granlees life station and lake maintenance fees for $13k for our quarterly water testing.

- November – vacuum truck rental, due to heavy rains, for $31k, asphalt / concrete replacement for $12k, and annual equipment calibrations for $11k.
    - Vacuum truck company rental for 6B lift station flooding event. Asphalt is service line repairs, annual calibrations for water plant chlorine system.

- December – aquatic weed harvesting for $15k, vacuum truck rental, due to heavy rains for $13k, and a basin analyzer for $12k.
    - Aquatic harvesting is normal operations, vactor truck was for 6B flooding and basin analyzer was replacement of analyzer and panel for wastewater plant EQ basin.

- January – generator rental for $16k.
    - Wastewater plant generator broke and we needed a rental while repairs were performed.

- February – algae clean-up for $23k.
    - Normal operations.

- March – lift and generator repairs for $18k and vacuum truck rental, due to heavy rains for $13k.
    - Lift and generator repairs is actually a combination of multiple repairs on a non emergency basis, vactor truck was for the 6B flood event in November.

- May – Cal Fire Crew for November emergency work for $19k.

- June - work on ponds for $57k, repair & installation of Equalization Basin for $16k, repairs to water treatment plant for $12k, air compressor maintenance for $11k.

Training & Seminars – 637% of annual budget - $16k expense vs. $2.5k budget. Noted training for security, utility staff, and forklift operators properly booked in this account. This is underbudgeted.

Contractual Services – 107% of annual budget. Of the $1.9 million expended year-to-date, approximately $1.5 million (79%) was paid to California Waste Recovery Systems for monthly service charges. Additional expenditures include $53,000 paid to the County of Sacramento for quarterly Cal Waste surcharges, $20,000 paid to Lumos & Associates for a rate study, and $268,000 paid to Domenichelli & Associates. The Domenichelli invoices will be reviewed to determine whether any portion should be reclassified as development-related activities.

Travel and Mileage –216% of annual budget. Not enough was budgeted for this category.

Telecommunications – at 339% of annual budget. It seems to be under budgeted. 100% of this is AT&T wireless and landline, the latter seeing a cost increase in May.

General and Administrative Expenses– total expenses were at 116% which is over the target of 100%.

Salaries and Wages – was at 84% which is below the target of 100%. The General Manager, Director of Finance, Accounts Payable, and HR Accounting Technician positions were not fully staffed throughout all months included in this line item, resulting in lower personnel costs during portions of the period. District filled these positions temporarily and was recorded in consulting expenses.

In February, salary expenses increased due to a retroactive payment of approximately $46,000 made to the Interim General Manager, which contributed to the variance in salaries and wages for that month.

Furthermore, following salary surveys conducted in April and May, retroactive payroll adjustments were applied to all unrepresented employees. These factors contributed to the increase in wage expenses observed during those months.

Benefits, Taxes & Pension was at 53%, significantly below target. Benefits were overbudgeted.

OPEB - Other Post Employment Benefits was at 179%. OPEB for retirees was budgeted for $250K annually but the actual payment based on CalPERs actuarial calculation was $464K. OPEB was under budgeted.

Community Communications – was at 443% of annual budget. This consists primarily of charges for monthly utility invoices and Pipeline. A portion of these charges is for postage and should be classified as such. In the last three months $6.8k has been incurred for Prop 218 Notices & Water Moratorium meetings.

Repairs & Maintenance – was at 413% of annual budget, consisting primarily of monthly cleaning (and one-time deep cleaning) charges from Cleaning Services for $25k YTD, monthly landscaping for $6.5k YTD, e-waste recovery for $4.8k YTD, and demolition of Safety Center for $22k during the last two months.

Utilities – see above, Capacity Purchase and Utilities under Operating Expenses.

Legal Fees – was 301% of annual budget, consisting of fees for legal matters involving FSA and Developer Activity. After further analysis, these invoices will be reclassed to FSA and the Developer Activity section to the nonoperating section.

Consulting Fees – was at 627% of annual budget. This line item consists of consulting and temporary staffing costs, including interim placements for the Director of Finance, Accounts Payable, and District Secretary positions, which were originally budgeted under salaries and wages. It also includes approximately $16,000 in Great Plains accounting system consulting expenses to support system enhancements and implementation activities, including interfund processing, allocation module configuration, fixed asset management, bank reconciliations, and financial statement preparation.

HR recruitment fees – was at 3370% of annual budget. This includes HR to Go for $3.4k monthly and $18k incurred in April & May for General Manager executive search. Neither of these was budgeted.

Travel and Mileage – was at 469% of annual budget. March included a retro payment of $14k for travel expenses from Jan 2025 through February 2026 for interim General Manager.

Total Expenses **– was at 107%, over the target of 100%. The variance as of June 2026 is $637K**

Operating Result before Property Tax Revenue is a loss of $819k.

Operating Result after Property tax revenue is $171K.

Other Non Operating Revenue (Expenses)

- ***Contribution – Donated Infrastructure*** *- Per Resolution 2025-12, we accepted Riverview Phase 2 Infrastructure of $3.4 million.*
- ***Consulting – Water Studies*** *– from October through May, we paid $100k to Water Systems Consulting, Inc. for groundwater well studies.*

Rancho Murieta Community Services District
Statement of Revenue and Expenses
For the Twelve Months Ending Tuesday, June 30, 2026

	Water	Wastewater	Drainage	Solid Waste	Security	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
Operation										
Operating Revenue										
Residential Fees	$3,041,041	$1,986,581	$210,307	$1,686,322	$1,349,467	$8,273,719	$8,583,932	($310,213)	$8,583,932	96%
Commercial Fees	307,083	212,818	30,576	0	255,425	805,902	813,934	(8,032)	813,934	99%
Late Fees & Penalties	45,858	28,895	2,759	19,279	9,825	106,617	51,988	54,629	51,988	205%
Other Sales	10,382	0	0	0	0	10,382	25,000	(14,618)	25,000	42%
Investment Earnings	45,749	34,904	0	0	2,320	82,973	97,000	(14,027)	97,000	86%
Interest Income	58,346	23,640	7,426	4,243	12,730	106,385	0	106,385	0	0%
Water- Admin Charges -	0	0	0	0	0	0	0	0	0	0%
Other Fees	0	0	0	0	8,965	8,965	40,000	(31,035)	40,000	22%
Total Operating Revenue	**3,508,459**	**2,286,838**	**251,068**	**1,709,844**	**1,638,732**	**9,394,943**	**9,611,854**	**(216,910)**	**9,611,854**	**98%**
Expenses										
Operating Expenses										
Salaries and Wages	1,006,628	329,033	22,203	0	795,029	2,152,894	2,329,464	(176,570)	2,329,464	92%
Benefits, Taxes & Pension	256,682	66,273	4,582	0	279,562	607,099	1,170,429	(563,330)	1,170,429	52%
Workers Compensation	57,436	52,602	2,977	0	0	113,015	112,916	99	112,916	100%
Capacity Purchase	0	0	0	0	0	0	376,825	(376,825)	376,825	0%
Chemical	186,730	137,727	11,719	0	0	336,176	280,000	56,176	280,000	120%
Regulatory - Inspections	77,640	17,217	0	0	0	94,857	0	94,857	0	0%
Regulatory - Lab Testing	24,383	21,013	0	0	0	45,396	56,000	(10,604)	56,000	81%
Tools & Supplies	196,137	98,240	16,892	0	2,108	313,378	216,000	97,378	216,000	145%
Repairs & Maintenance	279,121	339,626	63,572	0	32,926	715,246	267,360	447,886	267,360	268%
Uniform and Clothings	13,525	10,299	0	0	2,472	26,296	22,000	4,296	22,000	120%
Training and Seminars	5,832	6,686	121	0	3,294	15,934	2,500	13,434	2,500	637%
Small Equipment	43,026	5,731	2,386	0	1,187	52,330	0	52,330	0	0%
License & Permits	94,388	26,021	0	0	2,761	123,170	152,000	(28,830)	152,000	81%
Contractual Services	332,369	33,924	0	1,549,931	1,044	1,917,268	1,794,316	122,952	1,794,316	107%
Rental/Lease expenses	22,177	550	0	0	0	22,727	11,000	11,727	11,000	207%
Travel and Mileage	24,808	22,777	227	0	10,629	58,441	27,000	31,441	27,000	216%
Software License/Support	11,575	1,929	0	0	19,551	33,055	30,000	3,055	30,000	110%
HR & Recruitment	2,421	1,866	0	0	3,159	7,446	1,350	6,096	1,350	552%
Memberships & Subscriptions	1,479	1,607	0	0	0	3,086	7,250	(4,164)	7,250	43%
Miscellaneous	0	0	0	0	0	0	0	0	0	0%
Utilities	221,730	140,485	153	0	5,444	367,811	0	367,811	0	0%
Telecommunications	51,937	49,749	0	0	3,360	105,047	31,000	74,047	31,000	339%
Office Supplies	1,305	1,446	0	0	2,038	4,789	10,500	(5,711)	10,500	46%
Bad Debts	0	0	0	0	0	0	0	0	0	0%
Fines and Penalties	125	0	0	0	0	125	0	125	0	0%
Miscellaneous Expenses	0	0	0	0	0	0	0	0	0	0%
Depreciation - Water	0	0	0	0	0	0	0	0	0	0%
Gain/Loss on Asset Disposition	(3,350)	(6,862)	0	0	0	(10,212)	0	(10,212)	0	0%
Interest Expense	0	0	0	0	0	0	0	0	0	0%
Total Operating Expenses	**2,908,104**	**1,357,939**	**124,832**	**1,549,931**	**1,164,564**	**7,105,373**	**6,897,910**	**207,463**	**6,897,910**	**103%**

	Water	Wastewater	Drainage	Solid Waste	Security	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
General and Administrative Expenses										
Salaries & Wages	468,227	187,291	59,592	34,053	102,158	851,321	1,012,790	(161,469)	1,012,790	84%
Benefits, Taxes & Pension	119,441	47,776	15,202	8,687	26,060	217,165	410,098	(192,933)	410,098	53%
OPEB	245,294	98,118	31,219	17,840	53,519	445,989	249,782	196,207	249,782	179%
Worker's Comp Insurance	36,165	14,457	4,600	2,629	7,885	65,736	65,678	57	65,678	100%
Insurance	235,801	94,320	30,011	17,149	51,447	428,729	475,642	(46,914)	475,642	90%
Community Communications	21,914	8,766	2,789	1,594	4,781	39,843	9,000	30,843	9,000	443%
Repairs and Maintenance	42,697	17,079	5,434	3,105	9,316	77,632	18,801	58,830	18,801	413%
Rental/Lease expenses	0	0	0	0	0	0	0	0	0	0%
Telecommunications	9,109	3,644	1,159	662	1,987	16,562	19,680	(3,118)	19,680	84%
Software License/Support	103,044	41,217	13,115	7,494	22,612	187,482	182,001	5,481	182,001	103%
Utilities	45,035	18,014	5,732	3,275	9,826	81,882	820	81,062	820	9990%
Membership and Subscriptions	14,315	5,726	1,822	1,041	3,123	26,027	10,501	15,526	10,501	248%
Training and Seminars	1,470	588	187	107	321	2,673	2,499	174	2,499	107%
Legal Fees	148,766	59,506	18,934	10,819	32,458	270,484	90,000	180,484	90,000	301%
Consulting Fees	135,194	54,078	17,207	9,832	29,497	245,808	39,201	206,607	39,201	627%
HR and Recruitment Fees	27,815	11,126	3,540	2,023	6,069	50,573	1,501	49,072	1,501	3370%
Accounting and Audit Fees	1,165	466	148	85	254	2,119	0	2,119	0	0%
Travel and Mileage	12,887	5,155	1,640	937	2,812	23,431	5,001	18,430	5,001	469%
Office supplies	19,828	7,886	2,509	1,434	4,301	35,958	30,000	5,958	30,000	120%
Postage	11,649	4,653	1,480	846	2,538	21,166	38,001	(16,835)	38,001	56%
Bank Analysis Fees	5,861	2,345	746	426	1,279	10,657	8,499	2,158	8,499	125%
Board and Committee Meetings	2,215	886	282	161	483	4,027	1,701	2,326	1,701	237%
Fines and Penalties	1,161	465	148	84	253	2,112	0	2,112	0	0%
Employee events	821	328	104	60	179	1,492	0	1,492	0	0%
Small Equipments	0	0	0	0	0	0	0	0	0	0%
Miscellaneous	11	4	1	1	2	20	8,001	(7,981)	8,001	0%
Rental/Lease expenses	0	0	0	0	0	0	0	0	0	0%
Depreciation	0	0	0	0	0	0	0	0	0	0%
Gain/Loss on Assets Disposal	0	0	0	0	0	0	0	0	0	0%
Total General and Administrative Expenses	**1,709,885**	**683,894**	**217,601**	**124,344**	**373,160**	**3,108,887**	**2,679,197**	**429,689**	**2,679,197**	**116%**
Total Expenses	**4,617,989**	**2,041,833**	**342,433**	**1,674,275**	**1,537,724**	**10,214,260**	**9,577,107**	**637,152**	**9,577,107**	**107%**
Operation Income (Loss)	**(1,109,530)**	**245,005**	**(91,365)**	**35,569**	**101,008**	**(819,316)**	**34,747**	**(854,062)**	**34,747**	**(2358%)**
Less: Property Taxes Revenue	494,959	485,059	9,899	0	0	989,917	970,000	19,917	970,000	102%
Operation Result after Property Taxes Revenue	**(614,571)**	**730,064**	**(81,466)**	**35,569**	**101,008**	**170,601**	**1,004,747**	**(834,145)**	**1,004,747**	**17%**

Other Non-Operation Activities

Reserve Contribution

	Water	Wastewater	Drainage	Solid Waste	Security	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
Water Capital Impr Fees	61,950	86,264	0	0	2,363	150,577	78,837	71,740	78,837	191%
Water Augmentation Fees	212,635	0	0	0	0	212,635	113,100	99,535	113,100	188%
Water Cap Replacement Reserve	570,822	555,459	0	0	0	1,126,280	1,202,640	(76,359)	1,202,640	94%

	Water	Wastewater	Drainage	Solid Waste	Security	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
Debt Service Fees	159,463	0	0	0	0	159,463	0	159,463	0	0%
Security Impact Fees	0	0	0	0	8,400	8,400	18,000	(9,600)	18,000	47%
Interest and Investment Earnings (Restr.)	189,747	144,765	0	0	9,622	344,134	402,312	(58,178)	402,312	86%
Total Reserve Revenue	**1,194,617**	**786,488**	**0**	**0**	**20,385**	**2,001,490**	**1,814,889**	**186,601**	**1,814,889**	**110%**
Developer Activities										
Developer Revenue	0	0	0	0	0	0	0	0	0	0%
Inspection Revenue	19,637	4,658	0	0	0	24,295	0	24,295	0	0%
Contribution - Donated Infrastructure	1,340,110	905,061	1,160,791	0	0	3,405,961	0	3,405,961	0	0%
Salary and Admin Expense	0	0	0	0	0	0	0	0	0	0%
Consulting Expenses: Developer	22,952	0	0	0	0	22,952	0	22,952	0	0%
Consulting Expenses: FSA	21,320	0	0	0	0	21,320	0	21,320	0	0%
Developer Income/Expenses	**1,315,475**	**909,719**	**1,160,791**	**0**	**0**	**3,385,985**	**0**	**3,385,985**	**0**	**0%**
Other										
Other Income	6,218	2,487	791	452	1,357	11,306	0	11,306	0	0%
Grant Revenue	0	0	0	0	0	0	0	0	0	0%
CIA Ditch Service Charges	0	0	0	0	0	0	0	0	0	0%
Consulting:Water Studies	122,331	0	0	0	0	122,331	0	122,331	0	0%
CIA Ditch Maintenance & Operations	18,692	0	0	0	0	18,692	0	18,692	0	0%
Salary and Admin Expenses	0	0	0	0	0	0	0	0	0	0%
Investment FMV adjustment	0	0	0	0	0	0	0	0	0	0%
Total Other Income Grant Income	**(134,805)**	**2,487**	**791**	**452**	**1,357**	**(129,717)**	**0**	**(129,717)**	**0**	**0%**
Net Income (Loss)	**1,760,716**	**2,428,758**	**1,080,116**	**36,021**	**122,750**	**5,428,358**	**2,819,636**	**2,608,724**	**2,819,636**	**193%**

RANCHO MURIETA CSD - NEW
Statement of Revenue and Expenses
Summary of All Units
For the One Month Ending Tuesday, June 30, 2026

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Operation													
Operating Revenue													
Residential Fees	$709,493	$763,969	$738,365	$693,043	$662,623	$670,022	$643,752	$622,941	$675,799	$665,435	$682,822	$745,455	$8,273,719
Commercial Fees	82,569	90,329	76,670	58,311	64,842	59,855	55,308	54,167	64,580	59,063	64,164	76,044	805,902
Late Fees & Penalties	11,025	10,232	9,899	11,930	11,651	9,818	8,872	7,808	6,068	7,196	5,943	6,176	106,617
Other Sales	743	743	743	743	743	818	743	2,030	743	743	843	743	10,382
Investment Earnings	37,253	37,239	35,732	33,613	33,998	36,565	(162,221)	5,769	6,331	6,139	6,369	6,187	82,973
Interest Income	12,901	11,981	9,929	9,971	9,913	8,768	7,316	6,808	8,231	6,795	6,814	6,960	106,385
Other Fees	800	860	270	0	850	920	1,065	730	840	1,140	790	700	8,965
Total Operating Revenue	**854,784**	**915,353**	**871,608**	**807,611**	**784,620**	**786,766**	**554,835**	**700,253**	**762,592**	**746,511**	**767,745**	**842,265**	**9,394,943**
Expenses													
Operating Expenses													
Salaries and Wages	154,301	150,607	168,282	147,879	173,585	121,443	175,845	218,112	164,238	222,474	267,700	188,429	2,152,894
Benefits, Taxes & Pension	55,416	30,996	48,564	46,596	51,481	46,461	37,841	53,117	52,660	56,580	77,236	50,152	607,099
Workers Compensation	9,418	9,418	9,418	9,418	9,418	9,418	9,418	9,418	9,418	9,418	9,418	9,418	113,015
Capacity Purchase	9,947	33,750	514	9,336	(53,547)	0	0	0	0	0	0	0	0
Chemical	23,104	0	11,306	32,361	127,938	23,479	12,393	3,749	18,379	13,504	9,062	60,901	336,176
Regulatory - Inspections	0	11,485	0	0	0	0	5,732	0	77,640	0	0	0	94,857
Regulatory - Lab Testing	2,335	2,574	4,462	7,850	4,758	0	0	0	6,898	4,279	5,345	6,895	45,396
Tools & Supplies	21,670	12,460	16,047	19,605	47,241	20,362	12,733	(718)	77,362	26,618	36,889	23,109	313,378
Repairs & Maintenance	62,892	19,157	33,043	78,968	71,212	60,472	45,072	23,402	90,624	26,550	58,408	145,445	715,246
Uniform and Clothings	553	944	903	1,817	1,338	402	3,679	1,279	8,289	2,392	2,679	2,022	26,296
Training and Seminars	2,496	421	0	2,179	(173)	3,397	1,571	2,512	2,144	1,057	332	0	15,934
Small Equipment	0	236	6,257	2,117	4,432	1,471	209	1,187	6,995	8,304	12,072	9,050	52,330
License & Permits	345	13,273	21,149	0	(173)	0	48,206	6,891	23,622	3,071	3,893	2,894	123,170
Contractual Services	163,352	131,421	168,129	214,175	(47,956)	297,477	144,492	132,764	145,668	273,001	132,764	161,982	1,917,268
Rental/Lease expenses	0	0	0	2,544	4,370	(107)	550	0	0	4,312	6,408	4,650	22,727
Travel and Mileage	3,538	2,591	3,280	15,774	2,069	3,462	3,147	3,911	4,480	5,687	5,039	5,461	58,441
Software License/Support	8,406	11,121	1,260	20,557	(30,969)	(16,393)	15,876	5,940	6,943	3,224	1,295	5,795	33,055
HR & Recruitment	32	42	2,338	573	122	154	433	1,511	10	1,681	420	130	7,446
Memberships & Subscriptions	0	270	2,379	(385)	220	0	0	0	374	228	0	0	3,086
Utilities	25,992	1,471	27,405	25,533	76,263	34,739	25,723	31,144	34,223	29,585	32,657	23,077	367,811
Telecommunications	7,337	7,335	7,341	7,370	7,345	7,356	7,398	12,026	5,450	11,370	13,768	10,950	105,047
Office Supplies	268	219	290	181	(474)	266	319	481	631	1,202	327	1,080	4,789
Fines and Penalties	0	0	0	0	0	0	0	0	0	0	0	125	125
Gain/Loss on Asset Disposition	0	0	0	0	0	0	0	0	0	0	(3,150)	(7,062)	(10,212)
Total Operating Expenses	**551,402**	**439,791**	**532,367**	**644,448**	**448,500**	**613,859**	**550,637**	**506,726**	**736,048**	**704,537**	**672,562**	**704,503**	**7,105,373**
General and Administrative Expenses													
Salaries & Wages	58,342	48,643	71,544	65,541	46,918	103,789	53,389	106,628	57,182	69,291	104,167	65,888	851,321
Benefits, Taxes & Pension	9,360	11,235	22,445	17,276	16,087	29,621	14,258	22,021	16,735	16,747	24,982	16,398	217,165
OPEB	37,166	37,166	37,166	37,166	37,166	37,166	37,166	37,166	37,166	37,166	37,166	37,166	445,989

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Worker's Comp Insurance	5,478	5,478	5,478	5,478	5,478	5,478	5,478	5,478	5,478	5,478	5,478	5,478	65,736
Insurance	39,671	39,671	39,671	39,671	39,645	39,671	39,671	39,671	39,671	39,671	39,671	(7,629)	428,729
Community Communications	0	0	0	0	9,617	6,619	0	1,596	9,291	9,492	1,603	1,624	39,843
Repairs and Maintenance	0	0	0	2,000	17,803	9,445	2,199	900	3,829	4,192	33,461	3,802	77,632
Telecommunications	815	1,179	0	582	(408)	1,969	1,072	(1,960)	11,009	1,848	228	228	16,562
Software License/Support	4,597	4,342	3,044	2,445	42,200	43,514	583	9,819	17,442	24,589	18,408	16,500	187,482
Utilities	2,837	3,496	3,737	3,142	4,792	2,034	7,479	5,413	10,990	15,068	10,805	12,090	81,882
Membership and Subscriptions	224	0	794	0	13,781	0	0	0	10,069	539	0	620	26,027
Training and Seminars	0	0	0	0	655	47	0	0	500	0	0	1,472	2,673
Legal Fees	0	0	0	23,363	102,950	56,331	14,546	21,560	14,212	15,675	14,928	6,918	270,484
Consulting Fees	0	3,738	52,500	0	33,543	4,171	22,977	13,951	34,213	33,577	21,295	25,842	245,808
HR and Recruitment Fees	638	58	454	3,359	3,350	3,350	3,350	3,358	4,606	12,350	12,350	3,350	50,573
Accounting and Audit Fees	0	0	0	0	0	0	0	0	0	0	900	1,219	2,119
Travel and Mileage	0	759	2,308	1,222	694	0	0	500	14,769	923	1,385	871	23,431
Office supplies	916	2,105	2,065	18,946	880	565	591	651	2,526	2,759	1,295	2,660	35,958
Postage	156	0	16	176	14,090	1,563	0	577	1,217	1,165	10	2,196	21,166
Bank Analysis Fees	576	622	534	598	608	840	617	634	586	606	2,210	2,228	10,657
Board and Committee Meetings	0	265	0	0	0	278	778	2,245	140	60	82	177	4,027
Fines and Penalties	0	0	0	0	0	102	0	0	1,128	735	10	137	2,112
Employee events	0	0	0	0	0	665	0	0	0	295	497	36	1,492
Miscellaneous	0	0	5	15	0	0	0	0	0	0	0	0	20
Total General and Administrative Expenses	**160,776**	**158,757**	**241,761**	**220,980**	**389,849**	**347,218**	**204,154**	**270,208**	**292,759**	**292,226**	**330,931**	**199,271**	**3,108,887**
Total Expenses	**712,178**	**598,548**	**774,128**	**865,428**	**838,349**	**961,077**	**754,791**	**776,934**	**1,028,807**	**996,763**	**1,003,493**	**903,774**	**10,214,260**
Operation Income (Loss)	**142,606**	**316,805**	**97,480**	**(57,817)**	**(53,729)**	**(174,311)**	**(199,956)**	**(76,681)**	**(266,215)**	**(250,252)**	**(235,748)**	**(61,509)**	**(819,316)**
Less: Property Taxes Revenue	0	0	0	0	0	0	0	489,219	60,412	0	416,286	24,000	989,917
Operation Result after Property Taxes Revenue	**142,606**	**316,805**	**97,480**	**(57,817)**	**(53,729)**	**(174,311)**	**(199,956)**	**412,538**	**(205,803)**	**(250,252)**	**180,538**	**(37,509)**	**170,601**

Other Non-Operation Activities

Reserve Contribution

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Water Capital Impr Fees	0	0	0	35,241	10,679	0	16,019	20,291	30,970	0	0	37,377	150,577
Water Augmentation Fees	0	0	0	49,766	15,080	0	22,621	28,653	43,733	0	0	52,782	212,635
Water Cap Replacement Reserve	87,247	93,240	91,968	99,715	78,345	79,556	99,044	98,326	99,499	99,910	99,402	100,029	1,126,280
Debt Service Fees	15,768	15,765	15,439	15,765	15,674	15,729	15,607	15,460	15,689	15,769	2,793	7	159,463
Security Impact Fees	0	0	0	0	0	0	0	0	0	8,400	0	0	8,400
Interest and Investment Earnings (Restr.)	0	0	0	0	21,056	0	195,357	23,926	26,257	25,463	26,416	25,659	344,134
Total Reserve Revenue	**103,015**	**109,005**	**107,407**	**200,487**	**140,834**	**95,285**	**348,648**	**186,656**	**216,148**	**149,542**	**128,611**	**215,854**	**2,001,490**

Developer Activities

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Inspection Revenue	0	0	0	5,804	1,658	0	2,487	3,317	4,975	250	0	5,804	24,295
Contribution - Donated Infrastructure	0	0	0	0	3,405,961	0	0	0	0	0	0	0	3,405,961
Consulting Expenses: Developer	0	0	0	0	0	0	0	0	2,520	27,007	0	(6,575)	22,952
Consulting Expenses: FSA	0	0	0	0	0	0	0	0	2,093	4,110	13,341	1,776	21,320
Developer Income/Expenses	**0**	**0**	**0**	**5,804**	**3,407,619**	**0**	**2,487**	**3,317**	**362**	**(30,867)**	**(13,341)**	**10,603**	**3,385,985**

Other

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Other Income	717	717	1,296	717	545	717	717	717	1,851	717	735	1,856	11,306
Consulting:Water Studies	5,765	0	3,915	8,000	11,534	945	15,509	0	23,088	47,209	4,920	1,446	122,331
CIA Ditch Maintenance & Operations	0	10,267	0	0	0	178	396	0	0	1,553	6,298	0	18,692
Total Other Income Grant Income	**(5,048)**	**(9,550)**	**(2,619)**	**(7,283)**	**(10,989)**	**(406)**	**(15,188)**	**717**	**(21,237)**	**(48,045)**	**(10,483)**	**410**	**(129,717)**
Net Income (Loss)	**240,573**	**416,260**	**202,268**	**141,191**	**3,483,735**	**(79,432)**	**135,991**	**603,228**	**(10,530)**	**(179,622)**	**285,325**	**189,358**	**5,428,358**

Cash & Investment Balances
Period: Jan 2026 – June 2026

Rancho Murieta CSD
Cash and Investments

2026	1/31/2026 Balance	2/28/2026 Balance	3/31/2026 Balance	4/30/2026 Balance	5/31/2026 Balance	6/30/2026 Balance	Transfer	Adjusted Bal.
Banner - Money Market	$ 2,134,765	$ 2,479,942	$ 2,432,417	$ 2,102,076	$ 2,267,085	$ 2,417,856		
CAMP	$ 758,417	$ 760,644	$ 763,096	$ 765,096	$ 767,911	$ 770,289		
CA Class	$ 9,574,909	$ 9,602,397	$ 9,632,533	$ 9,661,762	$ 9,692,105	$ 9,721,573		
Total	$ 12,468,091	$ 12,842,983	$ 12,828,046	$ 12,528,934	$ 12,727,102	$ 12,909,717		
Unrestricted	$ 2,134,765	$ 2,479,942	$ 2,432,417	$ 2,102,076	$ 2,267,085	$ 2,417,856	2,582,144	5,000,000
Restricted	$ 10,333,326	$ 10,363,041	$ 10,395,629	$ 10,426,858	$ 10,460,016	$ 10,491,862	(2,582,144)	7,909,717
	$ 12,468,091	$ 12,842,983	$ 12,828,046	$ 12,528,934	$ 12,727,102	$ 12,909,717		12,909,717
Average Yield								
Banner - Money Market	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%		
CAMP	3.912%	3.513%	3.855%	3.137%	7.524%	8.090%		
CA Class	3.843%	3.435%	3.754%	3.630%	7.376%	7.383%		

2025	1/31/2025 Balance	2/28/2025 Balance	3/31/2025 Balance	4/30/2025 Balance	5/31/2025 Balance	6/30/2025 Balance
Banner - Money Market	5,314,166	5,221,702	5,221,702	5,026,342	4,665,077	3,631,354
CAMP	726,574	729,089	731,856	734,533	737,292	739,961
CA Class	9,179,431	9,210,513	9,244,894	9,278,278	9,312,577	9,345,839
Total	15,220,171	15,161,304	15,198,452	15,039,153	14,714,946	13,717,155
Unrestricted	5,314,166	5,221,702	5,221,702	5,026,342	4,665,077	3,631,354
Restricted	9,906,006	9,939,602	9,976,751	10,012,811	10,049,869	10,085,800
	15,220,171	15,161,304	15,198,452	15,039,153	14,714,946	13,717,155
Average Yield						
Banner - Money Market		4.600%	4.590%	4.590%	4.590%	4.590%
CAMP		4.139%	4.537%	4.372%	8.847%	8.804%
CA Class		4.050%	4.463%	4.318%	8.721%	8.675%

Summary of the Cash and Investment – June 2026

The District's total cash and investment balance at the end of June 2026 was approximately **$13 million**, compared to **$13.7 million** at the end of June 2025.

The **Banner account** serves as the District's operating account and is considered **unrestricted**. The **CAMP** and **CA Class** investment accounts are considered **restricted**. As of June 2026, unrestricted funds totaled approximately **$2.4 million**, while restricted funds were approximately **$10.4 million**.

The decrease in total balances from June 2025 to June 2026 is primarily attributable to spending on **Capital Improvement projects (CIP)** during this fiscal year. Since CIP expenditures have been paid directly from the Banner operating account, corresponding transfers from the CAMP and CA Class investment accounts have not yet been made to reimburse those capital expenditures.

Under the District's **Operating Fund and Reserve Fund Policy**, the target reserve level should have sufficient cash to fund approximately **six months of District operating expenditures**. Based on the June 2026 financial statements, the six-month operating reserve requirement is estimated to be approximately **$5 million**.

To maintain the Banner account balance at the target reserve level of approximately $5 million, it may be appropriate to transfer approximately **$2.6 million** from the restricted investment accounts to the unrestricted Banner account. This transfer would reduce restricted balances to approximately **$7.9 million**. The final transfer amount will not be known until the annual audits are completed and year-end balances are finalized.

Even after such a transfer, restricted balances of approximately **$7.9 million** would be low relative to the District's **net fixed assets of approximately $31 million (**amount based on FY 24 audit), particularly given the ongoing cost of maintaining and replacing capital infrastructure.

Additionally, **interest rates have declined compared to 2025**, which may impact future investment earnings.

MEMORANDUM

Date: August 26, 2026
To: Board of Directors
From: Branden Arino, Security Supervisor
Subject: Security Department Update – July 2026

Operations Update

The Security Department continues to prioritize staffing stability, operational readiness, and proactive community engagement. Key updates are as follows:

- All full-time Security Department positions are currently filled.
- Current staffing levels:
  - 7 Full-Time Gate Officers
  - 6 Part-Time Gate Officers
  - 2 Full-Time Patrol Officers
  - 15 Total Employees (including 4 probationary employees)
- Patrol Unit #52 was sent to Elite Automotive for air conditioning repairs and is expected to return to service upon completion.

Independence Day Operations

Security operations during the Fourth of July holiday were successfully executed as planned. RMCSD Security and RMA Compliance worked collaboratively to develop and implement an operational plan designed to maximize efficiency and maintain community safety during one of the busiest weekends of the year.

To improve traffic flow and reduce congestion, an additional visitor check-in station was established at the North Gate, allowing a second visitor processing lane to operate during peak periods. This significantly improved vehicle throughput and helped prevent traffic from backing up onto Jackson Highway.

Rancho Murieta Association (RMA) Coordination

The Security Department continues to work closely with Rancho Murieta Association (RMA) leadership to strengthen rule enforcement, improve compliance efforts, and enhance overall community safety. Current collaborative efforts include:

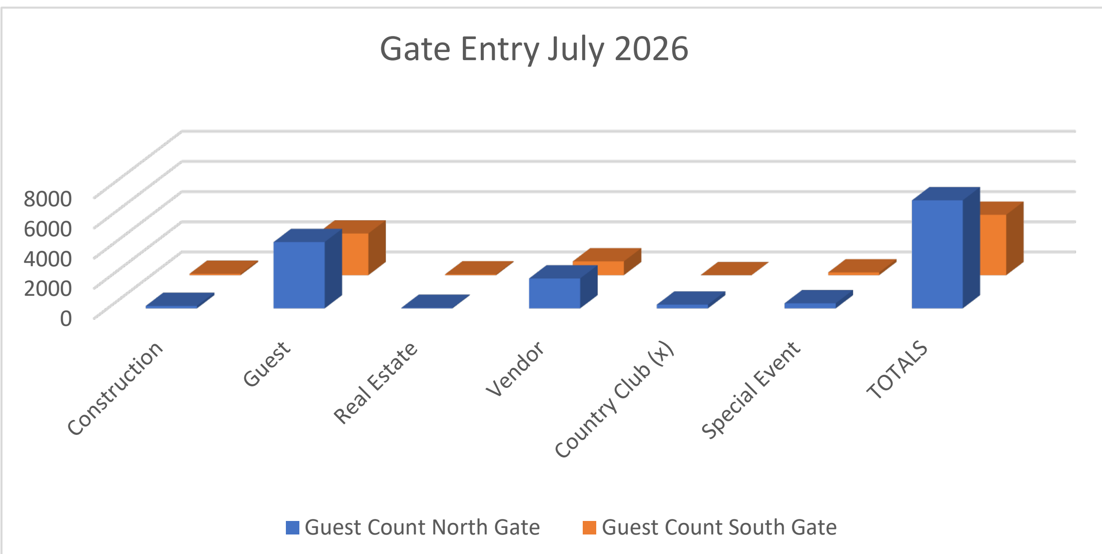
- Ongoing enforcement of non-architectural RMA rules in coordination with RMA Compliance (see Violation Summary Report).
- Weekly speed enforcement operations conducted in accordance with RMA guidelines.
- Continued attendance and active participation in RMA Compliance Committee meetings to improve communication and coordination between agencies.

Gate Entries by Type

7/1/2026 - 7/31/2026

Pass Type	Guest Count North Gate	Guest Count South Gate	Count by Pass Type
Construction	165	89	254
Guest	4,400	2,767	7,167
Real Estate	35	52	87
Vendor	1,986	916	2,902
Country Club (x)	248	0	248
Special Event	337	185	522
TOTALS	**7,171**	**4,009**	**11,180**

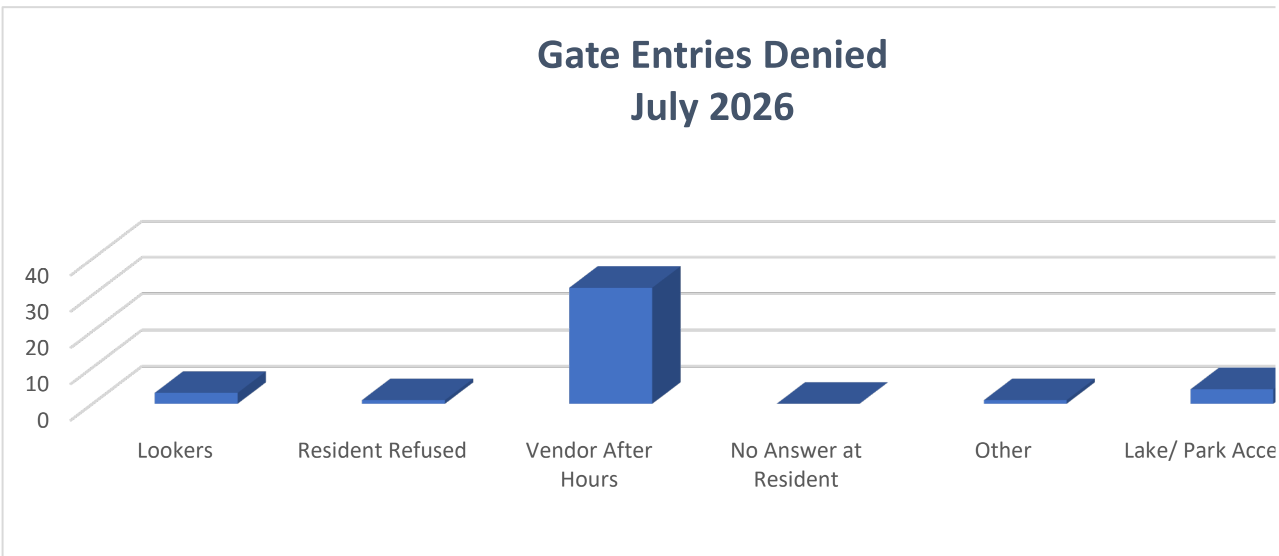
Prior Month Totals:	**7,835**	**4,572**	**12,407**



Gate Entries Denied
July 1st - 31st

	Lookers	Resident Refused	Vendor After Hours	No Answer at Resident	Other	Lake/ Park Access
All Gates	3	1	32	0	1	4

Prior Month Totals: 9 2 33 6 5 2



Rancho Murieta Association
Violation Item Summary Report -- 2026
Violations Written by RMCSD Security

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Violation Item Summary Report	CSD	CSD	CSD	CSD	CSD	CSD	CSD	CSD	CSD	CSD	CSD	CSD	CSD
Motor Vehicle Violations:													
Carring Passengers			1			1							2
Motorcycle													0
No drivers license													0
Speeding			1		2								3
Speeding - twice speed limit													0
Stop signs	1		2	1	3	1							8
Bus stop signs													0
Use of streets						1							1
Parking:													
Driveway parking													0
Guest parking													0
Overnight street parking	1	2	6	12	5	2	1						29
Unauthorized Vehicle (24 hr pass)						1	1						2
No Parking Areas	1	1	1	2	5	4	3						17
Accumulation/dumping of debris						1							1
Boat Usage													0
Barbeques, open fires, bonfires						6							6
Carrying passengers/overloaded cart													0
Chickens													0
Commercial vehicle lettering													0
Construction overnight parking													0
Discharge of firearm													0
Dwelling exterior alterations													0
Failure to identify						1							1
Golf Cart Decals													0
Guest w/o resident in comm areas						1	1						2
Home business activities													0
Interference CSD Officer													0
Noxious activities													0
Open garage doors													0
Park hours / curfew	2	1	1	4	5	6	2						21
Pets - off leash / teathered / noise													0
Property maintenance													0
Sign rules													0
Sports equip/trampoline/basketball													0
Storage of building materials													0
Stored vehicles		1											1
Trash containers													0
Unlawful Activities													0
Use of common areas & facilities													0
Use of Fireworks													0
Vandalism													0
Vehicle repair or maintenance													0
Working days & hours													0
Total Violations Written by CSD	**5**	**5**	**12**	**19**	**20**	**25**	**8**	**0**	**0**	**0**	**0**	**0**	**94**
RMCSD Violations not Processed	2	4	2	3	1	0	0						12

Rancho Murieta CSD Security

15160 Jackson Rd

Rancho Murieta, CA 95662

Cases - Breakdown by Type

ALARM	3
ANIMAL COMPLAINT	5
BURGLARY	1
CITATION	9
DISTURBANCE	6
EXTRA PATROL	137
FOLLOW UP	1
JUVENILE DELIQUENCY	7
LOST/FOUND PROPERTY	6
MISCELLANEOUS	8
OPEN DOOR	2
PETTY THEFT	1
REFUSED ENTRY	41
RESIDENT COMPLAINT	18
RMA RULE VIOLATION	6
SAFETY ADVISAL	2
SPEEDING COMPLAINT	2
SUSPICIOUS ACTIVITY	2
SUSPICIOUS PERSON	2
TRASH-PICK UP	1
TRESPASSING	12
VEHICLE ACCIDENT	5
WATER LEAK	5
WELFARE CHECK	1
Total	283

July 2026 Incidents of Note

At approximately 2:30 p.m. on July 4, the Rancho Murieta Community Services District (RMCSD) Security Department received a report of two juvenile females who were allegedly heavily intoxicated, unconscious in the bushes, and covered in vomit near the Cosumnes River South Beach area.

Security Supervisor Branden Arino, RMA Compliance Manager Smith, and Security Patrol Officer Perepelka responded immediately and conducted a search of the South Beach area. Upon contacting several individuals in the vicinity, responding personnel were advised that a larger gathering involving both juveniles and adults was taking place across the river at the North Beach. A search of the South Beach area did not locate anyone matching the description provided by the reporting party.

Responding personnel then proceeded to the North Beach, where they encountered a large, unsanctioned gathering. Individuals present were instructed to leave the area in accordance with community rules. The majority of those in attendance complied with the request and dispersed, leaving behind a significant amount of litter and debris.

Following the dispersal of the gathering, responding personnel conducted a thorough search of the area but were unable to locate the two juvenile females described in the original report. Several uninvolved beachgoers advised responding personnel that they had observed two teenage females being carried away from the area earlier due to apparent intoxication; however, the individuals were no longer present when security arrived.

Once the area had been substantially cleared and no individuals requiring immediate assistance were located, responding personnel resumed normal patrol operations. No additional incidents related to the original call were observed.

At approximately 1:40 a.m. on July 5th, the Rancho Murieta Community Services District (RMCSD) Security Department received a report of illegal fireworks being discharged on the North Golf Course near the 14th green.

Security Patrol Officer Anderson and RMA Compliance Manager Smith responded to the reported location. Upon arrival, they observed several individuals, believed to be juveniles, running from the area. The responding personnel followed the individuals to a residence on Guadalupe Drive, where a large gathering was taking place.

While attempting to contact the occupants and advise them of the reported fireworks activity, , Security Patrol Officer Anderson and Compliance Manager Smith were met by multiple individuals who became verbally hostile, shouting obscenities at them. During the encounter, a laser was directed at the responding personnel, which they believed originated from a firearm-mounted laser device.

As Security Patrol Officer Anderson and Compliance Manager Smith disengaged and retreated toward their patrol vehicle, they were confronted a second time by an unidentified individual who continued to behave aggressively while shouting obscenities. During this confrontation, responding personnel observed what appeared to be the butt of a firearm protruding from the individual's pocket.

Due to the escalating hostility and the apparent presence of a firearm, Security Patrol Officer Anderson and Compliance Manager Smith immediately withdrew from the area and notified dispatch. The Sacramento County Sheriff's Office was requested to respond and assume control of the incident.

On July 26th, 2026, at approximately 7:15 p.m., RMCSD Security Dispatch received a telephone report of a vehicle burglary that occurred in the parking lot of the Murieta Inn and Spa.

The reporting party advised that they arrived for work at approximately 4:00 p.m. and left their vehicle secured with all windows intact. At approximately 7:00 p.m., a coworker informed them that one of the vehicle's windows had been shattered. Upon checking the vehicle, the reporting party discovered that an old purse left inside had been stolen.

Security Dispatch advised the reporting party to contact the Sacramento County Sheriff's Office to file an official burglary report. A follow-up phone call was conducted approximately 25 minutes later, during which the reporting party confirmed that the Sheriff's Office had been notified and that a deputy was responding to investigate the incident.

Chief Plant Operator - Staff Report

Date: August 26, 2026
To: Board of Directors
From: Travis Bohannon, Chief Plant Operator
Subject: August 2026 Operations Report

WATER:

Water Treatment Facility

July 2026 Drinking Water Production Data (in gallons)

	Plant 1	Plant 2
Totals	28,742,000	39,535,000

Water Consumption

As of July 31, 2026, the total potable water production for 2026 is 248.58 million gallons or 763.13 acre-ft.

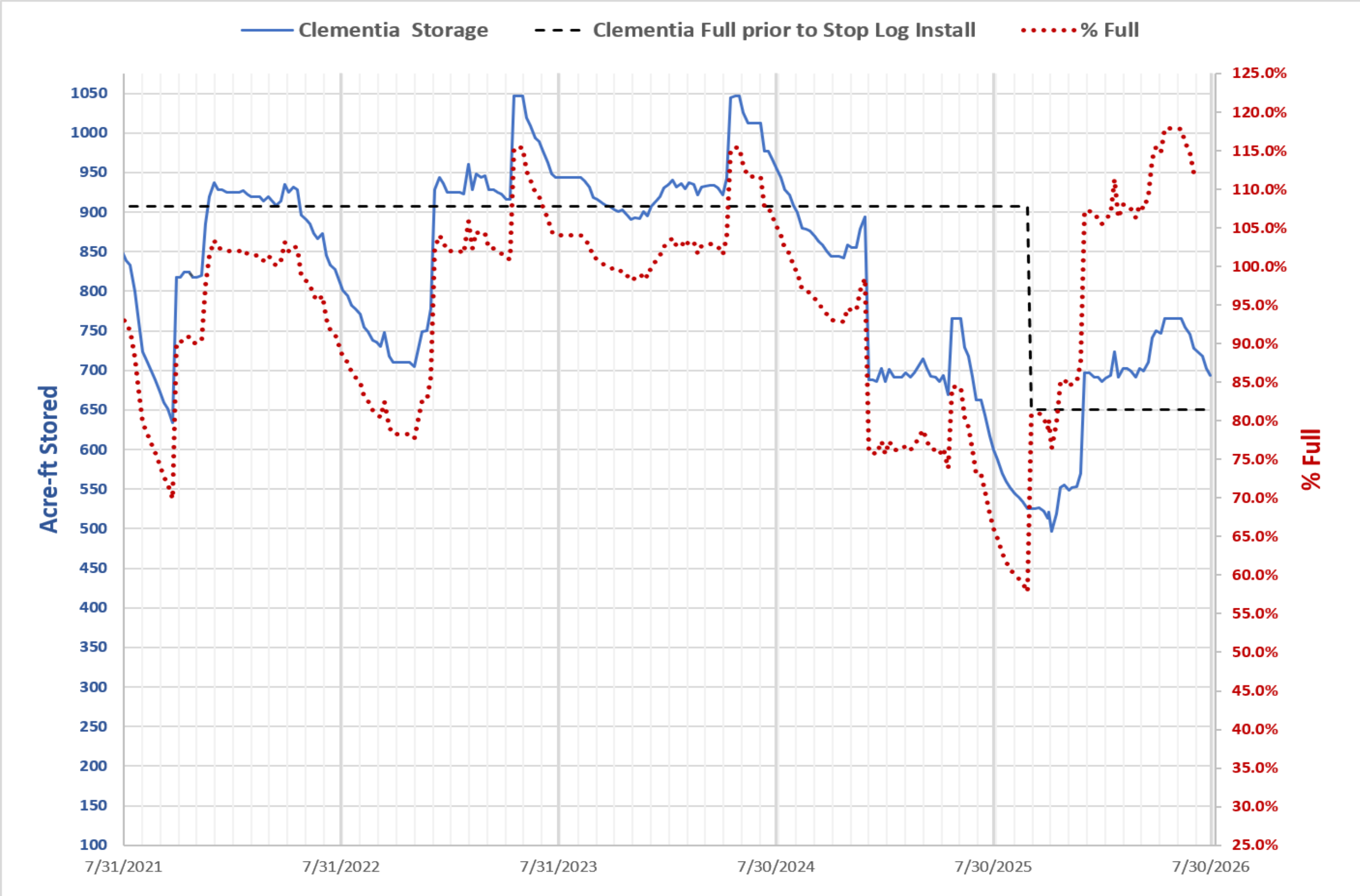
Both plants are currently in operation. We are currently producing about 2.45 MGD to meet daily demand.

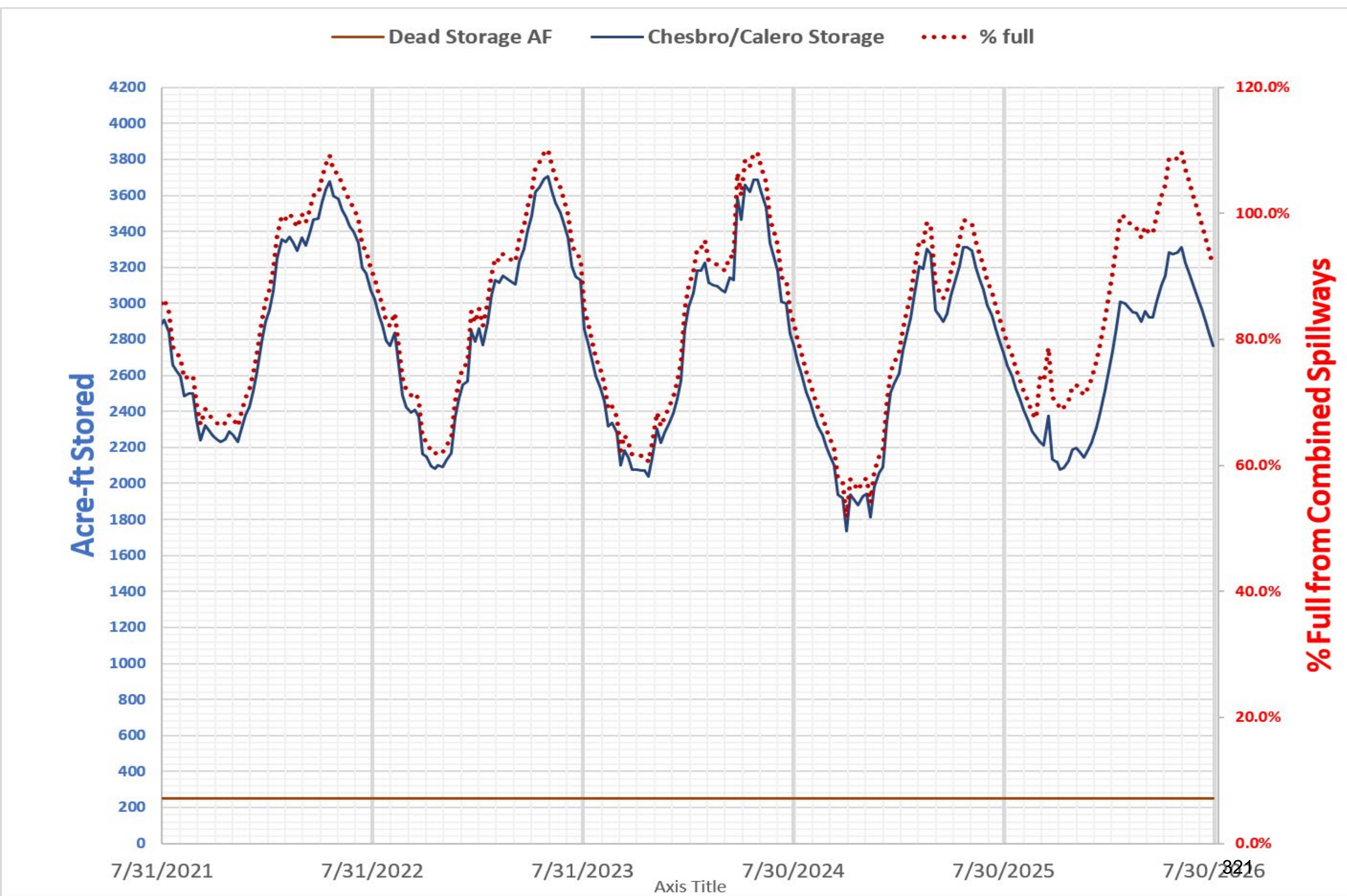
Raw Water Storage & Delivery

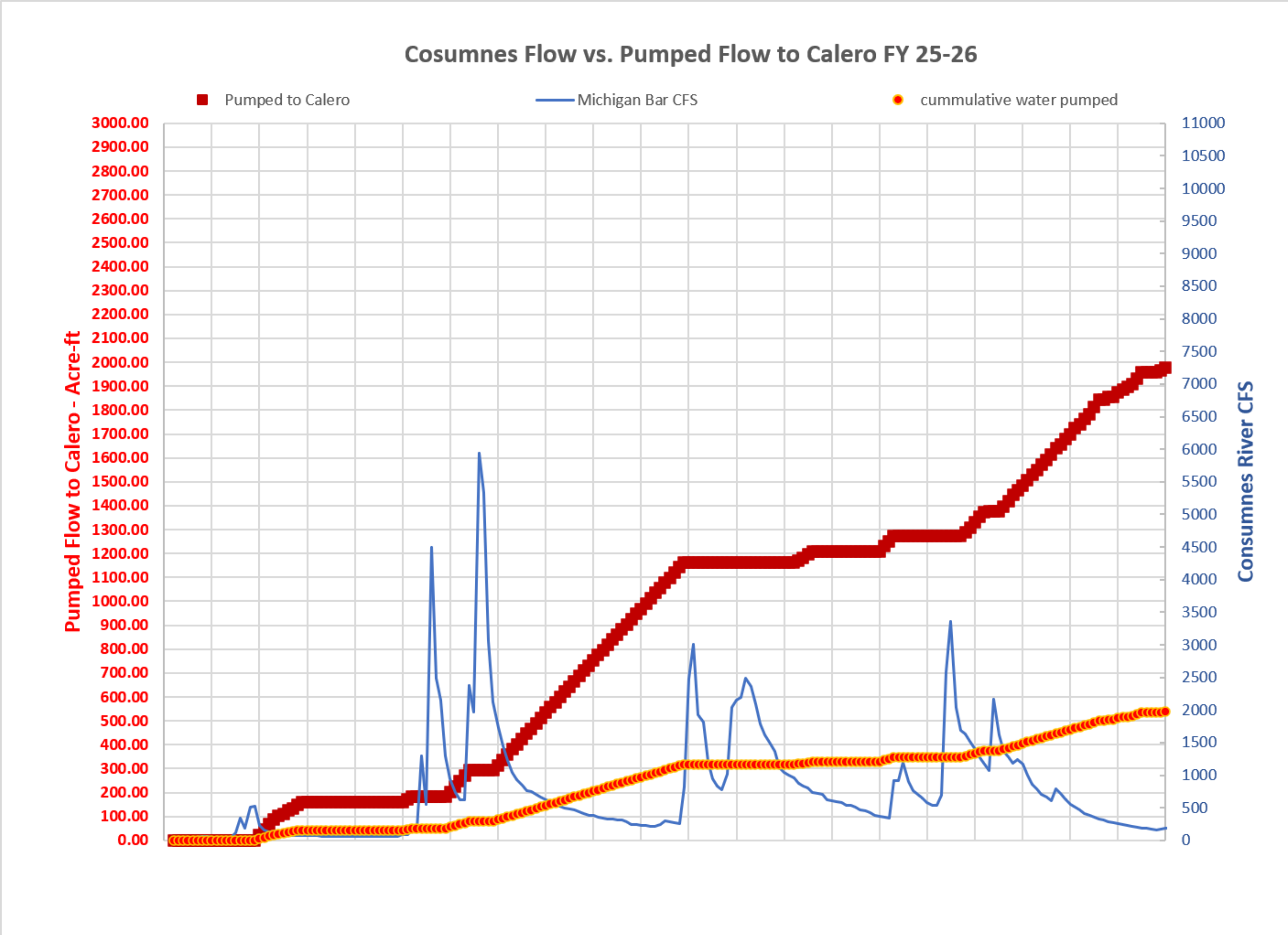
Granlees Pump Station: Total water pumped from Granlees this pumping season as of May 31, is 655.97 MG or 2013.8 AF. Pumping season has ended and all 3 lakes were filled to capacity this year. **Hooray!!!!!!**

Table 1. Current water and wastewater storage as of July 31, 2026

	acre-ft	**acre-ft full**	**MGal**	**MG at Full**	**%full**
Clementia Storage	693.5	690.9	225.9	211.7	102%
Chesbro Storage	913.5	948.8	297.6	309.1	96.2%
Calero Storage	1850.1	2069.0	602.7	674.1	89.4%
Total Raw Water Available for Potable Treatment	**2763.6**	**3017.8**	**900.3**	**983.2**	**91.5%**
Total of all Raw Water Reservoirs	**3457.1**	**3667.7**	**1126.2**	**1194.9**	94.2%
Wastewater Storage Reservoir available for production	408.8	781.4	113.2	254.6	44.4%


Clementia Storage
Clementia Full prior to Stop Log Install
% Full
Acre-ft Stored
% Full
1050
1000
950
900
850
800
750
700
650
600
550
500
450
400
350
300
250
200
150
100
125.0%
120.0%
115.0%
110.0%
105.0%
100.0%
95.0%
90.0%
85.0%
80.0%
75.0%
70.0%
65.0%
60.0%
55.0%
50.0%
45.0%
40.0%
35.0%
30.0%
25.0%
7/31/2021
7/31/2022
7/31/2023
7/30/2024
7/30/2025
7/30/2026


Dead Storage AF
Chesbro/Calero Storage
% full
Acre-ft Stored
% Full from Combined Spillways
4200
4000
3800
3600
3400
3200
3000
2800
2600
2400
2200
2000
1800
1600
1400
1200
1000
800
600
400
200
0
120.0%
100.0%
80.0%
60.0%
40.0%
20.0%
0.0%
7/31/2021
7/31/2022
7/31/2023
7/30/2024
7/30/2025
7/30/2026
Axis Title



Capital Improvement Plan Tracker FY26/27

Project Description	Budgeted Amount of Project	Total Current Cost of Project	Project Status
Water Projects			
Rebuild Granlees 125hp pumps	$40,000.00	$0.00	0.00%
Replace 2003 Truck 814	$50,000.00	$0.00	0.00%
Replace Membranes for 2 trains	$824,920.00	$0.00	0.00%
WTP SCADA Servers to the cloud	$40,000.00	$0.00	0.00%
Smart Meter/Endpoint Replacements	$200,000.00	$0.00	0.00%
Mechanic Work Truck	$75,000.00	$72,326.61	96.44%
Totals	**$1,229,920.00**	**$72,326.61**	**5.88%**
Waste Water Projects			
Sewer / Vactor Truck Lease	$141,000.00	$0.00	0.00%
Replace 2003 Truck 216	$60,000.00	$51,739.30	86.23%
Totals	**$201,000.00**	**$51,739.30**	**25.74%**

WASTEWATER:

Wastewater Facility

The wastewater facility is now online and producing reclaim water for the golf course. We are currently producing about 2.0 MGD. The average daily inflow to the plant for the month of July 2026 was .370 MGD.

UTILITY REPORT:

Utility Report July 2026

	Reported Issues	Water Leak or Sewer Overflow	Hydrant Flushed	Blow Off Flushed	Valve Exercise	Repair or Replacement	New Install	Jetting	District Responsibility	Homeowner Responsibility	Notes
Water Distribution	5	5	18	4	4				33	18	
Water Meters						33 meter replaced and 117 endpoint					
Sewer Collections						checked one home with a sewer issue camera cleanout					
Drainange Systems						cut weed in zone 2,3,4 4day					Replaced storm drain pipe at Clementia overflow ditch
Miscellaneous, USA-North, Work Orders, Front Office						11 USA marked					

Current Projects:

Clementia Spillway Culvert Repair: This project has been started, and staff will continue the repair during the month of July.

Wastewater Plant Filter Bed Rehab: This is not a planned or budgeted project. The rust on the filter beds for the wastewater plant is getting severely worse. I was hoping that they would last another year, but it seems that the sodium hypochlorite is speeding up the rusting. I am currently getting an RFP together to send out for bids to see what the cost is going to be for repair. Once I get the bids I will take to the Improvements Committee for approval and then bring back to the Board.

Rio Oso Generator: The repair parts and labor to install for Rio Oso generator are going to be $19,876.91. I received this quote and spoke with Amelia to get her approval. These parts will replace the electronic components for the generator. I have also set up an annual preventative maintenance for the rest of the generator. It is believed that once the electronic components are replaced, it should strengthen the reliability of the generator.

Development Updates on Number of Connections The number of water connections is **2875.** This number has changed due to getting confirmation from the District water lawyer that all of the Murieta Gardens lots are to be counted as 1 hook-up, not 2. Also, there were 11 new meter installs in Riverview and Residences.

Riverview-140 total lots

Residences East and West- 198 total lots.

Information Technology Manager's Report to the Board of Directors
August 26, 2026

PROJECT UPDATES

New Computers and Windows 11 Completed
The refresh of our computer hardware and software was completed.

Replacement of Inter-Building Network Communication Hardware Completed
The aging NanoBeam and AirFiber hardware that fed the network to the WTP and Warehouse areas was replaced with updated NanoBeam systems.

Wi-Fi Access Point Update Completed
District Wi-Fi access points were updated.

New Board Room Conference System
We are currently investigating technology and vendors for a new Board Room conference system that will include video with closed captioning functionality.

Cybersecurity Training
Cybersecurity training is continuing for all staff. New lessons roll out at the beginning of each month. Staff are expected to complete the training on their own schedule over the course of the month. Random phishing tests will be administered.

Network Failover for Greenfield ISP
We are researching the implementation of a secondary failover network in the Admin building to keep our Internet connection active when Greenfield service goes down. This will prevent the gates from going offline and other service interruptions during an outage. The same system could also be installed at the water plant to keep it online during outages.

Surveillance Systems Upgrades
Our vendor Watchdogs Surveillance is currently installing the second phase of our planned enhancements.

Updating, Inventorying and Disposal of Equipment
Equipment inventories are being updated, and support agreements are being refreshed. Equipment that has aged out of service is being sent to e-waste

Task	Priority	Target
IN PROGRESS:		
Cybersecurity Training for Staff	High	Ongoing
Network Failover for Greenfield ISP	High	ASAP
Purchase new surveillance hardware and update systems	High	Ongoing
Hardware and software support for all RMCSD staff	High	Ongoing
PCI Compliancy Audit for credit card processing	High	Ongoing
Ensure compliance with GSRMA computer standards	High	Ongoing
Disaster Recovery Plan creation	High	Q3
Business Continuity Plan creation	High	Q3
Cybersecurity Incident Response Plan creation	High	Q3
Documentation of the RMCSD computing environment. Network, application and database mapping	High	TBD
Update the IT asset inventory database	High	TBD
Update of the web site to meet new ADA and DOJ requirements	High	TBD
Evaluate moving the RMCSD computing environment to the Microsoft Azure cloud. Implement if desired	Medium	TBD
Update the on-premises virtualization server	Medium	TBD
COMPLETED:		
New Desktop and Laptop Rollouts. Windows 11	High	Completed
Replacement of NanoBeam and AirFiber systems	High	Completed
Access Point Update	High	Completed
Conference Bar and Teams Rooms Installation	High	Completed
VAB-1 Network Installation for SCADA	High	Completed
Access Point for boardroom upgraded	High	Completed
Power improvements to server closet	High	Completed
GSRMA Cybersecurity Audit Questionnaire	High	Completed
CodeRED to HQE SiRcom Conversion	High	Completed
Update all mobile phones to iPhones	High	Completed
Draft RMCSD Internet Security Policy Created	High	Completed
Reconstruction of MFP/Copier/Scanner networking and user authentication	High	Completed

Implementation of Mosyle MDM for iPhone Management	High	Completed
SCADA Networking Integration	High	Completed
Credit Card Kiosk Installation	High	Completed

MEMORANDUM

Date: August 26, 2026
To: Board of Directors
From: Amelia Wilder, Interim General Manager
Subject: Grand Jury Report Concerning Rancho Murieta Country Club Loan for Reclaimed Water Pump at Bass Lake

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GRAND JURY FINDINGS AND RECOMMENDATIONS

> **F12:** The Grand Jury found in their June 24, 2026, report, "the schedule for repayment of the District's loan to the Rancho Murieta Country Club does not fully disclose the amount of interest the Country Club is obligated to pay under the loan agreement due to changes in the interest rate during the repayment period."
>
> **R12:** The Grand Jury recommends the Board direct staff report to the Board by September 30, 2026, the total interest owed by the Country Club under the loan agreement.

BACKGROUND:
The District disposes of treated reclaimed water at the Rancho Murieta Country Club (RMCC) golf courses pursuant to the 1988 Agreement for Availability and Use of Reclaimed Wastewater. The District delivers some of the reclaimed water to Bass Lake where RMCC pumps it from the RMCC North Pump Station for irrigation use. In January of 2021, the pump station was failing and in need of repair and upgrade. The pump station needed to be repaired promptly in order to be ready for the upcoming reclaimed water delivery that would begin in April. The North Pump Station is a critical component of the reclaimed water system.

The 1988 agreement authorizes the District to store reclaimed water in Bass Lake starting in April. If RMCC had been unable to use its North Pump Station, then the reclaimed water would remain in the lake and impact the District's standard operating practice to regularly deliver reclaimed water to the lake during the April-October period.

RMCC asked the District to loan it up to $115,816 to fund the pump station repair/upgrade work. If RMCC had pursued a commercial loan, the time to secure the loan could have delayed the work, which could have resulted in the pump station being unavailable to deliver reclaimed water. This situation would have adversely impacted the District's wastewater treatment and disposal system. Consequently, District staff concluded that it would be prudent to approve the loan request in order to facilitate prompt restoration of the pump station.

District staff recommended that the funds come from the Sewer Replacement Reserve.

District staff prepared a proposed loan agreement with these principal loan terms:
• Loan amount up to $115,816 (based on RMCC contractor invoices)
• 5-year repayment period

• 2%/year interest rate, to be adjusted after 5 years to reflect actual LAIF interest rate (but not less than 2%)
• Loan payment to be added to and collected through RMCC utility billing statement
• District may terminate RMCC water service in the event of a default

The Board approved this request at the January 20, 2021, Board meeting with a 3/0 vote. Three of the sitting members were also members of the Country Club. In order to rectify the situation, the names of the three members (Maybee, Jenco and Pohll) were placed in a cup, and District Secretary, Amelia Wilder pulled the name of one out of the cup. She pulled out Director Jenco, so the other two were muted and not allowed to speak on the topic. The loan agreement had changes and was presented again to the Board for final approval April 21, 2021. The final loan agreement has been attached to this Staff report.

Per Section 2.4 of the loan agreement,

> 2.4. The final interest rate will be based on the actual rate of interest earned by funds deposited by Lender with the state Local Agency Investment Fund (LAIF) during the five-year Loan repayment period (or such earlier period if Borrower chooses to prepay the Loan), but not less than 2% per annum. At the conclusion of the five-year repayment period, Lender shall calculate the final interest amount based on the LAIF rate and will true-up the final payment amount as compared to the 2% interest rate paid during the Loan term. The final Loan payment amount will be adjusted to reflect the actual LAIF rate over the five-year term (but not less than 2%).

The District and Country Club mutually agreed to the terms of this agreement, which clearly specifies that the interest rate would be adjusted to reflect the actual LAIF rate over the five-year term. The amortization schedule below reflects the final payments made on the loan, and the adjusted interest rate. The Country Club paid an additional $2,838.38 toward the adjusted interest rate over the five-year period. This final payment was made July 17, 2026.

RMCC North Pump Repair Loan Amortization Schedule

Enter Values

Loan amount	$114,513.95
Annual interest rate	2%
Loan period in years	5
Number of payments per year	12
Start date of loan	7/25/2021
Optional extra payments	$0.00

Loan Summary

Scheduled payment	$2,007.17
Scheduled number of payments	60
Actual number of payments	60
Total early payments	
Total interest	$8,754.81
Lender name	Rancho Murieta Community Services District

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest	Revised Interest Rate
1	7/25/2021	$114,513.95	$2,007.17	$0.00	$2,007.17	$1,816.32	$190.86	$112,697.63	$190.86	2.000%
2	8/25/2021	$112,697.63	$2,007.17	$0.00	$2,007.17	$1,819.34	$187.83	$110,878.29	$378.69	2.000%
3	9/25/2021	$110,878.29	$2,007.17	$0.00	$2,007.17	$1,822.38	$184.80	$109,055.91	$563.48	2.000%
4	10/25/2021	$109,055.91	$2,007.17	$0.00	$2,007.17	$1,825.41	$181.76	$107,230.50	$745.24	2.000%
5	11/25/2021	$107,230.50	$2,007.17	$0.00	$2,007.17	$1,828.46	$178.72	$105,402.05	$923.96	2.000%
6	12/25/2021	$105,402.05	$2,007.17	$0.00	$2,007.17	$1,831.50	$175.67	$103,570.54	$1,099.63	2.000%
7	1/25/2022	$103,570.54	$2,007.17	$0.00	$2,007.17	$1,834.56	$172.62	$101,735.99	$1,272.25	2.000%
8	2/25/2022	$101,735.99	$2,007.17	$0.00	$2,007.17	$1,837.61	$169.56	$99,898.37	$1,441.81	2.000%
9	3/25/2022	$99,898.37	$2,007.17	$0.00	$2,007.17	$1,840.68	$166.50	$98,057.70	$1,608.31	2.000%
10	4/25/2022	$98,057.70	$2,007.17	$0.00	$2,007.17	$1,843.74	$163.43	$96,213.95	$1,771.73	2.000%
11	5/25/2022	$96,213.95	$2,007.17	$0.00	$2,007.17	$1,846.82	$160.36	$94,367.14	$1,932.09	2.000%
12	6/25/2022	$94,367.14	$2,007.17	$0.00	$2,007.17	$1,849.89	$157.28	$92,517.24	$2,089.37	2.000%
13	7/25/2022	$92,517.24	$2,007.17	$0.00	$2,007.17	$1,852.98	$154.20	$90,664.27	$2,243.57	2.000%
14	8/25/2022	$90,664.27	$2,007.17	$0.00	$2,007.17	$1,856.07	$151.11	$88,808.20	$2,394.67	2.000%
15	9/25/2022	$88,808.20	$2,007.17	$0.00	$2,007.17	$1,859.16	$148.01	$86,949.04	$2,542.69	2.000%
16	10/25/2022	$86,949.04	$2,007.17	$0.00	$2,007.17	$1,862.26	$144.92	$85,086.78	$2,687.60	2.000%
17	11/25/2022	$85,086.78	$2,007.17	$0.00	$2,007.17	$1,864.87	$142.31	$83,221.92	$2,829.91	2.007%
18	12/25/2022	$83,221.92	$2,007.17	$0.00	$2,007.17	$1,856.47	$150.70	$81,365.45	$2,980.61	2.173%
19	1/25/2023	$81,365.45	$2,007.17	$0.00	$2,007.17	$1,842.75	$164.43	$79,522.70	$3,145.04	2.425%
20	2/25/2023	$79,522.70	$2,007.17	$0.00	$2,007.17	$1,833.28	$173.89	$77,689.41	$3,318.93	2.624%
21	3/25/2023	$77,689.41	$2,007.17	$0.00	$2,007.17	$1,823.89	$183.28	$75,865.52	$3,502.21	2.831%
22	4/25/2023	$75,865.52	$2,007.17	$0.00	$2,007.17	$1,825.73	$181.45	$74,039.80	$3,683.65	2.870%
23	5/25/2023	$74,039.80	$2,007.17	$0.00	$2,007.17	$1,822.51	$184.67	$72,217.29	$3,868.32	2.960%
24	6/25/2023	$72,217.29	$2,007.17	$0.00	$2,007.17	$1,816.58	$190.59	$70,400.71	$4,058.91	3.167%
25	7/25/2023	$70,400.71	$2,007.17	$0.00	$2,007.17	$1,813.28	$193.90	$68,587.43	$4,252.81	3.305%
26	8/25/2023	$68,587.43	$2,007.17	$0.00	$2,007.17	$1,810.90	$196.27	$66,776.53	$4,449.08	3.434%
27	9/25/2023	$66,776.53	$2,007.17	$0.00	$2,007.17	$1,810.52	$196.66	$64,966.02	$4,645.74	3.534%
28	10/25/2023	$64,966.02	$2,007.17	$0.00	$2,007.17	$1,808.49	$198.69	$63,157.53	$4,844.43	3.670%
29	11/25/2023	$63,157.53	$2,007.17	$0.00	$2,007.17	$1,804.91	$202.26	$61,352.62	$5,046.69	3.843%
30	12/25/2023	$61,352.62	$2,007.17	$0.00	$2,007.17	$1,806.29	$200.88	$59,546.33	$5,247.57	3.929%
31	1/25/2024	$59,546.33	$2,007.17	$0.00	$2,007.17	$1,808.09	$199.08	$57,738.24	$5,446.65	4.012%
32	2/25/2024	$57,738.24	$2,007.17	$0.00	$2,007.17	$1,808.84	$198.33	$55,929.40	$5,644.98	4.122%
33	3/25/2024	$55,929.40	$2,007.17	$0.00	$2,007.17	$1,809.93	$197.24	$54,119.47	$5,842.23	4.232%
34	4/25/2024	$54,119.47	$2,007.17	$0.00	$2,007.17	$1,814.51	$192.67	$52,304.96	$6,034.89	4.272%
35	5/25/2024	$52,304.96	$2,007.17	$0.00	$2,007.17	$1,818.35	$188.82	$50,486.61	$6,223.71	4.332%
36	6/25/2024	$50,486.61	$2,007.17	$0.00	$2,007.17	$1,818.69	$188.48	$48,667.92	$6,412.20	4.480%
37	7/25/2024	$48,667.92	$2,007.17	$0.00	$2,007.17	$1,824.02	$183.15	$46,843.90	$6,595.35	4.516%
38	8/25/2024	$46,843.90	$2,007.17	$0.00	$2,007.17	$1,828.42	$178.75	$45,015.47	$6,774.10	4.579%
39	9/25/2024	$45,015.47	$2,007.17	$0.00	$2,007.17	$1,835.55	$171.62	$43,179.92	$6,945.72	4.575%
40	10/25/2024	$43,179.92	$2,007.17	$0.00	$2,007.17	$1,844.60	$162.57	$41,335.32	$7,108.29	4.518%
41	11/25/2024	$41,335.32	$2,007.17	$0.00	$2,007.17	$1,852.96	$154.22	$39,482.36	$7,262.51	4.477%
42	12/25/2024	$39,482.36	$2,007.17	$0.00	$2,007.17	$1,861.29	$145.89	$37,621.08	$7,408.40	4.434%
43	1/25/2025	$37,621.08	$2,007.17	$0.00	$2,007.17	$1,870.30	$136.88	$35,750.78	$7,545.27	4.366%
44	2/25/2025	$35,750.78	$2,007.17	$0.00	$2,007.17	$1,878.08	$129.09	$33,872.70	$7,674.36	4.333%
45	3/25/2025	$33,872.70	$2,007.17	$0.00	$2,007.17	$1,885.43	$121.74	$31,987.27	$7,796.11	4.313%
46	4/25/2025	$31,987.27	$2,007.17	$0.00	$2,007.17	$1,893.06	$114.11	$30,094.21	$7,910.22	4.281%
47	5/25/2025	$30,094.21	$2,007.17	$0.00	$2,007.17	$1,900.04	$107.14	$28,194.17	$8,017.36	4.272%
48	6/25/2025	$28,194.17	$2,007.17	$0.00	$2,007.17	$1,906.87	$100.30	$26,287.30	$8,117.66	4.269%
49	7/25/2025	$26,287.30	$2,007.17	$0.00	$2,007.17	$1,913.90	$93.28	$24,373.41	$8,210.93	4.258%
50	8/25/2025	$24,373.41	$2,007.17	$0.00	$2,007.17	$1,920.83	$86.34	$22,452.58	$8,297.28	4.251%
51	9/25/2025	$22,452.58	$2,007.17	$0.00	$2,007.17	$1,928.36	$78.81	$20,524.21	$8,376.09	4.212%
52	10/25/2025	$20,524.21	$2,007.17	$0.00	$2,007.17	$1,936.19	$70.98	$18,588.02	$8,447.07	4.150%
53	11/25/2025	$18,588.02	$2,007.17	$0.00	$2,007.17	$1,943.73	$63.45	$16,644.29	$8,510.51	4.096%
54	12/25/2025	$16,644.29	$2,007.17	$0.00	$2,007.17	$1,951.35	$55.83	$14,692.95	$8,566.34	4.025%
55	1/25/2026	$14,692.95	$2,007.17	$0.00	$2,007.17	$1,959.04	$48.13	$12,733.90	$8,614.47	3.931%
56	2/25/2026	$12,733.90	$2,007.17	$0.00	$2,007.17	$1,966.10	$41.08	$10,767.81	$8,655.55	3.871%
57	3/25/2026	$10,767.81	$2,007.17	$0.00	$2,007.17	$1,972.84	$34.33	$8,794.97	$8,689.88	3.826%
58	4/25/2026	$8,794.97	$2,007.17	$0.00	$2,007.17	$1,979.24	$27.93	$6,815.73	$8,717.81	3.811%
59	5/25/2026	$6,815.73	$2,007.17	$0.00	$2,007.17	$1,985.53	$21.64	$4,830.19	$8,739.45	3.810%
60	6/25/2026	$4,830.19	$2,007.17	$0.00	$2,007.17	$1,991.81	$15.36	$2,838.38	$8,754.81	3.838%
								Recalculated with LAIF Rates	$8,754.81	
								Per Original Schedule	5,916.43	
								Total Projected Increase in Interest	$2,838.38	Additional Payment

CONCLUSION:

The updated amortization schedule for the Country Club is shown above. The Country Club has fulfilled its obligations under the terms of the agreement.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT/
RANCHO MURIETA COUNTRY CLUB LOAN AGREEMENT
FOR RECLAIMED WATER PUMP REPAIR**

THIS AGREEMENT is entered into this April ___, 2021, by and between Rancho Murieta Community Services District, a local government agency ("Lender"), and Rancho Murieta Country Club, a California nonprofit corporation ("Borrower"), who agree as follows:

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

1.1. Lender provides sewer service to the Rancho Murieta community, including the operation of a wastewater treatment plant that produces reclaimed water. Borrower operates and manages golf courses in Rancho Murieta. Lender and Borrower previously entered into the 1988 Agreement for Availability and Use of Reclaimed Wastewater to provide for the delivery and disposal of reclaimed water to the golf courses. The golf course property is the principal site for Lender to dispose of the reclaimed water produced by its wastewater treatment plant.

1.2. Borrower has installed and operates certain equipment to receive and distribute the reclaimed water for irrigation on the golf course lands. The reclaimed water improvements include the North Pump Station at Bass Lake. The pump station is failing and in need of repair and upgrade.

1.3. The efficient operation of the reclaimed water system requires that the delivery and use of the reclaimed water begin in April when the District begins storing reclaimed water in Bass Lake, which is approaching. It therefore is essential for Borrower to promptly repair and upgrade the pump station in order to be able to receive and distribute the full allotment of reclaimed water delivered by Lender. Borrower pursuit of loan financing through customary commercial lenders and lending practices would require a significant period of time. Borrower may not be able to receive and distribute the full reclaimed water delivery amount while pursuing such a commercial loan. Consequently, in order to expedite the repair work, Borrower has requested a loan from Lender.

1.4. Lender's wastewater treatment and disposal system is designed for the delivery, storage, and disposal of reclaimed water at Borrower's golf courses. The inability of the North Pump Station to pump and distribute the reclaimed water for irrigation purposes at the golf courses would adversely affect Lender's operations and the treatment and disposal of reclaimed water. Consequently, it is in Lender's best interests to loan funds to Borrower in order to facilitate the prompt repair and upgrade of the pump station.

1.5. Lender has determined that approving Borrower's loan request would further Lender's wastewater treatment and disposal needs and objectives. Lender further determines that the loan will directly further Lender's purposes consistent with the Community Services District Law and that the loan is an authorized and appropriate expenditure of Lender funds. Lender therefore agrees to provide the loan on and subject to the terms of this Agreement.

1.6. Lender also provides water service to the Rancho Murieta community. Borrower is a customer of Lender for both water and sewer service.

2. Loan

2.1. Lender agrees to loan to Borrower, and Borrower agrees to borrow from Lender, a sum not to exceed $115,816, subject to the terms and conditions of this Agreement (the "Loan"). Borrower shall use the Loan funds provided by Lender for the purpose described in the recitals and for no other purpose. Borrower may use the Loan funds solely for payment to its pump repair contractor and not for any other Borrower administration or other pump repair related costs. Borrower also shall reimburse Lender for Lender's staff and legal time, fees, and costs in evaluating the Loan request, preparing this Agreement, and administering the Agreement and Loan. The final Loan amount shall be the final sum of the total Loan funds disbursed by Agency under section 3 plus the cost reimbursement amount.

2.2. Borrower accepts the Loan and approves this Agreement evidencing this indebtedness in the original principal amount of $115,816 (subject to final calculation as provided in section 2.1). Borrower promises to pay to Lender, or order, the Loan with interest at an initial rate of 2% per annum and subject to an interest rate adjustment as provided below.

2.3. Upon completion of the North Pump Station repair/upgrade work, Lender shall calculate, prepare, and provide to Borrower a repayment schedule showing the final Loan sum and monthly principal and interest repayment amounts over a five-year repayment period. The first monthly Loan payment will be due on the first of the month following completion of the work. But, if Borrower delays in completing the pump station repair/upgrade work, the five-year loan repayment period shall commence three months after the first Loan disbursement. Borrower will pay the Loan principal and interest balance in full within the five-year period and in accordance with the repayment schedule. Lender may include the Loan repayment amounts in its monthly utility service billing statement to Borrower, in which case Borrower shall pay the monthly Loan payment together with and as part of its monthly utility bill payment to Lender. Loan payments shall be credited first to accrued interest and then to principal. Borrower may fully repay the principal balance and any accrued interest at any time, without prepayment penalty.

2.4. The final interest rate will be based on the actual rate of interest earned by funds deposited by Lender with the state Local Agency Investment Fund (LAIF) during the five-year Loan repayment period (or such earlier period if Borrower chooses to prepay the Loan), but not less than 2% per annum. At the conclusion of the five-year repayment period, Lender shall calculate the final interest amount based on the LAIF rate and will true-up the final payment amount as compared to the 2% interest rate paid during the Loan term. The final Loan payment amount will be adjusted to reflect the actual LAIF rate over the five-year term (but not less than 2%).

3. Disbursement of Funds. Lender shall disburse Loan funds to Borrower based on the invoices to be submitted to Borrower by its pump repair contractor, which will be: 50% due upon Borrower's approval of the repair contract; 40% due upon contractor's installation of the pump station; and, 10% due 30 days after job completion. Borrower shall submit such contractor invoices to Lender and Lender will disburse the Loan funds to Borrower within 15 days from receipt of the invoice. Interest will begin accruing on the loaned funds upon disbursement to Borrower.

4. Pump Repair Work. Upon approval and execution of this Agreement, Borrower promptly and diligently shall proceed to repair and upgrade its North Pump Station.

5. Public Works Requirement. The parties acknowledge that Lender is a local government agency and that Lender payment of the pump station repair/upgrade costs makes the work a California public works project within the meaning of the California Labor Code. Consequently, Borrower and its contractor and any subcontractors shall comply with California statues and regulations applicable to public works projects, including the following requirements: payment of prevailing wage rates; employment of apprentices; hours of labor limitations and overtime; keeping of proper payroll records; workers' compensation insurance; payment/labor and materials bond; non-discrimination laws; contractors' state license requirements; and, contractor registration with the State Department of Industrial Relations.

6. Recordkeeping. Borrower shall keep and maintain accurate bookkeeping records, accounts, and documentation pertaining to the receipt, disbursement, and use of the Loan proceeds to pay contractors who perform the pump station repair/upgrade work, including all invoices, receipts, canceled checks, contracts, purchase orders, and other source documents. These records shall be retained for a period of not less than three years from the final Loan disbursement date. These records shall be accessible and available for inspection or audit by Lender, or by its employees, accountants, attorneys, or agents, at reasonable times and upon reasonable notice. This Agreement, and performance and payments under this Agreement, also are subject to examination and audit by the State Auditor General for three years following final disbursement (as required by Government Code section 8546.7).

7. Indemnification. Borrower shall indemnify, defend, protect, and hold harmless Lender, and its officers, employees, and agents from and against any and all liability, losses, claims, damages, expenses, demands, and costs (including but not limited to, attorney, expert witness and consultant fees and litigation costs) of every nature arising out of Borrower's performance of the Loan-funded work and caused by the negligent or willful act or omission of Borrower or its contractors or subcontractors or their employees, agents, and subcontractors, except where caused by the active negligence, sole negligence or willful misconduct of Lender or as otherwise provided or limited by law.

8. Representation and Warranties. Borrower makes the following representations and warranties:

8.1. There are no legal actions, lawsuits, or proceedings pending or, to the knowledge of Borrower, threatened against Borrower.

8.2. Borrower is not in default of any obligation, judgment, bond, note or other evidence of indebtedness.

8.3. No outstanding tax liability has been asserted against Borrower by the federal Internal Revenue Service, California Franchise Tax Board, or any other taxing authority.

9. Default

9.1. At the option of the Lender, the occurrence of any of the following events shall constitute a default:

A. Borrower fails to make any payment of principal or interest or any other amounts due Lender when due and such failure shall continue for five days after notice from Lender to Borrower.

B. Any material representation or warranty made by Borrower is breached, false, or misleading in any material respect.

C. Any material provision of this Agreement ceases to be valid and binding, or Borrower contests any such provision or denies that it has any or further liability under this Agreement.

D. Borrower fails to perform any covenant or condition set forth in this Agreement, and such failure continues for a period of 30 days after notice from Lender to Borrower (which notice shall specify in reasonable detail the nature of the failure).

E. Borrower becomes insolvent or unable to pay its debts as they mature or makes an assignment for the benefit of creditors, or there shall occur a material adverse change in the financial condition of Borrower.

F. Borrower files or there is filed against Borrower a petition to have Borrower adjudicated a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy unless, in the case of a petition filed against Borrower, the same is dismissed or stayed within 60 days.

G. Borrower applies for or consents to the appointment of a receiver, trustee or conservator for any portion of Borrower's property, or such appointment is made without Borrower's consent and is not vacated within 60 days.

9.2. In the event of default, Lender may immediately call the Loan due and payable and enforce its remedies as provided by law. As an additional or alternate remedy in the event of a default, Lender may terminate water service to Lender and its property and facilities pending Loan repayment in full.

10. Limitations. During the five-year Loan repayment period, Borrower shall not, without prior written consent of Lender (a) pledge, mortgage, or otherwise encumber in any manner whatsoever any of Borrower's present or after acquired property or assets,

(b) borrow money or obtain a loan from any person, corporation, or any other source, (c) make or guarantee any advances or loans made to others, or (d) sell or distribute a substantial part, or all, of its assets; except, however, that Borrower in the ordinary course of business may lease equipment and maintain and use a bank line of credit as appropriate to operate and maintain its golf courses and related structures and facilities.

11. General Provisions

11.1. Integration. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations, or agreements, either oral or written, that may be related to the subject matter of this Agreement, except those other documents that are expressly referenced in this Agreement.

11.2. Construction and Interpretation. The parties acknowledge that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

11.3. Waiver**.** The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

11.4. Successors and Assignment. This Agreement shall bind and inure to the benefit of the respective successors, assigns, heirs, devisees, and personal representatives of the parties.

11.5. Amendment. This Agreement may be modified or amended only by a subsequent written agreement approved and executed by both parties.

11.6. Governing Law and Venue. Except as otherwise required by law, this Agreement shall be interpreted, governed by, and construed under the laws of the State of California. The County of Sacramento will be the venue for any state court litigation and the Eastern District of California will be the venue for any federal court litigation concerning the enforcement or construction of this Agreement.

11.7. Attorney Fees. In the event any legal action is brought to enforce or construe this Agreement, the prevailing party shall be entitled to an award of reasonable attorney fees, expert witness and consultant fees, litigation costs, and costs of suit.

11.8. Notices. Any notice, consent, approval, or other communication (collectively "Notice") required or permitted to be given under this Agreement shall be in writing and delivered or sent either (a) in person, (b) by prepaid, first class U.S. mail, (c) by a nationally-recognized commercial overnight courier service that guarantees next day delivery and provides a receipt, or (d) by email with a confirmed receipt. Any Notice so delivered or sent will be deemed given (a) when delivered in person, (b) three days after deposited in prepaid, first class U.S. mail, (c) on the date of delivery as shown on the overnight courier service receipt, or (d) upon the sender's receipt of an email from the other party confirming the receipt of the emailed Notice. Notices required or permitted to be given under this Agreement shall be addressed as follows:

Lender:	Borrower:
General Manager Rancho Murieta Community Services District 15160 Jackson Road Rancho Murieta, CA 95683 thennig@rmcsd.com	

Any party may change its contact information by notifying the other party of the change in the manner provided above.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

By: ____________________________
Tom Hennig
General Manager

RANCHO MURIETA COUNTRY CLUB

By: ____________________________
Bill Armstrong
President

____

____________________________ [name]

____________________________ [title]

RMCC North Pump Repair Loan Amortization Schedule

Enter Values

Loan amount	$114,513.95
Annual interest rate	2%
Loan period in years	5
Number of payments per year	12
Start date of loan	7/25/2021
Optional extra payments	$0.00

Loan Summary

Scheduled payment	$2,007.17
Scheduled number of payments	60
Actual number of payments	60
Total early payments	
Total interest	$8,754.81
Lender name	Rancho Murieta Community Services District

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest	Revised Interest Rate
1	7/25/2021	$114,513.95	$2,007.17	$0.00	$2,007.17	$1,816.32	$190.86	$112,697.63	$190.86	2.000%
2	8/25/2021	$112,697.63	$2,007.17	$0.00	$2,007.17	$1,819.34	$187.83	$110,878.29	$378.69	2.000%
3	9/25/2021	$110,878.29	$2,007.17	$0.00	$2,007.17	$1,822.38	$184.80	$109,055.91	$563.48	2.000%
4	10/25/2021	$109,055.91	$2,007.17	$0.00	$2,007.17	$1,825.41	$181.76	$107,230.50	$745.24	2.000%
5	11/25/2021	$107,230.50	$2,007.17	$0.00	$2,007.17	$1,828.45	$178.72	$105,402.05	$923.96	2.000%
6	12/25/2021	$105,402.05	$2,007.17	$0.00	$2,007.17	$1,831.50	$175.67	$103,570.54	$1,099.63	2.000%
7	1/25/2022	$103,570.54	$2,007.17	$0.00	$2,007.17	$1,834.55	$172.62	$101,735.99	$1,272.25	2.000%
8	2/25/2022	$101,735.99	$2,007.17	$0.00	$2,007.17	$1,837.61	$169.56	$99,898.37	$1,441.81	2.000%
9	3/25/2022	$99,898.37	$2,007.17	$0.00	$2,007.17	$1,840.68	$166.50	$98,057.70	$1,608.31	2.000%
10	4/25/2022	$98,057.70	$2,007.17	$0.00	$2,007.17	$1,843.74	$163.43	$96,213.95	$1,771.73	2.000%
11	5/25/2022	$96,213.95	$2,007.17	$0.00	$2,007.17	$1,846.82	$160.36	$94,367.14	$1,932.09	2.000%
12	6/25/2022	$94,367.14	$2,007.17	$0.00	$2,007.17	$1,849.89	$157.28	$92,517.24	$2,089.37	2.000%
13	7/25/2022	$92,517.24	$2,007.17	$0.00	$2,007.17	$1,852.98	$154.20	$90,664.27	$2,243.57	2.000%
14	8/25/2022	$90,664.27	$2,007.17	$0.00	$2,007.17	$1,856.07	$151.11	$88,808.20	$2,394.67	2.000%
15	9/25/2022	$88,808.20	$2,007.17	$0.00	$2,007.17	$1,859.16	$148.01	$86,949.04	$2,542.69	2.000%
16	10/25/2022	$86,949.04	$2,007.17	$0.00	$2,007.17	$1,862.26	$144.92	$85,086.78	$2,687.60	2.000%
17	11/25/2022	$85,086.78	$2,007.17	$0.00	$2,007.17	$1,864.87	$142.31	$83,221.92	$2,829.91	2.007%
18	12/25/2022	$83,221.92	$2,007.17	$0.00	$2,007.17	$1,856.47	$150.70	$81,365.45	$2,980.61	2.173%
19	1/25/2023	$81,365.45	$2,007.17	$0.00	$2,007.17	$1,842.75	$164.43	$79,522.70	$3,145.04	2.425%
20	2/25/2023	$79,522.70	$2,007.17	$0.00	$2,007.17	$1,833.28	$173.89	$77,689.41	$3,318.93	2.624%
21	3/25/2023	$77,689.41	$2,007.17	$0.00	$2,007.17	$1,823.89	$183.28	$75,865.52	$3,502.21	2.831%
22	4/25/2023	$75,865.52	$2,007.17	$0.00	$2,007.17	$1,825.73	$181.45	$74,039.80	$3,683.65	2.870%
23	5/25/2023	$74,039.80	$2,007.17	$0.00	$2,007.17	$1,822.51	$184.67	$72,217.29	$3,868.32	2.993%
24	6/25/2023	$72,217.29	$2,007.17	$0.00	$2,007.17	$1,816.58	$190.59	$70,400.71	$4,058.91	3.167%
25	7/25/2023	$70,400.71	$2,007.17	$0.00	$2,007.17	$1,813.28	$193.90	$68,587.43	$4,252.81	3.305%
26	8/25/2023	$68,587.43	$2,007.17	$0.00	$2,007.17	$1,810.90	$196.27	$66,776.53	$4,449.08	3.434%
27	9/25/2023	$66,776.53	$2,007.17	$0.00	$2,007.17	$1,810.52	$196.66	$64,966.02	$4,645.74	3.534%
28	10/25/2023	$64,966.02	$2,007.17	$0.00	$2,007.17	$1,808.49	$198.69	$63,157.53	$4,844.43	3.670%
29	11/25/2023	$63,157.53	$2,007.17	$0.00	$2,007.17	$1,804.91	$202.26	$61,352.62	$5,046.69	3.843%
30	12/25/2023	$61,352.62	$2,007.17	$0.00	$2,007.17	$1,806.29	$200.88	$59,546.33	$5,247.57	3.929%
31	1/25/2024	$59,546.33	$2,007.17	$0.00	$2,007.17	$1,808.09	$199.08	$57,738.24	$5,446.65	4.012%
32	2/25/2024	$57,738.24	$2,007.17	$0.00	$2,007.17	$1,808.84	$198.33	$55,929.40	$5,644.98	4.122%
33	3/25/2024	$55,929.40	$2,007.17	$0.00	$2,007.17	$1,809.93	$197.24	$54,119.47	$5,842.23	4.232%
34	4/25/2024	$54,119.47	$2,007.17	$0.00	$2,007.17	$1,814.51	$192.67	$52,304.96	$6,034.89	4.272%
35	5/25/2024	$52,304.96	$2,007.17	$0.00	$2,007.17	$1,818.35	$188.82	$50,486.61	$6,223.71	4.332%
36	6/25/2024	$50,486.61	$2,007.17	$0.00	$2,007.17	$1,818.69	$188.48	$48,667.92	$6,412.20	4.480%
37	7/25/2024	$48,667.92	$2,007.17	$0.00	$2,007.17	$1,824.02	$183.15	$46,843.90	$6,595.35	4.516%
38	8/25/2024	$46,843.90	$2,007.17	$0.00	$2,007.17	$1,828.42	$178.75	$45,015.47	$6,774.10	4.579%
39	9/25/2024	$45,015.47	$2,007.17	$0.00	$2,007.17	$1,835.55	$171.62	$43,179.92	$6,945.72	4.575%
40	10/25/2024	$43,179.92	$2,007.17	$0.00	$2,007.17	$1,844.60	$162.57	$41,335.32	$7,108.29	4.518%
41	11/25/2024	$41,335.32	$2,007.17	$0.00	$2,007.17	$1,852.96	$154.22	$39,482.36	$7,262.51	4.477%
42	12/25/2024	$39,482.36	$2,007.17	$0.00	$2,007.17	$1,861.29	$145.89	$37,621.08	$7,408.40	4.434%
43	1/25/2025	$37,621.08	$2,007.17	$0.00	$2,007.17	$1,870.30	$136.88	$35,750.78	$7,545.27	4.388%
44	2/25/2025	$35,750.78	$2,007.17	$0.00	$2,007.17	$1,878.08	$129.09	$33,872.70	$7,674.36	4.333%
45	3/25/2025	$33,872.70	$2,007.17	$0.00	$2,007.17	$1,885.43	$121.74	$31,987.27	$7,796.11	4.313%
46	4/25/2025	$31,987.27	$2,007.17	$0.00	$2,007.17	$1,893.06	$114.11	$30,094.21	$7,910.22	4.281%
47	5/25/2025	$30,094.21	$2,007.17	$0.00	$2,007.17	$1,900.04	$107.14	$28,194.17	$8,017.36	4.272%
48	6/25/2025	$28,194.17	$2,007.17	$0.00	$2,007.17	$1,906.87	$100.30	$26,287.30	$8,117.66	4.269%
49	7/25/2025	$26,287.30	$2,007.17	$0.00	$2,007.17	$1,913.90	$93.28	$24,373.41	$8,210.93	4.258%
50	8/25/2025	$24,373.41	$2,007.17	$0.00	$2,007.17	$1,920.83	$86.34	$22,452.58	$8,297.28	4.251%
51	9/25/2025	$22,452.58	$2,007.17	$0.00	$2,007.17	$1,928.36	$78.81	$20,524.21	$8,376.09	4.212%
52	10/25/2025	$20,524.21	$2,007.17	$0.00	$2,007.17	$1,936.19	$70.98	$18,588.02	$8,447.07	4.150%
53	11/25/2025	$18,588.02	$2,007.17	$0.00	$2,007.17	$1,943.73	$63.45	$16,644.29	$8,510.51	4.098%
54	12/25/2025	$16,644.29	$2,007.17	$0.00	$2,007.17	$1,951.35	$55.83	$14,692.95	$8,566.34	4.025%
55	1/25/2026	$14,692.95	$2,007.17	$0.00	$2,007.17	$1,959.04	$48.13	$12,733.90	$8,614.47	3.931%
56	2/25/2026	$12,733.90	$2,007.17	$0.00	$2,007.17	$1,966.10	$41.08	$10,767.81	$8,655.55	3.871%
57	3/25/2026	$10,767.81	$2,007.17	$0.00	$2,007.17	$1,972.84	$34.33	$8,794.97	$8,689.88	3.826%
58	4/25/2026	$8,794.97	$2,007.17	$0.00	$2,007.17	$1,979.24	$27.93	$6,815.73	$8,717.81	3.811%
59	5/25/2026	$6,815.73	$2,007.17	$0.00	$2,007.17	$1,985.53	$21.64	$4,830.19	$8,739.45	3.810%
60	6/25/2026	$4,830.19	$2,007.17	$0.00	$2,007.17	$1,991.81	$15.36	$2,838.38	$8,754.81	3.816%
								Recalculated with LAIF Rates	$8,754.81	
								Per Original Schedule	5,916.43	
								Total Projected Increase in Interest	$2,838.38	Additional Payment

CONCLUSION:

The updated amortization schedule for the Country Club is shown above. The Country Club has fulfilled its obligations under the terms of the agreement.

MEMORANDUM

Date: August 26, 2026
To: Board of Directors
From: Amelia Wilder, Interim General Manager and Jennifer Buckman – *Confidential and Privileged Attorney-Client Communication*
Subject: Grand Jury Report Concerning Rancho Murieta Country Club Payment for Recycled Water

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GRAND JURY FINDINGS AND RECOMMENDATIONS

F11. The Grand Jury finds that although the District is permitted to charge the Rancho Murieta Country Club, a private club, for the cost of delivering reclaimed water, the District has not done so for over 37 years, thereby depriving the District of a source of revenue. (R11)

R11. The Grand Jury recommends the Board direct staff to determine the cost of delivering reclaimed water to the Country Club and report to the Board in a Discussion item by September 30, 2026 the lost revenue from not charging that cost to the private club. (F11)

BACKGROUND:

At the time of granting the District's application to draw water from the Cosumnes River, the State Water Resources Control Board mandated that wastewater, as reclaimed water, be used for irrigation purposes. Further, the California Regional Water Quality Control Board, Central Valley Region, prohibited the District from direct discharge of treated or untreated wastewater into surface water or surface water drainage courses. Due to these restrictions, the Rancho Murieta Waste Water Disposal Program identified the north and south golf courses belonging to the Rancho Murieta Country Club (Country Club), the future Rancho Murieta community park and the future Homeowners' Association Corporation yard as reclaimed water disposal sites.

Upon completion of its wastewater treatment plant, the District entered into an agreement with the Country Club in 1988 to supply reclaimed water from its sewage plant for use as irrigation water for its golf courses. According to this contract, the cost of delivering reclaimed water to the equalization pond (Bass Lake) is borne by the District. Upon written request, the contract requires the Country Club to pay the District for the cost of delivering reclaimed water to Bass Lake. The Grand Jury learned through interviews that the District failed to make such a request to the Country Club during the 38 years this contract has been in effect. The agreement term is 40 years, but it automatically renews for an additional 20 years unless the parties responsible agree in writing to terminate the agreement.

Under this agreement, beginning in 1988, the District delivered reclaimed water to Bass Lake and to the Country Club by pumping reclaimed water from its storage facility for golf course irrigation. This arrangement is beneficial to the District as well as the Country Club. Without a place to disperse the recycled water the District would need to pay to dispose of it. Staff consulted with Jennifer Buckman, BKS Law Firm, who stated:

"I have reviewed the District's 2014 Report of Waste Discharge, which is what the California Central Valley Regional Water Quality Control Board calls the National Pollution Discharge Elimination System (NPDES) permits it issues. The terminology is a little confusing because the Regional Boards in California issue permits that satisfy both the federal Clean Water Act and a related State water quality act known as the Porter-Cologne Water Quality Act. The Regional Boards use the names provided in the State statute, but the permits they issue satisfy both laws, so a "Report of Waste Discharge" is actually a NPDES permit under the federal Clean Water Act.

The Grand Jury seems not to understand some of the key facts underlying RMCSD's agreement with the golf courses. First, the District's operation of its wastewater treatment plant to serve its community generates a certain amount of wastewater which must be disposed of in accordance with legal requirements. Here, the District is treating its wastewater to tertiary standards, and disinfecting it, so that water can be put to use consistent with the regulations governing the application of recycled water. This gives the District some additional flexibility in how it disposes of this water, but under California and federal law, even the delivery of recycled water is considered a "discharge" and is subject to strict permitting requirements. This means that it can be difficult for wastewater treatment plants to find enough land with the types of uses that can accept the amounts and types of recycled water they are generating. Many landowners are not willing to accept the "disposal" of recycled water on their land; this is why the Los Angeles sanitation agencies have to pay to truck their wastewater all the way to Kern County. The District's location is somewhat remote, so its options for disposing of its wastewater within the immediate vicinity are limited.

The Report of Waste Discharge (NPDES permit) states that the District is generating 226 million gallons per year of wastewater. This is equivalent to about 694 acre-feet per year. The two golf courses can absorb up to 550 acre-feet of demand for recycled water each year, which significantly reduces the amount of wastewater the District needs to dispose of. Fortunately for the District, the golf courses are willing to accept these "discharges" without cost to the District. These types of arrangements are a fairly common means of addressing circumstances such as those faced by the District here. For example, under the terms of its Report of Waste Discharge, the City of Ione has a similar arrangement to dispose of its recycled wastewater on a local golf course.

Finally, the Grand Jury seems to have missed the fact that the terms of its Report of Waste Discharge (NPDES permit) prohibit the District from changing the location of its discharges: “Discharge of waste at a location or in a manner different from that described in the Findings is prohibited.” Continuation of the agreement with the Golf Course is also a specific condition of the permit. (See condition 20, CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD CENTRAL VALLEY REGION ORDER R5-2014-0149 WASTE DISCHARGE REQUIREMENTS AND MASTER RECYCLING PERMIT FOR RANCHO MURIETA COMMUNITY SERVICES DISTRICT WASTEWATER TREATMENT AND RECLAMATION PLANT SACRAMENTO COUNTY.) These terms would make it very challenging for the District to try to renegotiate the terms of its agreement with the golf courses, since the golf courses would have essentially all the leverage in any negotiation.”

CONCLUSION

It was the recommendation of the Grand Jury to, “The Grand Jury recommends the Board direct staff to determine the cost of delivering reclaimed water to the Country Club and report to the Board in a Discussion item by September 30, 2026 the lost revenue from not charging that cost to the private club.” However, it is in the best interest of the District to continue with the current arrangement the District has with Rancho Murieta Country Club for the disposal of recycled water, so no such determination will be made.

OFFICIAL RECORDS
SACRAMENTO COUNTY, CALIF.
1988 MAY 17 PM 1:44
Joyce Russell Smith
COUNTY CLERK-RECORDER

Recording Requested By:

Rancho Murieta Community
Services District

When Recorded Return To:

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

108731

NO FEE A

AGREEMENT FOR AVAILABILITY AND USE
OF RECLAIMED WASTEWATER

THIS AGREEMENT is made and entered into on the date below written by and between Rancho Murieta Community Services District (hereafter "District"), Rancho Murieta Country Club (hereafter "RMCC"), Rancho Murieta Properties, Inc. (hereafter "RMPI") and CBC Builders, Inc. (hereafter "CBC").

WHEREAS, the State Water Resources Control Board, in granting Application 23416, Permit 16762 for use of water from the Cosumnes River for the Rancho Murieta Project has conditioned the permit to require the use of reclaimed wastewater for irrigation purposes (par. 3, page 38, Order WR 79-13, dated June 7, 1979); and

WHEREAS, the California Regional Water Control Board, Central Valley Region, by its Order No. 82-052, dated May 28, 1982, and superseded by Order No. 86-161, dated August 8, 1986, (Order No. 86-161 is attached as Exhibit A and incorporated herein), establishing Waste Discharge Requirements for the Rancho Murieta Project, prohibits the direct discharge of treated or untreated wastes to surface waters or surface water drainage courses; and further requires that reclaimed wastewater shall remain within the disposal areas designated by the Central Valley Regional Water Quality Control Board ("Regional Board"), and those disposal areas currently include those areas listed in Exhibit A: the North Golf course, the South Golf Course, the treatment plant and storage pond area, the proposed Rancho Murieta Homeowners' Association corporation yard, and the proposed community park, as identified on Exhibit B attached hereto and incorporated herein; and

WHEREAS, the Board of Supervisors of the County of Sacramento in adopting the Ordinance for the Rancho Murieta Planned Development, limited the total number of dwelling units in the Rancho Murieta Project to 5,000 dwelling units and 209 Mobile Homes (Ord. No. 73-PD-2, Section 17(a), dated May 30, 1973), which said Ordinance was subsequently revised to limit the project to 5,000 dwelling units and 189 Mobile Home lots; and

WHEREAS, RMPI, through Raymond Vail and Associates, Engineers for the Rancho Murieta Project, prepared the Rancho Murieta Wastewater Disposal Program (April 1981) and as subsequently amended, identified the North and South Golf Courses, the future Rancho Murieta Community Park and the future Homeowners' Association Corporation Yard as wastewater disposal sites; and

WHEREAS, the Board of Supervisors of the County of Sacramento approved a Special Use Permit dated December 10, 1981, granting permission to use Assessor's Parcel Nos.

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TELECOPIER: (916) 444-8618

073-180-10 and 11 to relocate the wastewater treatment facilities subject to, among other conditions, the condition (No. 10) that the primary use of the recycled water shall be for watering golf courses; and

WHEREAS, construction of the Wastewater Treatment Plant located on the South side of Highway 16, about 3,000 feet southeast of the Cosumnes River, is now completed, and it is now necessary that arrangements for disposal of reclaimed wastewater on the North and South Golf Courses and other lands be formalized to accommodate continuing disposal of reclaimed wastewater; and

WHEREAS, RMCC leases from RMPI much of the land which the Regional Board has designated as disposal areas;

NOW, THEREFORE, District, RMCC, RMPI and CBC hereby agree as follows:

ARTICLE ONE - PURPOSE

(a) District agrees to make the reclaimed wastewater from Rancho Murieta available to those lands designated by the Regional Board as disposal areas for the District's reclaimed wastewater and District agrees to allow those disposal areas to be used for those uses approved by the Regional Board and permissible under applicable federal, state, local and District laws, rules and regulations, as amended from time to time. RMPI, RMCC and CBC each agree on behalf both of themselves, and of any of their successors-in-interest, assigns or lessees, to be bound to take and use such reclaimed wastewater under the following terms of this Agreement.

(b) Responsible Party

Prior to the delivery of wastewater to a disposal site, the owner or owners, and any lessee or licensee of that disposal area shall agree among themselves, subject to the District's written approval, which of them shall be designated the individual or entity responsible for performance of the reclaimed wastewater user's obligations required under this Agreement that pertain to delivery of reclaimed wastewater to that disposal area. This individual or entity shall be known as the "Responsible Party." If there is no lessee, licensee or co-owner of a disposal area, the sole owner shall automatically be considered the Responsible Party.

The Responsible Party shall promptly notify the District in writing of its designation. Such notice shall be given no later than five (5) business days after such designation. In the event that the owner and any lessee or licensee fail to agree upon or designate the Responsible Party, or notify the District within the five (5) business day period, the District shall have the right to select the Responsible Party.

RMPI and CBC warrant that RMPI currently owns -- either directly or through RMPI's wholly owned subsidiary, CBC -- all of the disposal areas identified in Exhibits A and B that are not owned by the District with the exception of the Driving Range portion of the North Golf Course. RMPI leases to RMCC many of these disposal areas. RMPI, CBC and RMCC hereby designate the following Responsible Parties for the five initial non-District owned disposal areas hereinafter designated "Golf Courses and Lands":

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Disposal Area	General Location	Responsible Party
1. North Golf Course & Driving Range	Section 3, T.7 N., R.8 E. & Sections 34 & 35, T.8 N., R.8 E., M.D.M.	RMCC
2. South Golf Course	Sections 2 & 3, T.7 N., R. 8 E., M.D.M.	RMCC
3. Proposed Rancho Murieta Home-owner's Association Corporation Yard	Section 3, T. 7 N., R. 8 E., M.D.M.	RMPI
4. Proposed Community Park	Section 35, T. 8 N., R. 8 E., M.D.M.	RMPI
5. Proposed Third Golf Course	Sections 34 & 35, T. 8 N., R. 8 E., M.D.M.	RMPI

In the event of the assignment of any interest in a disposal area by a Responsible Party, that assignor and assignee shall notify the District as to any change in the identity of the Responsible Party. Such notice shall be delivered to the District in writing within five (5) business days of the assignment.

ARTICLE TWO - AVAILABILITY AND USE OF RECLAIMED WASTEWATER

(a) District does not guarantee the quantity of reclaimed wastewater which it will make available to RMPI and RMCC or other Responsible Party. However, if wastewater generated from the Rancho Murieta Wastewater Treatment Plant is inadequate to meet the irrigation needs of a Responsible Party on the Golf Courses and Lands, District agrees to deliver and supply to the Responsible Party additional raw water sufficient to meet that Responsible Party's additional reasonable irrigation needs on such Golf Courses and Lands, provided that

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such withdrawals do not impair District's ability either to provide water to its customers or to operate, maintain, and implement sound water management procedures.

(b) Each Responsible Party agrees to take, up to the amount it can beneficially use on those Golf Courses and Lands for which it is a Responsible Party, all the reclaimed wastewater which District makes available to it.

(c) During the term of this Agreement, unless otherwise agreed in writing, the Responsible Party shall advise District not less than five (5) days in advance of its need to take reclaimed wastewater and District shall advise the Responsible Party not less than fifteen (15) days in advance of its need to deliver reclaimed wastewater to Golf Courses and Lands.

(d) RMPI and RMCC agree that District may make reclaimed wastewater available to others; provided that District, with concurrence of RMPI and RMCC, shall first determine that such water use by others does not infringe upon the satisfaction of the reasonable needs and requirements of RMPI and RMCC for use of water on the Golf Courses and Lands.

(e) RMPI, CBC and RMCC agree for themselves and for any future Responsible Party that the District will not incur or bear any of the capital costs of any necessary extension of the disposal systems on the Golf Courses and Lands. Such capital costs shall include such items as any pumps, pipes, storage ponds, irrigation sprinklers, or other such equipment or facilities used to bring or apply water from the District's

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point of delivery to the Golf Courses and Lands. RMPI and CBC agree to complete, at their expense, the reclaimed wastewater delivery and distribution systems necessary to distribute reclaimed wastewater to the Golf Courses and Lands.

(f) RMPI, CBC, RMCC and other Responsible Parties and District mutually agree that the North Golf Course, including its driving range, and the South Golf Course shall have first and equal priority to the use of reclaimed wastewater to satisfy their reasonable irrigation needs. RMPI, CBC, RMCC and other Responsible Parties and District further mutually agree that, in the event that the proposed Third Golf Course is developed, the three golf courses, including associated driving ranges and appurtenant facilities, shall have first and equal priority to the use of reclaimed wastewater to satisfy their reasonable irrigation needs. Provided that if the District, RMPI and RMCC agree that another source of water is available to any portion of any of said golf courses, and is less expensive to the Responsible Party who will be using that water, then, subject to the provisions of Article Twelve and subject to compliance with SWRCB requirements on the District's water rights, there shall be no obligation that such portion of such golf course be irrigated with wastewater.

ARTICLE THREE - FEES AND EXPENSES

(a) The Responsible Party agrees to pay District, upon District's written request for payment, the costs and expenses of delivering reclaimed wastewater to Responsible Party and to those portions of Golf Courses and Lands for which that

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Party is responsible. The costs of treating the reclaimed wastewater and delivering it to District's Reclaimed Wastewater Equalization Pond ("Equalization Pond") shall be borne exclusively by the District. The reasonable costs of drawing the reclaimed wastewater out of the Equalization Pond and delivering the reclaimed wastewater to the place of use shall be borne exclusively by the Responsible Party, unless otherwise set forth in Article 5 of this Agreement or attachments thereto. Additional costs and expenses (including consultant, legal and related costs) to be borne by the Responsible Party include, but are not limited to: (1) the preparation of necessary data in a manner usable by District for direct incorporation into periodic reports required of the District regarding the reclaimed wastewater; (2) any revisions, renewals or changes to the discharge permit issued by the Regional Board that are caused by, or made at the request of, or made for the benefit of the Responsible Party; and, (3) any revisions or changes in disposal methods or practices required by the Regional Board.

(b) The Responsible Party shall pay District for the District's cost to divert to, store at and deliver raw water from storage in Calero, Chesbro, or Clementia Reservoirs that is used for irrigation of Responsible Party's portion of Golf Courses and Lands. Such raw water shall only be used pursuant to District ordinances, rules and regulations, as amended from time to time.

(c) The Responsible Party shall pay District for the District's costs to divert, store and deliver raw water under

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any riparian rights or any appropriative water rights that are prior in time to Application 23416 (1969).

(d) Billing and collection of costs and expenses owed to District by Responsible Party shall be according to District ordinances, rules and regulations, as amended from time to time.

ARTICLE FOUR - TERM

This Agreement shall commence on the date set forth below and shall continue in effect until forty (40) years from the date set. Upon the expiration of this forty (40) year period, this Agreement shall automatically be renewed for additional twenty (20) year periods unless the then current Responsible Parties mutually agree in writing to terminate or modify this Agreement.

ARTICLE FIVE - OPERATION AND MAINTENANCE

(a) In accordance with Exhibit C, attached hereto and incorporated herein, and subject to the provisions for revisions of this Exhibit C discussed in paragraph (c) below, RMPI, CBC, RMCC and other Responsible Parties and District agree that the ownership and responsibility for maintenance, repair, and replacement of the reclaimed wastewater delivery and distribution systems shall be as shown and designated in Exhibit C.

(b) In the event that Exhibit C identifies more than one individual or entity as the party responsible for bearing the costs of performing the duties required by this Article, those costs shall be apportioned in the following manner: if the

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District shares responsibility for an item with one or more Responsible Parties, half of the costs of such item shall be borne by the District and the other half borne by the Responsible Party or parties. If more than one Responsible Party is listed as responsible for bearing any costs for an item, such costs shall be apportioned among such Responsible Parties pro rata, in the ratio of that Responsible Party's volume of use of that facility to the total volume of use made of that facility by all Responsible Parties.

(c) Exhibit C may be revised from time to time by written agreement between District and the Responsible Party or Parties affected by such revisions.

ARTICLE SIX - WARRANTIES

(a) The Responsible Party warrants that it shall perform its responsibilities under this Agreement in accordance with Order No. 86-161 (Exhibit A) and as such Order may be revised, amended or superseded from time to time. The Responsible Party warrants that it understands that, pursuant to Order No. 86-161, the direct discharge of wastes or wastewater to surface waters or surface water drainage courses is prohibited; the use of reclaimed wastewater for purposes other than irrigation is prohibited; and reclaimed wastewater shall be discharged only to Golf Courses and Lands in accordance with applicable provisions of Order No. 86-161 (including subsequent revisions, amendments, or superseding provisions) and all federal, state, local and District laws, rules and regulations, as amended from time to time.

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(b) District warrants that the reclaimed wastewater delivered to Responsible Party shall be treated in accordance with applicable provisions of Order 86-161 (including subsequent revisions, amendments, or superseding provisions) and all federal, state, local and District laws, rules, and regulations, as amended from time to time.

(c) Responsible Party and District warrant that each will obtain at their own expense all permits and licenses necessary to carry out the provisions of this Agreement. District agrees to make, at its own expense, the periodic reports to the Regional Board referred to in Article 3(a) above. The Responsible Party agrees to supply timely, at its own expense, and in a form suitable for direct incorporation by the District into such reports, any data or other information necessary for the District to make such reports.

ARTICLE SEVEN - RECLAIMED WASTEWATER TESTING

District shall comply with requirements of the Regional Board and the Department of Health Services, State of California, with respect to monitoring and testing of reclaimed wastewater. RMPI, RMCC and other Responsible Parties and District mutually agree to establish a monitoring program, with results available to the Responsible Parties and District. The complete terms of such monitoring program shall be set forth in a separate writing, but such separate writing shall contain the following provisions:

> Any monitoring requested by a Responsible Party and agreed to by District which is different from, or in addition to, monitoring required of District by a state or federal agency, shall be paid

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for by the Responsible Party. Requests for any such different or additional monitoring shall be in writing. Copies of monitoring and testing requirements imposed by state or federal agencies, as they may be revised from time to time, shall be furnished by District to Responsible Party upon written request, or upon receipt by District of revisions to such requirements by the Regional Board.

ARTICLE EIGHT - METERS

The Responsible Parties agree to allow District to install District-approved meters on each pump station now existing to measure the volume of raw water used by each Responsible Party on that Party's portion of Golf Courses and Lands. The Responsible Parties agree to reimburse the District for the actual costs incurred by the District to purchase and install such meters. At the written request of a Responsible Party, the District will recoup that Responsible Party's share of meter expenses through collection of a charge of $100 per month per meter from such Responsible Party, until the costs have been fully recouped. Meters on existing pump stations shall be installed and operational no later than August 1, 1988, or as soon thereafter as District can reasonably perform; District approved meters on future pump stations shall be installed by the Responsible Party and shall be operational no later than the time when such pump stations become operational. The District shall have reasonable access to all such meters at all times. If the Responsible Party fails to install or maintain the meters as set forth herein, District shall have the

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option of performing such work itself and charging the Responsible Party the District's costs incurred therein.

ARTICLE NINE - INDEMNIFICATION

(a) The Responsible Party agrees to indemnify, hold harmless and defend District, its agents, employees or independent contractors from and against any and all liabilities, claims, penalties, forfeitures, suits and expenses incident thereto, including costs of defense, settlement, and reasonable attorney's fees, which it may hereafter incur, become responsible for or pay out as a result of death or bodily injuries to any person, destruction or damage to any property, contamination of or adverse effects on the environment, or any violation of governmental laws, regulations or orders, caused in whole or in part by (i) the Responsible Party's breach of any part or provision of this Agreement; or (ii) any negligent or willful act or omission of the Responsible Party, its employees, agents or subcontractors in the performance of this Agreement.

(b) District agrees to indemnify, save harmless and defend the Responsible Party, its agents, employees or independent contractors, from and against any and all liabilities, claims, penalties, forfeitures, suits, and the expense incident thereto, including costs of defense, settlement, and reasonable attorney's fees, which it may hereafter incur, become responsible for or pay out as a result of death or bodily injuries to any person, destruction or damage to any property, contamination of or adverse effects on the environment, or any violation of governmental laws, regulations,

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or orders, caused in whole or in part by, (i) District's breach of any part or provision of the Agreement; or (ii) any negligent or willful act or omission of District, its employees, agents or independent contractors in the performance of this Agreement.

ARTICLE TEN - NOTICE

(a) Administrative Notice

Any notice to be given under this Agreement (other than notices respecting operations or emergencies) shall be in writing and delivered to the address of the respective parties below:

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Name: General Manager
Rancho Murieta Community Services District
Post Office Box 1050
Rancho Murieta, CA 95683

RANCHO MURIETA COUNTRY CLUB

Name: General Manager
Rancho Murieta Country Club
Post Office Box 980
Rancho Murieta, CA 95683

RANCHO MURIETA PROPERTIES, INC.

Name: General Manager
Rancho Murieta Properties, Inc.
14813 Jackson Road
Rancho Murieta, CA 95683

CBC BUILDERS, INC.

Name: General Manager
CBC Builders, Inc.
14813 Jackson Road
Rancho Murieta, CA 95683

(b) Operations and Emergency Notice.

Each Responsible Party shall designate to the District in writing from time to time the name, title, and telephone number of (1) three persons who shall be authorized to

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act on short notice on behalf of that Responsible Party respecting emergencies which may arise under this Agreement; and (2) at least one person who shall coordinate all operational matters under this Agreement with the District.

ARTICLE ELEVEN - RESPONSIBLE PARTY'S COMPLIANCE WITH REGIONAL BOARD ORDERS

(a) Notwithstanding any other provision of this Agreement, should a Responsible Party fail to comply with Regional Board's Order No. 86-161 (Exhibit A) as revised, amended or superseded, or any subsequent Orders regarding discharge of reclaimed wastewater by District on Golf Courses and Lands, District shall, in addition to any other legal or equitable remedies available to it, have the option of entering the Responsible Party's portion of Golf Courses and Lands and operating and maintaining the wastewater disposal systems located therein, including, but not limited to, golf course irrigation systems. In such event, the District shall recover from the Responsible Party the actual costs incurred by the District in entering, operating and maintaining such disposal systems.

(b) The District agrees:

(1) Except in an emergency as described below, prior to exercise of its option under this Article, the District shall give the Responsible Party written notice of violation and of the District's intent to exercise its option. If, after receipt of such notice, the Responsible Party still fails to perform its duties in a timely, reasonable and prudent manner,

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the District may proceed to exercise its option under this Article without further notice. Unless the District agrees in writing to the contrary, the Responsible Party shall perform its duties within ten (10) days of receipt of the District's notice. In the event that an emergency exists, as determined by the District, that directly endangers health or property, the District shall be able to exercise its option without need either for notice or for a time for the Responsible Party to perform.

(2) The District shall solely exercise its option under this Article to ensure proper operation and maintenance of the disposal systems in conformance with the requirements of Order No. 86-161, including subsequent revisions, amendments, or superseding provisions thereto.

(3) Determination of the timeliness and reasonableness of the Responsible Party's performance shall be at the sole discretion of the District.

(c) Notwithstanding any other provision of this Agreement, District shall have the right to enter at any time and without notice upon Golf Courses and Lands to inspect the operation of a Responsible Party's wastewater disposal system. District may perform emergency repairs to those wastewater disposal systems, after reasonable notification pursuant to Article 11(b), so as to avoid a violation of Order No. 86-161 (including subsequent revisions, amendments and superseding provisions thereto), or of any federal, state, local or District law, rule and regulation as amended from time to time. The

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costs incurred by the District in making any such emergency repairs shall be paid by the Responsible Party.

ARTICLE TWELVE - USE OF PROPERTIES

Current uses of Golf Courses and Lands include, but are not limited to, North and South Golf Courses and driving range. Proposed uses of Golf Courses and Lands include a community park, a Home Owners' Association yard and a third golf course. The Responsible Party shall be entitled to make any use of that person or entity's share of Golf Courses and Lands which does not significantly decrease, increase, impair or otherwise modify that Responsible Party's current or projected need for reclaimed wastewater. At least 90 days prior to any such change in use by a Responsible Party from the use as set forth in the now-existing Sacramento County approved Master Plan, which Plan is attached hereto as Exhibit D and incorporated herein, when such change may increase, decrease, impair or otherwise modify the Responsible Party's current or projected need for reclaimed wastewater, that Responsible Party shall give written notice to the District of its intent and the nature of the proposed change in use. If the District determines that the proposed change in use would adversely affect the District's ability to dispose on Golf Courses and Lands its ultimate projected reclaimed wastewater supply in compliance with the Regional Board's requirement, the Responsible Party agrees that the District may prohibit the proposed change in use, unless and until District and the Responsible Party are able to agree in writing upon a plan of

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use which will not adversely affect the District's ability to use reclaimed wastewater on Golf Courses and Lands. The priority of usage of reclaimed wastewater among the Responsible Parties shall be as set forth in Article Two.

ARTICLE THIRTEEN - LAW TO APPLY

The validity, interpretation and performance of this Agreement shall be governed and construed in accordance with the laws of California.

ARTICLE FOURTEEN - MISCELLANEOUS PROVISIONS

This Agreement represents the entire understanding among the parties relative to the services specified herein, and no modification hereof shall be effective unless and until such modification is evidenced by a writing signed by District; by RMPI, or any single individual or entity that is its successor-in-interest or assign, so long as RMPI or that single individual or entity owns 51% or more (by acres) of Golf Courses and Lands; and by RMCC, or any single individual or entity that is its successor-in-interest or assign, so long as RMCC or that single individual or entity either owns, or leases from RMPI or any of RMPI's successors-in-interest or assigns, or owns and leases, 51% or more (by acres) of Golf Courses and Land. Other than the separate writing governing the terms of the monitoring program, as described above in Article 7, there are no understandings, agreements, conditions, representations, warranties or promises with respect to the subject matter of this Agreement except those contained in or referred to in this writing. If any provision of this Agreement is held to be

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unenforceable, the remainder of this Agreement shall be severable and not affected thereby.

ARTICLE FIFTEEN - INFORMAL DISPUTE SETTLEMENT

In addition to and not as a replacement of any right or remedy of the parties respecting disputes that may arise concerning performance of this Agreement, the parties agree to use best efforts to follow the nonbinding, informal dispute mechanism set forth in this Article. When a party becomes aware of a dispute or potential dispute respecting performance of any aspect of this Agreement, it shall bring the matter to the attention of the other parties involved. If the parties involved are unable to resolve the dispute to their satisfaction, they may request that each party appoint one person to a panel which shall render an advisory, nonbinding decision as to how the dispute should be resolved.

ARTICLE SIXTEEN - BINDINGNESS

This Agreement shall bind and inure to the benefit of the respective heirs, successors and assigns of the parties hereto including subsequent purchasers and/or lessees of Golf Courses and Lands from RMPI, CBC or RMCC. The parties hereto agree that this Agreement shall be recorded in the Sacramento County Recorder's Office and shall run with the land designated herein as Golf Courses and Lands. In addition, RMPI, CBC and subsequent owners of Golf Courses and Lands shall be obligated to provide copies of this Agreement to any lessees and to any subsequent purchasers of part or all of Golf Courses and Lands.

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TELECOPIER: (916) 444-8618

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives on this 16th day of May, 1988.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

By: Richard E Brandt

Title: President

Date: 5-16-88

State of California)
) ss.
County of Sacramento)

On the 16th day of May, 1988, before me, the undersigned, a Notary Public in and for the State of California, with principal office in Sacramento County, personally appeared Richard E. Brandt known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to and who executed this instrument, and acknowledged that he executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my seal in the City of Sacramento, County of Sacramento the day and year in this certificate first above written.

Carole S. Pugh

NOTARY PUBLIC,
State of California

My Commission Expires 10-25-91

OFFICIAL SEAL
CAROLE S PUGH
NOTARY PUBLIC - CALIFORNIA
SACRAMENTO COUNTY
My comm. expires OCT 25, 1991

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RANCHO MURIETA COUNTRY CLUB

By: [signature]

Title: President

Date: 5-5 88

State of California)
) ss.
County of Sacramento)

On the 5th day of May, 1988, before me, the undersigned, a Notary Public in and for the State of California, with principal office in Sacramento County, personally appeared Bob Curren known to me (or proved on the basis of satisfactory evidence) to be the President of the corporation described in and that executed the within instrument, and also known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same C.S.P.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my seal in the City of Sacramento County of Sacramento the day and year in this certificate first above written.

OFFICIAL SEAL
CAROLE S PUGH
NOTARY PUBLIC - CALIFORNIA
SACRAMENTO COUNTY
My comm. expires OCT 25, 1991

Carole S. Pugh

NOTARY PUBLIC,
State of California

My Commission Expires Oct 25, 1991

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ATTORNEYS AT LAW

RANCHO MURIETA PROPERTIES, INC.

By: ______________________

Title: VICE-PRESIDENT

Date: 4/26/88

State of California)
) ss.
County of Sacramento)

On the 26TH day of APRIL, 1988, before me, the undersigned, a Notary Public in and for the State of California, with principal office in Sacramento County, personally appeared ERIK J. TALLSTROM known to me (or proved on the basis of satisfactory evidence) to be the VICE-PRESIDENT of the corporation described in and that executed the within instrument, and also known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same ________________.

IN WITNESS WHEREOF I have hereunto set my hand and affixed myu seal in the City of Sacramento, County of Sacramento the day and year in this certificate first above written.

OFFICIAL SEAL
JANNETTE RAE SCHMIDT
NOTARY PUBLIC - CALIFORNIA
SAN JOAQUIN COUNTY
My Comm. Expires Sept. 30, 1988

Jannette Rae Schmidt
NOTARY PUBLIC,
State of California

My Commission Expires 9/30/88

22 3130.1-PL-042288-403

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
770 L STREET, SUITE 1200
SACRAMENTO, CALIFORNIA 95814-3363
TELEPHONE (916) 444-8920

CBC BUILDERS, INC.
By: Erik J. Tallstrom
Title: VICE-PRESIDENT
Date: 4/26/88

State of California)
) ss.
County of Sacramento)

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SACRAMENTO, CALIFORNIA 95814-3363
TELEPHONE (916) 444-8920
TELECOPIER (916) 444-6418

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Exhibit A

88 05 17 , 1895

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL VALLEY REGION

ORDER NO. 86-161

WASTE DISCHARGE REQUIREMENTS
FOR

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
WASTEWATER RECLAMATION FACILITY
SACRAMENTO COUNTY

The California Regional Water Quality Control Board, Central Valley Region, (hereafter Board), finds that:

1. Rancho Murieta Community Services District (hereafter Discharger) submitted a Report of Waste Discharge, dated 7 May 1985, and a geotechnical investigation report, dated April 1981.

2. The Board, on 28 May 1982, adopted Order No. 82-052 which prescribed requirements for a discharge from a tertiary treatment plant to two golf courses and open space within the community.

3. The north golf course is surrounded by homes. The tertiary treatment of reclaimed wastewater is in accordance with Section 60313(b), Article 4, Division 4, Title 22 of the California Administrative Code (CAC). No housing is planned along the south course for several years. Therefore, treatment of reclaimed wastewater for south course irrigation is specified in Section 60313(a).

4. The Rancho Murieta Community is a 3,500 acre development, which is 20 miles east of the City of Sacramento. The community is bisected by both the Cosumnes River and State Highway 16.

5. The Discharger discharges .6 million gallons per day from the treatment ponds to the treated wastewater equalization reservoirs. Depending upon daily irrigation demand, up to 1.5 mgd can be returned from the reservoirs and treated as specified in finding 3. above. Ultimate tertiary treatment capacity will be 3.0 mgd. The treatment project has a 40-year life expectancy.

6. The development and treatment facilities are in Sections 2 and 3, T7N, R8E, and Section 34, T8N, R8E, MDB&M, with surface water drainage to the Cosumnes River.

7. The beneficial uses of the Cosumnes River are municipal, agricultural and industrial supply; recreation; esthetic enjoyment; ground water recharge; fresh water replenishment; and preservation and enhancement of fish, wildlife, and other aquatic resources.

8. The beneficial uses of the ground water are municipal, industrial, agricultural supply.

9. The Board, on 25 July 1975, adopted a Water Quality Control Plan for the Sacramento-San Joaquin Delta Basin (5B) which contains water quality objectives for all waters of the Basin. These requirements are consistent with that Plan.

10. The County of Sacramento has approved a Negative Declaration in accordance with the California Environmental Quality Act (Public Resources Code Section 21000, et seq.), and the State Guidelines.

11. The Board has reviewed the Negative Declaration and concurs there are no significant impacts on water quality.

12. Sacramento County has issued a use permit to Rancho Murieta indicating the primary use of recycled water shall be for watering the golf course.

13. The State Water Resources Control Board's Water Rights' permit for Rancho Murieta requires use of wastewater for irrigation purposes in lieu of water from other sources when the flow of wastewater reaches 424 acre-feet per annum.

14. A soils investigation of the site showed an abundance of clay with in situ permeabilities to 2×10^{-8} cm/sec (about 0.2 inches/year), and fine silts and sands in lower regions. Ponds have been constructed using compacted clays.

15. The action to amend waste discharge requirements for this water reclamation facility is exempt from the provisions of the California Environmental Quality Act, in accordance with Section 15301, Title 14, CAC.

16. The Board has notified the Discharger and interested agencies and persons of its intent to prescribe waste discharge requirements for this discharge.

17. The Board, in a public meeting, heard and considered all comments pertaining to this discharge.

IT IS HEREBY ORDERED, that Order No. 82-052 be rescinded, and Rancho Murieta Community Services District, in order to meet the provisions contained in Division 7 of the California Water Code and regulations adopted thereunder, shall comply with the following:

A. Discharge Prohibitions:

1. The direct discharge of wastes to surface waters or surface water drainage courses is prohibited.

2. The by-pass or overflow of untreated or partially treated waste is prohibited.

3. The use of reclaimed wastewater for purposes other than irrigation is prohibited.

B. Discharge Specifications:

1. Neither the treatment nor disposal of wastes shall cause a pollution or nuisance as defined by the California Water Code, Section 13050.

2. The discharge shall not cause degradation of any water supply.

3. Reclaimed wastewater treated in accordance with Section 60313(b), Article 4, Division 4, Title 22, CAC may be discharged in the following designated areas: a) the north golf course; b) the south golf course, the treatment plant; c) equalization reservoirs; d) the proposed Rancho Murieta Homeowner's Association Corporation yard; and e) the proposed community park. Reclaimed wastewater treated in accordance with Section 60313(a), Article 4, Division 4, Title 22, CAC, shall be discharged only in the areas as listed under 3(b) and (c) listed here.

4. The annual discharge shall not exceed 1095 million gallons.

5. Collected screenings, sludges, and other solids removed from liquid wastes shall be disposed of in a manner approved by the Executive Officer.

6. Reclaimed wastewater shall meet the criteria contained in Title 22, Division 4, CAC (Section 60301, et seq.).

7. Constituents and characteristics of the filtered reclaimed wastewater treated as specified in Section 60313(b), Article 4, Division 4, Title 22, of the CAC shall not exceed the following limits during irrigation of the north golf course:

Constituent or Characteristic	Units	Monthly Mean	Monthly Median	Maximum
Total Coliform Organisms	MPN/100 ml	--	2.2	23
Turbidity*	NTU	2	--	5

* Not to exceed 5, more than 5% of the time during 24-hour period.

8. Constituents and characteristics of the filtered reclaimed wastewater treated, in accordance with Section 60313(a), Title 22, CAC (south golf course discharge), shall not exceed the following limits during irrigation of the south golf course:

Constituent or Characteristic	Units	Monthly Mean	Monthly Median	Maximum
Total Coliform Organisms	MPN/100 ml	--	23	240

9. The dissolved oxygen content of any wastewater treatment ponds shall not be less than 1.0 mg/l for 16 hours in any 24-hour period.

10. Conveyance and storage facilities shall be maintained to minimize the generation of vectors.

11. Reclaimed wastewater conveyance lines shall be clearly marked.

12. Reclaimed wastewater operations shall be well managed to minimize erosion and runoff.

C. Provisions:

1. The Discharger may be required to submit technical reports as directed by the Executive Officer.

2. The Discharger shall comply with the attached Monitoring and Reporting Program No. 86-161.

3. The Discharger shall comply with the Standard Provisions and Reporting Requirements, dated 1 September 1985, which are a part of this Order.

4. The Discharger shall provide certified wastewater treatment plant operators in accordance with regulations adopted by the State Water Resources Control Board.

5. The Discharger shall report promptly to the Board any material change or proposed change in character, location, or volume of the discharge.

6. In the event of any change in control or ownership of land or waste discharge facilities presently owned or controlled by the Discharger, the Discharger shall notify the succeeding owner or operator of the existence of this Order by letter, a copy of which shall be forwarded to this office.

7. The Board will review this Order periodically and may revise requirements when necessary.

I, WILLIAM H. CROOKS, Executive Officer, do hereby certify the foregoing is a full, true, and correct copy of an Order adopted by the California Regional Water Quality Control Board, Central Valley Region, on 8 August 1986.

William H. Crooks

WILLIAM H. CROOKS, Executive Officer

5/28/86:MAC:jec

Attachment

88 05 17 1900

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL VALLEY REGION

MONITORING AND REPORTING PROGRAM NO. 86-161

FOR

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
WASTEWATER RECLAMATION FACILITY
SACRAMENTO COUNTY

EFFLUENT WASTE MONITORING

Samples and flows shall be taken prior to discharge of the two irrigation systems. Effluent samples shall be representative of the volume and nature of the discharge. The monitoring program shall be as follows:

Constituent	Units	Type of Sample	Sampling Frequency
Flow	mgd	Continuous	Daily
pH	pH Units	Grab	Weekly
Settleable Solids	ml/l	Grab	Twice Weekly
Coliform Organisms	MPN/100 ml	Grab	Daily
Residual Chlorine	mg/l	Grab	Daily
Turbidity	NTU	Continuous	Daily

REPORTING

Quarterly monitoring reports shall be submitted to the Regional Board by the 15th day of the following quarter. In reporting the monitoring data, the Discharger shall arrange the data in tabular form so that the date, the constituents, and the concentrations are readily discernible. The data shall be summarized in such a manner to illustrate clearly the compliance with waste discharge requirements.

Quarterly monitoring reports shall be submitted to the Regional Board by the 15th day of the following month.

The results of any monitoring done more frequently than required at the locations specified in the Monitoring and Reporting Program shall be reported to the Board.

88 05 17 1901

MONITORING AND REPORTING PROGRAM
RANCHO MURIETA COMMUNITY SERVICES DISTRICT
WASTEWATER RECLAMATION FACILITY
SACRAMENTO COUNTY

The Discharger shall implement the above monitoring program on the effective date of this Order.

Ordered by: William H. Crooks
WILLIAM H. CROOKS, Executive Officer

8 August 1986
(Date)

5/28/86:MAC:jec

INFORMATION SHEET

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
WASTEWATER RECLAMATION FACILITY
SACRAMENTO COUNTY

The Pension Trust Fund for Operating Engineers has constructed a development about 20 miles east of Sacramento, called Rancho Murieta (see location map). Rancho Murieta is a 3500 acre planned development with ultimate capacity consisting of 5,000 housing units, two golf courses, seven parks, five schools, recreation and shopping centers, and several lakes. Approved requirements will govern Phase I construction (approximately 50% complete), with an anticipated maximum sewage flow of 1.5 mgd.

The area is in rolling hills, and is traversed by the Cosumnes River. The sewage treatment facilities have been built on the Ione formation consisting of sand, silt, and some gravel. The Ione formation is considered essentially nonwater bearing. Locally it produces at low rates, but the water is generally of poor quality.

This Order distinguishes two separate reclaimed wastewater discharges. The main treatment train consists of a series of oxidation ponds, flow equalization reservoirs, a dissolved air flotation unit, filtration, and finally, chlorination. The only difference in process control between the north golf course and south golf course is the addition or absence of polymer, respectively. The addition of polymer ahead of the dissolved air flotation unit reduces the turbidity, which improves the reliability of pathogen destruction.

Under certain conditions when the risk to human exposure to reclaimed wastewater increases (i.e., the north course surrounded by homes), the California Department of Health Services requires a higher degree of disinfection. Therefore, whenever the Services District irrigates the north course, the more restrictive effluent requirements will be used.

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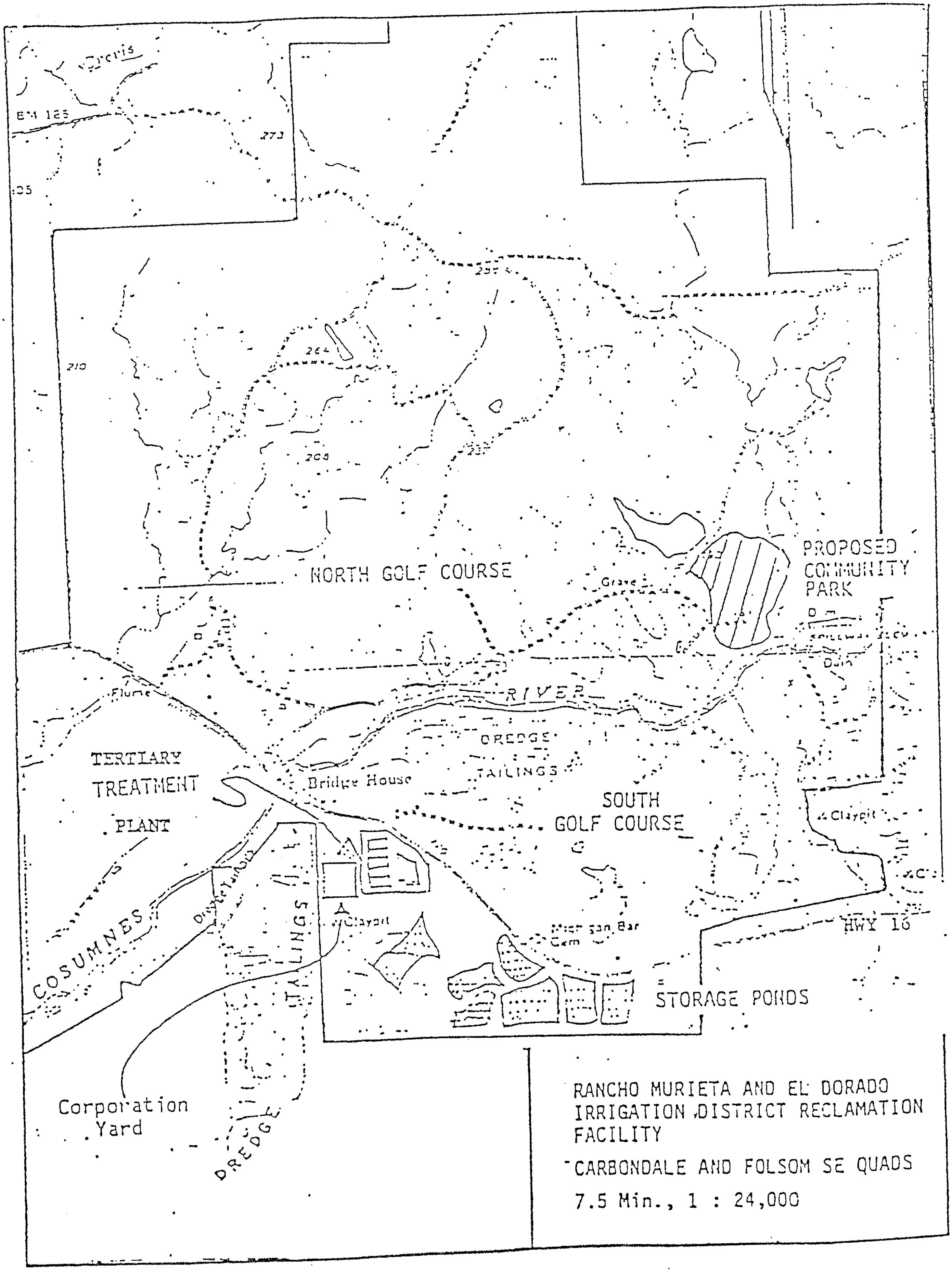

RANCHO MURIETA AND EL DORADO IRRIGATION DISTRICT RECLAMATION FACILITY

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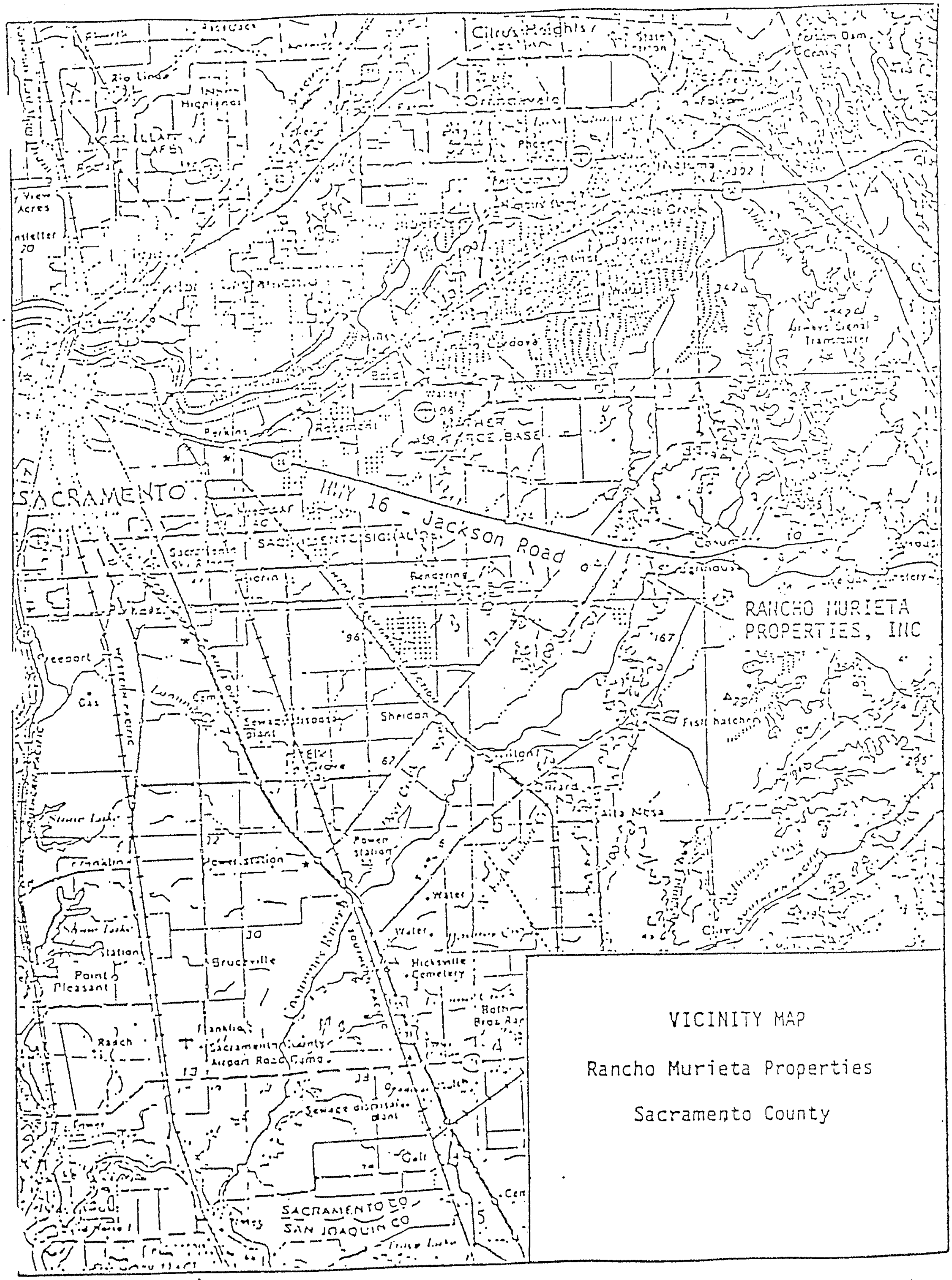


VICINITY MAP

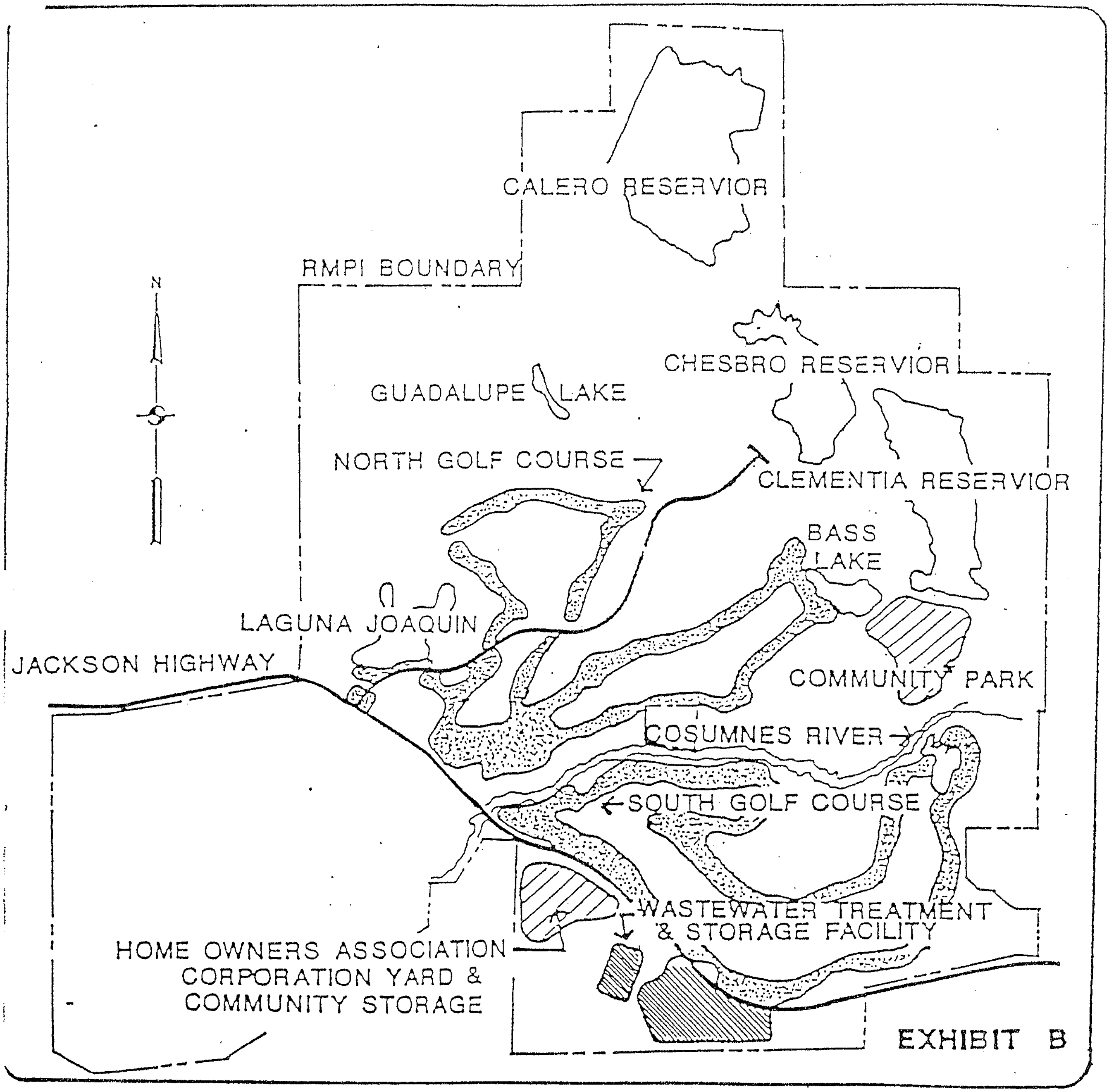
Rancho Murieta Properties

Sacramento County

88 05 17 1904

Exhibit B

Rancho Murieta



BOOK 88 0517 PAGE 1906

Wastewater Reclamation Project

Legend

- EXISTING IRRIGATED AREAS TO RECEIVE RECLAIMED WASTEWATER
- PROPOSED IRRIGATED AREAS TO RECEIVE RECLAIMED WASTEWATER
- RANCHO MURIETA WASTEWATER TREATMENT / STORAGE FACILITY

THIS EXHIBIT DEPICTS THE AREAS TO RECIEVE RECLAIMED WASTEWATER AS DESIGNATED ON THE NOV 1981 "WASTEWATER RECLAMATION PROJECT" EXHIBIT PREPARED BY RAYMOND VAIL & ASSOCIATES (W.O. #1205.15B) ON FILE IN THE OFFICE OF THE MANAGER OF R.M.C.S.D.

NOV. 1987 2250.08

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Exhibit C

Exhibit

RECLAIMED WASTEWATER & RAW WATER DELIVERY SYSTEMS

OPERATION AND MAINTENANCE

RESPONSIBILITY MATRIX

4/21/88

		A. TYPE		B. OWNERSHIP		C. OPERATION AND MAINTENANCE		D. COST OF O & M		E. WATER QUALITY			
No	Facility	Reclaimed Wastewater	Raw Water	District	Non Dist.	District	Non District	District	Non District	District	Non District	F. POINT OF SERVICE	G. REMARKS
1	Reclaimed Wastewater Equalization Pond	o		o		o		o		o		n/a	Pond Level Controlled by District
2	Equalization Pond-Lakes 16/17 (South Course) Pipeline	o		o		o		4	4	o		Pipeline Discharge Structure at Lake 16	
3	Lake 10-16/17 (South Course) Transfer Pipeline	o	o		RMPI		RMCC		RMCC		RMCC	n/a	Lake Level Controlled by RMCC via Adjustable Probes and Auto-Valves
4	Lakes 10 & 16/17 (South Course)	o	o		RPMI		RMCC		RMCC		RMCC	n/a	Lake Level Controlled by RMCC via Ajustable Probes and Auto-Valves
5	North Course Irrigation System	o	o		RMPI		RMCC		RMCC		RMCC	n/a	
6	South Course Irrigation System	o	o		RMPI		RMCC		RMCC		RMCC	n/a	
7	North Course Pumps at Equalization Pond	o		o		o			RMCC	o		Pump Station Intake Structure at Equalization Pond	Pumps Controlled by Irrigation System
8	North Course Treated Effluent Force Main	o		o		o		4	4	o		North Course Side of PRV near Yellow Bridge	
9	Bass Lake River Pump and Pipeline to Bass Lake		o	o		o		6		o		Pipeline Discharge Structure at Bass Lake	Water Quality Dictated by Cosumnes River quality

Exhibit "L

RECLAIMED WASTEWATER & RAW WATER DELIVERY SYSTEMS
OPERATION AND MAINTENANCE
RESPONSIBILITY MATRIX

4/21/88

No	Facility	A. TYPE Reclaimed Wastewater	A. TYPE Raw Water	B. OWNERSHIP Dis-trict	B. OWNERSHIP Non Dist.	C. OPERATION AND MAINTENANCE District	C. OPERATION AND MAINTENANCE Non District	D. COST OF O & M District	D. COST OF O & M Non District	E. WATER QUALITY Dis-trict	E. WATER QUALITY Non District	F. POINT OF SERVICE	G. REMARKS
10	Bass Lake River Pump and Pipeline to Lake 10 South Course		o	o		o		6		o		Pipeline Discharge Structure at Lake 10	Water quality dictated by Cosumnes River quality
11	Bass Lake		o	1		1		1		1		n/a	Lake Level Controlled by District
12	Bass Lake Irrigation Pump Station		o		RMPI		RMCC		RMCC		RMCC	Pump Station Intake Line	Pumps Controlled by Irrigation System
13	Cosumnes Irrigation Association System		o	2		2		2		2		n/a	System Includes Granlees Dam, CIA Ditch, Pipelines & Appurtenances
14	Laguna Joaquin		o	1		1		1		1		n/a	Lake Level Controlled by District
15	Laguna Joaquin Pump Station		o		RMPI		5		5		5	Pump Station Intake Line	Pumps Controlled by Irrigation System
16	River Pump @ Old Bridge		o		RMPI		RMCC		RMCC		RMCC	n/a	Water Quality Dictated by Cosumnes River Quality
17	Lake Clementia		o	3		3		3		3		n/a	Lake Level Controlled by District
18	Lake Clementia-Lake 10 (South Course) Pipeline		o	o		o		4	4	o		Pipeline Discharge Structure at Lake 10	

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EXHIBIT "C"

Footnotes:

1. Bass Lake and Laguna Joaquin are owned by Rancho Murieta Association (RMA), but the District has an Easement for Operation and Maintenance of the lakes. District is responsible for water quality and control of aquatic growth and for maintaining the water level in the lakes. The District recovers its cost for operation and maintenance by direct billing to its customers.

2. The system is owned by the Cosumnes Irrigation Association (CIA), but the District is authorized by the CIA to operate and maintain the facilities. The District charges CIA for its expenses and CIA in turn prorates this expense to its members on a benefit basis. Since the District is a member of CIA, the District in turn bills its customers for their respective share of these expenses. Water quality in CIA system is dictated by Cosumnes River quality.

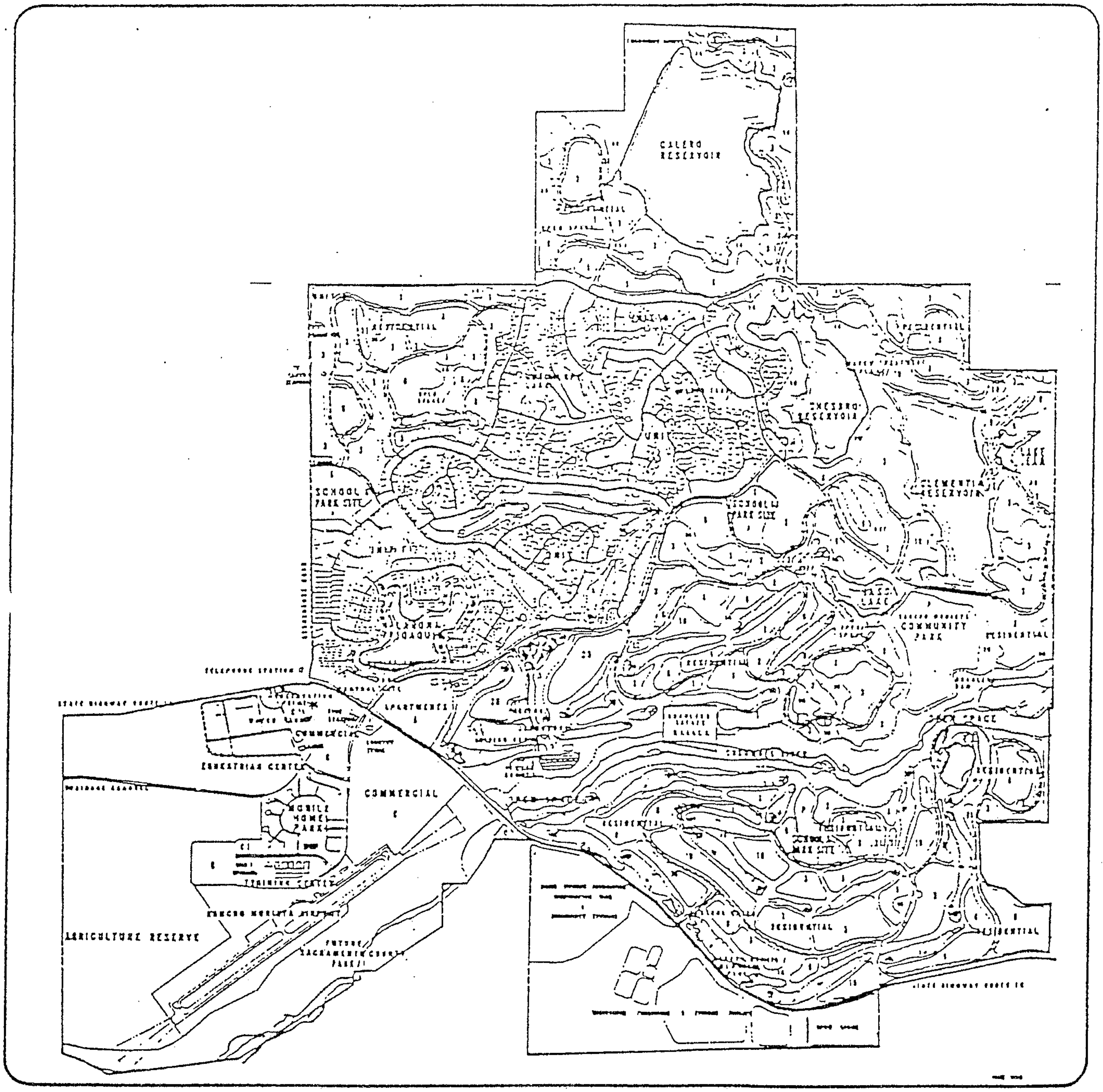
3. Lake Clementia is owned by RMA, but the District has an easement from RMA for operation and maintenance of the lake. The District is responsible for maintaining water level within limits of water rights, water quality and control of aquatic growth below the high water line of the lake and for maintenance and control of vegetation above the high water line of the lake. The District recovers its cost for diversion, storage and release of water by meter charges to its customers.

4. District and RMCC agree to share the Operation and Maintenance costs of these facilities on a 50/50 basis.

5. RMCC and RMA will share the responsibilities and costs on a mutually agreeable prorata basis.

6. The District recovers its cost for operation and maintenance of this facility by direct billing to its customers.

Rancho Murieta



Master Plan

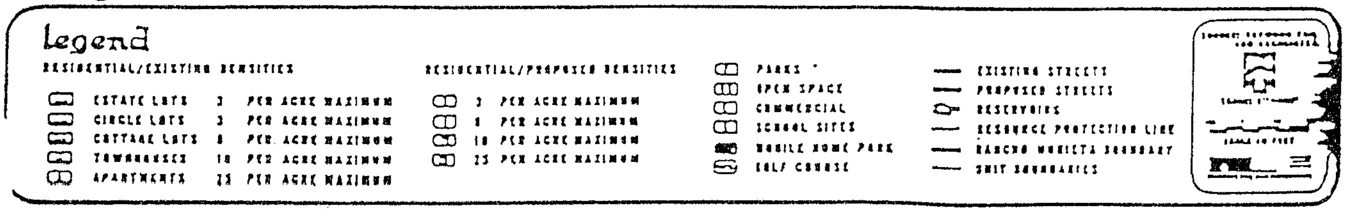


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EXHIBIT "B"

MAINTENANCE AND REPAIR

OF

PIPELINES AND WATERWORKS

The pipelines and waterworks of common interest to COUNTRY CLUB and DISTRICT shall be maintained and repaired in accordance with the following information and attached map:

1) Lake Clementia - Underlying land is owned by RMA; DISTRICT maintains water levels, and releases to Lake 10, South Golf Course; COUNTRY CLUB requests water service from DISTRICT if needed.

2) Bass Lake River Pump - DISTRICT maintains pump at COUNTRY CLUB expense. Installs pump in Spring, removes and stores in Fall. Cost is billed to COUNTRY CLUB.

3) Bass Lake - Underlying land is owned by RMA. DISTRICT maintains water levels. COUNTRY CLUB operates and maintains pump out of Bass Lake to Golf Course.

4) Granlees Dam - Cosumnes Irrigation Association owns the dam. DISTRICT operates and maintains the dam at Cosumnes Irrigation Association cost.

5) Cosumnes Irrigation Association Canal-Cosumnes Irrigation Association owns the canal and easement. DISTRICT operates and maintains the canal at CIA cost.

6) Laguna Joaquin - RMA owns underlying land; DISTRICT maintains water levels with flows from CIA canal; COUNTRY CLUB and/or RMA operates and maintains the pumps taking water to the golf courses and RMA common area.

7) River Pump at Yellow Bridge - COUNTRY CLUB operates and maintains this facility.

8) Reclaimed Water Storage Equalization Pond-DISTRICT owns, operates, and maintains this facility.

9) Pumps at North End of Equalization Pond-DISTRICT owns pumps. COUNTRY CLUB pays power bills for pumping.

10) Pipeline from Equalization Pond Along Highway 16 to Yellow Bridge (North Golf Course reclaimed water delivery) - DISTRICT owns and operates the pipeline to the pressure reducing valve on the north side of the Yellow Bridge. COUNTRY CLUB maintains pipeline outward from the pressure reducing station into the north golf course.

11) Pipeline from Equalization Pond Across Highway 16 to Ponds 16 and 17 - DISTRICT owns and operates the pipeline across Highway 16 to Pond 17. COUNTRY CLUB operates water levels in Ponds 16 and 17 by setting probes in Pond 16.

12) Transfer pipeline, Pond 10 to Ponds 16 and 17 and reverse. This pipeline is interior to the south Golf Course and is operated and maintained by COUNTRY CLUB.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
STAFF REPORT

Meeting Date:	August 26, 2026
Agenda Item No.:	13
To:	President and Members of the Board of Directors
From:	Amelia Wilder, Interim General Manager
Reviewed by:	Richards, Watson & Gershon, A Professional Corporation, District Counsel
Subject:	Discussion of Proposed Revisions to Water and Sewer Plan Review, Connection Permit, Meter Installation and Inspection Fees; Direction to Staff; and Setting of the Public Meeting Required by Government Code Section 66016 for September 16, 2026
Action:	Discussion and direction. No fee is adopted or increased by this item.

1. RECOMMENDED ACTION

That the Board of Directors:

1. Receive and file this report;
2. Direct staff, in consultation with the District Engineer and District Counsel, to complete the cost justification required by Government Code section 66016(a);
3. Direct staff to give the notice required by Government Code section 66016(a) and to place on the agenda for the regular meeting of Wednesday, September 16, 2026, the open and public meeting required by that section and consideration of a resolution adopting a revised fee schedule;
4. Direct the General Manager and District Counsel to contact the landowners party to the Financing and Services Agreement dated March 20, 2014, in advance of the September 16, 2026, meeting, to discuss the matters described in Section 6 of this report and to report back to the Board; and
5. Provide the direction requested in Section 9 of this report.

2. PURPOSE OF THIS ITEM

This is a discussion and direction item. No fee is adopted, increased, or modified by this item, and the Board is not asked to take final action on any fee.

Government Code section 66016(a) requires that, before a fee increase is approved, the District hold an open and public meeting, give at least fourteen days mailed notice to interested parties who have filed a written request for notice, and make its cost data available to the public at least ten days before that meeting. Those deadlines cannot be met for the August 26, 2026, meeting. This item therefore places the matter before the Board for discussion and direction and sets the required meeting for September 16, 2026.

Government Code section 54954.2(a)(3) expressly permits the Board to "take action to direct staff to place a matter of business on a future agenda."

A point of terminology. Section 66016 requires an "open and public meeting … as part of a regularly scheduled meeting." It does not require a noticed public hearing in the sense that term is used for assessments or for property-related fees under Proposition 218. There is no newspaper publication requirement, and mailed notice is owed only to those persons who have filed a written request with the District for notice of new or increased fees. The September item is accordingly a regular agenda item at which oral and written presentations are received, not a formal protest hearing.

3. WHY THESE FEES WARRANT THE BOARD'S ATTENTION

When an applicant seeks a new water or sewer connection, the District reviews the applicant's plans, issues the connection permit, furnishes and sets the meter, and inspects the applicant's installation before it is connected to District facilities. That work consumes District staff time, District Engineer time, and occasionally District Counsel time. The fees charged for it are service fees; they are separate from the capital components of the connection fee and pay for no part of the District's pipes, plants, or capacity.

The fees have not kept pace with the District's costs:

Fee	Current (eff. 7/25/2026)	Comparable 2013 Amount
Installation Fee — Water Meter	$522.32	$500
Inspection Fee — Water Meter	$165.18	$300 combined
Inspection Fee — Sewer	$165.18	(water and sewer)
Total, per EDU	**$852.68**	**$800**

The water meter fee has risen approximately 4.5 percent and the combined inspection fees approximately 10.1 percent since 2013 — both well below the increase in the Consumer Price Index over the same period. To the extent these fees fall short of the District's cost, the difference is absorbed by existing ratepayers.

The District has engaged Lumos to update its capital facility fees and water augmentation fee, a process expected to take approximately six months. The fees discussed here are service fees analyzed under a different body of law and are intentionally scoped to exclude any capital component. This item neither waits for nor duplicates the Lumos work.

4. WHAT THE BOARD WOULD CONSIDER IN SEPTEMBER

Staff and District Counsel propose a resolution that would:

- Adopt a flat fee schedule organized by meter and service type — the actual driver of District plan review and inspection effort — rather than by equivalent dwelling unit. This is a change in billing basis and is discussed further in Section 9.

- Establish a deposit-and-reimbursement mechanism, billed at Board-adopted hourly rates, for line extensions, subdivision improvement plans, and other non-standard work whose cost cannot fairly be averaged into a flat fee.
- Retain an annual index adjustment, subject to an express cap providing that no fee may exceed the District's actual reasonable cost, and subject to an annual reconciliation.
- Make the findings required by state law and the California Constitution, and find the action exempt from the California Environmental Quality Act.

A complete draft resolution, with the fee schedule as Exhibit A, is attached to this report so the Board can see the proposed structure. The dollar amounts are shown as blanks; they will be populated from the cost justification and presented on September 16.

5. LEGAL FRAMEWORK IN BRIEF

Authority. Government Code section 66013(a) permits the District to charge fees for water and sewer connections that do not exceed the estimated reasonable cost of providing the service. Government Code section 61115(a)(1) authorizes the Board, by resolution or ordinance, to establish rates or other charges for services the District provides. Article XIII C, section 1(e)(2) and (3) of the California Constitution except from the definition of "tax" charges for a specific government service provided directly to the payor and charges for the reasonable regulatory costs of issuing permits and performing inspections, in each case capped at reasonable cost.

No nexus study or engineering report is required. Section 66013 is itself part of the Mitigation Fee Act — Government Code section 66000.5(a) defines that Act to include Chapter 7, where section 66013 appears — but the Act prescribes a different procedure for connection fees than it does for development impact fees. Section 66013(h) provides that fees subject to section 66013 "are not subject to the provisions of Chapter 5 (commencing with Section 66000), but are subject to the provisions of Section 66016, 66022, and 66023." Chapter 5 is where the nexus findings of section 66001 live, so those findings are not required. Section 66016.5(b), the statute governing impact fee nexus studies, likewise provides that "[t]his section does not apply to any fees or charges pursuant to Section 66013." What is required instead is documented cost data under section 66016(a), which staff is preparing.

Proposition 218 does not apply. In Richmond v. Shasta Community Services District (2004) 32 Cal.4th 409, the California Supreme Court held that connection fees are not property-related fees under article XIII D, because the obligation arises from the voluntary act of applying to connect. No majority protest proceeding is required.

The Board must take the action. Several District Code provisions state that the amount of these fees is set by the General Manager. Those provisions date from 1988 to 1990 and were lawful when adopted. Government Code section 66016(b), in its current form since January 1, 2007, provides that a fee increase "shall be taken only by ordinance or resolution" and that the legislative body "shall not delegate the authority to adopt a new fee or service charge, or to increase a fee or service charge." District Counsel therefore recommends Board adoption by resolution, and a follow-on ordinance conforming the District Code. Three of the five Code provisions already refer to the "General Manager and/or Board of Directors," so the Board has concurrent authority and no Code amendment is required before acting.

6. FINANCING AND SERVICES AGREEMENTS — MATTER REQUIRING DIRECTION

District Counsel has reviewed the two Financing and Services Agreements affecting property within the District. They differ in a way that matters here.

The CRL Financing and Services Agreement (May 27, 2014) lists the water meter installation fee and the water and sewer inspection fees among the standard District fees, and provides that they "will be charged according to the fees in place at the time of water permit issuance." It further provides that nothing in that section prevents the District from adopting and collecting future fees in compliance with State law. The proposed action is consistent with that agreement.

The Financing and Services Agreement dated March 20, 2014, requires closer attention. Section 3.7(A) of that agreement establishes a "Bundled Fee" of $7,771 per equivalent dwelling unit, adjusted annually by the Consumer Price Index. Exhibit M to the agreement itemizes the Bundled Fee, and two of its six components are a $500 "Water Meter" fee and a $300 "Water/Sewer Inspection" fee. Those two fees are therefore inside the Bundled Fee, not outside it.

Section 3.7(B) permits the Board to increase the non-water-augmentation components of the Bundled Fee, but only if the increase is adopted "in accordance with the Mitigation Fee Act" and "applied uniformly to all new development." Section 5.13 preserves the landowners' right to object to any increase in the Bundled Fee "other than indexed annual adjustments."

The "Mitigation Fee Act" condition is satisfied by the process the District will follow. As noted in Section 5, section 66013 is itself part of the Mitigation Fee Act, and section 66013(h) specifies which portions of that Act govern a connection fee: the reasonable-cost limitation of section 66013(a), together with sections 66016, 66022 and 66023. The contract condition and the statute are therefore not in tension. Adopting the increase in accordance with sections 66013 and 66016 is adopting it in accordance with the Mitigation Fee Act as that Act applies to this fee type. Uniform application to all new development, the second condition of section 3.7(B), is addressed in the proposed resolution.

Residual risk. A landowner could argue that the parties used "Mitigation Fee Act" in the colloquial sense — as shorthand for the Chapter 5 nexus regime — and that section 66001 findings are required notwithstanding section 66013(h). District Counsel regards the District's position as the stronger one: the agreement cites the statutory range "Government Code Section 66000, et seq.," which is the range section 66000.5 defines, and an interpretation requiring compliance with a chapter the Legislature has declared inapplicable is difficult to square with Civil Code section 1643. Counsel is not aware of published authority construing this contract language and does not represent the point as free from dispute.

There is meaningful headroom before this constraint binds. Because the District has under-indexed these fees since 2013, a substantial portion of the increase staff anticipates can be characterized as the indexed annual adjustment that section 3.7(A) contemplates and section 5.13 leaves unchallengeable. Only the increment above the properly indexed amount implicates section 3.7(B). Staff will present the calculated indexed amount on September 16.

Requested direction. Staff and District Counsel recommend that the Board direct the General Manager and District Counsel to contact the March 2014 agreement landowners before the September 16 meeting, explain the proposed structure, and report back. Section 5.13 preserves the landowners' right to object;

early engagement is preferable to a dispute at the meeting or a validation action under Government Code section 66022. Nothing in this recommendation commits the District to any concession, and any amendment to the agreement would return to the Board for approval.

A separate matter for reconciliation. The capital components on the current connection fee schedule total $13,242.81 per equivalent dwelling unit, which appears to exceed the indexed Bundled Fee of $7,771. Staff is reviewing how properties subject to the March 2014 agreement are currently billed. This is independent of the fee item before the Board and is relevant to the Lumos engagement; counsel will report to the Board separately.

7. PROPOSED SCHEDULE

If the Board provides the direction recommended in Section 1, the schedule would be as follows.

Date	Step	Authority
Aug. 26, 2026	Board receives this report and gives direction.	Gov. Code, § 54954.2(a)(3)
By Sept. 1, 2026	Mail notice of the September 16 meeting to each interested party who has filed a written request for mailed notice. (Fourteen days before September 16 is September 2; staff will mail by September 1.)	Gov. Code, § 66016(a)
By Sept. 4, 2026	Make the cost justification available to the public. (Ten days before September 16 is September 6, a Sunday; staff will post by Friday, September 4.)	Gov. Code, § 66016(a)
By Sept. 4, 2026	Complete landowner outreach under Section 6 and report to the Board.	Board direction
By Sept. 13, 2026	Post the agenda for the September 16 regular meeting.	Gov. Code, § 54954.2(a)(1)
Sept. 16, 2026	Open and public meeting; receive oral and written presentations; consider and adopt the resolution. The Board may not delegate this action.	Gov. Code, §§ 66016(a), (b)
Nov. 16, 2026	Effective date of the resolution and of the fees. (Sixty days after September 16 is November 15, a Sunday.) The draft resolution fixes this date expressly.	Gov. Code, § 66017(a)
Mar. 16, 2027	The 120-day period for a judicial challenge closes. It runs from the effective date of the resolution — November 16 — not from the September 16 adoption date.	Gov. Code, § 66022(a)

If the Board later determines that the November 16 effective date is too late, Government Code section 66017(b) permits an urgency interim authorization by a four-fifths vote, effective for thirty days and extendable twice. District Counsel does not recommend that course unless circumstances require it, because the ordinary process produces a stronger record.

8. FISCAL AND ENVIRONMENTAL CONSIDERATIONS

Fiscal impact. This item has no direct fiscal impact. Staff, District Engineer and District Counsel time required to prepare the cost justification and the September item will be absorbed within existing budgeted amounts. The revenue effect of the fee schedule itself will be presented on September 16.

Environmental review. No approval subject to the California Environmental Quality Act is proposed by this item. The environmental determination for the fee schedule — anticipated to be an exemption under Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273 — will be made by the Board at the time of adoption.

9. DIRECTION REQUESTED

Staff requests the Board's direction on the following:

1. **Confirm the meeting date.** Does the Board confirm Wednesday, September 16, 2026 for the section 66016 meeting and consideration of the resolution?

2. **Basis of charge.** The current fees are assessed per equivalent dwelling unit, so a ten-EDU commercial connection pays ten times the residential amount. Staff proposes instead a flat fee per connection by meter and service size, which more closely tracks the District's actual review and inspection effort and is the more defensible allocation under article XIII C. This will reduce revenue on large connections relative to the present method. Does the Board wish to proceed on that basis, retain the per-EDU basis, or see both alternatives priced in September?

3. **Scope.** Does the Board wish the September schedule to include separate fees for re-inspection following a failed inspection, grease interceptor and pretreatment device inspection, meter re-set or relocation at applicant request, and out-of-District service requests? Each is currently performed without a distinct fee.

4. **Landowner outreach.** Does the Board authorize the General Manager and District Counsel to contact the March 2014 Financing and Services Agreement landowners as described in Section 6?

5. **Legal cost recovery.** Does the Board wish the schedule to recover District Counsel time attributable to an individual application — for example, review of a service, annexation, easement or encroachment agreement? Staff recommends yes, limited to application-specific work and excluding general District legal costs.

10. ATTACHMENTS

1. Draft Resolution No. 2026-17, with draft Exhibit A (fee schedule, amounts to be populated).

2. Current connection and hookup fee schedule effective July 25, 2026, through December 31, 2026.

3. Excerpts, District Code Chapter 14 (Water Code) sections 7.03, 7.09 and 7.11, and Chapter 15 (Sewer Code) sections 7.01 and 7.04.

RESOLUTION NO. 2026-17

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT ADOPTING A REVISED SCHEDULE OF WATER AND SEWER PLAN REVIEW, CONNECTION PERMIT, METER INSTALLATION AND INSPECTION FEES

WHEREAS, the Rancho Murieta Community Services District ("District") is a community services district organized and existing under the Community Services District Law, Government Code section 61000 et seq., and provides potable water, untreated water, and sewer service within its boundaries; and

WHEREAS, Government Code section 61115(a)(1) authorizes the Board of Directors, by resolution or ordinance, to establish rates or other charges for services and facilities that the District provides; and

WHEREAS, Chapter 14 of the District Code (the Water Code), at sections 7.03, 7.09 and 7.11, and Chapter 15 of the District Code (the Sewer Code), at sections 7.01 and 7.04, provide for fees for the installation of service connections and meters, for line extension applications, plan review and construction inspection, and for the issuance of permits and the inspection of water lines, main lines and laterals, in each case measured by the District's costs; and

WHEREAS, in providing water and sewer service to an applicant for a new connection, the District reviews the applicant's plans, issues a connection permit, furnishes and sets the meter, and inspects the applicant's installation of the water service, sewer lateral, or main line extension before that installation is accepted and connected to District facilities (collectively, "Connection Services"); and

WHEREAS, the District incurs the cost of District staff time, District Engineer time, and in some matters District Counsel time in providing Connection Services to an individual applicant, and those services are provided directly to and for the benefit of the applicant and are not provided to persons who are not charged for them; and

WHEREAS, the fees presently charged by the District for Connection Services do not recover the District's cost of providing them, with the result that the shortfall is borne by the District's existing ratepayers; and

WHEREAS, Government Code section 66013(a) provides that when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, absent approval by a two-thirds vote of the electors voting on the issue; and

WHEREAS, Government Code section 66013(b)(5) defines the "fee" subject to that section to mean a fee for the physical facilities necessary to make a water connection or sewer connection, including meters, meter boxes, and pipelines from the structure or project to a water distribution line or sewer main, together with the estimated reasonable cost of labor and materials for installation of those facilities, where the fee bears a fair or reasonable relationship to the payor's burdens on, or benefits received from, the water connection or sewer connection; and

WHEREAS, Government Code section 66000.5(a) provides that Chapter 5 (commencing with section 66000), Chapter 6 (commencing with section 66010), Chapter 7 (commencing with section 66012), Chapter

7.5 (commencing with section 66015), Chapter 8 (commencing with section 66016), and Chapter 9 (commencing with section 66020) of Division 1 of Title 7 of the Government Code "shall be known and may be cited as the Mitigation Fee Act," and section 66013 is contained within Chapter 7 and is therefore part of the Mitigation Fee Act; and

WHEREAS, Government Code section 66013(h) provides that fees and charges subject to section 66013 are not subject to Chapter 5 of Division 1 of Title 7 of the Government Code (commencing with section 66000), but are subject to Government Code sections 66016, 66022 and 66023, so that the Mitigation Fee Act procedure governing a water or sewer connection fee consists of the substantive limitation of section 66013(a) together with sections 66016, 66022 and 66023, and no nexus study or findings under Government Code section 66001 are required for the fees adopted by this Resolution; and

WHEREAS, the Board finds that, by adopting these fees in compliance with Government Code sections 66013 and 66016 as set forth in this Resolution, the District has adopted them in accordance with the Mitigation Fee Act as that Act applies to fees imposed for water connections and sewer connections; and

WHEREAS, Government Code section 66016.5, which establishes standards for impact fee nexus studies conducted by a city, county or special district, provides at subdivision (b) that "[t]his section does not apply to any fees or charges pursuant to Section 66013"; and

WHEREAS, article XIII C, section 1(e)(2) of the California Constitution excepts from the definition of "tax" a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; and article XIII C, section 1(e)(3) excepts a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits and performing investigations, inspections and audits; and

WHEREAS, article XIII C, section 1(e) further provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity; and

WHEREAS, in Richmond v. Shasta Community Services District (2004) 32 Cal.4th 409, the California Supreme Court held that water connection fees are not fees or charges imposed as an incident of property ownership within the meaning of article XIII D of the California Constitution, because the obligation to pay arises from the voluntary act of applying to connect, and the fees adopted by this Resolution are therefore not subject to the notice and majority protest requirements of article XIII D, section 6; and

WHEREAS, Government Code section 66016(a) requires that, prior to approving an increase in an existing fee or service charge, the local agency hold at least one open and public meeting as part of a regularly scheduled meeting, that notice of the time and place of the meeting be mailed at least 14 days prior to the meeting to any interested party who has filed a written request for mailed notice, and that at least 10 days prior to the meeting the local agency make available to the public data indicating the amount of cost, or estimated cost, required to provide the service and the revenue sources anticipated to provide the service; and

WHEREAS, the District has prepared a cost justification documenting the estimated reasonable cost of providing Connection Services, including District staff time by classification at fully burdened hourly rates, District Engineer rates, District Counsel time attributable to individual applications, and the District's methodology for allocating indirect costs, which cost justification was made available to the public not less than 10 days before the meeting at which this Resolution was considered and is incorporated into this Resolution by this reference; and

WHEREAS, on August 26, 2026, the Board received a report on the proposed fees, provided direction to staff, and directed that the open and public meeting required by Government Code section 66016 be placed on the agenda for the regular meeting of September 16, 2026; and

WHEREAS, mailed notice was given not less than 14 days before the meeting to each interested party who had filed a written request for mailed notice, and the Board conducted an open and public meeting on September 16, 2026, as part of a regularly scheduled meeting, at which oral and written presentations were received and considered; and

WHEREAS, Government Code section 66016(b) provides that any action to levy a new fee or service charge or to approve an increase in an existing fee or service charge shall be taken only by ordinance or resolution, and that the legislative body of a local agency shall not delegate the authority to adopt a new fee or service charge or to increase a fee or service charge, and the Board intends by this Resolution to exercise that authority itself; and

WHEREAS, the Board has separately authorized an update of the District's capital facility fees and water augmentation fee, and the fees adopted by this Resolution are service fees that contain no component for capital facilities, system capacity, system expansion, or debt service, and are not intended to alter any capital fee; and

WHEREAS, the District is party to certain Financing and Services Agreements affecting property within the District, and the Board intends that the fees adopted by this Resolution be applied uniformly to all new development within the District and be administered consistently with the District's obligations under those agreements; and

WHEREAS, Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273 (14 Cal. Code Regs. § 15273) provide that the California Environmental Quality Act does not apply to the establishment, modification, structuring, restructuring or approval of rates, tolls, fares or other charges by public agencies that the public agency finds are for the purposes stated therein, provided the agency incorporates written findings in the record setting forth with specificity the basis for the claim of exemption; and

WHEREAS, the Board has considered the staff report, the cost justification, all written and oral testimony, and all other evidence in the record.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals.

The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference as findings of the Board.

Section 2. Findings — Estimated Reasonable Cost.

Based on the cost justification and the entire record, the Board finds that each fee set forth in Exhibit A does not exceed the estimated reasonable cost to the District of providing the service for which the fee is charged, within the meaning of Government Code sections 66013(a) and 66016(a). The Board further finds that the fees in Exhibit A were derived from the District's actual and estimated costs of providing Connection Services, including direct labor at fully burdened rates, District Engineer costs, District Counsel costs attributable to individual applications, materials, and a reasonable allocation of indirect costs, and that no element of the fees recovers any cost other than the cost of providing Connection Services.

Section 3. Findings — Article XIII C of the California Constitution.

The Board finds that each fee set forth in Exhibit A is not a tax, because each is (a) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, which does not exceed the reasonable costs to the District of providing the service or product, within the meaning of article XIII C, section 1(e)(2); and (b) a charge imposed for the reasonable regulatory costs to the District of issuing permits and performing investigations and inspections, within the meaning of article XIII C, section 1(e)(3). The Board further finds that the amount of each fee is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bears a fair or reasonable relationship to the payor's burdens on, and benefits received from, the governmental activity. In particular, the Board finds that establishing fees by service and connection type reasonably reflects the differing levels of District plan review and inspection effort associated with each type, and that averaging cost within each type is a reasonable and administratively practicable method of allocation.

Section 4. Findings — No Capital Component.

The Board finds that the fees adopted by this Resolution contain no component for capital facilities, system capacity, system expansion, or debt service, and are separate from and in addition to the District's Water Capital Improvement Fee, Sewer Capital Improvement Fee, Drainage Capital Improvement Fee, Security Capital Improvement Fee, Water Supply Augmentation Fee, and Security Impact Fee, none of which is adopted, amended, or affected by this Resolution.

Section 5. Adoption of Fee Schedule.

The Schedule of Water and Sewer Plan Review, Connection Permit, Meter Installation and Inspection Fees attached to this Resolution as Exhibit A is adopted. The fees in Exhibit A are charged per connection or per service, by service and connection type, and are not multiplied by the number of equivalent dwelling units attributed to a parcel, except where Exhibit A expressly provides otherwise.

Section 6. Deposit and Reimbursement for Non-Standard Services.

Where an application involves a line extension, an oversized or non-standard service, or other work whose cost cannot reasonably be recovered through a flat fee, the General Manager shall require a deposit in the amount set forth in Exhibit A and shall charge the District's actual cost of providing the service against that deposit at the rates set forth in Exhibit A. If the actual cost is less than the deposit, the District shall refund the difference within sixty (60) days after completion of the service. If the actual cost exceeds the deposit, the applicant shall pay the difference within thirty (30) days after billing and before service is provided. This subsection implements, and does not enlarge, the deposit mechanism provided in Sewer Code section 7.01.

Section 7. Maximum Fee; Disposition of Excess Revenue.

No fee charged under this Resolution shall exceed the estimated reasonable cost to the District of providing the service for which the fee is charged. If the fees adopted by this Resolution create revenues in excess of the actual cost of providing Connection Services, those revenues shall be used to reduce the fee or fees creating the excess, as required by Government Code section 66016(a). The General Manager shall report to the Board annually, in connection with the District's annual financial report, on the revenues collected under this Resolution and the District's actual cost of providing Connection Services, and shall recommend any adjustment necessary to comply with this Section.

Section 8. Annual Adjustment.

Effective July 1 of each year, beginning July 1, [_______], each fee in Exhibit A shall be adjusted in proportion to the annual change in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items, published by the United States Department of Labor, Bureau of Labor Statistics, measured over the twelve-month period ending the preceding December, provided that:

(a) no adjusted fee shall exceed the District's estimated reasonable cost of providing the service, and the General Manager shall reduce or forgo the adjustment to the extent necessary to comply with this limitation;

(b) no adjustment shall be made that would result in a decrease below the fee then in effect unless the Board so directs; and

(c) the General Manager shall publish the adjusted schedule not less than thirty (30) days before its effective date.

Any judicial action to attack, review, set aside, void or annul an increase resulting from this automatic adjustment shall be commenced within 120 days of the effective date of the increase, as provided in Government Code section 66022(a).

Section 9. Administration; No Delegation of Fee-Setting Authority.

The General Manager is authorized and directed to administer the fee schedule adopted by this Resolution, to calculate and collect the fees in individual cases, and to adopt administrative procedures consistent with this Resolution. Nothing in this Resolution delegates to the General Manager, or to any other officer or employee of the District, the authority to adopt a new fee or service charge or to increase a fee or service charge, and no such fee shall be adopted or increased except by ordinance or resolution of this Board, consistent with Government Code section 66016(b). To the extent any prior administrative fee schedule was established other than by ordinance or resolution of this Board, it is superseded by this Resolution.

Section 10. Uniform Application.

The fees adopted by this Resolution shall be applied uniformly to all new development within the District, without regard to the identity of the applicant or the existence of any agreement between the applicant and the District, except as provided in Section 11.

Section 11. Property Subject to Financing and Services Agreements.

The Board finds that the fees adopted by this Resolution have been adopted in accordance with the Mitigation Fee Act, as that Act applies to fees imposed for water connections and sewer connections under Government Code section 66013, and are applied uniformly to all new development within the District.

Section 12. Effect on District Code and Prior Schedules.

The fees adopted by this Resolution are adopted pursuant to Government Code sections 61115 and 66013 and District Code Water Code sections 7.03, 7.09 and 7.11 and Sewer Code sections 7.01 and 7.04, and supersede all prior schedules of installation, plan review, permit and inspection fees for water and sewer connections, however established. All other fees, rates and charges of the District remain in full force and effect. Staff and District Counsel are directed to prepare, for the Board's consideration, an ordinance amending Chapters 14 and 15 of the District Code to provide that the fees addressed in this Resolution are established by resolution of the Board and administered by the General Manager.

Section 13. California Environmental Quality Act.

The Board finds that the adoption of the fees set forth in Exhibit A is not subject to the California Environmental Quality Act pursuant to Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273 (14 Cal. Code Regs. § 15273). Setting forth with specificity the basis for this claim of exemption, the Board finds that the fees are for the purpose of meeting the District's operating expenses of providing Connection Services, including employee wage rates and fringe benefits, District Engineer and District Counsel costs, and the purchase of supplies, equipment and materials used in providing those services; that the fees recover no amount for capital projects; and that the fees are not imposed to fund any capital project for the expansion of the District's water or sewer system, so that the limitation in CEQA Guidelines section 15273(b) does not apply. The General Manager is directed to file a Notice of Exemption with the Sacramento County Clerk.

Section 14. Effective Date.

This Resolution, and the fees adopted by it, shall take effect on November 16, 2026, which is more than sixty (60) days following the Board's final action on the adoption of the fees, consistent with Government Code section 66017(a). The Board declares that November 16, 2026 is the effective date of this Resolution for all purposes, including the computation of the period prescribed by Government Code section 66022. No fee adopted by this Resolution shall be charged before that date.

Section 15. Severability.

If any provision of this Resolution, or its application to any person or circumstance, is held invalid by a court of competent jurisdiction, the remainder of this Resolution and its application to other persons or circumstances shall not be affected. The Board declares that it would have adopted this Resolution and each provision of it irrespective of the invalidity of any other provision.

Section 16. Judicial Review.

Any judicial action or proceeding to attack, review, set aside, void or annul this Resolution shall be commenced within 120 days of its effective date, being November 16, 2026, pursuant to Government Code section 66022(a), and shall be brought pursuant to Chapter 9 (commencing with section 860) of Title 10 of Part 2 of the Code of Civil Procedure. Any judicial action or proceeding to attack, review, set aside, void or annul an increase resulting from the automatic adjustment provided in Section 8 shall be commenced within 120 days of the effective date of that increase, as provided in the second paragraph of Government Code section 66022(a).

Section 17. Certification.

The Secretary of the Board shall certify to the adoption of this Resolution and shall cause it to be entered in the records of the District.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Rancho Murieta Community Services District at a regular meeting held on the ____ day of ____________, 2026, by the following vote:

AYES:	
NOES:	
ABSENT:	
ABSTAIN:	

____

John Merchant, President
Board of Directors

ATTEST:

____

Dyanne Fleet, Interim Secretary of the Board

APPROVED AS TO FORM:

____

Patrick Enright
District Counsel

EXHIBIT A

SCHEDULE OF WATER AND SEWER PLAN REVIEW, CONNECTION PERMIT, METER INSTALLATION AND INSPECTION FEES

Rancho Murieta Community Services District

Adopted by Resolution No. 2026-17 Effective [____________], 2026

Instruction to staff: *the "Adopted Fee" column is to be populated from the cost justification prepared under Government Code section 66016(a) before this Exhibit is circulated with the agenda packet. The "Current Fee" column reflects the schedule effective July 25, 2026 through December 31, 2026. No fee may be set above the estimated reasonable cost of providing the service.*

Table A-1. Water — Plan Review, Connection Permit and Meter Installation

Charged once per service connection, at the time of connection permit issuance.

Service / Meter Type	Current Fee	Adopted Fee
5/8″ × 3/4″ meter (standard residential service)	$522.32 per EDU	$__________
1″ meter	$522.32 per EDU	$__________
1-1/2″ meter	$522.32 per EDU	$__________
2″ meter	$522.32 per EDU	$__________
3″ meter	$522.32 per EDU	$__________
4″ meter and larger	$522.32 per EDU	$__________
Landscape / irrigation service (any size)	$522.32 per EDU	$__________
Fire service connection	$522.32 per EDU	$__________
Meter re-set or relocation at applicant request	$522.32 per EDU	$__________

Table A-2. Water — Connection Permit Issuance and Construction Inspection

Charged once per service connection. Includes plan review, permit issuance and field inspection of the applicant's installation prior to acceptance.

Service / Meter Type	Current Fee	Adopted Fee
5/8″ × 3/4″ meter (standard residential service)	$165.18 per EDU	$__________
1″ through 2″ meter	$165.18 per EDU	$__________
3″ meter and larger	$165.18 per EDU	$__________
Re-inspection following a failed inspection (each)	—	$__________

Table A-3. Sewer — Connection Permit Issuance and Lateral Inspection

Charged once per lateral connection. Includes plan review, permit issuance and field inspection of the applicant's lateral installation prior to acceptance.

Connection Type	Current Fee	Adopted Fee
Residential lateral (4″ or 6″)	$165.18 per EDU	$__________

Non-residential lateral, 6″ or smaller	$165.18 per EDU	$__________
Non-residential lateral, larger than 6″	$165.18 per EDU	$__________
Grease interceptor or pretreatment device inspection	—	$__________
Re-inspection following a failed inspection (each)	—	$__________

Table A-4. Line Extensions and Subdivision Improvements — Deposit and Actual Cost

Applies to water main and sewer main extensions and to subdivision or multi-lot improvement plans. The District charges its actual cost of plan review, permit issuance, construction inspection and acceptance against a deposit, at the rates in Table A-5. Deposits are refundable to the extent not expended.

Category	Initial Deposit
Line extension, 500 linear feet or less	$__________
Line extension, more than 500 linear feet	$__________ plus $______ per linear foot
Subdivision improvement plan review and inspection, 1–20 lots	$__________
Subdivision improvement plan review and inspection, more than 20 lots	$__________ plus $______ per lot
Non-standard, oversized, or out-of-District service request	$__________

Table A-5. Fully Burdened Hourly Rates for Actual-Cost Billing

Applies to work billed against a deposit under Table A-4 and to any service for which no flat fee is established.

Classification	Fully Burdened Hourly Rate
General Manager	$__________
Operations Manager / Superintendent	$__________
Water / Wastewater Operator	$__________
Field Inspector	$__________
Administrative / Permit Technician	$__________
District Engineer (contract)	At actual cost billed to the District
District Counsel (contract), for work attributable to an individual application	At actual cost billed to the District
Other District consultant retained for an individual application	At actual cost billed to the District

Notes

1. The fees in this Exhibit are service fees. They contain no component for capital facilities, system capacity, system expansion, or debt service. The District's Water Capital Improvement Fee, Sewer Capital Improvement Fee, Drainage Capital Improvement Fee, Security Capital Improvement Fee, Water Supply Augmentation Fee, and Security Impact Fee are separate and are unaffected by this Exhibit.

2. No fee in this Exhibit shall exceed the District's estimated reasonable cost of providing the service for which it is charged (Gov. Code, §§ 66013(a), 66016(a)).

3. District Counsel time is charged only where attributable to an individual application, such as review of a service, annexation, easement, or encroachment agreement. General District legal costs are not recovered through these fees.

4. Fees are charged per connection or per service by type, and are not multiplied by equivalent dwelling units, except as expressly stated. This is a change from the prior schedule, in which the installation and inspection fees were assessed per EDU.

5. These fees are due and payable prior to connection to the District's water distribution or sewer collection system (District Code, Water Code § 7.11(b); Sewer Code § 7.04(b)).

6. Fees adjust annually as provided in Section 8 of Resolution No. 2026-____, subject to the cap at estimated reasonable cost.

Information Technology Manager's Cybersecurity Report to the Board of Directors
August 26, 2026

Events have transpired in recent months involving ransomware and other attacks on water districts, internet service providers, and governmental entities that have spawned a renewed concern and healthy paranoia over cybersecurity matters in our industry.

As a water district providing essential infrastructure services, RMCSD stands as a prime target for foreign and domestic bad actors. Of particular concern is the SCADA (Supervisory Control and Data Acquisition) system that controls the fresh water and wastewater treatment plants. These plants are vulnerable to attacks that could take the plant down or tamper with water quality.

While RMCSD maintains rigorous information technology standards to which it adheres, more can always be done. With limited staffing, it is impossible to do all of the proactive work required to truly stay on top of emerging threats.

RMCSD operates the SCADA environment within its own secured bubble, using VPN (Virtual Private Network) services that segment that network away from other RMCSD networking services. This is standard procedure within the operational technology field but does not represent all that can be done to mitigate the inherent risk.

RMCSD utilizes Microsoft technologies through subscription-based services to provide our computing environment operating system software, applications, email, and server-side file sharing, along with remote, cloud-hosted services. Microsoft offers additional subscription-based services that will enhance our security profile and reduce our attack surface.

We would like to take advantage of the additional security services that are available to us. Enhancements to our security software are available from our managed service provider, ITS, who also provides additional services such as more proactive monitoring and penetration testing.

Quotes for these items are attached. We would like to add the additional services outlined below. This will result in our spending an additional $1,764 per month. I am asking that we consider moving forward with the purchase of these additional services as they will further protect our computing environment and mitigate the risks we face.

Rancho Murieta Community Services District

Security Recommendation and Board Briefing

Prepared by the Security Division of Intelligent Technical Solutions

Premise

The District requested security pricing to support a budget presentation to the Board of Directors. This document provides that, along with the reasoning behind each recommendation in language a board can act on.

The recommendation has two parts. The first is a set of security services that can be turned on immediately and that close specific, identifiable exposures. The second is a virtual Chief Information Security Officer engagement that builds the security program the District does not currently have and satisfies obligations that are already in force.

The two are not sequential. The services reduce risk while the program is being built. The program tells the District what else needs to happen and in what order.

Background: what already happened to this District

Most security presentations open with something that happened to somebody else. This one does not need to.

On Sunday, July 12, 2026, Greenfield Communications was hit with a large scale distributed denial of service attack. Greenfield's CEO told the River Valley Times that network monitoring identified the traffic pattern as a DDoS within minutes of the outage starting, but safely mitigating it and rebuilding the affected infrastructure took until Tuesday afternoon.

District phones and the billing department were unavailable for the duration. The District confirmed publicly on July 14 that internet and phone service had been restored and the billing department had reopened, with staff working through messages received during the outage. Every director with Greenfield service at home experienced the same two and a half days.

Then it happened again. On July 19, Zeta Broadband was hit by the same campaign and restored service in roughly twelve hours after refusing an extortion demand. Zeta's CEO told the same publication he believes several regional providers were targeted in a coordinated effort, noting both incidents began on a Sunday, involved identical extortion communications, and used large scale volumetric carpet bomb DDoS techniques. Some Rancho Murieta customers who had switched to Zeta following the Greenfield outage were offline again inside of a week.

Three conclusions the Board should draw from its own July.

The District was never the target and it did not matter. Criminals attacked a regional internet provider for extortion money. District phones and billing went down anyway, in front of ratepayers. Being small, local, and uninteresting is not protection. It is a description of what makes a soft target.

A second provider is not a backup plan. Residents who switched from Greenfield to Zeta made a reasonable decision and were offline again seven days later. Real redundancy means a different path and a different technology, not a different logo.

The District has no way to detect the version of this that stays quiet. A denial of service attack is loud, and the District knew within minutes. An attacker who gets into a District account is silent by design, often for weeks. The District currently has nothing installed that would find them.

That third point is what the rest of this document addresses.

Background: the water sector in the last thirty days

Beginning the weekend of July 26 and 27, 2026, a coordinated campaign disrupted operational technology at more than thirty municipal water and wastewater utilities in Minnesota. The FBI reports that utilities in at least seven states have reported incidents since July 27, and that some of that activity degraded water operations. The FBI and EPA issued a joint Public Service Announcement warning that malicious cyber actors are attacking operational technology devices, naming specific Rockwell Automation and Allen-Bradley controller models.

The operational detail matters for a treatment plant. Federal advisories describe attackers modifying or deleting controller logic, manipulating what human machine interface and SCADA displays showed operators, and disabling shutdown and alarm functions, allowing equipment to run in unsafe conditions without notifying anyone. Affected utilities issued boil water notices and operated manually for extended periods.

On July 30, 2026, CISA issued an urgent sector wide advisory telling operators to immediately remove internet exposed PLCs and other operational technology from public networks. A July 22 update to CISA Advisory AA26-097A expanded the named device scope to include Schneider Electric Modicon M340 and Siemens S7-1200 controllers and documented exfiltration of controller project files, indicating targeting beyond the originally named manufacturers.

Those Minnesota systems were not selected for who they are. They were selected because they were reachable.

Where the District stands today

The District already has a security foundation: Secure Essentials, security awareness training, and Microsoft 365 protections, supported by the ITS managed services team. What follows is not a list of failures. It is what sits outside that foundation, established during the August discovery call.

Governance and documentation. One boilerplate information security policy. No incident response plan, disaster recovery plan, or business continuity plan. No risk assessment has ever been performed. Employee policy attestation is available in the HR platform but has nothing current to attest to.

Operational technology. The SCADA system was recently replaced. The firewall and supporting infrastructure sit under integrator control on a segmented VPN. Responsibility for the environment stays with the District regardless of who operates it.

Resilience. A single internet provider, no secondary path, and a demonstrated two and a half day outage.

Identity and credentials. Password management split between LastPass and Bitwarden with inconsistent adoption. Credentials known to exist on paper outside any managed system.

Testing and validation. No penetration testing, no vulnerability assessment, no tabletop exercise.

None of this is unusual for a district of this size. All of it is addressable inside twelve months.

Obligations already in force

AWIA Section 2013. Community water systems serving more than 3,300 people must develop or update risk and resilience assessments and emergency response plans, certify completion to EPA, and recertify every five years. The statute expressly reaches the security of electronic, computer, and automated systems, not only physical assets. For systems in the 3,301 to 49,999 population tier, the risk and resilience assessment certification deadline in the current cycle was June 30, 2026, and the emergency response plan certification deadline is December 31, 2026. The District should confirm its certification status immediately.

CIRCIA. Once final implementing regulations take effect, expected in September 2026, covered critical infrastructure entities including water and wastewater systems must report substantial cyber incidents to CISA within 72 hours and ransomware payments within 24 hours. A district with no incident response plan cannot meet a 72 hour clock, because the clock starts before anyone has decided who is authorized to make the call.

EPA enforcement posture. EPA continues to press on cybersecurity through guidance, technical assistance, and enforcement of existing authority, and in May 2024 issued an enforcement alert warning it would increase inspections tied to cybersecurity gaps found in drinking water systems.

Insurance. Cyber insurance applications ask directly about patch management, multifactor authentication, backup immutability, incident response planning, and awareness training. Answers that do not match the documented program create a coverage dispute at exactly the wrong moment.

What the District has today, and what we are adding

The recommendation builds on controls the District already runs. Each line below pairs what exists with what it does not yet cover.

Current foundation	Recommended enhancement	Why it matters
Secure Essentials and security awareness training	Secure package upgrade	If something gets past the current controls, who is watching for it? The upgrade adds third party patching, dark web credential monitoring, and detection coverage for District cloud accounts outside Microsoft. The aim is to find an attacker early rather than after the damage is visible.
Existing IT support	vCISO security leadership	Are we prepared before an incident rather than during one? A vCISO identifies gaps, prices risk in dollars, reviews the IT, OT and SCADA environments, builds the incident response plan, and produces a prioritized roadmap the Board can budget against.

Current foundation	Recommended enhancement	Why it matters
Microsoft 365 security	M365 Monitoring	What if an employee account is compromised? An attacker holding a valid login can reach email, files, and banking, or redirect a vendor payment. Monitoring detects the compromise, establishes what was accessed, and acts before the money moves.

Taken together these add earlier detection, faster response, fewer open vulnerabilities, and a written plan the District can follow under pressure.

Part One: Security Services

The Secure package

The District currently runs a baseline security package. The Secure upgrade adds three capabilities that address how organizations of this size are actually compromised.

Third party patching

What it is. Automated patching for the software that is not made by Microsoft: browsers, PDF readers, remote access tools, Java, conferencing clients, and the utility applications running on District workstations.

Why it matters here. Microsoft patching covers Microsoft. It does not touch the majority of what is installed on a District computer. The most common way into an organization this size is not a sophisticated exploit against Windows. It is an outdated browser or PDF reader on one machine in the business office, reached by an employee clicking a link.

An unpatched application on a single administrative workstation gives an attacker a foothold. From there the question becomes whether the boundary between the business network and the plant network holds, which is not a question the District currently has evidence to answer.

Secondary benefit. Cyber insurance applications ask directly whether the District operates a patch management program covering third party applications. Answering yes with documentation behind it affects both premium and whether a claim is paid.

The ask. Fund automated third party patching so every application on every District computer stays current without depending on staff time that does not exist.

Dark web monitoring

What it is. Continuous monitoring of criminal marketplaces and breach dumps for District email addresses and credentials, with alerting when one appears.

Why it matters here. District employees reuse passwords. Everyone does. When an employee's password is exposed in a breach of an unrelated service, an attacker will try that same password against District systems. This is the most common initial access method in use today and it requires no skill on the attacker's part.

The District has a specific version of this problem. Password management is split between two platforms with inconsistent adoption, and credentials are known to exist on paper outside any managed system. The District does not currently know which passwords are in use, where, or how old they are.

What it buys. This control does not stop an attack. It gives the District the chance to reset a password before it is used, which converts a breach into a nonevent. It is also the least expensive item in this entire recommendation.

The ask. Fund dark web monitoring so exposed District credentials are found by us rather than by an attacker.

Additional XDR for non Microsoft accounts

What it is. Detection and response coverage extended to the District's cloud services and accounts that live outside Microsoft 365: the HR platform, billing and utility applications, banking portals, vendor portals, and any other service holding District data or reachable with a District login.

Why it matters here. Attacks increasingly target the login rather than the computer, because a valid login bypasses every protection installed on the endpoint. The District's tools today watch District computers. If an attacker takes over a District account on a system that is not Microsoft, nothing currently sees it.

Payroll and personnel data in the HR platform, customer billing information, and banking access are all reachable through accounts nobody is monitoring. For a public agency this size, financial loss almost always occurs inside cloud accounts and never touches a District computer at all.

How it pairs with the next section. This covers everything outside Microsoft. Microsoft 365 itself, which is where District identity, email, and files actually live, is covered separately below. Together they mean coverage follows the account rather than stopping at a vendor boundary.

The ask. Fund additional XDR so District cloud accounts outside Microsoft are monitored rather than assumed safe.

M365 Monitoring

Priced per user per month.

What it is. Continuous monitoring of the District's Microsoft 365 environment for account takeover and email based fraud, with alerts routed to the ITS security operations center.

Why this is the highest financial risk item in the recommendation. The largest cash loss for a public agency the size of this District is not ransomware. It is vendor payment redirection.

It works like this. An attacker gets into a District mailbox using a stolen password. They read a genuine email thread with a contractor or supplier. They wait for an invoice. Then they send banking change instructions from the real District account, in the real thread, in the voice of the person who normally sends it.

Nothing malicious ever touches a computer. No antivirus alert fires, because technically nothing about it is an attack. The money leaves through the accounts payable process working exactly as designed. The District finds out weeks later when the actual vendor asks why they have not been paid.

Endpoint tools cannot see this. Neither can patching or dark web monitoring, because by the time it happens the credential has already been used successfully.

What it watches for.

- Sign ins that do not fit the user, including access from unusual locations or from two locations too far apart to be the same person
- Repeated multifactor prompts used to wear a user down into approving one
- Session token theft, where an attacker bypasses multifactor entirely by stealing an already authenticated session
- Mailbox rules created to hide, delete, or forward messages, which is the standard first move after a mailbox is compromised
- Third party application consent grants, where a user is tricked into giving an outside application ongoing access to District data
- Administrative role and permission changes

The ask. Fund Microsoft 365 monitoring so a compromised District account is detected in hours rather than after a payment has gone out the door.

Part Two: vCISO Engagement

What a vCISO is, in board terms

The District does not have, and does not need to hire, a full time Chief Information Security Officer. It does need the function. A vCISO provides that function on a fractional basis: a credentialed security executive who owns the District's security program, reports to the General Manager, briefs the Board, and is accountable for the roadmap.

Tools reduce specific exposures. They do not tell the District what its risks are, what order to fix them in, what to tell an insurer, how to answer a regulator, or what to do at two in the morning when something goes wrong. That is the gap this engagement fills.

Recommended structure: a three year program at a fixed monthly fee, with leadership meetings every month. Year one is $3,000 a month and covers 120 consulting hours, budgeted at 10 hours a month. Every deliverable in the Statement of Work carries a set hour value, and the year one list totals 120 hours. Years two and three are scoped at the same monthly figure and the same cadence, and each is a separate twelve-month term the District renews or does not.

What this means in practice. Hours are assigned to specific deliverables and reserved before work begins, so the District can see at any point what the remaining balance is committed to. If a deliverable runs longer than scoped, that is our cost rather than the District's. An integrator that ignores the first request, or a document that needs three rounds of revision, does not draw down the balance. The monthly amount is the same every month, and at year end the question is which deliverables were produced.

Pacing. No more than 13 hours are drawn in any single month, so the program cannot be front loaded into a position where nothing is left in month ten. The schedule sits under that limit in every month, and unused hours do not expire during the term.

What we would do

The program runs for three years. Year one is funded and scoped here; years two and three are described so the Board can see the whole arc and budget against it. Each year is a separate twelve month term the District renews or does not.

Year one. Find out what is there, and what it is worth protecting.

The District cannot write a rule for a network nobody has mapped. Year one establishes the boundary, measures it against a recognized standard, prices the risk in dollars, and puts an incident response plan in place against the reporting clocks that already apply.

- Confirmation of whether any District control system device is reachable from the public internet, which is the single most urgent question raised by the July advisories
- AWIA Section 2013 certification status confirmed against the December 31, 2026 deadline
- Full boundary and asset inventory covering the business environment, both treatment plants, remote sites and lift stations, and everything connecting them
- Review of every remote access path into the process control environment, including the integrator's path and any cellular connections nobody installed deliberately
- A formal, tracked security posture request issued to the SCADA integrator, and a written matrix setting out who owns which control area across the District, ITS, and the integrator
- Formal gap assessment against NIST CSF 2.0, rating current state across all six functions, with CIS Controls IG1 and NIST SP 800-82 OT guidance mapped alongside
- Written risk assessment rating each finding by likelihood and financial impact in dollars, with information technology and operational technology scenarios assessed separately because the consequences are not the same
- Incident response plan covering business systems and plant operations, including the CIRCIA 72-hour reporting clock and who is authorized to start it, with an annex for loss of SCADA visibility and manual operations fallback
- Backup architecture validated against ransomware, including immutability, offsite copies, and tested restoration of SCADA configuration and controller project files
- Leadership meetings every month throughout the year, plus advisory time held in reserve for issues that arise between them

Deliverables: gap assessment, written risk assessment, incident response plan and OT annex, findings report, remediation plan with owners and dates, a three year roadmap the Board can budget against, and a nontechnical Board briefing package.

One item deserves emphasis. The integrator currently controls the plant firewall and has not answered the District's emails. A vCISO converts an unanswered email into a documented governance item with an owner, a due date, and an escalation path. That is a different conversation than a District employee asking politely.

Year two. Write the rules and build the controls.

Policies written in year one would be policies written against an undefined boundary, and they would be rewritten in year two once the boundary is known. Year two builds on measured ground.

- Full information security policy set including operational technology rules, built from the current boilerplate, with attestation stood up in the existing HR platform
- Risk register built and maintained, so treatment progress is tracked rather than assumed
- Business impact analysis, disaster recovery and business continuity plans, including manual operations fallback for both plants
- CIS Controls IG1 implementation driven with the ITS managed services team
- Vendor oversight process covering contract language, shared responsibility, and attestation refresh for the integrator and others
- Oversight of the District's existing security awareness program: coverage, completion rates, and phishing results reviewed against the new policy set

Year three. Prove it works, and sustain it.

- Identity and access hardening validated across Microsoft 365, including multifactor coverage, conditional access, and separation of daily accounts from administrative accounts
- Password management consolidated to one platform, and default, shared, and vendor credential cleanup completed in the operational technology environment
- IT to OT segmentation validated, confirming that a compromise of the business network cannot reach the plant network
- Integrator remote access brought under District control: approval, time limits, logging, and revocation on personnel change
- Tabletop exercise facilitated against a ransomware and loss of SCADA visibility scenario, with a written after action report
- Evidence organized in examination ready form for regulators, auditors, insurers, and grant applications, with cyber insurance and grant documentation support

What this engagement will surface

Being direct about something the Board should hear now rather than in month four. The services in Part One address prevention, credential exposure, and cloud detection. They do not provide visibility into network traffic inside the District, which is where ransomware moves between machines before it encrypts anything. That is a real remaining gap.

We are not recommending the District solve it today. We are recommending the year one risk assessment quantify it so the Board can decide with a number in front of it rather than a sales pitch. That is the difference between a vendor and a security program.

The risk we cannot ignore

A cyberattack on a water district is not an IT problem. The chain runs from operational disruption, to loss of access to critical systems, to emergency recovery costs, to impact on public services, to loss of public trust.

The District saw the first two links of that chain in July, without an attacker ever being inside District systems.

The question is not whether the District can prevent every attack. It is how quickly the District would know, how quickly it could contain an attacker, and how prepared it would be to recover. Everything in this recommendation is aimed at those three questions.

> *We are not investing because an attack is certain. We are investing because the cost of being unprepared is far greater than the cost of preparing now.*

The recommendation at a glance

Component	Basis	What it addresses
Secure package upgrade	Package	Third party patching, dark web monitoring, additional XDR for non Microsoft cloud accounts
M365 Monitoring	Per user per month	Account takeover and vendor payment fraud inside Microsoft 365

Component	Basis	What it addresses
vCISO engagement	$3,000 per month; 120 consulting hours for year one of three	Year one: NIST CSF 2.0 gap assessment, risk assessment, incident response, backup validation, AWIA, SCADA integrator governance, Board reporting. Policies and continuity planning follow in year two.
Engagement onboarding and Year End Session	Quoted separately	One time setup of the evidence repository, document library, stakeholder matrix and reporting cadence, and the year end close. Required on every engagement.
ITS Verify Governance Portal (optional)	Platform subscription	Hosts the program evidence set. The gap assessment itself is included in the vCISO engagement, not purchased separately.
Penetration testing and vulnerability assessment	Quoted separately	Scoped when the program reaches that stage

Work inside the SCADA and process control environment is documentation and configuration review based. No active scanning or testing is performed against production control systems without written authorization and a scheduled maintenance window.

Delivery is by the Security Division of Intelligent Technical Solutions, which operates a 24/7 security operations center, a vCISO advisory practice, and a dedicated offensive security team. ITS is the contracting entity.

Important Questions

“Aren't we already paying ITS for security?”

The District pays for managed information technology with baseline protection. This adds detection and governance, which are different functions. Baseline protection tries to stop known bad software on individual computers. It does not see an attacker using a legitimate District password, and it does not tell the District what its risks are or what to do about them.

“Has anything happened to us?”

July happened to us. Beyond that, nothing we know of, and that statement is doing more work than it appears to. The District has limited capability to detect an intrusion that does not announce itself. Absence of a known incident is not evidence of absence.

“We were a bystander in July. Isn't that just bad luck?”

It was position, not luck. The District depends on a single regional provider that criminals identified as a soft extortion target and had no alternate path. That is a decision the District can change, and the same reasoning applies to everything else here.

“Can this wait until next fiscal year?”

The sector threat activity described here is from last month. The AWIA emergency response plan certification deadline is December 31, 2026. Federal incident reporting rules requiring notification within 72 hours are expected to take effect in September 2026. The timeline is set externally.

“What would an incident actually cost us?”

The District can estimate its floor from experience. Two and a half days of lost phones and billing, with no attacker inside District systems and no data at risk, produced measurable operational cost and public visibility. A ransomware event is measured in weeks, plus incident response and legal fees, plus notification costs, plus insurance and rate consequences, plus the reputational cost of a boil water notice in a community this size. Putting a real number on this is a year one deliverable.

“Why do we need the vCISO if we are buying the tools?”

The tools close specific holes. They do not produce the risk assessment, the incident response plan, the AWIA certification, the insurance answers, or the roadmap. If the District buys only tools, it will have better protection and still no answer when EPA, an insurer, or this Board asks what the plan is.

“How do we know we are getting the hours we pay for?”

Each deliverable in the Statement of Work carries a set hour value and is reserved against the balance before work starts. The District receives a written statement every month showing what was completed, what is in progress, and how many hours remain. At year end the Board can check the deliverable list against what was produced.

“What happens if we do not use all 120 hours?”

The schedule is built so the deliverable list consumes the full entitlement, with a small reserve held back for issues that come up between meetings. Hours do not expire during the term and can be pulled forward. They do not carry past the anniversary, which is why the year is scheduled rather than left open.

"If we can only fund part of this, what comes first?"

The vCISO engagement, because it tells the District what to buy next and satisfies obligations that already have deadlines attached. The Secure package upgrade should go alongside it, because it is inexpensive relative to the exposure it closes and does not need to wait on the assessment.

Recommended next steps

1. Approve the vCISO engagement so discovery begins in September. The NIST CSF 2.0 gap assessment is included in it.
2. Approve the Secure package upgrade and M365 Monitoring in parallel.
3. Confirm AWIA certification status this month. The emergency response plan deadline is December 31, 2026.
4. Inventory internet reachable operational technology, including anything the integrator installed, ahead of formal year one discovery. This is the highest value action available to the District today and it costs nothing.

Sources

- River Valley Times, "Greenfield Outage Disrupts Service More Than Two Days," July 21, 2026
- River Valley Times, "Greenfield CEO Answers Outage Questions," July 21, 2026
- River Valley Times, "Zeta Restores Broadband Service, Refuses to Pay Extortion for Cyberattack," August 4, 2026
- FBI and EPA Public Service Announcement on water sector PLC targeting, August 2026
- CISA Advisory AA26-097A, issued April 7, 2026, updated July 22, 2026
- CISA sector wide alert to the Water and Wastewater Systems Sector, July 30, 2026
- EPA, AWIA Section 2013 and SDWA Section 1433 certification deadlines
- Cyber Incident Reporting for Critical Infrastructure Act of 2022, final implementing regulations expected September 2026

PROPOSAL

3330 W Desert Inn Road, Suite B, Las Vegas, NV 89102

SOW#: **AAAQ29413**

t. 702-869-3636 f. 702-869-6777

Aug 21, 2026

Expires:Sep 20, 2026

CLIENT: RMCSD

SHIP TO: RMCSD

ITS:

Celeste Catan

Andy Lee
celeste.catan@itsasap.com

Andy Lee

15160 Jackson Road Rancho Murieta, CA 95683-9620
United States

15160 Jackson Road Rancho Murieta, CA 95683-9620
United States

Contract Start Date:

Contract Initial Terms:

This Statement of Work ("SOW") shall be governed by the Terms and Conditions set forth at https://www.itsasap.com/terms-and-conditions (as they may be updated from time-to-time by the Company, the "Terms and Conditions"), which Terms and Conditions are hereby incorporated by reference as if set forth herein.

Line #	ITS SECURE SERVICE PACKAGE		Unit Price	Qty
3	**ITS SECURE v2.5**	**Monthly**	**$3,250.00**	**1**
	Quantities will be adjusted based on actual inventory counts at time of billing.			
5	(53) ITS Secure per Endpoint | $35/ea			
6	(73) ITS Secure per User Mailbox | $15/ea			
7	(1) Security Appliance - Medium (25-250U) | $300/ea			
8	**SECURE Monthly SubTotal**			
$3,250.00				

Default payment method is ACH. In the event payment is made through any method other than ACH, a surcharge of 5% will be applied to the total agreement value.

10 *Secure endpoints with standards-aligned configurations that reduce risk and simplify security operations. (Optional)*

Monthly

$3.00 53 *$159.00*

TOTAL: MONTHLY RECURRING CHARGES $3,250.00

EXISTING MONTHLY CHARGES TO BE REPLACED -$1

Line #			Unit Price	Qty
	This SOW supercedes and replaces the following existing services and charges:			
15	SEssentials-Cloud-UNLTD	*Monthly*	$10.00	
-62	-$620.00			
16	SEssentials-Endpoint-UNLTD	*Monthly*	$15.00	
-53	-$795.00			
17	Security Awareness Training- Per user License	*Monthly*	$3.00	
-62	-$186.00			
18	Security Awareness Training- Monthly Fee	*Monthly*	$250.00	
-1	-$250.00			

TOTALS	ONE-TIME CHARGES		MONTHLY RECURRING CHARGES	
	Subtotal	$1,399.00	**Subtotal**	$1,399.00
	Tax	$0.00	**Tax**	$0.00
	One-Time Total	**$1,399.00**	**Net Monthly Change**	**$1,399.00**

TOTAL: EXISTING MONTHLY CHARGES REPLACED -$1,851.00

Created on 08/25/26 12:28:02 by Celeste Catan

PROPOSAL

3330 W Desert Inn Road, Suite B, Las Vegas, NV 89102 **SOW#: AAAQ29417**

t. 702-869-3636 f. 702-869-6777 **Aug 21, 2026 Expires:Sep 20, 2026**

CLIENT: RMCSD **SHIP TO:** Andy Lee **ITS:** Celeste Catan

Andy Lee 15160 Jackson Road

Rancho Murieta, CA

95683-9620

United States

celeste.catan@itsasap.com

15160 Jackson Road

Rancho Murieta, CA

95683-9620

United States

This Statement of Work ("SOW") shall be governed by the Terms and Conditions set forth at https://www.itsasap.com/terms-and-conditions (as

they may be updated from time-to-time by the Company, the "Terms and Conditions"), which Terms and Conditions are hereby incorporated by

reference as if set forth herein.

Monthly Recurring Services

2 M365 monitoring *Monthly* $5.00 73 $365.00

Monthly Recurring Subtotal $365.00 Professional Services

Onboarding Fee $500.00 1 $500.00 **Professional Services Subtotal $500.00 Project Workplan**

POC: Andy Lee

Timeline: Standard

Scope of Work:

Initial setup and configuration of Petra

Integration with Microsoft 365 environment

Basic configuration for incident detection and alerting

Setup of reporting features and dashboards

Validation and testing of functionality

TOTALS Monthly Recurring Charges One-Time Charges

Subtotal $365.00 **Subtotal** $500.00

Tax $0.00 **Tax** $0.00

Monthly Total $365.00 Shipping $0.00

One-Time Total $500.00

Deposit Required $500.00

Payment Terms: 100% Deposit due at signing.

The prices listed in this SOW show an ESTIMATED sales tax. However, if state and/or local tax codes require the collection of sales tax, the tax

will be added to invoices and will be calculated based on the applicable tax rate at the time of billing.

Speed up your order processing by entering payment information upfront at https://signnow.com/s/oQhgHXxc

Created on 08/25/26 12:23:15 by Celeste Catan 2 of 2

MEMORANDUM

To: Board of Directors
From: District Staff
Date: August 17, 2026
Subject: Request for Board Approval – Pera Drive Culverts Study, Design, and Engineering Services

Recommendation

Staff recommends that the Board of Directors approve the proposed professional engineering services from **Domenichelli & Associates, Inc.** for the Pera Drive Culverts project and authorize the consultant to proceed with **Tasks 1 through 3 – Project Management, Predesign Study, and Design**.

Staff further recommends that construction-related engineering services under **Task4** be deferred for separate consideration and authorization once the project schedule, permitting, construction timing, and funding requirements are better defined.

Background

The Rancho Murieta Community Services District is addressing the sinkhole and associated culvert deficiencies on Pera Drive. Domenichelli & Associates, Inc. has provided a fee estimate dated **August 12, 2026**, for the study, design, permitting, and anticipated engineering services associated with replacing or improving the affected culverts.

The proposed scope is intended to evaluate the existing conditions, complete the necessary hydraulic analysis and surveying, develop alternatives, prepare a technical memorandum, and advance the project through final design and construction documents.

Proposed Scope and Fees

Domenichelli & Associates, Inc. proposes the following tasks:

Task	**Description**	**Fee**
Task 1	Project Management	**$8,080**
Task 2	Predesign Study, Hydraulic Analysis, Options, and Technical Memorandum	**$46,901**
Task 3	60%, 90%, and Final Design	**$41,810**
Tasks 1–3 Total	Current authorization requested	**$96,791**

Task 4	Engineering Services During Construction	**$40,354**
Total Project Fee	Tasks 1–4	**$137,145**

The consultant's total project estimate of **$137,145** includes labor and subconsultant costs. The estimate includes **$6,875 for surveying** and **$5,500 for permitting**, which reflect a 10 percent markup on the respective subconsultant fees.

Requested Authorization

At this time, staff recommends authorizing **Tasks 1 through 3 in the amount of $96,791**. This will allow the consultant to immediately begin the investigation, hydraulic analysis, permitting efforts, alternatives evaluation, and design necessary to advance the project.

Task 4, Engineering Services During Construction, totaling $40,354, is not recommended for authorization at this time. Staff will return to the Board for authorization of construction-related services when the construction schedule and project delivery approach are established.

Construction Timing and Winter Conditions

Based on the projected schedule for completing the study and design, obtaining the necessary permits, and allowing sufficient time for contractors to prepare and submit construction estimates/bids, Domenichelli & Associates, Inc. does not believe there is sufficient time to complete the design, construct the culvert improvements, and restore Pera Drive before the upcoming rainy season.

Attempting to accelerate construction into the fall could result in significant scheduling and construction risks, particularly given the need to complete the engineering and permitting process before construction can proceed.

Therefore, the consultant's recommendation is to **maintain the existing sinkhole area in a safe, plated-over condition through the upcoming winter and plan for construction in 2027 following the rainy season**. This approach provides additional time to complete the engineering, permitting, bidding, and contractor selection processes while avoiding the increased risks associated with attempting to complete major culvert work immediately before or during the rainy season.

District staff will continue to monitor the plated area and existing roadway conditions throughout the winter and will take appropriate action if conditions change or additional maintenance is required.

Fiscal Impact

Approval of Tasks 1 through 3 would authorize expenditures of **$96,791** for engineering and related professional services.

The remaining **$40,354** associated with Task 4 would be considered separately and is not included in the requested authorization at this time.

The full proposed engineering services agreement, if all four tasks are ultimately authorized, would total **$137,145**.

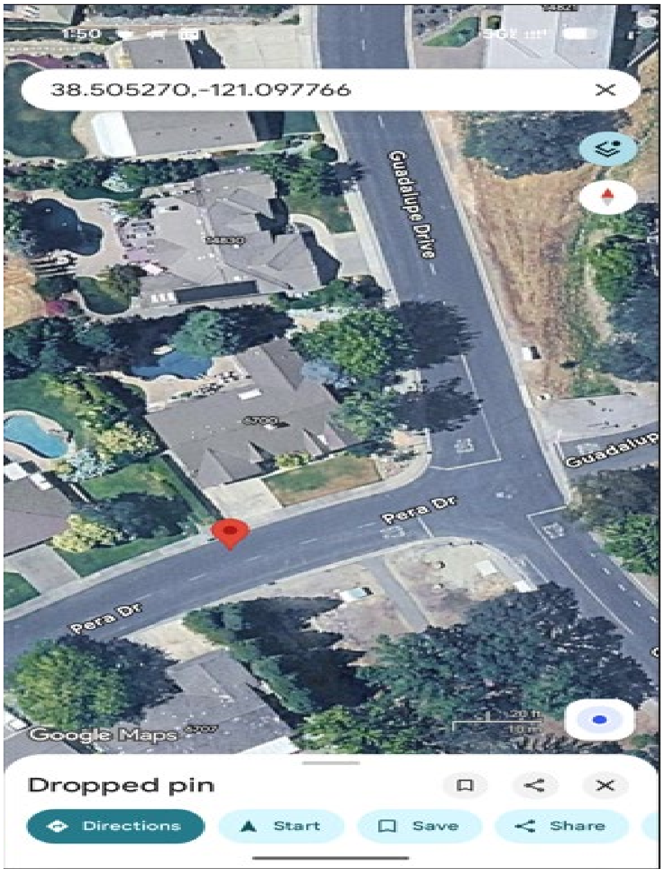
Requested Board Action

Staff recommends that the Board:

1. **Approve the proposed professional engineering services for the Pera Drive Culverts project with Domenichelli & Associates, Inc.;**
2. **Authorize Domenichelli & Associates, Inc. to proceed with Tasks 1 through 3 in an amount not to exceed $96,791;**
3. **Authorize staff to execute the necessary agreement and/or authorization to proceed for Tasks 1 through 3;**
4. **Defer authorization of Task 4 – Engineering Services During Construction, in the amount of $40,354, until a construction schedule and funding plan are established; and**
5. **Approve the recommended project schedule to complete the study, permitting, and design during 2026, maintain the sinkhole area in a safe plated condition through the winter, and target construction following the 2027 rainy season.**

Proposed Motion

"I move that the Rancho Murieta Community Services District Board of Directors approve the professional engineering services proposed by Domenichelli & Associates, Inc. for the Pera Drive Culverts project, authorize Tasks 1 through 3 in an amount not to exceed $96,791, authorize staff to execute the necessary agreement and authorization to proceed, and defer Task 4 – Engineering Services During Construction, in the amount of $40,354, for future Board consideration. The Board further approves the recommended approach of maintaining the existing sinkhole area in a safe plated condition through the upcoming winter and targeting construction in 2027 following the rainy season."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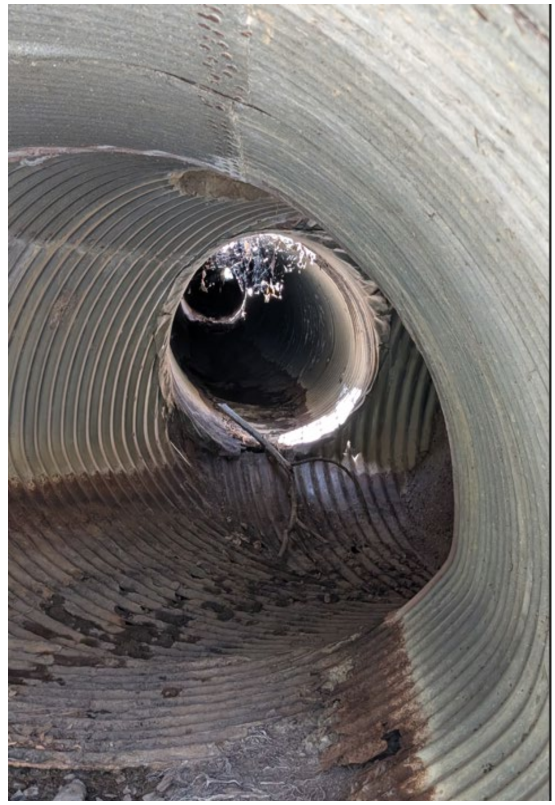

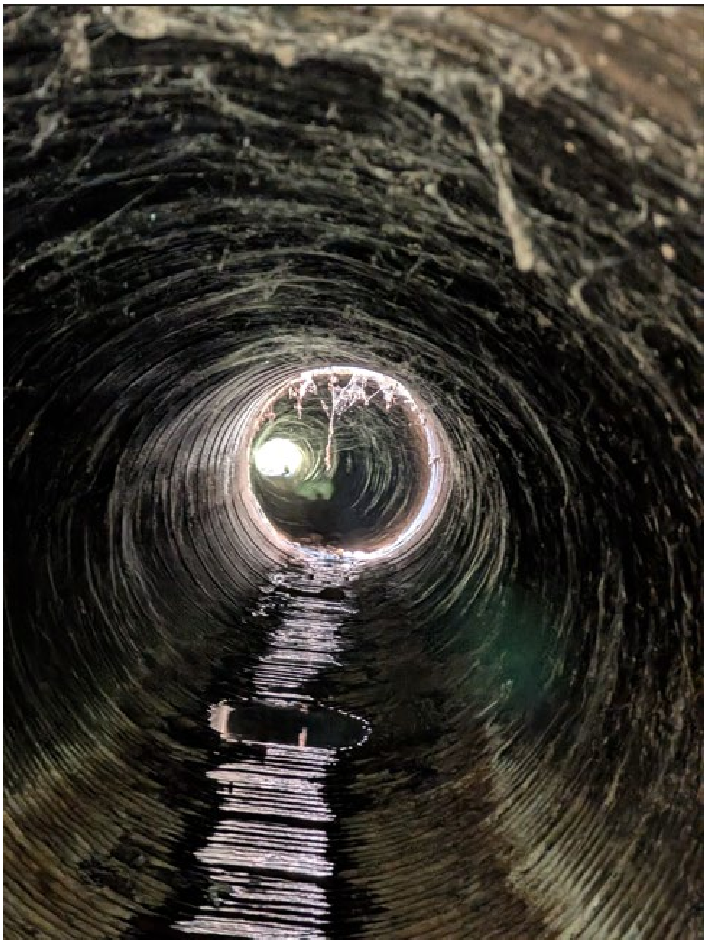

Travis Bohannon
Chief Plant Operator
Rancho Murieta Community Services District (RMCSD)
PO Box 1050
Rancho Murieta, CA 95683

July 31, 2026

Subject: Proposal to Evaluate Options for the Repair or Replacement of the Culverts Crossing Pera Drive Near Guadalupe Drive

Dear Travis,

Per our Master Services Agreement executed 10-08-24, between Rancho Murieta Community Services District and Domenichelli & Associates Inc, we are requesting authorization to proceed on the following Task Order: Evaluate Options for the Repair or Replacement of the Culverts Crossing Pera Drive Near Guadalupe Drive.

This letter represents our estimated scope and budget for Engineering Services to analyze options and costs for the replacement or repair of the corrugated metal pipe (CMP) culverts located near the intersection of Pera Drive and Guadalupe Drive.

The existing culverts are a pair of 36" CMP which have exceeded their useful life and are failing, causing a sinkhole to form in Pera Drive. Currently the sinkhole is covered by a trench plate, but as water flows and traffic crosses the area, the sinkhole will grow larger.

The following is a detailed scope of services to complete the project as described above.

Scope of Services:

Task 1 - Project Management & Background Review

a. The Project Management task will be used to process invoices, track progress and for general communication with the District.
b. D&A will review available data and request additional data as needed from the District.
c. D&A will visit the site to perform a visual inspection of the culverts.
d. D&A will subcontract with CenterPoint Engineering to provide a survey of the area which will serve as the basis for the hydraulic study and a background for the conceptual drawings and figures for each option.

Task 2 – Hydraulic Analysis

D&A will perform a hydraulic analysis based upon available data and new data collected as part of this project. The goal will be to confirm the pipe sizes are sufficient to carry the predicted flows and recommend larger sizes if required.

Task 3 – Prepare Options

D&A proposes looking at three options for the culvert rehabilitation.

Options

a. Option 1 - Rehabilitate the existing CMP with a liner or similar.
b. Option 2 - Replace the culverts in their entirety with new construction.
c. Option 3 - To be determined.

Cost Estimates

In order to provide up-to-date estimates of construction costs, we will contact vendors and construction contractors we are familiar with and assemble this information along with cost information from prior projects to produce cost estimates.

Figures and Drawings

D&A will prepare simple figures and drawings to be included in the Technical Memorandum (TM) to illustrate the ideas being presented. These will not be construction level drawings and will contain enough detail to convey the design intent for discussion.

Task 4 - Technical Memorandum

D&A will prepare a TM describing the findings from the above tasks including descriptions and explanations of:

a. The issues found
b. Probable cause of the issues
c. Recommended options for repair and their estimated costs
d. Results of the hydraulic analysis

Deliverables:

a. One electronic copy of a Draft (TM) describing the findings from the above tasks for District review.
b. After receiving comments from the District, D&A will submit a Final TM.

Project Fees

Below is a table outlining the estimated costs for performing this work broken down by task and subtask.

Rancho Murieta Community Services District **Pera Drive Culverts Study**							**Fee Estimate** **July 31, 2026**
Tasks	**Labor**					**Subs**	**Total**
	QA/QC	Project Manager 1	Project Engineer 2	Total Hours	Total Labor Costs	Surveying	Total Fee
	Joe D	Daryl H	Juan M			CenterPoint Engineering	
	$218	$202	$151			$6,250	
Task 1: Project Management & Background Review							
Project Management		8		8	$1,616		$1,616
Background Review	2	4	16	22	$3,660		$3,660
Site Visit	4	4	4	12	$2,284		$2,284
Survey			2	2	$302	$6,875	$7,177
Subtotal Task 1:	6	16	20	42	$7,560		$14,737
Task 2: Hydraulic Analysis							
Hydraulic Analysis		2	16	18	$2,820		$2,820
Summarize Results for TM			4	4	$604		$604
Subtotal Task 2:	0	2	20	22	$3,424		$3,424
Task 3: Prepare Options							
Preliminary Design for 3 options		16	16	32	$5,648		$5,648
Cost Estimates		4	16	20	$3,224		$3,224
Figures and Drawings		4	32	36	$5,640		$5,640
Subtotal Task 3:	0	24	64	88	$14,512		$14,512
Task 4: Technical Memorandum (TM)							
Draft TM	2	8	32	42	$6,884		$6,884
Final TM	2	4	12	18	$3,056		$3,056
Subtotal Task 4:	4	12	44	60	$9,940		$9,940
TOTAL	10	54	150	214	$35,738	$6,875	$42,613

Note that a 10% markup has been added to all subconsultants fees

Please give me a call if you have any questions.

Sincerely,

Daryl Heigher, P.E., Vice President
Domenichelli & Associates, Inc.

Authorization to Proceed by,

Rancho Murieta CSD Date

Wells Items	Task	Status	Owner	Next Action
Wells #5	WSC Final Report	Received	WSC	n/a
Wells #8	Schneider's Free Water	Agreed Not to Pursue	Staff	n/a
Wells #1 & Other #4/#8/#13	Water / Wells Assumptions / Strategy	WIP	IWG / WVWG	Gated by Attorney
Wells #2	Recharge / Banking	Not Started	WVWG	Gated by Attorney
Wells #7	Dunn Geo-Physics Proposal	Not Approved	Board	Additional Info ???
Wells #3/#10 & Other #14	Potable & Non-Potable Wells Site Summary	30% Done	WVWG	Gated by Wells #7
Wells #4	Wells Bid Package	Not Started	Staff	Gated by Wells #3/#10
Other #5/#9/#11	Test / Production Well Agreements	Not Started	Legal	Gated by Attorney
Wells #6	Wells Plan & Bids to IC	Not Started	WVWG / Staff	Gated by Wells #3/#10 & #4
Wells #9	Wells Site Acquisition	Not Started	Legal	Gated by Wells #6

Clementia Items	Task	Status	Owner	Next Action
Clementia #1/#5	Re-permitting Strategy	Not Started	WVWG	Gated by Attorney
Clementia #2	Testing Strategy	Not Started	Staff	Gated by Clementia #1/#5
Clementia #3A	Re-permitting Plan	Not Started	WVWG	Gated by Clementia #1/#5
Clementia #3B	Testing Plan	Not Started	Staff	Gated by Clementia #2
Clementia #4	Cost Estimates	Not Started	Staff	Gated by Clementia #3A/#3B
Clementia #6	Decision Matrix to IC	Not Started	WVWG / Staff	Gated by all above

Other Items	Task	Status	Owner	Next Action
Other #2	Water Partnerships	Don't Recommend	n/a	n/a
Other #10	Secure Water Attorney	Done	Board	n/a
Other #15/#16	WVWG Charter / Matrix	Done	WVWG	Board Affirmation
Other #11	IWMP Data Agreement	70% Complete?	IWG	WIP
Other #6	UWMP Bid Package	Not Started	Staff	Gated by Other #11
Other #7	Water Use Audit	20% Complete	WVWG	Gated by Staff
Other #1	New Recycled Water Usage	Not Started	WVWG	Gated by Other #7
Other #3	Drought Contingency Plan	Not Started	TBD	Gated by Many Items

Wells Items	Task	Status	Owner	Next Action
Well #5	WSC Final Report	Received	WVWG	N/A
Well #8	Schneider/private-well free-water proposal	Agreed not to pursue	Operations	N/A
Wells #1 & Other #4/#8/#13	WSC - Water/Wells Assumptions/Strategy	WIP	WVWG + Operations + Finance + Legal	Gated by Attorney
Well #2	Explore groundwater recharge / water banking partnership	Not Started. Coordinate with Sloughhouse Resource Conservation District on potential recharge project using permitted water, grant opportunities, and recovery/credit rules.	WVWG + GM + Legal + Sloughhouse RCD	Gated by Attorney
Well #7	Dunn Geo-Physics Proposal	Board voted No	WVWG + Operations	N/A
Wells#3/#10 & Other #14	WSC-Potable & Non-Potable Wells Site Summary	30% Completed	WVWG + Operations + Finance + Legal	Gated by Well #7
Well #4	WSC - Wells Bid Package	Not Started	Operations	Gated by Wells #3/#10
Other #5/#9/#11	Test / Production Well Agreements	Not Started	Legal	Gated by Attorney
Well #6	WSC- Well Plan & Bids to IC	Not Started	WVWG + Operations	Gated by Wells #3/#10 & #4
Well #9	Dunn - Well Site Acquisition	Board voted No/Not Started	WVWG + Operations + Legal	Gated by Well #6

Clementia Items	Task	Status	Owner	Next Action
Clementia #1/#5	Re-permitting Strategy	Not Started	WVWG + GM + Operations + Legal	Gated by Attorney
Clementia #2	Testing Strategy	Not Started	WVWG + GM + Operations + RMA	Gated by Clementia #1 & #5
Clementia #3A	Re-permitting Plan	Not Started	Operations + Legal + Engineering + Consultant	Gated by Clementia #1 & #5

Clementia #3A	Testing Plan	Not Started	Operations	Gated by Clementia #2
Clementia #4	Cost Estimates	Not Started	WVWG + Operations + Legal + Consultant	Gated by Clementia #3A & #3B
Clementia #6	Decision Matrix to IC	Not Started	WVWG + Operations + Legal + Consultant	Gated by All Above
Other Items	**Task**	**Status**	**Owner**	**Next Action**
Other #2	Water Partnerships	Don't Recommend	WVWG + GM + Legal	N/A
Other #10	Secure Water Attorney	Completed	Board	N/A
Other #15/#16	WVWG Charter/Matrix	Completed	WVWG	Board Affirmation
Other #11	IWMP Data Agreement	70% Completed?	IWG + GM + Legal + Board + Landowners	WIP
Other #6	UWMP Bid Package	Not Started	Staff	Gated by Other #11
Other#7	Water Use Audit	20% Completed	WVWG + GM + Staff + Operations + Finance	Gated by Staff
Other #1	New Recycled Water Usage	Not Started	WVWG + Operations + Legal + Engineering	Gated by Other #7
Other #3	Drought Contingency Plan	Not Started	TBD	Gated by Many Items