



## RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 JACKSON ROAD  
RANCHO MURIETA, CA 95683  
916-354-3700  
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### AGENDA

*“Your Independent Local Government Agency Providing  
Water, Wastewater, Drainage, Security, and Solid Waste Services”*

REGULAR BOARD OF DIRECTORS MEETINGS ARE HELD  
3<sup>rd</sup> Wednesday of Each Month

#### REGULAR BOARD MEETING

**January 15, 2014**

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

RMCS D Administration Building – Board Room

15160 Jackson Road

Rancho Murieta, CA 95683

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#### BOARD MEMBERS

Gerald Pasek	President
Roberta Belton	Vice President
Betty Ferraro	Director
Paul Gumbinger	Director
Michael Martel	Director

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#### STAFF

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

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**REGULAR BOARD MEETING**  
**January 15, 2014**

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

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

**AGENDA**

	RUNNING TIME
<b>1. CALL TO ORDER</b> - Determination of Quorum - President Pasek ( <b>Roll Call</b> )	4:00
<b>2. ADOPT AGENDA</b> ( <b>Motion</b> )	4:05
<b>3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES</b> ( <i>5 min.</i> )	4:10
<b>4. CLOSED SESSION</b>	4:15
<i>Under Government Code 54957: Public Employee Performance Review: Title: General Manager.</i>	
<i>Under Government Code 54957.6: Conference with Labor Negotiator. Agency Designated Representative: Gerald Pasek. Unrepresented Employee: District General Manager.</i>	
<i>Under Government Code 54957: Public Employee Performance Review: Title: District General Counsel.</i>	
<b>5. OPEN SESSION</b>	5:00
<i>The Board will discuss items on this agenda, and may take action on those items, including informational items and continued items. The Board may also discuss other items that do not appear on this agenda, but will not act on those items unless action is urgent, and a resolution is passed by a two-thirds (2/3) vote declaring that the need for action arose after posting of this agenda.</i>	
<i>The running times listed on this agenda are only estimates and may be discussed earlier or later than shown. At the discretion of the Board, an item may be moved on the agenda and or taken out of order. <b>TIMED ITEMS</b> as specifically noted, such as Hearings or Formal Presentations of community-wide interest, will not be taken up earlier than listed.</i>	
<b>6. REPORT ACTION FROM CLOSED SESSION</b>	5:05

- 7. COMMENTS FROM THE PUBLIC** 5:10
- Members of the public may comment on any item of interest within the subject matter jurisdiction of the District and any item specifically agendized. Members of the public wishing to address a specific agendized item are encouraged to offer their public comment during consideration of that item. With certain exceptions, the Board may not discuss or take action on items that are not on the agenda.*
- If you wish to address the Board at this time or at the time of an agendized item, as a courtesy, please state your name and address, and reserve your comments to no more than 3 minutes so that others may be allowed to speak.*
- 8. CONSENT CALENDAR (Motion) (Roll Call Vote) (5 min.)** 5:15
- All the following items in Agenda Item 8 will be approved as one item if they are not excluded from the motion adopting the consent calendar.*
- a. **Approval of Board Meeting Minutes**
    - 1. December 18, 2013 Regular Board Meeting
  - b. **Committee Meeting Minutes (Receive and File)**
    - 1. December 27, 2013 Security Committee Meeting
    - 2. January 2, 2014 Improvements Committee Meeting
    - 3. January 2, 2014 Finance Committee Meeting
    - 4. January 3, 2014 Communication & Technology Committee Meeting
    - 5. January 8, 2014 Personnel Committee Meeting
  - c. **Approval of Bills Paid Listing**
- 9. STAFF REPORTS (Receive and File) (5 min.)** 5:20
- a. General Manager's Report
  - b. Administration/Financial Report
  - c. Security Report
  - d. Water/Wastewater/Drainage Report
- 10. CORRESPONDENCE (5 min.)** 5:25
- 11. RECEIVE PRESENTATION ON PROPOSED HIGHWAY 16 RELINQUISHMENT** 5:30  
(Discussion/Action) (15 min.)
- a. Sacramento County Department of Transportation
  - b. Amador County Transportation Commission
- 12. RECEIVE DROUGHT PLANNING UPDATE (Discussion/Action) (30 min.)** 5:45
- a. Dry Year Status and Drought Tracker Model Presentation by Lisa Maddaus, MWM
  - b. Diversion Rates and Timing (5 min.)
  - c. Augmentation Well Construction Update (5 min.)
  - d. Stage 2 Drought Declaration (Motion) (5 min.)
- 13. RECEIVE BUDGET PROCESS AND SURPLUS FUNDS PROCESS PRESENTATION** 6:15  
(Discussion/Action) (15 min.)

- 14. REPORT BACK ON SECURITY AD HOC COMMITTEE FORMATION** 6:30  
(Discussion/Action) (Motion) (10 min.)
- 15. RECEIVE UPDATE ON WATER TREATMENT PLANT EXPANSION PROJECT** 6:40
- a. Water Treatment Plant Cost Tracking Spreadsheet (5 min.)
  - b. Financing Alternatives – Update (Discussion/Action) (15 min.)
  - c. CEQA Initial Study/Mitigated Negative Declaration – Update (Discussion) (5 min.)
  - d. Design – Update (Discussion) (5 min.)
  - e. Trade Contractor Prequalification (Discussion) (5 min.)
  - f. Approve GE Contract for Membrane System (Motion) (5 min.)
  - g. Approve HDR Fee Agreement Amendment #1 (Motion) (5 min.)
- 16. APPROVE GENERAL MANAGER RECRUITMENT PROPOSAL** 7:25  
(Discussion/Action) (Motion) (5 min.)
- 17. APPROVE GENERAL MANAGER’S EMPLOYMENT AGREEMENT AMENDMENT** 7:30  
(Discussion/Action) (Motion) (5 min.)
- 18. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES** 7:35  
(Discussion/Action) (Motion) (5 min.)
- 19. REVIEW MEETING DATES/TIMES FOR THE FOLLOWING: (5 min.)** 7:40
- Board Goal Workshop:** January 24, 2014 at 9:00 a.m.
- Next Regular Board Meeting:** February 19, 2014
- Committee Meeting Schedule:**
- |                    |                               |
|--------------------|-------------------------------|
| ✚ Security         | January 31, 2014 at 8:30 a.m. |
| ✚ Personnel        | February 5, 2014 at 9:00 a.m. |
| ✚ Improvements     | February 6, 2014 at 8:30 a.m. |
| ✚ Finance          | February 6, 2014 at 9:30 a.m. |
| ✚ Communications   | February 7, 2014 at 9:00 a.m. |
| ✚ Joint Security - | T.B.A.                        |
| ✚ Parks -          | T.B.A.                        |
- 20. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF** 7:45  
*In accordance with Government Code 54954.2(a), Directors and staff may make brief announcements or brief reports of their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda.*
- 21. ADJOURNMENT (Motion)** 7:50

"In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 72 hours prior to a regular meeting, will be made available for public inspection in the District offices during normal business hours. If, however, the document is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting."

Note: This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of this posting is January 10, 2014. Posting locations are: 1) District Office; 2) Plaza Foods; 3) Rancho Murieta Association; 4) Murieta Village Association.



# RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Board of Directors Meeting

MINUTES

December 18, 2013

3:30 p.m. Closed Session \* 5:00 p.m. Open Session

## **1. CALL TO ORDER/ROLL CALL**

President Gerald Pasek called the regular meeting of the Board of Directors of Rancho Murieta Community Services District to order at 3:30 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Gerald Pasek, Roberta Belton, Betty Ferraro, Paul Gumbinger and Michael Martel. Also present were Edward R. Crouse, General Manager; Darlene Gillum, Assistant General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary.

## **2. ADOPT AGENDA**

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

## **3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES**

None.

## **4. BOARD ADJOURNED TO CLOSED SESSION AT 3:31 P.M. TO DISCUSS THE FOLLOWING ITEMS:**

*Under Government Code section 54956.8: Conference with Real Property Negotiators - Real Property APN 128-0080-067; APN 128-0080-068; APN 128-0080-069; APN 128-0080-076; and APN 128-0100-029. Real Property Agency Negotiator: Edward R. Crouse, General Manager. Negotiating Party: CSGF Rancho Murieta, LLC, BBC Murieta Land, LLC, Murieta Retreats, LLC, PCCP CSGF RB PORTFOLIO, LLC. Under Negotiation: Price and Terms.*

*Under Government Code section 54956.8: Conference with Real Property Negotiators – Real Property APN 128-0080-067 and APN 128-0100-029. Real Property Agency Negotiator: Edward R. Crouse, General Manager. Negotiating Party: Cosumnes River Land, LLC and Rancho Murieta Properties, LLC. Under Negotiation: Price and Terms.*

*Conference with Legal Counsel – Anticipated Litigation. Initiation of litigation pursuant to Government Code Section 54956.9(c): (One Potential Case).*

*Conference with Legal Counsel – Anticipated Litigation. Significant Exposure to Litigation Pursuant to 54956.9(b): (Three (3) Potential Cases).*

*Under Government Code 54957: Public Employee Performance Review: Title: General Manager.*

*Under Government Code 54957.6: Conference with Labor Negotiator. Agency Designated Representative: Gerald Pasek. Unrepresented Employee: District General Manager.*

**5/6. BOARD RECONVENED TO OPEN SESSION AT 5:02 P.M. AND REPORTED THE FOLLOWING:**

*Under Government Code section 54956.8: Conference with Real Property Negotiators - Real Property APN 128-0080-067; APN 128-0080-068; APN 128-0080-069; APN 128-0080-076; and APN 128-0100-029. Real Property Agency Negotiator: Edward R. Crouse, General Manager. Negotiating Party: CSGF Rancho Murieta, LLC, BBC Murieta Land, LLC, Murieta Retreats, LLC, PCCP CSGF RB PORTFOLIO, LLC. Under Negotiation: Price and Terms. Nothing to report.*

*Under Government Code section 54956.8: Conference with Real Property Negotiators – Real Property APN 128-0080-067 and APN 128-0100-029. Real Property Agency Negotiator: Edward R. Crouse, General Manager. Negotiating Party: Cosumnes River Land, LLC and Rancho Murieta Properties, LLC. Under Negotiation: Price and Terms. Nothing to report.*

*Conference with Legal Counsel – Anticipated Litigation. Initiation of litigation pursuant to Government Code Section 54956.9(c): (One Potential Case). Nothing to report.*

*Conference with Legal Counsel – Anticipated Litigation. Significant Exposure to Litigation Pursuant to 54956.9(b): (Three (3) Potential Cases). Nothing to report.*

*Under Government Code 54957: Public Employee Performance Review: Title: General Manager. Nothing to report.*

*Under Government Code 54957.6: Conference with Labor Negotiator. Agency Designated Representative: Gerald Pasek. Unrepresented Employee: District General Manager. Nothing to report.*

**7. COMMENTS FROM THE PUBLIC**

None.

**8. CONSENT CALENDAR**

**Motion/Gumbinger** to adopt the consent calendar. Director Belton stated she requested the Security Committee minutes include her comment that Director Martel be given a copy of the last couple of surveys which show residents very happy with security despite his allegations that “everyone” thinks it is bad. **Second/Belton. Roll Call Vote: Ayes: Pasek, Belton, Ferraro, Gumbinger, and Martel. Noes: None.**

**9. STAFF REPORTS**

Under Agenda Item 9 b, Director Belton commented on the increase in water use by the residents and an article in the Sacramento Bee regarding a possible drought. Ed Crouse stated that the drought concern is state wide and that staff will report back in January on the status of the District’s water supply.

President Pasek asked that District labor be included in the Water Treatment Plant Expansion Project Spreadsheet.

Director Martel commented on an excess in money received in November. Darlene Gillum stated that the outstanding amount is due to an increase in water use last month.

## **10. CORRESPONDENCE**

None.

## **11. APPROVE CFD #1 REFUND REQUEST FROM DISTRICT'S GENERAL FUND**

Darlene Gillum gave a brief summary of the recommendation to refund Donald Kurtz \$1,399.50 for his pre-payment of his CFD #1 Mello-Roos taxes.

Legal opinion is that since Mr. Kurtz paid off the Mello-Roos according to the CFD #1 Rate and Method he is not legally entitled to any refund. Director Gumbinger mentioned that Mr. Kurtz did receive a credit on his taxes for the payment.

Director Martel commented on residents participating in the Mello-Roos getting a refund from any money left after all payments have been made. Darlene stated that after everything has been paid, if there is a "material" amount left, then a refund will be provided.

Director Ferraro commented on her concern regarding the possibility of there not being enough to pay all the bills if Mr. Kurtz is refunded moneys now. President Pasek suggested waiting to provide the refund, contingent upon closeout.

**Motion/Pasek** to refund Donald Kurtz \$1,399.50 for his prepayment of CFD #1 Mello-Roos taxes. Funding to come from the District's General Fund, contingent upon monies available upon close out of CFD #1 and last billing of District administration time. **Second/Belton. Roll Call Vote: Ayes: Pasek, Belton, Gumbinger, and Martel. Noes: Ferraro.**

## **12. RECEIVE MASTER RECLAMATION PERMIT REPORT OF WASTE DISCHARGE**

Ed Crouse gave a brief summary of the Master Reclamation Report of Waste Discharge and the Permit Application. Once submitted, it will likely take the Regional Board up to one (1) year to approve.

Director Belton asked if in the future there will be a need to hire a staff person to monitor recycled water use. Ed stated a Recycled Water Compliance Officer will be needed for monitoring and training in the use of recycled water.

**Motion/Martel** to receive Report of Waste Discharge Administrative Draft for the District's Master Reclamation Permit Application and direct staff to proceed with filing of the Master Permit Application. **Second/Ferraro. Ayes: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

## **13. APPROVAL OF 670 GROUP FINANCING AND SERVICES AGREEMENT**

Jonathan Hobbs, District General Counsel, gave a brief summary of the 670 Group Financing and Services Agreement. The District will sign once all the developers have signed and have their signatures notarized. Once signed, the \$109,000 for legal fees that is in escrow will be released to the District.

Director Belton asked if the 670 Group is okay with Exhibit H that was prepared by John Sullivan who is not a party to the 670 Group Financing and Services Agreement. Les Hock stated that they

are fine with it, as the numbers are preliminary subject to final accounting. Director Belton also stated she wanted it to be clear that the District is not going to be involved in developer disagreements that may occur.

Director Martel suggested that a reconciliation be done to show who has paid for what water. Director Martel also asked that staff and Directors disclose any relationship they have with any of the developers. Ed Crouse stated that over 20 years ago, before he worked for the District, he worked for some engineering firms that may or may not have worked with any of the developers. Ed stated he personally has no recollection of having worked with any of them. Director Martel stated that is not what he has heard from a resident.

**Motion/Gumbinger** to approve the 670 Group Financing and Services Agreement as written with the following revisions: Revise Section 2.2, Irrigation Easement, to insert reference to Exhibit H and Exhibit H-2; to reflect an annual adjustment factor on the easement reimbursement based on the Engineering News Record (ENR); to insert that easement reimbursement is payable upon water permit issuance; and that the transfer of the Van Vleck easement shall be done at signing of the FSA or as soon as practical thereafter. **Second/Belton. Roll Call Vote: Pasek, Belton, Ferraro, Gumbinger. Noes: Martel. Director Martel then asked that his vote be changed to Abstain.**

#### **14. APPROVAL OF RANCHO NORTH AND MURIETA GARDENS FEE AND SERVICES AGREEMENT TERM SHEET**

Ed Crouse gave a brief summary of the Rancho North and Murieta Gardens Fee and Services Agreement Term Sheet. The final Financing and Services Agreement is to be completed by February 1, 2014.

Director Martel asked Mr. Sullivan why he is willing to loan the District money for the Water Treatment Plant Expansion Project. Mr. Sullivan stated that there is a gap in funding and it is in the best interest of everyone to proceed.

**Motion/Gumbinger** to approve the proposed Term Sheet for the Rancho North and Murieta Gardens Fee and Services Agreement, the 12/18/13 version. **Second/Ferraro. Roll Call Vote: Ayes: Pasek, Ferraro, Gumbinger, Martel. Noes: Belton.**

Director Martel asked that the Peer Review the County had conducted be made available to the public as well as Janis Eckard.

#### **15. REPORT BACK ON WATER TREATMENT PLANT EXPANSION FINANCING ALTERNATIVES**

Darlene Gillum gave a brief update on the Water Treatment Plant Expansion financing alternatives. US Bank may not work out as they require a sufficient revenue stream be in place as a condition of loan approval that provides a 1.25 coverage ratio.

Wells Fargo is considering two (2) financing options: a tax-exempt offering and a taxable offering. They are currently considering an un-secured loan but may move toward requiring some security for the financing. Private placement funding and use of reserves is also being looked at.

Director Martel stated he liked the idea of using reserves and commented on the District already being \$900,000 under budget for this fiscal year. Darlene stated that the District is currently \$136,000 under budget due to this being a dry year, not \$900,000 as Director Martel stated.

## **16. WATER TREATMENT PLANT EXPANSION**

### **a. Report Back on Design and Bidding Status**

Ed Crouse gave a brief update on the design and bidding status. HDR is completing the Initial Study/Mitigated Negative Declaration (IS/MND) to analyze the potential environmental impacts of the Water Treatment Plant Expansion Project under the California Environmental Quality Act (CEQA). The goal is to have the final by the end of the month for submittal to the State Clearinghouse for distribution and 30 day statutory review period, and Board approval at the District's February 2014 Board meeting.

HDR completed 90% plans and specifications. Staff and Roebbelen are reviewing the plans and specifications to make sure previous comments and suggestions are addressed. The goal is to release the bid notice in early January 2014 and a bid opening in early February 2014, with contract award at the February 2014 Board meeting.

### **b. Report Back on Mechanical and Electrical Prequalification Responses**

Ed Crouse stated the deadline for submitting prequalification responses was Friday, December 13, 2013. A total of 16 responses were received, 8 mechanical and 8 electrical. Roebbelen is reviewing the submittal packets to see which contractors are qualified.

### **c. Approve Sole Source Contracting for GE Submerged Membrane Technology**

Ed Crouse gave a brief summary of the recommendation to approve the sole source contracting for GE Submerged Membrane Technology for the Water Treatment Plant Expansion Project.

**Motion/Gumbinger** to approve sole source contracting for GE Submerged Membrane Technology for the Water Treatment Plant Expansion Project, adopt a finding supporting the use of the GE Submerged Membrane Technology as a sole source component, and direct staff to include this component in the bid specifications as the only acceptable component for the Project. **Second/Martel. Ayes: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

### **d. Receive Update on Contract with GE as Supplier for Membrane Equipment**

Ed Crouse gave a brief update on the contract negotiations with GE. The goal is to bring the contract to the Board for approval in January 2014.

## **17. APPROVE AUGMENTATION WELL TECHNICAL MEMORANDUM RECOMMENDATION**

Paul Siebensohn gave a brief summary of the recommendation to approve the Augmentation Well Technical Memorandum recommendation prepared by Dunn Environmental, Inc. Some treatment of the water on the well site may be needed.

**Motion/Gumbinger** to proceed with Option 2 which is at site TH-A, within the District's levee and a close tie-in to the distribution system on Cantova Way. **Second Ferraro. Ayes: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

**18. REPORT BACK ON SECURITY SURVEILLANCE CAMERA AD HOC COMMITTEE FORMATION**

Director Martel stated he has a list of some residents he would like to have on the Committee. Director Belton stated she will contact Steve Mobley to see if he is interested.

President Pasek requested that Director Martel report back to the Board in January with an outline of what the purpose of the Committee will be and a list of possible members. Jonathan Hobbs reminded the Board that anyone on the Committee will be subject to the Brown Act.

**19. APPROVE GENERAL MANAGER’S EMPLOYMENT AGREEMENT AMENDMENT**

President Pasek stated that this item is being deferred.

**20. COMMITTEE ASSIGNMENTS**

All elected Directors had previously submitted their requests for various committee assignments. With due consideration for the requests, President Pasek made the following committee assignments:

- Communication & Technology Committee: Betty Ferraro, Michael Martel
- Finance Committee: Roberta Belton, Gerald Pasek
- Improvements Committee: Gerald Pasek, Paul Gumbinger
- Joint Security Committee: Roberta Belton, Betty Ferraro
- Personnel Committee: Betty Ferraro, Paul Gumbinger
- Parks Committee: Betty Ferraro, Michael Martel (alternate)
- Security Committee: Roberta Belton, Michael Martel
- Regional Water Authority: Gerald Pasek

**21. NOMINATIONS FOR CALIFORNIA SPECIAL DISTRICTS ASSOCIATION**

**Motion/Belton** to nominate Darlene Gillum to be nominated for the California Special Districts Association Region 2, Seat C Director for the remainder of the 2012-2014 term. **Second/Gumbinger. Darlene Gillum accepted the nomination. Ayes: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

**22. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES**

Director Gumbinger will be attending the California Special Districts Association How to be an Effective Board Member conference on January 30 2014 in Sacramento.

**23. MEETING DATES/TIMES**

Security Committee meetings will be held on the last Friday of each month.

**24. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF**

Paul Siebensohn stated that the Main Lift North project has not been completed yet due to the contractor having to replace the subcontractor that has gone out of business.

President Pasek thanked staff for all the work done to get the Financing and Services Agreement and the Term Sheet completed.

Director Belton wished everyone a Merry Christmas and stated that the Board needs to give direction to staff regarding the union negotiations that will take place in 2014 and asked that the Board again limit raises for non-represented employees as budget preparation begins soon. Darlene stated that in January she will provide the Board with a presentation on the budget process.

Director Martel stated that it looks like there will be another rate increase to the rate payers and feels the District is not conducting business the right way. President Pasek stated that all the Directors are concerned about rate increases.

Director Ferraro commended Patrol Officer Rick Tomkins for going above and beyond in helping a resident find her cell phone.

Ed Crouse gave a brief review of the December Presidents' meeting. Topics discussed included the new North Gate, the water treatment plant design, the financing and services agreement, Rancho Murieta Country Club removing spoils from 16 & 17, scheduling 13 North culvert replacement in July 2014, update on chicken problem, update on geese problem, and presentation to be made at the January Board meeting regarding relinquishment plans for Highway 16.

Director Gumbinger commented on previous attempts to get the speed limit down to 45 M.P.H. and suggested the District and RMA again to try lower the speed limit.

## **25. ADJOURNMENT**

**Motion/Gumbinger** to adjourn at 6:52 p.m. **Second/Ferraro. Ayes: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

Respectfully submitted,

Suzanne Lindenfeld  
District Secretary

## MEMORANDUM

Date: December 27, 2013  
To: Board of Directors  
From: Security Committee Staff  
Subject: December 27, 2013 Security Committee Meeting

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### 1. CALL TO ORDER

Director Belton called the meeting to order at 8:37 a.m. Present was Director Belton. Present from District staff were Edward R. Crouse, General Manager; Darlene Gillum, Assistant General Manager; Greg Remson, Security Chief; and Suzanne Lindenfeld, District Secretary. Director Martel was absent.

### 2. COMMENTS FROM THE PUBLIC

None.

### 3. MONTHLY UPDATES

#### Operations

Gary Tipton, the new Security Patrol Officer, is finishing his patrol training. He should be working on his own shortly. Patrol Officer Tipton is working on his own on swing shift with Sergeant Bieg available for assistance if needed.

One off-duty Sacramento Sheriff Deputy (SSD) is scheduled to work New Year's Eve.

#### Incidents of Note

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

#### RMA Citations/Admonishments

Chief Remson reported on the following Rancho Murieta Association (RMA) rule violation citations for the month of December, which included 10 overnight street parking and 8 driveway parking. RMA rule violation admonishments and/or complaints for the month of December included 18 loose/off leash dogs, 13 open garage doors and 8 barking dogs.

#### Rancho Murieta Association Compliance/Grievance/Safety Committee Meeting

At the December 2, 2013 meeting, at the Rancho Murieta Association (RMA) office, there were two (2) letters submitted regarding driveway parking. The next meeting is scheduled for January 6, 2014.

#### Joint Security Committee Meeting

The next Joint Security Committee Meeting has not been scheduled.

#### James L. Noller Safety Center

Nothing to report.



## **New North Gate**

The committee met on December 17, 2013 with John Sullivan's design group, who had updates to the plan. There were additional comments to that plan and they will bring back updates along with cost estimates in January.

## **Beach Access/PTF Gates**

Nothing to report.

## **4. SECURITY SURVEILLANCE CAMERA PLAN**

At the November 20, 2013 District Board meeting, Director Martel requested the Board defer adoption of the Surveillance Camera Implementation, Integration and Expansion Plan and requested the plan include specifications of cameras and hardware that would blend with the District's system and long term planning to include future development. Director Martel also requested formation of an ad hoc committee to help Security develop a global view, plan, and strategy.

At the December 18, 2013 District Board meeting, Director Martel stated that he has a list of potential Ad Hoc committee members. President Pasek requested a report back to the Board at the January meeting with an outline, purpose, and a list of possible members.

## **5. SECURITY STRATEGIC PLAN**

Chief Remson gave a brief summary of Security Department's Security Strategic Plan, originally completed in August 2005 and updated in August 2010. The Security Strategic Plan addresses ways "to provide improved security services to the community. The 2012 Security Department Customer Satisfaction Survey was also reviewed.

## **6. DIRECTOR & STAFF COMMENTS**

Chief Remson stated the next New North Gate meeting will be in mid-January 2014.

## **7. ADJOURNMENT**

The meeting adjourned at 9:15 a.m.

## MEMORANDUM

Date: January 2, 2014  
To: Board of Directors  
From: Improvements Committee Staff  
Subject: January 2, 2014 Committee Meeting Minutes

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### 1. CALL TO ORDER

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

### 2. COMMENTS FROM THE PUBLIC

None.

### 3. UPDATES

#### **Hotel Water Service Agreement**

The Term Sheet was signed on December 31, 2013 and the District received a check for \$180,000.

Staff is working with Sacramento County DERA and Planning Department on updating language for inclusion as new conditions of approval for the hotel site concerning our approvals of provisional will serves.

Karen Muldoon asked about the provision in the Term Sheet allowing some of the 30 EDUs to be used at other properties than just the hotel. Ed stated that if there is any excess, the County will have to approve their being used somewhere else, not the District.

#### **670 Financing and Services Agreement**

The 670 principals have the new revised language concerning reimbursement for the Van Vleck Ranch (VVR) easement and are circulating the agreement for signatures. We expect wet signatures shortly after the holidays.

#### **Main Lift North Rehabilitation Project**

The subcontractor working for TNT Industrial Services Inc., Hansen Painting and Decorating Inc. went out of business. TNT has since hired National Coating & Lining. A second application of the cementitious product was applied in which the material failed again. Director Gumbinger suggested getting a manufacturer's representative out to the site. No schedule for completion has been provided by TNT yet.

## **North Gate Funding Request by Rancho Murieta Association**

The north development group continues to meet with RMA on refining their new north gate entry theme. A second meeting was held on December 17 to review updated design concepts and elements. A third meeting is scheduled for January 17, 2014 to review the cost estimate.

## **4. WATER TREATMENT PLANT EXPANSION PROJECT**

### **Review CEQA IS/MND**

Staff has received the draft IS/MND for review and comment. The goal is to release it in early January with Board approval in February 2014.

### **Design Update**

HDR was to complete 100% plans and specifications over the holidays. Once completed, Roebbelen will need about one (1) week to prepare the trade contractor packages. We are still on schedule to release the P&S next week. The goal is to have Board approval of the contract in February 2014.

### **Trade Contractor Prequalification**

Roebbelen completed their prequalification review of the trade contractors followed by staff review of their financial reporting submittals. All trade contractors that submitted have qualified.

### **GE Contract**

Roebbelen and Jon Hobbs are working on revised contract language to address new concerns from GE on our last revisions. The goal is to have the contract ready for approval at the January 2014 Board meeting.

### **Sole Source Contracting**

HDR added the sole source language to the specifications as approved at our December 2013 Board meeting.

### **HDR Fee Amendment #1**

Ed Crouse gave a brief summary of the recommendation to approve HDR's Fee Amendment #1 to the Water Treatment Plant Expansion Project. This work, which was not part of the original design or scope of work, has been identified as being required and has been completed or is soon to be completed. **This item will be on the January 15, 2014 Board of Directors meeting agenda.**

## **5. APPROVE PURCHASE OF F-150 TRUCK**

Ed Crouse gave a brief summary of the request to replace an F-150 that was purchased in 2000. This truck has nearly 72,000 miles, has incurred over \$5,000 in maintenance repairs over the past three (3) years and now requires a new engine.

After a short discussion, the Improvements Committee agreed that this item be put on hold. The Committee also requested information on how the mechanic(s) know the engine is going out.

## **6. PLANT #2 FILTER REPAIRS**

Ed Crouse gave a brief summary of the request to approve plant #2 filter repairs. This is a recurring issue – every 3 to 4 years. The proposal, estimated to be \$18,000 – \$30,000, will be available at the January Board meeting. **This item will be on the January 15, 2014 Board of Director meeting agenda.**

## **7. DROUGHT PLANNING UPDATE**

Ed Crouse reported that the District is currently at 60% of usable storage and gave a brief summary of the recommendation to consider implementing a 10% conservation stage to reduce the spring demands which will allow more diversions to meet summer demands.

The Improvements Committee suggested putting information on the District's website, in the next Pipeline, and on RanchoMurieta.com. Director Pasek suggested a separate mailing to all rate payers asking for their help in reducing their water usage. **This item will be on the January 15, 2014 Board of Directors meeting agenda.**

## **8. DIRECTORS' & STAFF COMMENTS/SUGGESTIONS**

Director Pasek stated that Lake Clementia is full of weeds and needs to be cleaned out.

## **9. ADJOURNMENT**

The meeting was adjourned at 9:23 a.m.

## MEMORANDUM

Date: January 2, 2014  
To: Board of Directors  
From: Finance Committee Staff  
Subject: January 2, 2014 Finance Committee Meeting

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### 1. CALL TO ORDER

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

### 2. COMMENTS FROM THE PUBLIC

None.

### 4. WATER TREATMENT PLANT EXPANSION FINANCING ALTERNATIVES (taken out of order)

#### Private Placement with Bank

Shawn Kassel and Dennis Loo, from Wells Fargo, gave a brief review of the financing alternatives available through Wells Fargo and answered questions.

#### Private Placement with private investor(s)

Constantine Baranoff will provide a memo for the Board meeting outlining basic requirements and process of constructing a financing deal with private investors.

#### Internal Borrowing from Reserves

Staff is evaluating the potential of borrowing internally from existing reserve balances. Staff is also working closely with both HDR and Roebbelen to tighten up the preliminary costs estimates of the Water Treatment Plant Expansion and Upgrade.

Director Belton suggested a Reserve Study be conducted by an outside agency. Director Pasek agreed. Staff will research agencies that provide that service.

### 3. UPDATES

#### Financing and Services Agreement

The 670 Group Financing and Services Agreement (FSA) was approved at the December 18, 2013 Board meeting with the caveat that section 2.2, Irrigation Easement, be revised to reference Exhibit H-1 and H-2, transfer of the irrigation easement upon signing of the FSA (or as soon as practicable thereafter) and payment of the irrigation easement reimbursement amount at the time of water permit issuance. Jon Hobbs provided revised FSA language to Les Hock. Once that language is agreed upon, the FSA will be signed by the 670 group participants in the FSA and the Irrigation Easement will be transferred to the District.

## **TERM SHEET**

The Term Sheet was signed on December 31, 2013 and the District received a check for \$180,000.

Tom Merschel, RMP Holdings, has begun work on the final Financing and Services Agreement (FSA). The parties agreed to have the final FSA in place no later than February 1, 2014.

## **5. 2014-2015 BUDGET PLANNING AND SCHEDULE**

Darlene Gillum gave a brief summary of the 2014-2015 budget planning schedule. Director Pasek stated that the Board would like to keep the rates the same as current or as close to it as possible.

## **6. DIRECTORS' & STAFF COMMENTS/SUGGESTIONS**

Director Belton asked if once the new developments are in and purple pipe installed, will Rancho Murieta Country Club start to be charged for the recycled water. Ed stated that will have to go to legal counsel for an opinion.

## **7. ADJOURNMENT**

The meeting was adjourned at 10:33 a.m.

DRAFT

## MEMORANDUM

Date: January 3, 2014  
To: Board of Directors  
From: Communication & Technology Committee Staff  
Subject: January 3, 2014 Communication & Technology Committee Meeting

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Director Ferraro called the meeting to order at 9:00 a.m. Present were Directors Ferraro and Martel. Present from District staff were Darlene Gillum, Assistant General Manager; Greg Remson, Security Chief; and Suzanne Lindenfeld, District Secretary.

### COMMENTS FROM THE PUBLIC

None.

### PUBLIC OUTREACH

Darlene Gillum stated the District plans to send out a letter to the community regarding the Water Treatment Plant Expansion Project once the District has definite answers as to the cost and how the project will be funded. The goal is have this presented to the Board in February 2014.

Director Martel suggested communication be sent out regarding the drought conditions. Darlene stated that drought planning update will be on the January Board meeting agenda for discussion.

### NON-DIRECTOR PARTICIPATION ON COMMITTEES

After a short discussion, the Committee agreed to keep non-director participation status quo. When an issue comes up which the Board feels could benefit from public participation, workshops are held and/or an Ad Hoc Committee is formed.

### DIRECTOR & STAFF COMMENTS/SUGGESTIONS

Director Martel commented on his interest in attending the 2014 Security Technology Conference in Las Vegas this year. Rancho Murieta Association (RMA) and Cosumnes River Land will also be sending someone.

Director Ferraro asked if the Joint Security Committee will continue to discuss the surveillance cameras. Chief Remson stated that he will continue to provide updates. Director Ferraro asked if Joint Security will be discussing the next grocery store that will be going in and what will happen with Plaza Foods. Chief Remson stated that is not a Security issue. Director Martel agreed.

Director Ferraro asked if any communication will be sent out regarding the new well. Darlene stated that information will be sent out after the January Board meeting which is when the proposal to drill the well is going to the Board for approval.

### ADJOURNMENT

The meeting was adjourned at 9:27 a.m.

## MEMORANDUM

Date: January 8, 2014  
To: Board of Directors  
From: Personnel Committee Staff  
Subject: January 8, 2014 Personnel Committee Meeting

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

### **COMMENTS FROM THE PUBLIC**

None.

### **DISTRICT WIDE ACTIVITIES IN RESPONSE TO 360 SURVEY**

Ed Crouse gave a brief summary of the District-wide goals and objectives management is beginning to implement. A discussion followed.

Directors Ferraro and Gumbinger agreed that the Directors should participate in the quarterly employee lunches. The goal is to have the first quarterly employee lunch before the January 24, 2014 Board Goal Workshop.

### **REVIEW GENERAL MANAGER RECRUITMENT PROPOSALS**

The Personnel Committee agreed to meet privately to discuss the proposals in hopes of being able to make a recommendation to the Board for the January Board meeting.

### **DIRECTORS' & STAFF COMMENTS/SUGGESTIONS**

None.

### **ADJOURNMENT**

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



## MEMORANDUM

Date: January 10, 2014  
To: Board of Directors  
From: Darlene Gillum, Assistant General Manager  
Subject: Bills Paid Listing

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Enclosed is the Bills Paid Listing Report for **December 2013**. Please feel free to call me before the Board meeting regarding any questions you may have relating to this report. This information is provided to the Board to assist in answering possible questions regarding large expenditures.

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

Vendor	Project/Purpose	Amount	Funding
AECOM Technical Services, Inc.	Title 22 Engineering Report	\$10,724.40	Reserve Expenditure
Biosolids Recycling, Inc.	Removal and Disposal of Biosolids	\$7,649.69	Operating Expense
California Waste Recovery Systems	Solid Waste Contract	\$45,417.14	Operating Expense
Hach Company	WTP2 Turbidimeter Replacement	\$8,491.91	Operating Expense
HDR Engineering, Inc	WTP1 Expansion Design	\$37,816.23	Reserve Expenditure/LOC Reimbursement
NTU Technologies	Chemicals	\$5,954.76	Operating Expense
Sacramento County Water Agency	Annual Contribution	\$6,000.00	Operating Expense
Atkins North America, Inc.	Augmentation Test Well – CEQA	\$7,214.35	Reserve Expenditure
Bay Area Coating Consulting Services, Inc.	MLN Wet Well Rehab	\$7,080.00	Reserve Expenditure
California Laboratory Services	Monthly Lab Tests	\$6,375.76	Operating Expense
Cummins West	Crest & Greens Lift Station Repairs; So Gate Generator	\$6,320.70	Operating Expense
Golden State Flow Measurement	Iperl Meters (40)	\$5,928.34	Operating Expense
HDR Engineering, Inc	WTP1 Expansion CEQA Services	\$13,761.22	Reserve Expenditure/LOC Reimbursement

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

Ck Number	Date	Vendor	Amount	Purpose
CM27393	12/6/2013	A Leap Ahead IT	\$3,657.55	Monthly IT Support
CM27394	12/6/2013	Accounting & Association Software Group	\$181.25	Great Plains Support
CM27395	12/6/2013	Ace Hardware	\$154.39	Monthly Supplies
CM27396	12/6/2013	AECOM Technical Services, Inc.	\$10,724.40	Title 22 Engineering Report
CM27397	12/6/2013	American Express	\$1,274.22	Monthly Bill
CM27398	12/6/2013	American Family Life Assurance Co.	\$590.24	Payroll
CM27399	12/6/2013	Apple One Employment Services	\$1,725.60	Temp Services
CM27400	12/6/2013	Aramark Uniform Services	\$237.30	Uniform Service - Water
CM27401	12/6/2013	Biosolids Recycling, Inc.	\$7,649.69	Removal and Disposal of Biosolids
CM27402	12/6/2013	California Public Employees' Retirement Sys	\$36,814.16	Payroll
CM27403	12/6/2013	California Waste Recovery Systems	\$45,417.14	Monthly Solid Waste
CM27404	12/6/2013	Carrillo Enterprises	\$3,087.00	Equipment Rental - multiple projects
CM27405	12/6/2013	Cell Energy Inc.	\$53.23	Supplies
CM27406	12/6/2013	Deluxe Business Checks and Solutions	\$207.80	2013 Tax Forms
CM27407	12/6/2013	Dunn Environmental, Inc.	\$2,125.63	Augmentation Test Well
CM27408	12/6/2013	Employment Development Department	\$2,874.74	Payroll
CM27409	12/6/2013	Express Office Products, Inc.	\$240.50	Office Supplies
CM27410	12/6/2013	Franchise Tax Board	\$75.00	Payroll
CM27411	12/6/2013	GALLS, LLC	\$89.08	Security Uniform
CM27412	12/6/2013	Guardian Life Insurance	\$5,013.85	Payroll
CM27413	12/6/2013	Hach Company	\$8,491.91	WTP2 Turbidimeter Replacement
CM27414	12/6/2013	HDR Engineering, Inc	\$37,816.23	WTP1 Expansion Design
CM27415	12/6/2013	Howe It's Done	\$246.72	Board Meeting Dinner
CM27416	12/6/2013	Legal Shield	\$116.32	Payroll
CM27417	12/6/2013	Nationwide Retirement Solution	\$1,663.23	Payroll
CM27418	12/6/2013	NTU Technologies, Inc.	\$5,954.76	Chemicals
CM27419	12/6/2013	Operating Engineers Local Union No. 3	\$520.56	Payroll
CM27420	12/6/2013	P. E. R. S.	\$27,092.39	Payroll
CM27421	12/6/2013	PERS Long Term Care Program	\$48.10	Payroll
CM27422	12/6/2013	R.S. Hughes Co., Inc.	\$325.32	Safety Supplies
CM27423	12/6/2013	Sacramento County Water Agency	\$6,000.00	Annual Contribution
CM27424	12/6/2013	TASC	\$172.69	Payroll
CM27425	12/6/2013	George Conner	\$2,400.00	Water Master Plan Mapping
CM27426	12/6/2013	U.S. Bank Corp. Payment System	\$3,855.34	Monthly Gasoline
CM27427	12/6/2013	U.S. Postmaster	\$530.00	Permit and PO Box Renewal
CM27428	12/6/2013	Vision Service Plan (CA)	\$460.48	Payroll
CM27429	12/6/2013	W.W. Grainger Inc.	\$614.50	Miscellaneous Supplies
CM27430	12/6/2013	WaterISAC	\$499.00	2014 Membership
ACH	12/9/2013	EFTPS	\$11,314.64	Bi-weekly Payroll Taxes
CM27431	12/20/2013	Action Cleaning Systems	\$1,172.00	Monthly Cleaning Service
CM27432	12/20/2013	American Family Life Assurance Co.	\$540.25	Payroll

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

<b>Ck Number</b>	<b>Date</b>	<b>Vendor</b>	<b>Amount</b>	<b>Purpose</b>
CM27433	12/20/2013	Robert Andrews	\$100.00	Water Pressure Valve Rebate
CM27434	12/20/2013	Apple One Employment Services	\$517.68	Temp Services
CM27435	12/20/2013	Applications By Design, Inc.	\$125.00	Security Data Backup
CM27436	12/20/2013	Aramark Uniform Services	\$237.30	Uniform Service - Water
CM27437	12/20/2013	Arnolds For Awards	\$15.92	Supplies
CM27438	12/20/2013	AT&T	\$836.54	Monthly Phone Bill
CM27439	12/20/2013	Atkins North America, Inc.	\$7,214.35	Augmentation Test Well
CM27440	12/20/2013	Bay Area Coating Consultant Services. Inc.,	\$7,080.00	MLN Rehabilitation
CM27441	12/20/2013	C.S.D.A.	\$575.00	Board Secretary Conference
CM27442	12/20/2013	California Laboratory Services	\$6,375.76	Monthly Lab Tests
CM27443	12/20/2013	Caltronics Business Systems	\$1,500.77	Admin Copier Usage and Maintenance
CM27444	12/20/2013	Cen-Cal Fire Systems, Inc	\$520.00	Fire Sprinkler Repair
CM27445	12/20/2013	City of Sacramento PHHWCF/CESQG	\$110.53	Waste Disposal
CM27446	12/20/2013	Capital One Commercial	\$1,688.45	Monthly Supplies
CM27447	12/20/2013	County of Sacramento	\$27.00	Pre-employment LiveScan
CM27448	12/20/2013	Cummins West	\$6,320.70	Crest&Greens Lift Station Repair, So Gate Generator
CM27449	12/20/2013	Clifford Dunton	\$200.00	Toilet Rebate
CM27450	12/20/2013	Empire Insignias	\$570.00	Shoulder Patches
CM27451	12/20/2013	Employment Development Department	\$2,490.33	Payroll
CM27452	12/20/2013	Express Office Products, Inc.	\$898.82	Office Supplies
CM27453	12/20/2013	Ford Motor Credit Company LLC	\$234.78	Security Patrol Vehicle Lease
CM27454	12/20/2013	Franchise Tax Board	\$75.00	Payroll
CM27455	12/20/2013	Joseph Gaither	\$300.00	Toilet Rebate
CM27456	12/20/2013	Golden State Flow Measurement	\$5,928.34	Iperl Meters (40)
CM27457	12/20/2013	Groeniger & Company	\$306.94	Maintenance & Repair Supplies
CM27458	12/20/2013	Hach Company	\$1,030.69	Maintenance & Repair Supplies
CM27459	12/20/2013	HDR Engineering, Inc	\$13,761.22	WTP1 Expansion CEQA Services
CM27460	12/20/2013	Irene Hollander	\$100.00	Toilet Rebate
CM27461	12/20/2013	Hunt and Sons	\$4,857.76	Diesel Fuel (1200 gal)
CM27462	12/20/2013	Wilbur Kelly	\$200.00	Water Pressure Valve Rebate
CM27463	12/20/2013	Kirby's Pump & Mechanical Inc.	\$4,518.80	MLS Stormwater Meter Repair
CM27464	12/20/2013	Paul Kirkbride	\$100.00	Water Pressure Valve Rebate
CM27465	12/20/2013	Legal Shield	\$116.32	Payroll
CM27466	12/20/2013	National Institute of Business Management	\$179.00	Annual Subscription
CM27467	12/20/2013	Nationwide Retirement Solution	\$1,663.23	Payroll
CM27468	12/20/2013	Operating Engineers Local Union No. 3	\$520.56	Payroll
CM27469	12/20/2013	P. E. R. S.	\$12,993.10	Payroll
CM27470	12/20/2013	PERS Long Term Care Program	\$53.10	Payroll
CM27471	12/20/2013	Public Agency Retirement Services	\$300.00	OPEB Trust Admin Fee
CM27472	12/20/2013	Rancho Murieta Association	\$292.47	Landscaping/Cable/Internet
CM27473	12/20/2013	S & S Fence Co.	\$324.00	Gate Openers

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

<b>Ck Number</b>	<b>Date</b>	<b>Vendor</b>	<b>Amount</b>	<b>Purpose</b>
CM27474	12/20/2013	Raymond Sauve	\$44.01	Rotator Head Sprinkler Rebate
CM27475	12/20/2013	Craig Sheumaker	\$100.00	Toilet Rebate
CM27476	12/20/2013	Sholl Construction Company, Inc	\$4,688.45	MLN Wet Well Repairs
CM27477	12/20/2013	Sprint	\$669.91	Monthly Cell Phone
CM27478	12/20/2013	State of California	\$66.00	Pre-employment Fingerprints and Background Check
CM27479	12/20/2013	State of California	\$150.00	Pesticide Permit
CM27480	12/20/2013	TASC	\$172.69	Payroll
CM27481	12/20/2013	TelePacific Communications	\$486.15	Monthly Phone Bill
CM27482	12/20/2013	The Westmark Group, Inc.	\$540.00	Groundwater Monitoring
CM27483	12/20/2013	Univar USA Inc.	\$3,930.00	Chemicals
CM27484	12/20/2013	USA Blue Book	\$1,951.59	Flow Transmitter, Mag Meter
CM27485	12/20/2013	Vision Autoglass	\$225.80	Replacement Windshield #218
CM27486	12/20/2013	Western Exterminator Co.	\$432.50	Monthly Pest Control
CM27487	12/20/2013	Martin Zimmerman	\$200.00	Toilet Rebate
ACH	12/23/2013	EFTPS	\$9,928.98	Bi-weekly Payroll Taxes
ACH	12/26/2013	US Postmaster	\$1,500.00	Postage
ACH	12/31/2013	EI Dorado Savings Bank	\$10.00	Bank Fees
ACH	12/31/2013	AmericanWest Bank	\$116.76	Bank Fees
		<b>TOTAL</b>	<b>\$342,499.51</b>	

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

Ck Number	Date	Vendor	Amount	Purpose
		<b>CFD#1 Bank of America Checking</b>		
CM2705	12/20/2013	Bank of America	\$32.18	CFD#1 Admin Fees
CM2706	12/20/2013	CoreLogic Solutions, LLC.	\$165.00	CFD#1 Admin Fees
		<b>TOTAL</b>	<b>\$197.18</b>	
		<b>EL DORADO PAYROLL</b>		
<b>Payroll (El Dorado)</b>				
Checks: # CM11116 to CM11128 and Direct Deposits: DD06852 to DD06911			\$ 111,220.58	Payroll
ACH	12/31/2013	National Payment Corp	\$136.10	Payroll
		<b>TOTAL</b>	<b>\$111,356.68</b>	

## MEMORANDUM

Date: January 8, 2014  
To: Board of Directors  
From: Edward R. Crouse, General Manager  
Subject: General Manager's Report

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The following are highlights since our last Board Meeting.

### **EMPLOYEE RELATIONS**

A Request for Proposal was sent out for the District to hire a recruiter to conduct a search for the new General Manager. The Personnel Committee reviewed the proposals and will be making a recommendation to the Board in January.

New employee co-pay and benefit deductions went into effect January 1, 2014 and were reflected in last week's payroll.

### **FINANCE/IT**

Darlene has been meeting with the managers bi-weekly to work through preliminary budgets. Drafts are completed with projected expenditure through the end of FY 13/14.

### **SECURITY**

The new Patrol Officer, Gary Tipton, completed his training and is now working swing shift on his own.

Chief Remson has been meeting with Rancho Murieta Association (RMA) and John Sullivan on the new North Gate design and lane layout. So far, John seems amenable to our suggestions and we look forward to a robust North Gate and entry project, which will meet full build out needs.

### **WATER**

While our plant production is low at 1.1 mgd, which is good news, December production crept up by 100,000 gpd, which is bad news. We attribute the increase in production to the current dry spell and predictions of it continuing for the foreseeable future.

Our reservoirs are at roughly 2,900 AF or 60% of full capacity. Forecasts predict a dry rainfall season although we are hopeful of late season rainfall and snow pack to fill the reservoirs. However, given the dry forecast though, as a hedging strategy we will likely begin diversions as soon as we can to stay ahead of the curve for filling the reservoirs. Recall our normal yearly diversions are generally around 2,000-2,200 AF for the 5-month window from January to the end of May.

## **WASTEWATER**

Flows to the plant dropped to below .36 mgd; likely due to the lack of rainfall, induced infiltration, and inflow. This means less storage next year for recycled water production.

With the recycled water plant off line, staff's attention has been on collection maintenance.

## **DRAINAGE**

The CIA Ditch flows to downstream ranchers have started back up. Staff stopped ditch clearing and preventative maintenance, cleaning of ditches and drainage facilities for the winter season.

## **SOLID WASTE**

Nothing new to report on the collection side.

## **ENGINEERING**

### **Augmentation Well**

Dunn Environmental has begun designing the production wells. We are waiting for a firm project schedule and updated task orders for the work. However, given the dry year predictions, we gave Dunn an end date of construction and well start up of September 1. We think that is a workable schedule and have contingencies in case portions of the project, namely SMUD power and or pipeline construction, are not ready.

### **Hotel Water Service Agreement**

The new Fee and Service Agreement for all lands controlled and/or owned by Cosumnes River Land and their partners was signed and the District has received a check for \$180,000 on December 31, 2013. Staff is working with Sacramento County DERA and Sacramento County Planning Department regarding our approvals of provisional will serves for the hotel site.

### **Recycled Standards/Title 22 Report/Master Recycled Water Permit Application**

The Report of Waste Discharge is now complete, as it is the last report in support of our Master Reclamation Permit (MRP) Application. The MRP application was submitted to the Regional Board December 20, 2013.

We are working with Kevin Kennedy on scheduling check in dates with California Department of Public Health (CDPH) and the Regional Board to keep the permit moving.

AECOM will begin a programmatic level CEQA document for the permitting. We understand this effort needs to be finished by summer.

### **670 Financing and Services Agreement**

The final Financing and Services Agreement is being circulated to the 670 landowners for review and signature.

**Airport Hanger Expansion Project**

No activity since last month. As reported last month, our plan review comments and accompanying letter were sent to the airport design engineer and the plans were revised to address our comments.

**Murieta Gardens Improvement Plans**

Staff received the revised plans addressing our first set of comments. We will be reviewing and forwarding our comments on the revised plans next week.

**CONSERVATION**

Due to the dry year, the Board will receive a drought planning update at the January Board meeting. The Board will discuss the possibility of tiered pricing and mandatory water conservation.



## MEMORANDUM

Date: January 10, 2014  
 To: Board of Directors  
 From: Darlene Gillum, Assistant General Manager  
 Subject: Administration/Financial Reports

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Enclosed is a combined financial summary report for **December 2013**. Following are highlights from various internal financial reports. Please feel free to call me before the Board meeting regarding any questions you may have relating to these reports.

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

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

12 month rolling % increase		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Residences	0.0	2,513	2,513	2,513	2,513	2,513	2,513						
Weighted average		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cubic Feet	2,282	3074	2996	2932	2114	1633	942						
Gallons per day	569	766	747	731	527	407	235						
Planning Usage GPD	583												

**Lock-Offs** - For the month of December, there were 18 lock-offs.

**Aging Report** – Delinquent accounts total \$62,182 which is 12.7% of the total accounts receivable balance of \$490,352. Past due receivables, as a percent of total receivables, have increased by 1.2% since November.

**Summary of Reserve Accounts as of December 31, 2013** – The District’s reserve accounts have increased \$539,264, year to date, since July 1, 2013. The increase is due to the reserve amounts collected in the Water and Sewer base rates, approved fund balance transfers, and interest earned. The District has expended \$525,796 of reserves since the beginning of the fiscal year, which started July 1, 2013. The total amount of reserves held by the District as of December 31, 2013 is \$8,793,400. Please see the Reserve Fund Balances table below for information by specific reserve account.

**Reserve Fund Balances**

<i>Reserve Descriptions</i>	<i>Fiscal Yr Beg Balance July 1, 2013</i>	<i>YTD Collected &amp; Interest Earned</i>	<i>YTD Spent</i>	<i>Period End Balance Dec 31, 2013</i>
Water Capital Replacement (200-2505)	2,682,621	114,587	(188,098)	2,609,110
Sewer Capital Replacement (250-2505)	2,869,146	145,108	(267,080)	2,747,174
Drainage Capital Replacement (260-2505)	26,834	50,013	(18,922)	57,925
Security Capital Replacement (500-2505)	51,315	50,031	(0)	101,346
Admin Capital Replacement (xxx-2505-99)	0	38,380	0	38,380
Sewer Capital Improvement Connection (250-2500)	4,008	3	(0)	4,011
Capital Improvement (xxx-2510)	392,601	282	(0)	392,883
Water Supply Augmentation (200-2511)	2,448,725	1,558	(51,696)	2,398,587
Water Debt Service Reserves (200-2512)	139,260	87,281	(0)	226,541
Sewer Debt Service Reserves (250-2512)	163,116	52,019	(0)	215,135
Rate Stabilization (200/250/500-2515)	2,306	2	(0)	2,308
<b>Total Reserves</b>	<b>8,779,932</b>	<b>539,264</b>	<b>(525,796)</b>	<b>8,793,400</b>

**PARS GASB 45 Trust** - The PARS GASB 45 Trust, which is the investment trust established to fund Other Post Employment Benefits, had the following returns:

Period ended November 30, 2013		
1-Month	3-Months	1-Year
1.34%	6.99%	15.19%

**Financial Summary Report (year to date through December 31, 2013)**

**Revenues:**

**Water Charges**, year-to-date, are **above** budget \$42,124 or 4.3%

**Sewer Charges**, year-to-date, are **below** budget \$253 or (0.0%)

**Drainage Charges**, year-to-date, are **below** budget \$242 or (0.3%)

**Security Charges**, year-to-date, are **below** budget \$3 or (0.0%)

**Solid Waste Charges**, year-to-date, are **below** budget \$18 or (0.0%)

**Total Revenues**, which includes other income, property taxes and interest income year-to-date, are **above** budget \$60,887 or 2.1% (due to \$16,829 of late charges and transfer fees and \$42,124 in Water Charges exceeding budget projections). Year to date residential Water usage has exceeded budget projections by 9.2% and year to date commercial Water usage is has exceeded budget projections by 1.8%.

**Expenses: Year-to-date total operating expenses are below budget \$142,397 or 5.3%. Year-to-date operational reserve expenditures total \$18,922.** Operational reserve expenditures cover projects funded from reserves which are also recorded as operational expenses through the income statement as required by Generally Accepted Accounting Principles (GAAP).

**Water Expenses**, year-to-date, are **below budget \$1,356 or (0.2%), prior to reserve expenditures**. Wages are over budget due to the combined effect of the open Utility Worker position, which is now filled, and the actual allocation variance between Water, Sewer and Drainage. Employer Costs are over budget due to the combination of the open Utility Worker position, Medical Opt Out contingency under-run and the variance between the actual allocation of labor charges between Water, Sewer and Drainage and the projected budget allocations. Taste & Oder Chemicals, Water Meters and Permits are the largest areas running below budget. Power, Maintenance and Repair, Equipment Rental and Other Direct Costs (due primarily to Dam Inspection actual costs being incurred prior to the anticipated timing within the budget) are the largest areas running over budget. Year-to-date \$0 of expenses have been incurred from reserves expenditures.

**Sewer Expenses**, year-to-date, are **below budget by \$80,653 or (15.8%), prior to reserve expenditures**. Areas running over budget are Chemicals and permits. Wages are under budget due to the combined effect of the open Utility Worker position, which is now filled, and the actual allocation variance between Water, Sewer and Drainage. Employer Costs are under budget due to the combination of the open Utility Worker position, Medical Opt Out contingency under-run and the variance between the actual allocation of labor charges between Water, Sewer and Drainage and the projected budget allocations. Other areas running below budget are Power, Maintenance & Repair, Training/Safety, Equipment Rental and Other Direct Costs (which includes Vehicle Maintenance, Legal and Consulting). Year-to-date \$0 of expenses have been incurred from reserves expenditures.

**Drainage Expenses**, year-to-date, are **below budget by \$17,511 or (24.3%)**. All areas are running below budget with Power, Equipment Rental and Other Direct Costs (which includes Consulting and Drainage Flood Work) being the largest areas of under-run.

**Security Expenses**, year-to-date, are **below budget by \$26,258 or (5.1%)**. Areas running over budget are Equipment Repairs and Vehicle Maintenance. Wages and Employer Costs are running under budget due to the open Patrol Officer position, which is now filled, and a Patrol Officer who was out on a Workers' Comp injury. Areas running below budget are Vehicle Fuel and Other (which includes Telephones, Barcodes, IT System Maintenance and Vehicle Lease).

**Solid Waste Expenses**, year-to-date, are **below budget by \$11,199 or (3.7%)**. The under-run is related to the Household Hazardous Waste Event budget of 50% of the bi-annual collection event. The budget is planned to collect 50% of the cost of the event every year while the event is planned to be held bi-annually.

**General Expenses**, year-to-date, are **below budget by \$5,421 or (1.0%)**. The largest areas running over budget are Insurance (due to the increase in our appraised property value), Office Supplies (related to the purchase of the new billing statement stock), Community Communications (related to website updates/upgrades) and Other (which includes Temp Clerical, Copy Machine Maintenance, and Consulting (related to the 360 Degree Evaluation Survey). Areas running below budget are Employer Costs, Director Meetings, Postage, Legal, and IT Systems Maintenance (which is related to timing between budget and actual expenditures for some annual maintenance renewals).

**Net Income:** Year-to-date unadjusted net income, before depreciation, is \$375,668. Net income/(Loss) adjusted for estimated depreciation expense of \$459,477 is (\$83,809).

The YTD expected net operating income before depreciation, per the 2013-2014 budget, is \$201,734. The actual net operating income is \$203,284 higher than the budget expectation due to revenue running \$60,887 over budget and total operating expenses running under budget \$142,397.

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

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE	
							Amount	%
<b>REVENUES</b>								
Water Charges	31.7%	\$1,775,230	34.0%	\$983,640	\$1,025,764	34.7%	\$42,124	4.3%
Sewer Charges	22.1%	1,237,740	21.4%	618,666	618,413	20.9%	(253)	0.0%
Drainage Charges	3.2%	180,430	3.1%	90,210	89,968	3.0%	(242)	(0.3%)
Security Charges	21.2%	1,185,510	20.5%	592,752	592,749	20.1%	(3)	0.0%
Solid Waste Charges	11.1%	621,072	10.7%	310,536	310,518	10.5%	(18)	0.0%
Other Income	1.7%	92,550	1.6%	45,486	64,835	2.2%	19,349	42.5%
Interest Earnings	0.0%	1,140	0.0%	568	498	0.0%	(70)	(12.3%)
Property Taxes	9.0%	502,800	8.7%	251,400	251,400	8.5%		0.0%
<b>Total Revenues</b>	<b>100.0%</b>	<b>5,596,472</b>	<b>100.0%</b>	<b>2,893,258</b>	<b>2,954,145</b>	<b>100.0%</b>	<b>60,887</b>	<b>2.1%</b>
<b>OPERATING EXPENSES</b>								
<b>Water/Sewer/Drainage</b>								
Wages	14.5%	809,730	13.9%	374,000	361,617	14.2%	(12,383)	(3.3%)
Employer Costs	6.9%	385,450	6.8%	182,152	177,419	7.0%	(4,733)	(2.6%)
Power	5.8%	325,510	5.7%	152,946	146,253	5.7%	(6,693)	(4.4%)
Chemicals	4.3%	240,200	4.6%	124,245	98,741	3.9%	(25,504)	(20.5%)
Maint & Repair	6.2%	345,470	6.2%	167,670	149,419	5.9%	(18,251)	(10.9%)
Meters/Boxes	1.0%	54,000	0.9%	23,500	15,835	0.6%	(7,665)	(32.6%)
Lab Tests	1.3%	74,250	1.2%	33,250	35,144	1.4%	1,894	5.7%
Permits	1.1%	64,300	1.8%	47,300	43,150	1.7%	(4,150)	(8.8%)
Training/Safety	0.4%	21,700	0.4%	11,125	9,282	0.4%	(1,843)	(16.6%)
Equipment Rental	0.8%	43,500	0.8%	21,500	20,016	0.8%	(1,484)	(6.9%)
Other	7.0%	394,010	6.2%	167,828	149,121	5.8%	(18,707)	(11.1%)
<b>Subtotal Water/Sewer/Drainage</b>	<b>49.3%</b>	<b>2,758,120</b>	<b>48.5%</b>	<b>1,305,516</b>	<b>1,205,997</b>	<b>47.3%</b>	<b>(99,519)</b>	<b>(7.6%)</b>
<b>Security</b>								
Wages	11.2%	625,100	10.8%	290,100	286,528	11.2%	(3,572)	(1.2%)
Employer Costs	6.7%	374,700	6.6%	176,850	156,660	6.1%	(20,190)	(11.4%)
Off Duty Sheriff Patrol	0.1%	6,000	0.1%	3,000	3,057	0.1%	57	1.9%
Other	1.7%	94,700	1.7%	46,376	43,823	1.7%	(2,553)	(5.5%)
<b>Subtotal Security</b>	<b>19.7%</b>	<b>1,100,500</b>	<b>19.2%</b>	<b>516,326</b>	<b>490,068</b>	<b>19.2%</b>	<b>(26,258)</b>	<b>(5.1%)</b>
<b>Solid Waste</b>								
CWRS Contract	9.7%	543,000	10.1%	271,500	272,329	10.7%	829	0.3%
Sacramento County Admin Fee	0.6%	34,680	0.6%	17,340	17,312	0.7%	(28)	(0.2%)
HHW Event	0.2%	12,000	0.4%	12,000		0.0%	(12,000)	(100.0%)
<b>Subtotal Solid Waste</b>	<b>10.5%</b>	<b>589,680</b>	<b>11.2%</b>	<b>300,840</b>	<b>289,641</b>	<b>11.4%</b>	<b>(11,199)</b>	<b>(3.7%)</b>
<b>General / Admin</b>								
Wages	9.5%	534,200	9.3%	251,600	245,946	9.6%	(5,654)	(2.2%)
Employer Costs	5.2%	292,300	5.2%	140,251	127,329	5.0%	(12,922)	(9.2%)
Insurance	0.8%	45,000	0.8%	22,506	32,305	1.3%	9,799	43.5%
Legal	0.4%	25,000	0.4%	12,000	8,711	0.3%	(3,289)	(27.4%)
Office Supplies	0.3%	19,200	0.4%	9,600	14,121	0.6%	4,521	47.1%
Director Meetings	0.3%	18,000	0.3%	9,012	6,100	0.2%	(2,912)	(32.3%)
Telephones	0.1%	4,620	0.1%	2,304	2,289	0.1%	(15)	(0.7%)
Information Systems	1.4%	79,000	1.9%	51,686	38,128	1.5%	(13,558)	(26.2%)
Community Communications	0.1%	5,900	0.1%	2,700	4,533	0.2%	1,833	67.9%
Postage	0.4%	21,780	0.4%	10,890	9,839	0.4%	(1,051)	(9.7%)
Janitorial/Landscape Maint	0.3%	16,800	0.3%	8,400	8,915	0.3%	515	6.1%
Other	1.5%	86,500	1.8%	47,893	65,205	2.6%	17,312	36.1%
<b>Subtotal General / Admin</b>	<b>20.5%</b>	<b>1,148,300</b>	<b>21.1%</b>	<b>568,842</b>	<b>563,421</b>	<b>22.1%</b>	<b>(5,421)</b>	<b>(1.0%)</b>
<b>Total Operating Expenses</b>	<b>100.0%</b>	<b>5,596,600</b>	<b>100.0%</b>	<b>2,691,524</b>	<b>2,549,127</b>	<b>100.0%</b>	<b>(142,397)</b>	<b>(5.3%)</b>
<b>Operating Income (Loss)</b>	<b>100.0%</b>	<b>(128)</b>	<b>100.0%</b>	<b>201,734</b>	<b>405,018</b>	<b>100.0%</b>	<b>203,284</b>	<b>100.8%</b>
<b>Non-Operating Expenses</b>								
Drainage Reserve Expenditure	0.0%		0.0%		18,922	100.0%	18,922	0.0%
<b>Total Non-Operating Expenses</b>	<b>0.0%</b>		<b>0.0%</b>		<b>18,922</b>	<b>100.0%</b>	<b>18,922</b>	<b>0.0%</b>
<b>Net Income (Loss)</b>	<b>100.0%</b>	<b>(128)</b>	<b>100.0%</b>	<b>201,734</b>	<b>386,096</b>	<b>100.0%</b>	<b>184,362</b>	<b>91.4%</b>

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

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE Amount %	
<b>WATER</b>								
<b>REVENUES</b>								
Water Charges	98.7%	\$1,775,230	98.8%	\$983,640	\$1,025,764	98.4%	\$42,124	4.3%
Interest Earnings	0.0%	80	0.0%	40	60	0.0%	20	50.0%
Other Income	1.3%	23,830	1.2%	11,916	16,990	1.6%	5,074	42.6%
<b>Total Water Revenues</b>	<b>100.0%</b>	<b>1,799,140</b>	<b>100.0%</b>	<b>995,596</b>	<b>1,042,814</b>	<b>100.0%</b>	<b>47,218</b>	<b>4.7%</b>
<b>EXPENSES (excluding depreciation)</b>								
Wages	28.2%	437,250	28.0%	201,960	212,191	29.5%	10,231	5.1%
Employer Costs	13.4%	208,130	13.6%	98,362	103,160	14.3%	4,798	4.9%
Power	10.7%	166,050	9.5%	68,451	70,991	9.9%	2,540	3.7%
Chemicals	8.0%	124,500	8.7%	62,485	60,535	8.4%	(1,950)	(3.1%)
T&O - Chemicals/Treatment	3.3%	51,000	4.4%	31,900	11,686	1.6%	(20,214)	(63.4%)
Maint & Repair	10.4%	161,070	11.5%	83,170	90,406	12.6%	7,236	8.7%
Meters/Boxes	3.5%	54,000	3.3%	23,500	15,835	2.2%	(7,665)	(32.6%)
Lab Tests	2.3%	36,000	2.1%	15,000	16,297	2.3%	1,297	8.6%
Permits	2.1%	32,000	2.1%	15,000	9,584	1.3%	(5,416)	(36.1%)
Training/Safety	0.5%	7,500	0.5%	3,650	3,858	0.5%	208	5.7%
Equipment Rental	1.5%	23,000	1.4%	10,000	16,003	2.2%	6,003	60.0%
Other Direct Costs	16.2%	251,070	15.0%	108,102	109,678	15.2%	1,576	1.5%
<b>Operational Expenses</b>	<b>100.0%</b>	<b>1,551,570</b>	<b>100.0%</b>	<b>721,580</b>	<b>720,224</b>	<b>100.0%</b>	<b>(1,356)</b>	<b>(0.2%)</b>
<b>Water Income (Loss)</b>	<b>16.0%</b>	<b>247,570</b>	<b>38.0%</b>	<b>274,016</b>	<b>322,590</b>	<b>44.8%</b>	<b>48,574</b>	<b>17.7%</b>
<b>38.9% Net Admin Alloc</b>	<b>16.0%</b>	<b>247,570</b>	<b>16.9%</b>	<b>121,990</b>	<b>118,267</b>	<b>16.4%</b>	<b>(3,723)</b>	<b>(3.1%)</b>
<b>Total Net Income (Loss)</b>	<b>0.0%</b>		<b>21.1%</b>	<b>152,026</b>	<b>204,323</b>	<b>28.4%</b>	<b>52,297</b>	<b>34.4%</b>
<b>SEWER</b>								
<b>REVENUES</b>								
Sewer Charges	98.7%	1,237,740	98.7%	618,666	618,413	98.3%	(253)	0.0%
Interest Earnings	0.0%	140	0.0%	66	70	0.0%	4	6.1%
Other Income	1.3%	15,990	1.3%	7,992	10,397	1.7%	2,405	30.1%
<b>Total Sewer Revenues</b>	<b>100.0%</b>	<b>1,253,870</b>	<b>100.0%</b>	<b>626,724</b>	<b>628,880</b>	<b>100.0%</b>	<b>2,156</b>	<b>0.3%</b>
<b>EXPENSES (excluding depreciation)</b>								
Wages	29.7%	315,800	28.5%	145,860	125,660	29.1%	(20,200)	(13.8%)
Employer Costs	14.1%	150,330	13.9%	71,039	62,778	14.6%	(8,261)	(11.6%)
Power	13.5%	143,960	14.9%	76,235	69,223	16.0%	(7,012)	(9.2%)
Chemicals	6.6%	70,300	6.4%	32,660	35,680	8.3%	3,020	9.2%
Maint & Repair	16.2%	172,500	15.3%	78,500	53,921	12.5%	(24,579)	(31.3%)
Lab Tests	3.6%	38,250	3.6%	18,250	18,847	4.4%	597	3.3%
Permits	2.6%	27,300	5.3%	27,300	28,702	6.7%	1,402	5.1%
Training/Safety	1.3%	14,200	1.5%	7,475	5,424	1.3%	(2,051)	(27.4%)
Equipment Rental	1.5%	16,000	1.6%	8,000	2,602	0.6%	(5,398)	(67.5%)
Other Direct Costs	10.9%	116,240	9.1%	46,676	28,505	6.6%	(18,171)	(38.9%)
<b>Operational Expenses</b>	<b>100.0%</b>	<b>1,064,880</b>	<b>100.0%</b>	<b>511,995</b>	<b>431,342</b>	<b>100.0%</b>	<b>(80,653)</b>	<b>(15.8%)</b>
<b>Sewer Income (Loss)</b>	<b>17.7%</b>	<b>188,990</b>	<b>22.4%</b>	<b>114,729</b>	<b>197,538</b>	<b>45.8%</b>	<b>82,809</b>	<b>72.2%</b>
<b>29.7% Net Admin Alloc</b>	<b>17.8%</b>	<b>189,020</b>	<b>18.2%</b>	<b>93,345</b>	<b>90,297</b>	<b>20.9%</b>	<b>(3,048)</b>	<b>(3.3%)</b>
<b>Total Net Income (Loss)</b>	<b>0.0%</b>	<b>(30)</b>	<b>4.2%</b>	<b>21,384</b>	<b>107,241</b>	<b>24.9%</b>	<b>85,857</b>	<b>401.5%</b>
<b>DRAINAGE</b>								
<b>REVENUES</b>								
Drainage Charges	100.0%	180,430	100.0%	90,210	89,968	100.0%	(242)	(0.3%)
Interest Earnings	0.0%	30	0.0%	14	30	0.0%	16	114.3%
<b>Total Drainage Revenues</b>	<b>100.0%</b>	<b>180,460</b>	<b>100.0%</b>	<b>90,224</b>	<b>89,998</b>	<b>100.0%</b>	<b>(226)</b>	<b>(0.3%)</b>
<b>EXPENSES (excluding depreciation)</b>								
Wages	40.0%	56,680	36.4%	26,180	23,766	43.7%	(2,414)	(9.2%)
Employer Costs	19.1%	26,990	17.7%	12,751	11,481	21.1%	(1,270)	(10.0%)
Power	10.9%	15,500	11.5%	8,260	6,039	11.1%	(2,221)	(26.9%)
Chemicals	3.8%	5,400	3.8%	2,700	1,418	2.6%	(1,282)	(47.5%)
Maint & Repair	8.4%	11,900	8.3%	6,000	5,092	9.4%	(908)	(15.1%)
Permits	3.5%	5,000	7.0%	5,000	4,864	8.9%	(136)	(2.7%)
Equipment Rental	3.2%	4,500	4.9%	3,500	1,411	2.6%	(2,089)	(59.7%)
Other Direct Costs	11.1%	15,700	10.5%	7,550	359	0.7%	(7,191)	(95.2%)
<b>Operational Expenses</b>	<b>100.0%</b>	<b>141,670</b>	<b>100.0%</b>	<b>71,941</b>	<b>54,430</b>	<b>100.0%</b>	<b>(17,511)</b>	<b>(24.3%)</b>
<b>Drainage Income (Loss)</b>	<b>27.4%</b>	<b>38,790</b>	<b>25.4%</b>	<b>18,283</b>	<b>35,568</b>	<b>65.3%</b>	<b>17,285</b>	<b>94.5%</b>
<b>6.1% Net Admin Alloc</b>	<b>27.4%</b>	<b>38,820</b>	<b>26.6%</b>	<b>19,125</b>	<b>18,546</b>	<b>34.1%</b>	<b>(579)</b>	<b>(3.0%)</b>
<b>Reserve Expenditures</b>	<b>0.0%</b>		<b>0.0%</b>		<b>18,922</b>	<b>34.8%</b>	<b>18,922</b>	<b>0.0%</b>
<b>Total Net Income (Loss)</b>	<b>0.0%</b>	<b>(30)</b>	<b>-1.2%</b>	<b>(842)</b>	<b>(1,900)</b>	<b>-3.5%</b>	<b>(1,058)</b>	<b>125.7%</b>
<b>SECURITY</b>								
<b>REVENUES</b>								
Security Charges	96.4%	1,185,510	96.4%	592,752	592,749	95.2%	(3)	0.0%
Interest Earnings	0.0%	410	0.0%	208	161	0.0%	(47)	(22.6%)
Other Income	3.6%	43,730	3.6%	21,966	29,535	4.7%	7,569	34.5%
<b>Total Security Revenues</b>	<b>100.0%</b>	<b>1,229,650</b>	<b>100.0%</b>	<b>614,926</b>	<b>622,445</b>	<b>100.0%</b>	<b>7,519</b>	<b>1.2%</b>

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

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE	
							Amount	%
<b>EXPENSES (excluding depreciation)</b>								
Wages	56.8%	\$625,100	56.2%	\$290,100	\$286,528	58.5%	(\$3,572)	(1.2%)
Employer Costs	34.0%	374,700	34.3%	176,850	156,660	32.0%	(20,190)	(11.4%)
Equipment Repairs	0.4%	4,400	0.4%	2,202	6,636	1.4%	4,434	201.4%
Vehicle Maintenance	0.6%	6,700	0.6%	3,350	7,982	1.6%	4,632	138.3%
Vehicle Fuel	1.9%	20,560	1.9%	9,830	8,573	1.7%	(1,257)	(12.8%)
Off Duty Sheriff Patrol	0.5%	6,000	0.6%	3,000	3,057	0.6%	57	1.9%
Other	5.7%	63,040	6.0%	30,994	20,632	4.2%	(10,362)	(33.4%)
<b>Operational Expenses</b>	<b>100.0%</b>	<b>1,100,500</b>	<b>100.0%</b>	<b>516,326</b>	<b>490,068</b>	<b>100.0%</b>	<b>(26,258)</b>	<b>(5.1%)</b>
<b>Security Income (Loss)</b>	<b>11.7%</b>	<b>129,150</b>	<b>19.1%</b>	<b>98,600</b>	<b>132,377</b>	<b>27.0%</b>	<b>33,777</b>	<b>34.3%</b>
<b>20.3% Net Admin Alloc</b>	<b>11.7%</b>	<b>129,190</b>	<b>12.3%</b>	<b>63,644</b>	<b>61,718</b>	<b>12.6%</b>	<b>(1,926)</b>	<b>(3.0%)</b>
<b>Total Net Income (Loss)</b>	<b>0.0%</b>	<b>(40)</b>	<b>6.8%</b>	<b>34,956</b>	<b>70,659</b>	<b>14.4%</b>	<b>35,703</b>	<b>102.1%</b>
<b>SOLID WASTE REVENUES</b>								
Solid Waste Charges	99.9%	621,072	99.9%	310,536	310,518	100.0%	(18)	0.0%
Interest Earnings	0.1%	400	0.1%	200	99	0.0%	(101)	(50.5%)
<b>Total Solid Waste Revenues</b>	<b>100.0%</b>	<b>621,472</b>	<b>100.0%</b>	<b>310,736</b>	<b>310,617</b>	<b>100.0%</b>	<b>(119)</b>	<b>0.0%</b>
<b>EXPENSES (excluding depreciation)</b>								
CWRS Contract	92.1%	543,000	90.2%	271,500	272,329	94.0%	829	0.3%
Sacramento County Admin Fee	5.9%	34,680	5.8%	17,340	17,312	6.0%	(28)	(0.2%)
HHW Event	2.0%	12,000	4.0%	12,000		0.0%	(12,000)	(100.0%)
<b>Operational Expenses</b>	<b>100.0%</b>	<b>589,680</b>	<b>100.0%</b>	<b>300,840</b>	<b>289,641</b>	<b>100.0%</b>	<b>(11,199)</b>	<b>(3.7%)</b>
<b>Solid Waste Income (Loss)</b>	<b>5.4%</b>	<b>31,792</b>	<b>3.3%</b>	<b>9,896</b>	<b>20,976</b>	<b>7.2%</b>	<b>11,080</b>	<b>112.0%</b>
<b>5.0% Net Admin Alloc</b>	<b>5.4%</b>	<b>31,820</b>	<b>5.2%</b>	<b>15,686</b>	<b>15,202</b>	<b>5.2%</b>	<b>(484)</b>	<b>(3.1%)</b>
<b>Total Net Income (Loss)</b>	<b>0.0%</b>	<b>(28)</b>	<b>-1.9%</b>	<b>(5,790)</b>	<b>5,774</b>	<b>2.0%</b>	<b>11,564</b>	<b>(199.7%)</b>
<b>OVERALL NET INCOME(LOSS)</b>	<b>100.0%</b>	<b>(128)</b>	<b>100.0%</b>	<b>201,734</b>	<b>386,097</b>	<b>100.0%</b>	<b>184,363</b>	<b>91.4%</b>

# RANCHO MURIETA COMMUNITY SERVICES DISTRICT

## INVESTMENT REPORT

CASH BALANCE AS OF DECEMBER 31, 2013

INSTITUTION	YIELD	BALANCE
<b>CSD FUNDS</b>		
<b>EL DORADO SAVINGS BANK</b>		
SAVINGS	0.03%	\$ 386,584.58
CHECKING	0.02%	\$ 11,068.19
PAYROLL	0.02%	\$ 62,501.37
<b>AMERICAN WEST BANK</b>		
EFT	0.05%	\$ 18,798.85
<b>LOCAL AGENCY INVESTMENT FUND (LAIF)</b>		
UNRESTRICTED		\$ -
RESTRICTED RESERVES	0.26%	\$ 5,686,168.71
<b>CALIFORNIA ASSET MGMT (CAMP)</b>		
OPERATION ACCOUNT	0.06%	\$ 3,596,200.29
<b>UNION BANK</b>		
PARS GASB45 TRUST (balance as of 11/30/13)		\$ 52,915.51
<b>TOTAL</b>		<b>\$ 9,814,237.50</b>

### BOND FUNDS

#### COMMUNITY FACILITIES DISTRICT NO. 1 (CFD)

<b>BANK OF AMERICA</b>		
CHECKING	N/A	\$ 161,559.45
<b>CALIFORNIA ASSET MGMT (CAMP)</b>		
SPECIAL TAX	0.06%	\$ 8,301.33
<b>US BANK</b>		
SPECIAL TAX REFUND	0.00%	\$ -
BOND RESERVE FUND/ SPECIAL TAX FUND	0.00%	\$ -
<b>TOTAL</b>		<b>\$ 169,860.78</b>
<b>TOTAL ALL FUNDS</b>		<b>\$ 9,984,098.28</b>

The investments comply with the CSD adopted investment policy.

PREPARED BY: Darlene Gillum  
Assistant General Manager



## MEMORANDUM

Date: January 8, 2014  
To: Board of Directors  
From: Greg Remson, Security Chief  
Subject: Security Report for the Month of December 2013

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### **OPERATIONS**

Gary Tipton, the new Security Patrol Officer, has completed patrol training. He is presently assigned to swing shift and is doing well.

New Years Eve was quiet. There were no major calls for service or loud party calls.

### **INCIDENTS OF NOTE**

December 7, Saturday, reported at 1:40 a.m. on Guadalupe Drive. Lawn job to front yard. Continuing issue.

December 14, Saturday, reported at 5:30 p.m. at Stonehouse Park. Theft of a cell phone from basketball area.

December 14, Saturday, reported at 8:31 p.m. on Guadalupe Drive. Hit and run to guest vehicle parked in the street.

December 17, Tuesday, reported at 2:02 p.m. on Guadalupe Drive. Theft of a front door mat.

December 21, Saturday, reported at 5:35 p.m. on Conejo. Theft of two (2) packages that were left on the front porch.

December 28, Saturday, reported at 8:30 p.m. at the Gazebo. A Security Patrol Officer was on foot and heard projectiles hitting all around him. Further investigation found that two (2) 17 year old residents were negligently shooting a Co2 powered BB gun in the area. Parents were notified and a Rancho Murieta Association (RMA) Rule violation notice was issued. Later damage to signs, possibly by BBs were found in the area.

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

### **RANCHO MURIETA ASSOCIATION COMPLIANCE/GRIEVANCE/SAFETY COMMITTEE MEETING**

The meeting was held on December 2, 2013 at the Rancho Murieta Association (RMA) office. There were two (2) letters submitted regarding driveway parking. The next meeting is scheduled for January 6, 2014.

**JOINT SECURITY COMMITTEE MEETING**

The next Joint Security Committee Meeting has not been scheduled.

**JAMES L. NOLLER SAFETY CENTER**

Nothing to report.

**NEW NORTH GATE**

The committee met on December 17, 2013 with John Sullivan's design group, who had updates to the plan. There were additional comments to that plan. The newest version was given to the committee this week, and a meeting will be scheduled soon to possibly present cost estimates.

**BEACH ACCESS/PTF GATES**

Nothing to report.

## MEMORANDUM

Date: January 9, 2014  
To: Board of Directors  
From: Paul Siebensohn, Director of Field Operations  
Subject: Water/Wastewater/Drainage Report

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

### **WATER**

Water production is in winter demand mode. Water Treatment Plant #1 production is set at 1.1 million gallons per day (MGD) and Plant #2 is off for winter maintenance. Plant #1 was set at 0.9 MGD before Christmas; however, it appears people have begun irrigating again; therefore, we had to raise the flow to 1.1 MGD.

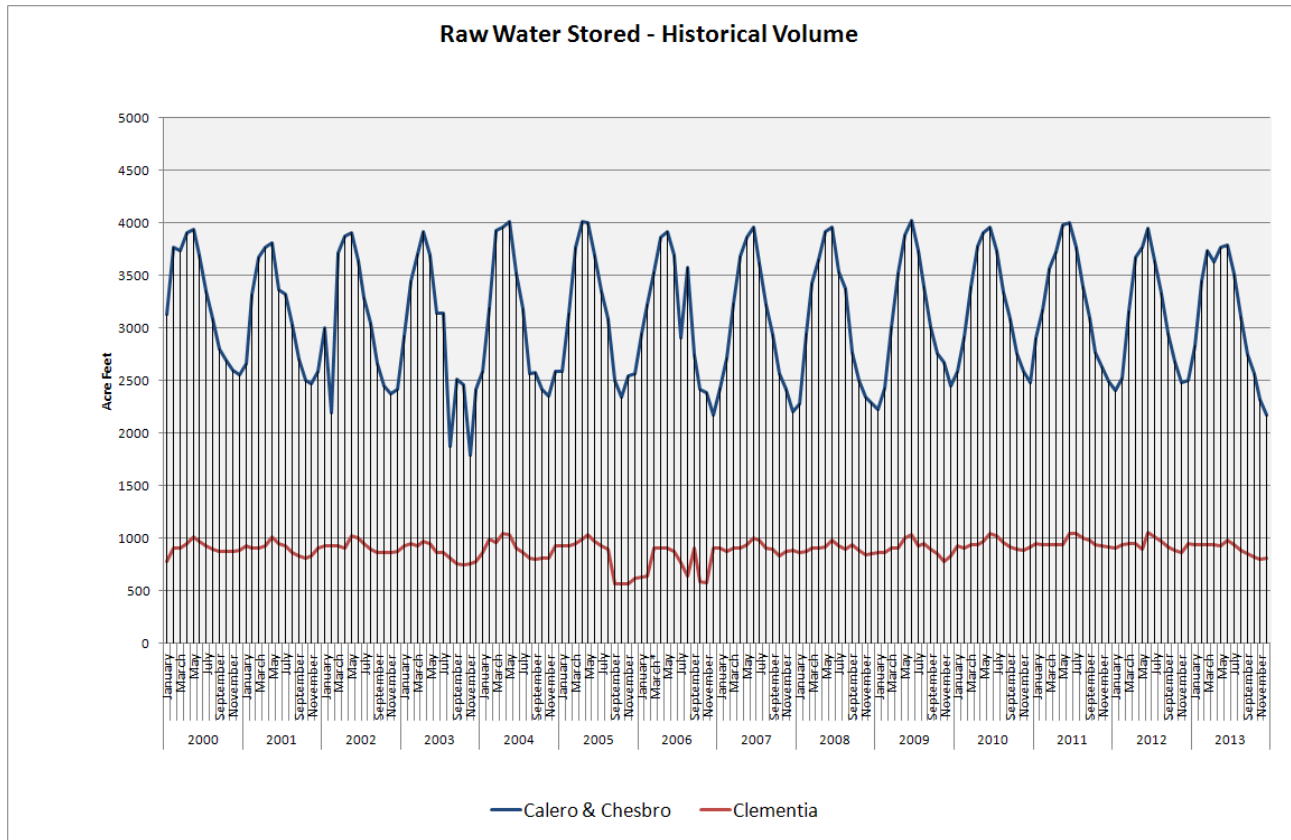
Total potable water production for December 2013 was approximately 28.81 million gallons (MG), or 88.4 acre-feet. Based off of production versus number of connections, the average usage per customer connection was 355 gallons per day (gpd) during December 2013, vs. 231 gpd in December 2012. A dismal total of 0.36" of rainfall was recorded for the month with evaporation at 1.32" as measured by the U.S. Bureau of Reclamation at Folsom Lake.

### **WATER SOURCE OF SUPPLY**

On January 1, 2014, the combined raw water storage for Calero, Chesbro, and Clementia Reservoirs measured approximately 969.2 MG (2,974.5 acre-feet). For Calero and Chesbro alone the storage measured 678.03 MG (2080.8 acre-feet). For reference, an average year's demand has been 581 MG (1802 acre-feet). This has been the driest year on record with only 6.16" of rain having been received for the 2013 calendar year.

The filling of our potable water supply reservoirs comes from direct rainfall and diversions from the Cosumnes River, which starts November 1 and ends by May 31 each year, as long as the river flows are maintained above 70 cfs. Only up to 6 cfs (1 – 125hp pump) can be diverted when the flow is between 70 and 174 cfs and up to 46 cfs when river flow is above 174 cfs. The Cosumnes River flow has been maintaining around 22 cubic feet per second (cfs). If by February 1, 2014, we have not diverted 400 acre-feet of water to storage, we may divert up to 46 cubic feet per second if the river is above 70 cfs. If we have not pumped at least 400 Ac-Ft. by February 1, we may divert up to 46 cfs during February if the river flow is above 70 cfs. If on March 1 we have not diverted at least 2,000 Ac-Ft., we may divert up to 46 cfs during the month of March if the river flow is above 70 cfs. If on April 1 we have not diverted at least 4,400 Ac-Ft., we may divert up to 46 cfs for the rest of the season if the river flow is above 70 cfs.

Below is a graph of the water stored in Calero and Chesbro, and Clementia separated out, since 2000.



Normal operation dictates that we would only run the two (2) 125 hp pumps to save on SMUD power costs, as SMUDs peak power demand carries through on a billing account for twelve (12) months. Each 125 hp pump is rated at 6 cfs (2700 gpm). Each 500 hp pump is rated at 15 cfs (5,834 gpm). Below is a table of approximate pumping rates and SMUD costs for the Granlees Pump Station account and another for estimated pumping times to fill the reservoirs.

Pump	M. Gal/Day	Cost/Day	Cost/30 day mo.	Cost/MG
1 - 125	3.878	\$ 212	\$ 6,360	\$ 55
2 - 125s	7.070	\$ 426	\$ 12,780	\$ 60
1 - 500	9.914	\$ 820	\$ 24,600	\$ 83
2 - 500s	19.829	\$1,643	\$ 49,290	\$ 83

Raw water - What If Calculations									
						With splash boards installed	At regular spill		
		WTP MGD=	1.1		Full Total	5062.9	4660.3	Ac-ft	Using Splashboard Elevation Subtracting current WTP flow
		River Flow	24	cfs	Left to Fill	700.7	572.0	MG	
					Left to Fill	2150.4	1755.4	Ac-ft.	
			125 hp ea.	1 pump @ 2,630 gpm		185.0	151.0	days	230.0 days
Days of Pumping left:	155			2 pumps @ 4,958 gpm		98.1	80.1	days	122.0 days
Target end date:	5/30/2014		500 hp ea.	1 pump @ ~ 6,885 gpm		70.7	57.7	days	87.9 days
				2 pumps @ ~ 13,770 gpm		35.3	28.8	days	43.9 days
				3 pumps @ ~ 20,655 gpm		23.6	19.2	days	29.3 days

Table from 12/25/13

### WASTEWATER TREATMENT, COLLECTION & RECLAMATION

Influent wastewater flow averaged 0.36 million gallons a day, for a total of 11.16 MG, (34.2 acre-feet). Secondary storage measured 43 MG (131.8 acre-feet) on January 1, 2014. Tertiary recycled water is no longer being produced and delivered until next irrigation season. As part of regular collection system maintenance, Utility staff water jetted around 3,000 feet of sewer collection pipe in the South community. Jetting in the North community is on hold until the Main Lift North Sewer Lift Station Project is completed, as we want to avoid debris clogging the temporary bypass pumps set up there.

### DRAINAGE / CIA DITCH

The CIA Ditch flows has been started back up at the request of the Anderson Ranch. Staff is no longer cutting vegetation in the drainage system, allowing it to maintain in its natural state to catch, filter, and slow the velocity of storm water that may be received during the winter months and into spring.

### WATER METERING & UTILITY STAFF WORK

Staff completed all of the necessary water meter maintenance in December which included replacement of eleven (11) water meters, eight (8) MXUs, and three (3) meter registers. Utility staff repaired one (1) District service line water leaks. Also completed were five (5) underground service alert (USA) requests and thirty-five (35) Utility Star service orders.

### OTHER PROJECTS

#### Murieta Gardens

As the Municipal Separate Storm Sewer System (MS4) permit holder, we have been providing the storm water protection inspections for the Murieta Gardens grading project. Minor issues have been brought to the attention of the contractor, Poelman Construction, for dust control and soil tracks out onto the roadway. All Best Management Practices (BMPs) for stormwater pollution prevention control have been in place. The project obtained a hydrant meter from the District for construction water. Infrastructure plans for Murieta Garden 1 & 2 have been received along with paperwork and fees for District review. Of interesting note, the project proposes to use raw water from the CIA ditch for irrigation and to provide liquid propane feed system fed from a main tank to

be located in the northeast corner of the property. Review comments will be provided back shortly.

### **Well Project**

We are moving forward with Dunn Environmental to provide a proposal to produce plans and specifications for bidding the development of a well at the west end of Cantova Way.

### **Water Plant Phase 3**

HDR is finalizing the bid plans and specifications to issue this month for bid. Roebbelen has evaluated the prequalifications received, eight mechanical and eight electrical, and all meet the scoring evaluations. The CEQA Notice of Intent (NOI) to adopt a Mitigated Negative Declaration (MND) is being filed with the County clerk, State Clearing house and posted for a thirty day review period per CEQA guidelines.

### **Main Lift North Rehabilitation Project**

The Main Lift North Rehabilitation Project (MLN) general contractor, TNT Industrial Contractor's Inc., has hired a new coating subcontractor, National Coating & Lining, to apply the cementitious and epoxy coating products in the wet well and manholes for the project. TNT had endeavored to have the coating of the wet wells and manholes completed prior to Christmas, however the flow through bypass they intended to install in one of the manholes was found to be leaking when installed at 1:30 a.m. and would not work. Subsequent issues led to the request of an updated project schedule, which was provided on December 31, 2013, noting the project to be complete by January 24, 2014. At this point, the wet wells are coated and the new slide gates and decking are being installed back at the Main Lift North station, the two (2) manholes need to be rehabbed, doors at MLN and the crane hoist needs to be installed, and painting steel structures needs to take place.



*Standing by at 1:30am while TNT attempted to install a flow-through bypass 12/20/13 in manhole near Country Store*



*Influent channel of Main Lift North sewer pumping station, before and after being repaired with Quadex Aluminaliner*

### **Recycled Water for Future Use**

The Report of Waste Discharge (ROWD) has been submitted to the Regional Water Quality Control Board (RWQCB). Next on the recycled water horizon is to coordinate CEQA for the expansion of recycled water use and working with RWQCB and California Department of Public Health (CDPH) to approve the ROWD and Title 22 Report.

## MEMORANDUM

Date: January 9, 2014  
To: Board of Directors  
From: Edward Crouse, General Manager  
Subject: Presentation on Proposed Highway 16 Relinquishment

---

### **RECOMMENDED ACTION**

Receive presentation - no action needed.

### **BACKGROUND**

Michael Penrose, County of Sacramento Department of Transportation Director (SacDOT) and Charles Field, Amador County Transportation Commission (ACTC) will be presenting their thoughts on the proposed relinquishment of State Route 16 (Jackson Highway), approximately 10 miles of Highway 16 east of State Route 50. Although this does not directly impact the District's area of responsibility, both agencies asked for the opportunity to present their perspective on the proposal to the District's Board of Directors, as a way to inform the local residents.

We understand that they will also be making a presentation to the Rancho Murieta Association (RMA) Board of Directors.





January 9, 2014

**TO:** Rancho Murieta Community Services District Board of Directors

**FROM:** Charles F. Field, ACTC Executive Director

**SUBJECT: State Route 16 (Jackson Highway) Relinquishment**

On behalf of the Amador County Transportation Commission (ACTC) I appreciate the opportunity to discuss the proposed relinquishment of approximately 10 miles of State Route 16 east of State Route 50 before the Rancho Murieta Community Services Board of Directors during their meeting of January 15, 2014. ACTC understands that this concern is not directly within the CSD's area of responsibility and that it will split only 15 minutes of the CSD's Board's agenda with Michael Penrose, County of Sacramento Department of Transportation Director (SacDOT). Due to this time limit, I will only present the first few paragraphs of this report during your meeting and then answer questions. This report gives ACTC's perspective. Mr. Penrose will give the SacDOT perspective. We have been working together to try and find a compromise solution. We are interested in the Rancho Murieta citizens' opinions (either via the CSD Board or otherwise).

The ACTC is the State designated Regional Transportation Planning Agency (RTPA) serving Amador County and its five incorporated cities in transportation planning and funding matters. ACTC has been representing its County and cities who share concern for increased travel delays on State Route 16 if it becomes a local city or County street and is no longer a State highway with Interregional Roadway (IRRS) status. ACTC will be holding its next public meeting concerning this matter at 9:00 am, January 23. It will, at that time, review the very latest in our year-long effort and get direction on whether to continue to oppose relinquishment or settle upon a written compromise solution.

If ACTC remains opposed, it will likely continue to request that the State and/or County of Sacramento establish a modified expressway standard for SR 16 with one mile signal spacing, no intermediate access points (except existing driveways), and a separate pedestrian/bicycle pathway (class I) for east/west traffic. Caltrans and SacDOT have consistently asserted that this is not a realistic or feasible alternative.

The compromise solution, if accepted, would likely be similar to SacDOT's current plans for the future of this highway segment. It includes six travel lanes plus turn lanes, average one half mile signal spacing, limited intermediate access with right turns in and out only, bike lanes on the roadway (class II), and sidewalks. Attachment 1 provides a graphic showing the two alternatives (SacDOT is Alternative 4 and ACTC's preference is Alternative 6).

Amador has tentatively dropped concerns for the segment of SR 16 west of South Watt Avenue because it is already an urbanized area. Amador believes that new developments that are being proposed in the area east of Watt Avenue can afford to build the expressway in return for the new land use entitlements they will receive. ACTC is not opposed to the proposed changes in land use. ACTC wants the preexisting purpose of SR 16 (the "Jackson Highway") preserved when and if development is approved and built. Attachment 2 is a map showing tentatively proposed new developments in the subject area.

Amador is also concerned that over the long term (50 years, more or less) when development occurs, Sacramento County itself would not protect a corridor designated to throughput for freight, commuters, and travelers desiring to access the Capitol, the airport, and points west or north via I-80 or I-5; that it is giving away a direct link and requiring those of us in the area of southeast Sacramento to use a set of local arterials (Jackson Road, Kiefer Road, Sunrise Blvd, Bradshaw Road, etc.) instead of a single dedicated thoroughfare (see Attachment 3).

As stated previously, ACTC has been involved with the issue of SR 16 relinquish for approximately one year. ACTC first heard about the proposed relinquishment in November 2012. ACTC received a copy of the "SR 16 (Jackson Road) Corridor Study", dated September 2012, prepared by Fehr & Peers, for SacDOT on behalf of Sacramento County and the Cities of Sacramento and Rancho Cordova. That study looked at five alternative concept designs and recommended Alternative 4 (the six-lane thoroughfare with bus rapid transit or a separate parallel corridor discussed above and shown on Attachment 1). The study did not include representatives from outside the project area that use the highway, nor did it analyze an expressway alternative that would emphasize throughput as a preeminent priority.

ACTC also discovered that Caltrans District 3 had been planning for relinquishment for approximately two years without involving Amador County. This is likely because Amador is in District 10, not in District 3. Caltrans (Districts 10 and 3) have maintained clear support for the relinquishment despite ACTC's objections over the past year. Their primary argument is that the State cannot afford to upgrade the facility to an expressway standard and Sacramento County (and cities) are better able to require the area's new developments to build for throughput at the same time they balance future local traffic needs. Both SacDOT and Caltrans argued that the SacDOT local arterial design with complete street elements is more consistent with the intent of the

Sacramento County General Plan and SACOG's Municipal Transportation Plan and Sustainable Community Strategy, although this is among the issues contested by ACTC.

ACTC met with Sacramento County Supervisor Don Nottoli representing the project area and subsequently Supervisor Roberta MacGlashan serving Rancho Murieta. ACTC also met with State Assemblymen Ken Cooley and Roger Dickinson representing the project area as well as State Assemblyman Frank Bigelow and State Senator Tom Berryhill representing the Amador County area. All County and State officials requested that SacDOT and Caltrans address throughput concerns of all affected communities before proposing relinquishment to the State legislature (see Attachment 4).

In September 2013, SacDOT had Fehr & Peers do a supplemental analysis to the original "SR 16 (Jackson Road) Corridor Study" in order to analyze ACTC's preferred expressway alternative (Alt. 6). It found there is a four minute travel time difference between the two alternatives. ACTC had difficulties believing that there would only be a four minute difference between Alt. 4 with twelve or fourteen new traffic signals vs. Alt. 6 with only four new traffic signals as well as the other differences between the alternatives (primarily, other local street and driveway access, pedestrian/bicycle conflicts, and signal synchronization). ACTC traffic engineers were also concerned that the SR 16 Corridor Study and its supplement were both planning and road segment level analysis and not more thorough operations and intersection level analyses.

In November/December 2014, ACTC paid its own traffic engineering consultant, Kittelson & Associates, to do more operations and intersection level analysis. Results of this analysis indicated there will be more of a six to nine minute travel time delay between the Alternatives 4 and 6. The analysis did show significant differences in "throughput" capabilities, some segments showing the ability to serve two or three times the number of vehicles per hour in Alternative 6 vs. Alternative 4 (see Attachment 5).

The ACTC (Kittelson) analysis also considered possible compromise solutions (Alternative 7a and b) which accepted average one half mile signal spacing but limited local road and driveway access and pedestrian/bicycle conflicts. Unfortunately, the analysis showed little difference in time delay between SacDOT's preferred Alternative 4 and the proposed compromise Alternative 7a and b.

ACTC provided SacDOT with an opportunity to review the Kittelson analysis and met with SacDOT staff on January 8, 2014. One of SacDOT's concerns is that their Alternative 4 was modeled with "balanced" signal priority operations at the four primary intersections (South Watt, Bradshaw, Sunrise, and Grant Line Road). They clarified that these intersections would be both coordinated and synchronized so that the progression of vehicles (i.e., platoons of cars) can ostensibly pass uninterrupted in a north/south or east/west direction depending on demand. It is their opinion that adding this feature to the model could reduce the travel time difference between

Alternative 6 and 4 from nine minutes to six or seven minutes. (The other difference between their original four minute calculation and this new six or seven minute calculation, is that the SacDOT supplemental study included a dedicated transit/HOV lane which they thought ACTC wanted to be part of Alternative 4.)

During the meeting on January 8, SacDOT asked a series of questions regarding the north/south traffic and the desire to see its operations reflected into overall vehicle hours of delay (VHD). SacDOT's consultants currently contend that Alternative 4 may be better for overall conditions including important related air quality goals and concerns. Given that the original scope specifically focused on east/west interregional travel, analysis of north/south side street operations was not performed.

As stated above, ACTC will consider the current status of this matter during the public workshop scheduled for 9:00 am, Thursday, January 23, 2014 at its offices, 117 Valley View Way in Sutter Creek. That meeting is expected to provide direction concerning whether or not the region should continue to oppose relinquishment or accept a compromise solution closely resembling Sacramento's preferred Alternative 4. It is also possible the Commission will delay action to a later meeting in February 2014 pending further study that considers future north/south traffic at the corridor's major intersections as well as overall vehicle hours of delay. The matter will then need to go before the Sacramento County Board of Supervisors prior to its submission to the State legislature. SacDOT has planned that this matter should go before the State legislature during their current legislative session (January - April 2014).

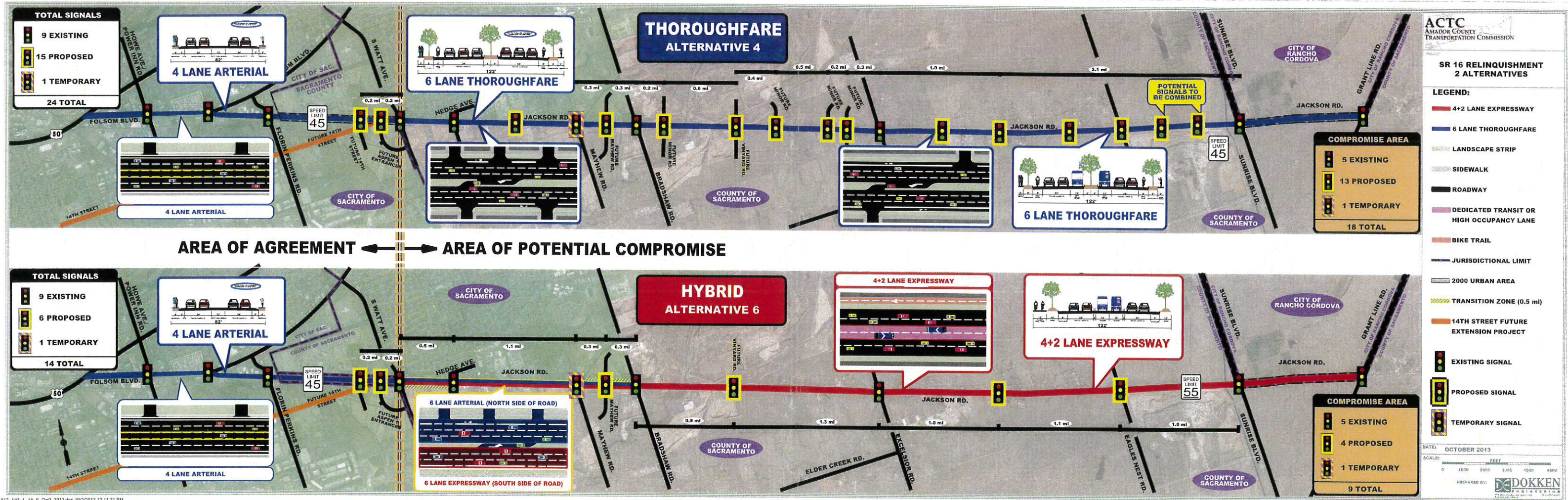
CF/nc

Enclosure

Cc: Mike Penrose, Dean Blank, Roberta MacGlashan, Ted Wolter, Don Nottoli, Ken Cooley, Brenda Repicky



# ATTACHMENT 1



1817\_Alt\_4\_Alt\_6\_Oct\_2013.dgn 10/3/2013 12:44:21 PM



# Proposed Land Use and Circulation Plans

West Jackson Highway Master Plan, Jackson Township Specific Plan,  
NewBridge Specific Plan and Mather South Specific Plan

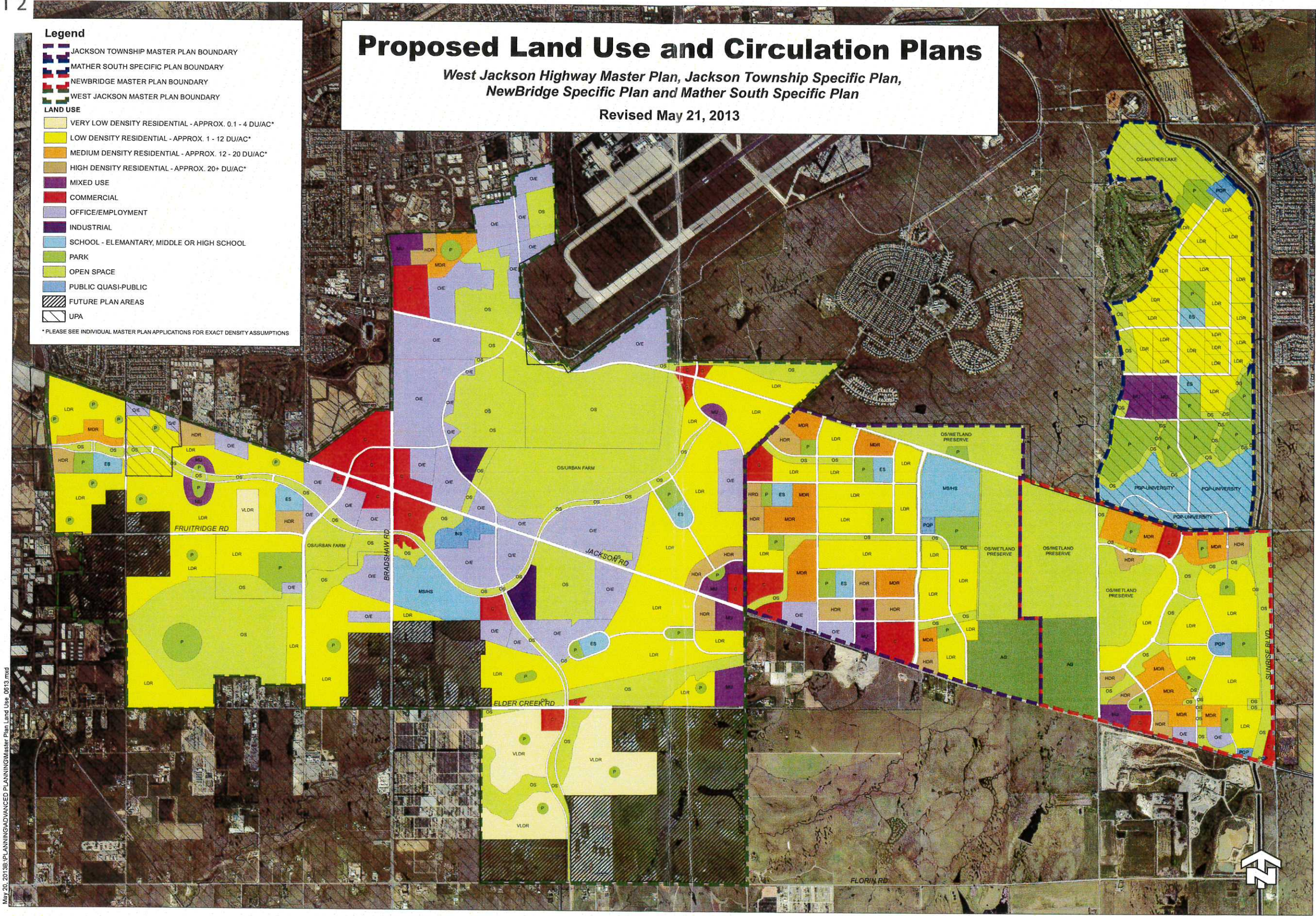
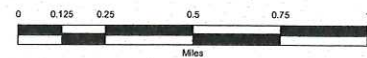
Revised May 21, 2013

**Legend**

- JACKSON TOWNSHIP MASTER PLAN BOUNDARY
- MATHER SOUTH SPECIFIC PLAN BOUNDARY
- NEWBRIDGE MASTER PLAN BOUNDARY
- WEST JACKSON MASTER PLAN BOUNDARY
- LAND USE**
- VERY LOW DENSITY RESIDENTIAL - APPROX. 0.1 - 4 DU/AC\*
- LOW DENSITY RESIDENTIAL - APPROX. 1 - 12 DU/AC\*
- MEDIUM DENSITY RESIDENTIAL - APPROX. 12 - 20 DU/AC\*
- HIGH DENSITY RESIDENTIAL - APPROX. 20+ DU/AC\*
- MIXED USE
- COMMERCIAL
- OFFICE/EMPLOYMENT
- INDUSTRIAL
- SCHOOL - ELEMANTARY, MIDDLE OR HIGH SCHOOL
- PARK
- OPEN SPACE
- PUBLIC QUASI-PUBLIC
- FUTURE PLAN AREAS
- UPA

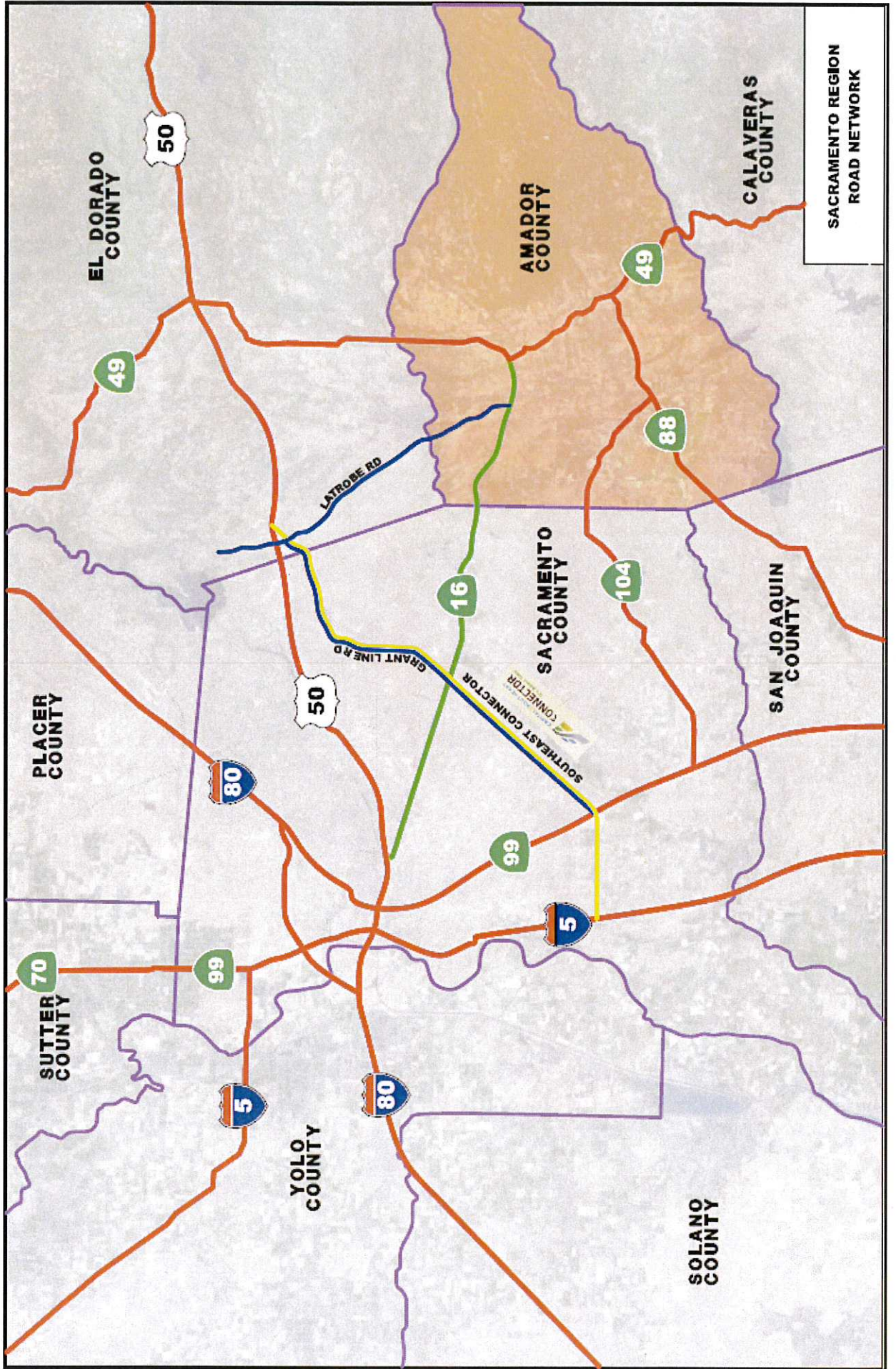
\* PLEASE SEE INDIVIDUAL MASTER PLAN APPLICATIONS FOR EXACT DENSITY ASSUMPTIONS

May 20, 2013: I:\PLANNING\ADVANCED PLANNING\Master Plan Land Use\_0613.mxd





ATTACHMENT 3



STATE CAPITOL  
P.O. BOX 942849  
SACRAMENTO, CA 94249-0008  
(916) 319-2008  
FAX (916) 319-2108

DISTRICT OFFICE  
2729 PROSPECT PARK DRIVE, SUITE 130  
RANCHO CORDOVA, CA 95670  
(916) 464-1910  
FAX (916) 464-1915

E-MAIL  
Assemblyman.Cooley@assembly.ca.gov

# Assembly California Legislature



**KEN COOLEY**  
ASSEMBLYMAN, EIGHTH DISTRICT

**COMMITTEES**  
ACCOUNTABILITY AND ADMINISTRATIVE  
REVIEW  
GOVERNMENTAL ORGANIZATION  
INSURANCE  
RULES (D-ALT)

**SELECT COMMITTEES**  
CHAIR: COMMUNITY AND  
NEIGHBORHOOD DEVELOPMENT  
COMMUNITY COLLEGES  
JOB CREATION FOR THE NEW ECONOMY  
GOVERNMENT EFFICIENCY,  
TECHNOLOGY AND INNOVATION  
ASIA/CALIFORNIA TRADE AND  
INVESTMENT PROMOTION

ALFRED E. ALQUIST SEISMIC SAFETY  
COMMISSION

## ATTACHMENT 4

Ms. Jody Jones, Director  
Caltrans District 3  
703 B Street  
Marysville, CA 95901

RE: Strong support for enhanced Caltrans and affected community input to the planning process for proposed relinquishment of a portion of State Route 16.

Dear Director Jones:

We are writing to express our conviction that SR 16, which runs through our districts, should not be relinquished until the operational and throughput concerns of the affected communities are acknowledged and addressed to the greatest extent feasible. The affected communities consist of Sacramento County, including the cities of Sacramento and Rancho Cordova; Amador County, including the cities of Jackson, Ione, Sutter Creek, Amador City, and Plymouth; Calaveras County and Alpine County.

The prospect of significant future development on SR 16 between Watt Avenue and Grant Line Road is fostering concern about whether there could be material degradation of traffic service levels due to additional stoplights and the addition of too many access points to the highway. Such an outcome would almost inevitably increase vehicle idling, stop and go traffic jams and an attendant increase in greenhouse gas emissions.

If growth occurs, efficient traffic flows must be maintained in order to achieve the objectives of AB 32 and SB 375. Given the limitations on state and county transportation funding resources, the proposed developments will no doubt be asked for appropriate contributions for infrastructure costs, and the objective should be to maintain acceptable travel times and throughput levels not only for the new population but for commuters, tourists and goods movement which provide major economic benefits for all the affected communities.

We understand that Sacramento Supervisor Don Nottoli has encouraged a process that can promote a mutually agreeable vision for the long term operation of SR 16 as development proceeds. We encourage Caltrans to participate in this process to a successful conclusion. That would enable us to support relinquishment legislation which assures the operational objectives while safeguarding ease of access within and between the corridor communities for whom SR 16 is a vital economic and quality of life link.





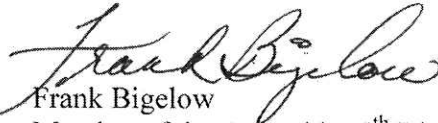
We would appreciate receiving your updates about how these discussions are progressing.

Thank you for your assistance.

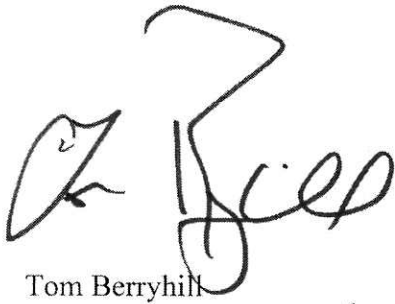
Sincerely,



Ken Cooley  
Member of the Assembly, 8<sup>th</sup> District



Frank Bigelow  
Member of the Assembly, 5<sup>th</sup> District



Tom Berryhill  
Member of the Senate, 14<sup>th</sup> District



Roger Dickinson  
Member of the Assembly, 7<sup>th</sup> District

## ATTACHMENT 5

Excepts from Kittelson & Associates State Route 16 (Jackson Road) Corridor Analysis  
Draft Micro-Simulation Analysis Framework and Results - January 3, 2014

**Table 1. Alternative Specifications**

Modeling Parameters	Alt 4	Alt 6	Alt 7A	Alt 7B
Posted Speed Limit	45 mph	55 mph	50 mph	Same as 7A
Signal Coordination (Major 4: S Watt, Bradshaw, Sunrise, Excelsior)	Balance All	Priority to Through	Balance Major 4 - others through Priority	Same as 7A
Signal Spacing	0.5 mi/avg	1-2 mi/avg	0.5 mi/avg	0.5 mi/avg
Intermediate Driveway Access	2 per avg	0	2 max	1 max
Accel/Decel Lanes at Driveway Access	No	No	No	Yes
Existing uses and access between Watt and Bradshaw remain as is	Yes	Yes	Yes	Yes
Prohibit left in and left out	Yes	Yes	Yes	Yes
Ped/bike facilities	Class II and Sidewalks	Class I and Shoulders	Class I (one side) and Shoulders	Same as 7A

**Table 3. PM Peak Travel Time Results**

SR 16 Direction	PM Peak Travel Time (minutes)			
	Alternative 4	Alternative 6	Alternative 7A	Alternative 7B
EB - Watt to Grant Line	28.1	19.1	28.2	28.7
WB - Watt to Grant Line	26.8	19.5	25.6	26.3
Average	27.4	19.3	26.9	27.5

**Table 4. PM Peak Vehicular Throughput Results**

SR 16 Direction/Segment	PM Peak Throughput (vehicles per hour)			
	Alternative 4	Alternative 6	Alternative 7A	Alternative 7B
<b>Eastbound</b>				
Watt to Bradshaw	1,100	1,400	1,077	1,033
Bradshaw to Excelsior	637	1,349	638	635
Excelsior to Sunrise	975	1,331	964	969
Sunrise to Grant Line	894	1,128	898	901
<b>Westbound</b>				
Grant Line to Sunrise	1,016	1,378	1,011	1,014
Sunrise to Excelsior	263	798	261	260
Excelsior to Bradshaw	382	748	370	357
Bradshaw to Watt	516	604	513	512



# MADDAUS WATER MANAGEMENT INC.

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## Technical Memorandum

Prepared for: Ed Crouse, General Manager

Rancho Murieta Community Services District ("CSD" or "District")

Subject: **Summary of Dry Year Status, Tracking Model and Recommended Actions**

Date: January 10, 2014

From: Lisa Maddaus, P.E.

Maddaus Water Management, Inc.

Reviewed By: Bill Maddaus, P.E.

Maddaus Water Management, Inc.

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### 1. EXECUTIVE SUMMARY

Rancho Murieta, along with the rest of California is currently experiencing unprecedented dry conditions. According to California Department of Water Resources, and local records, last water year October 2012-September 2013, was the driest year in historical precipitation record, which was previously 1977. Early snowpack in November and December 2012 aided the water supply runoff conditions leading into late winter and early spring 2013 Cosumnes River flows that allowed for pumping to completely fill CSD reservoirs during that period. For the beginning of this water year, during the month of December 2013, current flows on the Cosumnes River at 24-27 cubic feet per second (cfs) have been less than 30% of the historical average for December of 105 cfs. CSD cannot pump from the river if it is below 70 cfs, based on its permitted Water Rights (see Attachment A).

In 1977, river flows did not rise to a level that would have allowed CSD to pump for the entire period between November 1<sup>st</sup> and May 31<sup>st</sup>. Utilizing 1977 as a baseline comparison, the current forecast is showing there is high probability that if there is not significant change in weather patterns to bring sufficient snowpack and rainfall to increase runoff, CSD may have no ability to pump to its reservoirs between now and May 31<sup>st</sup>. Existing storage for the reservoirs as of January 8, 2014 is 2,854 AF equating to about 60% capacity. It's also predicted by California Department of Water Resources to be minimal runoff conditions when (or if) significant precipitation events (e.g., greater than 1-inch rainfall) occur in the spring 2014 due to current dry soil conditions. As a result, 2014 will continue to be dry.

Using a Drought Tracking Model developed for CSD's system, it's clear without diversions to storage this season or sufficient demand cutbacks, CSD is forecasted to run out of available supplies to meet domestic health and sanitation needs of its residents as early as late summer to Fall 2014. Given the CSD does not have rights to pumping again until November 1<sup>st</sup>, there would be predicted a gap of insufficient supplies. Based on a review of the historical record, it's not likely that sufficient flows would return until farther into the 2014 winter season.

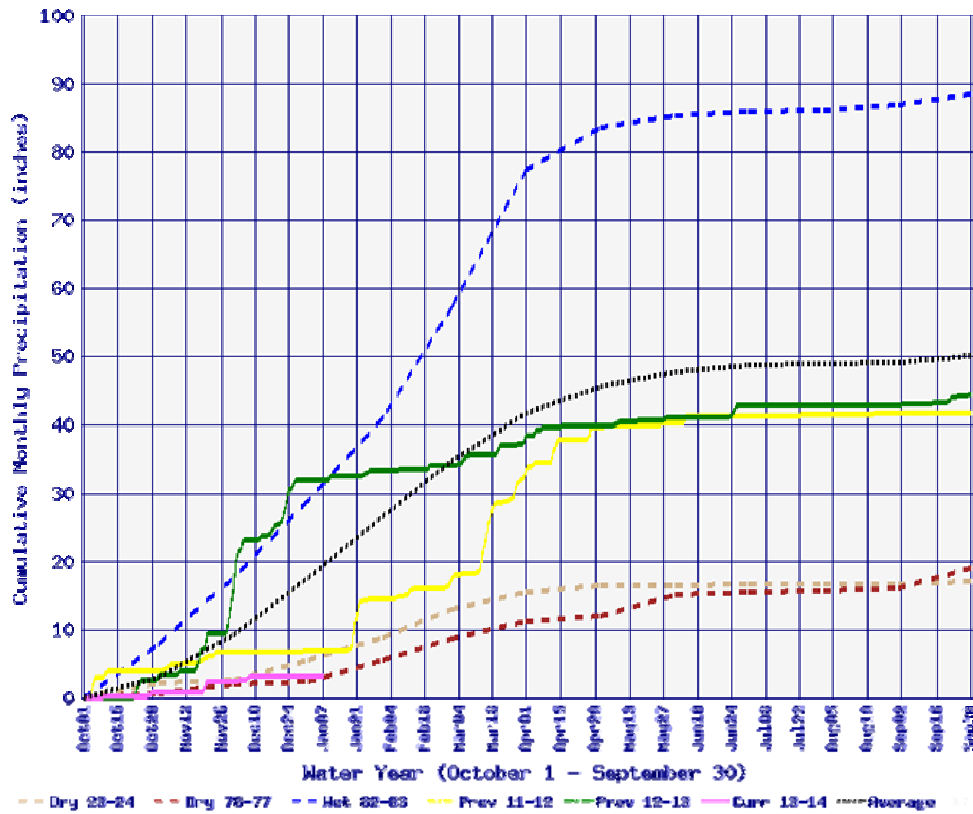
Therefore, it is recommended that CSD Board and staff take immediate action according to the District's adopted Water Shortage Contingency Plan (September 2012) ("WSCP"). This will start with immediate enforcement of the water waste provisions of District Water Code, Chapter 14. As a second step, the CSD should encourage customers to preserve their existing supplies by implementing all of the "Water Alert" actions called for in Stage 1 targeting 5-10% demand reduction, and include the voluntary implementation of Stage 2 "Water Warning" targeting 25% reduction. Given the current forecast for January, it appears prudent planning dictates moving ahead with mandatory implementation of Stage 2 taking effect as of February 1<sup>st</sup>. A complete description of Stage 1 and 2 actions is provided in Attachment B.

Stage 2 "Water Warning" in the WSCP calls for a 10 business day notice to be sent to customers prior to implementation and enforcement of mandatory measures. Stage 2 does include the provision for drought rates including tiered pricing with optional drought surcharges. It is therefore further recommended that the Board direct staff to proceed with planning for tiered pricing with drought surcharges subject to Proposition 218 requirements in the coming months. The earliest that CSD would be able to put drought rates into effect would be April 2014. It is important to have this capability to raise rates prior to the start of the 2014 irrigation season since CSD will incur increased operating costs due to potentially higher SMUD charges for late season pumping with additional year long demand surcharges and increased administrative costs (i.e., water waste monitoring, communication mailings, etc.) and revenue shortfalls due to the decreased demands as a result of Stage 2 Drought implementation.

Moving forward, CSD will be continuously monitoring the dry year conditions, water demands, supply levels and communicating with customers. CSD will provide, at a minimum, monthly updates on the progress of customer response to the needed demand cutbacks and status on reservoir storage levels on the CSD web site and provide other community outreach as part of an outreach plan.

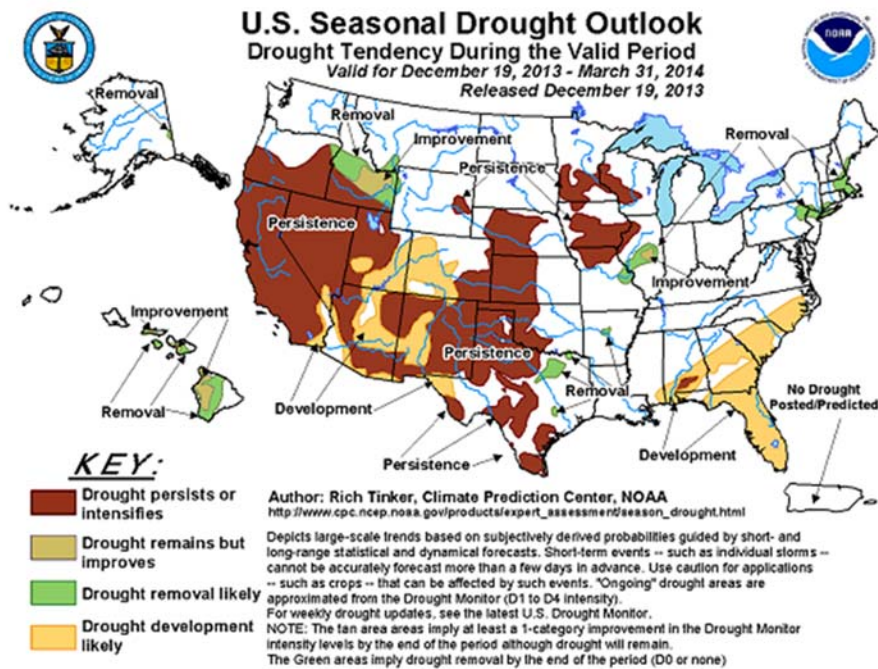
## **2. OVERVIEW OF DRY YEAR CONDITIONS AND FORECASTS**

As part of the Drought Tracking Model, CSD is monitoring the current local conditions and regional forecasts. The current conditions are extremely dry and forecasted to persist through March and possibly later due to a blocking ridge of high pressure over the Gulf of Alaska that is preventing storms from reaching the Western United States. The current water years statistics for precipitation show 2013-14 tracking very similar to 1976-77 drought conditions, as presented in Figure 1. In Figure 2, the 3-month outlook provided by the National Oceanic and Atmospheric Administration (NOAA) Climate Prediction Center is showing a high probability for continued drought. The U.S. Drought Monitor (Figure 3) is illustrating that the Central Valley of California is currently at a Drought Level 3 – Extreme.



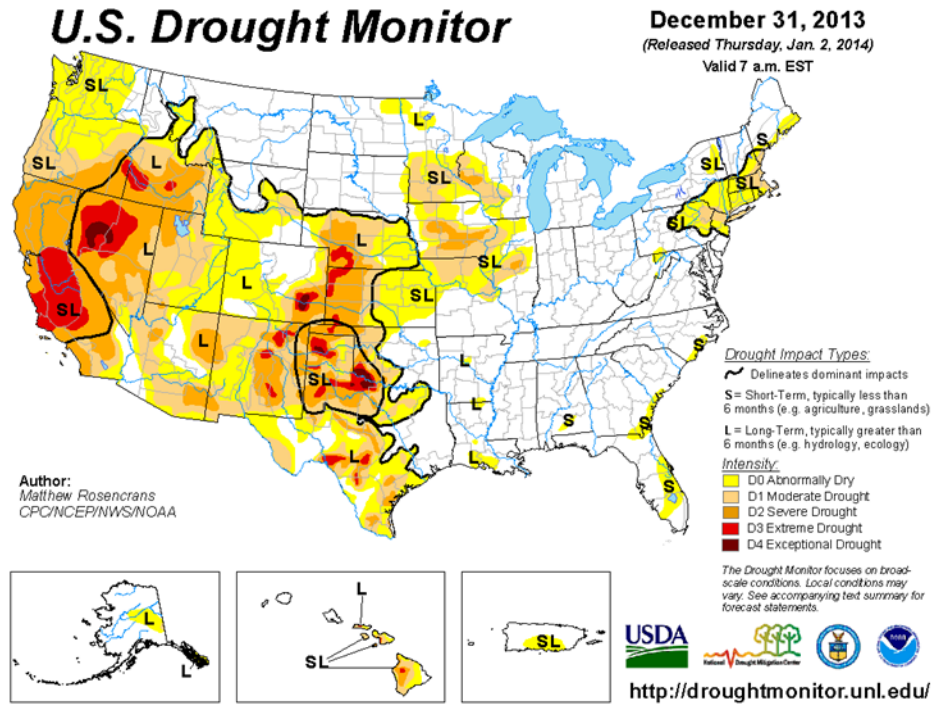
Source: Department of Water Resources, January 7, 2014

Figure 1. Total Monthly Precipitation (inches)



Source: NOAA, December 19, 2013

Figure 2. Forecasted 3-month Seasonal Outlook

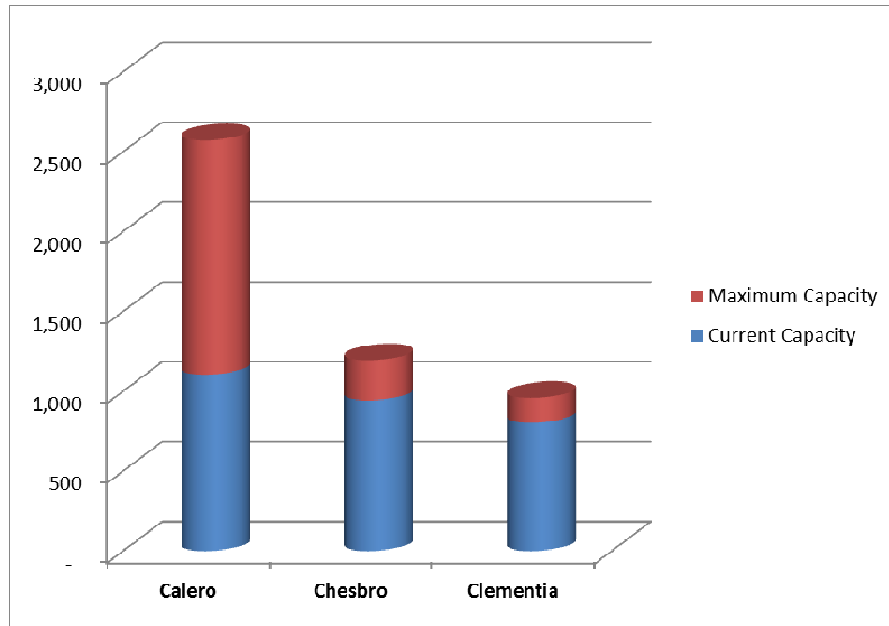


Source: <http://droughtmonitor.unl.edu/>

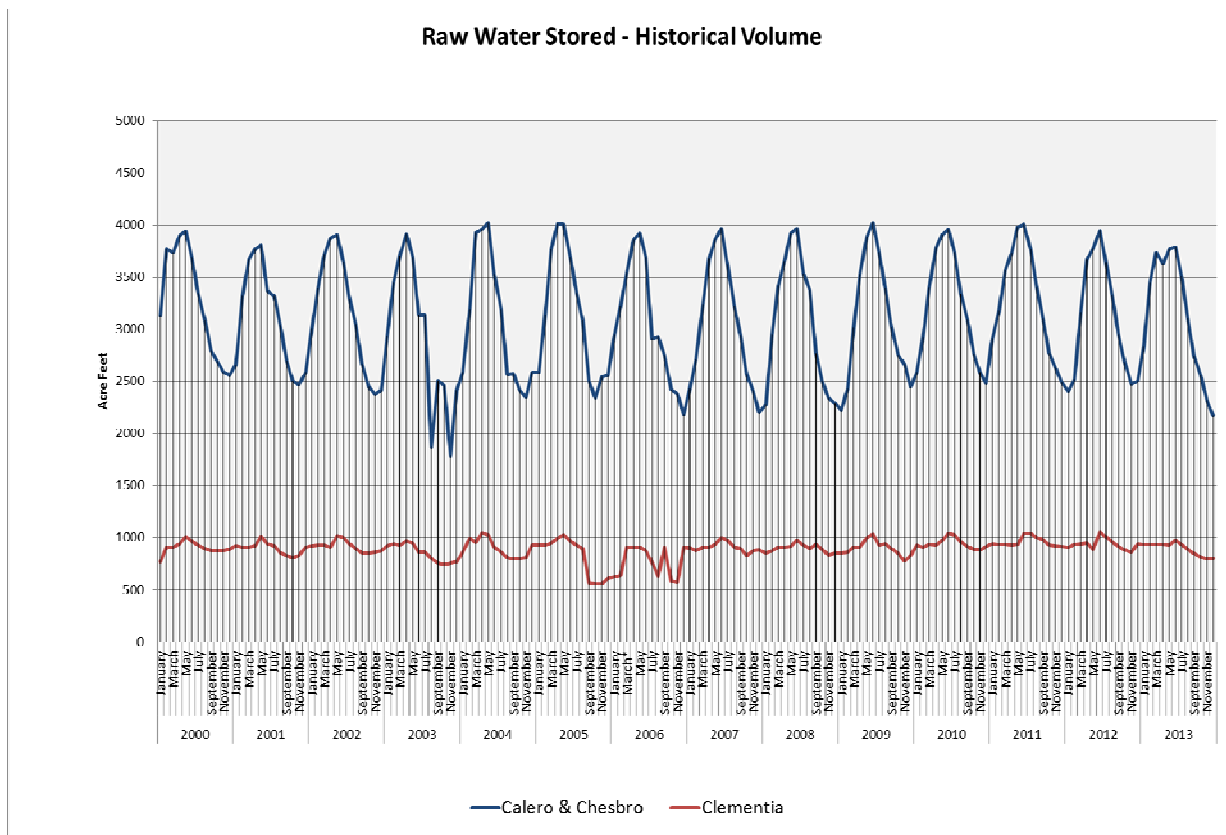
**Figure 3. United State Drought Monitor (Palmer Precipitation Index)**

### 3. CURRENT AND HISTORICAL CSD RESERVOIRS SUPPLIES & DEMANDS

Total reservoir storage as of January 8<sup>th</sup> is a total of 2,854 acre-feet (AF) or approximately 60% of total capacity as illustrated in Figure 4. The historical levels in the reservoirs since 2000 is presented in Figure 5. Clementia Reservoir is a designated drought supply for the CSD system operating permit and included in the supply storage being monitored for 2014.



**Figure 4. Total Storage for CSD Reservoirs as of January 8, 2014**



**Figure 5. Historical Storage Volumes for CSD Reservoirs as of November 2013**

CSD's water right permit allows pumping when flows are above 70 cfs (Attachment A). Utilizing 1977 as a baseline year, which had similar conditions to current and forecasted conditions for 2014, CSD is at risk for not being able to pump any water to the reservoirs this year. However, if CSD is able to pump in early 2014 when flows reach 70 cfs, pumping at maximum capacity could fill the reservoirs in less than 30 days.

As part of normal operations, CSD monitors, on a weekly basis, river flows and Water Treatment Plant (WTP) production to estimate the duration of the days needed to pump before May 31<sup>st</sup> to fill the reservoirs. Current estimate as of January 8<sup>th</sup> to fill approximately 2,500 acre-feet is between 19-28 days depending on the number of pumps operating, available flows in the river, and whether or not CSD can install stoplogs after April 15. CSD operations staff optimizes the need for supply, the availability of river flows, water quality (turbidity) and pumping costs. In normal years, CSD pumps at a moderate rate to fill the reservoirs between February and May 31<sup>st</sup>. Waiting until February even though flows are higher in November, December and January helps minimize the silting of the reservoirs. Given the low water conditions and need to maximize storage, preference in 2014 will be given to pumping supplies to fill the reservoirs as quickly as possible when and if river flows allow under CSD permit requirements.

Monthly water demands for the past three years and historical 7-year average is shown in the Table 1 below. Dry year demands for irrigation increase primarily due to the increase in plant watering needs (increased plant evapotranspiration and evaporation from the soil surface). In 2013, monthly demands were higher than the historical average. Similar increases are expected in 2014 if the District does not implement drought conservation measures requiring customers to take drought actions and curtail outdoor and indoor water use.



**Table 1. Total Potable Consumption Past 7 Years<sup>1</sup>**

Potable Water Consumption (MG)														
Year	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL (MG)	Acre-Feet
2007	19,678,384	18,513,748	22,520,784	36,658,732	43,609,896	67,403,985	69,605,529	71,576,943	70,409,390	41,848,057	29,093,984	24,409,634	515,329,066	1,582
2008	19,804,572	17,932,402	26,792,687	43,722,246	49,433,600	70,682,036	68,717,638	67,289,407	73,425,176	52,138,368	31,246,503	20,837,709	542,022,344	1,664
2009	18,150,968	17,057,841	16,564,310	35,471,806	40,844,540	63,321,117	69,650,394	71,950,793	66,948,768	48,284,223	32,530,296	19,946,617	500,721,673	1,537
2010	16,419,720	16,702,540	17,784,373	26,147,088	34,818,353	53,450,382	66,450,300	73,093,737	66,825,198	49,154,072	25,416,816	17,307,074	463,569,653	1,423
2011	16,223,896	16,416,057	13,272,138	25,536,196	44,805,499	46,812,308	65,498,919	70,092,013	63,297,331	44,624,034	28,918,952	21,499,988	456,997,331	1,403
2012	23,154,639	18,554,514	19,105,566	21,906,526	43,541,753	66,431,900	69,254,926	72,438,489	69,901,797	50,793,015	22,160,398	16,000,244	493,243,767	1,514
2013	17,656,839	17,478,142	24,543,600	34,928,159	52,244,284	65,203,534	69,884,817	69,134,648	67,445,815	48,758,978	37,127,130	21,355,624	525,761,570	1,614
7-year Average	18,727,003	17,522,178	20,083,351	32,052,965	44,185,418	61,900,752	68,437,503	70,796,576	68,321,925	47,942,964	29,499,154	20,193,841	499,663,629	1,534
% Diff 2013 to Ave	-6%	0%	22%	9%	18%	5%	2%	-2%	-1%	2%	26%	6%	5%	5%

<sup>1</sup>Note: Historical peak demand was in 2008, a dry year. Consumption was higher in dry years 2007-2009 and 2012-2013. Economic recession are assumed to have influenced CSD water demands from 2009-2011, as similar patterns were observed throughout the Sacramento region and California.

#### 4. AUGMENTATION WELL SUPPLY

CSD has also been working on developing a groundwater well augmentation supply in event of a water shortage event, such as the drought that is predicted for 2014. It is currently estimated that this well supply could be online in early Fall 2014. This schedule hinges on cooperation by SMUD to provide power supply design review, approval and connection along with the environmental compliance process. The well capacity was designed to support the minimum domestic health and sanitation needs for the residents of CSD and very modest commercial uses at 370 gpm or less than 50 AF per month at maximum capacity.

#### 5. DROUGHT TRACKING MODEL OF CURRENT CSD CONDITIONS

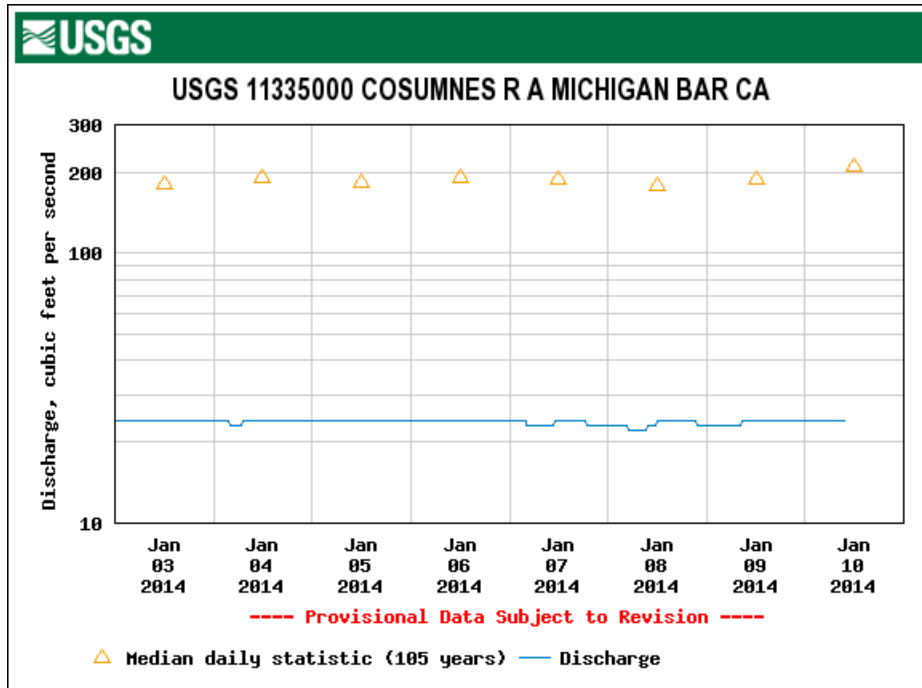
Maddaus Water Management (“MWM”) worked with CSD staff in 2013 and has recently finished an update with the latest drought conditions in a Drought Tracking Model that uses a water balance built on the worst case conditions from 1977 hydrology and other operating conditions in the Integrated Water Master Plan model. As shown in the model, the 1977 conditions under CSD Water Rights (Attachment A) in the Cosumnes were insufficient to allow for CSD to pump to its reservoirs. The water balance takes the following into account:

- Ability of CSD to be able to pump to add to reservoir storage levels by selecting the scenario to pump or select days of pumping (which can be set to “0” for no pumping).
- Subtracts evaporation and seepage from the reservoirs
- Subtracts distribution system water losses
- Meets estimated customer water demands (based on 2013 demands) with selected level of cutbacks

The Drought Model will be reviewed during the January Board Meeting and will be used in subsequent months to help track the status on five critical drought indicators shown in Table 2 below. All drought indicators are below or extreme conditions for the month ending December (or as of January 1<sup>st</sup>). Figure 6 presents the Cosumnes River flows. **Current forecasts from Department of Water Resources and NOAA predict that the dry conditions with minimal precipitation will persist through March 2014.**

**Table 2. Current Drought Indicators**

Drought Indicator	Current (January 2014)	1976-77	Historical
Total Reservoir Storage (AF)	2,854 (as of 1/8/2014)	NA	3,555 (January Average)
Cosumnes Flows (cfs)	24 (as of 1/10/2014)	39	200 (Median 105 yrs)
Precipitation (inches) CIMIS Fair Oaks Station	0.38	4.2	4.41
Snow Pack (inches) (6550 ft) Tamarack Flat, DWR Station 289	13.0	29.9	38.63
Snow Pack Water Content (inches)	3.6	4.2	10.82
ENSO/La Nina Conditions	Neutral, -0.3	El Nino, 0.6	NA
US Drought Monitor Level (Palmer Precipitation Index)	Extreme, Level 3	NA	NA



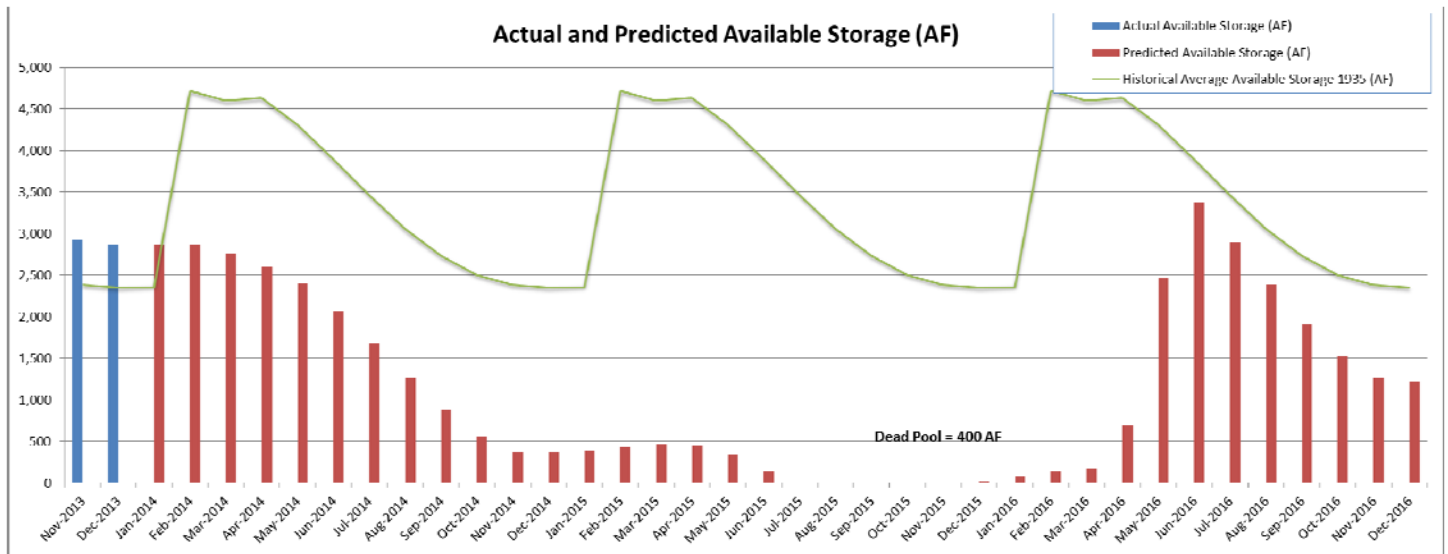
**Figure 6. USGS River Flows on the Cosumnes River, cfs**

MWM has prepared a suite of drought scenarios for supply in 2014 using the Drought Tracking Model. Each of the scenarios in Figures 7-15 present the supply forecasts for draw down of the reservoirs. To best simulate the projected conditions and conservative assumptions about the ability to pump water to the reservoirs, hydrology was assumed for 2014 to be the same as 1977, with a repeat of 1977 hydrology in 2015 (i.e., another year without pumping to storage reservoirs). The Model settings and results are presented in detail in Attachment C. The general overview of modeling assumptions that are consistent across all scenarios are:

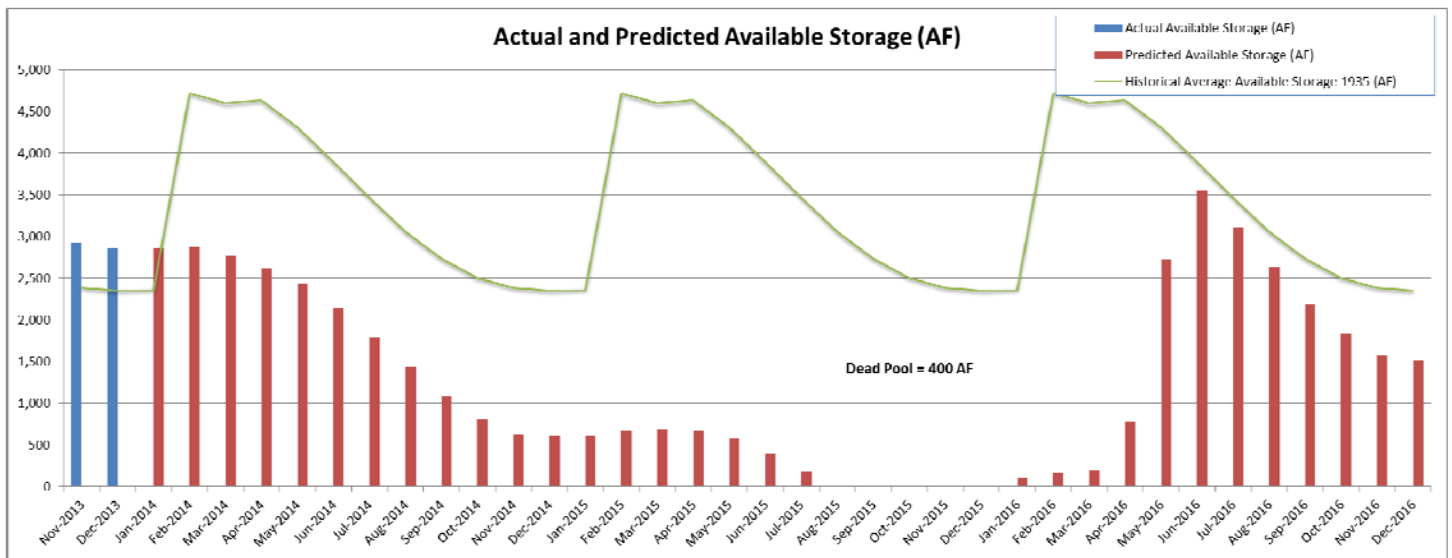
- Low flow conditions with allow “no pumping” at 1977-1977-1978 hydrology
- Previous years demands Fiscal Year 2012-2013
- Distribution system losses at 7%
- Conditions for evaporation and seepage based on 1977 conditions
- Dry year increase percentage based on review of past dry years and Water Treatment Plant production
- Scenarios 4 & 8 allow for 30 days pumping at 46 cfs (maximum capacity using (3) 500 hp pumps)

Overall, the scenarios selected include:

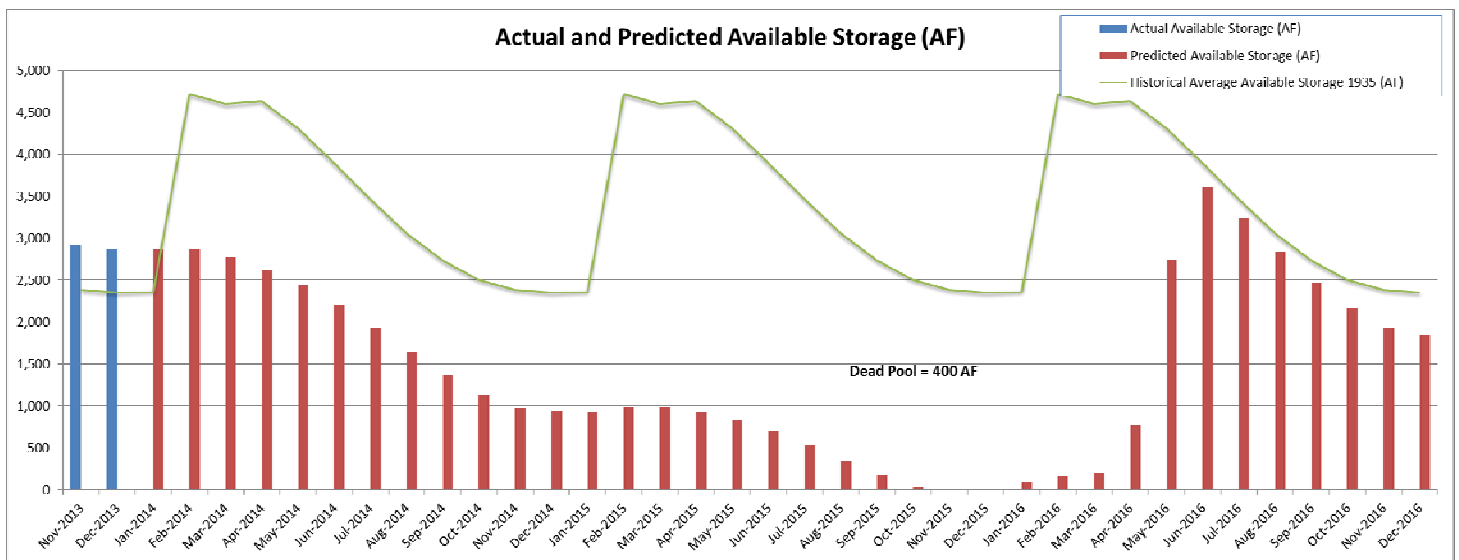
- Scenarios 1-3 assume no pumping to the reservoir and demand cutbacks at increasingly severe levels of 0% (do nothing case), 20% (reasonable) and 50% (no outdoor watering).
- Scenario 4 allows for pumping for one month at 100% rate and 20% demand cutbacks which is perhaps an ideal situation given the current conditions and forecasts.
- Scenarios 5-8 repeat the same conditions above with the added well pumping at 50 AF per month as supplemental supply.



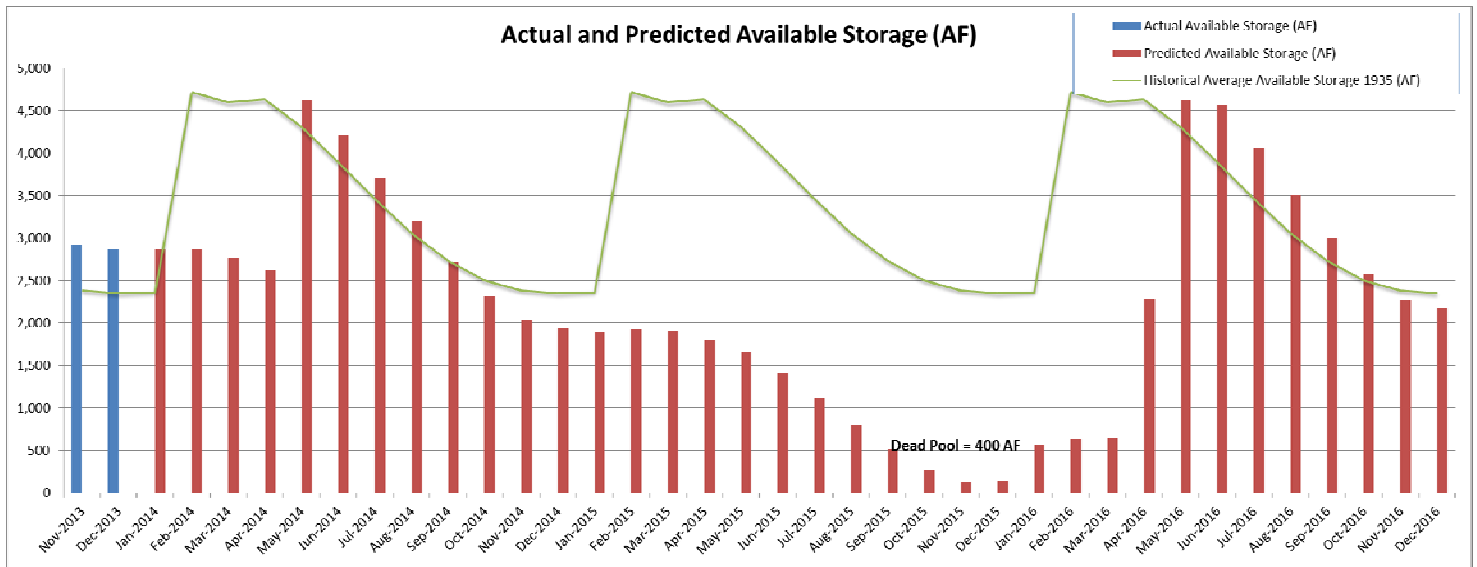
**Figure 7. Ultimate Worst Case Scenario 1: No Pumping, No Cutbacks**



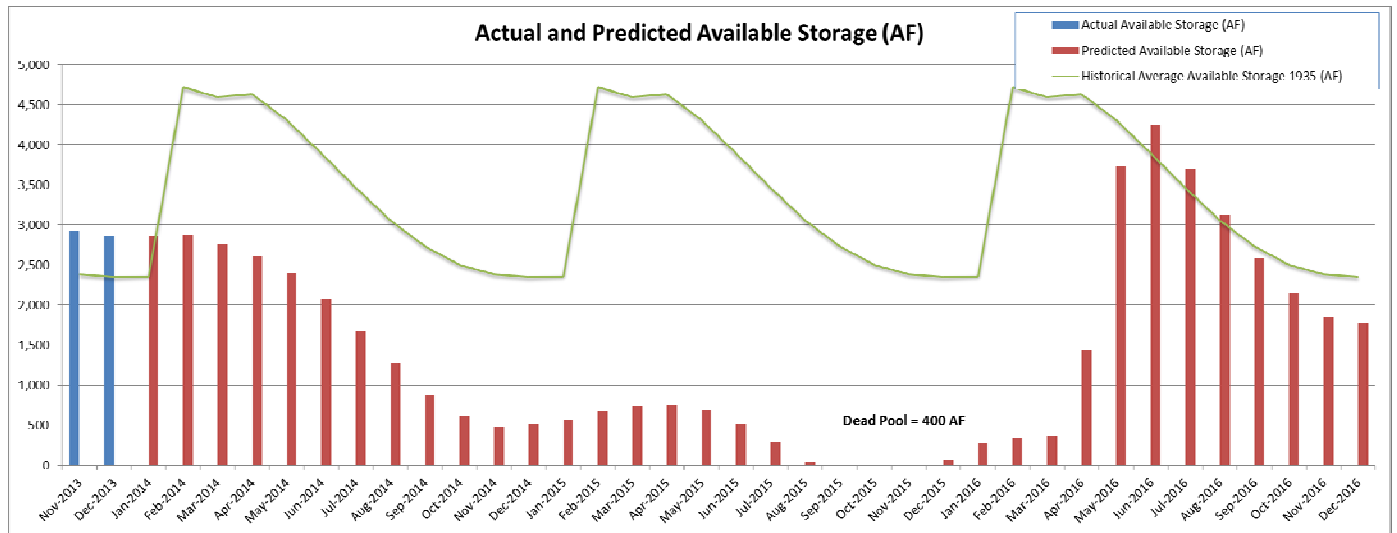
**Figure 8. Scenario 2: No Pumping, Up to 20% Demand Cutbacks**



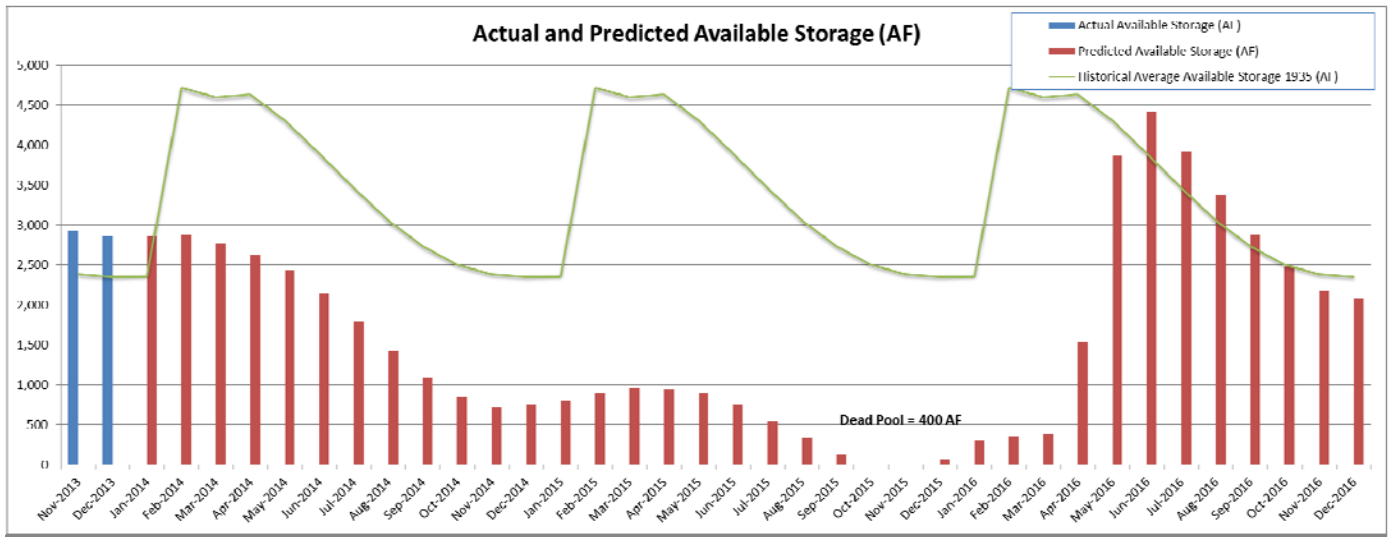
**Figure 9. Scenario 3: No Pumping, Up to 50% Demand Cutbacks (No Irrigation)**



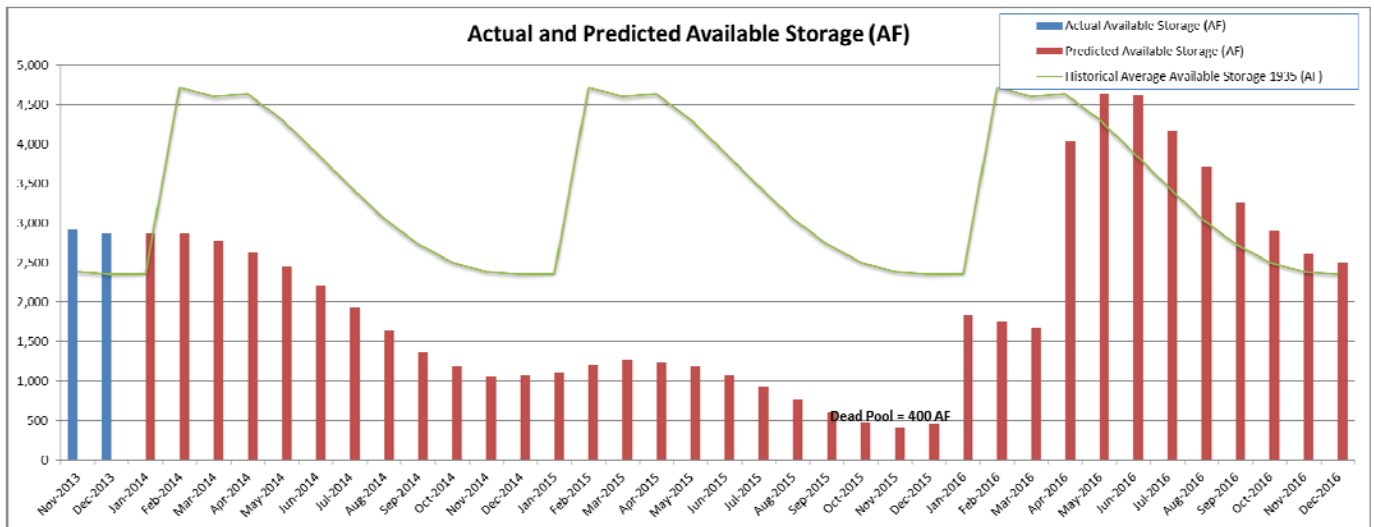
**Figure 10. Scenario 4: Pumping 30 Days at 46 cfs (100%) with Up to 20% Demand Cutbacks**



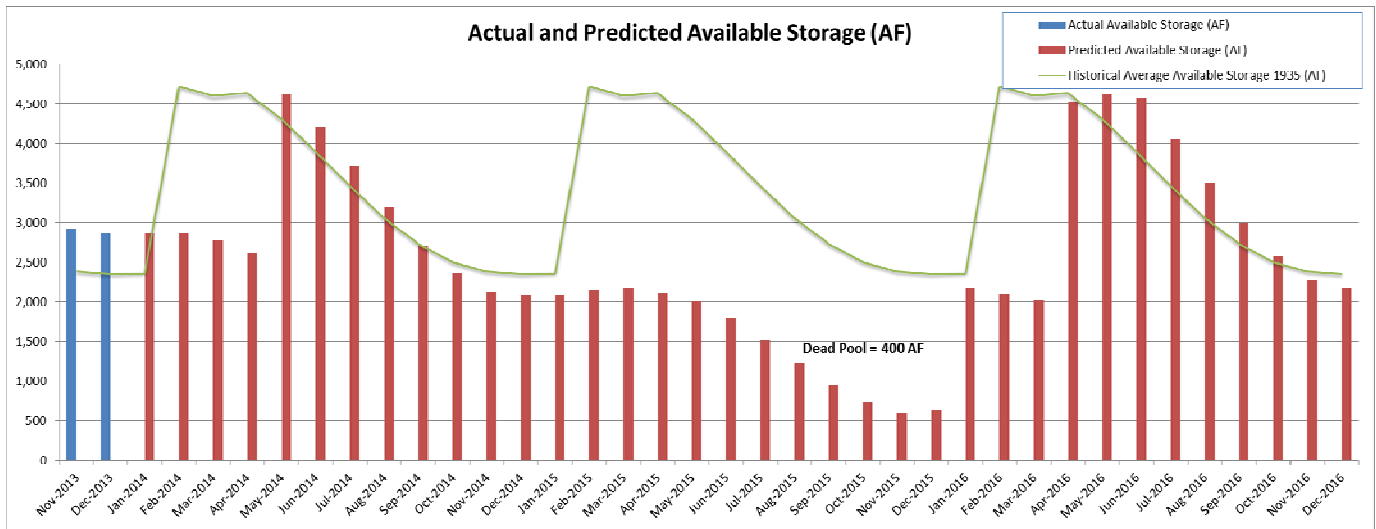
**Figure 11. Case Scenario 5: No Pumping, No Cutbacks, Add Well Supply in September 2014**



**Figure 12. Case Scenario 6: No Pumping,  
Up to 20% Demand Cutbacks, Add Well Supply in September 2014**



**Figure 13. Case Scenario 7: No Pumping,  
Up to 50% Demand Cutbacks, Add Well Supply in September 2014**



**Figure 14. Case Scenario 8: Pumping 30 Days, Up to 20% Demand Cutbacks, Add Well Supply in September 2014**

## 6. PROJECTED FISCAL IMPACTS

Although it is too early to truly know with certainty what the fiscal impacts will be related to a Stage 2 (or higher) drought, CSD staff has prepared the following fiscal impact estimates presented in Table 3.

**Table 3. Initial Estimates of Fiscal Impacts**

Category	Estimated Fiscal Impact
Increased operations cost related to running (3) 500 hp pumps	\$ 74,000
12 month SMUD demand surcharge	\$ 60,000
20% demand cutbacks revenue loss	\$ 350,000
Increased administrative costs (i.e., water waste monitoring, increased customer service demands, notification mailings, drought fairs, conservation incentives, etc.)	\$ 70,000
<b>Total Estimated Fiscal Impact</b>	<b>\$554,000</b>

## 7. RECOMMENDATIONS

Based on discussions with CSD staff, it is recommended that CSD implement to Stage 2 planned as of February 1<sup>st</sup> with notices to customers sent in January (10 day notice). CSD staff is planning the following schedule of implementation for Stage 1 moving directly to Stage 2:

- Post online and in media that Stage 2 is voluntary Jan 15-Jan 31



- Send 10 day notices to customers by Jan 20
- Authorize mandatory Stage 2 starting Feb 1
- Board direction to Staff to move forward with tiered pricing and drought surcharge as appropriate by April 1 if possible

The drought actions for Stage 1 & 2 are presented in Attachment B. CSD will continue to monitor:

- Local climate conditions
- Reservoir levels
- Demand response (via WTP Production numbers)
- Water waste violations
- Fiscal budget impacts
- Biweekly updates to the Improvements Committee and CSD Board
- Customer outreach on the progress of response to the drought.

The next Board and community update will be at the Improvements Committee meeting on February 6, 2014.

## ATTACHMENT A

### Existing CSD Water Rights

The District's water supply consists of seasonal diversions from the Cosumnes River that are normally diverted to three storage reservoirs (Calero, Chesbro and Clementia). The District's appropriated water rights permit, 16762, states the following:

Between the dates of the allowable diversion period (November 1 and May 31), surface water can be diverted from the Cosumnes River at Granlees Dam into the District's water storage reservoirs.

Diversions are limited as follows:

1. No water may be diverted when river flows are less than 70 cubic feet per second (cfs) at Michigan Bar gauging station.
2. For river flows between 70 and 175 cfs, a maximum diversion rate of 6 cfs is allowed provided this diversion does not reduce downstream flow below 70 cfs.
3. When river flows exceed 175 cfs, diversion of up to 46 cfs is allowed for direct use plus an additional 3,900 acre-ft for storage as follows:
  - a. 1,250 acre-ft to Chesbro Reservoir.
  - Section 2 2010 Integrated Water Master Plan Update
  - b. 2,610 acre-ft to Calero Reservoir.
  - c. 850 acre-ft to Clementia Reservoir.
  - d. 40 acre-ft to South Course Lake 10.
4. The combined amount of items b, c, and d above cannot exceed 2,650 acre-ft./year.
5. The maximum allowable diversion rate to storage is 46 cfs.
6. If at least 400 acre-ft has not been diverted by February 1st, up to 46 cfs may be diverted during February if the river flow is above 70 cfs.
7. If on March 1st at least 2,000 acre-ft has not been diverted; up to 46 cfs may be diverted during the month of March if the river flow is above 70 cfs.

8. If on April 1st at least 4,400 acre-ft has not been diverted; up to 46 cfs may be diverted for the rest of the season if the river flow is above 70 cfs.

9. The equivalent of the continuous flow allowance by direct diversion for any 7-day period may be diverted in a shorter time if there is no interference with vested rights.

10. No water shall be diverted during the allowable period (November 1-May 31) except during such time as there is visible surface flow in the bed of the Cosumnes River from point of diversion to the McConnell gauging station at Highway 99.

11. The total amount of water taken from the river cannot exceed 6,368 acre-ft per year from October 1 to September 30.

Water right permit 16762 was issued in 1969 and amended in 1980. In 2001, the permit was renewed and extended with no new permit requirements through 2020 in consideration that the community was not at full build-out.

Rancho Murieta Community Services District

**WATER SHORTAGE MEASURES  
STAGE DEFINITIONS**

STAGE ONE - WATER ALERT

GOAL IS 10% REDUCTION PER AVERAGE HOUSEHOLD OR BUSINESS

1. All Stage “Normal” actions remain in force; unless revised herein.
2. All customers are encouraged to report observed water waste. The District’s Security Officers will be notifying District operations of any observed water waste for follow-up action.
3. Prohibit washing of streets, parking lots, driveways, sidewalks, or buildings, except as necessary for health or sanitary purposes. High efficiency pressurized water brooms are required for these purposes, conventional pressure washers or hoses with shut-off nozzles are not allowed.
4. Landscape irrigation shall be watered efficiently, preferably with a weather based irrigation controller or hose timer. If a weather based controller is not installed, change the minutes of run-time for irrigation valves consistent with fluctuations in weather as determined by evapotranspiration data provided by the District/Regional Water Authority.
5. Watering is limited to a maximum of **three (3) days per week** if and when necessary and no watering schedule (e.g., additional minutes) increases are permissible on designated watering days. Three (3) days per week water is sufficient for landscapes in the Rancho Murieta Community. Customers are to use cycle and soak watering with up to three (3) short watering cycles. Watering days need to be based on the following schedule.
  - ◆ Customers in Watering Group A may irrigate only on **Monday, Wednesday and Friday.**
  - ◆ Customers in Watering Group B may irrigate only on **Tuesday, Thursday and Saturday.**
  - ◆ **Sunday irrigation is not allowed.**

6. Residents are encouraged to reduce indoor water use by limiting showers. Washing full clothes washer and dishwasher loads.
  
7. Restaurants shall serve water only upon specific request.

# RANCHO MURIETA COMMUNITY SERVICES DISTRICT

## WATER SHORTAGE MEASURES STAGE DEFINITIONS

### STAGE TWO - WATER WARNING

#### GOAL IS 25% REDUCTION PER AVERAGE HOUSEHOLD OR BUSINESS

1. All Stage “Normal” and Stage 1 actions remain in force; unless revised herein.
2. Landscape irrigation shall be limited to a maximum of **two (2) days per week** when necessary and no watering schedule (e.g., additional minutes) increases are permissible on designated watering days. Two (2) days per week water is sufficient for landscapes in the Rancho Murieta Community. Customers are to use cycle and soak watering with up to three short watering cycles. Watering shall be based on the following schedule.
  - a. Customers in Watering Group A may irrigate only on **Tuesdays and Saturdays**.
  - b. Customers in Watering Group B may irrigate only on **Wednesdays and Sundays**.
  - c. Watering times will be between the hours of 8:00 p.m. to 8:00 a.m. only.
3. Restaurants shall serve water only upon specific request.
4. Residents are strongly encouraged to reduce indoor water use by limiting showers, clothes washing and dish washing.
5. Tiered rate pricing will be instituted at this stage to promote more equitable and efficient water use and in an effort to meet demand cutback goals. A drought surcharge may also be included as needed to maintain revenue stability and/or assist with achieving demand reduction goals as needed based on approved District policies and District Code – Chapter 14 – Water Code.

# ATTACHMENT C DROUGHT MODEL SETTINGS AND SUPPLY RESULTS

Drought Tracker Checklist				
Note: Update values in the white cells				
Steps				Notes
1. Enter The Current Date	1/1/2014			
2. Enter Current Supply Data	<a href="#">Link To Supply</a>			
3. Update Consumnes Flow Data	<a href="#">Link To Consumnes Flow Data</a>			
4. Enter System Losses	7%			WTP and distribution (Do not include seepage and evaporation)
5. Adjust Historical Average Demands	<a href="#">Link to Historical Average Demands</a>			
6. Enter Current Year Demands and # of Accounts	<a href="#">Link To Current Year Demands</a>			
7. Enter Current Population Estimate	5,880 people			
8. Seepage and Evaporation Percentages	Month	Values	Defaults	Default values taken from 1977 worst case scenario
	Jan	2%	2%	
	Feb	3%	3%	
	Mar	4%	4%	
	Apr	5%	5%	
	May	6%	6%	
	Jun	7%	7%	
	Jul	8%	8%	
	Aug	8%	8%	
	Sep	7%	7%	
	Oct	7%	7%	
	Nov	5%	5%	
	Dec	4%	4%	
9. Dry Year Increases	Month	Values	Defaults	Applies to all Years
	Jan	0%	0%	
	Feb	0%	0%	
	Mar	15%	10%	
	Apr	15%	10%	
	May	20%	15%	
	Jun	25%	20%	
	Jul	30%	25%	
	Aug	30%	25%	
	Sep	25%	20%	
	Oct	15%	15%	
	Nov	15%	10%	
	Dec	0%	0%	
10. Review Results	<a href="#">Link to Results</a>			Assuming till the beginning of the next pumping season

# Drought Model Results

Modify these settings to adjust the predicted EDSR

Scenario 1

## Water Year and Climate Scenario

Forecasted 2014, 2015, 2016 (Two years repeat 1977 "Low Flow")

## Demand Level

FISCAL YEAR 2012-2013

## Spring (Mar/Apr) Predicted Pumping

Month: No Pumping  
 # of Days: 30 days  
 Pump Rate: 46 cfs

## Augmentation Well

Well On:   
 Start Date: 9/1/2014  
 End Date: 11/1/2015  
 Monthly Amount: 50 AF/mon

	2014	2015	2016
Jan	0%	0%	0%
Feb	0%	0%	0%
Mar	0%	0%	0%
Apr	0%	0%	0%
May	0%	0%	0%
Jun	0%	0%	0%
Jul	0%	0%	0%
Aug	0%	0%	0%
Sep	0%	0%	0%
Oct	0%	0%	0%
Nov	0%	0%	0%
Dec	0%	0%	0%

Cutback	Cutback	Cutback
Scenario 1	Scenario 2	Scenario 3
0%	0%	0%
0%	5%	5%
0%	10%	10%
0%	20%	35%
0%	20%	45%
0%	20%	50%
0%	20%	50%
0%	20%	50%
0%	20%	45%
0%	10%	35%
0%	5%	5%
0%	5%	5%

Note: Cutbacks cannot reduce use below 50 gpcd.

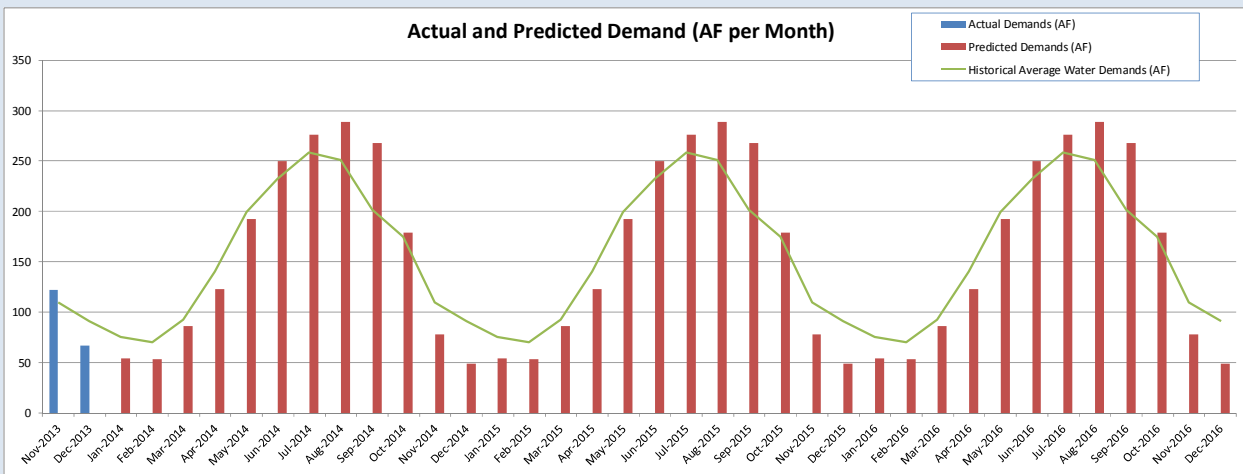
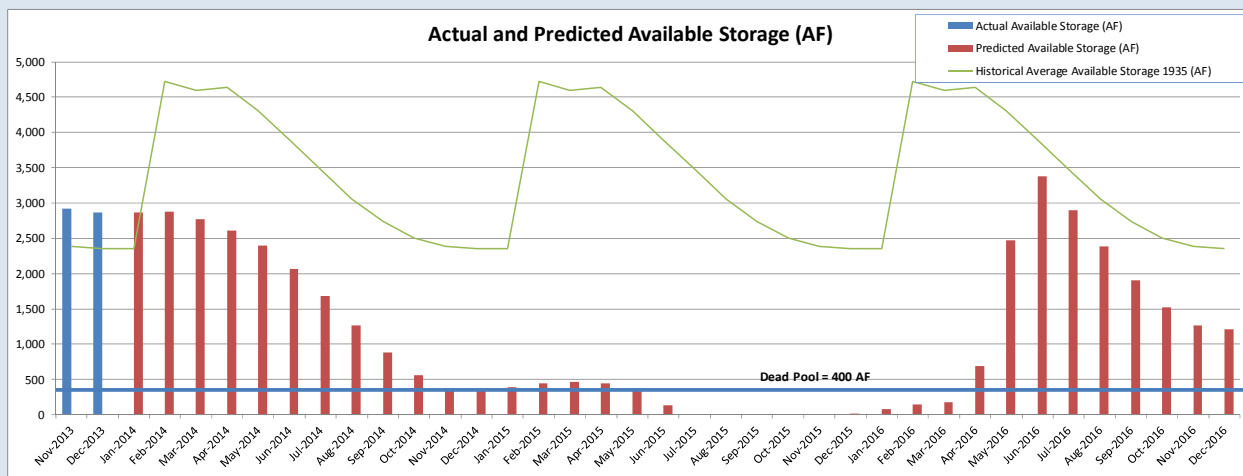
## Results

Estimated Days of Supply Remaining (EDSR)

516

Estimated Number of Pumping Days Remaining

0





# Drought Model Results

Modify these settings to adjust the predicted EDSR

Scenario 2

## Water Year and Climate Scenario

Forecasted 2014, 2015, 2016 (Two years repeat 1977 "Low Flow")

## Demand Level

FISCAL YEAR 2012-2013

## Spring (Mar/Apr) Predicted Pumping

Month: No Pumping  
 # of Days: 30 days  
 Pump Rate: 46 cfs

## Augmentation Well

Well On:   
 Start Date: 9/1/2014  
 End Date: 11/1/2015  
 Monthly Amount: 50 AF/mon

Cutback Percent			
	2014	2015	2016
Jan	0%	0%	0%
Feb	5%	5%	5%
Mar	10%	10%	10%
Apr	20%	20%	20%
May	20%	20%	20%
Jun	20%	20%	20%
Jul	20%	20%	20%
Aug	20%	20%	20%
Sep	20%	20%	20%
Oct	10%	10%	10%
Nov	5%	5%	5%
Dec	5%	5%	5%

Cutback	Cutback	Cutback
Scenario 1	Scenario 2	Scenario 3
0%	0%	0%
0%	5%	5%
0%	10%	10%
0%	20%	35%
0%	20%	45%
0%	20%	50%
0%	20%	50%
0%	20%	50%
0%	20%	50%
0%	20%	45%
0%	10%	35%
0%	5%	5%
0%	5%	5%

Note: Cutbacks cannot reduce use below 50 gpcd.

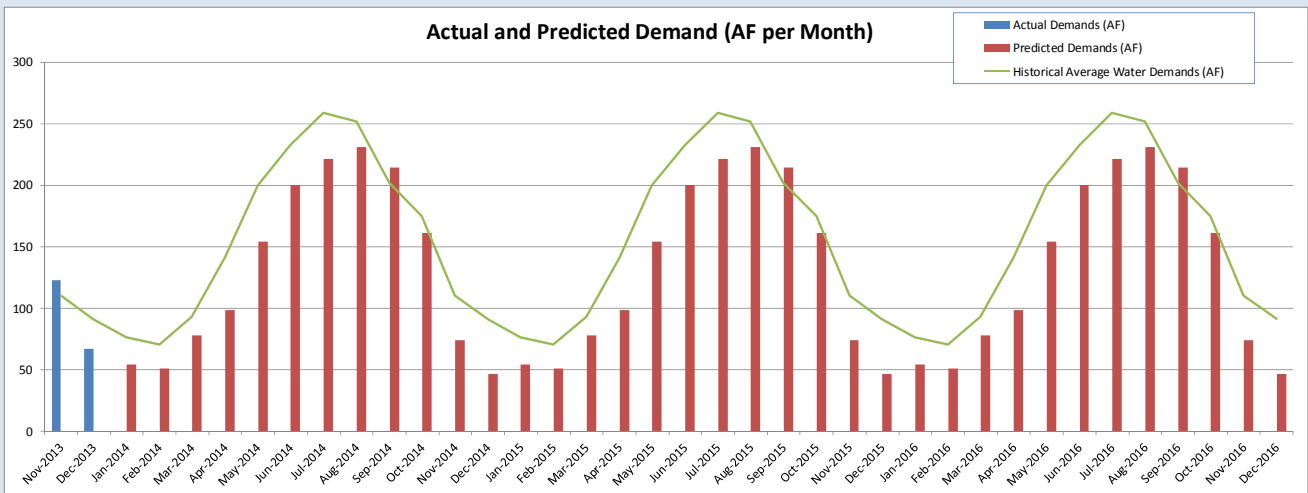
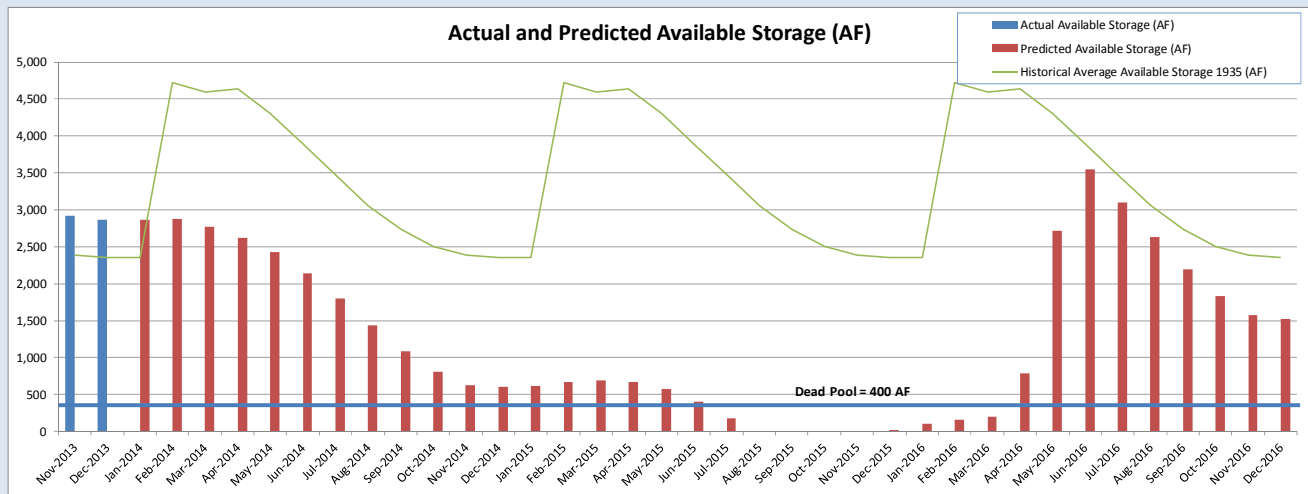
## Results

Estimated Days of Supply Remaining (EDSR)

546

Estimated Number of Pumping Days Remaining

0



# Drought Model Results

Modify these settings to adjust the predicted EDSR

Scenario 3

## Water Year and Climate Scenario

Forecasted 2014, 2015, 2016 (Two years repeat 1977 "Low Flow")

## Demand Level

FISCAL YEAR 2012-2013

## Spring (Mar/Apr) Predicted Pumping

Month:	No Pumping
# of Days:	30 days
Pump Rate:	46 cfs

## Augmentation Well

Well On	<input type="checkbox"/>
Start Date	9/1/2014
End Date	11/1/2015
Monthly Amount	50 AF/mon

	2014	2015	2016
Jan	0%	0%	0%
Feb	5%	5%	5%
Mar	10%	10%	10%
Apr	35%	35%	35%
May	45%	45%	45%
Jun	50%	50%	50%
Jul	50%	50%	50%
Aug	50%	50%	50%
Sep	45%	45%	45%
Oct	35%	35%	35%
Nov	5%	5%	5%
Dec	5%	5%	5%

Cutback	Cutback	Cutback
Scenario 1	Scenario 2	Scenario 3
0%	0%	0%
0%	5%	5%
0%	10%	10%
0%	20%	35%
0%	20%	45%
0%	20%	50%
0%	20%	50%
0%	20%	50%
0%	20%	45%
0%	10%	35%
0%	5%	5%
0%	5%	5%

Note: Cutbacks cannot reduce use below 50 gpcd.

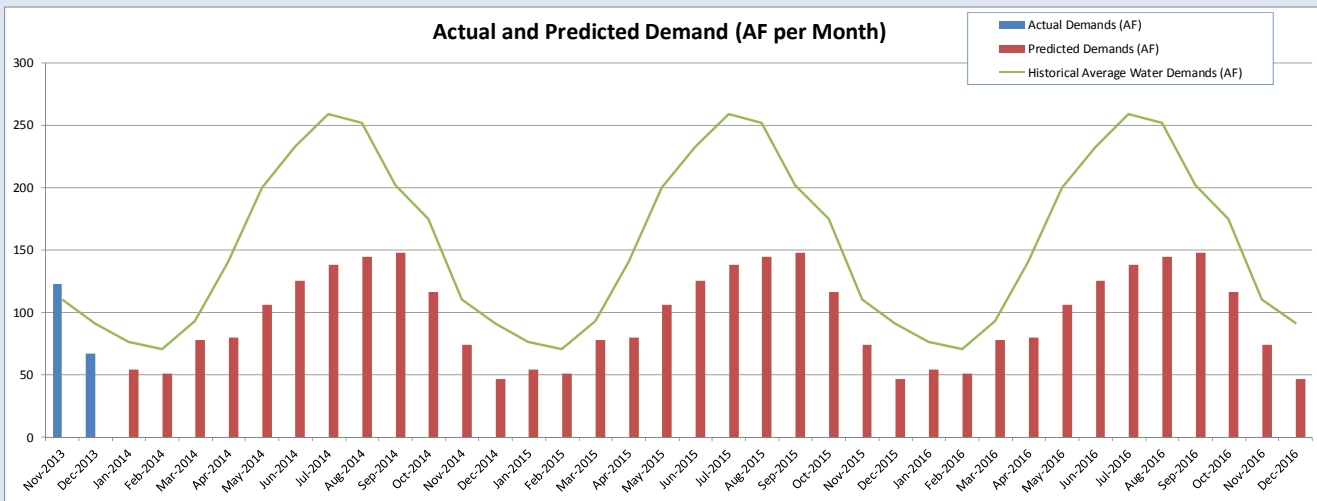
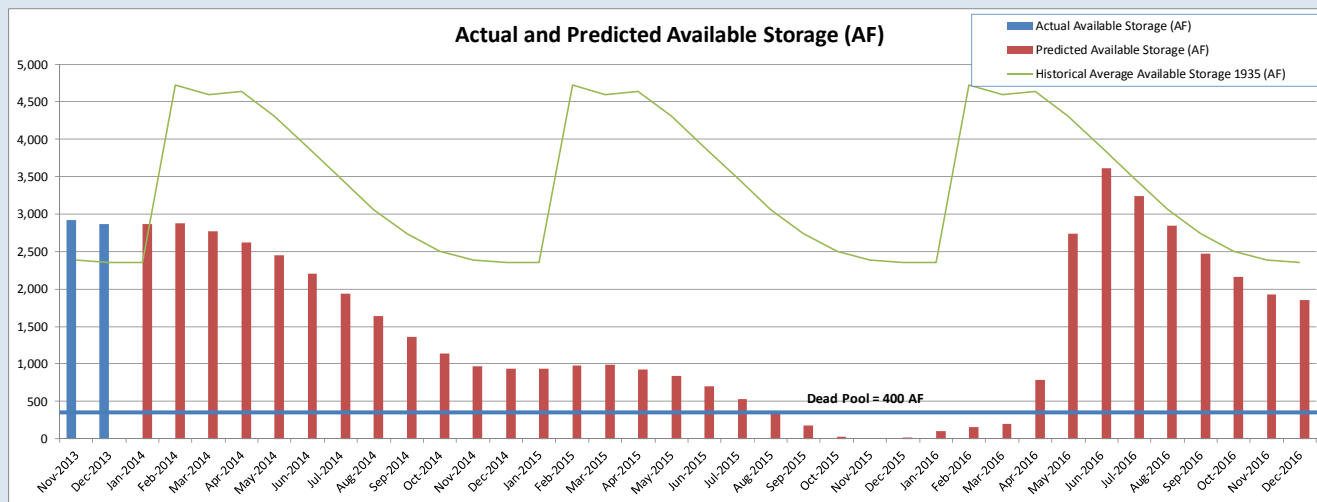
## Results

Estimated Days of Supply Remaining (EDSR)

638

Estimated Number of Pumping Days Remaining

0



# Drought Model Results

Modify these settings to adjust the predicted EDSR

Scenario 4

## Water Year and Climate Scenario

Forecasted 2014, 2015, 2016 (Two years repeat 1977 "Low Flow")

## Demand Level

FISCAL YEAR 2012-2013

## Spring (Mar/Apr) Predicted Pumping

Month:	April
# of Days:	30 days
Pump Rate:	46 cfs

## Augmentation Well

Well On:	<input type="checkbox"/>
Start Date:	9/1/2014
End Date:	11/1/2015
Monthly Amount:	50 AF/mon

	2014	2015	2016
Jan	0%	0%	0%
Feb	5%	5%	5%
Mar	10%	10%	10%
Apr	20%	20%	20%
May	20%	20%	20%
Jun	20%	20%	20%
Jul	20%	20%	20%
Aug	20%	20%	20%
Sep	20%	20%	20%
Oct	10%	10%	10%
Nov	5%	5%	5%
Dec	5%	5%	5%

Cutback	Cutback	Cutback
Scenario 1	Scenario 2	Scenario 3
0%	0%	0%
0%	5%	5%
0%	10%	10%
0%	20%	35%
0%	20%	45%
0%	20%	50%
0%	20%	50%
0%	20%	50%
0%	20%	45%
0%	10%	35%
0%	5%	5%
0%	5%	5%

Note: Cutbacks cannot reduce use below 50 gpcd.

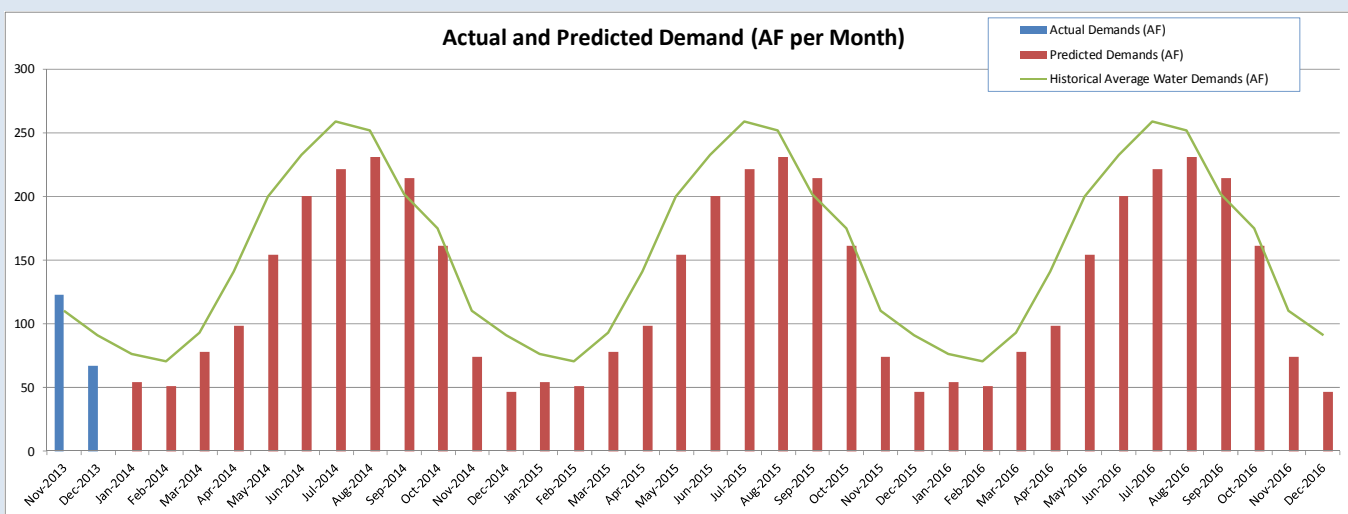
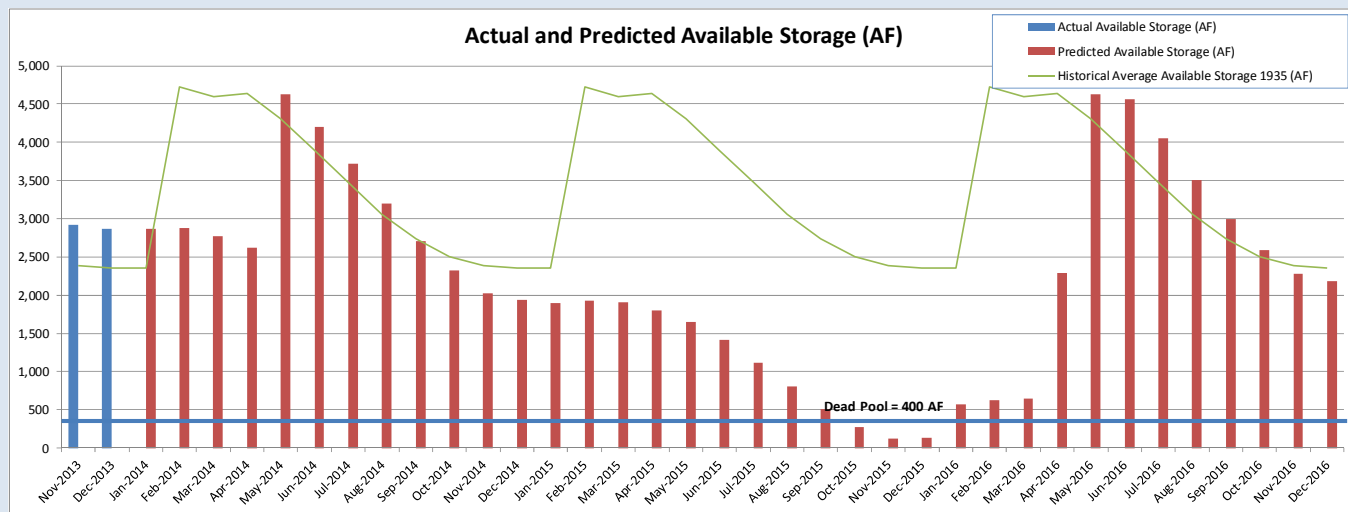
## Results

### Estimated Days of Supply Remaining (EDSR)

Unconstrained

### Estimated Number of Pumping Days Remaining

0



# Drought Model Results

Modify these settings to adjust the predicted EDSR

Scenario 5

## Water Year and Climate Scenario

Forecasted 2014, 2015, 2016 (Two years repeat 1977 "Low Flow")

## Demand Level

FISCAL YEAR 2012-2013

## Spring (Mar/Apr) Predicted Pumping

Month:	No Pumping
# of Days:	30 days
Pump Rate:	46 cfs

## Augmentation Well

Well On:	<input checked="" type="checkbox"/>
Start Date:	9/1/2014
End Date:	11/1/2015
Monthly Amount:	50 AF/mon

	2014	2015	2016
Jan	0%	0%	0%
Feb	0%	0%	0%
Mar	0%	0%	0%
Apr	0%	0%	0%
May	0%	0%	0%
Jun	0%	0%	0%
Jul	0%	0%	0%
Aug	0%	0%	0%
Sep	0%	0%	0%
Oct	0%	0%	0%
Nov	0%	0%	0%
Dec	0%	0%	0%

Cutback	Cutback	Cutback
Scenario 1	Scenario 2	Scenario 3
0%	0%	0%
0%	5%	5%
0%	10%	10%
0%	20%	35%
0%	20%	45%
0%	20%	50%
0%	20%	50%
0%	20%	50%
0%	20%	45%
0%	10%	35%
0%	5%	5%
0%	5%	5%

Note: Cutbacks cannot reduce use below 50 gpcd.

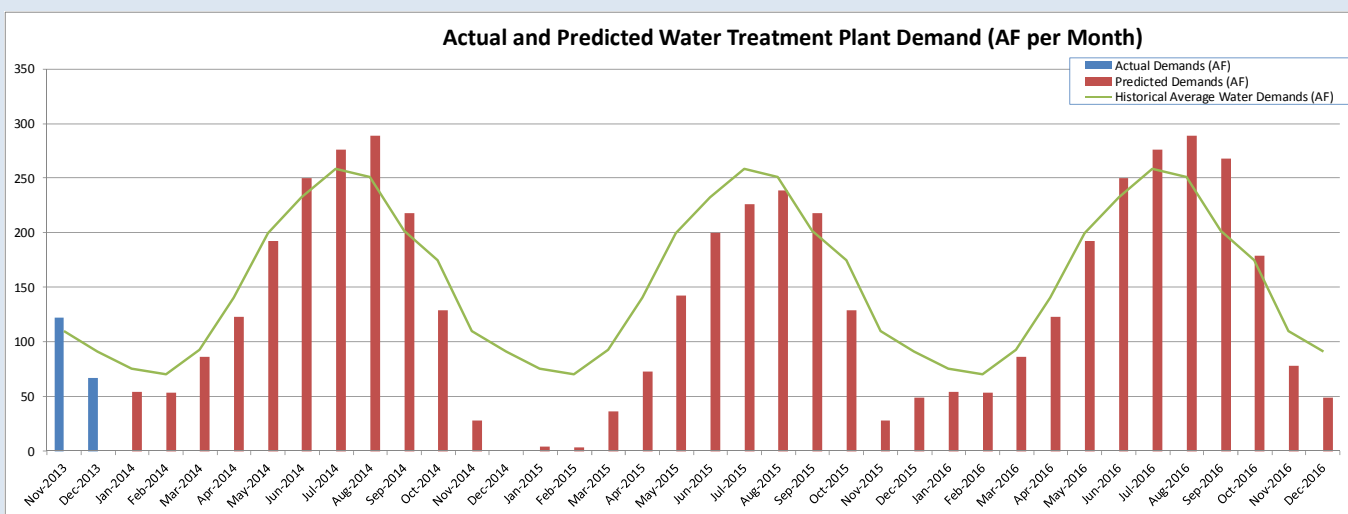
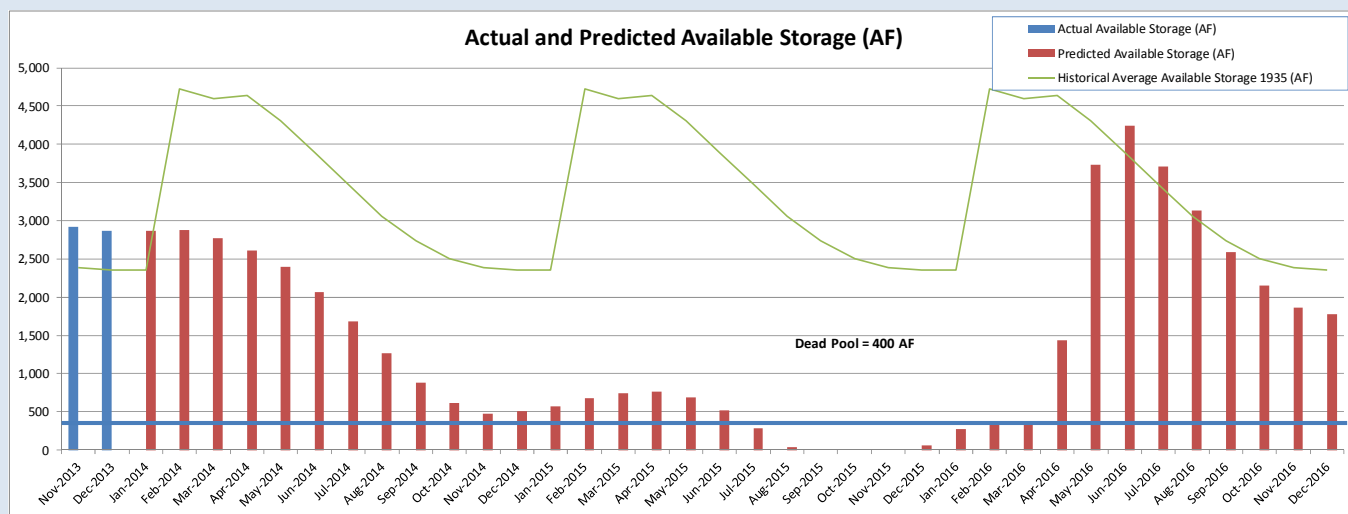
## Results

Estimated Days of Supply Remaining (EDSR)

577

Estimated Number of Pumping Days Remaining

0



# Drought Model Results

Modify these settings to adjust the predicted EDSR

Scenario 6

## Water Year and Climate Scenario

Forecasted 2014, 2015, 2016 (Two years repeat 1977 "Low Flow")

## Demand Level

FISCAL YEAR 2012-2013

## Spring (Mar/Apr) Predicted Pumping

Month:	No Pumping
# of Days:	30 days
Pump Rate:	46 cfs

## Augmentation Well

Well On:	<input checked="" type="checkbox"/>
Start Date:	9/1/2014
End Date:	11/1/2015
Monthly Amount:	50 AF/mon

	2014	2015	2016
Jan	0%	0%	0%
Feb	5%	5%	5%
Mar	10%	10%	10%
Apr	20%	20%	20%
May	20%	20%	20%
Jun	20%	20%	20%
Jul	20%	20%	20%
Aug	20%	20%	20%
Sep	20%	20%	20%
Oct	10%	10%	10%
Nov	5%	5%	5%
Dec	5%	5%	5%

Cutback	Cutback	Cutback
Scenario 1	Scenario 2	Scenario 3
0%	0%	0%
0%	5%	5%
0%	10%	10%
0%	20%	35%
0%	20%	45%
0%	20%	50%
0%	20%	50%
0%	20%	50%
0%	20%	45%
0%	10%	35%
0%	5%	5%
0%	5%	5%

Note: Cutbacks cannot reduce use below 50 gpcd.

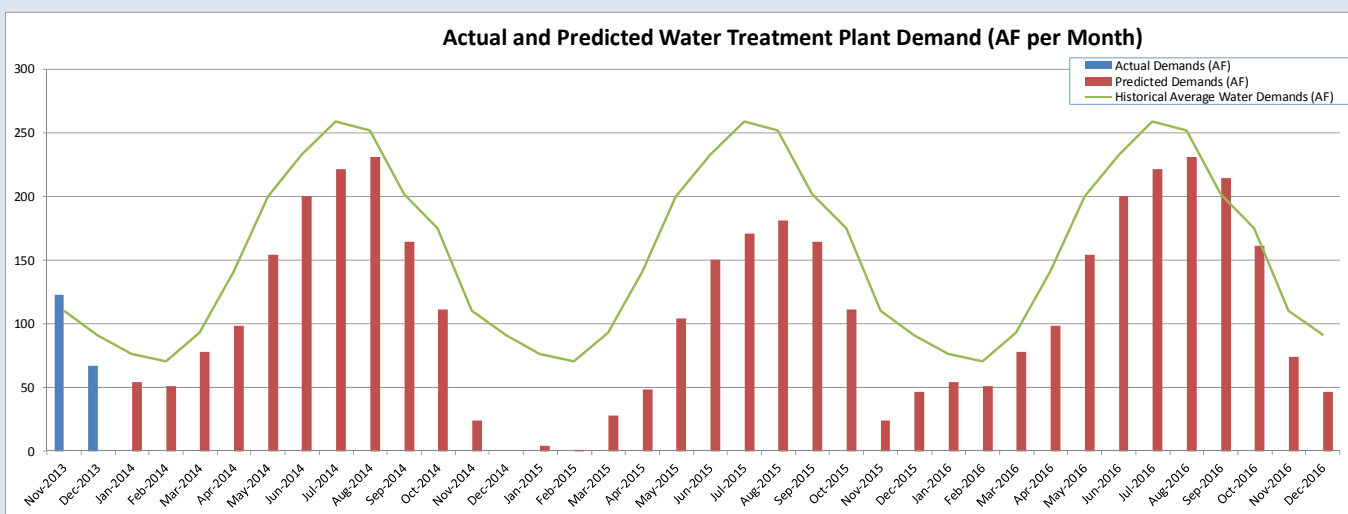
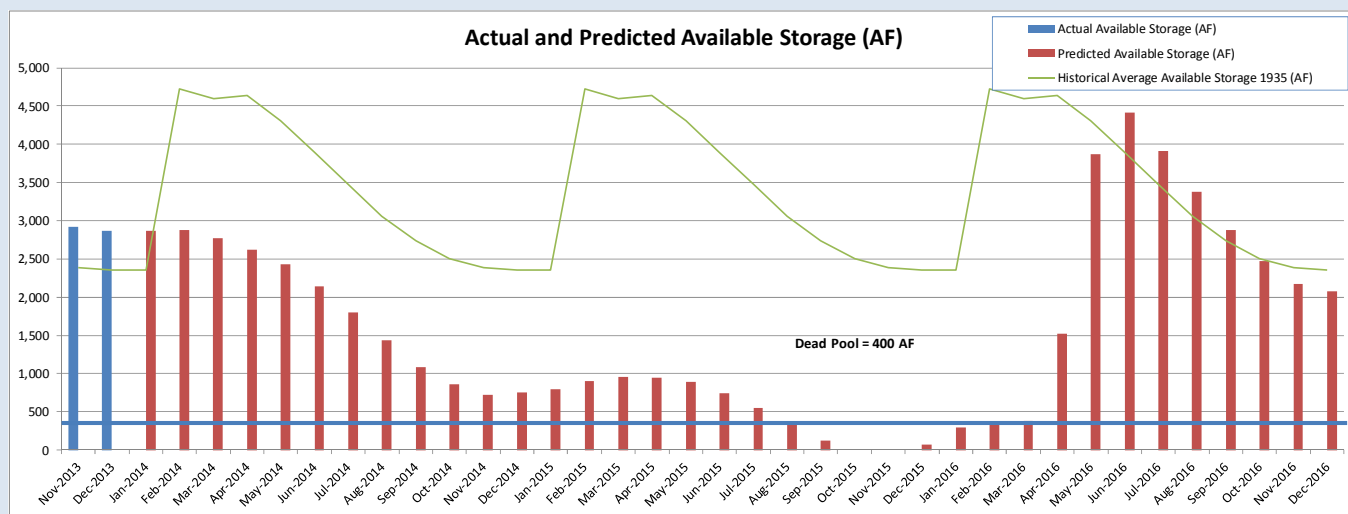
## Results

### Estimated Days of Supply Remaining (EDSR)

608

### Estimated Number of Pumping Days Remaining

0



# Drought Model Results

Modify these settings to adjust the predicted EDSR

Scenario 7

## Water Year and Climate Scenario

Forecasted 2014, 2015, 2016 (Two years repeat 1977 "Low Flow")

## Demand Level

FISCAL YEAR 2012-2013

## Spring (Mar/Apr) Predicted Pumping

Month:	No Pumping
# of Days:	30 days
Pump Rate:	46 cfs

## Augmentation Well

Well On:	<input checked="" type="checkbox"/>
Start Date:	9/1/2014
End Date:	11/1/2015
Monthly Amount:	50 AF/mon

	2014	2015	2016
Jan	0%	0%	0%
Feb	5%	5%	5%
Mar	10%	10%	10%
Apr	35%	35%	35%
May	45%	45%	45%
Jun	50%	50%	50%
Jul	50%	50%	50%
Aug	50%	50%	50%
Sep	45%	45%	45%
Oct	35%	35%	35%
Nov	5%	5%	5%
Dec	5%	5%	5%

Cutback	Cutback	Cutback
Scenario 1	Scenario 2	Scenario 3
0%	0%	0%
0%	5%	5%
0%	10%	10%
0%	20%	35%
0%	20%	45%
0%	20%	50%
0%	20%	50%
0%	20%	50%
0%	20%	45%
0%	10%	35%
0%	5%	5%
0%	5%	5%

Note: Cutbacks cannot reduce use below 50 gpcd.

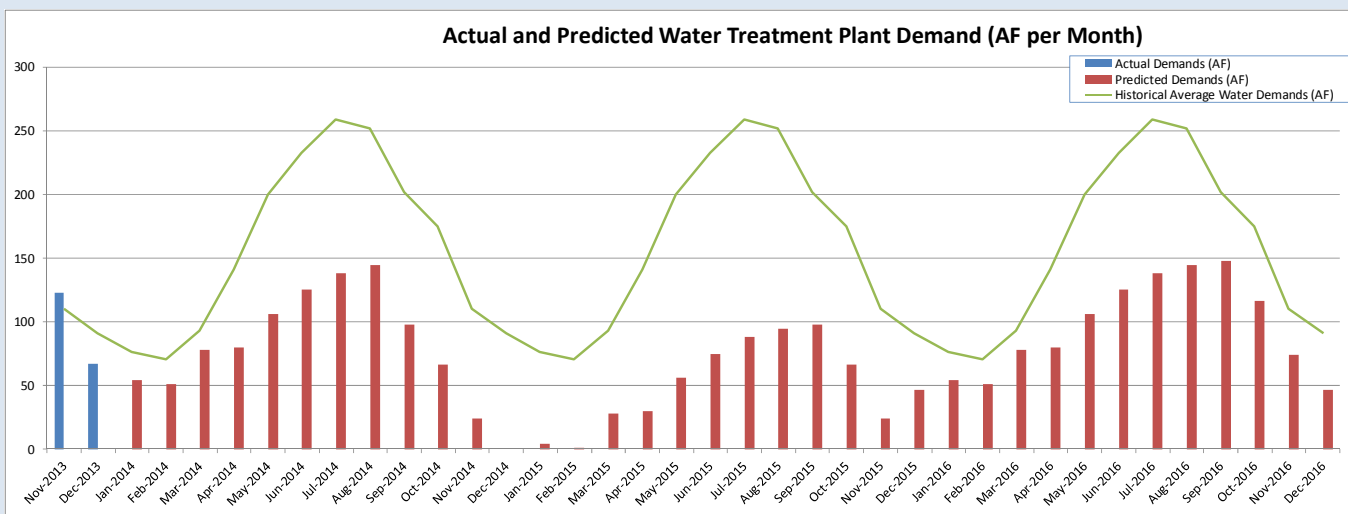
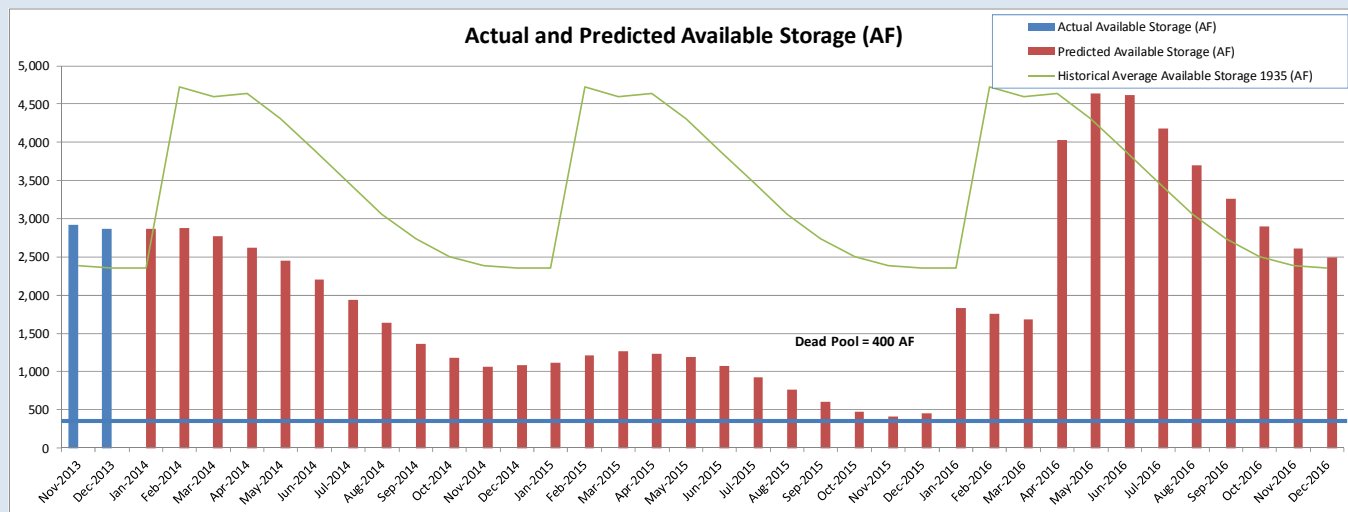
## Results

### Estimated Days of Supply Remaining (EDSR)

Unconstrained

### Estimated Number of Pumping Days Remaining

0



# Drought Model Results

Modify these settings to adjust the predicted EDSR

Scenario 8

## Water Year and Climate Scenario

Forecasted 2014, 2015, 2016 (Two years repeat 1977 "Low Flow")

## Demand Level

FISCAL YEAR 2012-2013

## Spring (Mar/Apr) Predicted Pumping

Month:	No Pumping
# of Days:	30 days
Pump Rate:	46 cfs

## Augmentation Well

Well On:	<input checked="" type="checkbox"/>
Start Date:	9/1/2014
End Date:	11/1/2015
Monthly Amount:	50 AF/mon

	2014	2015	2016
Jan	0%	0%	0%
Feb	5%	5%	5%
Mar	10%	10%	10%
Apr	20%	20%	20%
May	20%	20%	20%
Jun	20%	20%	20%
Jul	20%	20%	20%
Aug	20%	20%	20%
Sep	20%	20%	20%
Oct	10%	10%	10%
Nov	5%	5%	5%
Dec	5%	5%	5%

Cutback	Cutback	Cutback
Scenario 1	Scenario 2	Scenario 3
0%	0%	0%
0%	5%	5%
0%	10%	10%
0%	20%	35%
0%	20%	45%
0%	20%	50%
0%	20%	50%
0%	20%	50%
0%	20%	45%
0%	10%	35%
0%	5%	5%
0%	5%	5%

Note: Cutbacks cannot reduce use below 50 gpcd.

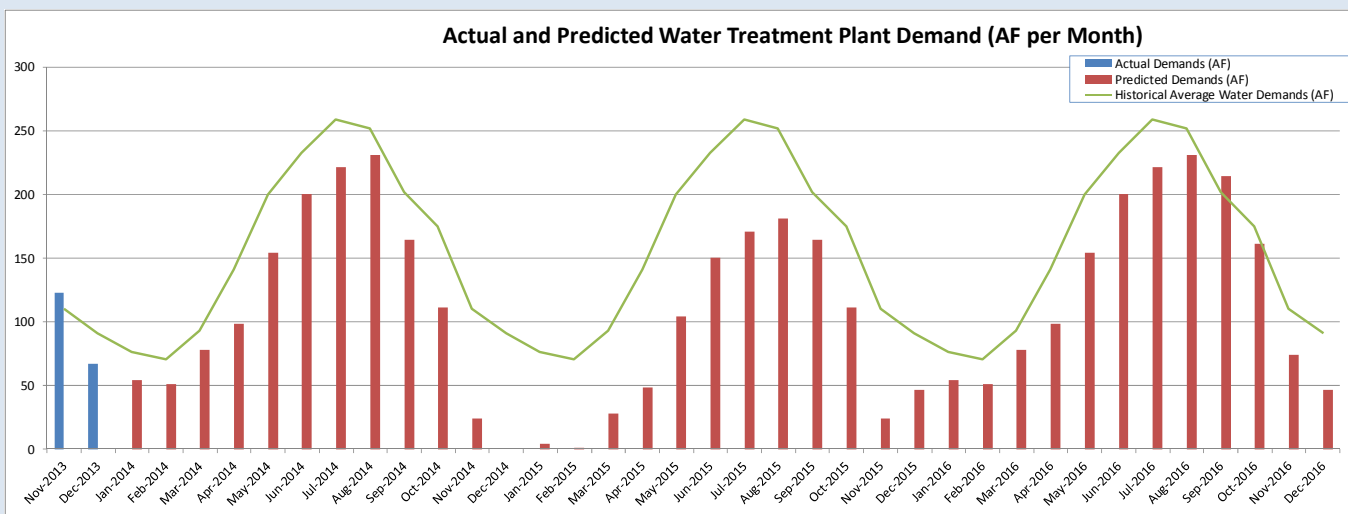
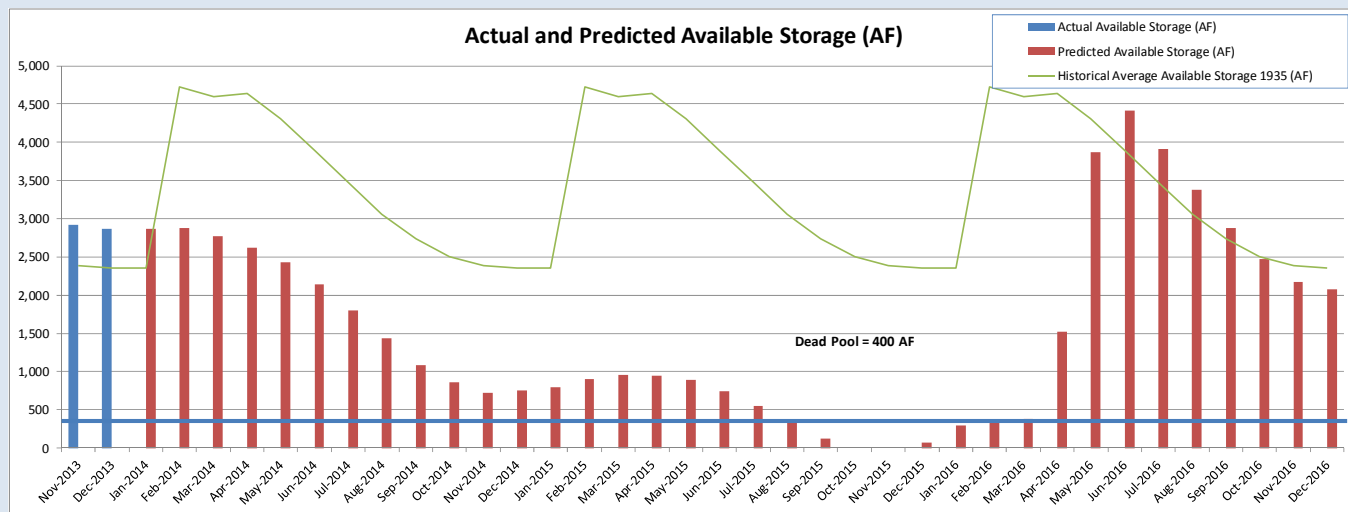
## Results

Estimated Days of Supply Remaining (EDSR)

608

Estimated Number of Pumping Days Remaining

0



## MEMORANDUM

Date: January 8, 2014  
To: Board of Directors  
From: Edward R. Crouse, General Manager  
Subject: Diversion Rates and Timing

---

### **RECOMMENDED ACTION**

Information only. Provide direction to staff as appropriate.

### **BACKGROUND**

Attached is a weekly reservoir level report prepared by water staff as of January 8, 2014.

The middle section illustrates “what if” calculations for various pumping rate (diversion) scenarios to fill our reservoirs.

As can be seen, we would need to start pumping now to fill the reservoirs using two (2) small pumps. The shortest time to fill the reservoirs is 29 days using our three (3) largest pumps.

However, as noted in earlier presentations, our water rights limit diversions until the river flows are 70 cfs. As of today, river flows are 22-24 cfs.



Date: January 8, 2014

### Raw Water Storage Information

<b>Calero</b>	Elevation	<b>261.54</b>	Acre Feet	<b>1105.26</b>	Million gallons	<b>360.150</b>
(full elevation)	Elevation	<b>278.0</b>	Acre Feet	<b>2630.0</b>	Million gallons	<b>856.988</b>
		16.5		2630.0	Dif.	496.838
<b>Chesbro</b>	Elevation	<b>256.33</b>	Acre Feet	<b>943.66</b>	Million gallons	<b>307.493</b>
(full elevation)	Elevation	<b>260.7</b>	Acre Feet	<b>1130.7</b>	Million gallons	<b>368.440</b>
		4.4		1130.7	Dif.	60.947
<b>Clementia</b>	Elevation	<b>183.51</b>	Acre Feet	<b>804.67</b>	Million gallons	<b>262.203</b>
(full elevation)	Elevation	<b>185.0</b>	Acre Feet	<b>907.1</b>	Million gallons	<b>295.579</b>
Total Stor.Volume		1.5		<b>4667.8</b>	Dif.	<b>33.377</b>
<b>Total Actual Vol.</b>			Ac.Ft.	<b>2853.6</b>	MG	<b>929.8</b>
			Left to fill Ac.Ft.	<b>1814.2</b>	MG	<b>1521.0</b>

### Raw Water - What If Calculations

<b>OK to Change</b>			With splash boards installed	At regular spill		Using Splashboard Elevation Subtracting current WTP flow	
WTP MGD =	<input type="text" value="1.1"/>	Full Total	5107.1	4660.3	Ac-ft		
River Flow =	<input type="text" value="24"/> cfs	Left to Fill	734.3	591.2	MG		
		Left to Fill	2253.5	1814.3	Ac-ft.		
		125 hp ea.	1 pump @ 2,630 gpm	193.9	156.1	days	235.1 days
			2 pumps @ 4,958 gpm	102.8	82.8	days	124.7 days
		500 hp ea.	1 pump @ ~ 6,885 gpm	74.1	59.6	days	89.8 days
			2 pumps @ ~ 13,770 gpm	37.0	29.8	days	44.9 days
			3 pumps @ ~ 20,655 gpm	24.7	19.9	days	29.9 days
Days of Pumping left:	<input type="text" value="142"/>						
Target end date:	<input type="text" value="5/30/2014"/>						

### Wastewater Storage Information

Res # 1	Elevation	<b>142.25</b>	Acre Feet	<b>129.39</b>	Million gallons	42.162
<b>(full elevation)</b>	<b>Elevation</b>	<b>163.59</b>	<b>Acre Feet</b>	637.58	Million gallons	207.76
Res # 2	Elevation	<b>142.25</b>	Acre Feet	<b>6</b>	Million gallons	1.955
(full elevation)	Elevation	170	Acre Feet	148.59	Million gallons	48.42
				786.17		
	total volume Ac.ft.		<b>135.39</b>		total vol	<b>44.11697</b> MG

## MEMORANDUM

Date: January 8, 2014  
To: Board of Directors  
From: Edward R. Crouse, General Manager  
Subject: Augmentation Well Construction Update

---

### RECOMMENDED ACTION

Information only. Provide direction to staff as appropriate.

### BACKGROUND

At the December 18, 2013 Board meeting, the Board approved the technical memorandum recommendations of Dunn Environmental. Recall the recommendation was to initially develop a production well at TH-A location near Cantova Way and, if insufficient capacity, pursue development of another production well at TH-A or at TH-B.

Dunn was notified of our approvals and directed to proceed with design.

Given the current dry season forecast, bringing the augmentation well on line is a high priority. Dunn has been directed to have the well on line by September 1, 2014, to ensure its supply is available in the wedge season before our diversion season begins.

This allows a nine (9) month window to complete design, bid, and construct the wells, above ground well head facilities, including electrical and pipeline from TH-B if necessary. Staff and Dunn feel this schedule can be met.

However, we have several contingencies planned if critical items are not ready by September. If power is not available, the electrical panels will be equipped with portable generator hook-up connections. If the pipeline is not in place, above ground piping will be rented to connect TH-B (or TH-A) to the existing system in Cantova. Portable temporary treatment facilities will be used instead of permanent treatment facilities.

No State grant funds have been expended. The District has been paying our local share from Augmentation Reserves. We will have more current project cost information available at the Board meeting.

## MEMORANDUM

Date: January 8, 2014  
To: Board of Directors  
From: Edward R. Crouse, General Manager  
Subject: Stage 2 Drought Declaration

---

### RECOMMENDED ACTION

Based on the ongoing drought conditions that adversely impact the District's ability to fill its three (3) water supply reservoirs, the Board finds that a potential water shortage exists and hereby declares a Stage 2 Water Warning and that customers should reduce their water usage by at least 20%.

### BACKGROUND

Maddaus Water Management (MWM) has presented their review of our drought tracker model through early January. Leading into January, the model tracked leading weather indicators and, as a result, suggested closer monitoring after January 1<sup>st</sup> given the historically dry December, started to indicate that declaring a Stage 1 Water Alert with voluntary demand reductions of 10% would be advisable. In early January 2014, MWM analyzed several drought and demand scenarios and their impact on reservoir levels.

Based on those scenarios and continued forecasts of a dry spring season, it is staff's recommendation, and that of MWM, that demand be reduced by at least 20% to ensure adequate supplies remain throughout this year, until our diversion season begins next Fall. This is a stage 2 Water Warning. Further demand reductions may be warranted depending on customer response and if the drought continues to worsen with minimal rainfall and increased temperatures and irrigation demands.

Under a Stage 2 Water Warning, the District is required to provide customers a 10 day notice of implementing Stage 2 water demand reduction measures. In addition, the District, as part of any drought declaration, should endeavor to implement the following actions:

1. Monitoring and Declaration of Water Shortages/Drought
  - a. Drought indicators
  - b. Index for trigger levels
  - c. Staged actions for reducing customer demands
2. Drought Financial Plan
  - a. Sustainability of funding for District operations

- b. Tiered pricing implementation to achieve reductions in demand and provide revenues to cover cost of service in times of shortage
3. Drought Communication Outreach and Education Plan
- a. Media response
  - b. Water use by lot categories
  - c. Drought checklist for customer actions

To reduce demand, i.e. customer water usage, the following water shortage recommendations are requested:

Comply with all Stage 1 measures as follows:

### **Stage One - Water Alert**

#### **Goal is 10% Reduction per Average Household or Business**

1. All Stage “Normal” actions remain in force; unless revised herein.
2. All customers are encouraged to report observed water waste. The District’s Security Officers will be notifying District operations of any observed water waste for follow-up action.
3. Prohibit washing of streets, parking lots, driveways, sidewalks, or buildings, except as necessary for health or sanitary purposes. High efficiency pressurized water brooms are required for these purposes, conventional pressure washers or hoses with shut-off nozzles are not allowed.
4. Landscape irrigation shall be watered efficiently, preferably with a weather based irrigation controller or hose timer. If a weather based controller is not installed, change the minutes of run-time for irrigation valves consistent with fluctuations in weather as determined by evapo-transpiration data provided by the District/Regional Water Authority.
5. Watering is limited to a maximum of **three (3) days per week** if and when necessary and no watering schedule (e.g., additional minutes) increases are permissible on designated watering days. Three (3) days per week water is sufficient for landscapes in the Rancho Murieta Community. Customers are to use cycle and soak watering with up to three (3) short watering cycles. Watering days need to be based on the following schedule.
  - Customers in Watering Group A may irrigate only on **Monday, Wednesday and Friday.**
  - Customers in Watering Group B may irrigate only on **Tuesday, Thursday and Saturday.**
  - **Sunday irrigation is not allowed.**
6. Residents are encouraged to reduce indoor water use by limiting showers. Washing full clothes washer and dishwasher loads.
7. Restaurants shall serve water only upon specific request.

In addition to Stage 1 Measures, the following Stage 2 Measures apply and may supersede those in Stage 1:

## **Stage Two - Water Warning**

### **Goal is 25% Reduction per Average Household or Business**

1. All Stage “Normal” and Stage 1 actions remain in force; unless revised herein.
2. Landscape irrigation shall be limited to a maximum of **two (2) days per week** when necessary and no watering schedule (e.g., additional minutes) increases are permissible on designated watering days. Two (2) days per week water is sufficient for landscapes in the Rancho Murieta Community. Customers are to use cycle and soak watering with up to three short watering cycles. Watering shall be based on the following schedule.
  - a. Customers in Watering Group A may irrigate only on **Tuesdays and Saturdays.**
  - b. Customers in Watering Group B may irrigate only on **Wednesdays and Sundays.**
  - c. Watering times will be between the hours of 8:00 p.m. to 8:00 a.m. only.
3. Restaurants shall serve water only upon specific request.
4. Residents are strongly encouraged to reduce indoor water use by limiting showers, clothes washing and dish washing.
5. Tiered rate pricing will be instituted at this stage to promote more equitable and efficient water use and in an effort to meet demand cutback goals. A drought surcharge may also be included as needed to maintain revenue stability and/or assist with achieving demand reduction goals as needed based on approved District policies and District Code – Chapter 14 – Water Code.

It is staff’s recommendation that the Board to Declare a Stage 2 Water Warning and direct staff to:

1. Provide the required 10 day customer Notice
2. Proceed with implementation of Tiered Pricing in compliance with Prop 218 requirements
3. Initiate a public information campaign to inform the customers of the provisions of the Stage 2 Water Warning Drought Declaration.

Agenda Item 13

# **BUDGET PROCESS AND SURPLUS FUNDS PROCESS PRESENTATION**



## MEMORANDUM

Date: January 8, 2014  
To: Board of Directors  
From: Greg Remson, Security Chief  
Subject: Security Ad Hoc Committee Formation

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### **RECOMMENDED ACTION**

Receive outline of the Security Ad Hoc Committee formation from Director Martel for Board approval.

### **BACKGROUND**

In the November Board meeting Director Martel requested that an ad hoc committee be developed to help Security develop a global view, plan, and strategies. He would like the Committee to begin in January and run for about 6 months. President Pasek directed Director Martel to bring an outline to the Board for review and approval for the January 15, 2014 Board meeting.

I will be working with Director Martel on the Committee charter/outline. We will have a draft to review at the Board meeting.



*Water Treatment Plant 1 (WTP1) Expansion and Upgrade Project*

The table below is a summary of expenditures, through December 2013, related to the WTP1 Expansion and Upgrade project:

<b>WTP1 Expansion and Upgrade Project</b>	<b>Approved Amount</b>	<b>RMCS D</b>	<b>R&amp;B Letter of Credit</b>	<b>Developer</b>	<b>Total Expended to Date</b>
WTP Design (HDR)	\$177,778.00		\$139,927.86		\$139,927.86
Construction Manager at Risk (Roebbelen)	\$49,049.00				\$0.00
SMUD Application	\$5,000.00	\$5,000.00			\$5,000.00
CEQA (HDR)	\$46,292.00		\$32,070.54		\$32,070.54
Geotechnical Study (Youngdahl)	\$2,600.00	\$2,600.00			\$2,600.00
<b>Total</b>	<u>\$280,719.00</u>	<u>\$7,600.00</u>	<u>\$171,998.40</u>		<u>\$179,598.40</u>

**Letter of Credit (LOC) Balance as of December 31, 2013:**

Beginning Balance:	\$ 4,136,099.12
- LOC expenditures thru 12/31/13	<u>(\$171,998.40)</u>
LOC Remaining Balance	<u>\$ 3,964,100.72</u>

**Letter of Credit (LOC) Demands Tracking:**

Demands made thru 12/31/13	\$36,531.84
LOC Reimbursement Received thru 12/31/13	<u>(\$36,531.84)</u>
Reimbursement Outstanding	<u>\$0.00</u>
 Demands Outstanding - to be processed in January 2014	 \$135,466.56

## MEMORANDUM

Date: January 12, 2014  
To: Board of Directors  
From: Darlene Gillum, Assistant General Manager  
Subject: Water Treatment Plant Expansion Financing Alternatives

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### RECOMMENDATION

Receive an update on the Water Treatment Plant Expansion Financing alternatives. At this time, staff recommends that the District initially self-fund the District's \$3.0mm cost share for the Water Treatment Plant 1 expansion and execute a reimbursement resolution at the February Board meeting. This approach will allow the District sufficient time to evaluate whether internal reserve borrowing or obtaining a private placement is the best option for the financing of the District's share of the Water Treatment Plant expansion.

### BACKGROUND

As reported at the December Board of Directors meeting, we are continuing to work on financing alternatives for the Water Treatment Plant 1 expansion and upgrade. In January, the Finance Committee was given an interim update on the financing alternatives. In addition, Shawn Kassel and Dennis Woo from Wells Fargo Bank attended the committee meeting and discussed potential borrowing scenarios that Wells Fargo is considering.

**Private Placement with bank** – Wells Fargo Bank is evaluating unsecured and secured options, both taxable and tax-exempt interest rates of 3% and 1.96%, respectively, with a 5 year term. Wells Fargo would like to have additional information, such as how much the District is going to commit from reserves toward the District's \$3.0mm cost share, the final construction budget, construction time frame, and priority of draw regarding the developer's letters of credit, before they submit a letter of interest to the District.

We have received a letter of interest from Five Star Bank, subject to final underwriting and due diligence, for a secured commercial term financing of \$3.0mm, with a 10 year term, at 4.15% (fixed for 5 years and then resets), prepayment of 20% per year without penalty, a 1% loan fee, and a requirement for the District to maintain business banking accounts with Five Star Bank.

**Private Placement with private investor(s)** – Attached (attachment 1) is a memo from Constantine Baranoff, with Kronick, Moskevitz, regarding private placement financing. In general, a private placement involves borrowing funds from a financial institution or other qualified private individual lender(s) but does not involve the public offering of municipal securities. The options we have looked at, such as the lease buy back from CSDA Financing Corporation and the bank financing through US Bank, Wells Fargo Bank, and Five Star Bank, are all private placements. Securing financing through one or more individual lenders is also considered a private placement.

Constantine outlines in his memo that if the District will be using financing proceeds to reimburse itself for prior expenditures a reimbursement resolution needs to be adopted by the Board. Also, if the District decides to pursue tax-exempt interest financing a series of federal tax covenants must be agreed to by the Board. Constantine recommends the establishment of a professional finance team to include a reputable financial advisor and bond counsel.

**Internal borrowing from reserves** – Another option staff has been evaluating is internally borrowing from reserves. Attachment 2 is an example of paying \$1.5mm from a combination of Water Replacement Reserves and Water Debt Service Reserves and then borrowing the remaining \$1.5mm from Sewer Replacement Reserves. Under this example, the District would repay the borrowed funds at 2% interest over a 7 year - 10 month term (January 2015 through October 2022) at a rate of \$6.00 per resident per month. Attachment 2 also shows the impact to the total average monthly bill, assuming that the Sewer Debt Service Prefunding is no longer collected, of a reduction of 1.35% for a residential metered lot and -.42% for a Murieta Village lot. The analysis includes assumptions regarding the development of the hotel, Retreats, Riverview, Murieta Gardens I and II, and Lakeview gradually over a 6 year period.

Attachment 3 is a projection of reserve collections and expenses for Water Replacement Reserves, Sewer Replacement Reserves, and Water Supply Augmentation Reserves for the period of 2014 through 2030. The Finance Committee has recommended that a formal reserve study be completed to verify that the current reserve fees are being collected at an appropriate level so as not to over or under fund any reserve account.



## MEMORANDUM

### VIA E-MAIL

TO: Edward Crouse  
Darlene Gillum  
Rancho Murieta Community Services District

FILE NO.: 3130.013

FROM: Constantine C. Baranoff

DATE: January 6, 2014

RE: Proposed Private Placement Financing

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Rancho Murieta Community Services District ("CSD") has a need to finance public utility infrastructure. The purpose of this memorandum is to summarize certain legal issues surrounding a proposed financing via a private placement which involves borrowing funds from a financial institution or other qualified private individual lender(s). A private placement, unlike a public offering, does not involve the public offering of municipal securities. The CSD has the authority to borrow funds pursuant to Government Code section 61125 which provides as follows:

*"Whenever the board of directors determines that the amount of revenue available to the district or any of its zones is inadequate to acquire, construct, improve, rehabilitate, or replace the facilities authorized by this division, or for funding or refunding any outstanding indebtedness, the board of directors may incur debt and raise revenues pursuant to this chapter or any other provision of law."*

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A potential financing structure available to the CSD involves the use of an installment purchase agreement with semi-annual/annual purchase payments. The CSD would enter into an installment purchase agreement with a third-party such as a non-profit corporation. Pursuant to such an agreement, the CSD would sell a particular facility to the third-party, who would then sell it back to the CSD. The payments made by the CSD would be used to purchase this third-party's interest in the CSD property. The third-party would assign these payments to a trustee pursuant to a trust agreement. Under the trust agreement, the trustee may deliver a certificate of participation to the lender which is secured by the above-mentioned payments.

The CSD Board will be requested to approve a resolution authorizing these documents. The resolution would authorize the public agency to enter into a transaction with a qualified lender(s), who will in effect purchase the certificate of participation for its own account. If the CSD will be using financing proceeds to reimburse itself for valid prior expenditures, it will need to have previously adopted a reimbursement resolution.

As a public agency with certain powers, the CSD has the ability to issue a financing instrument whose interest will be tax-exempt. The CSD will be required to agree to a series of federal tax covenants for the life of the financing. These covenants are typically found in a tax certificate which the CSD will be required to execute. The nature of these covenants are beyond the scope of this memorandum.

There is insufficient information at this time to determine what source of funding would secure this proposed financing. Most installment purchase transactions are limited to a particular revenue stream, while other financing transactions involve a pledge of additional revenue sources. What source of revenue will ultimately secure this obligation will be determined after a financing team is assembled and discussions with potential lender(s) commence. The CSD will most likely need to agree to certain debt coverage requirements.

The establishment of a professional finance team is critical for the success of any public financing. The CSD would need to enlist the services of a reputable financial advisor and a bond counsel. The financial advisor will be involved in assisting the CSD with the negotiation of terms and structure with the lender. The financial advisor will also analyze the financial benefits and/or drawbacks of a private placement financing. The bond counsel will be involved in drafting the legal documents and issuing a tax-exempt opinion. Fees for the financial advisor and bond counsel are typically paid out of the financing proceeds.

The CSD is evaluating a private placement financing with either a financial institution or a group of qualified individual lenders. Having multiple private lenders may add another layer of complexity to the transaction which the CSD would not have to face if it was dealing with a single lender. This is because it may be extremely difficult and time consuming for a group of private lenders to all agree on a uniform set of financial covenants and terms. In addition, it is entirely possible that dealing with multiple lenders may implicate multiple municipal securities laws. Most public agencies avoid using multiple lenders, unless absolutely necessary, due to the above-listed reasons. Absent some compelling reason to use multiple lenders, and due to the relatively small size of the financing, the CSD would most likely be better served using just one commercial lender.

:CCB

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IRS CIRCULAR 230 DISCLOSURE. To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in the communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.

\*\*\*\*\*

Accounts	Meters	Total 2013	Total 2014	Total 2015	Total 2016	Total 2017	Total 2018	Total 2019	Total 2020
Lakeview	99	1/1/2018 - 10/1/2020							
Murieta Gardens I	8	Jul-17							
Riverview	140	1/1/2016 - 11/1/2019							
Murieta Gardens II	99	1/1/2016 - 10/1/2018							
Hotel	2	Jul-14							
Retreats	84	8/1/2015 - 11/2017							
Residential		2513	2513	2528	2636	2741	2840	2908	2935
Commercial		85	87	87	87	95	95	95	95

### WTP1 Expansion & Upgrade - Borrowing from Reserves

Simple Interest Loan		2%								
Principal	\$	1,500,000								
Debt Service Rate	\$	6.00								
		2015	2016	2017	2018	2019	2020	2021	2022	
January	\$	15,600.00	\$ 15,744.00	\$ 16,392.00	\$ 17,070.00	\$ 17,646.00	\$ 18,036.00	\$ 18,180.00	\$ 18,180.00	
February	\$	15,600.00	\$ 15,798.00	\$ 16,446.00	\$ 17,124.00	\$ 17,682.00	\$ 18,054.00	\$ 18,180.00	\$ 18,180.00	
March	\$	15,600.00	\$ 15,852.00	\$ 16,500.00	\$ 17,178.00	\$ 17,718.00	\$ 18,072.00	\$ 18,180.00	\$ 18,180.00	
April	\$	15,600.00	\$ 15,906.00	\$ 16,554.00	\$ 17,232.00	\$ 17,754.00	\$ 18,090.00	\$ 18,180.00	\$ 18,180.00	
May	\$	15,600.00	\$ 15,960.00	\$ 16,608.00	\$ 17,286.00	\$ 17,790.00	\$ 18,108.00	\$ 18,180.00	\$ 18,180.00	
June	\$	15,600.00	\$ 16,014.00	\$ 16,662.00	\$ 17,340.00	\$ 17,826.00	\$ 18,126.00	\$ 18,180.00	\$ 18,180.00	
July	\$	15,600.00	\$ 16,068.00	\$ 16,764.00	\$ 17,394.00	\$ 17,862.00	\$ 18,144.00	\$ 18,180.00	\$ 18,180.00	
August	\$	15,618.00	\$ 16,122.00	\$ 16,818.00	\$ 17,448.00	\$ 17,898.00	\$ 18,162.00	\$ 18,180.00	\$ 18,180.00	
September	\$	15,636.00	\$ 16,176.00	\$ 16,872.00	\$ 17,502.00	\$ 17,934.00	\$ 18,180.00	\$ 18,180.00	\$ 18,180.00	
October	\$	15,654.00	\$ 16,230.00	\$ 16,926.00	\$ 17,538.00	\$ 17,970.00	\$ 18,180.00	\$ 18,180.00	\$ 4,385.50	
November	\$	15,672.00	\$ 16,284.00	\$ 16,980.00	\$ 17,574.00	\$ 18,000.00	\$ 18,180.00	\$ 18,180.00		
December	\$	15,690.00	\$ 16,338.00	\$ 17,016.00	\$ 17,610.00	\$ 18,018.00	\$ 18,180.00	\$ 18,180.00		
<b>Total Payment</b>	\$	<b>187,470.00</b>	\$ <b>192,492.00</b>	\$ <b>200,538.00</b>	\$ <b>208,296.00</b>	\$ <b>214,098.00</b>	\$ <b>217,512.00</b>	\$ <b>218,160.00</b>	\$ <b>168,005.50</b>	\$ <b>1,606,571.50</b>
Remaining Principal	\$	1,338,780.60	\$ 1,169,214.37	\$ 988,049.90	\$ 795,348.98	\$ 592,876.00	\$ 382,871.28	\$ 168,005.50	\$ 0.00	

### Average Monthly Customer Bill

#### Residential Metered Lot

	Average Usage in CF	Current		
		Monthly Rates July 1, 2013	Estimated Rates	Change
<b>Water</b>				
Average Usage in CF	1957			
Residential Usage				
Usage Charge (\$.0140 per CF)		27.40	27.40	-
Debt Service Prefunding (\$.0012 per CF)		2.35	0.00	(2.35)
Residential Base				
Residential Base		28.53	28.53	-
Debt Service Prefunding		2.25	0.00	(2.25)
Reserve Contribution		6.39	6.39	-
Debt Service Payment		0.00	6.00	6.00
<b>Water Total</b>		<b>66.92</b>	<b>68.32</b>	<b>1.40</b>
<b>Sewer</b>				
Residential Base		37.59	37.59	-
Debt Service Prefunding - Perm Irrig Fields		3.15	0.00	(3.15)
Reserve Contribution		6.81	6.31	(0.50)
CDO Reimbursement		1.92	1.92	-
<b>Sewer Total</b>		<b>49.47</b>	<b>45.82</b>	<b>(3.65)</b>
<b>Solid Waste ( avg. 64 Gallon Container)</b>		<b>20.30</b>	<b>20.30</b>	<b>-</b>
<b>Security Tax (Maximum Tax Ceiling \$24.87)</b>		<b>25.93</b>	<b>25.93</b>	<b>-</b>
<b>Drainage Tax (Maximum Tax Ceiling \$4.37)</b>		<b>4.64</b>	<b>4.64</b>	<b>-</b>
		<b>\$167.26</b>	<b>\$165.01</b>	<b>(\$2.25)</b>
				<b>-1.35%</b>

\* Assumes that the District is successful in obtaining the Master Reclamation Permit, which eliminates the need to continue the collection of Sewer debt service prefunding. This is the ultimate goal of the District, however, it will not be known until late 2014 if we are successful.

**WTP1 Expansion & Upgrade - Borrowing from Reserves**

Simple Interest Loan                    2%  
 Principal                    \$    1,500,000  
 Debt Service Rate                    \$            6.00

**Average Monthly Customer Bill**

*Murieta Village Lot*

	Current Monthly Rates July 1, 2013	Estimated Rates	Change
<b>Water</b>			
Average Usage in CF	518		
Residential Usage			
Usage Charge (\$.0140 per CF)	7.25	7.25	-
Debt Service Prefunding (\$.0012 per CF)	0.62	0.00	(0.62)
Residential Base			
Residential Base	28.53	28.53	-
Debt Service Prefunding	2.25	0.00	(2.25)
Reserve Contribution	6.39	6.39	-
Debt Service Payment	0.00	6.00	6.00
<b>Water Total</b>	<b>45.04</b>	<b>48.17</b>	<b>3.13</b>
<b>Sewer</b>			
Residential Base	37.59	37.59	-
Debt Service Prefunding - Perm Irrig Fields	3.15	0.00	(3.15)
Reserve Contribution	6.81	6.31	(0.50)
CDO Reimbursement	1.92	1.92	-
<b>Sewer Total</b>	<b>49.47</b>	<b>45.82</b>	<b>(3.65)</b>
<b>Solid Waste ( avg. 64 Gallon Container)</b>	<b>20.30</b>	<b>20.30</b>	<b>-</b>
<b>Security Tax (Maximum Tax Ceiling \$24.87)</b>	<b>6.24</b>	<b>6.24</b>	<b>-</b>
<b>Drainage Tax (Maximum Tax Ceiling \$4.37)</b>	<b>3.10</b>	<b>3.10</b>	<b>-</b>
	<b>\$124.15</b>	<b>\$123.63</b>	<b>(\$0.52)</b>
			<b>-0.42%</b>

\* Assumes that the District is successful in obtaining the Master Reclamation Permit, which eliminates the need to continue the collection of Sewer debt service prefunding. This is the ultimate goal of the District, however, it will not be known until late 2014 if we are successful.



PROJECTED RESERVE BALANCE  
2014 - 2030

	Water Replacement Reserve			Water Debt Service Reserve			Sewer Replacement Reserve			Water Supply Augmentation Reserve		
	Collections	Expense	Balance	Collections	Expense	Balance	Collections	Expense	Balance	Collections	Expense	Balance
12/31/13 Balance	\$ 2,600,000			\$ 200,000			\$ 2,700,000			\$ 2,400,000		
2014	\$ 213,299	\$ (1,228,000)	\$ 1,585,299	\$ 72,000	\$ (272,000)	\$ -	\$ 291,409	\$ (1,950,000)	\$ 1,041,409	\$ 79,701	\$ (500,000)	\$ 1,979,701
2015	\$ 214,731	\$ (335,000)	\$ 1,472,355				\$ 480,835	\$ (360,000)	\$ 1,168,055	\$ 38,565	\$ (1,000,000)	\$ 1,023,357
2016	\$ 220,079	\$ (335,000)	\$ 1,368,294				\$ 493,164	\$ (360,000)	\$ 1,311,628	\$ 277,668		\$ 1,311,434
2017	\$ 229,108	\$ (335,000)	\$ 1,275,027				\$ 513,545	\$ (360,000)	\$ 1,479,825	\$ 269,955		\$ 1,597,202
2018	\$ 237,831	\$ (335,000)	\$ 1,189,636				\$ 533,220	\$ (360,000)	\$ 1,669,575	\$ 277,668		\$ 1,893,619
2019	\$ 244,010	\$ (335,000)	\$ 1,109,632				\$ 547,464	\$ (360,000)	\$ 1,875,609	\$ 174,828		\$ 2,089,132
2020	\$ 247,646	\$ (408,570)	\$ 967,682				\$ 555,845	\$ (360,000)	\$ 2,112,883	\$ 69,417		\$ 2,201,720
2021	\$ 248,336	\$ (409,306)	\$ 822,846				\$ 557,436	\$ (360,000)	\$ 2,356,525	\$ -		\$ 2,245,754
2022	\$ 248,336	\$ (410,049)	\$ 674,356				\$ 507,281	\$ (360,000)	\$ 2,553,882	\$ -		\$ 2,290,669
2023	\$ 248,336	\$ (410,799)	\$ 522,131				\$ 339,276	\$ (360,000)	\$ 2,583,821	\$ -		\$ 2,336,482
2024	\$ 248,336	\$ (411,557)	\$ 366,087				\$ 339,276	\$ (360,000)	\$ 2,614,359	\$ -		\$ 2,383,212
2025	\$ 248,336	\$ (412,323)	\$ 206,142				\$ 339,276	\$ (360,000)	\$ 2,645,508	\$ -		\$ 2,430,876
2026	\$ 248,336	\$ (413,096)	\$ 42,210				\$ 339,276	\$ (360,000)	\$ 2,677,280	\$ -		\$ 2,479,494
2027	\$ 248,336	\$ (413,877)	\$ (125,798)				\$ 339,276	\$ (360,000)	\$ 2,709,687	\$ -		\$ 2,529,084
2028	\$ 248,336	\$ (414,666)	\$ (297,970)				\$ 339,276	\$ (360,000)	\$ 2,742,742	\$ -		\$ 2,579,665
2029	\$ 248,336	\$ (415,462)	\$ (474,399)				\$ 339,276	\$ (360,000)	\$ 2,776,459	\$ -		\$ 2,631,259
2030	\$ 248,336	\$ (416,267)	\$ (655,177)				\$ 339,276	\$ (360,000)	\$ 2,810,849	\$ -		\$ 2,683,884

Includes projections for 670 development :

Lakeview	99 meters	1/1/2018 - 10/1/2020
Murieta Gardens I	8 meters	Jul-17
Riverview	140 meters	1/1/2016 - 11/1/2019
Murieta Gardens II	99 meters	1/1/2016 - 10/1/2018
Hotel	2 meters	Jul-14
Retreats	84 meters	8/1/2015-11/2017

Includes borrowing \$1.5m for WTP1 expansion repaid over 7yr 10mo at 2% (\$6.00 per resident/meter/mo)

2014 includes CSD share of 1 well  
2015 is cost of 2nd well - no grant funds  
WSA fee reflects \$2,000 credit for purple pipe

Expenditures based on current 5 yr capital improvement plan  
Assumes 10% of GE Membranes are replaced each year beginning in 2020

## MEMORANDUM

Date: January 8, 2014  
To: Board of Directors  
From: Edward Crouse, General Manager  
Subject: Receive Update on Water Treatment Plant Expansion Project

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### **REVIEW CEQA IS/MND**

HDR completed the Initial Study/Mitigated Negative Declaration (IS/MND) including the back wash waste line. It has been sent to the State Clearinghouse and released for review. It is also posted on our website. Comments are due back by February 10, 2014. A Board hearing for final public comments and approval will be scheduled for our February Board meeting.

### **DESIGN UPDATE**

HDR completed 100% plans and specifications on January 8, 2014. Roebbelen is now preparing trade bidding packages. They expect to release the bid packages early next week. A pre-job meeting and site walk through is scheduled for January 23, at 10:00 a.m.

With the 100% completion, Roebbelen is preparing their final construction estimate as well as total project estimate, including soft costs. Staff will look it over soon and provide feedback before releasing it to interested parties.

### **TRADE CONTRACTOR PREQUALIFICATION**

Nothing new to report. All electrical and mechanical contractors who submitted prequalification packages are qualified and therefore will receive their respective trade bid package.

### **GE CONTRACT FOR MEMBRANE SYSTEM**

Last minute edits and revisions are being circulated. We hope to have a final contract for consideration by the January 15, 2014 Board meeting.

A separate action for contract approval is on this month's Board agenda, (Agenda Item 15-f).

### **HDR FEE AGREEMENT AMENDMENT**

HDR submitted a request for amendment to their agreement for additional work related to assistance with CMAR activities, plans revisions, and additional design elements.

A separate action for approval of the fee agreement amendment is on this month's Board agenda, (Agenda Item 15-g).

## MEMORANDUM

Date: January 9, 2014  
To: Board of Directors  
From: Edward Crouse, General Manager  
Subject: Approve GE Contract for Membrane Equipment

---

### RECOMMENDED ACTION

Approve the contract with GE for the membrane equipment for the Water Treatment Plant Expansion Project, in an amount not to exceed \$2,173,800. Funding to come from Water Replacement Reserves, subject to reimbursement from developers for their fair share of core cost and treatment membranes as cost is incurred.

### BACKGROUND

HDR, Roebbelen, and staff, including District General Counsel, Jon Hobbs have been working on specific contract language with GE along with the new specification requirements related to pumping equipment, process logic controllers, seismic engineering for piping, and warranty issues as we continue with design.

The prior GE proposal was for \$1,990,800. The revised proposal is for \$2,173,800. The cost increase includes:

- a. \$106,000 for the flow increase from 3.5 MGD to 4 MGD
- b. \$77,000 for the equipment/labor bonds adder which includes:
  - ✓ Compressor - Roebbelen proposes a reciprocating compressor. HDR is asking for a rotary screw.
  - ✓ Shelf spare PCL with pre-loaded program.
  - ✓ Structural calculations per CA
  - ✓ Pipe support and anchorage design
  - ✓ Bonds
  - ✓ Extra training (additional 5 days and 2 trips)
  - ✓ Extra operations assistance (additional site visit).

The contract between the District and GE will be based on the agreed to Warranty and Scope per HDR's specification Section 01787 and 11301 with no deviations.

The District will assign the GE contract to Roebbelen. GE has agreed to accept the assignment.

GE's price is the same for the "early build" or "late build" options.

The final contract is not available at this time. The latest working version is attached for your review. The final contract will be available by the January Board meeting.

This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This document should be adapted to the particular circumstances of the contemplated Project and the controlling Laws and Regulations.

# AGREEMENT BETWEEN BUYER AND SELLER FOR PROCUREMENT CONTRACTS

Prepared by



and

Issued and Published Jointly by



AMERICAN COUNCIL OF ENGINEERING COMPANIES

AMERICAN SOCIETY OF CIVIL ENGINEERS

ASSOCIATED GENERAL CONTRACTORS OF AMERICA

PROFESSIONAL ENGINEERS IN PRIVATE PRACTICE

*A Practice Division of the*

NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

This Agreement Between Buyer and Seller for Procurement Contracts has been prepared for use with the Standard General Conditions for Procurement Contracts (EJCDC P-700, 2010 Edition). Their provisions are interrelated, and a change in one may necessitate a change in the others. The suggested wording contained in the Suggested Instructions to Bidders for Procurement Contracts (EJCDC P-200, 2010 Edition), the Suggested Bid Form for Procurement Contracts (EJCDC P-400, 2010 Edition), and the Guide to the Preparation of Supplementary Conditions for Procurement Contracts (EJCDC P-800, 2010 Edition) is also carefully interrelated with the wording of this Agreement.

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This document contains a suggested format and suggested terms and conditions that will be applicable in most situations. Additional information concerning the use of *this and other* EJCDC Procurement Documents may be found in the Commentary on the EJCDC Procurement Documents (EJCDC P-001, 2010 Edition).

For brevity in the text, the Standard General Conditions for Procurement Contracts (EJCDC P-700, 2010 Edition) will be referred to as "General Conditions."

For brevity in the "Notes to Users" referenced paragraphs of the Suggested Instruction to Bidders (EJCDC P-200, 2010 Edition) are referred to with the prefix "I", those of the Bid Form (EJCDC P-400, 2010 Edition) with the prefix "BF", and those of the General Conditions (P-700, 2010 Edition) or Supplementary Conditions (EJCDC P-800, 2010 Edition) with the prefix "GC" or "SC".

DRAFT

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# AGREEMENT

THIS AGREEMENT is by and between Rancho Murieta Community Services District, 15160 Jackson Road, Rancho Murieta, CA 95683 (“Buyer”) and GE Water & Process Technologies Canada, 3239 Dundas Street West, Oakville, Ontario, L6M4B2 (“Seller”).

Buyer and Seller hereby agree as follows:

## ARTICLE 1 – GOODS AND SPECIAL SERVICES

1.01 Seller shall furnish the Goods and Special Services as specified or indicated in the Contract Documents.

## ARTICLE 2 – THE PROJECT

2.01 The Project, of which the Goods and Special Services may be the whole or only a part, is identified as follows: Rancho Murieta Community Services District Water Treatment Plant Expansion

## ARTICLE 3 – ENGINEER

3.01 The Contract Documents for the Goods and Special Services have been prepared by HDR, Inc., 2365 Iron Point Road Suite 300, Folsom, CA 95630 (“Engineer”), which is to act as Buyer's representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with Seller's furnishing of Goods and Special Services.

## ARTICLE 4 – POINT OF DESTINATION

4.01 The Point of Destination is designated as: *7220 Murieta Drive, Rancho Murieta, CA 95683.*

## ARTICLE 5 – CONTRACT TIMES

5.01 *Time of the Essence*

A. All time limits for Milestones, if any, including the submittal of Shop Drawings and Samples, the delivery of Goods, and the furnishing of Special Services as stated in the Contract Documents, are of the essence of the Contract. Project Schedules Labeled “Exhibit A-3” (early build) and “Exhibit A-4” (late build) are hereto attached and made apart of this purchase order agreement.

5.02 *Milestones*

A. Days for Submittal of Shop Drawings and Samples: Seller shall submit all Shop Drawings and Samples required by the Contract Documents to Buyer for Engineer's review and approval within \*\* days after the date when the Contract Times commence to run as provided in Paragraph 2.04 of the General Conditions. It is the intent of the parties that (1) Engineer conduct such review and issue its approval, or a denial accompanied by substantive comments regarding information needed to gain approval, within \* days of Seller's submittal of such Shop Drawings and Samples; and (2) resubmittals be limited whenever possible. If more than one resubmittal is necessary for reasons not the fault and beyond the

control of Seller, then Seller shall be entitled to seek appropriate relief under Paragraph 7.02.B of the General Conditions.

- \*. Project Schedules Labeled “Exhibit A-3” (early build) and “Exhibit A-4” (late build) are hereto attached and made apart of this purchase order agreement and they indicate submittal preparation times and review times.

\*\* Submittal schedule=

Mech Submittal # 1 including P&IDs, Process Flow Diagram, List of Symbols, Bill of Materials, Cut Sheets and Standard General Arrangement Drawings (typicals), shall be submitted with-in 4 weeks of the issuance of the Procurement Contract.

Mech Submittal # 2 including Finalized P&IDs, Process Flow Diagram, List of Symbols, Bill of Materials, Cut Sheets and General Arrangement Drawings, (i.e. Membrane Tank, Backpulse Tank and CIP Tank) shall be submitted within 4 weeks of the approval of Mech Submittal #1

Elect Submittal #1 including Control Architecture Diagram, shall be submitted with-in 2 weeks of the approval of Mechanical Submittal #1.

Elect Submittal #2 including I/O list, Single Line Diagram, Control Narrative and Control Panel Schematics, shall be submitted with-in 3 weeks of the approval of Electrical submittal #1

- A. *Date for Delivery of Goods:* The Goods are to be delivered to the Point of Destination and ready for Buyer’s receipt of delivery on (or within a period of 15 days prior to) *XX/XX/14 if the RMCS D selects Bid Option # 1 (Early Build) and XX/XX/15 if RMCS D selects Bid Option #2 (Late Build)]. The equipment shall be delivered at these dates and the membranes shall be delivered on (or within a period of 15 days prior to) XX/XX/14 for Bid Option #1 and XX/XX/15 for Bid Option #2.*

- 5.03 *Days for Furnishing Special Services:* The furnishing of Special Services to Buyer will be performed as required by the project schedule (either early build or late build as selected by the District) attached to the contract as exhibits A-3 and A4. *Buyer’s Final Inspection*

- A. *Days to Achieve Final Inspection:* Buyer shall make its final inspection of the Goods pursuant to Paragraph 8.01.C of the General Conditions within 14\_\_\_\_ days after Buyer’s acknowledgement of receipt of delivery of the Goods and Seller’s completion of furnishing Special Services, if any.

5.04 *Liquidated Damages*

- A. Buyer and Seller recognize that Buyer will suffer financial loss if the Goods are not delivered at the Point of Destination and ready for receipt of delivery by Buyer within the times specified in Paragraph 5.02 above, plus any extensions thereof allowed in accordance with Article 7 of the General Conditions. The parties also recognize that the timely performance of services by others involved in the Project is materially dependent upon Seller’s specific compliance with the requirements of Paragraph 5.02. Further, they recognize the delays, expense, and difficulties involved in proving the actual loss suffered by Buyer if complete acceptable Goods are not delivered on time. Accordingly, instead of requiring such proof, Buyer and Seller agree that as liquidated damages for delay (but not as a penalty) Seller shall pay Buyer \$\_2,500\_\_\_\_\_ for each day that expires after the time specified in Paragraph 5.02.B for delivery of acceptable Goods.

## ARTICLE 6 – CONTRACT PRICE

6.01 Buyer shall pay Seller for furnishing the Goods and Special Services in accordance with the Contract Documents as follows:

A. A Lump Sum of \$ 2,173,800\_\_\_\_\_.

## ARTICLE 7 – PAYMENT PROCEDURES

7.01 *Submittal and Processing of Payment*

A. Seller shall submit Applications for Payment in accordance with Article 10 of the General Conditions. Applications for Payment will be processed by Construction Manager as provided in the General Conditions.

7.02 *Progress Payments; Retainage*

A. Buyer shall make progress payments on account of the Contract Price on the basis of Seller's Applications for Payment as follows:

1. Upon receipt of the first Application for Payment submitted in accordance with Paragraph 10.01.A.1 of the General Conditions and accompanied by Construction Manager's recommendation of payment in accordance with Paragraph 10.02.A of the General Conditions, an amount equal to 5 percent of the Contract Price, less such amounts as Construction Manager may determine in accordance with Paragraph 10.02.A.3 of the General Conditions. Payment number one is an initial deposit to be processed in the normal monthly billing cycle after the Procurement Agreement is fully executed.
2. Upon receipt of the second such Application for Payment accompanied by Construction Manager's recommendation of payment in accordance with Paragraph 10.01.A.2 of the General Conditions, an amount sufficient to increase total payments to Seller to 25 percent of the Contract Price, less such amounts as Engineer may determine in accordance with Paragraph 10.02.A.3 of the General Conditions. Payment number two is for approval of shop drawings to be processed in the normal monthly billing cycle. Since there will be more than one submittal this payment for submittal may be broken down into several payments as the submittals are approved.
3. Upon receipt of the third such Application for Payment accompanied by Construction Manager's recommendation of payment in accordance with Paragraph 10.01.A.2 of the General Conditions, an amount sufficient to increase total payments to Seller to 85 percent of the Contract Price, less such amounts as Engineer may determine in accordance with Paragraph 10.02.A.3 of the General Conditions. Payment number three is for delivery of equipment to be processed in the normal monthly billing cycle. Since there will be more than one equipment delivery the payment for equipment may be broken down into several payments as deliveries are received.

4. Upon receipt of the fourth such Application for Payment accompanied by Construction Manager's recommendation of payment in accordance with Paragraph 10.01.A.2 of the General Conditions, an amount sufficient to increase total payments to Seller to 92.5 percent of the Contract Price, less such amounts as Engineer may determine in accordance with Paragraph 10.02.A.3 of the General Conditions. Payment number four is for the beginning of the on-site commissioning/start-up process along with the O&M manuals to be processed in the normal monthly billing cycle.
5. Upon receipt of the fifth such Application for Payment accompanied by Construction Manager's recommendation of payment in accordance with Paragraph 10.01.A.2 of the General Conditions, an amount sufficient to increase total payments to Seller to 100 percent of the Contract Price, less such amounts as Engineer may determine in accordance with Paragraph 10.02.A.3 of the General Conditions. Payment number five is for the 100% completion of the commissioning and testing process and approval of the final O&M manuals and receipt of the warranties, payment is to be processed in the normal monthly billing cycle.

7.03 *Final Payment*

- A. Upon receipt of the final Application for Payment accompanied by Construction Manager's recommendation of payment, Buyer shall pay Seller the amount recommended by Construction Manager, less any sum Buyer is entitled to set off against Construction Manager's recommendation, including but not limited to liquidated damages.

## **ARTICLE 8 – INTEREST**

- 8.01 All monies not paid when due as provided in Article 10 of the General Conditions shall bear interest at the annual rate of 1%.

## **ARTICLE 9 – SELLER'S REPRESENTATIONS**

- 9.01 In order to induce Buyer to enter into this Agreement, Seller makes the following representations:
  - A. Seller has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents, as applicable to Seller's obligations identified in Article 1 above.
  - B. If required by the Bidding Documents to visit the Point of Destination and site where the Goods are to be installed or Special Services will be provided, or if, in Seller's judgment, any local condition may affect cost, progress, or the furnishing of the Goods and Special Services, Seller has visited the Point of Destination and site where the Goods are to be installed or Special Services will be provided and become familiar with and is satisfied as to the observable local conditions that may affect cost, progress, and the furnishing of the Goods and Special Services.
  - C. Seller is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and the furnishing of the Goods and Special Services.

- D. Seller has carefully studied, considered, and correlated the information known to Seller; information commonly known to sellers of similar goods doing business in the locality of the Point of Destination and the site where the Goods will be installed or where Special Services will be provided; information and observations obtained from Seller's visits, if any, to the Point of Destination and site where the Goods are to be installed or Services will be provided; and any reports and drawings identified in the Bidding Documents regarding the Point of Destination and the site where the Goods will be installed or where Special Services will be provided, with respect to the effect of such information, observations, and documents on the cost, progress, and performance of Seller's obligations under the Contract Documents.
- E. Seller has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Seller has discovered in the Contract Documents, and the written resolution (if any) thereof by Engineer is acceptable to Seller.
- F. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for furnishing Goods and Special Services.

## **ARTICLE 10 – CONTRACT DOCUMENTS**

### 10.01 *Contents*

- A. The Contract Documents consist of the following:
  - 1. This Agreement (pages 1\_\_ to 17\_, inclusive);
  - 2. Performance Bond EJCDC P-610(pages 1\_\_ to 4\_\_, inclusive);
  - 3. Payment Bond EJCDC P-615 (pages 1\_\_\_\_ to 3\_\_\_\_, inclusive);
  - 4. Other bonds
    - a. n/a\_\_\_\_\_ (pages \_ to \_\_\_\_, inclusive);
    - b. n/a\_\_\_\_\_ (pages \_\_ to \_\_\_\_, inclusive);
    - c. n/a\_\_\_\_\_ (pages \_\_ to \_\_\_\_, inclusive);
  - 5. General Conditions EJCDC P-700 (pages i\_\_ to 30\_\_\_\_, inclusive);
  - 6. Supplementary Conditions (pages n/a to \_\_\_\_, inclusive);
  - 7. Specifications as listed in table of contents of the Project Manual; Rancho Murieta Community Services District Water Treatment Plant Expansion Issued for Bids January, 2014. And, in particular specification sections 01787 (Membrane System Equipment and module Warranty) and 11301 (Membrane Filtration Equipment) dated xx/xx/xx.

8. Drawings, consisting of a cover sheet and sheets numbered G001\_\_\_\_\_ through I801 , inclusive, with each sheet bearing the following general title: Rancho Murieta Community Services District Water Treatment Plant Expansion Issued for Bids January 2014 (1/8/14). Addenda (Numbers n/a\_\_\_ to n/a\_\_\_, inclusive);
9. Exhibits to this Agreement (enumerated as follows):
  - a. Exhibit A-1 to Agreement between Buyer and Seller dated 1/16/14, Assignment of Contract; Consent to Assignment; and Acceptance of Assignment.
  - b. Exhibit A-2 to Agreement between Buyer and Seller dated 1/16/14, Agreement to Assignment by Seller's Surety.
  - c. Exhibit A-3 to Agreement between Buyer and Seller dated 1/16/14, Early Build Schedule.d. Exhibit A-4 to Agreement between Buyer and Seller dated 1/16/14, Late Build Schedule./e. Exhibit A-5 to Agreement between Buyer and Seller dated 1/16/14, GE's two (2) page contract rider to EJCDC P-520
  - f. Exhibit A-6 to Agreement between Buyer and Seller dated 1/16/14, GE's seven (7) page contract rider to EJCDD P-700 \_\_\_\_\_ ;
10. The following which may be delivered or issued on or after the Effective Date of the Agreement and are not attached hereto:
  - a. Notice to Proceed;
  - b. Change Order(s);
  - c. Work Change Directive(s).

B. The documents listed in Paragraph 10.01.A are attached to this Agreement (except as expressly noted otherwise above).

C. There are no Contract Documents other than those listed above in this Article 10.

D. The Contract Documents may only be amended, or supplemented as provided in Paragraph 3.04 of the General Conditions.

## **ARTICLE 11 – MISCELLANEOUS**

### 11.01 *Terms*

- A. Terms used in this Agreement will have the meanings indicated in the General Conditions and the Supplementary Conditions.

### 11.02 *Assignment of Contract*

- A. Buyer has the right to assign this Contract for furnishing Goods and Special Services, but only to a person or entity with sufficient ability to satisfy all of Buyer's obligations under this Contract, and Seller hereby consents to such assignment. Forms documenting the

assignment of the Contract, and consent of Seller's surety to the assignment, have been executed by Buyer, Seller, and Seller's surety, and are attached as exhibits to this Agreement.

1. The Contract will be executed in the name of Buyer initially, and will be assigned to a construction manager designated by Buyer. Such construction manager's responsibilities will not include the installation of the Goods. The Goods will be installed by a prime trade contractor designated by the Buyer. The assignment will occur on the effective date of the agreement between Buyer and the construction manager, which is expected to occur on or about 1/16/14. As of the date of acceptance of assignment by the construction contractor, all references in the Contract Documents to Buyer shall mean the designated construction contractor.
2. The assignment of the Contract shall relieve the assignor from all further obligations and liabilities under this Contract. After assignment, Seller shall become a subcontractor or supplier to the assignee and, except as noted herein, all rights, duties, and obligations of Buyer under the Contract shall become the rights, duties, and obligations of the assignee.
3. After assignment:
  - a. All performance warranties, guarantees, and indemnifications required by the Contract Documents will continue to run for the benefit of assignor and, in addition, for the benefit of the assignee. However, if assignor and assignee make the same warranty or guarantee claim, then Seller shall only be liable once for such claim.
  - b. Except as provided in this Paragraph 11.02.A.3.b, all rights, duties, and obligations of Engineer to assignee and Seller under this Contract will cease.
    - 1) Engineer will review Seller's Applications for Payment and make recommendations to assignee for payments as provided in Paragraphs 10.02 and 10.06 of the General Conditions.
    - 2) Upon the written request of either the assignee or Seller, Engineer will issue with reasonable promptness clarifications or interpretations of the Contract Documents pursuant to the terms of Paragraph 9.02.A of the General Conditions.
- B. No other assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound. Specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by Laws and Regulations). Unless specifically stated to the contrary in any written consent to such an assignment, such an assignment will not release or discharge the assignor from any duty or responsibility under the Contract Documents.

11.03 *Successors and Assigns*

A. Buyer and Seller each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

11.04 *Severability*

A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Buyer and Seller. The Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

11.05 *Seller's Certifications*

A. Seller certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 11.05:

1. "corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value likely to influence the action of a public official in the bidding process or in the Contract execution;
2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Buyer, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Buyer of the benefits of free and open competition;
3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Buyer, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

11.06 *Limitations*

A. Buyer and Seller waive against each other, and against the other's officers, directors, members, partners, employees, agents, consultants, and subcontractors, any and all claims for or entitlement to incidental, indirect, or consequential damages arising out of, resulting from, or related to the Contract. Upon assignment the terms of this Paragraph 11.06.A shall be binding upon the assignee with respect to Seller and assignor. The terms of this mutual waiver do not apply to or limit any claim by either Buyer or Seller against the other based on any of the following: (a) contribution or indemnification, (b) costs, losses, or damages attributable to personal or bodily injury, sickness, disease, or death, or



to injury to or destruction of the tangible property of others, (c) intentional or reckless wrongful conduct, or (d) rights conferred by any bond provided by Seller under this Contract.

- B. Upon assignment the terms of this Paragraph 11.06.B shall be binding upon both the assignor and assignee with respect to Seller's liability, and upon Seller with respect to both assignor's and assignee's liabilities. The terms of this mutual limitation do not apply to or limit any claim by either Buyer or Seller against the other based on any of the following: (a) contribution or indemnification with respect to third-party claims, losses, and damages; (b) costs, losses, or damages attributable to personal or bodily injury, sickness, disease, or death, or to injury to or destruction of the tangible property of others, (c) intentional or reckless wrongful conduct, or (d) rights conferred by any bond provided by Seller under this Contract.

11.07 *Other Provisions. N/A*

DRAFT

IN WITNESS WHEREOF, Buyer and Seller have signed this Agreement. Counterparts have been delivered to Buyer and Seller. All portions of the Contract Documents have been signed or identified by Buyer and Seller or on their behalf.

This Agreement will be effective on [1/16/14] (which is the Effective Date of the Agreement).

Buyer: Rancho Murieta Community Services District

\_\_\_\_\_  
\_\_\_\_\_

Seller: GE Water & Process Technologies Canada

By: \_\_\_\_\_  
General Manager

By: \_\_\_\_\_  
[Corporate Seal]

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_

Address for giving notice:  
Rancho Murieta Community Services District  
15160 Jackson Road  
Rancho Murieta, CA 95683

Address for giving notice:  
GE Water & Process Technologies Canada  
3239 Dundas Street West  
Oakville, Ontario L6M 4B2

Agent for service of process:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(If Seller is a corporation or a partnership,  
attach evidence of authority to sign.)

Designated Representative:  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

Designated Representative:  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

**EXHIBIT A-1 to Agreement Between  
Buyer and Seller dated 1/16/14** \_\_\_\_\_

**ASSIGNMENT OF CONTRACT; CONSENT TO ASSIGNMENT;  
AND ACCEPTANCE OF ASSIGNMENT**

This assignment will be effective on the Effective Date of the Agreement between Buyer and Construction Contractor.

The Contract between Rancho Murieta Community Services District, 15160 Jackson Road, Rancho Murieta, CA 95683 (“Buyer”) and GE Water & Process Technologies Canada, 3239 Dundas Street West, Oakville, Ontario, L6M 4B2 (“Seller”) for furnishing Goods and Special Services under the Contract Documents entitled Rancho Murieta Community Services District Water Treatment Plant Expansion

is hereby assigned, transferred, and set over to Roebelen Construction Management Services, Inc., 1241 Hawks Flight Court, El Dorado Hills, CA 95762 (“Construction Manager”). Construction Manager shall be totally responsible for the performance of Seller and for the duties, rights and obligations of Buyer, not otherwise retained by Buyer, under the terms of the Contract between Buyer and Seller.

ASSIGNMENT DIRECTED BY: Rancho Murieta Community Services District  
Buyer

(  
If Buyer is a public  
body, attach evidence of authority to sign  
and resolution or other documents authorizing  
execution of Buyer-Seller Agreement.)

By: \_\_\_\_\_  
(Signature) (Title)

ASSIGNMENT  
ACKNOWLEDGED AND ACCEPTED BY: GE Water & Process Technologies Canada  
Seller

(If Seller is a corporation, attach  
evidence of authority to sign.)

By: \_\_\_\_\_  
(Signature) (Title)

ASSIGNMENT ACCEPTED BY:  
Inc. \_\_\_\_\_

Roebelen Construction Management Services,  
Construction Manager

(If Construction Manager is a  
corporation, attach evidence of authority  
to sign.)

By: \_\_\_\_\_

NOTES TO USER

EXHIBIT A-2 to Agreement Between  
Buyer and Seller dated 1/16/14

AGREEMENT TO ASSIGNMENT BY SELLER'S SURETY

Surety hereby acknowledges and agrees that the Contract for furnishing Goods and Special Services under the Contract Documents entitled Water Treatment Plant Expansion Rancho Murieta Community Services District

\_\_\_\_\_ by and between Rancho Murieta Community Services District, 15160 Jackson Road, Rancho Murieta, CA 95683 ("Buyer") and GE Water & Process Technologies Canada, 3239 Dundas Street West, Oakville, Ontario L6M4B2 ("Seller") may be assigned, transferred, and set over to Roebbelen Construction Management Services, Inc. ("Construction Manager"), in accordance with Paragraph 11.02 of Agreement between Buyer and Seller.

Surety further agrees that, upon assignment of the Contract, the Construction Manager shall have all the rights of the Buyer under the Performance Bond.

(Corporate Seal)

Surety

Company: \_\_\_\_\_

By: \_\_\_\_\_

Signature and Title  
(Attach Power of Attorney)

**GE Recommended Supplementary Conditions to EJCDC P-520 Agreement Between Buyer and Seller for Procurement Contracts (Series 2010) – 04 October 2013**

**Form of Agreement Between Buyer and Seller with provision for Assignment of Seller's Contract to a Construction Contractor.**

Revise EJCDC P-520 (Series 2010) for an Agreement between Buyer (Owner) and Seller (GE) as follows:

1. Add a new Article 5.02.D that reads as follows:
  - B. Regarding Payment to Seller for Equipment Delivery when Delivery is Delayed by Buyer: Upon acceptance of Buyer's Purchase Order or, alternatively, where specified in the Purchase Order, upon receipt of Buyer's Notification to Proceed with Fabrication of Equipment that satisfies Seller's requirements for meeting the delivery schedule, Seller shall commence fabrication of equipment. The place of delivery specified therein shall be firm and fixed, provided that Buyer may notify Seller no later than 45 days prior to the scheduled shipment date of the products of an alternate point of delivery. Buyer shall compensate Seller for any additional cost in implementing the change. If any part of the Equipment cannot be delivered when ready due to any cause not attributable to Seller, Buyer shall designate a climate-controlled storage location, and Seller shall ship such Equipment to storage. Title and risk of loss shall thereupon pass to Buyer, and amounts payable to Seller upon delivery or shipment shall be paid by Buyer along with expenses incurred by Seller. Services provided herein shall be charged at the rate prevailing at the time of actual use and Buyer shall pay any increase, and Buyer shall pay directly all costs for storage and subsequent transportation.
2. Revise Article 5.04.A as follows:

Revise the last sentence to read as follows: "Accordingly, instead of requiring such proof, Buyer and Seller agree that as liquidated damages for delay (but not as a penalty) attributable solely to Seller and as imposed upon Buyer by Owner, Seller shall pay Buyer \$2,500.00 for each day that expires after the time specified in Paragraph 5.03 for delivery of acceptable Goods.
3. Add a new Article 5.04.B that reads as follows:

"The liquidated damages set forth in Article 5.04.A shall constitute the Buyer's sole and exclusive remedy for delay by Seller in achieving completion of the Work within the time specified in the Contract Documents. Seller's obligation to pay liquidated damages pursuant to Article 5.04.A shall be limited to an amount equal to ten percent (10%) of the Seller's Contract Price."

4. Regarding Article 11.02 – Assignment of Contract: (If Applicable)
  1. Where the Bid documents indicate that initially the Seller’s Supply Contract will be with the Owner, and that at some point the Supply Contract will be assigned to a General Contractor, revise Article 11.02.A to read as follows:

At the end of this article add the following: “Seller agrees to execute a purchase order and enter into a contract with Buyer’s Contractor (hereafter “assignee”) for the sale of goods and services as detailed in the Seller’s As-Sold Proposal as accepted by Buyer, under the following terms and conditions:

    1. That Seller’s contract shall be awarded in accordance with Seller’s Proposal to Buyer on an “as-is” basis, with no new or additional terms and conditions being imposed upon Seller by assignee.
    2. That the assignee shall provide the Owner with a Labor and Material Payment Bond in the full amount of the general contract, including Seller’s contract amount, and shall provide Seller a copy of the bond;
    3. That if, after Buyer assigns Seller’s contract to assignee, the Seller’s sale of goods and services to the assignee is not tax exempt, and Seller has not included the cost of such taxes in its Contract Price to Buyer, the assignee shall be responsible for all applicable taxes arising out of the assignment of Seller’s contract to assignee; and
    4. That the General Contractor shall not have the right to re-assign Seller’s Contract, other than to re-assign it back to the Buyer, without Seller’s prior written approval, such approval may be withheld at Seller’s reasonable discretion.

5. Delete article 11.06.A & B. (Contained in P-700)

GE Water & Process Technologies  
04 October 2013

## MEMORANDUM

Date: January 3, 2014  
To: Board of Directors  
From: Improvements Committee Staff  
Subject: Approve HDR Water Treatment Plant Expansion Project Fee Amendment #1

---

### RECOMMENDED ACTION

Approve HDR Water Treatment Plant Expansion Project Fee Amendment #1, in an amount not to exceed \$62,204. Funding to come from Wells Fargo Letters of Credit.

### BACKGROUND

HDR submitted the attached amendment for additional services for the Water Treatment Plant Expansion Project. This work, which was not part of the original design or scope of work in the May 17, 2013 Engineering Services Agreement, has been identified as being required and has been completed or is soon to be completed. This work includes design of septic tank pumping station and force main, design of miscellaneous site improvements, design of miscellaneous instrumentation and control improvements, and additional meetings. Staff recommends approval.

**The Improvements Committee recommends approval.**

December 9, 2013

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

**RE: Amendment 1 - Water Treatment Plant Expansion**

Dear Mr. Crouse:

HDR respectfully submits the following amendment for additional services for the water treatment plant expansion project for your review and consideration.

**SCOPE OF WORK**

The following scope of work is for items identified as being required and were not part of the original design or the scope of work in the May 17, 2013, engineering services agreement:

- **Design of Septic Tank Pumping Station and Force Main:** This added scope will include designing a septic tank effluent pumping station and a 2,700-foot-long, small diameter force main to convey both septic effluent and chemical cleaning wastewater from the membrane system to a manhole located on Clementia Circle. We assume that the existing as-built drawings (pdf file or CAD files) will be used as the background for the new pipeline and that surveying will not be required.
- **Design of Miscellaneous Site Improvements :** Improvements to the water treatment plant to be added that were not part of the original design or latest scope include:
  - Addition of caustic storage tank on the hillside near the exiting chemical storage building.
  - Replacement of the existing perimeter fence along the east side of the plant to raise the razor wire to a safe height and to add a manual gate to allow for access to the east side of the operations building and for temporary filtration during construction.
  - New fencing around the 24-inch-diameter pipeline crossing of the drain channel.



Mr. Ed Crouse  
December 9, 2013  
Page 2

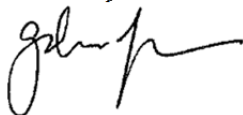
- Design of value engineering of the chlorination system, including eliminating the chlorine scrubber and elimination of the chlorinator room and locating chlorinators in the existing chlorinator room.
- **Design of Miscellaneous Instrumentation and Control Improvements:** The following added instrumentation, monitoring, and control capabilities that were not part of the previous design will be provided in the expansion design:
  - Tie the Plant 2 travelling bridge programmable logic controller (PLC) into the main SCADA system.
  - Bring tank level signals from the chemical storage tanks into the main SCADA system.
  - Provide on-line TOC monitoring.
  - Provide residual monitoring and PID control for treated water chlorine dosing.
  - Provide security cameras at the strainer area.
- **Additional Meetings:** The scope of work was based on having one coordination meeting and one design review meeting. With the hiring of the CMAR, the schedule for the project has been extended and a total of nine meetings (seven additional) have been held to go over project issues.

#### **SUMMARY OF ADDITIONAL BUDGET REQUESTED**

The attached table shows a summary of the total budget requests for the items described above. The total being requested is \$62,204.

Please contact Rich Stratton if you have any questions or comments.

Sincerely,



Graham D. Sharpe, P.E.  
Vice President



Richard G. Stratton, P.E.  
Project Manager

Mr. Ed Crouse  
December 9, 2013  
Page 3

APPROVED:

Rancho Murieta Community Services District

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Date: \_\_\_\_\_

**Table 1. Estimated Work Effort and Cost for Amendment 1**

Rancho Murieta Community Services District

Water Treatment Plant Expansion - Engineering Design Services

Task No.	Task Description	QA/QC	Project Manager	Project Engineer	Electrical Engineer	CADD Tech	Admin/ Clerical	Total HDR Labor Hours	Total HDR Labor (\$)	Total HDR Expenses (\$)	Total Cost (\$)
<b>Task 1 - Design of Septic Tank Pumping System and Force Main</b>											
1.1	Drawings for Pumps and Force Main	2	2	40	2	96	4	146	\$19,069	\$953	\$20,023
1.2	Specifications for Pumps and Force Main	1	2	2	1		8	14	\$1,975	\$99	\$2,074
	<b>Subtotal Task 1</b>	<b>3</b>	<b>4</b>	<b>42</b>	<b>3</b>	<b>96</b>	<b>12</b>	<b>160</b>	<b>\$21,044</b>	<b>\$1,052</b>	<b>\$22,097</b>
<b>Task 2 - Design of Miscellaneous Site Improvements</b>											
2.1	Drawings for Miscellaneous Improvements	2	2	32		40	4	80	\$10,671	\$534	\$11,204
2.2	Specifications for Miscellaneous Items	2	1	8	2		12	25	\$3,283	\$164	\$3,447
	<b>Subtotal Task 2</b>	<b>4</b>	<b>3</b>	<b>40</b>	<b>2</b>	<b>40</b>	<b>16</b>	<b>105</b>	<b>\$13,954</b>	<b>\$698</b>	<b>\$14,651</b>
<b>Task 3 - Design of Miscellaneous Instrumentation and Control Improvements</b>											
3.1	Drawings for Miscellaneous Improvements	2	2		36	24	24	88	\$11,774	\$589	\$12,363
3.2	Specifications for Miscellaneous Items	2	1		4			7	\$1,349	\$67	\$1,417
	<b>Subtotal Task 3</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>40</b>	<b>24</b>	<b>24</b>	<b>95</b>	<b>\$13,124</b>	<b>\$656</b>	<b>\$13,780</b>
<b>Task 4 - Additional Meetings</b>											
4.1	Coordination Meetings with CMAR		20	24	16		2	62	\$11,120	\$556	\$11,676
	<b>Subtotal Task 2</b>	<b>0</b>	<b>20</b>	<b>24</b>	<b>16</b>	<b>0</b>	<b>2</b>	<b>62</b>	<b>\$11,120</b>	<b>\$556</b>	<b>\$11,676</b>
<b>TOTAL</b>		<b>11</b>	<b>30</b>	<b>106</b>	<b>61</b>	<b>160</b>	<b>54</b>	<b>422</b>	<b>\$59,242</b>	<b>\$2,962</b>	<b>\$62,204</b>

## MEMORANDUM

Date: January 8, 2014  
To: Board of Directors  
From: Personnel Committee Staff  
Subject: Approve General Manager Recruitment Proposal

---

### **RECOMMENDED ACTION**

Approve the proposal from BHI Management Consulting for general manager recruitment, in an amount not to exceed \$25,000. Funding to come from Administration Operating Budget.

### **BACKGROUND**

At the November 20, 2013 District Board meeting, the Board of Directors chose to request proposals for an executive search for a new General Manager. On December 23, 2013, a Request for Proposals went out to four (4) firms: BHI Management Consulting, CPS HR Consulting, Peckham & McKenney, and Ralph Andersen and Associates. The deadline for submittal of proposals was 5:00 p.m. on January 7, 2014. Three (3) proposals were received and hand delivered to all Directors that evening.

The Personnel Committee met privately to discuss the proposals. The Committee's recommendation is to go with BHI Management Consulting. The Committee will provide additional input at the Board meeting.

**The Personnel Committee recommends approval.**

**PROPOSAL TO ASSIST THE BOARD OF DIRECTORS OF THE  
RANCHO MURIETA COMMUNITY SERVICES DISTRICT WITH THE  
RECRUITMENT AND PLACEMENT  
OF A GENERAL MANAGER**

**SUBMITTED JANUARY 1, 2014**

**BY: BRENT IVES, BHI MANAGEMENT CONSULTING**



# **BHI MANAGEMENT CONSULTING**

"Organizational Efficiency for Public Agencies"

Mr. Ed Crouse, General Manager  
Rancho Murieta Community Services District  
Ranch Murieta, CA 95683

January 1, 2013

## **Subject: Proposal for Recruitment of General Manager**

Per your request, this letter outlines the approach and steps necessary to support the Board of Directors as they proceed with the recruitment of a GM for the District. Also, included herein is information about BHI Management Consulting, about Brent Ives, Principal who will act as your sole consultant, and his unique focus and experience in performing such services for like public agencies, along with the anticipated schedule for the recruitment project, as well as like projects for Special Districts in the State. The fee and anticipated expenses are in separate enclosure.

### **Recruitment of GM**

1. **GM recruitment** – It is important to take the proper steps necessary to assure the successful placement of a GM and/or chief executive for a special district. Job-fit becomes THE primary driver for many of the steps to find the right executive for any public agency. For the District to achieve a long-term association with the permanent executive, properly assessing job-fit is critical.

This presents the first of several steps that are unique to our approach, which starts with the thorough assessment of the District, where the District has been and where it is going, and the current Board who are tasked with this critical decision. These findings are carefully mapped with the skills, knowledge, abilities and experience necessary to FIT well with the District. Potential candidates are assessed with techniques meant specifically to gauge FIT to the District.

The overall process will be well informed by the upcoming Board goal workshop on January 14, 2014. At that workshop the Board is likely to spend considerable time discussing the future of the District. It is recommended that the Board

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deliberately look out into the future as much as five years to list and prioritize those tasks and initiatives that are upcoming with which the new GM will be tasked. No doubt, the upcoming water treatment plant upgrade and expansion project will be a pacing technical project that will be of great importance, as well as dealing with other projects contained in the Integrated Water Master Plan through the District's CIP program. If possible, it would be most informative and useful to ask for your recruitment consultant to attend or assist with that Board goal workshop if possible.

We are uniquely positioned to work with the Board to assess FIT because Brent works professionally with 2-3 Boards/Districts each week and is an elected official himself, currently serving his community as Council member for over 21 years. He understands the process and the task at hand for the elected body. His experience on both sides of the dais and his knowledge and experience with a variety of organizational issues with public agencies brings an approach that properly assesses the District for the critical job fit by which candidates will be filtered and sorted. This yields a candidate pool that is better qualified in terms of fit to this Board, in this area, in this District, and all that means. The search and placement effort is not establishing just a candidate pool, but establishing the style and work approach/habit attributes that best fit the agency. We use a series of testing methods that supports this for the assessment of final candidates.

The steps outlined below detail the process.

1.) Within two to three weeks of work authorization, the Consultant will work directly with the Board in developing a **GM profile** that will guide the entire search process (up to 3 hours with Board). The GM profile is based on what future needs of the District will challenge the new GM and important fit criteria for the future, the Board will discuss personality fit criteria, style criteria, and attributes that the Board realizes they know what they do not want in their new

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- GM. Additionally at the workshop, the Board also tackles other search criteria subjects like ad placement, contract related salary/benefit ranges and constraints. It is important to construct a process that allows for internal candidates, yet does not present an unfair advantage for them. They also establish the critical selection process and activities.
2. Based on GM Profile and workshop discussions, the Consultant will develop and strategically place ads in various electronic and print media outlets and target individuals that meet the criteria within the BHI network throughout the state and nation. During this time the Board members will participate in an on-line leadership assessment to which each final candidate will be subjected. The Board members will answer certain questions on-line, which will establish the assessment benchmarks. These benchmarks serve as the basis for a customized leadership/personality assessment with which each finalist will participate. The results of this assessment serve to advise the Board at decision time in later selection stages.
  3. The consultant will collect and sort all candidates into qualification “candidate bands” of those most closely matching the Board’s GM profile, then conduct telephone interviews with those most qualified for the position.
  4. The consultant will present the candidates to the Board and lead Board through selecting those most qualified for the upcoming formal selection activities. The Consultant and Board will discuss specific selections activities potentially including interviewing, on-line leadership/personality assessments, pre-selection activity candidate assignments, vetting of candidates with employees, managers and/or public, etc.
- The consultant will prepare the Board for all interviewing by training in behavioral interviewing. This is not included with most other services that recruit well, but do not prepare the decision body for the decision and final sorting. This



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technique will allow the Board to more thoroughly assess each candidate in areas that prove to be most important. It is critical that the Board is fully prepared for the interviewing process. BHI is highly qualified to be sure that the Board is well prepared for this critical event. All invited finalists will be background screened and passed prior to being invited to final selection activities.

5. The Consultant will guide and facilitate the Board through the selection and interviewing activities and facilitate candidates the entire selection process with the Board.

6. The Consultant will lead the Board through all selection processes, assist with negotiations with finalist, and assist with decisions regarding contract development. The District may also wish to exercise certain other pre-employment assessments at this time.

### **Schedule**

The schedule will also take some effort on the Board's part to be available for meetings in deciding on relevant critical path decisions for this position. The initial meeting should take place within three weeks of Board's decision on the Consultant.

The steps outlined usually take about 4-7 months from search start to GM start day. This range is dependent on the availability of the Board and others for key meetings and the amount of time for advertisement (a key element of establishing a proper candidate pool), as well as other factors. BHI will also target and invite some pre-established potential candidates to enter the pool, and be sure to properly make ample time and opportunity for internal candidates to make their candidacy known for the position. Dates below refer to days/weeks after formal notice to proceed to consultant.

1. Weeks 2-3 ..... Hold Board GM Profile face to face meeting.
2. Weeks 3-4 ..... Get ads into market and begin targeting candidates.

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3. Weeks 4 -10 ..... Establish candidate pool (depends on Board's desired approach).
4. Weeks 10-11..... Formal consultant resume review, telephone interviews and down-select, for candidate placement within qualification "groups or bands" and background checks (where appropriate).
5. Week 12 or 13 ..... Present candidate pool in qualification bands to the Board and decide on which candidates to invite to selection activities and decide on selection activity dates. Upon completion of this meeting the consultant will also proceed with reference calls and background checks.
6. Week 15 or 16 ..... Conduct selection activities.
7. Week 16-17..... Assist with contract/offer, negotiations, pre-employment medical evaluation, etc.
8. Week 20-21 ..... GM START DATE (Early to mid-June).

### **Terms and Conditions:**

BHI Management Consulting shall perform above services as agreed under authorized signature agreement of the District. Consultant shall not begin work until receipt of notice to proceed. Billing shall be monthly and include hourly fee and expense cost. BHI will work with District staff to develop ads and the brochure, should that be desired. The District shall be responsible for the costs associated with print ad placement in periodicals, internet, association website and others as directed, as well as the cost of background checks or any pre-employment medical tests for readiness, etc.

BHI will conduct another search for this position should the final selected candidate be terminated from employment within one year of start date for "Cause" such as immoral conduct, dishonesty, conviction of a felony, or of a crime involving moral turpitude, abandonment of the job, or willful refusal to obey a directive of the District Board of Directors. This replacement search shall be conducted for the cost of customary

## **BHI MANAGEMENT CONSULTING**

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consultant expenses only.

Should the Board not be able to select from a second set of final candidates presented to it by the Consultant and it becomes necessary to re-advertise, screen, interview and select, BHI will negotiate with the District hours for such services at a 40% reduced fee rate, plus customary expenses.

Additionally, it is important for the District to be aware of and consider costs for recruitment that may not be anticipated such as travel for candidates to attend interviews for this position, especially when from out of state. Another higher cost to remember may be relocation expenses for the selected candidate needing to move their household to the Rancho Murieta area. These costs are outlined further below.

**Cost for Recruitment/Placement** (Costs and estimated expenses are outlined in separate attachment.)

### **About the Firm and Primary Consultant:**

BHI Management Consulting is owned and operated by Brent Ives and is located in Tracy, CA. It was begun in 1996 and has focused on providing for the organizational health of public agencies since 1999. The firm has worked with public agencies in a number of organizational projects focusing on the interface and improvement between the elected bodies and professional staff. These include strategic planning, executive recruiting and placement, organizational assessments, risk assessments and Board dynamics work. The sole consultant on this project will be the Principal of the firm, Brent Ives. He brings a valuable and unique experience to this project. He is both an experienced organizational consultant expressly to public agencies and is an experienced elected official, being a sitting Council member (22 years) and directly elected Mayor (7 years) in Tracy, CA. Brent not only advises public agencies with Boards and Councils, but also has served in the capacity for decades.

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Brent is also a member of the San Joaquin Council of Governments, a member of the Board of the Altamont Commuter Express (commute rail service) Commission, and is an executive Board member of the San Joaquin Economic Development Partnership. As such, while he has advised many public agencies in the process of executive performance management, he has also implemented his own professional advice in his own City as Mayor and facilitator for the process for the City Manager of Tracy.

The firm carries Brent as the Principal and four associates, Mr. Jim Raymond, Sr. Consultant, Dr. Nick Pinhey, Sr. Consultant, Mr. Andrew Ives, Associate Consultant and Ms. Lynda Ives, Editor/Facilitating assistant. Other associates are contracted as projects demand relative to the engagement and/or agency specific needs. Brent will be the sole consultant on this project. BHI and Brent Ives are currently working on 2 other similar projects at this time.

### **Like Projects for Special Districts:**

•• Sunnyslope County Water District (national search for **District General Manager**) Mr. Dave Meraz, Board President, [dmeraz@sbcwd.com](mailto:dmeraz@sbcwd.com). (626) 287-5238

•• Desert Healthcare District (national search for **District CEO**) Mr. Mark Mathews, Board President c/o, <[kgreco@dhcd.org](mailto:kgreco@dhcd.org)>. (760) 323-6113

•• Costa Mesa Sanitary District (national search for **District General Manager**) Mr. Scott Carroll, General Manager, [scarroll@cmsdca.gov](mailto:scarroll@cmsdca.gov). (949) 645-8400.

•• Mt. View Sanitary District (nationwide for **Assistant District Manager**), (Mr. Mike Roe, District Manager, [MRoe@mvsd.org](mailto:MRoe@mvsd.org). (925) 228-5635, x-12,

•• Las Gallinas Sanitary District - 2 (national search for **District Engineer and Plant Manager**) Mr. Mark Williams, [mwilliams@lgvsd.org](mailto:mwilliams@lgvsd.org). (415) 472-1734

•• West County Wastewater District, (national search for a **Manager of Finance and Administrative Services**), Mr. EJ Shalaby, General Manager. [eshalaby@wcvd.org](mailto:eshalaby@wcvd.org). (510) 222-6700.

• Humboldt #1 Fire Protection District (nationwide for **Fire Chief**)

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- Auburn Recreation and Park District (statewide search for **Interim District Manager**)
- Newhall County Water District (statewide search for **District Manager**)
- Southwinds Church (international for **Senior Pastor**)

We fully understand that this is a critically important task for the District Board of Directors. The next GM should be one that can fully implement and complement the District's future as outlined in the GM Profile and the District's long term plans. I am available for questions, or more detail that may arise from this proposal.

Sincerely,

<signature>

Brent H. Ives, Principal  
BHI Management Consulting

# **BHI MANAGEMENT CONSULTING**

"Organizational Efficiency for Public Agencies"

Mr. Ed Crouse, General Manager  
Rancho Murieta Community Services District  
Ranch Murieta, CA 95683

December 31, 2013

## **Subject: Proposal for Recruitment of General Manager**

Per your request, this letter outlines the cost for the entire Board preparation, recruitment, down-select activities and placement of a new General Manager for RMCS D. A general effort overview is also provided.

### **Cost for Recruitment/Placement** (in separate attachment)

\$17,500 plus expenses – 3-4 trips to Rancho Murieta @ \$200/trip, Leadership/Personality assessment at \$1500.

### **Effort**

Tasks below refer to the effort after formal notice to proceed to Consultant by District.

- Hold Board GM Profile face to face meeting
- Get ads into market and begin targeting candidates
- Establish candidate pool (depends on Board's desired approach)
- Conduct formal consultant resume review, telephone interviews and down-select, for candidate placement within qualification "groups or bands" and background checks (where appropriate)
- Present candidate pool in qualification bands to the Board and decide on which candidates to invite to selection activities and decide on selection activity dates. Upon completion of this meeting the consultant will also proceed with reference calls and background checks.
- Conduct selection activities
- Assist with contract/offer, negotiations, pre-employment medical evaluation, etc.
- GM START DATE (Early to mid-June)

***BHI MANAGEMENT CONSULTING***

"Organizational Efficiency for Public Agencies"

## MEMORANDUM

Date: January 3, 2014  
To: Board of Directors  
From: Gerald Pasek, Board President  
Subject: Approve General Manager Employment Agreement Amendment

---

### RECOMMENDED ACTION

Approve the proposed Seventh (7<sup>th</sup>) Amendment to the Employment Agreement for the General Manager and the Board to authorize the Board President to sign the amendment on behalf of the District.

### BACKGROUND

At the November Board meeting, the Board of Directors met in closed session and provided instructions to the Board President regarding negotiations of an employment agreement amendment with the District's General Manager. Consistent with that direction, the Board President and General Manager have reached agreement on the terms of the amendment, all subject to approval by the Board. The proposed amendment is attached. The key provisions of the amendment are as follows:

- The General Manager's annual salary is increased by \$7500 to \$174,000, with this new salary amount being effective as of July 1, 2013.
- The General Manager's contribution to the employee's share of PERS will be increased from 3% to 5%, effective July 1, 2013.
- The contract is amended to reflect the fact that the General Manager is no longer being provided a District vehicle.

Provided these terms are acceptable to the Board, it is recommended that the Board approve the amendment to the General Manager's employment agreement in the form presented, and that the Board authorize the Board President to sign the amendment on behalf of the District.



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**SEVENTH AMENDMENT TO EMPLOYMENT AGREEMENT  
FOR THE GENERAL MANAGER/DISTRICT ENGINEER**

This Seventh Amendment to the Employment Agreement dated July 1, 2006, for the General Manager/District Engineer of the Rancho Murieta Community Services District (referred to herein as the "Seventh" Amendment"), is made and entered into as provided for in Section 9.A. of the Employment Agreement and is effective on December 18, 2013.

- I. Section 5.A. of the Employment Agreement entitled "Salary" is hereby amended to read as follows:
  - A. Employer agrees to pay Employee for his services rendered pursuant hereto an annual base salary of \$174,000, payable in installments at the same time as other District employees are paid. In recognition of the ongoing contributions of Employee and in the interest of retaining Employee's continuing services, this salary is retroactive and effective as of July 1, 2013.
- II. Exhibit "A" to the Employment Agreement entitled "Summary of Compensation and Benefits" is hereby amended as indicated in Amendment to Exhibit "A," attached hereto and incorporated herein by reference.
- III. Force and Effect.

Except for the amendments and/or additions stated in the First Amendment, effective on November 1, 2007; the Second Amendment, effective on September 17, 2008; the Third Amendment, effective on July 15, 2009; the Fourth Amendment, effective on March 17, 2010; the Fifth Amendment, effective July 1, 2011, the Sixth Amendment, effective September 19, 2012, and not hereby replaced or superseded by this Seventh Amendment, effective December 18, 2013, all other provisions of the Employment Agreement remain in full force and effect.

This Seventh Amendment was approved by the Board of Directors of the Rancho Murieta Community Services District in open session at a regular meeting held on December 18, 2013. The Board President hereby signs this Seventh Amendment on behalf of the Rancho Murieta Community Services District, as Employer, and Edward R. Crouse hereby signs this Seventh Amendment, as Employee, with both parties agreeing to the terms and provisions set forth herein.

Approved and Authorized:

\_\_\_\_\_  
Gerald Pasek  
President of the Board  
Rancho Murieta Community Services District

Accepted and Agreed to:

\_\_\_\_\_  
Edward R. Crouse – Employee  
General Manager

Approved as to Form:

\_\_\_\_\_  
Jonathan P. Hobbs  
District General Counsel

Attest:

\_\_\_\_\_  
Suzanne Lindenfeld  
District Secretary

DRAFT

**AMENDMENT TO EXHIBIT "A"**  
**SUMMARY OF COMPENSATION AND BENEFITS**

[This Amendment to Exhibit "A" provides a summary of the Employee's compensation and benefits. In the event of a conflict between this Amendment to Exhibit "A" and the terms of the Employment Agreement, the Employment Agreement shall control.]

**Base Salary:** \$174,000 annually, as of July 1, 2013.

**Benefits:**

**PERS:** 2.0% at 55. Effective July 1, 2013, Employee shall pay 5% of the Employee's contribution, and the District shall pay the balance of the Employee's contribution.

**Deferred Comp:** 457 plan. Funded by Employee only. District pays \$00 per month.

**Vacation:** Per the District Personnel Manual, annual leave credits are accrued at a specified rate based upon years of continuous service.

**Sick Leave:** 96 hours per year.

**Admin. Leave:** 40 hours per calendar year.

**Health Insurance:** District pays the health insurance premium for Employee, Employee+1 or Employee+family, based on the minimum plan available under the PERS Medical Plan.

**Dental Insurance:** District pays 100% of the premium for Employee, Employee+1 or Employee+family, for dental insurance coverage.

**Vision Insurance:** District pays 100% of the premium for Employee, Employee+1 or Employee+family, for vision/eye insurance coverage.

**Life Insurance:** District pays 100% of the premium for a \$25,000 life insurance policy.

**Disability:** District pays 100% of the premium for long-term disability insurance coverage.

**Retiree Medical:** District offers the same benefit as for other full-time employees.

**Vehicle:** Employee is not provided a vehicle by the District.

## CONFERENCE/EDUCATION SCHEDULE

Date: January 3, 2014  
To: Board of Directors  
From: Suzanne Lindenfeld, District Secretary  
Subject: Review Upcoming Conference/Education Opportunities

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

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

The upcoming conferences/educational opportunities include the following:

### **CALIFORNIA SPECIAL DISTRICT ASSOCIATION (CSDA)**

How to be an Effective Board Member	January 30, 2014	Sacramento
Board Secretary/Clerk Conference	February 27 - 28, 2014	Napa
2014 Special District Legislative Days	May 20, 2014	Sacramento
General Manager Leadership Summit	Olympic Valley	June 22, 2014

### **GOLDEN STATE RISK MANAGEMENT ASSOCIATION (GSRMA)**

No Information Currently Available on Upcoming Conferences.

### **SPECIAL DISTRICT AND LOCAL GOVERNMENT INSTITUTE (SDI)**

No Information Currently Available on Upcoming Conferences.

**ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)**

2014 Spring Conference	May 6 – 9, 2014	Monterey
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**WATEREUSE ASSOCIATION**

2014 WaterReuse Annual Conference	March 16 - 18, 2014	Newport Beach
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**AMERICAN WATER WORKS ASSOCIATION (AWWA)**

No Information Currently Available on Upcoming Conferences.

**ISC WEST**

2014 ISC West Public Security And Safety Expo	April 2 – 4, 2014	Las Vegas
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**CALIFORNIA RURAL WATER ASSOCIATION**

No Information Currently Available on Upcoming Conferences.