



## RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 JACKSON ROAD  
RANCHO MURIETA, CA 95683  
916.354.3700  
FAX – 916.354.2082

### 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

**Wednesday, January 18, 2012**

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

|                |                |
|----------------|----------------|
| Roberta Belton | President      |
| Richard Taylor | Vice President |
| Betty Ferraro  | Director       |
| Steven Mobley  | Director       |
| Gerald Pasek   | Director       |

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#### STAFF

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

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**REGULAR BOARD MEETING**  
**January 18, 2012**

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

AGENDA

|  | RUNNING TIME |
|--|--------------|
| <b>1. CALL TO ORDER</b> - Determination of Quorum - President Belton ( <b>Roll Call</b> )  | 4:00         |
| <b>2. ADOPT AGENDA</b> ( <b>Motion</b> )   | 4:05         |
| <b>3. EMPLOYEE RECOGNITION -PROMOTIONS – CERTIFICATIONS - AWARDS</b>   | 4:10         |
| <b>a.</b> Sergeant James Bieg  |              |
| <b>b.</b> Patrol Officer Michael Fuentes   |              |
| <b>4. CLOSED SESSION</b>   | 4:15         |
| <i>Under Government Code 54956.9(a): Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to 54956.9: One Potential Case.</i>  |              |
| <i>Under Government Code 54957: Public Employee Performance Review: General Manager.</i>   |              |
| <i>Under Government Code 54957.6: Conference with Labor Negotiator. Agency Designated Representative: Richard Taylor. Unrepresented Employee: District General Manager.</i>  |              |
| <b>5. OPEN SESSION</b>   |              |
| <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>  | 5:00         |







- 7. COMMENTS FROM THE PUBLIC** 5:05
- The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcome, subject to reasonable time limitations for each speaker.*
- If you wish to address the Board at this time, as a courtesy, please state your name and address, and reserve your comments to no more than 3 minutes so that others may be allowed to speak. No action will be taken.*
- 8. CONSENT CALENDAR (Motion) (Roll Call Vote) (5 min.)** 5:15
- 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. November 16, 2011 Board Meeting
    - 2. December 14, 2011 Special Board Meeting
  - b. Committee Meeting Minutes (Receive and File)**  
No Committee meetings were held in December 2011.
    - 1. January 3, 2012 Security Committee Meeting
    - 2. January 3, 2012 Improvements Committee Meeting
    - 3. January 3, 2012 Finance Committee Meeting
    - 4. January 5, 2012 Communication & Technology Committee Meeting
    - 5. January 5, 2012 Personnel Committee Meeting
  - c. Approval of Bills Paid Listing**
    - 1. November 2011
    - 2. December 2011
- 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
- a.** Email from Jan and Tom Mathews, dated November 17, 2011
- 11. PRESENTATION OF THE 2010-11 FINAL AUDIT, BY LARRY BAIN, CPA** 5:30  
(Discussion/Action) (Receive and File) (10 min.)
- 12. TIMED ITEM - INTRODUCE DISTRICT ORDINANCE 2011-04, AMENDING CHAPTER 14 OF THE DISTRICT CODE, THE WATER CODE (Discussion/Action)** 5:40  
(Motion) (Roll Call Vote) (5 min.)

13. **ADOPT DISTRICT ORDINANCE 2011-05, ADOPTING CHAPTER 17 OF THE DISTRICT CODE, THE RECYCLED WATER CODE** (Discussion/Action) (Motion) **(Roll Call Vote)** (5 min.) 5:45
14. **ADOPT DISTRICT RESOLUTION 2012-01, AMENDING FIXED EMPLOYER'S CONTRIBUTION FOR UNREPRESENTED PUBLIC EMPLOYEE MEDICAL AND HOSPITAL CARE ACT** (Discussion/Action) (Motion) **(Roll Call Vote)** (5 min.) 5:50
15. **ADOPT DISTRICT POLICY 2012-01, RESPONSE TO PUBLIC COMMENT** (Discussion/Action) (Motion) **(Roll Call Vote)** (5 min.) 5:55
16. **APPROVE PROPOSAL FOR FILTER REPAIRS AT WATER PLANT #2** (Discussion/Action) (Motion) (5 min.) 6:00
17. **APPROVE PROPOSAL FROM LINDA HEFFELFINGER FOR GRANT RESEARCH AND PROPOSAL COMPLETION SERVICES** (Discussion/Action) (Motion) (5 min.) 6:05
18. **APPROVE GENERAL MANAGER CONTRACT AMENDMENT** (Discussion/Action) (Motion) (5 min.) 6:10
19. **RECEIVE UPDATE ON CURRENT WATER SUPPLY** (Discussion/Action) (5 min.) 6:15
20. **REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES** 6:20
- a. Approve Paul Siebensohn attending AWWA Spring Symposium (Discussion/Action) (Motion) (5 min.)
21. **MEETING DATES/TIMES FOR THE FOLLOWING:** (5 min.) 6:25

**Board Goal Workshop:** January 20, 2012

**Next Regular Board Meeting:** February 15, 2012

**Committee Meeting Schedule:**

-  Communications - Thursday, February 2, 2012 at 8:30 a.m.
-  Personnel - Thursday, February 2, 2012 at 9:00 a.m.
-  Security - Tuesday, February 7, 2012 at 8:30 a.m.
-  Improvements – Tuesday, February 7, 2012 at 9:00 a.m.
-  Finance - Tuesday, February 7, 2012 at 9:30 a.m.
-  Joint Security - T.B.A.

22. **COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF** 6:30
- 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.*



## **23. ADJOURNMENT (Motion)**

6:35

"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 13, 2012. Posting locations are: 1) District Office; 2) Plaza Foods; 3) Rancho Murieta Association; 4) Murieta Village Association.

## MEMORANDUM

Date: January 11, 2011  
To: Board of Directors  
From: Greg Remson, Security Chief  
Subject: Employee Recognition – Promotions - Certifications – Awards

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Enclosed is an email sent from resident Bob Tauber regarding a chimney fire on Via Sereno. Mr. Tauber described the involvement of Security Sergeant James Bieg and Security Patrol Officer Mike Fuentes.

In more detail, on December 30, 2011 at about 8:17 p.m. Security Patrol Officers and Sac Metro Fire Department (SMFD) personnel responded to a report of a house fire on Via Sereno. Sergeant Bieg and Patrol Officer Fuentes arrived prior to SMFD. Sergeant Bieg entered the house to check for occupants and injuries and to put water into the fireplace. Patrol Officer Fuentes helped direct the homeowner who was outside using a garden hose to spray water on the chimney. Numerous SMFD personnel arrived and extinguished the fire. There was damage to the chimney and roof area.

The quick response by Sergeant Bieg and Patrol Officer Fuentes helped prevent additional damage to the house. Their willingness to take action is a reminder of the dedication of the Security Department.

A letter of commendation will be added to both Sergeant Bieg's and Patrol Officer Fuentes' personnel files.

I recommend that Sergeant Bieg and Patrol Officer Fuentes each receive an Employee Recognition Award of \$100, in accordance with our Employee Recognition Policy, 2011-08.

From: Greg Remson  
Sent: Wednesday, January 11, 2012 10:51 AM  
To: Suzanne Lindenfeld  
Subject: FW: Emailing: 20111230\_23, 20111230\_23a, 20111230\_25,  
20111230\_26,  
20111230\_27, 20111230\_27a, 20111230\_28  
Attachments: 20111230\_23.JPG; 20111230\_23a.jpg; 20111230\_25.JPG;  
20111230\_26.JPG;  
20111230\_27.JPG; 20111230\_27a.jpg; 20111230\_28.JPG

-----Original Message-----

]

Sent: Friday, December 30, 2011 10:53 PM  
To: rvt@herburger.net  
Cc: Greg Remson; editor@ranchomurieta.com  
Subject: Emailing: 20111230\_23, 20111230\_23a, 20111230\_25, 20111230\_26,  
20111230\_27, 20111230\_27a, 20111230\_28

I thought you might want this information and these photos.

About 8:15pm, Friday 12/30/11, I saw flames as I looked out the window windows of my Via Sereno, home. I ran outside with my family to see flames shooting out the upper story of the home at the top of Park 5. The home was wonderfully decorated for Christmas and now the back of this beautiful multistory home was on fire.

Our RMCS D Patrol Officers were the first to respond and help secure the safety of the homes occupants. The two RMCS D Officers ran up the hill and took charge until fire crews arrived. At least two water takers, four engines, a ladder truck and two battalion chiefs were on scene within minutes. Station 59's tanker, first to arrive, drove up the hill to the home as the engine parked on Via Sereno. The three fire fighter laid hose from their tanker and attacked the fire. As additional personnel and equipment arrived hose was laid back from the tanker to the nearest hydrant and more personnel entered the home. I could see firefighter climbing on the roof as others tried to extinguish the flames from inside. The homes family gathered outside as the firemen and our RMCS D officers did their jobs.

The fire was extinguished and from Via Sereno you would not know the piece of this family home had been so violated. However from the back I could see and

hear firefighters with chain saws, axes and pool-hooks pulling apart the roof and walls looking for hot spots. By 10:15 the last of the emergency personnel were gone, the street was again dark, but the terrible smell of the fire that caused such turmoil was still heavy in the air.

Thank you to the first on the scene RMCS D Patrol Officers, and to the SMFD Firefighters, all of whom help protect us every day and night.

Bob Tauber

The message is ready to be sent with the following file or link attachments:

20111230\_23  
20111230\_23a  
20111230\_25  
20111230\_26  
20111230\_27  
20111230\_27a  
20111230\_28

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

# RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Board of Directors Meeting

MINUTES

November 16, 2011

4:30 p.m. – Closed Session \* 5:00 p.m. Open Session

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

Vice President Richard Taylor called the meeting of the Board of Directors of Rancho Murieta Community Services District to order at 4:30 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Richard Taylor, Betty Ferraro, Steven Mobley, and Gerald Pasek. Also present were Darlene Gillum, Director of Administration; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindendorf, District Secretary. President Belton was absent.

## **2. ADOPT AGENDA**

Darlene Gillum requested that Agenda Item 11 be pulled from the Agenda as the 2010-11 Audit Report was not ready in time for the meeting. **Motion/Pasek** to adopt the agenda with Agenda Item 11 removed. **Second/Mobley. Ayes: Taylor, Ferraro, Mobley, and Pasek. Noes: None. Absent: Belton.**

## **3. EMPLOYEE PROMOTIONS – CERTIFICATIONS- AWARDS**

None.

## **4. BOARD ADJOURNED TO CLOSED SESSION AT 4:32 P.M. TO DISCUSS THE FOLLOWING ITEMS:**

*Under Government Code 54957.6:* Conference with Labor Negotiator: Darlene Gillum, Director of Administration. Employee Organization: OE-3.

## **5/6. BOARD RECONVENED TO OPEN SESSION AT 5:00 P.M. AND REPORTED THE FOLLOWING:**

*Under Government Code 54957.6:* Conference with Labor Negotiator: Darlene Gillum, Director of Administration. Employee Organization: OE-3. Board received an update. No reportable action.

## **7. COMMENTS FROM THE PUBLIC**

Tom Mathews, Lot 63, commented on his concerns regarding trash in Laguna Joaquin and the pump station. Vice President Taylor requested the matter be sent to the Improvements Committee for review and recommendation. Director Pasek suggested Paul meet with Rod Hart, Rancho Murieta Association, and work out an agreement on maintaining the lake.

## **8. CONSENT CALENDAR**

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

## **9. STAFF REPORTS**

No comments.

**10. CORRESPONDENCE**

Director Pasek commented on the letter the District sends out regarding non-payment. Darlene Gillum stated that she is working with Debby Bradberry on softening the tone of the letter.

**11. PRESENTATION OF THE 2010-11 FINAL AUDIT BY LARRY BAIN, CPA**

This item has been removed from the agenda for further review.

**12. INTRODUCE DISTRICT ORDINANCE 2011-05, ADOPTING CHAPTER 17 OF THE DISTRICT CODE, THE RECYCLED WATER CODE**

Darlene Gillum stated that at the October Board meeting, John Sullivan commented on his concerns with specific sections of the proposed Code. The Board agreed to send the item back to the Improvements Committee to address his concerns. Lisa Maddaus and staff addressed the concerns raised by Mr. Sullivan at the November 1, 2011 Improvements Committee, which Mr. Sullivan attended.

**Motion/Ferraro** to introduce Ordinance 2011-05, an Ordinance adopting District Code Chapter 17, the Recycled Water Code, waive the full reading of the Ordinance and continue to the January 18, 2012 Board meeting for adoption. **Second/Taylor. ROLL CALL VOTE: Ayes: Taylor, Ferraro, Mobley, and Pasek. Noes: None. Absent: Belton.**

**13. APPROVE INVOICE FOR DRIED SLUDGE REMOVAL**

Paul Siebensohn gave a brief summary of the background of the invoice for the dried sludge removal. This year, 300 tons of sludge was removed.

**Motion/Pasek** to approve invoice from Biosolids Recycling, Inc., for removal of dried biosolids in an amount not to exceed \$12,000. Funding to come fifty percent (50%) from Sewer Operating Budget and fifty percent (50%) from Water Operating Budget. **Second/Mobley. Ayes: Taylor, Ferraro, Mobley and Pasek. Noes: None. Absent: Belton.**

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

No discussion.

**15. COMMITTEE ASSIGNMENTS**

All directors had previously submitted their requests for various committee assignments. With consideration for the requests, Vice President Taylor read the following committee assignments made by Board President Belton:

- Communication & Technology Committee: Richard Taylor, Betty Ferraro
- Finance Committee: Roberta Belton, Gerald Pasek
- Improvements Committee: Betty Ferraro, Gerald Pasek
- Joint Security Committee: Steven Mobley, Betty Ferraro

|                           |   |
|---------------------------|---|
| Personnel Committee:      | Roberta Belton, Richard Taylor            |
| Parks Committee:          | Betty Ferraro, Richard Taylor (alternate) |
| Security Committee:       | Steven Mobley, Betty Ferraro              |
| Regional Water Authority: | Gerald Pasek                              |

**16. MEETING DATES/TIMES**

No changes.

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

Director Pasek stated he will not be attending any of the December Committee meetings. Director Pasek asked about the status of the taste and order report. Paul Siebensohn stated that the draft report will be sent to the Improvements Committee for review in December.

Paul Siebensohn reported that while doing work at Laguna Joaquin, staff discovered some corrosion at the base of the structure supporting the valve for release of water from Laguna Joaquin. It is estimated to cost \$5,000 to replace.

Darlene Gillum stated she attended the town hall meeting with Supervisor Roberta MacGlashan. Supervisor MacGlashan would like to meet with Ed and Darlene in December and attend one of the District's Board meetings in early 2012.

The employee holiday lunch is scheduled for December 22, 2011.

Chapter 14 is having some additional changes made to it and will be re-introduced to the Board in January, 2012.

**18. ADJOURNMENT**

**Motion/Taylor** to adjourn at 6:23 p.m. **Second/Ferraro. Ayes: Taylor, Ferraro, Mobley, and Pasek. Noes: None. Absent: Belton.**

Respectfully submitted,

Suzanne Lindenfeld  
District Secretary

# **RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

Special Board of Directors Meeting

MINUTES

December 14, 2011

4:00 p.m. – Closed Session \* 4:30 p.m. Open Session

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

President Roberta Belton called the meeting of the Board of Directors of Rancho Murieta Community Services District to order at 4:00 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Richard Taylor, Betty Ferraro, Steven Mobley, and Gerald Pasek. President Belton participated in the meeting by teleconference from 7458 Labranza Drive, Rancho Murieta, California. Also present were Edward R. Crouse, General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary. President Belton was absent.

## **2. ADOPT AGENDA**

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

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

*Under Government Code 54957.6:* Conference with Labor Negotiator: Edward R. Crouse, General Manager. Employee Organization: OE-3.

## **4. BOARD RECONVENED TO OPEN SESSION AT 4:18 P.M. AND REPORTED THE FOLLOWING:**

*Under Government Code 54957.6:* Conference with Labor Negotiator: Edward R. Crouse, General Manager. Employee Organization: OE-3. Board voted 5-0 to approve the 2012-2014 Memorandum of Understanding (MOU) between Rancho Murieta Community Services District and the International Union of Operating engineer, Local 3, AFL-CIO.

Highlights of the MOU include: effective January 1, 2012: 2% pay increase for all classifications, and the District will contribute 80% of the total health (lowest cost HMO plan), dental, vision, life and long term disability. Effective March 1, 2012: 3% pay increase for all classifications and employees will pay 3% of the employee PERS contribution. Effective January 1, 2013, 3% pay increase for Security classifications and 2% pay increase for water and administration classifications, unless y-rated. Effective January 1, 2014, 3% pay increase for Security classifications and 2% pay increase for water and administration classifications, unless y-rated.

## **5. COMMENTS FROM THE PUBLIC**

None.



**6. ADOPT RESOLUTION 2011-10, AMENDING AMOUNT OF EMPLOYER PAID TAX DEFERRING MEMBER CONTRIBUTIONS TO THE PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**

Ed Crouse gave a brief summary of Resolution 2011-10 which requires represented employees to pay three percent (3%) of the seven percent (7%) of the Public Employees Retirement System (PERS) the District currently pays for each employee, effective March 1, 2012.

**Motion/Ferraro** to adopt Resolution 2011-10, amending amount of employer paid tax deferring member contributions to the Public Employees Retirement System (PERS). **Second/Pasek. ROLL CALL VOTE: Ayes: Belton, Taylor, Ferraro, Mobley, and Pasek. Noes: None.**

**7. ADOPT RESOLUTION 2011-11, A RESOLUTION AMENDING FIXED EMPLOYER'S CONTRIBUTION FOR PUBIC REPRESENTED EMPLOYEE MEDICAL AND HOSPITAL CARE ACT**

Ed Crouse gave a brief summary of amended Resolution 2011-11 which amends the District's maximum contribution for represented employees' healthcare benefits to eighty percent (80%) of the lowest cost HMO plan provided each year in the Sacramento region.

**Motion/Mobley** to adopt the amended Resolution 2011-11, a Resolution amending fixed employer's contribution for public represented employee medical and hospital care act. **Second/Belton. ROLL CALL VOTE: Ayes: Belton, Taylor, Ferraro, Mobley, and Pasek. Noes: None.**

**8. APPROVE PROPOSAL FOR WASTEWATER RECLAMATION PLANT PLC UPGRADE**

President Belton suggested the matter be referred to the Improvements Committee meeting in January for review. Paul Siebensohn gave a brief summary of the plant PLC Upgrade and stated that it is a time sensitive upgrade in that needs to be done while the wastewater reclamation plant is off line. A short discussion followed. Director Ferraro commented that delaying the work could increase the cost. Director Mobley agreed that it is appropriate to begin the work now.

**Motion/Mobley** to approve proposal from TESCO Controls, Inc., for wastewater reclamation plant (WWRP) PLC upgrade, in an amount not to exceed \$68,205. Funding to come from Sewer Replacement Reserves CIP 03-07-1. **Second/Ferraro. Ayes: Taylor, Ferraro, Mobley, Pasek. Noes: Belton.**

**9. APPROVE PROPOSAL FOR WASTEWATER RECLAMATION PLANT PUMP AND MOTOR MAINTENANCE**

Paul Siebensohn gave a brief summary of the recommendation to approve the proposal for the wastewater reclamation plant pump and motor maintenance. The total approval amount includes a \$7,000 contingency for any unexpected work needing to be done. A short discussion followed.

**Motion/Belton** to approve the proposal from Kirby Pump and Mechanical, Inc. for wastewater reclamation plant (WWRP) pump and motor maintenance, in an amount not to exceed \$45,000. Funding to come from Sewer Replacement Reserves. **Second/Mobley. Ayes: Belton, Taylor, Ferraro, Mobley, Pasek.**

**10. MEETING DATES/TIMES**

No changes.

President Belton stated she will not be at the January 18, 2012 Board meeting but will be at the Board Goal Workshop on Friday, January 20, 2012.

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

Ed Crouse thanked everyone for allowing him the 8 week vacation time.

Director Ferraro thanked staff for all their hard worth throughout the year.

Director Pasek wished President Belton a good time in Hawaii.

Director Mobley gave a brief report back on the ACWA conference he attended.

President Belton requested Ed contact Supervisor MacGlashan and have her attend a District Board meeting.

Paul Siebensohn thanked the Board for the approvals to get work done and commented on how happy he is that President Belton was able to participate in the Board meeting via telephone.

Chief Remson wished everyone happy holidays.

**12. ADJOURNMENT**

**Motion/Taylor** to adjourn at 4:50 p.m. **Second/Belton. Ayes: Belton, Taylor, Ferraro, Mobley, and Pasek. Noes: None.**

Respectfully submitted,

Suzanne Lindenfeld  
District Secretary

## MEMORANDUM

Date: January 3, 2012  
To: Board of Directors  
From: Security Committee Staff  
Subject: January 3, 2011 Security Committee Meeting

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Director Ferraro called the meeting to order at 8:32 a.m. Present were Directors Ferraro and Mobley. Present from District staff were Edward R. Crouse, General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations and Suzanne Lindenfeld, District Secretary.

### **COMMENTS FROM THE PUBLIC**

None.

### **MONTHLY OPERATIONS REVIEW**

#### **Operations**

The new North Gate generator was installed. Two (2) North Gate cameras and one (1) South Gate camera stopped working. Two (2) vendors have checked the system and will provide bids for replacement.

Thanksgiving, Christmas and New Year's weekends were quiet for calls for service. Both the North and South Gates were extremely busy. An off-duty Sacramento County Sheriff's Department (SSD) Deputy worked New Year's Eve.

#### **Incidents of Note**

No discussion.

#### **RMA Citations/Advisals**

Chief Remson reported on the following Rancho Murieta Association (RMA) rule violation citations for the month of November: 38 stop sign, 14 driveway parking and 11 overnight street parking. RMA rule violation admonishments and/or complaints for the month of November: 46 loose dogs, 21 open garage doors, 11 speeding, and 10 barking dogs.

Chief Remson reported on the following Rancho Murieta Association (RMA) rule violation citations for the month of December: 49 stop sign, 29 speeding, and 16 driveway parking. RMA rule violation admonishments and/or complaints for the month of December: 25 loose dogs and 10 barking dogs.

**RMA Compliance/Grievance/Safety Committee Meeting**

The meeting was held December 5, 2011. There were appearances regarding speeding, stop sign and parking violations. Letters were submitted regarding stop sign and commercial vehicle signage. The next meeting will be on Monday, January 9, 2012 at 1:00 p.m.

**Joint Security Committee Meeting**

The Joint Security Committee meetings have been cancelled until further notice.

**James L. Noller Safety Center**

The Safety Center has been open on Monday and Wednesday from 10:00 a.m. to 2:00 p.m.

It also will remain available to all law enforcement officers for report writing, meal breaks and any other needs that arise.

**New North Gate**

No forward progress has been made.

**DIRECTOR & STAFF COMMENTS**

Chief Remson commented on an email he received from a resident thanking two (2) District Patrol Officers for their assistance on the chimney fire. Director Ferraro requested that the Patrol Officers be named and thanked at the January Board meeting.

**ADJOURNMENT**

The meeting adjourned at 8:55 a.m.

## MEMORANDUM

Date: January 3, 2012  
To: Board of Directors  
From: Improvements Committee Staff  
Subject: January 3, 2012 Committee Meeting Minutes

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

### COMMENTS FROM THE PUBLIC

None.

### UPDATES

#### Lost Lake

Paul Siebensohn stated that a request for proposal for the fountains and aeration system was sent out to four (4) vendors. Two (2) replies were received with the lowest being from Innovative Pond Products, Inc.. Some electrical work will also need to be done. The project should be completed by the end of February. Director Pasek suggested a letter be sent out after the project is completed to residents informing them of what works was done. A discussion followed.

#### Laguna Joaquin

Paul Siebensohn gave a brief update on the work completed at Laguna Joaquin. The valve that was replaced is still leaking; that leak will be repaired at a future date. Director Ferraro suggested a letter be sent to MTI giving a status of the work once the work has been completed. Director Pasek suggested the letter included who is responsible for what at Laguna Joaquin. A discussion followed.

#### Taste and Odor

Paul Siebensohn gave a brief update. A second draft report was received this morning from HDR for review and comment. Staff will meet with HDR once more before the final report is issued. Ed Crouse commented on having a meeting for the public to provide input. A discussion followed.

#### WATER PLANT #2 FILTER REPAIR

Paul Siebensohn gave a brief summary of the recommendation to approve the proposal from ERS Industrial Services, Inc. for filter repairs at water plant #2. A discussion followed. **This item will be added to the January 18, 2012 Board of Director meeting agenda.**

#### DIVERSION AND RESERVOIR STORAGE UPDATE

Paul Siebensohn gave a brief update on diversions and reservoir storage.

## **DISTRICT CODE, CHAPTER 14, WATER CODE**

Paul Siebensohn gave a brief summary of the changes to District Code Chapter 14. This Code was previously reviewed by the Committee in October 2011. After that review, additional revisions were required regarding the standard size water meter. Recent changes to the State Fire Code now require fire sprinklers on all new residential construction. As a result, our standard service line and meter need to be larger to ensure adequate fire flow to the sprinkler system. **This item will be added to the January 18, 2012 Board of Directors meeting agenda.**

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

Ed Crouse stated the agreement for the grant for the augmentation well is still being worked out. The District will be applying for the new Bureau of Reclamation grant.

Staff met with Jay Schneider to discuss each party's protest of PTF's recent water right application.

The FSA was put on hold for the holidays.

Staff will be working with Lisa Maddaus regarding Creek Week in April and Fix a Leak Week in March. Lisa is also working on the technical memo regarding the triggers for drought contingency.

Since the AWWA conference is in Las Vegas, the Board will need to approve for Paul to attend. **This item will be on the January 18, 2012 Board of Directors meeting agenda.**

## **ADJOURNMENT**

The meeting was adjourned at 9:44 a.m.

## MEMORANDUM

Date: January 3, 2012  
To: Board of Directors  
From: Finance Committee Staff  
Subject: January 3, 2012 Finance Committee Meeting

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Director Belton called the meeting to order at 9:48 a.m. Present were Directors Belton and Pasek. Present from District staff were Edward R. Crouse, General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary. Darlene Gillum, Director of Administration participated by telephone.

### COMMENTS FROM THE PUBLIC

None.

### GRANT UPDATES

#### DWR Grant for Augmentation Well

Ed Crouse stated RWA is still working on the DWR grant agreement as well as individual grant agreements. Ed will be updating the District's schedule.

#### New Bureau of Reclamation Grant

The District will be applying for a grant with the Bureau of Reclamation by the February 13, 2012 due date.

### 2010-11 AUDIT UPDATE

Darlene Gillum gave a brief summary of the Draft Audit Report. There is only one (1) outstanding item that is currently being worked on. A short discussion followed. Mr. Bain will be attending the January Board meeting to answer any questions. **This item will be added to the January 18, 2012 Board of Directors meeting agenda.**

### 2012-2013 BUDGET SCHEDULE

Darlene Gillum stated she is developing a 2012-2013 budget preparation schedule.

### DIRECTORS' & STAFF COMMENTS/SUGGESTIONS

None.

### ADJOURNMENT

The meeting was adjourned at 10:09 a.m.

## MEMORANDUM

Date: January 5, 2012  
To: Board of Directors  
From: Communication & Technology Committee Staff  
Subject: January 5, 2012 Communication & Technology Committee Meeting

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Director Ferraro called the meeting to order at 8:34 a.m. Present was Director Ferraro. Present from District staff were Edward R. Crouse, General Manager; Darlene Gillum, Director of Administration; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary. Director Taylor was absent.

### COMMENTS FROM THE PUBLIC

None.

### PUBLIC OUTREACH

#### Community Survey

Ed Crouse gave a brief summary of the draft communication survey. The purpose of the survey is to solicit resident preferences on District communication. Director Ferraro suggested including a space for residents to include their email address. The Committee recommends going forward with the survey.

### REVIEW DISTRICT POLICY 2010-10, RESPONSE TO PUBLIC COMMENT

Darlene Gillum gave a brief summary of the change made to District Policy 2010-10 per Director Ferraro's suggestion. **This item will be added to the January 18, 2012 Board of Director meeting agenda.**

### DIRECTOR & STAFF COMMENTS/SUGGESTIONS

Darlene Gillum stated she is working on generating a mailing list of residents on the South for use in sending a letter regarding Lost Lake.

Ed Crouse stated that the District will be doing outreach for Fix a Leak Week in March and Creek Week in April. Director Ferraro stated she will mention the events to the Garden Club.

### ADJOURNMENT

The meeting was adjourned at 8:59 a.m.



## MEMORANDUM

Date: January 5, 2012  
To: Board of Directors  
From: Personnel Committee Staff  
Subject: January 5, 2012 Personnel Committee Meeting

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Director Belton called the meeting to order at 9:08 a.m. Present was Director Belton. Present from District staff were Edward R. Crouse, General Manager; Darlene Gillum, Director of Administration; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary. Director Taylor was absent.

### COMMENTS FROM THE PUBLIC

None.

### UPDATES

#### Employee Relations

Ed Crouse stated that the change in the PERS contribution for non-represented employees became effective January 1, 2012. Represented employees have been moved to the new salary steps.

Darlene Gillum stated that a new Resolution will need to be done in January due to the change in language that PERS made regarding the medical contributions.

Chief Remson stated that he received an email from a resident regarding what a great job District Patrol Officers and the Fire Department did for the chimney fire over the weekend. **This item will be added to the January 18, 2012 Board of Director meeting agenda.**

#### Koff & Associates – Core Competency Implementation

Ed Crouse stated that staff has received a draft of the new evaluation form, which will be reviewed by the Management Action Committee. The goal is to have the new evaluation form final by mid-February.

### DIRECTORS' & STAFF COMMENTS/SUGGESTIONS

None.

### ADJOURNMENT

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

## MEMORANDUM

Date: January 12, 2012  
To: Board of Directors  
From: Darlene Gillum, Director of Administration  
Subject: Bills Paid Listing

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Enclosed is the Bills Paid Listing Report for **November 2011**. 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           |
|--|------------------------------|-------------|-------------------|
| California Waste Recovery Systems          | Solid Waste Contract         | \$42,398.41 | Operating Expense |
| County of Sacramento                       | Quarterly Waste Disposal Fee | \$8,208.48  | Operating Expense |
| Kronick Moskovitz Tiedemann & Girard       | Legal Consulting             | \$5,409.44  | Operating Expense |
| MWH Laboratories                           | MIB & Geosmin Testing        | \$6,250.00  | Operating Expense |
| Sierra Chemical Company                    | Chemicals                    | \$5,590.00  | Operating Expense |
| U.S. Bank Corp.                            | Monthly Gasoline             | \$5,268.98  | Operating Expense |
| US Bank Corp. Payment System               | Monthly Gasoline             | \$5,011.73  | Operating Expense |
| Biosolids Recycling, Inc.                  | Biosolids Removal            | \$11,986.20 | Operating Expense |
| CLS Labs                                   | Monthly Lab Tests            | \$5,847.66  | Operating Expense |
| Larry Bain, CPA, An Accounting Corporation | 2010-11 Progress Payment     | \$11,325.00 | Operating Expense |
| SMUD                                       | Monthly Utilities            | \$21,236.55 | Operating Expense |
| State Water Resources Control Board        | Annual Permits               | \$20,668.00 | Operating Expense |

**Rancho Murieta Community Services District**  
**Bills Paid Listing for November 2011**

| Ck Number | Date       | Vendor                                      | Amount      | Purpose  |
|-----------|------------|---|-------------|--|
| CM24575   | 11/4/2011  | Universal Security Academy                  | \$50.00     | Training - Bieg                                    |
| CM24576   | 11/4/2011  | Universal Security Academy                  | \$50.00     | Training - Scarzella                               |
| CM24577   | 11/11/2011 | A&D Automatic Gate and Access               | \$275.00    | Equipment Inspection                               |
| CM24578   | 11/11/2011 | Ace Hardware                                | \$141.52    | Monthly Supplies                                   |
| CM24579   | 11/11/2011 | Allied Waste Services #922                  | \$299.29    | Container Service                                  |
| CM24580   | 11/11/2011 | American Express                            | \$2,451.80  | IT Supplies, Director Travel, Water/Sewer Training |
| CM24581   | 11/11/2011 | Applications By Design, Inc.                | \$125.00    | Security Data Backup                               |
| CM24582   | 11/11/2011 | California Waste Recovery Systems           | \$42,398.41 | Solid Waste Monthly Contract                       |
| CM24583   | 11/11/2011 | CWEA - TCP                                  | \$78.00     | Certificate Renewal - Herrmann                     |
| CM24584   | 11/11/2011 | Caltronics Business Systems                 | \$1,285.58  | Supplies, Warehouse Copier Repair                  |
| CM24585   | 11/11/2011 | CDW Government Inc.                         | \$495.00    | Software License - Security Server                 |
| CM24586   | 11/11/2011 | Brian Chenoweth                             | \$1,100.00  | IT Support   |
| CM24587   | 11/11/2011 | Costco Wholesale                            | \$1,283.20  | Monthly Supplies                                   |
| CM24588   | 11/11/2011 | County of Sacramento                        | \$8,208.48  | Quarterly Waste Disposal                           |
| CM24589   | 11/11/2011 | Cravens Administrative Services             | \$850.00    | Pipeline Newsletter - Fall 2011                    |
| CM24590   | 11/11/2011 | Cummins West                                | \$1,841.52  | Block Heater - 6B Lift                             |
| CM24591   | 11/11/2011 | Roland Dell                                 | \$100.00    | Toilet Rebate                                      |
| CM24592   | 11/11/2011 | CDPH-OCP                                    | \$105.00    | Certificate Renewal - Siebensohn                   |
| CM24593   | 11/11/2011 | Dunbar Air Conditioning Heating & Ref Servi | \$2,584.00  | Replace Heat Pump - Admin                          |
| CM24594   | 11/11/2011 | Ed Fund Post Default Services               | \$153.33    | Payroll  |
| CM24595   | 11/11/2011 | Employment Development Department           | \$2,616.13  | Payroll  |
| CM24596   | 11/11/2011 | Folsom Lake Fleet Services                  | \$1,761.46  | Tires, Smog - #814, Repair - #517                  |
| CM24597   | 11/11/2011 | Franchise Tax Board                         | \$126.15    | Payroll  |
| CM24598   | 11/11/2011 | Gallery & Barton                            | \$803.00    | Legal Consulting                                   |
| CM24599   | 11/11/2011 | Gempler's, Inc.                             | \$671.23    | Maintenance & Repairs Supplies                     |
| CM24600   | 11/11/2011 | Golden State Flow Measurement               | \$3,947.14  | Water Meters                                       |
| CM24601   | 11/11/2011 | Groeniger and Company                       | \$448.24    | Repair Supplies                                    |
| CM24602   | 11/11/2011 | Kirby's Pump & Mechanical Inc.              | \$2,842.28  | Cantova Pump Repair                                |
| CM24603   | 11/11/2011 | Koff & Associates, Inc.                     | \$2,100.00  | Pay for Performance Program Review/Update          |
| CM24604   | 11/11/2011 | Kronick Moskovitz Tiedemann & Girard        | \$5,409.44  | Legal Consulting                                   |
| CM24605   | 11/11/2011 | James Mee                                   | \$200.00    | Toilet Rebate                                      |
| CM24606   | 11/11/2011 | Larry Mills                                 | \$200.00    | Toilet Rebate                                      |
| CM24607   | 11/11/2011 | Murieta Plumbing                            | \$225.00    | Admin Plumbing Repair                              |
| CM24608   | 11/11/2011 | MWH Laboratories                            | \$6,250.00  | MIB & Geosmin Testing                              |
| CM24609   | 11/11/2011 | National Payment Center                     | \$189.50    | Payroll  |
| CM24610   | 11/11/2011 | Nationwide Retirement Solution              | \$1,578.23  | Payroll  |
| CM24611   | 11/11/2011 | Operating Engineers Local Union No. 3       | \$473.00    | Payroll  |
| CM24612   | 11/11/2011 | P. E. R. S.                                 | \$60,553.63 | Payroll  |
| CM24613   | 11/11/2011 | PERS Long Term Care Program                 | \$132.19    | Payroll  |
| CM24614   | 11/11/2011 | Plaza Foods Supermarket                     | \$915.56    | Holiday Turkeys                                    |
| CM24615   | 11/11/2011 | Prodigy Electric                            | \$3,430.82  | Electric Service & Repairs                         |

**Rancho Murieta Community Services District**  
**Bills Paid Listing for November 2011**

| Ck Number | Date       | Vendor                                      | Amount      | Purpose                                     |
|-----------|------------|---|-------------|---|
| CM24616   | 11/11/2011 | Rancho Murieta Association                  | \$251.00    | Landscaping/Cable/Internet                  |
| CM24617   | 11/11/2011 | Regional Water Authority                    | \$100.00    | Annual Meeting                              |
| CM24618   | 11/11/2011 | Sacramento Bag Mfg. Co.                     | \$156.50    | Sandbags - Emergency Use                    |
| CM24619   | 11/11/2011 | Sierra Chemical Company                     | \$5,590.00  | Chemicals                                   |
| CM24620   | 11/11/2011 | State Board Of Equalization                 | \$2,079.64  | Water Rights Fees                           |
| CM24621   | 11/11/2011 | State Water Resources Control Board         | \$170.00    | Certificate Renewal - Miller                |
| CM24622   | 11/11/2011 | TASC  | \$127.11    | Payroll                                     |
| CM24623   | 11/11/2011 | U.S. Bank Corp. Payment System              | \$5,268.98  | Monthly Gasoline                            |
| CM24624   | 11/11/2011 | U.S. Healthworks Medical Group, PC          | \$1,075.00  | Flu Vaccinations                            |
| EFT       | 11/14/2011 | Internal Revenue Service                    | \$9,466.53  | Bi-weekly Payroll Taxes                     |
| CM24625   | 11/23/2011 | Action Cleaning Systems                     | \$1,172.00  | Monthly Cleaning Service                    |
| CM24626   | 11/23/2011 | American Water Works Association            | \$576.73    | Water/Wastewater Reference Materials        |
| CM24627   | 11/23/2011 | Aramark Uniform Services                    | \$556.92    | Uniform Service                             |
| CM24628   | 11/23/2011 | AT&T  | \$1,134.58  | Monthly Phone Bill                          |
| CM24629   | 11/23/2011 | Bay Area Process, Inc.                      | \$965.84    | Pumps                                       |
| CM24630   | 11/23/2011 | Biosolids Recycling, Inc.                   | \$11,986.20 | Biosolids Removal                           |
| CM24631   | 11/23/2011 | California Public Employees' Retirement Sys | \$26,298.57 | Payroll                                     |
| CM24632   | 11/23/2011 | California Urban Water Conservation Council | \$150.00    | Training                                    |
| CM24633   | 11/23/2011 | Caltronics Business Systems                 | \$694.80    | Monthly Copier Usage/Maintenance            |
| CM24634   | 11/23/2011 | Carrillo Enterprises                        | \$1,960.00  | Equipment Rental and Repair Services        |
| CM24635   | 11/23/2011 | CDW Government Inc.                         | \$1,000.00  | Anti-virus Software Renewal                 |
| CM24636   | 11/23/2011 | CLS Labs                                    | \$5,847.66  | Monthly Lab Tests                           |
| CM24637   | 11/23/2011 | Cummins West                                | \$1,120.12  | Block Heater - 6B Lift                      |
| CM24638   | 11/23/2011 | Daily Journal Corporation                   | \$35.70     | Ordinance 2011-05, District Code Chapter 17 |
| CM24639   | 11/23/2011 | Ed Fund Post Default Services               | \$153.33    | Payroll                                     |
| CM24640   | 11/23/2011 | Employment Development Department           | \$3,283.56  | Payroll                                     |
| CM24641   | 11/23/2011 | Express Office Products, Inc.               | \$1,105.53  | Office Supplies                             |
| CM24642   | 11/23/2011 | Franchise Tax Board                         | \$126.15    | Payroll                                     |
| CM24643   | 11/23/2011 | Hach Company                                | \$605.90    | Maintenance & Repairs Supplies              |
| CM24644   | 11/23/2011 | John Halverson                              | \$200.00    | Toilet Rebate                               |
| CM24645   | 11/23/2011 | Konecranes Inc.                             | \$395.00    | Quarterly Crane Inspections                 |
| CM24646   | 11/23/2011 | Larry Bain, CPA, An Accounting Corporation  | \$11,325.00 | 2010-11 Audit (Progress Payment)            |
| CM24647   | 11/23/2011 | Maddaus Water Management                    | \$2,443.50  | 2020 Compliance/IWMP Update                 |
| CM24648   | 11/23/2011 | Steve Mattos                                | \$100.00    | Voided Check                                |
| CM24649   | 11/23/2011 | McMaster-Carr Supply Co.                    | \$793.75    | Maintenance & Repairs Supplies              |
| CM24650   | 11/23/2011 | Motion Industries, Inc.                     | \$226.88    | WTP 1 & 2 Mixer Belts                       |
| CM24651   | 11/23/2011 | MWH Laboratories                            | \$3,500.00  | MIB & Geosmin Testing                       |
| CM24652   | 11/23/2011 | National Payment Center                     | \$379.00    | Payroll                                     |
| CM24653   | 11/23/2011 | Nationwide Retirement Solution              | \$1,578.23  | Payroll                                     |
| CM24654   | 11/23/2011 | Operating Engineers Local Union No. 3       | \$473.00    | Payroll                                     |
| CM24655   | 11/23/2011 | Operator Certification Training, Inc.       | \$300.00    | Certification Exam - Miller                 |

**Rancho Murieta Community Services District  
Bills Paid Listing for November 2011**

| <b>Ck Number</b> | <b>Date</b> | <b>Vendor</b>                       | <b>Amount</b>       | <b>Purpose</b>                         |
|------------------|-------------|-------------------------------------|---------------------|--|
| CM24656          | 11/23/2011  | Ozone Water Systems, Inc.           | \$4,502.06          | Ozone Unit Rental & Support            |
| CM24657          | 11/23/2011  | PERS Long Term Care Program         | \$132.19            | Payroll                                |
| CM24658          | 11/23/2011  | Plaza Foods Supermarket             | \$22.70             | Supplies                               |
| CM24659          | 11/23/2011  | Public Agency Retirement Services   | \$400.00            | Sept Admin Fees                        |
| CM24660          | 11/23/2011  | Thomas Reimers                      | \$100.00            | Toilet Rebate                          |
| CM24661          | 11/23/2011  | S. M. U. D.                         | \$21,236.55         | Monthly Electric                       |
| CM24662          | 11/23/2011  | Sacramento County Sheriff's Dept.   | \$1,099.12          | Off-duty Program                       |
| CM24663          | 11/23/2011  | Sacramento Uniforms                 | \$107.64            | Security Uniform                       |
| CM24664          | 11/23/2011  | Siemens Water Technologies Corp.    | \$2,434.49          | Rebuild Cell #1                        |
| CM24665          | 11/23/2011  | Signal Service, Inc.                | \$437.50            | Service Gate Cameras (North and South) |
| CM24666          | 11/23/2011  | Sprint                              | \$557.39            | Monthly Cell Phone                     |
| CM24667          | 11/23/2011  | SWRCB FEES                          | \$20,668.00         | Annual Permits                         |
| CM24668          | 11/23/2011  | TASC                                | \$74.61             | Payroll                                |
| CM24669          | 11/23/2011  | TelePacific Communications          | \$485.59            | Monthly Phone Bill                     |
| CM24670          | 11/23/2011  | The Westmark Group, Inc.            | \$1,470.60          | Groundwater Reporting                  |
| CM24671          | 11/23/2011  | U.S. Postmaster                     | \$123.43            | Express Mail                           |
| CM24672          | 11/23/2011  | W.W. Grainger Inc.                  | \$485.92            | Equipment Maintenance Supplies         |
| CM24673          | 11/23/2011  | WaterReuse Association              | \$618.00            | 2012 Membership                        |
| CM24674          | 11/23/2011  | Zep Sales & Service                 | \$2,056.75          | Maintenance & Repairs Supplies         |
| EFT              | 11/28/2011  | Internal Revenue Service            | \$11,870.11         | Bi-weekly Payroll Taxes                |
| CM24675          | 11/29/2011  | State Water Resources Control Board | \$170.00            | Certification Renewal - Montgomery     |
| EFT              | 11/30/2011  | U.S. Postmater                      | \$1,250.00          | Postage                                |
| EFT              | 11/30/2011  | El Dorado Savings Bank              | \$30.00             | Bank Fees                              |
| EFT              | 11/30/2011  | Premier West Bank                   | \$130.00            | Bank Fees                              |
| EFT              | 11/30/2011  | Global Pay                          | \$1,191.95          | Merchant Service Fees                  |
|                  |             |                                     |                     |  |
|                  |             |                                     |                     |  |
|                  |             |                                     |                     |  |
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|                  |             |                                     |                     |  |
|                  |             |                                     |                     |  |
|                  |             |                                     |                     |  |
|                  |             | <b>TOTAL</b>                        | <b>\$335,025.44</b> |  |

**Rancho Murieta Community Services District  
Bills Paid Listing for November 2011**

| Ck Number   | Date       | Vendor                                | Amount              | Purpose          |
|---|------------|---------------------------------------|---------------------|------------------|
|   |            | <b>CFD#1 Bank of America Checking</b> |                     |                  |
| CM2627  | 11/11/2011 | NBS                                   | \$2,077.53          | CFD#1 Admin Fees |
| CM2628  | 11/23/2011 | First American Corelogic, Inc.,       | \$165.00            | CFD#1 Admin Fees |
|   |            |                                       |                     |                  |
|   |            |                                       |                     |                  |
|   |            | <b>TOTAL</b>                          | <b>\$2,242.53</b>   |                  |
|   |            |                                       |                     |                  |
|   |            | <b>EL DORADO PAYROLL</b>              |                     |                  |
|   |            |                                       |                     |                  |
| <b>Payroll (El Dorado)</b>  |            |                                       |                     |                  |
| Checks: # CM10646 to CM10674 and Direct Deposits: DD05239 to DD5299 |            |                                       | \$ 120,299.17       | Payroll          |
| EFT   | 11/30/2011 | National Payment Corporation          | \$ 128.60           | Payroll          |
|   |            | <b>TOTAL</b>                          | <b>\$120,427.77</b> |                  |
|   |            |                                       |                     |                  |
|   |            |                                       |                     |                  |
|   |            |                                       |                     |                  |

## MEMORANDUM

Date: January 12, 2012  
To: Board of Directors  
From: Darlene Gillum, Director of Administration  
Subject: Bills Paid Listing

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Enclosed is the Bills Paid Listing Report for **December 2011**. 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           |
|-----------------------------------|--|-------------|-------------------|
| California Waste Recovery Systems | Solid Waste Contract                                   | \$42,500.01 | Operating Expense |
| Roto Rooter Service & Plumbing    | Annual Sewer Collection Maintenance                    | \$8,000.00  | Operating Expense |
| All Electric Motors, Inc.         | Aerator M-17, Aerator M-14, and Granlees Motor Repairs | \$8,743.29  | Operating Expense |
| Groeniger and Company             | Canal Gate (Laguna) and Backflow Bags                  | \$7,827.22  | Operating Expense |
| Hunt and Sons                     | Diesel Fuel, Hydraulic Fluid                           | \$6,395.03  | Operating Expense |
| SMUD                              | Monthly Utilities                                      | \$19,314.77 | Operating Expense |

**Rancho Murieta Community Services District**  
**Bills Paid Listing for December 2011**

| Ck Number        | Date      | Vendor                                     | Amount      | Purpose                                     |
|------------------|-----------|--|-------------|---|
| CM24676-CM246718 |           | N/A  |             | Check Series Voided                         |
| CM24719          | 12/9/2011 | Ace Hardware                               | \$148.27    | Monthly Supplies                            |
| CM24720          | 12/9/2011 | Allied Waste Services #922                 | \$299.67    | Container Service                           |
| CM24721          | 12/9/2011 | American Express                           | \$1,126.15  | IT Support, Training, Director Travel       |
| CM24722          | 12/9/2011 | Applications By Design, Inc.               | \$125.00    | Security Data Backup                        |
| CM24723          | 12/9/2011 | Aramark Uniform Services                   | \$137.90    | Uniform Service                             |
| CM24724          | 12/9/2011 | C.S.D.A.                                   | \$4,650.00  | 2012 Membership                             |
| CM24725          | 12/9/2011 | California Waste Recovery Systems          | \$42,500.01 | Solid Waste Monthly Contract                |
| CM24726          | 12/9/2011 | Carrillo Enterprises                       | \$3,498.60  | Equipment Rental, Repair Services, Supplies |
| CM24727          | 12/9/2011 | Cell Energy Inc.                           | \$135.30    | Backup Battery: Crest Lift Station          |
| CM24728          | 12/9/2011 | Brian Chenoweth                            | \$1,050.00  | IT Support                                  |
| CM24729          | 12/9/2011 | Costco Wholesale                           | \$750.09    | Monthly Supplies                            |
| CM24730          | 12/9/2011 | Ed Fund Post Default Services              | \$153.33    | Payroll                                     |
| CM24731          | 12/9/2011 | Employment Development Department          | \$2,834.42  | Payroll                                     |
| CM24732          | 12/9/2011 | Express Office Products, Inc.              | \$230.14    | Office Supplies                             |
| CM24733          | 12/9/2011 | Franchise Tax Board                        | \$126.15    | Payroll                                     |
| CM24734          | 12/9/2011 | Gempler's, Inc.                            | \$1,855.55  | Maintenance & Repair Supplies               |
| CM24735          | 12/9/2011 | Groeniger and Company                      | \$694.95    | Emergency Repair: Venado                    |
| CM24736          | 12/9/2011 | Guardian Life Insurance                    | \$4,645.63  | Payroll                                     |
| CM24737          | 12/9/2011 | Hastie's Capitol Sand and Gravel Co.       | \$844.76    | Landscaping Rock                            |
| CM24738          | 12/9/2011 | Koff & Associates, Inc.                    | \$1,750.00  | Pay For Performance Review/Update           |
| CM24739          | 12/9/2011 | Murieta Business Center                    | \$17.24     | 1/3 Cut Stuffer                             |
| CM24740          | 12/9/2011 | National Payment Center                    | \$379.00    | Payroll                                     |
| CM24741          | 12/9/2011 | Nationwide Retirement Solution             | \$1,578.23  | Payroll                                     |
| CM24742          | 12/9/2011 | Operating Engineers Local Union No. 3      | \$473.00    | Payroll                                     |
| CM24743          | 12/9/2011 | Operator Certification Training, Inc.      | \$150.00    | Training - Bohannon                         |
| CM24744          | 12/9/2011 | George M. Patrick                          | \$100.00    | Toilet Rebate                               |
| CM24745          | 12/9/2011 | PERS Long Term Care Program                | \$132.19    | Payroll                                     |
| CM24746          | 12/9/2011 | Plaza Foods Supermarket                    | \$5.55      | Supplies                                    |
| CM24747          | 12/9/2011 | Rancho Murieta Association                 | \$251.00    | Landscaping/Cable/Internet                  |
| CM24748          | 12/9/2011 | Rockhurst University Continuing Ed. Center | \$149.25    | Training - Spalding                         |
| CM24749          | 12/9/2011 | Romo Landscaping                           | \$325.00    | Landscaping                                 |
| CM24750          | 12/9/2011 | Roto Rooter Service & Plumbing             | \$8,000.00  | Annual Sewer Collection Maintenance         |
| CM24751          | 12/9/2011 | Sacramento County Sheriff's Dept.          | \$318.42    | Off-duty Program                            |
| CM24752          | 12/9/2011 | State Water Resources Control Board        | \$95.00     | Certificate Fee - Bohannon                  |
| CM24753          | 12/9/2011 | TASC                                       | \$127.11    | Payroll                                     |
| CM24754          | 12/9/2011 | Tesco Controls, Inc.                       | \$996.69    | Type "B" Cabinet                            |
| CM24755          | 12/9/2011 | U.S. Bank Corp. Payment System             | \$3,875.56  | Monthly Gasoline                            |
| CM24756          | 12/9/2011 | U.S. Healthworks Medical Group, PC         | \$58.00     | Fit For Duty Exam                           |
| CM24757          | 12/9/2011 | U.S. Postmaster                            | \$490.00    | P.O. Box Rental, First Class Mail Permit    |
| CM24758          | 12/9/2011 | Vision Service Plan (CA)                   | \$474.87    | Payroll                                     |



**Rancho Murieta Community Services District**  
**Bills Paid Listing for December 2011**

| Ck Number       | Date       | Vendor                                | Amount      | Purpose   |
|-----------------|------------|---------------------------------------|-------------|---|
| CM24759         | 12/9/2011  | W.W. Grainger Inc.                    | \$1,323.47  | Gas Detector, Supplies                            |
| CM24760         | 12/9/2011  | Western Exterminator Co.              | \$841.00    | Pest Control                                      |
| CM24761         | 12/9/2011  | Wilbur-Ellis Company                  | \$763.18    | Chemicals   |
| CM24762-CM24797 |            | N/A                                   |             | Check Series Voided                               |
| EFT             | 12/12/2011 | Internal Revenue Service              | \$10,568.69 | Bi-Weekly Payroll Taxes                           |
| CM24798         | 12/23/2011 | Action Cleaning Systems               | \$1,172.00  | Monthly Cleaning Service                          |
| CM24799         | 12/23/2011 | Air Perfection, Inc.                  | \$1,342.65  | Compressor Maintenance                            |
| CM24800         | 12/23/2011 | Alabama Specialty Products, Inc.      | \$717.23    | Maintenance & Repair Supplies                     |
| CM24801         | 12/23/2011 | All Electric Motors, Inc.             | \$8,743.29  | Aerator M-17, Aerator M-14, Granlees Motor Repair |
| CM24802         | 12/23/2011 | Aramark Uniform Services              | \$136.38    | Uniform Service                                   |
| CM24803         | 12/23/2011 | AT&T                                  | \$1,207.39  | Monthly Phone Bill                                |
| CM24804         | 12/23/2011 | California Chamber of Commerce        | \$146.58    | 2012 Employer Posters                             |
| CM24805         | 12/23/2011 | City of Sacramento PHHWCF/CESQG       | \$55.30     | Recycle Fee - Fluorescent Lightbulbs              |
| CM24806         | 12/23/2011 | CLS Labs                              | \$3,619.14  | Monthly Lab Tests                                 |
| CM24807         | 12/23/2011 | Ed Fund Post Default Services         | \$153.33    | Payroll   |
| CM24808         | 12/23/2011 | Employment Development Department     | \$2,629.38  | Payroll   |
| CM24809         | 12/23/2011 | Express Office Products, Inc.         | \$334.52    | Office Supplies                                   |
| CM24810         | 12/23/2011 | Franchise Tax Board                   | \$126.15    | Payroll   |
| CM24811         | 12/23/2011 | Gallery & Barton                      | \$396.63    | Legal Consulting                                  |
| CM24812         | 12/23/2011 | Greenshades Software, Inc.,           | \$573.75    | Annual Support Renewal                            |
| CM24813         | 12/23/2011 | Groeniger and Company                 | \$7,827.22  | Canal Gate (Laguna), Backflow Bags                |
| CM24814         | 12/23/2011 | Hach Company                          | \$3,528.44  | Maintenance & Repair Supplies                     |
| CM24815         | 12/23/2011 | Hunt and Sons                         | \$6,395.03  | Diesel Fuel, Hydralic Fluid                       |
| CM24816         | 12/23/2011 | Industrial Electrical Company         | \$3,779.47  | Backup Generator (North Gate)                     |
| CM24817         | 12/23/2011 | J B Bostick Company                   | \$3,700.00  | Street Repair: Guadalupe/Venado                   |
| CM24818         | 12/23/2011 | Kronick Moskovitz Tiedemann & Girard  | \$1,184.87  | Legal Consulting                                  |
| CM24819         | 12/23/2011 | National Payment Center               | \$189.50    | Payroll   |
| CM24820         | 12/23/2011 | Nationwide Retirement Solution        | \$1,578.23  | Payroll   |
| CM24821         | 12/23/2011 | Operating Engineers Local Union No. 3 | \$473.00    | Payroll   |
| CM24822         | 12/23/2011 | PERS Long Term Care Program           | \$132.19    | Payroll   |
| CM24823         | 12/23/2011 | Prodigy Electric                      | \$650.00    | Electric Repairs                                  |
| CM24824         | 12/23/2011 | Public Agency Retirement Services     | \$400.00    | Trust Admin Fees - October                        |
| CM24825         | 12/23/2011 | S. M. U. D.                           | \$19,314.77 | Monthly Electric                                  |
| CM24826         | 12/23/2011 | Sacramento Uniforms                   | \$440.74    | Security Uniforms                                 |
| CM24827         | 12/23/2011 | Sierra Office Supplies                | \$2,505.19  | Billing Envelopes, Employee Forms                 |
| CM24828         | 12/23/2011 | Sprint                                | \$558.60    | Monthly Cell Phone                                |
| CM24829         | 12/23/2011 | TASC                                  | \$74.61     | Payroll   |
| CM24830         | 12/23/2011 | TelePacific Communications            | \$485.82    | Monthly Phone Bill                                |
| CM24831         | 12/23/2011 | USA Blue Book                         | \$1,838.97  | Maintenance & Repair Supplies                     |
| CM24832         | 12/23/2011 | W.W. Grainger Inc.                    | \$191.01    | Maintenance & Repair Supplies                     |
| EFT             | 12/27/2011 | Internal Revenue Service              | \$8,875.50  | Bi-Weekly Payroll Taxes                           |

**Rancho Murieta Community Services District**  
**Bills Paid Listing for December 2011**

| <b>Ck Number</b> | <b>Date</b> | <b>Vendor</b>          | <b>Amount</b>       | <b>Purpose</b>        |
|------------------|-------------|------------------------|---------------------|-----------------------|
| EFT              | 12/27/2011  | U.S. Postmaster        | \$1,500.00          | Postage               |
| EFT              | 12/31/2011  | El Dorado Savings Bank | \$30.00             | Bank Fees             |
| EFT              | 12/31/2011  | Premier West Bank      | \$65.00             | Bank Fees             |
| EFT              | 12/31/2011  | Global Pay             | \$1,088.69          | Merchant Service Fees |
| EFT              | 12/31/2011  | Payment Tech           | \$706.30            | Merchant Service Fees |
|                  |             | <b>TOTAL</b>           | <b>\$175,501.48</b> |                       |

**Rancho Murieta Community Services District  
Bills Paid Listing for December 2011**

| Ck Number   | Date       | Vendor                                | Amount              | Purpose          |
|---|------------|---------------------------------------|---------------------|------------------|
|   |            | <b>CFD#1 Bank of America Checking</b> |                     |                  |
| CM2629  | 12/8/2011  | Bank of America                       | \$15.85             | CFD#1 Admin Fees |
| CM2630  | 12/23/2011 | Bank of America                       | \$16.23             | CFD#1 Admin Fees |
| CM2631  | 12/23/2011 | First American Corelogic, Inc.,       | \$165.00            | CFD#1 Admin Fees |
| CM2632  | 12/23/2011 | NBS                                   | \$2,077.53          | CFD#1 Admin Fees |
|   |            |                                       |                     |                  |
|   |            | <b>TOTAL</b>                          | <b>\$2,274.61</b>   |                  |
|   |            |                                       |                     |                  |
|   |            | <b>EL DORADO PAYROLL</b>              |                     |                  |
|   |            |                                       |                     |                  |
| <b>Payroll (El Dorado)</b>  |            |                                       |                     |                  |
| Checks: # CM10675 to CM10689 and Direct Deposits: DD05300 to DD5360 |            |                                       | \$ 106,824.21       | Payroll          |
| EFT   | 12/31/2011 | National Payment Corporation          | \$ 198.93           | Payroll          |
|   |            | <b>TOTAL</b>                          | <b>\$107,023.14</b> |                  |
|   |            |                                       |                     |                  |
|   |            |                                       |                     |                  |
|   |            |                                       |                     |                  |

## MEMORANDUM

Date: January 12, 2012  
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**

Last month, the District and OE-3 reached agreement on the Memorandum of Understanding (MOU). Suzanne sent the MOU to OE3 for signatures and expects it to be returned shortly. Once returned to us, we will get the District signatures and return a fully executed copy to OE-3. In the meantime, we circulated an unsigned version to the employees. The MOU is effective through 2014. On a side note, the OE-3 representative, Rick Davis has taken a bay area position with OE-3. The new representative is Greg Ramirez.

Debby updated payroll to reflect unrepresented employee PERS contributions, and represented employee migration to the new step program, as appropriate.

### **Finance/IT**

Larry Bain, CPA, gave a brief summary of the draft audit at the November Finance Committee meeting. Mr. Bain will be at the January Board meeting to present his audit findings and to answer questions. Darlene and Larry have been working on final adjustment to the fund balances to more accurately reflect past capital improvement project allocations as well as fund balances in reserves.

Darlene will be distributing budget packets to each department manager to complete their first cut budgets for next year. These budgets include actual amounts for the last six (6) months and projections for the remainder of the year. The goal is to have the first draft of the budget for review at the February Finance Committee meeting.

Debby worked on our calendar year-end accounting and payroll software updates as well as new payroll tax and benefit deductions for the upcoming year.

### **Security**

Holidays were generally quiet, with no significant calls for service. Greg's staff continues to do a fine job at the gates and patrol in responding to calls as well as covering holiday staffing needs and resident and guest visits.

Sergeant Bieg and Patrol Officer Fuentes assisted with a chimney fire at a residence, which prompted an "atta boy" from the grateful resident. See Agenda Item 3 for more information.

Chief Remson also reports the Safety Center is open from 10:00 a.m. to 2:00 p.m. on Mondays and Wednesdays.

### **Water**

As you have likely read, we are experiencing abnormally low rainfall so far this year. Locally, it is essentially zero.

That said the river flows are hovering around 50 cfs, below our minimum diversion threshold of 70 cfs. In years past, as is our normal operation mode, we began diversions in late December or January, when flows were above 70 CFS, primarily due to steady and clean river flow due to snowmelt. This year we have not yet started diversions.

Our storage in the reservoirs is over 3,300 AF or 70% of full. We do not see an immediate need to implement drought conservation, but we will keep tracking consumption as well as future storm predictions.

With the dry winter so far, we are experiencing a slight increase in use due to residents restarting their irrigation. We are preparing a public service message about winter watering during dry times.

### **Wastewater**

With the dry spell, our wastewater flows are down by 20% from our normal winter flows of about 0.500 mgd. As a result, our secondary storage reservoirs appear quite empty. Paul is tracking flow and volume and will be meeting throughout the spring with Rancho Murieta Country Club (RMCC) to work on a recycled water and river water irrigation delivery cycle.

### **Drainage**

Paul is moving forward with the purchase and installation of the fountain and aeration in Lost Lake, following receipt of bids. He hopes installation will be completed next month, before spring. We are working on setting expectations with the residents for what they can expect for improved water quality.

### **Solid Waste**

Nothing new to report. All seems well given the lack of complaints.

### **Grant Funding**

The Regional Water Authority (RWA), administrator of our recent DWR grant award, is still working out their contract issues. We have revised our schedule accordingly. Our grant award was bifurcated so that the District and Omochumne Hartnell Water District projects can proceed even if one project never gets off the ground.

We will be pursuing a Bureau of Reclamation grant for a more focused Recycled Water Feasibility and Implementation Plan. The deadline is February 13, 2012. We are hopeful of funding, which in turn, will put us in good stead for future Bureau grants for construction.

**Engineering**

Paul and I are reviewing HDR's draft report on enhanced water quality improvements to address taste and odor complaints.

**Conservation**

We are working on two initiatives: Fix a Leak Week in March and Creek Week in April.

## MEMORANDUM

Date: January 12, 2012  
To: Board of Directors  
From: Darlene Gillum, Director of Administration  
Subject: Administration/Financial Reports

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Enclosed is a financial summary report for **December 2011**. 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 |
|------------------------|-----------------------------|------|------|------|------|------|------|-----|-----|-----|-----|-----|-----|
| <b>Residences</b>      | 0.0                         | 2511 | 2511 | 2511 | 2511 | 2512 | 2512 |     |     |     |     |     |     |
|                        | Weighted average            | Jul  | Aug  | Sep  | Oct  | Nov  | Dec  | Jan | Feb | Mar | Apr | May | Jun |
| <b>Cubic Feet</b>      | 2126                        | 2871 | 3043 | 2753 | 1989 | 1306 | 978  |     |     |     |     |     |     |
| <b>Gallons per day</b> | 530                         | 716  | 759  | 686  | 496  | 326  | 244  |     |     |     |     |     |     |

### **Lock-Offs**

For the month of December, there were 36 lock-offs.

**Aging Report** - Delinquent accounts total \$73,261, which is 15.8% of the total accounts receivable balance of \$464,907. Past due receivables, as a percent of total receivables, have increased approximately 4.0% since October.

**Summary of Reserve Accounts as of December 31, 2011** – The District’s reserve accounts have increased \$323,026 year to date since July 2011. The increase is due to the reserve amounts collected in the Water and Sewer base rates and interest earned. The District has expended \$82,399 of reserves since the beginning of the fiscal year, which started July 1, 2011. The total amount of reserves held by the District as of December 31, 2011 is \$8,358,934. Please see the Reserve Fund Balances table below for information by specific reserve account.

## Reserve Fund Balances

| Reserve Descriptions                            | Fiscal Yr Beg<br>Balance<br>July 1, 2011 | YTD Collected &<br>Interest Earned | YTD<br>Spent    | Period End<br>Balance<br>Dec 31, 2011 |
|---|--|------------------------------------|-----------------|---------------------------------------|
| Water Capital Replacement (200-2505)            | 2,465,551                                | 97,300                             | (55,174)        | 2,507,677                             |
| Sewer Capital Replacement (250-2505)            | 2,504,367                                | 144,675                            | (0)             | 2,649,042                             |
| Security Capital Replacement (500-2505)         | 50,913                                   | 0                                  | (0)             | 50,913                                |
| Sewer Capital Improvement Connection (250-2500) | 3,977                                    | 0                                  | (0)             | 3,977                                 |
| Capital Improvement (200-2510/250-2510)         | 433,949                                  | 1,180                              | (0)             | 435,129                               |
| Water Supply Augmentation (200-2511)            | 2,568,695                                | 0                                  | (27,225)        | 2,541,470                             |
| Water Debt Service Reserves (200-2512)          | 25,061                                   | 30,593                             | (0)             | 55,654                                |
| Sewer Debt Service Reserves (250-2512)          | 63,640                                   | 49,278                             | (0)             | 112,918                               |
| Rate Stabilization (200/250/500-2515)           | 2,154                                    | 0                                  | (0)             | 2,154                                 |
| <b>Total Reserves</b>                           | <b>8,118,307</b>                         | <b>323,026</b>                     | <b>(82,399)</b> | <b>8,358,934</b>                      |

**PARS GASB 45 Trust:** The PARS GASB 45 Trust, the investment trust established to fund Other Post Employment Benefits, increased 0.93% over the most recent 3-month period ended November 30, 2011. The investment return for the comparable CalPERS investment program (CERBT) during the same 3-month period was a decline of 0.71%.

### Financial Summary Report:

#### Revenues:

**Water Charges**, year-to-date, are **below** budget by \$27,385 or 3.1%

**Sewer Charges**, year-to-date, are **below** budget by \$554 or 0.1%

**Drainage Charges**, year-to-date, are **below** budget by \$171 or 0.2%

**Security Charges**, year-to-date, are **above** budget by \$121 or 0%

**Solid Waste Charges**, year-to-date, are **above** budget by \$1,431 or 0.5%

**Total Revenues**, which include other income and interest income year-to-date, are **below** budget **\$13,104 or 0.5%**. Revenue areas that exceeded budget are Late Charges. The under-run in Water Charges is primarily due to the Water Quality Credit provided in August, which was approximately \$26,500.

**Expenses:** Year-to-date total expenses are **below** budget by \$62,857 or 2.5%. Year-to-date operational reserve expenditures total \$93,549. 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 **over** budget by \$33,186 or 5.3%, prior to reserve expenditures. Wages and Employer Costs are over budget primarily due to the variance



between the actual allocation of labor charges between Water, Sewer and Drainage and the forecasted budgetary allocation percentages. Other areas running over budget are Chemicals, Memberships, Supplies, Vehicle Maintenance, Fuel, Post Repair Road Paving, Lab Tests and Tools. Power, Maintenance/Repairs, Conservation, Meters, Legal and Consulting Services are running below budget. Year-to-date, \$93,549 of expenses have been incurred from reserves expenditures; primarily for the meter retrofit project.

**Sewer Expenses**, year-to-date, are **below budget by \$84,460 or 16.5%**, prior to reserve expenditures. Wages and Employer Costs are under budget primarily due to the variance between the actual allocation of labor charges between Water, Sewer and Drainage and the forecasted budgetary allocation percentages. Areas running over budget are Maintenance/Repair, Permits, Consulting and Training/Safety. The largest areas running below budget are Hazardous Waste Removal, Legal, Equipment Rental, Lab Tests, and IT Systems Maintenance. Year-to-date, there have been no expenses incurred from reserves expenditures.

**Drainage Expenses**, year-to-date, are **over budget by \$4,388 or 7.4%**. Wages and Employer Costs are over budget primarily due to the variance between the actual allocation of labor charges between Water, Sewer and Drainage and the forecasted budgetary allocation percentages. Areas running over budget are Permits, Power and Maintenance/Repairs. The largest areas running below budget are Equipment Rental, Chemicals and Improvements.

**Security Expenses**, year-to-date, are **below budget by \$16,614 or 3.2%**. Employers Costs are below budget due to variances in elected employee benefit coverage compared to budget. Areas running over budget are Vehicle Maintenance, Vehicle Fuel, Equipment Repairs, Legal and Bar Codes. IT Systems Maintenance, Vehicle Lease, Uniforms and Off Duty Sheriff are the largest areas running under budget.

**Solid Waste Expenses**, year-to-date, are **below budget by \$1,798 or .5%**. This under-run is due to the mix in actual service provided (i.e., the size of collection cart used per residence) compared to the anticipated mix in service used to formulate the budget.

**General Expenses**, year-to-date, are **over budget by \$2,441 or 0.5%**. Wages, Consulting, Vehicle Maintenance, Building Maintenance (due to replacement of one HVAC unit), Memberships and Director Expenses/Reimbursements are the largest categories running over budget. Employer Costs, Director Meeting Stipends, Legal, Training/Safety and IT Systems Maintenance are the largest areas running below budget.

**Net Income:** Year-to-date unadjusted net income, before depreciation, is \$118,394. Net income/(Loss) adjusted for estimated depreciation expense of \$554,750 is (\$436,356).

The YTD expected net operating income before depreciation, per the 2011-2012 budget, is \$162,190. The actual net operating income is \$49,753 higher than the budget expectation due to revenue running \$13,104 under budget and total operating expenses running under budget \$62,857.

**Rancho Murieta Community Services District**  
**Summary Budget Performance Report**  
**YTD THROUGH DECEMBER 2011**

|                                      | % of<br>Total | Annual<br>Budget | % of<br>Total | YTD<br>Budget    | YTD<br>Actuals   | % of<br>Total | YTD VARIANCE    |                |
|--------------------------------------|---------------|------------------|---------------|------------------|------------------|---------------|-----------------|----------------|
|                                      |               |                  |               |                  |                  |               | Amount          | %              |
| <b>REVENUES</b>                      |               |                  |               |                  |                  |               |                 |                |
| Water Charges                        | 29.9%         | \$1,543,782      | 32.8%         | \$881,006        | \$853,621        | 31.9%         | (\$27,385)      | (3.1%)         |
| Sewer Charges                        | 21.9%         | 1,128,190        | 21.0%         | 563,880          | 563,326          | 21.1%         | (554)           | (0.1%)         |
| Drainage Charges                     | 3.2%          | 163,320          | 3.0%          | 81,660           | 81,489           | 3.0%          | (171)           | (0.2%)         |
| Security Charges                     | 21.7%         | 1,122,360        | 20.9%         | 561,180          | 561,301          | 21.0%         | 121             | 0.0%           |
| Solid Waste Charges                  | 11.4%         | 586,920          | 10.9%         | 293,460          | 294,891          | 11.0%         | 1,431           | 0.5%           |
| Other Income                         | 1.6%          | 80,212           | 1.5%          | 39,204           | 53,352           | 2.0%          | 14,148          | 36.1%          |
| Interest Earnings                    | 0.0%          | 2,180            | 0.0%          | 810              | 116              | 0.0%          | (694)           | (85.7%)        |
| Property Taxes                       | 10.4%         | 534,960          | 9.9%          | 267,480          | 267,480          | 10.0%         |                 | 0.0%           |
| <b>Total Revenues</b>                | <b>100.0%</b> | <b>5,161,924</b> | <b>100.0%</b> | <b>2,688,680</b> | <b>2,675,576</b> | <b>100.0%</b> | <b>(13,104)</b> | <b>(0.5%)</b>  |
| <b>OPERATING EXPENSES</b>            |               |                  |               |                  |                  |               |                 |                |
| <b>Water/Sewer/Drainage</b>          |               |                  |               |                  |                  |               |                 |                |
| Wages                                | 13.8%         | 710,970          | 14.2%         | 358,530          | 363,904          | 14.8%         | 5,374           | 1.5%           |
| Employer Costs                       | 6.5%          | 337,620          | 6.5%          | 165,090          | 158,004          | 6.4%          | (7,086)         | (4.3%)         |
| Power                                | 6.3%          | 325,860          | 6.1%          | 154,550          | 148,815          | 6.0%          | (5,735)         | (3.7%)         |
| Chemicals                            | 4.1%          | 209,140          | 3.9%          | 98,610           | 103,667          | 4.2%          | 5,057           | 5.1%           |
| Maint & Repair                       | 4.7%          | 240,400          | 4.5%          | 114,950          | 119,166          | 4.8%          | 4,216           | 3.7%           |
| Meters/Boxes                         | 1.1%          | 55,000           | 0.9%          | 23,500           | 12,273           | 0.5%          | (11,227)        | (47.8%)        |
| Permits                              | 1.1%          | 59,130           | 1.4%          | 35,840           | 44,785           | 1.8%          | 8,945           | 25.0%          |
| Other                                | 10.2%         | 524,020          | 9.8%          | 248,826          | 202,396          | 8.2%          | (46,430)        | (18.7%)        |
| <b>Subtotal Water/Sewer/Drainage</b> | <b>47.7%</b>  | <b>2,462,140</b> | <b>47.5%</b>  | <b>1,199,896</b> | <b>1,153,010</b> | <b>46.8%</b>  | <b>(46,886)</b> | <b>(3.9%)</b>  |
| <b>Security</b>                      |               |                  |               |                  |                  |               |                 |                |
| Wages                                | 11.2%         | 578,400          | 11.6%         | 293,600          | 293,475          | 11.9%         | (125)           | 0.0%           |
| Employer Costs                       | 6.4%          | 332,500          | 6.5%          | 163,100          | 148,994          | 6.0%          | (14,106)        | (8.6%)         |
| Insurance                            | 0.1%          | 4,500            | 0.1%          | 2,250            | 2,250            | 0.1%          |                 | 0.0%           |
| Off Duty Sheriff Patrol              | 0.2%          | 10,500           | 0.2%          | 5,250            | 2,018            | 0.1%          | (3,232)         | (61.6%)        |
| Other                                | 2.4%          | 123,479          | 2.0%          | 50,165           | 51,014           | 2.1%          | 849             | 1.7%           |
| <b>Subtotal Security</b>             | <b>20.3%</b>  | <b>1,049,379</b> | <b>20.4%</b>  | <b>514,365</b>   | <b>497,751</b>   | <b>20.2%</b>  | <b>(16,614)</b> | <b>(3.2%)</b>  |
| <b>Solid Waste</b>                   |               |                  |               |                  |                  |               |                 |                |
| CWRS Contract                        | 10.0%         | 513,600          | 10.2%         | 256,800          | 254,776          | 10.3%         | (2,024)         | (0.8%)         |
| Sacramento County Admin Fee          | 0.6%          | 32,400           | 0.6%          | 16,200           | 16,426           | 0.7%          | 226             | 1.4%           |
| Consulting                           | 0.1%          | 5,000            | 0.0%          |                  |                  | 0.0%          |                 | 0.0%           |
| HHW Event                            | 0.2%          | 12,000           | 0.0%          |                  |                  | 0.0%          |                 | 0.0%           |
| <b>Subtotal Solid Waste</b>          | <b>10.9%</b>  | <b>563,000</b>   | <b>10.8%</b>  | <b>273,000</b>   | <b>271,202</b>   | <b>11.0%</b>  | <b>(1,798)</b>  | <b>(0.7%)</b>  |
| <b>General / Admin</b>               |               |                  |               |                  |                  |               |                 |                |
| Wages                                | 9.0%          | 462,500          | 9.4%          | 237,500          | 243,329          | 9.9%          | 5,829           | 2.5%           |
| Employer Costs                       | 4.9%          | 254,100          | 5.0%          | 125,300          | 115,878          | 4.7%          | (9,422)         | (7.5%)         |
| Insurance                            | 1.0%          | 54,060           | 1.1%          | 27,030           | 27,028           | 1.1%          | (2)             | 0.0%           |
| Legal                                | 0.5%          | 25,000           | 0.5%          | 12,000           | 10,955           | 0.4%          | (1,045)         | (8.7%)         |
| Office Supplies                      | 0.4%          | 19,200           | 0.4%          | 9,600            | 10,023           | 0.4%          | 423             | 4.4%           |
| Director Meetings                    | 0.3%          | 18,000           | 0.4%          | 9,000            | 6,800            | 0.3%          | (2,200)         | (24.4%)        |
| Telephones                           | 0.1%          | 4,140            | 0.1%          | 2,070            | 2,318            | 0.1%          | 248             | 12.0%          |
| Information Systems                  | 1.8%          | 95,000           | 1.6%          | 39,600           | 33,133           | 1.3%          | (6,467)         | (16.3%)        |
| Community Communications             | 0.2%          | 9,900            | 0.1%          | 2,700            | 3,311            | 0.1%          | 611             | 22.6%          |
| Postage                              | 0.4%          | 18,600           | 0.4%          | 9,300            | 9,191            | 0.4%          | (109)           | (1.2%)         |
| Janitorial/Landscape Maint           | 0.3%          | 16,800           | 0.3%          | 8,400            | 11,444           | 0.5%          | 3,044           | 36.2%          |
| Other                                | 2.1%          | 109,810          | 2.2%          | 56,729           | 68,260           | 2.8%          | 11,531          | 20.3%          |
| <b>Subtotal General / Admin</b>      | <b>21.1%</b>  | <b>1,087,110</b> | <b>21.3%</b>  | <b>539,229</b>   | <b>541,670</b>   | <b>22.0%</b>  | <b>2,441</b>    | <b>0.5%</b>    |
| <b>Total Operating Expenses</b>      | <b>100.0%</b> | <b>5,161,629</b> | <b>100.0%</b> | <b>2,526,490</b> | <b>2,463,633</b> | <b>100.0%</b> | <b>(62,857)</b> | <b>(2.5%)</b>  |
| <b>Operating Income (Loss)</b>       | <b>100.0%</b> | <b>295</b>       | <b>100.0%</b> | <b>162,190</b>   | <b>211,943</b>   | <b>100.0%</b> | <b>49,753</b>   | <b>30.7%</b>   |
| <b>Non-Operating Expenses</b>        |               |                  |               |                  |                  |               |                 |                |
| Water Reserve Expenditure            | 0.0%          |                  | 0.0%          |                  | 93,549           | 100.0%        | 93,549          | 0.0%           |
| <b>Total Non-Operating Expenses</b>  | <b>0.0%</b>   | <b>0.0%</b>      | <b>0.0%</b>   | <b>0.0%</b>      | <b>93,549</b>    | <b>100.0%</b> | <b>93,549</b>   | <b>0.0%</b>    |
| <b>Net Income (Loss)</b>             | <b>100.0%</b> | <b>295</b>       | <b>100.0%</b> | <b>162,190</b>   | <b>118,394</b>   | <b>100.0%</b> | <b>(43,796)</b> | <b>(27.0%)</b> |

**Rancho Murieta Community Services District**  
**Budget Performance Report by FUND**  
**YTD THROUGH DECEMBER 2011**

|  | % of<br>Total | Annual<br>Budget | % of<br>Total | YTD<br>Budget   | YTD<br>Actuals | % of<br>Total | YTD VARIANCE<br>Amount % |                 |
|--|---------------|------------------|---------------|-----------------|----------------|---------------|--------------------------|-----------------|
| <b>WATER</b>                             |               |                  |               |                 |                |               |                          |                 |
| <b>REVENUES</b>                          |               |                  |               |                 |                |               |                          |                 |
| Water Charges                            | 98.6%         | \$1,543,782      | 98.8%         | \$881,006       | \$853,621      | 98.4%         | (\$27,385)               | (3.1%)          |
| Interest Earnings                        | 0.0%          | 420              | 0.0%          | 210             | 36             | 0.0%          | (174)                    | (82.9%)         |
| Other Income                             | 1.3%          | 20,890           | 1.2%          | 10,446          | 14,072         | 1.6%          | 3,626                    | 34.7%           |
| <b>Total Water Revenues</b>              | <b>100.0%</b> | <b>1,565,092</b> | <b>100.0%</b> | <b>891,662</b>  | <b>867,729</b> | <b>100.0%</b> | <b>(23,933)</b>          | <b>(2.7%)</b>   |
| <b>EXPENSES (excluding depreciation)</b> |               |                  |               |                 |                |               |                          |                 |
| Wages                                    | 28.4%         | 383,970          | 30.9%         | 193,630         | 221,159        | 33.5%         | 27,529                   | 14.2%           |
| Employer Costs                           | 13.5%         | 182,330          | 14.2%         | 89,160          | 95,666         | 14.5%         | 6,506                    | 7.3%            |
| Power                                    | 12.5%         | 169,000          | 11.5%         | 72,025          | 67,407         | 10.2%         | (4,618)                  | (6.4%)          |
| Chemicals                                | 8.9%          | 120,245          | 8.3%          | 52,400          | 62,261         | 9.4%          | 9,861                    | 18.8%           |
| Maint & Repair                           | 7.7%          | 104,500          | 8.3%          | 52,250          | 46,715         | 7.1%          | (5,535)                  | (10.6%)         |
| Meters/Boxes                             | 4.1%          | 55,000           | 3.7%          | 23,500          | 12,273         | 1.9%          | (11,227)                 | (47.8%)         |
| Permits                                  | 2.4%          | 32,000           | 2.4%          | 15,000          | 15,784         | 2.4%          | 784                      | 5.2%            |
| Other Direct Costs                       | 22.6%         | 305,470          | 20.7%         | 129,594         | 139,480        | 21.1%         | 9,886                    | 7.6%            |
| <b>Operational Expenses</b>              | <b>100.0%</b> | <b>1,352,515</b> | <b>100.0%</b> | <b>627,559</b>  | <b>660,745</b> | <b>100.0%</b> | <b>33,186</b>            | <b>5.3%</b>     |
| <b>Water Income (Loss)</b>               | <b>15.7%</b>  | <b>212,577</b>   | <b>42.1%</b>  | <b>264,103</b>  | <b>206,984</b> | <b>31.3%</b>  | <b>(57,119)</b>          | <b>(21.6%)</b>  |
| <b>39.1% Net Admin Alloc</b>             | <b>15.7%</b>  | <b>212,841</b>   | <b>16.7%</b>  | <b>105,081</b>  | <b>105,701</b> | <b>16.0%</b>  | <b>620</b>               | <b>0.6%</b>     |
| <b>Reserve Expenditures</b>              | <b>0.0%</b>   |                  | <b>0.0%</b>   |                 | <b>93,549</b>  | <b>14.2%</b>  | <b>93,549</b>            | <b>0.0%</b>     |
| <b>Total Net Income (Loss)</b>           | <b>0.0%</b>   | <b>(264)</b>     | <b>25.3%</b>  | <b>159,022</b>  | <b>7,734</b>   | <b>1.2%</b>   | <b>(151,288)</b>         | <b>(95.1%)</b>  |
| <b>SEWER</b>                             |               |                  |               |                 |                |               |                          |                 |
| <b>REVENUES</b>                          |               |                  |               |                 |                |               |                          |                 |
| Sewer Charges                            | 98.7%         | 1,128,190        | 98.8%         | 563,880         | 563,326        | 98.3%         | (554)                    | (0.1%)          |
| Interest Earnings                        | 0.1%          | 820              | 0.1%          | 325             | 60             | 0.0%          | (265)                    | (81.5%)         |
| Other Income                             | 1.2%          | 13,590           | 1.2%          | 6,792           | 9,483          | 1.7%          | 2,691                    | 39.6%           |
| <b>Total Sewer Revenues</b>              | <b>100.0%</b> | <b>1,142,600</b> | <b>100.0%</b> | <b>570,997</b>  | <b>572,869</b> | <b>100.0%</b> | <b>1,872</b>             | <b>0.3%</b>     |
| <b>EXPENSES (excluding depreciation)</b> |               |                  |               |                 |                |               |                          |                 |
| Wages                                    | 28.3%         | 277,240          | 27.3%         | 139,810         | 114,452        | 26.7%         | (25,358)                 | (18.1%)         |
| Employer Costs                           | 13.4%         | 131,660          | 12.6%         | 64,380          | 50,132         | 11.7%         | (14,248)                 | (22.1%)         |
| Power                                    | 14.7%         | 143,960          | 14.9%         | 76,235          | 73,523         | 17.2%         | (2,712)                  | (3.6%)          |
| Chemicals                                | 8.1%          | 79,310           | 8.4%          | 43,260          | 40,640         | 9.5%          | (2,620)                  | (6.1%)          |
| Maint & Repair                           | 13.0%         | 127,500          | 11.4%         | 58,500          | 66,311         | 15.5%         | 7,811                    | 13.4%           |
| Permits                                  | 2.4%          | 23,130           | 4.1%          | 20,840          | 24,149         | 5.6%          | 3,309                    | 15.9%           |
| Other Direct Costs                       | 20.1%         | 197,460          | 21.4%         | 109,732         | 59,090         | 13.8%         | (50,642)                 | (46.2%)         |
| <b>Operational Expenses</b>              | <b>100.0%</b> | <b>980,260</b>   | <b>100.0%</b> | <b>512,757</b>  | <b>428,297</b> | <b>100.0%</b> | <b>(84,460)</b>          | <b>(16.5%)</b>  |
| <b>Sewer Income (Loss)</b>               | <b>16.6%</b>  | <b>162,340</b>   | <b>11.4%</b>  | <b>58,240</b>   | <b>144,572</b> | <b>33.8%</b>  | <b>86,332</b>            | <b>148.2%</b>   |
| <b>29.9% Net Admin Alloc</b>             | <b>16.6%</b>  | <b>162,761</b>   | <b>15.7%</b>  | <b>80,356</b>   | <b>80,830</b>  | <b>18.9%</b>  | <b>474</b>               | <b>0.6%</b>     |
| <b>Total Net Income (Loss)</b>           | <b>0.0%</b>   | <b>(421)</b>     | <b>-4.3%</b>  | <b>(22,116)</b> | <b>63,742</b>  | <b>14.9%</b>  | <b>85,858</b>            | <b>(388.2%)</b> |
| <b>DRAINAGE</b>                          |               |                  |               |                 |                |               |                          |                 |
| <b>REVENUES</b>                          |               |                  |               |                 |                |               |                          |                 |
| Drainage Charges                         | 99.9%         | 163,320          | 99.9%         | 81,660          | 81,489         | 100.0%        | (171)                    | (0.2%)          |
| Interest Earnings                        | 0.1%          | 240              | 0.1%          | 75              | 8              | 0.0%          | (67)                     | (89.3%)         |
| <b>Total Drainage Revenues</b>           | <b>100.0%</b> | <b>163,560</b>   | <b>100.0%</b> | <b>81,735</b>   | <b>81,497</b>  | <b>100.0%</b> | <b>(238)</b>             | <b>(0.3%)</b>   |
| <b>EXPENSES (excluding depreciation)</b> |               |                  |               |                 |                |               |                          |                 |
| Wages                                    | 38.5%         | 49,760           | 42.1%         | 25,090          | 28,293         | 44.2%         | 3,203                    | 12.8%           |
| Employer Costs                           | 18.3%         | 23,630           | 19.4%         | 11,550          | 12,206         | 19.1%         | 656                      | 5.7%            |
| Power                                    | 10.0%         | 12,900           | 10.6%         | 6,290           | 7,885          | 12.3%         | 1,595                    | 25.4%           |
| Chemicals                                | 7.4%          | 9,585            | 5.0%          | 2,950           | 766            | 1.2%          | (2,184)                  | (74.0%)         |
| Maint & Repair                           | 6.5%          | 8,400            | 7.0%          | 4,200           | 6,140          | 9.6%          | 1,940                    | 46.2%           |
| Other Direct Costs                       | 19.4%         | 25,090           | 15.9%         | 9,500           | 8,678          | 13.6%         | (822)                    | (8.7%)          |
| <b>Operational Expenses</b>              | <b>100.0%</b> | <b>129,365</b>   | <b>100.0%</b> | <b>59,580</b>   | <b>63,968</b>  | <b>100.0%</b> | <b>4,388</b>             | <b>7.4%</b>     |
| <b>Drainage Income (Loss)</b>            | <b>26.4%</b>  | <b>34,195</b>    | <b>37.2%</b>  | <b>22,155</b>   | <b>17,529</b>  | <b>27.4%</b>  | <b>(4,626)</b>           | <b>(20.9%)</b>  |
| <b>6.1% Net Admin Alloc</b>              | <b>25.7%</b>  | <b>33,205</b>    | <b>27.5%</b>  | <b>16,394</b>   | <b>16,490</b>  | <b>25.8%</b>  | <b>96</b>                | <b>0.6%</b>     |
| <b>Total Net Income (Loss)</b>           | <b>0.8%</b>   | <b>990</b>       | <b>9.7%</b>   | <b>5,761</b>    | <b>1,039</b>   | <b>1.6%</b>   | <b>(4,722)</b>           | <b>(82.0%)</b>  |
| <b>SECURITY</b>                          |               |                  |               |                 |                |               |                          |                 |
| <b>REVENUES</b>                          |               |                  |               |                 |                |               |                          |                 |
| Security Charges                         | 96.7%         | 1,122,360        | 96.7%         | 561,180         | 561,301        | 95.6%         | 121                      | 0.0%            |
| Interest Earnings                        | 0.0%          | 100              | 0.0%          | 50              | 11             | 0.0%          | (39)                     | (78.0%)         |
| Other Income                             | 3.3%          | 37,932           | 3.3%          | 18,966          | 25,944         | 4.4%          | 6,978                    | 36.8%           |
| <b>Total Security Revenues</b>           | <b>100.0%</b> | <b>1,160,392</b> | <b>100.0%</b> | <b>580,196</b>  | <b>587,256</b> | <b>100.0%</b> | <b>7,060</b>             | <b>1.2%</b>     |
| <b>EXPENSES (excluding depreciation)</b> |               |                  |               |                 |                |               |                          |                 |
| Wages                                    | 55.1%         | 578,400          | 57.1%         | 293,600         | 293,475        | 59.0%         | (125)                    | 0.0%            |
| Employer Costs                           | 31.7%         | 332,500          | 31.7%         | 163,100         | 148,994        | 29.9%         | (14,106)                 | (8.6%)          |
| Insurance                                | 0.4%          | 4,500            | 0.4%          | 2,250           | 2,250          | 0.5%          |                          | 0.0%            |
| Off Duty Sheriff Patrol                  | 1.0%          | 10,500           | 1.0%          | 5,250           | 2,018          | 0.4%          | (3,232)                  | (61.6%)         |
| Other                                    | 11.8%         | 123,479          | 9.8%          | 50,165          | 51,014         | 10.2%         | 849                      | 1.7%            |
| <b>Operational Expenses</b>              | <b>100.0%</b> | <b>1,049,379</b> | <b>100.0%</b> | <b>514,365</b>  | <b>497,751</b> | <b>100.0%</b> | <b>(16,614)</b>          | <b>(3.2%)</b>   |

## Rancho Murieta Community Services District

### Budget Performance Report by FUND

YTD THROUGH DECEMBER 2011

|  | % of Annual   |                | % of YTD      |                | YTD            |               | YTD VARIANCE    |                |
|--|---------------|----------------|---------------|----------------|----------------|---------------|-----------------|----------------|
|  | Total         | Budget         | Total         | Budget         | Actuals        | Total         | Amount          | %              |
| Security Income (Loss)                   | 10.6%         | \$111,013      | 12.8%         | \$65,831       | \$89,505       | 18.0%         | \$23,674        | 36.0%          |
| 20.5% Net Admin Alloc                    | 10.6%         | 111,592        | 10.7%         | 55,094         | 55,419         | 11.1%         | 325             | 0.6%           |
| <b>Total Net Income (Loss)</b>           | <b>-0.1%</b>  | <b>(579)</b>   | <b>2.1%</b>   | <b>10,737</b>  | <b>34,086</b>  | <b>6.8%</b>   | <b>23,349</b>   | <b>217.5%</b>  |
| <b>SOLID WASTE REVENUES</b>              |               |                |               |                |                |               |                 |                |
| Solid Waste Charges                      | 99.9%         | 586,920        | 99.9%         | 293,460        | 294,891        | 100.0%        | 1,431           | 0.5%           |
| Interest Earnings                        | 0.1%          | 600            | 0.1%          | 150            |                | 0.0%          | (150)           | (100.0%)       |
| <b>Total Solid Waste Revenues</b>        | <b>100.0%</b> | <b>587,520</b> | <b>100.0%</b> | <b>293,610</b> | <b>294,891</b> | <b>100.0%</b> | <b>1,281</b>    | <b>0.4%</b>    |
| <b>EXPENSES (excluding depreciation)</b> |               |                |               |                |                |               |                 |                |
| CWRS Contract                            | 91.2%         | 513,600        | 94.1%         | 256,800        | 254,776        | 93.9%         | (2,024)         | (0.8%)         |
| Sacramento County Admin Fee              | 5.8%          | 32,400         | 5.9%          | 16,200         | 16,426         | 6.1%          | 226             | 1.4%           |
| Consulting                               | 0.9%          | 5,000          | 0.0%          |                |                | 0.0%          |                 | 0.0%           |
| HHW Event                                | 2.1%          | 12,000         | 0.0%          |                |                | 0.0%          |                 | 0.0%           |
| <b>Operational Expenses</b>              | <b>100.0%</b> | <b>563,000</b> | <b>100.0%</b> | <b>273,000</b> | <b>271,202</b> | <b>100.0%</b> | <b>(1,798)</b>  | <b>(0.7%)</b>  |
| Solid Waste Income (Loss)                | 4.4%          | 24,520         | 7.5%          | 20,610         | 23,689         | 8.7%          | 3,079           | 14.9%          |
| 4.4% Net Admin Alloc                     | 4.3%          | 23,951         | 4.3%          | 11,825         | 11,895         | 4.4%          | 70              | 0.6%           |
| <b>Total Net Income (Loss)</b>           | <b>0.1%</b>   | <b>569</b>     | <b>3.2%</b>   | <b>8,785</b>   | <b>11,794</b>  | <b>4.3%</b>   | <b>3,009</b>    | <b>34.3%</b>   |
| <b>OVERALL NET INCOME(LOSS)</b>          | <b>100.0%</b> | <b>295</b>     | <b>100.0%</b> | <b>162,189</b> | <b>118,395</b> | <b>100.0%</b> | <b>(43,794)</b> | <b>(27.0%)</b> |

# RANCHO MURIETA COMMUNITY SERVICES DISTRICT

## INVESTMENT REPORT

*CASH BALANCE AS OF December 31, 2011*

| INSTITUTION                                | YIELD            | BALANCE                |
|--|------------------|------------------------|
| <b>CSD FUNDS</b>                           |                  |                        |
| <b>EL DORADO SAVINGS BANK</b>              |                  |                        |
| SAVINGS                                    | 0.07%            | \$ 240,289.74          |
| CHECKING                                   | 0.05%            | \$ 9,415.02            |
| PAYROLL                                    | 0.05%            | \$ 62,499.38           |
| <b>STOCKMANS BANK</b>                      |                  |                        |
| EFT  | N/A              | \$ 191,537.56          |
| <b>LOCAL AGENCY INVESTMENT FUND (LAIF)</b> |                  |                        |
| UNRESTRICTED                               |                  | \$ -                   |
| RESTRICTED RESERVES                        | 0.38%            | \$ 4,657,948.36        |
| <b>CALIFORNIA ASSET MGMT (CAMP)</b>        |                  |                        |
| OPERATION ACCOUNT                          | 0.15%            | \$ 3,792,276.05        |
| <b>UNION BANK</b>                          |                  |                        |
| PARS GASB45 TRUST                          | (as of 11/30/11) | \$ 187,712.80          |
| <b>TOTAL</b>                               |                  | <b>\$ 9,141,678.91</b> |

### BOND FUNDS

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

|                                     |       |                         |
|-------------------------------------|-------|-------------------------|
| <b>BANK OF AMERICA</b>              |       |                         |
| CHECKING                            | N/A   | \$ 67,788.02            |
| <b>CALIFORNIA ASSET MGMT (CAMP)</b> |       |                         |
| SPECIAL TAX                         | 0.16% | \$ 8,273.73             |
| <b>US BANK</b>                      |       |                         |
| SPECIAL TAX REFUND                  | 0.00% | \$ -                    |
| BOND RESERVE FUND/ SPECIAL TAX FUND | 0.00% | \$ 876,000.00           |
| <b>TOTAL</b>                        |       | <b>\$ 952,061.75</b>    |
| <b>TOTAL ALL FUNDS</b>              |       | <b>\$ 10,093,740.66</b> |

*The investments comply with the CSD adopted investment policy.*

PREPARED BY: *Darlene Gillum*  
*Director of Administration*

## MEMORANDUM

Date: January 10, 2012  
To: Board of Directors  
From: Greg Remson, Security Chief  
Subject: Security Report for the Month of December 2011

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### OPERATIONS

The new generator has been installed at the North Gate. The electrician checked the system and found a relay switch and charger that needs to be replaced for safety reasons.

Three (3) gate cameras have stopped working. I had two (2) vendors check the system and provide bids for replacement. I am waiting to hear from our gate entrance software vender regarding integrating a license plate reader camera into our system.

Thanksgiving, Christmas and New Years weekends were quiet for calls for service, but both the North and South gates were extremely busy. The Gate Officers did a good job processing guests.

An off-duty Sacramento County Sheriff's Department (SSD) Deputy worked New Years Eve, but the night was quiet.

### INCIDENTS OF NOTE

December 4, Sunday, 4:27 p.m. Stonehouse Park. Report of a verbal disturbance at the soccer game between parents and referee. Security Patrol Officer provided a presence in the area.

December 4, Sunday, 7:43 p.m. Country Store. Two (2) bottles of alcohol were taken from the store. Suspect was last observed running behind Murieta Plaza. Area checked clear. Referred to SSD for a report.

December 9, Friday, 3:12 p.m. Orilla. Injury accident involving a golf cart and vehicle. The golf cart driver was transported by Sacramento Metro Fire Department (SMFD) Medic 59 and California Highway Patrol (CHP) responded for a report.

December 9, Friday, 10:57 p.m. Chesbro Circle. SMFD responded to a possible electrical fire in a track lighting fixture. Power was turned off and the homeowner will follow up with an electrician. There was no apparent damage to the house.

December 14, Wednesday, 7:34 p.m. Pera Drive. Stove fire was extinguished prior to SMFD arrival. Assisted with smoke removal.

December 15, Thursday, 1:31 p.m. Rio Oso. A resident on Rio Oso left the house for about two (2) hours. Upon return, two (2) wrapped Christmas presents and two (2) bottles of wine were missing. Entry was apparently made through an unlocked back door.

December 16, Friday, 6:49 p.m. Domingo Drive. Golf clubs were taken overnight from the garage. Referred to SSD for a report.

December 19, Monday, 5:38 a.m. Mini-Storage on Cantova Way. Windows were smashed out of vehicle. Possible continuing ex-boyfriend/girlfriend issues.

December 23, Friday, 5:36 p.m. Riverview Park. Five (5) juveniles were contacted regarding smoking marijuana. Parents were notified and came and picked up their children.

December 24, Saturday, 2:48 a.m. South residential area. Security Officer observed a vehicle enter Murieta South in the outbound lane. The vehicle ran over curbs and eventually stopped on a dead end street and almost backed into the patrol vehicle. The driver was an elderly female from San Jose who showed signs of being delusional. SMFD transported the driver to the hospital and CHP towed the vehicle due to the driver having a suspended license and expired registration.

December 30, Friday, 8:17 p.m. Via Sereno. Security Officers and SMFD personnel responded to a chimney fire. Security Sgt. Bieg and Security Officer Fuentes arrived prior to SMFD. Sgt. Bieg entered the house and put water into the fireplace, and Officer Fuentes helped direct the homeowner, who was outside using a garden hose to spray water on the chimney. SMFD personnel arrived and extinguished the fire. There was damage to the chimney and roof area.

During December, District Patrol Officers responded to complaints of tampering with holiday decorations, rocks placed in roadways, pumpkin smashing, loud music, and parties.

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

The meeting was held December 5, 2011. There were appearances regarding speeding, stop sign and parking violations, and letters were sent in regarding stop sign, parking and commercial vehicle signage. The next meeting will be on January 9, 2012.

#### **JOINT SECURITY COMMITTEE MEETING**

Meetings have been cancelled until further notice.

#### **JAMES L. NOLLER SAFETY CENTER**

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

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

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

**NEW NORTH GATE**

There has been no forward progress on building a new gate.



## MEMORANDUM

Date: January 4, 2012  
To: Board of Directors  
From: Paul Siebensohn, Director of Field Operations  
Subject: Water/Wastewater/Drainage Report

---

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

### **Water**

Potable water demand dropped to winter levels over November to 0.75 MGD and then picked up slightly in December to 0.9 MGD, most likely due to the lack of rainfall and people turning their irrigation systems back on. Water Treatment Plant #1 is at 0.9 million gallons per day (MGD) and Plant #2 is still off for winter maintenance. Total potable water production for November 2011 was approximately 31.52 million gallons or approximately 96.7 acre-feet. Total potable water production for December 2011 was approximately 29.6 million gallons or approximately 91 acre-feet.

Maintenance this past month included taking Plant #2 offline to inspect its filters. Out of 84 total filters, failures in 6 of its filters under-drains were discovered. Staff received a cost for the repairs noted in the Improvements Committee for Board approval. Also, sludge from another two (2) of the water plant's four (4) drying beds were hauled back to the wastewater plant drying beds for stockpiling and further drying, and drawing down the right side sedimentation basin at Water Plant #2 for cleaning. The chain-of-flights are still on order for the left side sedimentation basin of Plant #2.



*Water Plant solids drying bed after being cleaned out*

**Water Source of Supply**

On January 4, 2012, Calero, Chesbro and Clementia combined raw water storage was measured at 3,320.3 acre-feet as compared to total storage of 3,429 acre-feet on January 6, 2010, and 3,002 acre-feet on January 7, 2009. Although it has not rained sufficiently to raise the Cosumnes River level to the 70 cfs minimum to begin diversion pumping, there is no need to worry about water supply yet. Our water rights allow us to increase our levels of diversion based on calendar milestones for pumping. Based on the levels as of January 4, 2012, the approximate pumping times would be as noted in the chart below:

|            |                        | Days to fill at spillway |  | MG    |
|------------|------------------------|--------------------------|--|-------|
|            |                        | Left to Fill             |  |       |
|            |                        |                          |  | 439.1 |
| 125 hp ea. | 1 pump @ ~ 2,630 gpm   | 115.9                    |  | days  |
|            | 2 pumps @ ~ 4,958 gpm  | 61.5                     |  | days  |
| 500 hp ea. | 1 pump @ ~ 6,885 gpm   | 44.3                     |  | days  |
|            | 2 pumps @ ~ 13,770 gpm | 22.1                     |  | days  |
|            | 3 pumps @ ~ 20,655 gpm | 14.8                     |  | days  |

\*There are 152 days from January to May 31<sup>st</sup>, 121 days from February 1<sup>st</sup> to May 31<sup>st</sup>.

Historical rainfall data measured at our wastewater plant shows an average of 4.41” of rain in December from 1991-2010. This past December the rainfall total was 0.06”.

HDR provided a second draft of Raw Water Supply Assessment for staff review, to explore District solutions to provide exceptional water quality.

Staff continued vegetation removal from the District’s dams as per the Department of Safety of Dams as well as renewed the rodent control program with Western Pest & Exterminators for rodent control on the Dams and Levees.

Staff repaired extensive damage done by rodents, assumed to be either beaver or muskrats, over by the Clementia Pumping station. The rodents had dug approximately twelve feet (12’) back from the water channel adjacent to the pump station, undermining the asphalt area above their tunnel, causing it to collapse. As part of this repair, staff put in large sections of concrete rip-rap to prevent further damage from occurring. Photos of work performed below.



Before (arrows pointing to rodent holes)



After

**Wastewater**

The 2006 CDO, R5-2006-0001, was officially rescinded at the Central Valley Regional Water Quality Control Board meeting on December 1, 2011, along with other non-contested items on their agenda. Influent wastewater flow averaged 0.446 MGD, approximately 41.23 acre-feet, to the wastewater plant during November 2011. Influent wastewater flow averaged 0.427 MGD, approximately 40.6 acre-feet, to the wastewater plant during December 2011. A total of 175 acre-feet of secondary treated wastewater was measured in the secondary storage reservoirs on January 4, 2012, allowing us good capacity for winter storage of secondary wastewater.

**Collections**

Staff and Cost-U-Less pumping removed hair, grease, and garbage built up in the Main Lift North sewer collection wet well as a matter of bi-annual maintenance there. We received one odor complaint near our 3B sewer pumping station on Camino Del Lago. Staff investigated, found and removed a dead animal in the vicinity of the home of the homeowner that made the complaint. Staff also made a repair on a damaged sewer line on Pera Drive. Photo of the repair is at the end of this report.

**Drainage**

District staff cleaned and excavated built up sediment and tules from the influent area of Laguna Joaquin between Lindero and Carreta Lanes. Despite our best intent to provide positive service response and posting work notices on our Website and in the Community, the work became a hotbed of controversy. The project was initiated due to resident complaints, however, when the work began, just as many residents complained that we were removing tules along with the sediment. It then changed into an online thread of complaints that we were not cleaning up the rest of trash and sediment in Laguna Joaquin. We then focused more time and effort cleaning up trash despite already being over budget in our Drainage Department.



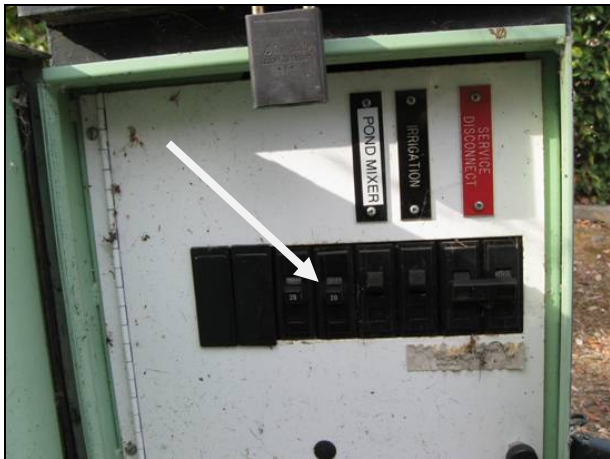
Areas before & after where we worked in Laguna Joaquin



When Laguna Joaquin was drained, it was discovered that the forty (40) year old drain valve had corroded through and failed. We then had to expedite the purchase and installation of a new slide gate valve, further over extending our Drainage Budget.



*Photos of corrosion damage on old slide gate valve at Laguna Joaquin*



*Photo of two new circuit breakers*



*Photo of Basin 5 on 1/6/11*

Basin 5 (Lost Lake): A request for proposal to supply an aeration system and fountain was sent out to four (4) aquatic management companies, with two (2) bids received back. The lowest bid was from Innovative Pond Products, the company that was out at Basin 5 last fall to perform a demonstration of their products. They were notified to proceed and have reported back that they will be here on January 17, 2012 to begin installation. In the meantime, Prodigy Electric installed two (2) circuit breakers on Rancho Murieta Association's (RMA) electrical panel next to Basin 5, ready to accommodate fountain and aeration pumps. Should no benefit be seen from the fountain and aeration after one (1) year of use, the District will no longer continue to fund their operation.

Staff is no longer cutting weeds in drainage as per Best Management Practices (BMPs) for stormwater control during potential rainy months. This allows drainage to catch, filter, and slow down the velocity of drainage runoff during rain events.

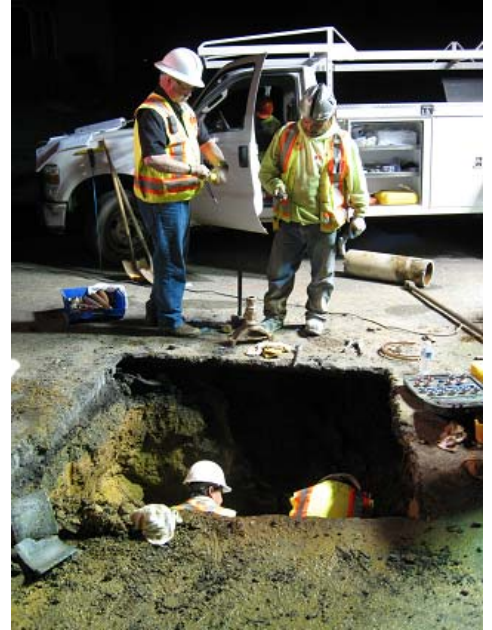
**Utility Operations**

In November, staff fixed four (4) water leaks, one (1) leaking air release valve, replaced thirteen (13) MXU radio read units, thirteen (13) water meters and five (5) registers were replaced as part of the ongoing maintenance. Staff also painted over graffiti on the tank on Lookout Hill. In December, staff replaced twenty (20) water meters, nine (9) meter registers, seventeen (17) MXU's, marked out two (2) USAs, and responded to seven (7) homeowner related calls for water leaks. Also, herbicide was sprayed along roadsides and right-of-ways at the Wastewater facility and Dam sub-drains for vegetation control.

A large water leak was repaired at corner of Venado and Lobo due to 1<sup>1/2</sup>" service saddle corroding off an 8 inch water main. Staff worked until 9:00 p.m. that night to get the water back on.



*Water line repair on Venado Drive*



*Sewer line damage on Pera Drive (before)*



*(after)*

**From:** Janandtommathews@aol.com  
**Sent:** Thursday, November 17, 2011 8:42 AM  
**To:** directors@rmcsd.com  
**Subject:** Lake Joaquin

Good morning to all, Just a quick note to follow up on my comments made at last nights Board meeting. As you recall some of my questions and comments concerned trash and debris in Lake Joaquin. During the questions and answers, a comment was made by a gentleman (sorry, I don't know his name or position) having to do with the authorization and removal of tuelles from a portion of Lake Joaquin. He mentioned that during this clean up, some silt was also removed to other CSD property. I personally feel anytime silt can be removed from the 'lake', it is a good thing. My question is, silt is the responsibility of CSD, yes? (any portion of the 'lake' below the high water line) When silt is removed, is there a permit required? If a permit is required, does the permit have to do with only the actual removal of the silt or is it permitting to where the silt will be disposed? If on the other hand, the silt belongs to CSD, can CSD remove silt (which it owns) and dispose of it on their property (which it owns) without permit? I hope my question makes sense. My wife and I also appreciate your time regarding the issue of removing trash and debris from the 'lake'. As our request has been moved to committee for their review and recommendation, we hope their decision can be accomplished before the repairs to the RMA pump are completed and the 'lake' is returned to its normal water level causing the trash and debris in question to become again inaccessible. Again, thank you for your review and consideration of our concerns. Sincerely,  
Tom and Jan Mathews 6970 Carreta Lane

## MEMORANDUM

Date: January 12, 2012  
To: Board of Directors  
From: Finance Committee Staff  
Subject: Receive **Final** 2010-2011 Rancho Murieta Community Services District Annual Audit Report and **Final** 2010-2011 CFD #1 Annual Audit Report

---

### RECOMMENDED ACTION

To receive the **final** 2010-2011 audit reports for the Rancho Murieta Community Services District and the 2010-2011 audit reports for the Community Facilities District #1 and the associated management letter.

### BACKGROUND

Enclosed are the 2010-2011 audit reports for both the Rancho Murieta Community Services District and the Community Facilities District #1 and the management letter related to this year's annual audit.

The outstanding reconciliation of the Capital Improvement Reserve Fund has been completed and is reflected in the final audit report for the District. This is the final adjustment required to satisfy the outstanding audit finding, #07-7, regarding the implementation of a self-balancing set of accounts by fund.

Larry Bain, CPA, who performed the annual audit for 2010-2011, will make a short presentation to the Board of Directors and will be available to answer any questions regarding the 2010-2011 audits.

**The Finance Committee recommends receiving.**

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2011**



# RANCHO MURIETA COMMUNITY SERVICES DISTRICT

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*Larry Bain, CPA,*  
*An Accounting Corporation*  
2148 Frascati Drive  
El Dorado Hills, CA 95762

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of each major fund, and the fiduciary fund of the Rancho Murieta Community Services District (District) as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Rancho Murieta Community Services District, California, as of June 30, 2011, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in conformity with U.S. generally accepted accounting principles.

Management's Discussion and Analysis and the required supplementary information other than Management's Discussion and Analysis, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the basic financial statements taken as a whole. The Schedules of Operating Revenues and Operating Expenses for the Water, Sewer, Drainage, Solid Waste and Security Funds, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Rancho Murieta Community Services District. The Schedule of Operating Revenues and Operating Expenses for the Water, Sewer, Drainage, Solid Waste and Security Funds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Larry Bain, CPA,  
An Accounting Corporation  
January 13, 2012

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis**  
**June 30, 2011**

As management of the Rancho Murieta Community Services District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the District's financial statements which follow this section.

**Financial Highlights**

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$30,659,188 (net assets). Of this amount, \$9,148,643 (unrestricted net assets) may be used to meet the District's ongoing obligation to customers and creditors.
- The District's total net assets decreased by \$436,536.

**Overview of the Basic Financial Statements**

This annual financial report consists of four parts: Management's Discussion and Analysis, the Basic Financial Statements, Notes to Basic Financial Statements, and optional Supplementary Information.

This discussion and analysis provides an introduction and brief description of the District's basic financial statements, which include:

- Statement of Net Assets
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Cash Flows

The *Statement of Net Assets*, commonly referred to as the Balance Sheet, presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Net Assets also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The *Statement of Revenues, Expenses and Changes in Net Assets* reflects all of the current year's revenues and expenses. All of the current year's revenues and expenses are recorded using the accrual basis of accounting by recognizing revenues in the period they are earned and expenses in the period they are incurred without regard to the timing of the related cash flows. This statement measures the success of the District's operations over the past year and determines whether the District has recovered its costs through its rates, fees and other charges. The District's profitability and creditworthiness can also be determined from this statement.

The *Statement of Cash Flows* provides information about the District's cash receipts and cash payments during the reporting period as well as net changes in cash resulting from operations, non-capital financing, capital and related financing activities, and investing. The statement explains where cash came from and where cash was used and the change in the cash balance during the reporting period.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis (Continued)**  
**June 30, 2011**

The District's basic financial statements are organized by fund. **Fund Financial Statements** report on groupings of related funds that are used to maintain control over resources that have been segregated for specific activities or objectives. The accounts of the District are organized on the basis of funds, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenses. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in these basic financial statements into two broad categories which, in aggregate, include two fund types as follows:

1. PROPRIETARY FUND TYPE

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and special taxes; and (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Revenues are fully accrued to include unbilled services at fiscal year end. The District uses enterprise funds to account for the Water, Sewer, Drainage, Solid Waste and Security activities of the District.

2. FIDUCIARY FUND TYPE

Agency Funds

Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, and other governmental, and/or other funds. Since the resources of these funds are not available to support the District's own activities, they are not reflected in the government-wide financial statements.

The basic financial statements can be found on pages 9-17 of this report.

**Notes to the financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-30 of this report.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$30,659,188 (net assets) at the close of the most recent fiscal year.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis (Continued)**  
**June 30, 2011**

**Condensed Financial Information**  
**Rancho Murieta Community Services District Net Assets**

|  | June 30, 2011 | June 30, 2010 |
|--|---------------|---------------|
| <u>Assets</u>                                    |               |               |
| Current and other assets                         | \$ 9,679,935  | \$ 9,426,744  |
| Capital Assets - net of accumulated depreciation | 21,510,545    | 22,275,601    |
| Total Assets                                     | 31,190,480    | 31,702,345    |
| <u>Liabilities</u>                               |               |               |
| Other Liabilities                                | 442,070       | 521,479       |
| Longterm liabilities                             | 89,222        | 85,142        |
| Total Liabilities                                | 531,292       | 606,621       |
| <u>Net Assets</u>                                |               |               |
| Invested in capital assets, net of related debt  | 21,510,545    | 22,275,601    |
| Unrestricted Net Assets                          | 9,148,643     | 8,820,123     |
| Total Net Assets                                 | \$ 30,659,188 | \$ 31,095,724 |

- The District's total net assets decreased by \$436,536. Unrestricted net assets increased \$328,520 while capital assets, net of accumulated depreciation decreased \$765,056. The decrease in capital assets is the net result of asset additions/deletions of \$250,109 and depreciation expense of \$1,015,165.
- Designated cash and investments, which are designated for capital improvement uses, increased due to the collection of reserve funds built into the Water and Sewer rates.
- Other liabilities decreased due to the establishment of an irrevocable trust in accordance with GASB 45, which reduced the District's reported liability for Post Retirement Medical benefits. The trust was funded \$195,000 during 2010/2011.

By far the largest portion of the District's net assets (70%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) (Net Capital Assets \$21,510,545/Total Net Assets \$30,659,188 = 70.2%). Some of those assets are from contributed capital. The District uses these capital assets to provide services to customers; consequently, these assets are not available for future spending.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis (Continued)**  
**June 30, 2011**

**Enterprise-type activities – Water, Sewer, Drainage, Solid Waste and Security**  
**Rancho Murieta Community Services District's Changes in Net Assets**

|                                      | <b>June 30, 2011</b> | <b>June 30, 2010</b> |
|--------------------------------------|----------------------|----------------------|
| <b>Revenues</b>                      |                      |                      |
| Operating revenues                   | \$ 4,475,733         | \$ 4,387,711         |
| Nonoperating revenues                | 1,128,219            | 1,087,363            |
| <b>Total Revenues</b>                | <u>5,603,952</u>     | <u>5,475,074</u>     |
| <b>Operating Expenses</b>            |                      |                      |
| Water                                | 907,061              | 988,707              |
| Sewer                                | 782,273              | 734,389              |
| Drainage                             | 112,884              | 128,610              |
| Security                             | 835,415              | 851,620              |
| Solid waste                          | 532,916              | 530,303              |
| Other                                | 1,836,141            | 1,522,118            |
| Depreciation                         | 1,098,969            | 1,104,229            |
| <b>Total Operating Expenses</b>      | <u>6,105,659</u>     | <u>5,859,976</u>     |
| <b>Change in Net Assets</b>          | <u>(501,706)</u>     | <u>(384,902)</u>     |
| Net Assets, Beginning of Fiscal Year | 31,095,724           | 31,480,626           |
| Prior Period Adjustment              | <u>65,170</u>        | <u>-</u>             |
| Net Assets, End of Fiscal Year       | <u>\$ 30,659,188</u> | <u>\$ 31,095,724</u> |

Key elements of the enterprise activities are as follows:

- Operating revenues increased 2.0 percent. Water service charges increased by \$48,232 or 3.5 percent due to the net effect of the approved rate increase and lower water consumption due to weather impacts. Sewer service charges increased \$36,014 or 3.3 percent due to approved rate increases. Solid Waste services charges increased \$9,593 or 1.7 percent due to mix in service provided. Security special taxes increased \$11,092 or 1.0 percent due to approved rate increases.
- Nonoperating revenues increased due to the elimination of the Prop 1A borrowing of tax revenues from 2009/2010.
- The Water, Sewer and Drainage departments share employees and their wages and employer costs (including benefits) are allocated based on actual time worked in specific functions. Operating expenses for Water, Sewer and Drainage increased overall by \$122,915 or 3.0 percent.
- Solid Waste services are provided by contract with California Waste Recovery Services. Operating expenses for Solid Waste were relatively unchanged.
- The Security department provides gate and patrol services. Gate services decreased by \$13,928 or 3.0 percent due to reductions in operating expenses such as wages, supplies and equipment maintenance/repair. Operating expenses for Patrol services were relatively unchanged.
- The Administration department covers the remaining staff located in the District's administration building excluding the Director of Field Operations and the Security Chief. However, all general administration type costs relating to the Water, Sewer, Drainage, Solid Waste and Security departments are combined with the administration department on the Statement of Revenues, Expenses, and Changes in Net Assets are shown as General and Administrative costs. General and Administrative costs increased \$312,894 or 20.5 percent. This increase is predominately due to increased cost of maintenance and repairs for the Water department, implementation of a water conservation program, and increased cost of employer provided benefits.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis (Continued)**  
**June 30, 2011**

**Capital Assets**

|   | July 1, 2010         | Additions           | Adjustments<br>/Deletions | June 30, 2011        |
|---|----------------------|---------------------|---------------------------|----------------------|
| <b>Depreciable Capital Assets</b>           |                      |                     |                           |                      |
| Water Transmission                          | \$ 7,277,968         | \$ -                | \$ -                      | \$ 7,277,968         |
| Water Treatment                             | 9,066,485            | 5,308               | -                         | 9,071,793            |
| Studies                                     | 570,919              | 107,954             | -                         | 678,873              |
| Collection Facilities                       | 4,156,757            | -                   | -                         | 4,156,757            |
| Sewer treatment and disposal                | 15,747,513           | 184,181             | (76,257)                  | 15,855,437           |
| Lake Chesbro Protection                     | 212,233              | 57,787              | -                         | 270,020              |
| Waste Discharge                             | 549,152              | -                   | -                         | 549,152              |
| Buildings and improvements                  | 791,140              | 24,507              | -                         | 815,647              |
| Vehicles & Equipment                        | 1,556,947            | 70,627              | (39,665)                  | 1,587,908            |
| <b>Total Depreciable Capital Assets</b>     | <b>39,929,114</b>    | <b>450,363</b>      | <b>(115,923)</b>          | <b>40,263,555</b>    |
| Less - Accumulated Depreciation             | (19,095,394)         | (1,098,968)         | 83,803                    | (20,110,559)         |
| <b>Net Depreciable Capital Assets</b>       | <b>20,833,720</b>    | <b>(648,605)</b>    | <b>(32,120)</b>           | <b>20,152,996</b>    |
| <b>Non-Depreciable Capital Assets</b>       |                      |                     |                           |                      |
| Construction in Progress                    | 850,191              | 24,733              | (109,065)                 | 765,859              |
| Land  | 591,690              | -                   | -                         | 591,690              |
| <b>Total Non-Depreciable Capital Assets</b> | <b>1,441,881</b>     | <b>24,733</b>       | <b>(109,065)</b>          | <b>1,357,549</b>     |
| <b>Net Capital Assets</b>                   | <b>\$ 22,275,601</b> | <b>\$ (623,872)</b> | <b>\$ (141,184)</b>       | <b>\$ 21,510,545</b> |

**Capital Assets.** The District's investment in capital assets as of June 30, 2011, amounts to \$21,510,545 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, and equipment. The total decrease in the District's investment in capital assets for the current fiscal year was 3.4 percent.

Major capital asset events during the current fiscal year included the following:

- Flood Control Levee Certification
- Wastewater Reclamation Plant rehab
- Integrated Water Master Plan Update
- 20 x 2020 Compliance Plan



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis (Continued)**  
**June 30, 2011**

**Economic Factors and Next Year's Budget and Rates**

The Board of Directors adopted the District's 2011/2012 annual budget on June 15, 2011 which provides for the District's operating and capital costs for the 2011/2012 fiscal year. The economic downturn over the past couple of years has impacted the District with reductions in property taxes associated with Prop 8 revaluations of assessed property values. Additional reductions in property tax revenues are expected in 2011/2012 due to additional Prop 8 revaluations of property values within the District.

Capital projects that are included in this annual budget are:

- 1) Wastewater Reclamation Plant Chlorine Scrubber installation
- 2) Purchase of a utility truck for the Water departments
- 3) Sediment excavation from Calero reservoir
- 4) Fueling station
- 5) Electronic Document Management System; and
- 6) Email Exchange Server for in-house email provision and support.

The District's rates for water, sewer, drainage, security and solid waste services are reviewed annually by staff and the Board of Directors. The District increased rates approximately 9% for Water services, approximately 2.5% for Sewer services, and 2.0% for Security services. The rates for Drainage and Solid Waste remained unchanged. The Water and Sewer rates include the second of five planned incremental increases for anticipated near term (within 5 years) debt service required for the rehabilitation of Water Treatment Plant 1 and construction of the permanent irrigation fields at Van Vleck Ranch.

**Requests for Information**

This financial report is designed to provide a general overview of the Rancho Murieta Community Services District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Rancho Murieta Community Services District, Director of Administration, P.O. Box 1050, Rancho Murieta, CA, 95683.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Statement of Net Assets - Proprietary Funds  
June 30, 2011  
(With Comparative Totals for June 30, 2010)**

|  | Major Enterprise Funds |                      |                   |                   |                   | Totals               |                      |
|--|------------------------|----------------------|-------------------|-------------------|-------------------|----------------------|----------------------|
|  | Water Fund             | Sewer Fund           | Drainage Fund     | Solid Waste Fund  | Security Fund     | 2011                 | 2010                 |
| <u>Assets</u>                                    |                        |                      |                   |                   |                   |                      |                      |
| Current Assets:                                  |                        |                      |                   |                   |                   |                      |                      |
| Cash and investments                             | \$ -                   | \$ 162,882           | \$ 80,145         | \$ 185,097        | \$ -              | \$ 428,124           | \$ 616,167           |
| Accounts receivable                              | 177,200                | 146,789              | 21,563            | 56,353            | 172,899           | 574,804              | 734,390              |
| Due from other governments                       | 47,921                 | 36,588               | 7,515             | 6,160             | 25,008            | 123,192              | -                    |
| Interest receivable                              | 60                     | 8                    | 76                | 65                | 6                 | 215                  | 605                  |
| Prepaid Expenses                                 | 31,270                 | 17,166               | 3,765             | 2,260             | 24,249            | 78,710               | 78,162               |
| Due from developers                              | 151,531                | 7,393                |                   |                   |                   | 158,924              | 151,531              |
| Due from other funds                             |                        |                      |                   |                   |                   | -                    | 68,304               |
| <b>Total Current Assets</b>                      | <b>407,982</b>         | <b>370,826</b>       | <b>113,064</b>    | <b>249,935</b>    | <b>222,162</b>    | <b>1,363,969</b>     | <b>1,649,159</b>     |
| Capital Assets - net of accumulated depreciation | 9,003,003              | 12,137,603           |                   |                   | 369,939           | 21,510,545           | 22,275,601           |
| Other Assets:                                    |                        |                      |                   |                   |                   |                      |                      |
| Cash and investments -designated                 | 4,949,369              | 2,717,958            | 328,169           |                   | 315,388           | 8,310,883            | 7,772,071            |
| Interest receivable - designated                 | 4,078                  | 943                  |                   |                   | 62                | 5,083                | 5,514                |
| <b>Total Other Assets</b>                        | <b>4,953,447</b>       | <b>2,718,901</b>     | <b>328,169</b>    |                   | <b>315,450</b>    | <b>8,315,967</b>     | <b>7,777,585</b>     |
| <b>Total Assets</b>                              | <b>14,364,431</b>      | <b>15,227,330</b>    | <b>441,233</b>    | <b>249,935</b>    | <b>907,551</b>    | <b>31,190,480</b>    | <b>31,702,345</b>    |
| <u>Liabilities</u>                               |                        |                      |                   |                   |                   |                      |                      |
| Current Liabilities:                             |                        |                      |                   |                   |                   |                      |                      |
| Accounts payable                                 | 76,864                 | 61,215               | 4,049             | 93,463            | 48,820            | 284,411              | 255,297              |
| Accrued payroll                                  | 17,827                 | 15,299               | 4,464             | 789               | 22,241            | 60,620               | 48,485               |
| Post retirement medical liability                | 11,940                 | 8,652                | 1,604             | 455               | 12,345            | 34,996               | 90,001               |
| Deposits   | 47,355                 | 87                   | 18                | 15                | 60                | 47,535               | 47,990               |
| Deferred revenue                                 | 5,643                  | 4,309                | 885               | 725               | 2,945             | 14,507               | 11,402               |
| Due to other funds                               |                        |                      |                   |                   |                   | -                    | 68,304               |
| <b>Total Current Liabilities</b>                 | <b>159,629</b>         | <b>89,562</b>        | <b>11,020</b>     | <b>95,447</b>     | <b>86,411</b>     | <b>442,069</b>       | <b>521,479</b>       |
| Noncurrent Liabilities:                          |                        |                      |                   |                   |                   |                      |                      |
| Compensated absences                             | 24,731                 | 18,336               | 3,518             | 1,478             | 41,159            | 89,222               | 85,142               |
| <b>Total Liabilities</b>                         | <b>184,360</b>         | <b>107,898</b>       | <b>14,538</b>     | <b>96,925</b>     | <b>127,570</b>    | <b>531,291</b>       | <b>606,621</b>       |
| <u>Net Assets</u>                                |                        |                      |                   |                   |                   |                      |                      |
| Invested in capital assets, net of related debt  | 9,003,003              | 12,137,603           |                   |                   | 369,939           | 21,510,545           | 22,275,601           |
| Net Assets:                                      |                        |                      |                   |                   |                   |                      |                      |
| Unrestricted                                     | 5,177,068              | 2,981,829            | 426,695           | 153,010           | 410,042           | 9,148,644            | 8,820,123            |
| <b>Total Net Assets</b>                          | <b>\$ 14,180,071</b>   | <b>\$ 15,119,432</b> | <b>\$ 426,695</b> | <b>\$ 153,010</b> | <b>\$ 779,981</b> | <b>\$ 30,659,189</b> | <b>\$ 31,095,724</b> |

The accompanying notes are an integral part of these basic financial statements.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2011**  
**(With Comparative Totals for the Fiscal Year Ended June 30, 2010)**

|  | Major Enterprise Funds |                      |                   |                     |                   | Totals               |                      |
|--|------------------------|----------------------|-------------------|---------------------|-------------------|----------------------|----------------------|
|  | Water<br>Fund          | Sewer<br>Fund        | Drainage<br>Fund  | Solid Waste<br>Fund | Security<br>Fund  | 2011                 | 2010                 |
| Operating Revenues:                            |                        |                      |                   |                     |                   |                      |                      |
| Service charges                                | \$ 1,409,590           | \$ 1,121,855         | \$ -              | \$ 590,722          | \$ -              | \$ 3,122,167         | \$ 3,028,327         |
| Special taxes                                  |                        |                      | 163,244           |                     | 1,101,314         | 1,264,558            | 1,252,948            |
| Other charges                                  | 22,185                 | 18,620               | 478               |                     | 47,725            | 89,008               | 106,436              |
| <b>Total Operating Revenues</b>                | <b>1,431,775</b>       | <b>1,140,475</b>     | <b>163,722</b>    | <b>590,722</b>      | <b>1,149,039</b>  | <b>4,475,733</b>     | <b>4,387,711</b>     |
| Operating Expenses:                            |                        |                      |                   |                     |                   |                      |                      |
| Source of supply                               | 111,940                |                      |                   |                     |                   | 111,940              | 117,774              |
| Treatment                                      | 373,109                |                      |                   |                     |                   | 373,109              | 472,769              |
| Transmission and distribution                  | 422,012                |                      |                   |                     |                   | 422,012              | 398,164              |
| Sewer collection                               |                        | 190,647              |                   |                     |                   | 190,647              | 183,960              |
| Sewer treatment and disposal                   |                        | 591,626              |                   |                     |                   | 591,626              | 550,429              |
| Drainage                                       |                        |                      | 112,884           |                     |                   | 112,884              | 128,610              |
| Gate services                                  |                        |                      |                   |                     | 457,716           | 457,716              | 471,644              |
| Patrol services                                |                        |                      |                   |                     | 377,699           | 377,699              | 379,976              |
| Solid waste                                    |                        |                      |                   | 532,916             |                   | 532,916              | 530,303              |
| General and administrative                     | 829,782                | 534,846              | 65,498            | 53,138              | 352,877           | 1,836,141            | 1,523,247            |
| Depreciation                                   | 474,693                | 580,133              |                   |                     | 44,143            | 1,098,969            | 1,103,100            |
| <b>Total Operating Expenses</b>                | <b>2,211,536</b>       | <b>1,897,252</b>     | <b>178,382</b>    | <b>586,054</b>      | <b>1,232,435</b>  | <b>6,105,659</b>     | <b>5,859,976</b>     |
| Operating Income (Loss)                        | (779,761)              | (756,777)            | (14,660)          | 4,668               | (83,396)          | (1,629,926)          | (1,472,265)          |
| Non-operating Revenues (Expenses):             |                        |                      |                   |                     |                   |                      |                      |
| Taxes  | 205,984                | 157,268              | 32,301            | 26,476              | 107,493           | 529,522              | 522,731              |
| Capital reserve fees                           | 181,834                | 270,461              |                   |                     |                   | 452,295              | 450,476              |
| Debt reserve fee                               | 31,582                 | 76,597               |                   |                     |                   | 108,179              |                      |
| Interest revenue                               | 20,325                 | 7,882                | 745               | 502                 | 705               | 30,159               | 37,660               |
| Rent   |                        |                      |                   |                     |                   |                      |                      |
| Water augmentation                             | 4,187                  |                      |                   |                     |                   | 4,187                |                      |
| Gain (Loss) on disposal of capital assets      | (2,009)                | (7,493)              |                   |                     | (1,296)           | (10,798)             |                      |
| Refunds and reimbursements                     |                        |                      |                   |                     |                   | 1                    | 67,452               |
| Miscellaneous                                  | 9,869                  | 4,171                | 266               |                     | 371               | 14,676               | 9,044                |
| <b>Total Non-operating Revenues (Expenses)</b> | <b>451,772</b>         | <b>508,886</b>       | <b>33,312</b>     | <b>26,978</b>       | <b>107,273</b>    | <b>1,128,221</b>     | <b>1,087,363</b>     |
| Change in Net Assets                           | (327,989)              | (247,891)            | 18,652            | 31,646              | 23,877            | (501,705)            | (384,902)            |
| Net Assets, Beginning of Fiscal Year           | 15,225,356             | 15,215,285           | 82,498            | 114,398             | 458,187           | 31,095,724           | 31,480,626           |
| Prior Period Adjustments                       | (717,296)              | 152,038              | 325,545           | 6,966               | 297,917           | 65,170               |                      |
| <b>Net Assets, End of Fiscal Year</b>          | <b>\$ 14,180,071</b>   | <b>\$ 15,119,432</b> | <b>\$ 426,695</b> | <b>\$ 153,010</b>   | <b>\$ 779,981</b> | <b>\$ 30,659,189</b> | <b>\$ 31,095,724</b> |

The accompanying notes are an integral part of these basic financial statements.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Statement of Cash Flows**

**Proprietary Funds**

**For the Fiscal Year Ended June 30, 2011**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2010)**

|   | Major Enterprise Funds |              |               |                  |               | Totals       |              |
|---|------------------------|--------------|---------------|------------------|---------------|--------------|--------------|
|   | Water Fund             | Sewer Fund   | Drainage Fund | Solid Waste Fund | Security Fund | 2011         | 2010         |
| Cash Flows from Operating Activities  |                        |              |               |                  |               |              |              |
| Receipts from customers   | \$ 1,446,127           | \$ 1,139,004 | \$ 163,185    | \$ 583,898       | \$ 1,175,172  | \$ 4,507,386 | \$ 4,305,233 |
| Payments to employees   | (849,563)              | (602,885)    | (115,397)     | (32,231)         | (1,028,727)   | (2,628,802)  | (2,339,673)  |
| Payments to suppliers   | (893,255)              | (736,921)    | (70,929)      | (550,785)        | (136,224)     | (2,388,113)  | (2,330,674)  |
| Net Cash Provided By (Used In) Operating Activities                         | (296,691)              | (200,802)    | (23,141)      | 882              | 10,222        | (509,529)    | (365,114)    |
| Cash Flows from Non-capital Financing Activities:                           |                        |              |               |                  |               |              |              |
| Taxes received  | 205,984                | 157,268      | 32,301        | 26,476           | 107,493       | 529,522      | 522,731      |
| Due from other funds  | 68,304                 |              |               |                  |               | 68,304       | 90,912       |
| Due to other funds  |                        |              |               |                  | (68,304)      | (68,304)     | (90,912)     |
| Prior year adjustment-allocating admin/reserve accounts                     | (717,296)              | 152,038      | 325,545       | 6,966            | 297,917       | 65,170       | -            |
| Debt reserve fee  | 31,582                 | 76,597       |               |                  |               | 108,179      | -            |
| Miscellaneous   | 14,056                 | 4,171        | 266           |                  | 371           | 18,863       | 76,496       |
| Net Cash Provided By (Used In) Non-capital Financing Activities             | (397,370)              | 390,074      | 358,112       | 33,442           | 337,477       | 721,732      | 599,227      |
| Cash Flows from Capital and Related Financing Activities:                   |                        |              |               |                  |               |              |              |
| Purchase/adjustment of capital assets                                       | (100,810)              | (219,828)    |               |                  | (33,072)      | (353,710)    | (332,208)    |
| Cash received from sale of assets   |                        | 9,000        |               |                  |               | 9,000        | -            |
| Capital reserve fees  | 181,834                | 270,461      |               |                  |               | 452,295      | 450,476      |
| Net Cash Provided By (Used In) Capital and Related Financing Activities     | 81,024                 | 59,633       |               |                  | (33,072)      | 107,585      | 118,268      |
| Cash Flows from Investing Activities  |                        |              |               |                  |               |              |              |
| Interest received   | 20,903                 | 8,168        | 710           | 437              | 761           | 30,979       | 43,097       |
| Net Cash Provided by (Used in) Investing Activities                         | 20,903                 | 8,168        | 710           | 437              | 761           | 30,979       | 43,097       |
| Net Increase (Decrease) in Cash and Cash Equivalents                        | (592,134)              | 257,072      | 335,681       | 34,761           | 315,388       | 350,767      | 395,479      |
| Cash and Cash Equivalents, July 1   | 5,541,502              | 2,623,768    | 72,633        | 150,336          | -             | 8,388,239    | 7,992,760    |
| Cash and Cash Equivalents, June 30  | \$ 4,949,368           | \$ 2,880,840 | \$ 408,314    | \$ 185,097       | \$ 315,388    | \$ 8,739,006 | \$ 8,388,239 |
| Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets: |                        |              |               |                  |               |              |              |
| Cash and investments  | \$ (0)                 | \$ 162,882   | \$ 80,145     | \$ 185,097       | \$ -          | \$ 428,124   | \$ 616,168   |
| Restricted cash and investments   | 4,949,369              | 2,717,958    | 328,169       |                  | 315,388       | 8,310,883    | 7,772,071    |
| Total Cash and Cash Equivalents   | \$ 4,949,368           | \$ 2,880,840 | \$ 408,314    | \$ 185,097       | \$ 315,388    | \$ 8,739,006 | \$ 8,388,239 |

The accompanying notes are an integral part of these basic financial statements.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Statement of Cash Flows  
Proprietary Funds (Continued)  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Totals for the Fiscal Year Ended June 30, 2010)**

|   | Major Enterprise Funds |                     |                    |                  |                  | Totals              |                     |
|---|------------------------|---------------------|--------------------|------------------|------------------|---------------------|---------------------|
|   | Water Fund             | Sewer Fund          | Drainage Fund      | Solid Waste Fund | Security Fund    | 2011                | 2010                |
| Reconciliation of Operating Loss to Net Cash Provided |                        |                     |                    |                  |                  |                     |                     |
| (Used) by Operating Activities                        |                        |                     |                    |                  |                  |                     |                     |
| Operating loss  | \$ (779,761)           | \$ (756,777)        | \$ (14,660)        | \$ 4,668         | \$ (83,396)      | \$ (1,629,925)      | \$ (1,472,264)      |
| Noncash items included in operating loss              |                        |                     |                    |                  |                  |                     |                     |
| Depreciation  | 474,693                | 580,133             |                    |                  | 44,143           | 1,098,968           | 1,103,100           |
| Changes in assets and liabilities                     |                        |                     |                    |                  |                  |                     |                     |
| Decrease (increase) in operating assets               |                        |                     |                    |                  |                  |                     |                     |
| Accounts receivable                                   | 61,928                 | 41,683              | 6,804              | (1,405)          | 50,576           | 159,587             | (128,055)           |
| Prepaid expenses                                      | 4,009                  | (1,508)             | (715)              | (2,260)          | (74)             | (548)               | (7,617)             |
| Due from others                                       | (47,922)               | (43,980)            | (7,515)            | (6,160)          | (25,008)         | (130,584)           | 44,469              |
| Increase (decrease) in operating liabilities          |                        |                     |                    |                  |                  |                     |                     |
| Accounts payable                                      | 5,892                  | (11,566)            | (6,579)            | 2,576            | 38,789           | 29,113              | (7,448)             |
| Accrued payroll                                       | 1,162                  | 3,004               | 1,699              | 789              | 5,480            | 12,133              | 3,060               |
| Post retirement medical liability                     | (19,015)               | (14,116)            | (2,666)            | 455              | (19,663)         | (55,005)            | 90,000              |
| Customer deposits                                     | (635)                  | 87                  | 18                 | 15               | 60               | (455)               | 1,100               |
| Compensated absences                                  | 1,978                  | 1,498               | 316                | 1,478            | (1,190)          | 4,080               | 8,534               |
| Deferred revenue                                      | 980                    | 740                 | 155                | 725              | 505              | 3,105               | 7                   |
| Net Cash Provided By (Used In) Operating Activities   | <u>\$ (296,691)</u>    | <u>\$ (200,802)</u> | <u>\$ (23,141)</u> | <u>\$ 882</u>    | <u>\$ 10,222</u> | <u>\$ (509,529)</u> | <u>\$ (365,114)</u> |

The accompanying notes are an integral part of these basic financial statements.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Statement of Fiduciary Net Assets  
June 30, 2011**

|   | PARS       |              |
|---|------------|--------------|
| <u>Assets</u>   | Trust Fund | Agency Fund  |
| Cash and investments  | \$ 194,764 | \$ 1,775,622 |
| Assessments receivable                                      |            | 464,786      |
| Total Assets  | \$ 194,764 | \$ 2,240,408 |
| <u>Liabilities</u>  |            |              |
| Due to others   | \$ -       | \$ 2,240,408 |
| Total Liabilities   |            | 2,240,408    |
| <u>Net Assets</u>   |            |              |
| Held in trust for OPEB benefits                             | 194,764    |              |
| Total Liabilities and Net Assets                            | \$ 194,764 | \$ 2,240,408 |
| <b>Changes in Fiduciary Net Assets-PARS Retirement Fund</b> |            |              |
| Additions:  |            |              |
| Employer contributions                                      | \$ 195,000 |              |
| Total contributions   | 195,000    |              |
| Investment income (loss):                                   |            |              |
| Net adjustment to fair value of investments                 | (236)      |              |
| Total Additions (Deductions)                                | (236)      |              |
| Change in plan net assets                                   | 194,764    |              |
| Net Assets:   |            |              |
| Held in trust for OPEB benefits:                            |            |              |
| Beginning of year   | -          |              |
| End of year   | \$ 194,764 |              |

The accompanying notes are an integral part of these basic financial statements.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2011**

Note 1: Significant Accounting Policies

The Rancho Murieta Community Services District (District) was formed in 1982, under California State Government Code 61600 and currently provides water, sewer, drainage, solid waste and security service throughout the Rancho Murieta Community. The District's financial and administrative functions are governed by a five member Board of Directors elected by the voting population within the District.

The accounting policies of the Rancho Murieta Community Services District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

A. Reporting Entity

The District's basic financial statements include the operations of all organizations for which the District's Board of Directors exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

Based upon the aforementioned oversight criteria, the following entities have been included within the reporting entity as blended component units:

Special Assessment District – The special assessment district is the Community Facilities District No. 1. This Special Assessment District was created for the purpose of acquiring, constructing and maintaining water and sewer facilities within the Rancho Murieta boundaries. The District is not obligated to repay debt of the Special Assessment District but functions as an agent for the property owners by collecting assessments, forwarding collections to special assessment debt holders, and, if appropriate, begin foreclosures on delinquent property owners. Because of the special financing relationships, the Community Facilities District No. 1 has been included in the financial statements as a fiduciary fund type.

B. Basis of Presentation

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Fund Financial Statements

The proprietary fund financial statements provide information about the District's funds. Separate statements for each fund category - *proprietary and fiduciary* - are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses, and Changes in Net Assets, and a Statement of Cash Flows.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses, and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2011**

Note 1: Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds use the "economic resources" measurement focus and the accrual basis of accounting.

C. Major Funds

GASB Statement No. 34 defines major funds and requires that the District's major proprietary funds are identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund-type.

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

The District reported the following major proprietary funds:

Water

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

Sewer

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

Drainage

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

Solid Waste

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

Security

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

The District reports the following additional fund types:

PARS Trust Fund

Accounts for activities associated with the District's other post employment benefits (OPEB) trust fund used for administration of health insurance for retirees.

Agency Fund

The Agency fund accounts for assets held by the District as an agent for other entities.



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2011**

Note 1: Significant Accounting Policies (Continued)

D. Basis of Accounting

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide financial statements and proprietary funds financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and proprietary funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

E. Budget and Budgeting

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

F. Restricted Assets

Restricted assets are financial resources generated for a specific purpose such as construction of improvements and financing of debt obligations. These assets are for the benefit of a distinct group and as such are legally or contractually restricted from an external source.

G. Comparative Data

Comparative total data for the prior fiscal year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position, operations, and cash flows. Certain amounts presented in the prior fiscal year data may have been reclassified in order to be consistent with the current fiscal year.

H. Cash and Cash Equivalents

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

I. Property Taxes

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

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

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2011**

Note 1: Significant Accounting Policies (Continued)

J. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are recorded at fair value at the date of donation. The District's policy is to capitalize all capital assets with costs exceeding \$5,000.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each fiscal year represents that year's pro rata share of the cost of capital assets. GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation is provided using the straight line method which means the costs of the capital asset is divided by its expected useful life in years and the result is charged to expense each year until the capital asset is fully depreciated. The District has assigned the useful lives listed below to capital assets:

|              |             |
|--------------|-------------|
| Buildings    | 40 years    |
| Improvements | 20-50 years |
| Equipment    | 5-15 years  |

K. Compensated Absences

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

L. Net Assets

GASB Statement No. 34 requires that the difference between assets and liabilities be reported as net assets. Net assets are classified as either invested in capital assets, net of related debt, restricted, or unrestricted.

Net assets that are invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net assets are those net assets that have external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net assets consist of net assets that do not meet the definition of invested in capital assets, net of related debt, or restricted net assets.

M. Deferred Compensation Plan

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

N. Use of Estimates

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

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2011**

Note 2: Cash and Investments

Classification

The cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of District debt instruments or District agreements:

|  |    |            |
|--|----|------------|
| Cash and investments                                     | \$ | 428,124    |
| Designated cash and investments                          |    | 8,310,883  |
| <br>   |    |            |
| Cash and investments, Statements of Net Assets           |    | 8,739,007  |
| Cash and investments, Statements of Fiduciary Net Assets |    | 1,970,386  |
| <br>   |    |            |
| Total cash and investments                               | \$ | 10,709,393 |

Cash and investments as of June 30, 2011 consist of the following:

|                                      |    |            |
|--------------------------------------|----|------------|
| Cash on hand                         | \$ | 250        |
| Deposits with financial institutions |    | 1,200,469  |
| Investments                          |    | 9,508,674  |
| <br>                                 |    |            |
| Total cash and investments           | \$ | 10,709,393 |

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

The table below identifies the **investment types** that are authorized for the Rancho Murieta Community Services District (District) by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address **interest rate risk**, **credit risk**, and **concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California government Code or the District's investment policy

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

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2011**

Note 2: Cash and Investments (Continued)

B. Investments Authorized by Debt Agreements (Continued)

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

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

C. Disclosures Relating to Interest Rate Risk

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

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

| <u>Investment Type</u> | <u>Totals</u>       | <u>Remaining maturity (in Months)</u> |                        |                     |                     |                     | <u>More Than 60 Months</u> |
|------------------------|---------------------|---------------------------------------|------------------------|---------------------|---------------------|---------------------|----------------------------|
|                        |                     | <u>12 Months or Less</u>              | <u>13 to 24 Months</u> | <u>25-36 Months</u> | <u>37-48 Months</u> | <u>49-60 Months</u> |                            |
| CAMP Investment Pool   | \$ 3,789,720        | \$ 3,789,720                          | \$ -                   | \$ -                | \$ -                | \$ -                | \$ -                       |
| State Investment Pool  | 4,648,190           | 4,648,190                             |                        |                     |                     |                     |                            |
| Pars Trust             | 194,764             | 194,764                               |                        |                     |                     |                     |                            |
| Money Market           | 876,000             | 876,000                               |                        |                     |                     |                     |                            |
|                        | <u>\$ 9,508,674</u> | <u>\$ 9,508,674</u>                   | <u>\$ -</u>            | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>                |

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2011**

Note 2: Cash and Investments (Continued)

D. Disclosures Relating to Credit Risk

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

| Investment Type   | Amount              | Minimum<br>Legal Rating | Exempt From<br>Disclosure | Rating as of Fiscal Year End |             |             |                     |
|-------------------|---------------------|-------------------------|---------------------------|------------------------------|-------------|-------------|---------------------|
|                   |                     |                         |                           | AAA                          | AA          | A           | Not<br>Rated        |
| CAMP Investment   |                     |                         |                           |                              |             |             |                     |
| Pool              | \$ 3,789,720        | N/A                     | \$ -                      | \$ -                         | \$ -        | \$ -        | \$ 3,789,720        |
| State Investment  |                     |                         |                           |                              |             |             |                     |
| Pool              | 4,648,190           | N/A                     | -                         | -                            | -           | -           | 4,648,190           |
| Pars Trust        | 194,764             | N/A                     |                           |                              |             |             | 194,764             |
| Money Market      | 876,000             | N/A                     | -                         | -                            | -           | -           | 876,000             |
| Total investments | <u>\$ 9,508,674</u> |                         | <u>\$ -</u>               | <u>\$ -</u>                  | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,508,674</u> |

E. Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments in any one issuer that represent 5% or more of **total District investments**.

F. Custodial Credit Risk

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

As of June 30, 2011, \$979,397 of the District's deposits with financial institutions in excess of federal depository insurance limits was held in public funds collateralized accounts. As of June 30, 2011, the District did not hold investments in investments held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

G. Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2011**

Note 3: Capital Assets

Capital Assets at June 30, 2011, consist of the following:

|                                | Balance<br>June 30, 2010 | Additions  | Adjustments/<br>Deletions | Balance<br>June 30, 2011 |
|--------------------------------|--------------------------|------------|---------------------------|--------------------------|
| <b>Water</b>                   |                          |            |                           |                          |
| Depreciable assets:            |                          |            |                           |                          |
| Water Transmission             | \$ 7,277,969             | \$ -       | \$ -                      | \$ 7,277,969             |
| Water Treatment                | 9,066,485                | 5,308      | -                         | 9,071,793                |
| Studies                        | 565,421                  | 107,954    | -                         | 673,375                  |
| Vehicles and equipment         | 521,173                  | 19,077     | (17,295)                  | 522,955                  |
| Subtotal                       | 17,431,048               | 132,339    | (17,295)                  | 17,546,092               |
| Less: Accumulated Depreciation | (8,628,804)              | 5,845      | (466,432)                 | (9,089,391)              |
| Net Capital Assets             | 8,802,244                | 138,184    | (483,727)                 | 8,456,701                |
| Non-depreciable assets:        |                          |            |                           |                          |
| Construction in progress       | 563,011                  | 24,733     | (55,082)                  | 532,662                  |
| Land                           | 13,640                   | -          | -                         | 13,640                   |
| Subtotal                       | 576,651                  | 24,733     | (55,082)                  | 546,302                  |
| Net Capital Assets             | \$ 9,378,895             | \$ 162,917 | \$ (538,809)              | \$ 9,003,003             |
| <b>Sewer</b>                   |                          |            |                           |                          |
| Depreciable assets:            |                          |            |                           |                          |
| Collection Facilities          | \$ 4,156,757             | \$ -       | \$ -                      | \$ 4,156,757             |
| Pumping facility               | 42,763                   | -          | -                         | 42,763                   |
| Treatment Plant/Facilities     | 15,707,991               | 184,180    | (76,257)                  | 15,815,914               |
| Vehicles and equipment         | 639,025                  | 32,321     | (15,504)                  | 655,842                  |
| Lake Chesbro Protection        | 212,233                  | 57,787     | -                         | 270,020                  |
| Waste Discharge                | 549,152                  | -          | -                         | 549,152                  |
| Telemetry Building             | 512,452                  | -          | -                         | 512,452                  |
| Subtotal                       | 21,820,373               | 274,288    | (91,761)                  | 22,002,900               |
| Less: Accumulated Depreciation | (10,146,627)             | 74,577     | (579,917)                 | (10,651,967)             |
| Net Capital Assets             | 11,673,746               | 348,865    | (671,678)                 | 11,350,933               |
| Non-depreciable assets:        |                          |            |                           |                          |
| Construction in progress       | 262,604                  | -          | (53,984)                  | 208,620                  |
| Land                           | 578,050                  | -          | -                         | 578,050                  |
| Subtotal                       | 840,654                  | -          | (53,984)                  | 786,670                  |
| Net Capital Assets             | \$ 12,514,400            | \$ 348,865 | \$ (725,662)              | \$ 12,137,603            |
| <b>Security</b>                |                          |            |                           |                          |
| Depreciable assets:            |                          |            |                           |                          |
| Vehicle and equipment          | \$ 396,746               | \$ 19,229  | \$ (6,863)                | \$ 409,112               |
| Buildings and improvements     | 280,948                  | 24,507     | -                         | 305,455                  |
| Subtotal                       | 677,694                  | 43,736     | (6,863)                   | 714,567                  |
| Less: Accumulated Depreciation | (319,964)                | 5,567      | (54,807)                  | (369,204)                |
| Net Capital Assets             | 357,730                  | 49,303     | (61,670)                  | 345,363                  |
| Non-depreciable assets:        |                          |            |                           |                          |
| Construction in progress       | 24,576                   | -          | -                         | 24,576                   |
| Subtotal                       | 24,576                   | -          | -                         | 24,576                   |
| Net Capital Assets             | \$ 382,306               | \$ 49,303  | \$ (61,670)               | \$ 369,939               |

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2011**

Note 4: Long-Term Liabilities

Long-term liabilities activity for the fiscal year ended June 30, 2011, was as follows:

| Business-type activities: | Balance<br>July 1, 2010 | Additions | Deletions | Balance<br>June 30, 2011 |
|---------------------------|-------------------------|-----------|-----------|--------------------------|
| Compensated absences      | \$ 85,141               | \$ 6,573  | \$ 2,492  | \$ 89,222                |
| Business-type activity    |                         |           |           |                          |
| Long-term liabilities     | \$ 85,141               | \$ 6,573  | \$ 2,492  | \$ 89,222                |

Note 5: Net Assets

Net Assets are the excess of all the District's assets over all its liabilities, regardless of fund. Net assets are divided into three captions under GASB Statement No. 34. These captions apply only to net assets, which is determined at the proprietary funds, and fiduciary funds and are described below.

Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt describes the portion of net assets which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted Net Assets

Restricted net assets consists of constraints placed on net asset use through external creditors (such as through debt covenants), grants, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation which the District cannot unilaterally alter. These principally include connection fees received for use on capital projects and debt service requirements.

Unrestricted Net Assets

Unrestricted net assets describe the portion of net assets which is not restricted as to use.

Note 6: Defined Benefit Pension Plan

A. Plan Description

The District's defined benefit pension plan with the California Public Employees' Retirement System (CalPERS) provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. This CalPERS is part of the Public Agency portion of the CalPERS, an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions and other requirements are established by State statutes within the Public Employees' Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office - 400 P Street - Sacramento, CA 95814.



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2011**

Note 6: Defined Benefit Pension Plan (Continued)

B. Funding Policy

Active plan members in the District's defined pension plan are required to contribute 7% of their annual covered salary. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members as required by the defined pension plan. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2010-11 was 10.987%. The contribution requirements of the plan members are established by state statute and the employer contribution rate is established, and may be amended, by CalPERS annually.

C. Annual Pension Cost

For fiscal year 2010-11, the District's annual required employer pension cost was \$187,469 and the District actually contributed \$187,469. The District also contributes the employees' 7% portion of their annual covered salary as a benefit to the employee. The employer's required contribution for fiscal year

The 2010-11 annual required contribution was determined as part of the June 30, 2008 actuarial valuation using entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of expenses); (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members; and (c) 3.25% overall payroll growth including 3.0% for inflation.

The actuarial value of the plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and losses. The plan's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at July 1, 2008, was 14 years.

Trend Information for the District

| Fiscal<br>Year<br><u>Ended</u> | Annual<br>Pension<br>Cost (APC)<br><u>Cost (APC)</u> | Percentage<br>of APC<br>Contributed<br><u>Contributed</u> | Net<br>Pension<br>Obligation<br><u>Obligation</u> |
|--------------------------------|--|---|---|
| 06/30/09                       | \$ 150,762   | 100%  | \$ -  |
| 06/30/10                       | 182,583  | 100%  | -   |
| 06/30/11                       | 187,469  | 100%  | -   |



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2011**

Note 7: Post Retirement Health Care Benefits

*Plan Description.* Rancho Murieta Community Services District's Post-Retirement Healthcare Plan is a single employer defined benefit healthcare plan administered by Public Employees' Retirement System (PERS). PERS provides medical benefits to eligible retirees and their eligible dependents. Medical benefits are also paid to the surviving spouse of an eligible retiree. The District approved post retirement health insurance benefits for all of its employees under the Public Employees' Medical and Hospital Care Act (PEMHCA). For an employee retiring from the District with 5 or more years of service with a CalPERS agency, the District will contribute the health benefit cost for the retiree and family members up to 100% of the lowest health benefit plan offered by PERS for unrepresented employees and up to approximately 59% of the lowest health plan offered by PERS for represented employees. A retiree with less than 5 complete years of service with a CalPERS agency who retires at the District receives no benefit. The PERS minimum is set by law. The retiree is on the same medical plan as the District's active employees, however monthly rates for coverage of covered active and retired employees are computed separately.

*Funding Policy.* The contribution requirement of plan members is established by the District's Board of Directors. The 2010-2011 fiscal year annual required contribution is calculated using entry age normal cost (same as CalPERS). For the fiscal year ending June 30, 2011 the District contributed \$195,000 towards the unfunded actuarial accrued liability (UAAL). The District made the net contribution for fiscal year end June 30, 2011 directly to health insurance providers totaling \$61,699.

*Annual OPEB Cost and Net OPEB Obligation.* The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The District chose a 30 year period to amortize the unfunded actuarial liability. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the District's Healthcare Plan:

|   |                         |
|---|-------------------------|
| Net OPEB obligation-beginning of year                             | \$ 102,481.00           |
| Annual OPEB cost current fiscal year                              | <u>188,914</u>          |
| Less: Employer contribution made to trust                         | (195,000)               |
| Less: Unreimbursed retiree premium payments made to plan provider | <u>(61,399)</u>         |
| Net employer contribution   | <u>(256,399)</u>        |
| Net OPEB obligation-end of year                                   | <u><u>\$ 34,996</u></u> |

Three year disclosure of the District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation is not necessary as fiscal year 2009-2010 was the District's year of implementation for GASB Statement 45.

*Funded Status and Funding Progress.* As of June 30, 2011, the actuarial accrued liability (AAL) was \$1,534,303 and the unfunded actuarial accrued liability (UAAL) for benefits was \$1,339,303. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress will be presented in the future when multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits is available.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2011**

Note 7: Post Retirement Health Care Benefits (Continued)

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the July 1, 2010, actuarial valuation, the entry age normal cost asset valuation method is used. The actuarial assumptions included a 7.75% discount rate and the normal cost component of the ARC increases 5.5% per year throughout the five year projection. The valuation assumes that 100% of eligible retirees will actually participate in the retiree medical benefit. The annual healthcare cost trend rate for represented employees had an assumed cap of 3% per year and the unrepresented had an assumed premium rate increase of 7.9% beginning January 1, 2012, decreasing approximately .3% per year until reaching an ultimate rate of 5.5 percent. It was assumed salary increases will be 3.25% per annum.

Note 8: Special Assessments Districts

The Rancho Murieta Community Services District's Board and management are responsible for the administration of the Community Facilities District (Community Facilities District No. 1) formed under the provisions of Mello-Roos. The District is not obligated to repay the special assessment debt to the special assessment debt holders.

The amount of special assessment debt at June 30, 2011, is:

|                                     |                     |
|-------------------------------------|---------------------|
| Community Facilities District No. 1 | <u>\$ 4,010,000</u> |
|-------------------------------------|---------------------|

Separate audited financial statements have been issued for the assessment district.

Note 9: Proposition 1A Borrowing by the State of California

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the District was \$47,676. This borrowing by the State of California was recognized as a receivable in the accompanying financial statements. Under the full accrual basis of accounting, the tax revenues were recognized in the fiscal year for which they were levied (fiscal year 2009-10).

Note 10: Revenue Limitation Imposed by California Proposition 218

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

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2011**

Note 11: Prior Period Adjustments

C. Restatement of Net Assets and Fund Balance

Adjustments resulting from errors or a change to comply with provisions of previously issued or retroactively applied accounting standards are treated as prior period adjustments. Accordingly the District reports these changes as a restatement to beginning net assets in the proprietary fund statement of revenue, expenses and changes in net assets.

The impact of the restatements to the previously reported net assets is presented below:

|   | Water<br>Fund        | Sewer<br>Fund        | Drainage<br>Fund | Solid Waste<br>Fund | Security<br>Funds |
|---|----------------------|----------------------|------------------|---------------------|-------------------|
| Fund Balances, June 30, 2010            | \$ 15,225,356        | \$ 15,215,285        | \$ 82,498        | \$ 114,398          | \$ 458,187        |
| Adjustments for:                        |                      |                      |                  |                     |                   |
| Prior year classification error         |                      | (8,200)              | 8,200            |                     |                   |
| Reconcile prior year OPEB               | (4,258)              | (3,086)              | (572)            | (162)               | (4,403)           |
| Allocate ID#1 cash                      | 30,236               | 30,236               |                  |                     |                   |
| Allocate prior year CFD audit fees      | 1,400                | 1,069                | 220              | 180                 | 731               |
| Reclassify admin unearned revenue       | (260)                | (198)                | (41)             | (33)                | (136)             |
| True up prior year receivables          | 5,427                | 4,144                | 851              | 698                 | 2,832             |
| Correct beginning beneflex liab         | 196                  | 28                   | 6                | 5                   | 39                |
| Adjust to balance                       | 27,034               | (11,325)             | (10,714)         | 6,278               | (11,252)          |
| Allocate prior year reserve             | (215,293)            | 215,293              |                  |                     |                   |
| Total adustment                         | <u>(155,518)</u>     | <u>227,961</u>       | <u>(2,050)</u>   | <u>6,966</u>        | <u>(12,189)</u>   |
| Fund Balances, July 1, 2010 as restated | <u>\$ 15,069,838</u> | <u>\$ 15,443,246</u> | <u>\$ 80,448</u> | <u>\$ 121,364</u>   | <u>\$ 445,998</u> |

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Revenues

Water Fund

For the Fiscal Year Ended June 30, 2011

(With Comparative Totals for the Fiscal Year Ended June 30, 2010)

|                                | <u>2011</u>         | <u>2010</u>         |
|--------------------------------|---------------------|---------------------|
| Service Charges:               |                     |                     |
| Water sales - residential      | \$ 1,269,520        | \$ 1,189,176        |
| Water sales - commercial       | 131,827             | 164,162             |
| Water availability charges     | 370                 | 410                 |
| Water sales - others           | <u>7,872</u>        | <u>7,610</u>        |
| Total Service Charges          | <u>1,409,590</u>    | <u>1,361,358</u>    |
| Other Charges:                 |                     |                     |
| Water telephone line contracts | 4,619               | 4,986               |
| Ditch service charge           | 700                 | 736                 |
| District project charges       | 438                 | 7,572               |
| Late charges                   | 13,953              | 14,700              |
| Water inspection fees          | 127                 | -                   |
| Transfer fees                  | <u>2,349</u>        | <u>4,299</u>        |
| Total Other Charges            | <u>22,185</u>       | <u>32,293</u>       |
| Total Operating Revenues       | <u>\$ 1,431,775</u> | <u>\$ 1,393,651</u> |

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Expenses**

**Water Fund**

**For the Fiscal Year Ended June 30, 2011**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2010)**

|                                | 2011     | 2010      |
|--------------------------------|----------|-----------|
| Source of Supply:              |          |           |
| Wages and salaries             | \$ 5,652 | \$ 11,901 |
| Employer costs                 | 4,613    | 5,950     |
| Maintenance and repairs        | 12,309   | 15,280    |
| Purchased power                | 39,381   | 40,296    |
| Dam inspection costs           | 36,136   | 36,122    |
| Supplies                       |          | 1,011     |
| Chemical                       | 13,223   | 1,800     |
| Equipment rental               | 627      | 5,414     |
|                                | 111,940  | 117,774   |
| Treatment:                     |          |           |
| Wages and salaries             | 103,166  | 136,576   |
| Employer costs                 | 43,060   | 57,245    |
| Purchased power                | 79,159   | 76,011    |
| Chemicals                      | 73,552   | 80,994    |
| Maintenance and repairs        | 49,048   | 96,484    |
| Supplies                       | 228      | 265       |
| Equipment rental               | 7,889    | 7,556     |
| Lab tests                      | 15,517   | 17,562    |
| Miscellaneous                  | 1,490    | 76        |
|                                | 373,109  | 472,769   |
| Transmission and Distribution: |          |           |
| Wages and salaries             | 152,896  | 147,344   |
| Employer costs                 | 65,871   | 66,473    |
| Water meters                   | 81,279   | 43,368    |
| Maintenance and repairs        | 34,972   | 62,837    |
| Purchased power                | 38,867   | 35,564    |
| Lab tests                      |          | 2,278     |
| Equipment rentals              | 10,231   | 11,510    |
| Road paving                    | 33,603   | 19,775    |
| Supplies                       | 3,932    | 9,015     |
| Miscellaneous                  | 361      | -         |
|                                | 422,012  | 398,164   |
| General and Administrative:    |          |           |
| Wages and salaries             | 293,420  | 251,246   |
| Employer costs                 | 165,009  | 129,284   |
|                                | 458,429  | 380,530   |

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Expenses (Continued)**

**Water Fund**

**For the Fiscal Year Ended June 30, 2011**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2010)**

|                                      | 2011         | 2010         |
|--------------------------------------|--------------|--------------|
| Subtotal General and Administrative: | \$ 458,429   | \$ 380,530   |
| Communications                       | 14,128       | 18,759       |
| Maintenance and repairs              | 124,426      | 40,535       |
| Insurance                            | 21,013       | 26,046       |
| Permits                              | 19,094       | 21,786       |
| Supplies                             | 13,412       | 13,957       |
| Directors' meeting and expenses      | 6,781        | 9,005        |
| Elections                            | 643          | -            |
| Legal and audit                      | 39,321       | 31,914       |
| Training and safety                  | 15,889       | 9,108        |
| Vehicle expenses                     | 28,332       | 11,823       |
| Tools                                | 8,484        | 7,479        |
| Sacramento Water Authority           | 12,845       | 10,345       |
| Miscellaneous                        | 10,202       | 15,537       |
| Postage                              | 7,225        | 6,979        |
| Travel and meetings                  | 3,833        | 6,786        |
| Consulting services                  | 20,014       | 8,914        |
| Dues and memberships                 | 5,541        | 4,236        |
| Uniforms                             | 3,967        | 3,605        |
| Purchased power                      | 3,212        | 3,092        |
| Equipment lease                      | 1,094        | 1,064        |
| Bad debts                            | 844          | 41           |
| Water conservation                   | 8,863        | 717          |
| Janitorial and pest control          | 1,555        | 834          |
| CIA ditch operations                 | 637          | 8,884        |
| Total General and Administrative     | 829,782      | 641,974      |
| Depreciation                         | 474,693      | 470,061      |
| Total Operating Expenses             | \$ 2,211,534 | \$ 2,100,742 |

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Revenues

Sewer Fund

For the Fiscal Year Ended June 30, 2011

(With Comparative Totals for the Fiscal Year Ended June 30, 2010)

|                             | <u>2011</u>         | <u>2010</u>         |
|-----------------------------|---------------------|---------------------|
| Service Charges:            |                     |                     |
| Sewer service - residential | \$ 1,013,489        | \$ 984,446          |
| Sewer service - commercial  | 107,946             | 100,935             |
| Sewer availability charges  | <u>420</u>          | <u>460</u>          |
| Total Service Charges       | <u>1,121,855</u>    | <u>1,085,841</u>    |
| Other Charges:              |                     |                     |
| Sewer inspection fees       | 127                 | -                   |
| District project charges    | 2,213               | 2,184               |
| Ditch service charge        | 535                 | 563                 |
| Late charges                | 13,953              | 14,700              |
| Transfer fees               | <u>1,794</u>        | <u>3,290</u>        |
| Total Other Charges         | <u>18,620</u>       | <u>20,737</u>       |
| Total Operating Revenues    | <u>\$ 1,140,476</u> | <u>\$ 1,106,578</u> |

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Expenses  
Sewer Fund  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Totals for the Fiscal Year Ended June 30, 2010)

|                                  | 2011      | 2010      |
|----------------------------------|-----------|-----------|
| Collections:                     |           |           |
| Wages and salaries               | \$ 83,610 | \$ 72,508 |
| Employer costs                   | 37,346    | 32,521    |
| Maintenance and repairs          | 45,498    | 44,811    |
| Purchased power                  | 16,123    | 16,020    |
| Equipment rental                 | 7,895     | 6,695     |
| Supplies                         | 123       | 4,003     |
| Miscellaneous                    | 52        | 7,402     |
|                                  | 190,647   | 183,960   |
| <br>Treatment and Disposal:      |           |           |
| Purchased power                  | 124,234   | 110,952   |
| Chemicals                        | 48,434    | 44,054    |
| Wages and salaries               | 143,573   | 101,953   |
| Employer costs                   | 62,777    | 50,386    |
| Lab tests                        | 42,327    | 41,189    |
| Maintenance and repairs          | 159,421   | 187,668   |
| Supplies                         | 1,168     | 362       |
| Equipment rental                 | 9,492     | 13,695    |
| Miscellaneous                    | 200       | 170       |
|                                  | 591,626   | 550,429   |
| <br>General and Administrative:  |           |           |
| Wages and salaries               | 177,836   | 195,266   |
| Employer costs                   | 88,129    | 83,036    |
| Communications                   | 12,238    | 15,336    |
| Maintenance and repairs          | 81,377    | 76,574    |
| Insurance                        | 16,043    | 19,932    |
| Vehicle expenses                 | 18,799    | 15,622    |
| Supplies                         | 10,157    | 11,647    |
| Directors' meetings and expenses | 5,668     | 6,891     |
| Legal and audit                  | 22,995    | 11,542    |
| Training and safety              | 31,185    | 9,964     |
| Permits                          | 23,033    | 18,354    |
| Miscellaneous                    | 7,771     | 9,001     |
| Postage                          | 5,516     | 5,341     |
| Tools                            | 9,052     | 7,633     |
|                                  | 509,799   | 486,139   |



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Expenses (Continued)**

**Sewer Fund**

**For the Fiscal Year Ended June 30, 2011**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2010)**

|                                      | 2011         | 2010         |
|--------------------------------------|--------------|--------------|
| Subtotal General and Administrative: | \$ 509,799   | \$ 486,139   |
| Travel and meetings                  | 3,181        | 5,082        |
| Consulting                           | 8,376        | 40,589       |
| Uniforms                             | 4,900        | 3,415        |
| Dues and memberships                 | 3,000        | 2,425        |
| Purchased power                      | 2,453        | 2,366        |
| Bad debts                            | 746          | 36           |
| Janitorial and pest control          | 1,555        | 834          |
| Equipment lease                      | 835          | 814          |
| Total General and Administrative     | 534,846      | 541,702      |
| Depreciation                         | 580,133      | 594,535      |
| Total Operating Expenses             | \$ 1,897,251 | \$ 1,870,625 |

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Revenues  
Drainage Fund  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Totals for the Fiscal Year Ended June 30, 2010)

|                                | <u>2011</u>       | <u>2010</u>       |
|--------------------------------|-------------------|-------------------|
| Special Taxes:                 |                   |                   |
| Drainage service - residential | \$ 136,796        | \$ 136,278        |
| Drainage service - commercial  | <u>26,448</u>     | <u>26,448</u>     |
| Total Special Taxes            | <u>163,244</u>    | <u>162,726</u>    |
| Other Charges:                 |                   |                   |
| Ditch service charge           | 110               | 115               |
| Transfer fees                  | <u>368</u>        | <u>673</u>        |
| Total Operating Revenues       | <u>\$ 163,722</u> | <u>\$ 163,514</u> |

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Expenses**

**Drainage Fund**

**For the Fiscal Year Ended June 30, 2011**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2010)**

|                                 | 2011       | 2010       |
|---------------------------------|------------|------------|
| Drainage:                       |            |            |
| Wages and salaries              | \$ 50,166  | \$ 59,330  |
| Maintenance and repairs         | 10,267     | 8,401      |
| Purchased power                 | 16,029     | 12,822     |
| Employer costs                  | 21,939     | 21,733     |
| Equipment rental                | 5,028      | 4,023      |
| Legal and audit                 | 1,573      | -          |
| Chemicals                       | 2,807      | 14,283     |
| Improvements                    |            | 3,834      |
| Permits                         | 3,600      | 3,600      |
| Miscellaneous                   | 1,477      | 584        |
|                                 | 112,884    | 128,610    |
| <br>General and Administrative: |            |            |
| Wages and salaries              | 28,461     | 28,846     |
| Employer costs                  | 14,181     | 13,118     |
| Communications                  | 1,160      | 1,962      |
| Insurance                       | 3,295      | 4,076      |
| Maintenance and repairs         | 4,413      | 3,918      |
| Vehicle Expenses                | 264        | 319        |
| Directors' meeting and expenses | 1,164      | 1,409      |
| Uniforms                        |            | 411        |
| Office supplies                 | 1,035      | 1,621      |
| Legal and audit                 | 4,297      | 2,360      |
| Postage                         | 1,133      | 1,092      |
| Consulting services             | 1,320      | 336        |
| Miscellaneous                   | 2,701      | 2,695      |
| Travel and meeting              | 432        | 672        |
| Memberships                     | 552        | 496        |
| Training and safety             | 414        | 296        |
| Purchased power                 | 504        | 484        |
| Equipment lease                 | 172        | 167        |
|                                 | 65,498     | 64,277     |
| <br>Total Operating Expenses    | \$ 178,382 | \$ 192,887 |

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Revenues  
Solid Waste Fund  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Totals for the Fiscal Year Ended June 30, 2010)

|                           | <u>2011</u>       | <u>2010</u>       |
|---------------------------|-------------------|-------------------|
| Service Charges:          |                   |                   |
| Solid Waste - residential | \$ 590,722        | \$ 581,129        |
| Total Service Charges     | <u>590,722</u>    | <u>581,129</u>    |
| Total Operating Revenues  | <u>\$ 590,722</u> | <u>\$ 581,129</u> |

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Expenses  
Solid Waste Fund**

**For the Fiscal Year Ended June 30, 2011  
(With Comparative Totals for the Fiscal Year Ended June 30, 2010)**

|                                  | 2011       | 2010       |
|----------------------------------|------------|------------|
| Solid Waste:                     |            |            |
| Contract charges                 | \$ 500,904 | \$ 499,505 |
| Miscellaneous                    | 32,012     | 30,798     |
| Total Solid Waste                | 532,916    | 530,303    |
| General and Administrative:      |            |            |
| Wages and salaries               | 23,329     | -          |
| Employer costs                   | 11,624     | -          |
| Travel-Meetings                  | 354        | -          |
| Office supplies                  | 849        | -          |
| Mail machine lease               | 141        | -          |
| Insurance                        | 2,701      | -          |
| Postage                          | 929        | -          |
| Professional services            | 6,732      | -          |
| Utilities                        | 952        | -          |
| Maintenance and repairs          | 1,706      | -          |
| Miscellaneous                    | 2,952      | -          |
| Directors' meeting and expenses  | 872        | -          |
| Total General and Administrative | 53,138     |            |
| Total Operating Expenses         | \$ 586,054 | \$ 530,303 |

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Revenues**

**Security Fund**

**For the Fiscal Year Ended June 30, 2011**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2010)**

|                                | 2011         | 2010         |
|--------------------------------|--------------|--------------|
| Special Taxes:                 |              |              |
| Security service - residential | \$ 944,954   | \$ 934,984   |
| Security service - commercial  | 156,360      | 155,238      |
| Total Special Taxes            | 1,101,314    | 1,090,222    |
| Other Charges:                 |              |              |
| Late charges                   | 27,906       | 29,401       |
| Transfer fees                  | 4,346        | 7,604        |
| Fines and permits              | 10,160       | 9,360        |
| Other                          | 5,314        | 6,253        |
| Total Other Charges            | 47,725       | 52,618       |
| Total Operating Revenues       | \$ 1,149,039 | \$ 1,142,840 |

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Expenses  
Security Fund**

**For the Fiscal Year Ended June 30, 2011**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2010)**

|                                     | 2011           | 2010           |
|-------------------------------------|----------------|----------------|
| <b>Gate Services:</b>               |                |                |
| Wages and salaries                  | \$ 268,912     | \$ 275,703     |
| Employer costs                      | 154,322        | 157,134        |
| Miscellaneous                       | 3,054          | 3,158          |
| Equipment repairs and maintenance   | 15,736         | 18,282         |
| Supplies                            | 3,031          | 6,077          |
| Communications                      | 4,712          | 3,460          |
| Janitor and pest controls           | 3,558          | 2,474          |
| Purchased power                     | 2,493          | 2,994          |
| Training and safety                 | 255            | 611            |
| Uniforms                            | 1,643          | 1,751          |
|                                     | <u>457,716</u> | <u>471,644</u> |
| <b>Patrol Services:</b>             |                |                |
| Wages and salaries                  | 220,187        | 221,292        |
| Employer costs                      | 119,013        | 125,730        |
| Vehicle fuel                        | 17,868         | 10,454         |
| Off-duty sheriff patrol             | 4,639          | 5,008          |
| Vehicle maintenance                 | 6,236          | 3,853          |
| Uniforms                            | 1,607          | 1,706          |
| Miscellaneous                       | 1,227          | 1,710          |
| Cellular phone                      | 2,777          | 3,201          |
| Equipment repairs and maintenance   | 975            | 912            |
| Janitor and pest control            | 2,321          | 2,827          |
| Supplies                            |                | 1,990          |
| Training and safety                 | 849            | 1,293          |
|                                     | <u>377,699</u> | <u>379,976</u> |
| <b>General and Administrative:</b>  |                |                |
| Wages and salaries                  | 168,320        | 136,150        |
| Employer costs                      | 82,601         | 60,541         |
| Insurance                           | 15,466         | 18,109         |
| Legal and audit                     | 20,695         | 8,997          |
| Supplies                            | 8,766          | 5,843          |
| Directors' meetings and expenses    | 3,874          | 4,711          |
| Training and safety                 | 2,416          | 1,768          |
| Consulting                          | 4,392          | 1,463          |
| Uniforms                            |                | 304            |
| Purchased power                     | 1,676          | 1,618          |
|                                     | <u>308,207</u> | <u>239,504</u> |
| Subtotal General and Administrative | <u>308,207</u> | <u>239,504</u> |

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Expense (Continued)  
Security Fund**

**For the Fiscal Year Ended June 30, 2011**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2010)**

|                                      | 2011         | 2010         |
|--------------------------------------|--------------|--------------|
| Subtotal General and Administrative: | \$ 308,207   | \$ 239,504   |
| Communications                       | 4,364        | 7,217        |
| Equipment repairs and maintenance    | 14,883       | 13,607       |
| Postage                              | 3,770        | 3,652        |
| Bad debts                            | 12,303       | 21           |
| Travel and meetings                  | 1,437        | 2,776        |
| Miscellaneous                        | 4,823        | 5,738        |
| Memberships                          | 1,836        | 1,658        |
| Equipment lease                      | 571          | 557          |
| Vehicle expenses                     | 684          | 564          |
| Uniform                              |              |              |
|                                      | 352,877      | 275,294      |
| Total General and Administrative     |              |              |
| Depreciation                         | 44,143       | 38,504       |
| Total Operating Expenses             | \$ 1,232,434 | \$ 1,165,418 |



*Larry Bain, CPA,  
An Accounting Corporation  
2148 Frascati Drive  
El Dorado Hills, CA 95762*

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

We have audited the Financial Statements of the Rancho Murieta Community Services District (District) as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated January 13, 2012. In our audit report we issued a qualified opinion on the fund financial statements because the district does not utilize an accounting system with a self balancing set of accounts for each fund. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### **Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, we consider the matters noted as 11-1 in the schedule of findings following this report to be a significant deficiency and material weakness in internal control.

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

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 07-7 in the following schedule of findings to be a significant deficiency in the District's internal control.

The Rancho Murieta Community Services District's written response to the significant deficiencies identified in our audit and any follow up for subsequent year corrections has not been subjected to the audit procedures applied in the audit of the financial statements and accordingly, we do not express an opinion on it.

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

*Larry Bain, CPA,  
An Accounting Corporation  
January 13, 2012*

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Follow up on June 30, 2007**  
**Findings and Recommendations**

**INTERNAL CONTROL FINDINGS**

**Prior Year Significant Deficiencies Deemed to be Material Weaknesses**

**Prior Year Finding 07-2:** ID#1 had a cash balance of \$57,169 at June 30, 2007.

**Prior Year Recommendation:** We recommend reviewing if the ID#1 excess funds should be allocated to the District or credited to the landowners who paid the assessments.

**Current Year Follow Up:** During the current fiscal year the remaining cash in ID #1 was allocated equally to the water and sewer funds.

**Prior Year Finding 07-7:** During our setup of the auditors trial balance we noted the District general ledger is not a self balancing set of accounts per fund. Significant adjustments need to be made through cash in order to balance the funds. In the aggregate the District trial balance does have a self balancing set of accounts.

**Prior Year Recommendation:** We recommend either obtaining an accounting program that will create a self balancing set of accounts for each fund, or modify the existing accounting program.

**Current Year Follow Up:** During the current fiscal year the District modified the existing accounting program and procedures to create self balancing set of accounts for each fund. As of June 30, 2011 audit entries were required to balance the funds, however the entries were not considered material and as a result we did not qualify the auditor's opinion as of June 30, 2011.

**District Response:** The District believes that the modifications to the existing accounting program and procedures, along with the required audit entries made June 30, 2011, have resolved this finding.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Follow Up on June 30, 2009**  
**Findings and Recommendations**

**Prior Year Significant Deficiency Not Deemed a Material Weakness:**

**Prior Year Finding 9-1:** During our testing of payroll we noted the Board of Directors are being paid through accounts payables and issued a 1099 to report amounts received for attending Board of Director meetings. The IRS requires most elected officials to be treated as employees for payroll reporting purposes. This was also a finding in the prior year audit.

**Prior Year Recommendation:** We recommend the District review the IRS regulations for reporting Board member pay and change the payment methods to comply with the legal requirements.

**Current Year Follow Up:** Effective January 1, 2011 the Board of Directors started being paid through payroll.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Follow Up on June 30, 2009**  
**Findings and Recommendations**

**Prior Year Significant Deficiency Not Deemed a Material Weakness:**

**Finding 10-1:** During our testing of accounts receivable existence we noted two customer accounts where the customers were overbilled \$25,242. The Districts internal controls recognized the overbilling after fiscal year end, but did not correct the accounts receivables balance and revenue at June 30, 2010 resulting in an overstatement of these balances. We proposed journal entries to correct the overstatements.

Recommendation: We recommend the District correct account balances at fiscal year-end if an error affecting those accounts is discovered after fiscal year-end.

**Current Year Follow Up:** Not noted during the current year audit.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

FINDINGS AND RECOMMENDATIONS

JUNE 30, 2011

**Current Year Significant Deficiency Deemed a Material Weakness:**

**Finding 11-1:** During the current year audit we noted the District transferred \$63,928 from the solid waste fund to the water fund to repay a loan authorized during the 2006/07 fiscal year. Based on our audit the loan was not made during the 2006/07 fiscal year.

Recommendation: We recommended and the District did reverse the journal entry, which resulted in an increase to cash and an increase to equity of \$63,928 in the solid waste fund and a reduction to cash and reduction to equity of \$63,928 in the water fund.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**COMMUNITY FACILITIES DISTRICT NO. 1**  
**COMPONENT UNIT FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 1  
JUNE 30, 2011**

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*Larry Bain, CPA,  
An Accounting Corporation  
2148 Frascati Drive  
El Dorado Hills, CA 95762*

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities and the major fund of Rancho Murieta Community Services District, Community Facilities No.1 (CFD), a component unit of the Rancho Murieta Community Services District, as of and for the fiscal year ended June 30, 2011, which collectively comprise the CFD's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Rancho Murieta Community Services District, Community Facilities No.1's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Rancho Murieta Community Services District, Community Facilities District No.1 as of June 30, 2011, and the respective changes in financial position, thereof for the fiscal year then ended in conformity with the accounting principles generally accepted in the United States of America.

The CFD has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement although not required to be part of the basic financial statements.

*Larry Bain, CPA,  
An Accounting Corporation  
January 13, 2012*



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

**STATEMENT OF NET ASSETS  
JUNE 30, 2011**

|  |                              |
|--|------------------------------|
| Current Assets                                   |                              |
| Cash and investments                             | \$ 1,775,622                 |
| Assessments receivable                           | 464,785                      |
| Other Assets                                     |                              |
| Deferred charges-net of accumulated amortization | <u>166,255</u>               |
| Total Assets                                     | <u><u>2,406,662</u></u>      |
|  |                              |
| Current Liabilities                              |                              |
| Accounts payable                                 | 5,074                        |
| Interest payable                                 | <u>54,018</u>                |
| Total Current Liabilities                        | <u><u>59,092</u></u>         |
|  |                              |
| Noncurrent Liabilities                           |                              |
| Due in one year                                  | 720,000                      |
| Due in more than one year                        | <u>3,290,000</u>             |
| Total Liabilities                                | <u><u>4,069,092</u></u>      |
|  |                              |
| Net Assets                                       |                              |
| Restricted for debt service                      | 1,775,622                    |
| Unrestricted                                     | <u>(3,438,052)</u>           |
| Total Net Assets                                 | <u><u>\$ (1,662,430)</u></u> |

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

**STATEMENT OF ACTIVITIES  
JUNE 30, 2011**

|                               | Expenses   | Program Revenues<br>Capital Grants<br>and Contributions | Total      |
|-------------------------------|------------|---|------------|
| Governmental Activities:      |            |   |            |
| General government            | \$ 59,954  | \$ 967,062  | \$ 907,108 |
| Interest expense              | 224,695    | -   | (224,695)  |
| Total Governmental Activities | \$ 284,649 | \$ 967,062  | 682,413    |

|                         |                |
|-------------------------|----------------|
| General Revenues:       |                |
| Investment income       | 4,185          |
| Total general revenues  | 4,185          |
| Change in net assets    | 686,598        |
| Net assets - beginning  | (2,345,428)    |
| Prior period adjustment | (3,600)        |
| Net assets - ending     | \$ (1,662,430) |

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

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2011**

|                                    |                     |
|------------------------------------|---------------------|
| Assets                             |                     |
| Cash and investments               | \$ 1,775,622        |
| Assessments receivable             | 464,785             |
| Total Assets                       | <u>2,240,408</u>    |
|                                    |                     |
| Liabilities and Fund Balances      |                     |
|                                    |                     |
| Liabilities                        |                     |
| Accounts payable                   | 5,074               |
| Deferred Revenue                   | 451,637             |
| Total Liabilities                  | <u>456,711</u>      |
|                                    |                     |
| Fund Balance                       |                     |
| Fund balances                      |                     |
| Reserved for debt service          | 1,783,698           |
| Total Fund Balance                 | <u>1,783,698</u>    |
| Total Liabilities and Fund Balance | <u>\$ 2,240,408</u> |

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO STATEMENT OF NET ASSETS  
JUNE 30, 2011**

|  |                              |
|--|------------------------------|
| Fund Balances of Governmental Funds  | \$ 1,783,698                 |
| Amounts reported for governmental activities in the statement of net assets are different because:   |                              |
| Debt issuance costs are current expenses in the funds, but are deferred assets in the statement of net assets.   | 166,255                      |
| Deferred revenues are not available to pay for current-period expenditures and therefore are deferred in the funds.  | 451,637                      |
| Some liabilities, including long-term debt and accrued interest are not due and payable in the current period and therefore are not reported in the funds. | <u>(4,064,020)</u>           |
| Net assets of governmental activities  | <u><u>\$ (1,662,430)</u></u> |

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

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
JUNE 30, 2011**

|                             |                            |
|-----------------------------|----------------------------|
| Revenues                    |                            |
| Assessments                 | \$ 827,453                 |
| Investment income           | 4,185                      |
| Total Revenues              | <u>831,639</u>             |
| Expenditures                |                            |
| Current:                    |                            |
| Administration              | 26,736                     |
| Debt Service                |                            |
| Principal                   | 690,000                    |
| Interest                    | 233,320                    |
| Total Expenditures          | <u>950,056</u>             |
| Net Change in Fund Balance  | (118,417)                  |
| Fund Balance, July 1, 2010  | 1,905,715                  |
| Prior Period Adjustment     | <u>(3,600)</u>             |
| Fund Balance, June 30, 2011 | <u><u>\$ 1,783,698</u></u> |

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2011**

|   |                          |
|---|--------------------------|
| Net Change in Fund Balances - Total Governmental Funds  | \$ (118,417)             |
| Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures and Changes in Fund Balances because:    |                          |
| Governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the government-wide statements. | (33,218)                 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  | 139,609                  |
| Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.                                | 690,000                  |
| The change in accrued interest is recorded as a current liability in the statement of activity, however interest expense is recorded when paid in the governmental funds.                         | <u>8,624</u>             |
| Change in net assets of governmental activities   | <u><u>\$ 686,598</u></u> |

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

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

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

**B. Basis of Presentation**

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Major Funds:

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

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

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

D. Basis of Accounting:

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

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

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

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

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

E. Budget and Budgetary Accounting

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



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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Estimates

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

G. Net Assets

**Government-wide Financial Statements**

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

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

**Fund Financial Statements**

Fund Equity- Reservations of fund balance of the governmental fund is created to either satisfy legal covenants, including State laws, that require a portion of the fund equity be segregated or identify the portion of the fund equity not available for future expenditures.

NOTE 2: CASH AND INVESTMENTS

|   |                            |
|---|----------------------------|
| Deposits with financial institutions    | \$ 891,353                 |
| Investments                             | <u>884,269</u>             |
| Total cash and investments - restricted | <u><u>\$ 1,775,622</u></u> |

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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

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

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

B. Investments Authorized by Debt Agreements

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

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

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

C. Disclosures Relating to Interest Rate Risk

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

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

| Investment Type      | Totals            | Remaining Maturity (in Months) |                 |                 |                 |                        |
|----------------------|-------------------|--------------------------------|-----------------|-----------------|-----------------|------------------------|
|                      |                   | 12 Months<br>or Less           | 13-24<br>Months | 25-36<br>Months | 49-60<br>Months | More Than<br>60 Months |
| CAMP Investment Pool | \$ 8,269          | \$ 8,269                       | \$ -            | \$ -            | \$ -            | \$ -                   |
| Held by Trustee:     |                   |                                |                 |                 |                 |                        |
| Money Market*        | 876,000           | 876,000                        | -               | -               | -               | -                      |
| Totals               | <u>\$ 884,269</u> | <u>\$ 884,269</u>              | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>            |

\*Not subject to categorization

D. Disclosures Relating to Credit Risk

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

| Investment Type      | Amount            | Minimum<br>Legal Rating | Exempt From<br>Disclosure | Rating as of Fiscal Year End |             |             |                   |
|----------------------|-------------------|-------------------------|---------------------------|------------------------------|-------------|-------------|-------------------|
|                      |                   |                         |                           | AAA                          | AA          | A           | Not<br>Rated      |
| CAMP Investment Pool | \$ 8,269          | N/A                     | \$ -                      | \$ -                         | \$ -        | \$ -        | \$ 8,269          |
| Held by Trustee:     |                   |                         |                           |                              |             |             |                   |
| Money Market         | 876,000           | N/A                     | -                         | -                            | -           | -           | 876,000           |
| Total investments    | <u>\$ 884,269</u> |                         | <u>\$ -</u>               | <u>\$ -</u>                  | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 884,269</u> |

E. Concentration of Credit Risk

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

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

F. Custodial Credit Risk

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

At June 30, 2011, \$641,353 of the District’s deposits, with financial institutions, in excess of federal depository insurance limits, were held in collateralized accounts.

NOTE 3: SPECIAL ASSESSMENTS RECEIVABLE

Assessments are levied by the CFD against property owners and collected through the secured property tax rolls of the County of Sacramento. Assessments receivable represent the amount assessed to the property owners to bond principle and interest. In the event property owners are delinquent in their payments, the CFD is required to initiate foreclosure proceedings within 150 days following the date of delinquency. Delinquent assessment receivables were \$464,785 at June 30, 2011. The District refers pending cases to the CFD’s legal counsel for collection.

NOTE 4: SPECIAL ASSESSMENT DEBT WITH NO GOVERNMENT COMMITMENT

On March 7, 1991, the District issued assessment bonds totaling \$12,925,000 under the “Mello-Roos Community Facilities Act of 1982”. On October 1, 2002 the original bonds were refunded and defeased by issuing \$8,760,000 in special tax refunding bonds and applying the original bond reserve funds and redemption account funds to the redemption. The Bonds are not a general obligation of the District, but are limited obligations of the District and the CFD payable solely from and secured by the special taxes pledged therefore. Bond principle is paid annually on October 1 of each year and interest is paid semi annually on April 1 and October 1 beginning in 2003 and ending in the 2016 fiscal year. Future minimum debt service requirements are as follows:

| Fiscal Year<br>Ended June 30, | Principal           | Interest          | Total               |
|-------------------------------|---------------------|-------------------|---------------------|
| 2012                          | \$ 720,000          | \$ 216,070        | \$ 936,070          |
| 2013                          | 760,000             | 178,630           | 938,630             |
| 2014                          | 800,000             | 138,350           | 938,350             |
| 2015                          | 840,000             | 95,150            | 935,150             |
| 2016                          | 890,000             | 48,950            | 938,950             |
| Total                         | <u>\$ 4,010,000</u> | <u>\$ 677,150</u> | <u>\$ 4,687,150</u> |

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 5: CHANGES IN LONG-TERM DEBT**

Long-term liabilities activity for the fiscal year ended June 30, 2011, was as follows:

|                            | Balance<br>July 1, 2010 | Additions   | Reductions        | Balance<br>June 30, 2011 | Due within<br>One Year |
|----------------------------|-------------------------|-------------|-------------------|--------------------------|------------------------|
| Special Assessment Debt    |                         |             |                   |                          |                        |
| No Governmental Commitment | \$ 4,700,000            | \$ -        | \$ 690,000        | \$ 4,010,000             | \$ 720,000             |
| Total                      | <u>\$ 4,700,000</u>     | <u>\$ -</u> | <u>\$ 690,000</u> | <u>\$ 4,010,000</u>      | <u>\$ 720,000</u>      |

**NOTE 6: RESERVE FOR BOND SERVICE**

By the terms of the bond indenture, \$876,000 of the proceeds of the bond issue plus an additional deposit by the District was set aside for the purpose of paying any delinquent bond interest and principle payments. In the event the monies expended from this trust fund are for any delinquent payments, the CFD is obligated to pursue legal means to cause the redemption of the delinquent payments by the property owner(s) or force sale of the property wherein the monies shall be used to reimburse the reserve fund for the delinquent payments made. At June 30, 2011, the CFD had \$876,000 invested in the bond reserve fund.

**NOTE 7: DEFICIT NET ASSETS**

The CFD is reporting a deficit net assets balance of (\$1,662,430) in their government-wide statement of activities due to the \$4,010,000 bond debt outstanding for which capital assets have been conveyed to the Rancho Murieta Community Services District. This is normal in this type of operation due to the fact that the CFD does not hold custody or ownership of acquired assets. Assets, which are mostly infrastructure, were all transferred to the Rancho Murieta Community Services District for continued maintenance and operation. The deficit net assets will be cured in future years as assessments are received from property owners to pay for the outstanding debt.

## MEMORANDUM

Date: January 12, 2012  
To: Board of Directors  
From: Improvements Committee Staff  
Subject: Introduce Ordinance 2011-04, Amending District Code Chapter 14, Water Code

---

### RECOMMENDED ACTION

Introduce Ordinance 2011-04, an Ordinance amending District Code Chapter 14, the Water Code, waive the full reading of the Ordinance and continue to the February 15, 2012 Board meeting for adoption.

### BACKGROUND

In support of the implementation of the 2020 Compliance Plan and as a continuation of our Integrated Water Master Plan (IWMP) Update (adopted in October 2010) next steps, Lisa Maddaus has been working on the revisions to Chapter 14 of the District Code, the Water Code.

A brief overview of key changes is as follows:

- Added to Section 2 definitions related to water use efficiency and water waste
- Revised Section 4.04 to be up to date with the State Fire Code.
- Revised Section 10 to be up to date with county, state and federal codes and regulations
- Added provisions to Section 10 for use of water efficient fixtures in County permitted remodels or new development of homes or landscaped areas subject to HOA review or County code.
- Added Section 11 with water waste definitions and prohibitions similar to other water purveyors in the region
- Added Section 12 as a drought response section to align compliance as outlined in the Water Shortage Contingency Plan
- Revised Section 13 (formerly section 11) to include water waste penalty fee structure along with increased fees in times of drought

Attached is the amended Code with the tracked changes for public review prior to adoption. Legal Counsel has already reviewed the Code.

**The Improvements Committee recommends adoption.**

**ORDINANCE NO. 2011-04**

**AN ORDINANCE OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT,  
AMENDING DISTRICT CODE CHAPTER 14, THE WATER CODE**

**BE IT ORDAINED** by the Board of Directors of the Rancho Murieta Community Services District, Rancho Murieta, Sacramento County, California, as follows:

**SECTION 1**

District Code Chapter 14, relating to Water Code is amended as follows noted in Attachment A.

**SECTION TWO**

In the event any section or portion of this ordinance shall be determined invalid or unconstitutional, such section or portions shall be deemed severable and all other sections or portions hereof shall remain in full force and effect.

**SECTION THREE**

This Ordinance shall be in full force and effective thirty (30) days after its adoption and shall be published and/or posted as required by law.

**PASSED AND ADOPTED** by the Board of Directors of the Rancho Murieta Community Services District, Sacramento County, California, at a meeting held on February 15, 2012, by the following roll call vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Roberta Belton, President  
Rancho Murieta Community Services District

[seal]

**ATTEST:**

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

# RANCHO MURIETA COMMUNITY SERVICES DISTRICT

DISTRICT CODE

CHAPTER 14

## THE WATER CODE

INSTALLATION, CONNECTION AND USE OF THE  
DISTRICT WATER SYSTEM



Amended February 15, 2012~~11~~  
By Ordinance 2011-04



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# DISTRICT CODE

## CHAPTER 14

### POLICES REGULATING THE INSTALLATION, CONNECTION AND USE OF THE DISTRICT WATER SYSTEM

#### SECTION 1.00 General Provisions

**1.01 Title**

This Chapter shall be known as the "Water Code" and may be cited as such.

**1.02 Scope of Service:**

The provision of this Chapter shall apply to water supply and service in, upon or affecting the territory of the Rancho Murieta Community Services District, and the design, construction, alteration, use, and maintenance of public water mains, reservoirs, distribution system, pumping equipment and facilities, pressure reducing station connections and services, and all system appurtenances; the issuance of permits and the collection of fees therefore; fees to pay for the costs of checking plans, inspecting construction, and making record plans of the facilities permitted hereunder; providing penalties for violation of any of the provisions hereof, and all other necessary or related matters.

#### SECTION 2.00 Definitions

For the purpose of this Chapter, the following terms shall have the following meanings unless the context clearly indicates otherwise.

**2.01 Applicant**

Applicant shall mean the owner or the agent of the owner of the property for which water service is being requested.

**2.02 Board**

Board shall mean the Board of Directors of the Rancho Murieta Community Services District.

**2.03 Business Service**

Business Service shall mean the provision of water for use in connection with commercial premises devoted primarily to operations for profit including offices, stores, markets, apartments, hotels, motels, automobile trailer parks, or courts, service stations and the like.

- 2.04 Customer**  
Customer shall mean the owner or agent of the owner of the property receiving water service.
- 2.05 Distribution System**  
Distribution System shall mean the system of the pipelines and other appurtenances by which the District conveys water to its customers.
- 2.06 District**  
District shall mean the Rancho Murieta Community Services District.
- 2.07 Flat Rate Service**  
Flat Rate Service shall mean the provision of water in unmeasured quantities for a fixed periodic charge.
- 2.08 Industrial Service**  
Industrial Service shall mean the provision of water to industrial premises where the water is used primarily in manufacturing or processing activities.
- 2.09 Main or Water Mains**  
Mains or Water Mains shall mean the portion of the distribution system, which is located in streets, highways, public ways or easements, which are used to supply water to the District's customers.
- 2.10 General Manager**  
General Manager shall mean the General Manager of the Rancho Murieta Community Services District.
- 2.11 Metered Service**  
Metered Service shall mean the provision of water in measured quantities for a charge based on the quantity of water supplied.
- 2.12 Metered Service Connection**  
Metered Service Connection shall mean the portion of the distribution system by which water is conveyed from the water main to the premises, including the tap, meter, meter box, pipe, corporation stop, curb stop or shut-off valve.
- 2.13 Multiple Dwelling**  
Multiple Dwelling shall mean premises with two or more dwellings for persons independently occupying such dwellings. (Amended by Ordinance 85-1)
- 2.14 Permits**  
Permits shall mean the District's written approval or authorization for an action. A permit may only be issued by the District upon the completion of the appropriate District application form for the action sought, payment of all applicable fees and charges, and compliance

with all applicable District ordinances, rules and regulations, as well as local, state and federal law.

**2.15 Premises**

Premises shall mean a parcel of real estate, including any improvements thereon, which is determined by the District to be a single unit for purposes of receiving, using and paying for service. In making this determination, the District shall take into consideration such factors as whether the unit could reasonably be subdivided and whether the unit is being used for a single enterprise, apartment or dwelling.

**2.16 Private Water Line**

Private Water Line shall mean the portion of the distribution system located on the customer's side of the service connection.

**2.17 Residential Service**

Residential Service shall mean the provision of water for household purposes, including water used on the premises for sprinkling lawns, gardens and shrubbery; washing vehicles; and other similar and customary purposes pertaining to single or multiple family dwellings.

**2.18 Service Connection**

Service Connection generally means the pipe, valves and other facilities by which water is conveyed from the water main to the premises, and includes the tap, corporation stop, curb stop or shut-off valve, and may include meter and/or service box depending on the type of service.

**2.19 Un-Metered Service Connection**

Un-Metered Service Connection shall mean the portion of the distribution system by which water is conveyed from the water main to the premises, including tap, pipe, corporation stop, curb stop or shut-off valve.

**2.20 Water Conservation or Water Use Efficiency**

Water use that results in a water savings or lower demand due to (a) change that increases ~~in~~-efficiency for the same productivity (e.g., update to more efficient models of plumbing fixtures or appliance upgrades to perform the same function) or (b) change in use of the appliance or fixture that results in reduced demand (e.g., customer behavioral change).

**2.21 Water Facilities**

Water Facilities shall mean all reservoirs, wells, sources of supply, storage, treatment, transmission, distribution, and pumping facilities, service connections and any other appurtenance.



## **2.22 Wasteful Uses of Water**

Generally means customer water use that is not going to beneficial and reasonable uses. For example, excessive water runoff, leaky fixtures, etc. as defined in Section 11.01.

## **SECTION 3.00 GENERAL POLICIES**

### **3.01 General Policy of Operating System**

The District shall operate and maintain the water system in an efficient and economical manner and supply water of acceptable quality as fairly and equitably as possible. The charges to be made for service shall be set at rates necessary to enable the District to recover all costs of supplying water including, but not limited to, the costs for the following:

- a. Purchasing, pumping, treating, storing, transmitting and distributing water;
- b. Customer Service and Water Conservation;
- c. Administration;
- d. Overhead;
- e. Debt service;
- f. Charges and assessments in-lieu of taxes;
- g. Replacement reserves;
- h. All other necessary and appropriate expenses.

### **3.02 District's Responsibility for Distribution System**

The District shall be responsible for operating, maintaining and replacing all portions of the distribution system, which are owned by the District. The District shall not be responsible for operating, maintaining or replacing that portion of the distribution system not owned by the District. The installation of a District measuring device upon private property or within a portion of the distribution system not owned by the District shall not create an obligation on the part of the District for operation, maintenance or replacement of any works or facilities not owned by the District. District responsibility for maintenance of service extends only to the water meter and the responsibility beyond the water meter is the property owner's. If the water service is connected to a private line, the District's responsibility stops at the valve on the District's main.

**3.03 Unauthorized Use of District Water**

No person shall supply water to any person or to any premises except as authorized by District permit or as approved in writing by the District.

**3.04 District Ownership and Control**

The portion of the distribution system, including the water main, service connection, and/or meter, which is located in the public way or in easements, shall be under the exclusive control of the District and owned, managed and operated under the direction of the General Manager.

**3.05 Private Water Lines**

The customer shall be responsible for the proper operation and maintenance of the customer's private water line and for any damages to the distribution system or loss of water resulting from the customer's private water line.

**3.06 Access to District-Owned Property**

The District shall have access, at all reasonable hours, to meter service connections and other property owned by the District, whether located on or off the customer's premises, for the purposes of inspection, installation, repair, maintenance, operation, turn on, turn off, or removal of the District's property.

**3.07 Unsafe Apparatus, Detrimental or Damaging Conditions**

If an unsafe or hazardous condition is found to exist on the customer's premises, or if the use of water thereon by apparatus, appliance, equipment or otherwise is found to be detrimental or damaging to the District or its customers, the service may be shut off without notice, provided that the District shall notify the customer immediately of the reasons for the discontinuance and the ~~correction~~corrective action to be taken by the customer before service can be restored.

**3.08 Fraudulent Use of Service**

When the District has discovered that a customer has obtained water service by fraudulent means or has diverted the water service for unauthorized use; the service to that customer may be discontinued in the manner set forth in Section ~~4~~13.00 herein. The District shall not be required to restore service until the customer has complied with all rules and requirements of the District and the District has been reimbursed for the full amount of the service rendered and the actual or estimated costs to the District incurred by reason of the fraudulent use.

**3.09 Inspection of Customer-Owned Property**

A customer's private water line shall be open for inspection at all reasonable times to a representative of the District. However, except in cases of emergency, before a District representative enters a

customer's premises for the purpose of inspecting non-District owned facilities, the District shall obtain the occupant's consent or the District shall give 24-hour advance notice, in writing, to the occupant of the District's intention to enter and inspect the customer's private water line.

**3.10 Interference with District Employees**

Except as provided in Section 3.09 hereof, it shall be unlawful for any person to interfere, seek or cause to interfere with the inspection, installation, removal, maintenance, or other lawful activity by the General Manager or the General Manager's authorized representative, of any part of the distribution system owned by the District.

**3.11 Obstructions Prohibited**

~~Subject to approval of the Board, n~~No person shall place or cause to be placed on any water line easement any wires, fences, trees, buildings, or other structures, either temporary or permanent, or any refuse, rubbish, debris or other objects which may impede or otherwise interfere with the ready access by the District to any portion of the distribution system owned by the District, unless otherwise authorized by Board action. Any such obstruction, upon the written request of the General Manager, shall immediately be removed by the violator at no expense to the District or shall be removed by the District at violator's expense, and shall not be replaced.

**3.12 Continuity of Service**

The District shall not be liable for any interruptions, shortage, or insufficiency of water supply or for pressure at the customer's point of connection, or for any loss or damages occasioned thereby.

**3.13 Street Work:**

- a. When a person who opens, grades, excavates, fills or does other street construction, deems it necessary to expose, remove, raise, lower, or otherwise affect any portion of the distribution system owned by the District, the person performing such street construction shall give at least seven (7) days advance notice in writing to the District of the person's intention to perform such construction and immediate notice upon exposure or contact with such system.
- b. At its option, the District may elect to perform the removal, raising, lowering or other construction on the District's distribution system, which is necessitated by the street construction. Prior to the District performing the construction on its distribution system, the person requiring the street construction shall pay to the District a reasonable deposit in an amount not to exceed the estimated cost of the District's construction. When the

District completes its construction, the District shall refund that portion, if any, of the deposit which exceeds the actual costs of construction and the person requiring the construction shall pay the amount, if any, by which the actual costs of construction exceeds the deposit.

- c. The person performing the street construction shall be liable for any damage to the District's distribution system resulting from the street construction or from the person's construction on the District's distribution system.

**3.14 Contractors Hired by the District**

Portions of this Chapter may be waived by the General Manager for persons hired by the District to construct any part of the District's distribution system.

**3.15 Delegation of Authority**

The General Manager shall have the authority to delegate the performance of any of the General Manager's responsibilities to any District employee or independent contractor.

**3.16 Standards**

All procedures, design, work, materials, capacities, facilities and other improvements shall be based on the applicable provisions of the latest revisions of State and Local regulations and generally accepted standards of water works practice insofar as deemed appropriate by the District considering the conditions and where not in conflict with District standards. Such regulations and standards are included in, but not necessarily limited to, the following references:

Waterworks Standards of the California Department of Health Services Titles 17 and 22 of the California Administrative Code

California Safe Drinking Water Act

[California State Building Code \(Cal Green\) Title 24](#)

[California Model Water Efficient Landscape Ordinance \(Assembly Bill 1881, Laird\)](#)

Uniform Plumbing Code [\(National\)](#)

Uniform Fire Code

American Water Works Association

[United States Environmental Protection Agency's \(USEPA\) WaterSense Program](#)

### 3.17 Lake Use Regulations:

*(Added by Ordinance 92-3)*

a. Wastes Prohibited into Lakes

No person shall discharge or cause to be discharged any of the following wastes into any of the lakes:

1. Any gasoline, benzene, naphtha, fuel oil or other flammable or explosive solid, liquid, or gas.
2. Any waste containing toxic or poisonous solids, liquids or gases.
3. Any waste having a pH lower than 5.5 or having any other corrosive properties.
4. Any waste such as, but not limited to, rubbish, ashes, shavings, metals, glass, lawn clippings, leaves, plastics, woods, garbage, etc.
5. Any waste such as insecticides, pesticides, fertilizers, weed killers, etc.

b. Activities Prohibited in Lakes

The following activities are either prohibited or restricted as described on or in the lakes as follows:

1. Fishing with live bait (Lake Calero and Chesbro).
2. Boating with any motor other than electric (all lakes).

c. Responsibility

It is the responsibility of the users of the lake to comply with the requirements as set forth in this section.

d. Enforcement

Enforcement of this Section will be performed by the District's General Manager in accordance with the provisions of Section ~~40~~13.00 of this Chapter.

## SECTION 4.00 Connection To and Construction of Potable Water Facilities

### 4.01 In General

Nothing in this Chapter shall be construed as preventing or limiting the right of the District to require or undertake the preparation of engineering, economic, environmental, or financing evaluation from any person requesting water service from the District, which service

necessitates the installation of water facilities and thereafter to require the construction of such facilities as a condition of service, all without cost to the District.

#### **4.02 Requirement of Meters**

Following the effective date of this Chapter, every connection made to the District distribution system or service connection shall provide for and include a meter. The meter shall be supplied, approved and/or installed by the District prior to the time the owner connects to the District's distribution system.

#### **4.03 Installation of Potable Water Service Connections and Meters**

- a. Whenever practicable, the service connection from the water main to the customer's property line shall be installed at the time the main is constructed.
- b. Main line extensions, service connections and meters shall be installed only after the District's issuance of a permit and after payment by the customer of all District fees and charges.
- c. Main line extensions, service connections and/or meters shall be installed, at the District's option, either by the District or by persons hired by the District or under the supervision of District employees.
- d. When main line extensions, service connections or meters are not installed by the District, the main line extension, service connection or meter shall be installed only by bonded contractors licensed to perform such installation.
- e. When the District determines that any installation shall be performed by the District or person hired by the District, the applicant shall pay in advance an amount of funds equal to the approximate costs of construction and other necessary expenses. Upon completion of construction, the District shall refund the excess, if any, of any funds paid by the applicant or, if applicable, the applicant shall pay the amount, if any, by which the actual costs exceeded the applicant's deposit.

#### **4.04 Size of Service Connection and Meters**

- a. The size of the service connection shall be approved by the District in advance. Except when otherwise specifically approved by the District, the maximum size for a single-family service connection shall be one-inch. *(Amended by Ordinance 85-1)*



- b. The size of the meter serving a premise shall be approved by the District in advance of service. The standard size water meter serving a mobile village lot and townhouse lot shall be ~~5/8 inch or~~ 3/4 inch meter or larger, for all other residential lots, it shall be ~~3/4 inch or~~ 1 inch or larger meter, to be able to supply necessary fire flows. -  
(Amended by Ordinance 90-3)

**4.05 Installation of Private Water Line**

The customer shall, at the customer's own expense, install according to District standards, the customer's private water line. The private water line shall remain the sole property of the customer.

**4.06 Financial Responsibility for Installation of Water Facilities**

An applicant who installs or causes to be installed, any part of the District's water facilities, shall be financially liable for the costs of installation and all incidents thereof.

**4.07 Relocation of Water Facilities at Customer's Request**

Upon a customer's written request, water facilities may be relocated by the District, provided that the relocation, in the opinion of the General Manager, is not detrimental to the District's distribution system. The cost of the relocation shall be borne by the customer and shall be payable in advance to the District. The cost of the relocation shall include the applicable costs and fees for all construction (if the construction is performed by persons hired by the District), design, installation, inspection, administration, overhead, and any other necessary related expenses. (Amended by Ordinance 85-1)

**4.08 Relocation of Service Connection at District's Request**

Where a service connection is relocated for the convenience or protection of the District, the relocation shall be at the expense of the District provided such relocation is not made necessary by the customer.

**4.09 Change of Meter at Customer's Request**

- a. A customer may apply in writing to the District to change the size of an installed meter.
- b. If the existing service connection is adequate to service the proposed change in meter size and the District determines that the change is necessary or advisable, the District shall authorize thea change. Before the meter is changed, the customer shall pay all applicable fees and charges to the District.
- c. If the existing service connection is inadequate to serve the proposed meter change, the service connection shall be changed at the customer's expense. Before the meter

and service connection are changed, the customer shall pay all applicable fees and charges to the District.

**4.10 Separate Service Connection**

Separate premises, whether owned by the same or different persons, shall not be supplied with water through the same service connection.

**4.11 Division of Presently Serviced Premises**

When premises currently serviced by the District's distribution system are divided into two or more premises, unless otherwise agreed to by the District, the existing meter and service connection shall be considered to belong to the premise which the meter or service connection most directly enters and the new premises shall require the installation of additional meter(s) and service connection(s) and payment of all applicable fees and charges. *(Amended by Ordinance 85-1)*

**4.12 Plans**

- a. Each application for a permit, for which installation of water facilities is necessary, shall be accompanied by three (3) sets of plans and specifications for the installation.
- b. The plans shall be the exclusive property of the District.
- c. The General Manager or Engineer shall determine the adequacy of the proposed water facilities as to size, type and quality of materials, and as to the location of facilities to serve the proposed development, including off-tract pipelines and other — appurtenances.
- d. The General Manager or Engineer shall certify in writing whether the plans and specifications submitted conform to District standards.

**4.13 Easements and Rights-of-Way**

- a. Any applicant who installs, or proposes to install, water facilities shall furnish the District all necessary easements and rights-of-way for such facilities and the subsequent operation and maintenance thereof.
- b. If the applicant cannot finish the necessary easements and rights-of-way, the District may, at its sole option, acquire such easements and right-of-way, subsequent to the applicant's payment to the District of all funds necessary to cover the District's cost of such acquisition.
- c. Until the necessary easements and rights-of-way have been — properly executed and recorded, the District shall



not approve any plans for water facilities to be constructed by onethe person across the property of another person. The District shall not accept for public use any such water facilities and no person shall place such facilities into use.

**4.14 Performance Bond**

The applicant shall post a surety bond, cash or other security satisfactory to the District to guarantee the faithful performance of any agreement for the applicant's construction of the water facilities. The surety bond, cash or security shall be in the sum of one hundred percent (100%) of the estimated cost of the work, or in such other sum as may be fixed by the District. The surety bond, cash or security shall, in addition to guaranteeing the faithful performance of the work, guarantee the maintenance of the portion of the water facilities constructed by the applicant for a period of one year following the District's written acceptance of the work. *(Amended by Ordinance 85-1)*

**4.15 Liability**

The District and its officers, agents and employees shall not be liable for any injury or death of any person or damage to any property arising during or stemming from, the performance of any work by an applicant. The applicant shall be answerable for, defend, indemnify and hold harmless, the District and its officers, agents and employees, including all costs, expenses, attorney's fees and other fees and interest, incurred in defending the same or in seeking to enforce this provision. The applicant shall be solely liable for any defects in the performance of the applicant's work or for any failure, damage, injury, claim or loss, which may develop therefrom.

**4.16 Dedication Requirements**

An Offer of Dedication of the water facilities excluding any private water lines shall be included in any application for a permit. The District shall not accept for dedication any portion of the water facilities, which are not constructed in conformity with the requirements of the main line extension agreement, if any, and of this Chapter. *(Amended by Ordinance 85-1)*

**4.17 As-Built Plan**

Two (2) sets of blue-line prints and one (1) set of reproducible drawings delineating as-built water lines and appurtenances shall be filed with the District, prior to and as a condition of, the District's approval and acceptance of construction by an applicant. No certificate of final inspection shall be issued until such prints and drawings are filed.

#### **4.18 Inspection of Construction**

- a. The District shall have the right to inspect all work on the water distribution system during and subsequent to its construction. When construction is completed, the work must be inspected and approved, in writing, by the District before the newly constructed facilities may be connected to the District's distribution system. No construction shall be covered at any time unless it has been inspected and approved by the District. No facilities shall be connected to the District's system unless the District has performed tests indicating the new construction is satisfactory and the facilities have been cleaned of any debris accumulated from construction operations. *(Amended by Ordinance 90-3)*
- b. The applicant shall give the District at least forty-eight (48) hours advance notice, Saturdays, Sundays and holidays excluded, of when it wishes the District to perform an inspection. If work is inspected and deemed inadequate, the District shall so notify the applicant in writing and identify the deficiencies in the project. *(Amended by Ordinance 90-3)*

#### **4.19 Certificate of Final Inspection and Completion**

When the District determines that a work done; under the permit and main line extension agreement, if any, has been constructed according to and meets the requirements of all applicable provisions of this Chapter, the agreement, and other District rules and regulations, and when any fees have been paid, the General Manager, subject to any procedure which may be adopted by the Board, shall authorize the issuance of the Certificate of Final Inspection and Completion. *(Amended by Ordinance 85-1)*

#### **4.20 Ownership Upon Dedication**

When the Certificate of Final Inspection and Completion is issued, the District shall accept the Offer of Dedication and authorize the connection of the new water facilities. Upon connection to the District's distribution system, the new water facilities, excluding private water lines, shall become the exclusive property of the District.

#### **4.21 Testing of Backflow Devices**

Pursuant to County Ordinance, certain categories of District customers are required to install, maintain and test annually backflow devices. District personnel are certified to perform the annual testing and, upon the customer's request, will do so on a time-and-materials- basis charged to the customer and collectible as any other District fee. *(Added by Ordinance 89-1)*

## **SECTION 5.00 Main Line Extensions**

### **5.01 Water Main Extension**

Any person requesting water service from the District, which necessitates an extension of the District's main line, shall apply to the District for a main line extension agreement on the forms prescribed by the District.

### **5.02 Formation of an Assessment District**

At the District's sole ~~option~~discretion, the District may utilize any statutory or other procedure concerning assessment districts to finance the construction of the main line extension, metered service connections and related appurtenances.

### **5.03 Size of New Main Line**

The District may require the installation of a main line larger than that necessary to adequately serve the applicant's property. When the District requires the installation of a larger main line, the District shall either:

- a. Pay the difference in cost, as determined by the District, between the size necessary to service the applicant's construction and the larger main line;
- b. Perform the installation itself, subsequent to the receipt from the applicant of a sum sufficient to cover the cost of installation, and other necessary expenses, of the main line required by the applicant;
- c. Require the applicant to construct the larger line subject to reimbursement as hereinafter provided.
- d. A combination of the foregoing.

### **5.04 Reimbursement for Extension**

When an applicant enters into a main line extension agreement with the District, which requires the installation of a main line larger than that necessary to adequately serve the applicant's property, the agreement shall provide for a refund to the applicant as follows:  
*(Amended by Ordinance 89-2)*

- a. Within the limits specified herein, when the mainline extension has been installed at the applicant's sole expense, the applicant shall be eligible for reimbursement of applicant's cost based upon the applicant's and other customer's pro rata use, as determined by the District, of the extension. *(Amended by Ordinance 89-2)*
- b. The District shall levy on all customers connecting into the extension financed by applicant; a fee determined by the District and based on the connecting customer's pro

rata use of the extension and the actual cost of the extension. *(Amended by Ordinance 89-2)*

- c. Within ninety (90) days of the District's receipt of any money pursuant to ~~Section~~ 5.04(b), the District shall pay such money to the applicant. *(Amended by Ordinance 89-2)*

#### **5.05 Pre-Existing Main Line Extension Agreements**

Notwithstanding any section of this Chapter, all main line extension agreements, on or before adoption of this water code, shall be governed by the rules under which the pre-existing main line extension agreements were made at the time of execution of that particular agreement.

### **SECTION 6.00 Permits and Fees**

#### **6.01 Permit Required**

No persons, other than those specifically excluded by this Chapter, shall uncover or cause to be uncovered, construct or cause to be constructed, use or cause to be used, alter or cause to be altered, or connect to or cause to be connected to, any public water main or other portion of the distribution system or services owned by the District without first obtaining a permit from the District, paying the applicable fees, and complying with all other applicable provisions of this Chapter.

#### **6.02 Application for Permit**

Any person legally entitled to apply for and receive a permit shall make application for a permit on forms provided by the District for that purpose. Any applicant shall describe the proposed construction and location, ownership, occupancy, and use of the premises in connection therewith. The General Manager may require, in addition to the information specified, any additional information from the applicant, which will enable the General Manager to determine that the proposed connection complies with the provisions of this Chapter.

#### **6.03 Unauthorized Usage of Permit**

- a. Upon prior written approval of the District, a person to whom a permit has been issued may transfer such a permit to another person solely for the same use and premise for which the permit was issued, subject to all terms and conditions under which the permit was issued. The transferee shall meet all requirements of the District relating to the transfer.
- b. Usage of permit for a premise other than the premises for which the permit was issued shall be unauthorized usage and shall render the permit void and invalid.

- c. A person engaging in an unauthorized useage of the permit shall apply to the District for an appropriate permit. If the District issues the permit, the applicant shall pay the appropriate current fees and charges.

**6.04 Persons Excluded From This Section**

The provisions of this Section 6.00 may be waived by the General Manager District for contractors constructing water facilities or improvements under contract with the District, or under contract awarded by the District under proceedings pursuant to any of the special procedure statutes of the State providing for the construction of water facilities and assessing of the expenses thereof against the lands benefited thereby. *(Amended by Ordinance 85-1)*

**6.05 Plan Checking**

No permit shall be issued until the District has checked and approved the plans in accordance with the applicable provisions of this Chapter. *(Amended by Ordinance 85-1)*

**6.06 Payment of Fees and Charges**

No permit shall be issued until all fees and charges in connection therewith are paid to the District.

**6.07 Applicant's Agreement to Comply with Code**

The applicant's signature on an application for a permit or the applicant's acceptance of any permit shall constitute an agreement by the applicant to comply with all the provisions, terms and requirements of the District's Water Code, with all other rules and regulations of the District, and with the plans and specifications the applicant has filed, together with such corrections or modifications, if any, as may be permitted or required by the District in writing. This agreement shall be binding upon the applicant and the applicant's successors in interest, and may be altered only by the District in writing upon the applicant's written request.

**6.08 Time Limits on Permits**

If work under permit is not commenced within six (6) months from the date of issuance of suchthe permit or if, after commencing, the work isbe discontinued for a period of one (1) year, the permit shall become void and no further work shall be undertakening until a new permit shall have been secured and a new fee paid therefore at applicable rates then in effect.

**SECTION 7.00 Potable and Untreated Water Rates and Charges**

**7.01 Water Service When Service Connection is Adequate**

Where an existing and adequate service connection and/or meter are properly connected to the District's distribution system, and which is or

has been legally servicing the premises or for which a District connection permit has been issued, an applicant for water service from the District shall be entitled to such service after the applicant submits an appropriate application to the District, and complies with all other District regulations. However, if the applicant is delinquent in any bills to the District, the applicant shall pay such bills in full, prior to receiving District water service.

**7.02 Water Service When Service Connection Is Inadequate**

Where the installation or enlargement of a main line, service connection or meter is necessary prior to the District's supplying service to an applicant, the applicant shall submit a connection permit application to the District for service. If the District has sufficient water supply and system capacity to supply water, the District shall accept the application. The District shall furnish the water service subsequent to the applicant's construction, or payment for the construction, of the necessary portions of the distribution system; the applicant's payment of all fees to the District, the applicant's compliance with all District rules and regulations; and the applicant's payment in full of all delinquent charges, if any, owed to the District.

**7.03 Installation Fees**

When the District installs a service connection or meter, the District shall collect a fee from an applicant prior to the installation of service connection and meters except for service under 8.02 for temporary water service. The installation of all service connections or meters shall be on the basis of actual average costs, labor and parts for the particular type of installation as determined from time to time by the General Manager and/or Board of Directors of the District. *(Amended by Ordinance 90-1)*

**7.04 Community Facility Fee**

The District shall collect from all applicants for water service under Section 7.02, a community facilities fee to ensure the continued availability of the facilities for water service through periodic system expansion and replacement. The community facilities fee shall be paid as specified in the Community Facilities Fee Code. *(Amended by Ordinance 87-4)*

**7.05 Rates for Metered Service**

- a. General metered service shall be as follows: *(Amended by Ordinance 2011-02)*

Monthly Charges

|                            |                   |
|----------------------------|-------------------|
| Basic service charge       | \$ 25.33/mo       |
| Debt Service Prefunding    | \$ 0.75/mo        |
| Reserve Contribution       | <u>\$ 5.84/mo</u> |
| Total Basic Service Charge | \$ 31.92/mo       |



|   |                   |
|---|-------------------|
| Volumetric Rate                         |                   |
| Basic volumetric rate                   | \$ 0.0124/cu. ft. |
| Debt Service Prefunding volumetric rate | _____             |
|   | \$ .0005/cu.ft.   |
| Total Volumetric Rate                   | \$ .0129/cu.ft.   |

- b. Metered service to residential lots at Murieta Village shall be as follows: *(Amended by Ordinance 2011-02)*

|                            |             |
|----------------------------|-------------|
| <u>Monthly Charges</u>     |             |
| Basic service charge       | \$ 25.33/mo |
| Debt Service Prefunding    | \$ 0.75/mo  |
| Reserve Contribution       | \$ 5.84/mo  |
| Total Basic Service Charge | \$ 31.92/mo |

|   |                   |
|---|-------------------|
| Volumetric Rate                         |                   |
| Basic volumetric rate                   | \$ 0.0124/cu. ft. |
| Debt Service Prefunding volumetric rate | _____             |
|   | \$ .0005/cu. ft.  |
| Total Volumetric Rate                   | \$ .0129/cu.ft.   |

- c. Non-Residential metered service shall be as follows: *(Amended by Ordinance 2011-02)*

Monthly Charges  
 Basic service charge for non-residential metered service shall be calculated on number of meters and an EDU basis for each customer multiplied by the basic service charge reflected in Section 7.05 a. above.

|   |                  |
|---|------------------|
| Volumetric Rate                         |                  |
| Basic volumetric rate                   | \$0.0124/cu. ft. |
| Debt Service Prefunding volumetric rate | _____            |
|   | \$ .0005/cu.ft.  |
| Total Volumetric Rate                   | \$ .0129/cu.ft.  |

- d. Zero Usage Billing  
 Residential and non-residential meters are billed based on actual water usage each month. In the event the water meter read is zero usage, the account will have an estimated usage charge equal to the usage as in the same month in the prior year. This usage amount will be billed at the current volumetric rate per cubic foot.

**7.06** **Is hereby deleted and shall remain vacant.**  
*(Amended by Ordinance 93-1)*

**7.07** **Service from Fire Hydrants**

Service hereunder is for water obtained from a fire hydrant for construction water or for other purposes (filling swimming pools). The applicant for such service shall pay under one of the following schedules: *(Amended by Ordinance 2011-01)*

a. For metered use:

1. A refundable deposit of ~~of~~ \$1,000 for a fire hydrant meter to cover any repairs required to the meter resulting from use by the applicant.
2. A flat charge of the current year's residential metered lot rate per month, for each month or fraction of a month that the applicant has the service.
3. A consumption charge based on usage rate on a per 100 cubic feet basis.
4. A minimum billing in any month shall not be less than ~~-~~\$50.00.

b. For load counts: *(Amended by Ordinance 2011-01)*

1. A water truck load count or bulk water usage for other purposes shall be tallied and water charged at the current usage rate on a per 100 cubic feet.
2. Billings under one application in any one month shall be not less than \$50.00.

**7.08** **Water Standby or Availability Charge**

The District ~~may~~ shall fix, on or before the first day of July in each calendar year, and ~~will~~ annually collect a water standby or availability charge not to exceed ten dollars (\$10.00) per year for each acre of land, or ten dollars (\$10.00) per year for each parcel of land of less than an acre within the District to which water is made available for any purpose by the District, whether the water is actually used or not. The District may establish schedules varying the charges depending upon factors such as the use to which the land is put, the cost of transporting the water to the land and the amount of water used by the land. *(Amended by Ordinance 88-8)*



**7.09 Fees for Line Extension Applications and Plan Review**

Fees for line extension applications, plan reviews, and construction inspection shall be as established by the General Manager, based upon the reasonable costs of providing the service. *(Amended by Ordinance 88-8)*

**7.10 Rates for Use of Untreated Water**

*(Amended by Ordinance 88-8)* The charge for untreated water shall be the sum of each of the following four categories of charges, as applicable:

- a. For use of untreated water pumped from storage in Calero Reservoir \$38.16 per acre-foot.
- b. For water delivered by the District to its customers by means of the Cosumnes Irrigation Association Canal:  
*(Amended by Ordinance 2011-02)*

Base rate \$197.18/ month  
(Includes 375,000 cu ft.)

Volumetric rate \$.044/100 cu ft.  
(After first 375,000 cu ft.)

- c. Water delivered from Bass Lake *(Amended by Ordinance 93-1)*

\$324.54 per month

- d. Water delivered from Laguna Joaquin:

Volumetric rate \$.11/100 cu ft.

**7.11 Inspection Fees**

- a. A fee based upon costs, labor and parts shall be paid to the District for issuing a permit and inspecting each water line. The amount of this fee shall be determined, from time to time, by the General Manager and/or Board of Directors of the District. *(Amended by Ordinance 90-3)*
- b. Inspection charges shall be paid prior to connection to the District's distribution systems. *(Amended by Ordinance 90-3)*

**SECTION 8.00 Special Types of Potable or Untreated Water Service**

**8.01 Water Service Outside District**

- a. The District may provide or allow water service to persons outside its boundaries when the Board finds that such service shall not adversely affect the water service within the District- ~~A~~and that a surplus supply of water and

water facility capacity exists. (*Amended by Ordinance 85-1*)

- b. In the event that, because of increased usage or other causes, service outside the District becomes adverse to the District's interest or the interest of District customers located within the District or surplus water and/or pipeline capacity is no longer available for such outside use, the District may discontinue or disconnect the service outside the District 120 days after the District gives written notice to the person or premises receiving the water that such outside service is to be terminated.
- c. Except as set forth in this Section, the rules and regulations of the District shall apply to all customers outside the District.
- d. Rates and charges to all customers outside the District shall be one hundred fifty percent (150%) of the applicable rate and charges for customers within the District, as set forth in Section 7.00. No Capital Improvement Connection Fee (CICF) shall be charged for water service outside the District.
- e. Prior to receiving service, a customer outside the District shall deposit an amount equal to three (3) months of the District's applicable rates for water service.
- f. The supply of water to persons outside the District shall not create a vested right with the person outside the District to continue to receive water service from the District for any credit or refund for improvements made to receive such water service.

**8.02 Temporary Potable or Untreated Water Service**

Before temporary service is supplied through a fire hydrant or other connection, the applicant shall obtain a permit or other written approval from the District.

- a. The applicant for temporary water service shall pay the charges set forth in Section 7.07.
- b. Temporary service may be interrupted for fire, testing or other conditions deemed necessary by the District.

**SECTION 9.00 Collection of Potable or Untreated Water Rates and Enforcement Provisions**

**9.01 Collection of Charges for Water and Other Services**

The periodic charges imposed by this Chapter may be collected together with charges for any other utility service supplied by the District. If all or any part of the bill is not paid, the District may discontinue any or all of the service for which the bill is rendered in the manner herein provided.

**9.02 Billing**

All water service accounts shall be billed monthly.

- a. Flat rate accounts shall be billed during the service period (approximately thirty (30) days) for which the bill is rendered.
- b. Metered accounts shall be billed in arrears; meters shall be read as nearly as possible at regular intervals.

**9.03 Persons Billed**

- a. The District shall bill the property owner directly for all water services provided the owner's premises. *(Amended by Ordinance 90-6)*
- b. The property owner shall be liable for payments of all District charges. *(Amended by Ordinance 90-6)*

**9.04 Due Date**

Bills for water service are due and payable when mailed. *(Amended by Ordinance 87-6)*

**9.05 Delinquency**

A bill for service is delinquent if not paid and received at the Rancho Murieta Community Services District Office by the 25<sup>th</sup> day of the month following the month in which the bill was mailed. *(Amended by Ordinance 98-3)*

**9.06 Delinquencies – Basic Penalty**

- a. A one-time basic penalty of ten percent (10%) shall be added to each delinquent bill for the first month the bill is delinquent. *(Amended by Ordinance 96-3)*
- b. After levying the basic penalty provided in Section 9.06 (a), the District shall thereafter levy an additional penalty of one-half percent (.5%) per month to all delinquent charges and basic penalties remaining unpaid, until and unless the Board requests the County Auditor to include the amount of all delinquent rates, charges and penalties

on the bills for taxes levied against the appropriate premises as set forth in Section 9.09. (Amended by Ordinance 96-3)

**9.07 Payment of Part of Delinquency**

Monies paid where any portion of an account is delinquent, shall first be credited to the delinquent portion of the bill and then to current billing.

**9.08 Liens**

Unpaid water service charges imposed by this Chapter, when the charges are recorded, shall constitute a lien upon the parcel of real property to which the water service was supplied. The District shall include a statement on its bills to the effect that any water service charges and penalties thereon remaining unpaid shall, when recorded constitute a lien on the parcel to which the water service was supplied. The District may, from time to time, compile lists of such delinquent charges and record them with the County Recorder as liens, provided that the District shall first have given notice to the customer.

**9.09 Collection of Delinquent Charges with Taxes**

All rates, charges, penalties and interest, which remain delinquent, may be collected in the same manner as the general taxes for the District for the forthcoming year, provided that the District shall first have given the customer notice and an opportunity to be heard as provided by law. After delinquent amounts have been turned over to the County Auditor for collection, no payment shall be received by the District on the delinquent amounts except as collected by the County Tax Collector.

**9.10 Meter Testing**

The District may test meters at any time and shall test a meter upon the written request of a customer who first deposits twenty five dollars (\$25.00) with the District. Testing will be in accordance with AWWA Standards, Manual of Practice, M6 for cold water service meters. If the test indicates the meter is registering within five percent (5%) of 100% accuracy, the testing fee shall be retained by the District to cover its cost of testing. If the test indicates the meter is more than five percent (5%) in error, the testing fee shall be refunded to the customer and the District shall repair or replace the meter at its discretion. If the meter error is in the District's favor, a supplemental bill may be rendered to the customer equal to the difference between the customer's average bill for comparable service and the customer's actual bills for the preceding two billing cycles.

**9.11 Adjustment of Bills**

The **District staff or General Manager** may adjust or grant **credits** from the rates or fees provided in this Chapter in the event of a dispute relating to a charge to a customer provided, however, that all parties

affected shall have a right to appeal the **District staff** or General Manager's determination to the Board of Directors within fifteen (15) days after receipt of the General Manager's written decision. The decision of the Board of Directors thereon, shall be final and binding on all parties.

## **SECTION 10.00 ConservationWater Use Efficiency**

### **10.01 Definitions**

As used in Section 10.00, the following terms shall have the specified meanings.

- a. Dwelling Unit  
Dwelling unit shall mean any structure intended for human habitation or use, either transient or permanent.
- b. Pressure Reducing Valve  
Pressure reducing valve shall mean a valve device, which regulates water pressure to structures and is designated to permit the pressure for use within that structure.
- c. Public Use  
Pubic use shall mean all commercial or industrial establishments, including restaurants, bars, public buildings, comfort stations, schools, gymnasiums, or other places to which the public has access or which are frequented by the public with or without special permission or invitation, and installation where both free and pay fixtures are installed so that the fixtures' use is similarly unrestricted.
- d. Self-Closing Valve  
Self-closing valve shall mean a valve device designed to close by spring or by water pressure when left unattended.
- e. Water **Saving**Efficient Aerator  
Water **saving**efficient aerator shall be USEPA WaterSense labeled product and mean an aerator equipped to limit water flow to a maximum of **three**1.5 gallons per minute (gpm) or less for residential buildings.
- f. Water **Saving**Efficient Showerhead  
Water efficient showerhead shall be USEPA WaterSense labeled product and mean a water efficient showerhead (with one showerhead per shower stall) equipped to limit water flow to a maximum of 2.0 gpm or less for residential buildings.

g. High Efficiency -or Ultra Low Flow Toilet  
~~Water saving~~ High efficiency toilet shall be USEPA WaterSense labeled product and mean a tank type toilet or water closet designed to function with a maximum ~~three and one half~~ rated flush volume of 1.28 gallons per flush or less. An ultra low flow toilet is rated at 1.6 gallons per flush per the California State Building Codes.

h. Weather Based Irrigation Controller  
An irrigation controller that has automated watering schedules using climate or soil moisture sensing capability in accordance with requirements of the California Building Standards CalGreen Code.

## 10.02 Water Waste

No person shall cause or permit any water furnished to the person's premises by the District to run to waste: as defined in Section 11.01. The District may, pursuant to the requirements of Section ~~11.00~~ 11.00, disconnect the District's service to any premises and/or customer for the customer's failure to comply with this Section. The District may inspect or install test meters in un-metered service to determine compliance.

## ~~10.03~~ Leaky Fixtures

~~It shall be unlawful for any person to maintain or allow on the person's premises leaky or faulty water fixtures or devices to which District water is supplied, so that District water is wasted thereby. Failure to repair or disconnect such leaky or faulty devices within seven days after being notified in writing to do so by the District, shall be sufficient cause for the District to disconnect its water service for such premises, pursuant to the requirements of Section 11.00, until the repairs have been made.~~

## ~~10.04~~ Conservation Devices Required on New or Remodeled Dwelling Units

All new dwelling units that require a Sacramento County Building permit that are connected to the District distribution system, after the effective date of this Chapter, shall be constructed pursuant to the California State Building Codes otherwise known as the "CalGreen Code" and be USEPA WaterSense labeled homes. For any remodeled units that require a Sacramento County Building permit that are connected to the District distribution system, after the effective date of this Chapter, shall be ~~equipped with~~ constructed pursuant to the California State Building Codes otherwise known as the "CalGreen Code" and any replaced or remodeled fixtures shall be District-approved water ~~saving showerheads, water saving aerators on sinks and lavatories, and water saving toilets.~~ efficient equipment, plumbing fixtures and appliances and be USEPA WaterSense labeled products. Pressure reducing valves shall be installed on new dwelling units where



District approved improvement plans call for such installation in accordance with District Standards.

**10.0504 Conservation Devices Required on New or Remodel Public Users**

All new public users or users remodeling facilities that require a Sacramento County building permit and are connected to the District distribution system after the effective date of this Chapter, shall be equipped with District-approved water ~~saving showerheads, water saving toilets, and self-closing valves on lavatories~~ efficient equipment, plumbing fixtures and appliances pursuant to the California State Building Codes otherwise known as the "CalGreen Code" and be USEPA WaterSense labeled products. Pressure reducing valves shall be installed on new public use facilities where District approved improvement plans call for such installation in accordance with District Standards.

**10.05 Water Efficient Landscape Requirements**

Landscape design, installation, maintenance, and management can and should be water efficient. All new or modifications to existing landscape areas subject to Homeowner Association review or County permit approvals are required to comply with the California Water Conservation Landscaping Act of 2006 (Assembly Bill 1881, Laird) and Model Water Efficient Landscape Ordinance effective January 1, 2010 or, when adopted, the least as effective as Sacramento County Water Efficient Landscape Requirements (Chapter 14.10). The District allows the use of all types of water efficient plant materials, including artificial turf. Allowable water efficient plant materials are identified on the District approved plant list. The District prohibits any plants considered invasive to the local waterways, such as invasive plants listed by the California Invasive Plant Council.

**10.06 Air Conditioning and Refrigeration Devices**

All new or replacement air conditioning and refrigeration systems using water from the District distribution system or discharging to the District sewer system, installed after the effective date of this Chapter, shall be equipped with water conservation devices of sufficient capacity to limit makeup water to a maximum 0.2 GPM per ton of rated capacity under full loading at a maximum summer temperature of 105 degrees Fahrenheit.

**10.07 Evaporative Coolers**

Evaporative coolers installed after the effective date of this Chapter shall be equipped with a re-circulating pump. The makeup supply line shall be equipped with an inlet valve, which shall open ~~only when makeup water is required~~ according to manufacturer specifications. Makeup water shall be used intermittently, and not continuously, as required due to discharge that shall occur only on an as needed basis

to remove high total dissolved solids (TDS) levels on the order of more than 2,000 parts per million (ppm).

## **10.08 Swimming and Wading Pools**

All swimming or wading pools installed after the effective date of this Chapter, which have a capacity of over two thousand gallons of water, and which use water from the District distribution system or which discharge water into the District sewer system, shall be equipped with re-circulating systems and approved filters. Pool covers are recommended but not required.

## ~~10.09 Irrigation and Sprinkling~~

~~Excessive runoff~~ **SECTION 11.00 Water Waste**

## **11.01 Wasteful Use of Water**

Any of the following acts or omissions, whether intentional, unintentional, willful or negligent, shall constitute the wasteful use of water:

- a. Water flowing away from a property caused by excessive application(s) of water beyond reasonable or practical irrigation rates, duration of application, or other than incidental applications to impervious surfaces.
- b. Causing or permitting an amount of water to discharge, flow, run to waste into or flood any gutter, sanitary sewer, water course or storm drain, or to any adjacent lot, from any tap, hose, faucet, pipe, sprinkler, or nozzle. In the case of irrigation, "discharge," "flow" or "run to waste" means that water is applied to the point that the earth intended to be irrigated has been saturated with water so that additional applied water then flows over the earth. In the case of washing, "discharge," "flow" or "run to waste" means that water in excess of that necessary is applied to wash, wet or clean the dirty or dusty object, such as an automobile, sidewalk, or parking area.
- c. Allowing water fixtures or heating or cooling devices to leak or discharge water.
- d. Maintaining ponds, waterways, decorative basins or swimming pools without water recirculation devices or with known leaks, both seen and unseen.
- e. Discharging water from, and refilling, swimming pools, decorative basins or ponds in excess of the frequency reasonably necessary to maintain the health, maintenance or structural considerations of the pool.



basin or pond, as determined by the ~~District's~~ General Manager.

- f. Overflowing of any pond, pool or fountain which results in water discharging from the pond, pool or fountain.
- g. Continued operation of an irrigation and sprinkling shall system that applies water to an impervious surface or that is in disrepair.
- h. Use of a water hose not be allowed. (Amended by Ordinance 87-9) equipped with a control nozzle capable of completely shutting off the flow of water except when positive pressure is applied.

#### **~~10.10~~ Charge for Waste Water**

- ~~i.~~ The amount of irrigation of any water wasted in any manner prescribed by this Chapter shall be estimated lawns or landscaping when it is raining.
- j. Irrigating lawns or landscaping between the hours of 10:00 a.m. and 10:00 p.m., with the exception of drip irrigation or hand watering, as otherwise authorized pursuant to this Section, unless a variance is granted by the General Manager and charged. Exceptions are accepted for District approved weather based irrigation controllers.
- k. Using potable water from the District's water system for at the rates set by the Board of Directors compaction, dust control or other construction purposes without first obtaining approval from the General Manager as provided in Section 7.07 and a meter from the District.
- ~~l.~~ Installing a single-pass cooling system, such as water cooled air compressor, in any property that is newly connected to the District water system. This does not apply to evaporative cooling systems.
- m. Installing a non-recirculating system in any new automatic car wash or new commercial laundry system or failure to utilize current best management practices for water conservation that are industry standards.

#### **~~11~~ Construction.02 Determination of Wasteful Uses**

of Water uses for dust control, curing, compacting, cleaning or other construction use may be subject to limitations and shall not interfere with other domestic uses.

It shall be unlawful for any person to waste water as defined above in Section 11.01. Violations will be based on observation(s) and documentation of waste by District staff, including but not limited to evidence of a continually running water meter readings and/or physical inspection, and/or visual observation of the occurrence. Violations are subject to the enforcement and penalty provisions in Section 13.00.

### **11.03 Repair of Leaky Indoor or Outdoor Fixtures**

It shall be unlawful for any person to maintain or allow on the person's premises leaky or faulty water fixtures or devices to which District water is supplied, so that District water is wasted thereby. Failure to repair or disconnect such leaky or faulty devices within seven (7) days after being notified in writing to do so by the District, shall be sufficient cause for the District to disconnect its water service for such premises, pursuant to the requirements of Section 13.00, until the repairs have been made. At the discretion of the District, the customer may be informed in writing that the leak must be repaired more quickly, in which case the customer shall repair the leak in the time specified by the General Manager.

## **SECTION 12.00 Drought Response**

### **Determination of Drought**

In determining the District's water system's Drought Stage, the General Manager shall determine whether that system's water supplies available for potable use are sufficient to meet the current customer demands on that system and shall consider, unless otherwise excluded by this section, all relevant factors. The General Manager shall consider, among other things:

- a. any variations in the reliability of the Lake Water or other supplemental supplies available to the District's water system, which may be indicated by Department of Water Resources monitoring data in the Cosumnes River watershed (such as snow survey, rainfall precipitation, previous year runoff pattern data);
- b. gauge monitoring that indicates below normal Cosumnes River flow conditions that may affect the District's ability to pump water to the Lakes System;
- c. availability of non-potable water to meet non-potable demands on the District's water system; and
- d. the success, or lack thereof, of previous declarations of a less stringent Drought Stage in causing the water-use reductions sought by the District.
- e. the General Manager will select the necessary stage for response to the drought based on the provisions outlined

in the District Board adopted Water Shortage Contingency Plan.

f. The Board of Directors shall make the final drought declaration upon review of the General Manager's drought determination.

**SECTION 13.00 Enforcement, Disconnection and Restoration of Service**

**4413.01 Enforcement**

The General Manager shall enforce the provisions of this Chapter and, for such purposes, shall have the powers of a peace officer, if deputized or if authorized by law. Such power shall not be regarded as limitations on or otherwise affecting the powers and duties of the County Health Officer.

**4413.02 Violation of Chapter**

In the event of a violation of any laws, ordinances, rules or regulations of the State of California, the County of Sacramento, or the District, respecting the subject matter contained herein, the District shall notify in writing the person or persons causing, allowing, or committing such violation and the General Manager shall have the authority to issue penalties and/or disconnect the property served from the District distribution system, in the manner set forth herein.

**4413.03 Penalties**

The goal of the provisions of this chapter are to achieve voluntary compliance from the customer, and the District will take reasonable measures to assure the customer has information available to promptly and efficiently address water use issues. Where voluntary compliance cannot be achieved through initial contacts and warnings, then appropriate administrative penalties and further action are required. Except as otherwise provided herein, violations of any provision of this chapter shall be addressed as follows:

| <b><u>Violation</u></b> | <b><u>Penalty</u></b>   |
|-------------------------|---|
| <u>First</u>            | <u>Personal or written notification of the violation</u>        |
| <u>Second</u>           | <u>Written notification and issuance of a notice to correct</u> |
| <u>Third</u>            | <u>Issuance of an administrative penalty of \$100</u>           |
| <u>Fourth</u>           | <u>Issuance of a penalty of \$200</u>                           |
| <u>Fifth</u>            | <u>Issuance of a penalty of \$500</u>                           |

|              |   |
|--------------|---|
| <u>Final</u> | <u>Disconnected water service and/or other penalties as provided in the notice of violation and as determined by the General Manager.</u> |
|--------------|---|

**13.04 Penalties in Times of Water Shortage**

In addition to any other penalties provided by this chapter, if a customer of the District water system violates any of the water use restrictions during a stage two, three, ~~and~~ four water shortage stage as set forth in Water Shortage Contingency Plan, and such conditions are not corrected within five (5) days after the customer is given written notice, the District is authorized to bill the customer, as a penalty, at twice the metered rate during the time that the violation continues and the penalties specified in Section 13.03 above may be increased by up to 100%—on the penalties listed above in Section 13.03.

**13.05 Appeal**

There shall be no appeal of the water use restrictions identified in this Chapter or the Water Shortage Contingency Plan. Any appeal of other matters or decisions of District staff shall be appealable in writing to the General Manager within ten (10) days and if still unresolved a second appeal may be sent in writing to the District Board of Directors within ten (10) days of the General Manager’s decision.

**13.06 Variances**

In unusual circumstances, application of this chapter may cause unnecessary hardships or results inconsistent with this chapter's purposes and intent. Therefore, variances to some of the requirements of this chapter may be appropriate as described below:

a. Authority to Grant Variances.

The General Manager may grant variances to water use restrictions provisions during a stage one, two, or three Drought Stage as specified in the Water Shortage Contingency Plan. During stage four drought, —as specified in the Water Shortage Contingency Plan, any previously granted variances shall be suspended without notice, unless they are based on a critical health need as determined by a licensed medical professional, with such determination being provided to the General Manager.

b. Other Variances.

Customers who seek a variance from this chapter for any reason shall submit to the District a written request for variance, setting forth, in detail, the extraordinary circumstances that support the application. The General Manager may approve the application in his or her

discretion; provided, that the variance allows the applicant to use only the minimum amount of water in addition to that allowed by this chapter that the General Manager reasonably believes is necessary to satisfy the circumstances that support the application. Any such variance shall terminate one (1) year after its issuance, subject to an application for its renewal.

### **13.07 Disconnection**

As an alternative method of enforcing the provisions of this or any other Chapter, rule or regulation of the District, the General Manager shall have the authority to disconnect the customer from the District's distribution system, without liability to the District, in the following manner:

- a. At least ten (10) days before the proposed disconnection of any service, a customer shall be provided with written notice of the procedure for the availability of an opportunity to discuss the reasons for the proposed disconnection of service.
- b. After notice has been given as specified in subparagraph (a) and prior to disconnection of service, a customer shall have the opportunity to discuss the reason for the disconnection with an employee designated by the District who shall be empowered to review disputed bills, rectify errors and settle controversies pertaining to disconnection of service.
- c. No service shall be disconnected by reason of delinquency in payment of bills on any Saturday, Sunday, legal holiday, or any time during which the District's office is not open to the public.

### **~~11.05~~ 13.08 Settling Disputes**

The General Manager is hereby authorized to review disputes pertaining to any matters for which service may be disconnected and to adjust errors and settle disputes.

### **~~11.06~~ 13.09 Public Nuisance and Abatement**

During the period of disconnection, the habitation of such disconnected premises by human beings shall constitute a public nuisance, which shall authorize the District to bring proceedings for the abatement of the occupancy of the premises during the period of the disconnection. In such event, and as a condition of restoring service, the District shall be paid reasonable attorney's fees and costs ~~of suit~~ arising from such action, plus any other necessary charges for or incurred in the restoration of service.

**~~41-07~~13.10 Restoration of Service**

When service under this Chapter has been disconnected for any reason, the service shall not be restored until all unpaid sums are paid in full, plus all District expenses for disconnecting and restoring the service, plus a seventy-five dollar (\$75.00) restoration fee. (*Amended by Ordinance 85-1*)

**~~13.11-08~~ 13.11 Recovery of Costs**

In the event that the District is required to bring legal action to enforce any provision of this Chapter, including but not limited to the collection of delinquent fees and charges, the District shall be entitled to recover its reasonable attorney's fees, interest and other costs of suit.

**~~41-09~~13.12 Means of Enforcement Only**

The District hereby declares that the foregoing procedures are established as a means of enforcement of the terms and conditions of its ordinances, rules, and regulations and not as a penalty.

**~~41-10~~13.13 Cumulative Remedies**

All remedies set forth herein for the collection and enforcement of rates, charges, and penalties are cumulative and may be pursued alternatively, concurrently or consecutively.

**~~41-11~~13.14 Misdemeanor**

A violation of any provision of this Chapter is a misdemeanor, punishable by a fine not to exceed five hundred dollars (\$500.00) or by imprisonment in the County Jail not to exceed six (6) months, or both. Each and every day, or part of day that a violation of the Chapter continues, shall be deemed a separate offense hereunder and shall be punishable as such.

**13.15 Fire and Other Emergencies**

Nothing in this chapter limits, or may be construed as limiting the availability of water for extinguishing fires, meeting the demands of any other similar emergency, or routine inspection and maintenance of fire hydrants.

**SECTION ~~42~~14.00 Severability**

The Board hereby declares that it would have passed this Ordinance and thereby adopted this Chapter or any section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared to be unconstitutional.

If any section, subsection, sentence, clause or phrase of the Ordinance of the application thereof to any person or circumstances is for any reason held unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Chapter or the application of such provisions to other persons or circumstances.



## MEMORANDUM

Date: January 12, 2012  
To: Improvements Committee  
From: Darlene Gillum, Director of Administration  
Subject: Adopt Ordinance 2011-05, Adopting District Code Chapter 17, Recycled Water Code

---

### RECOMMENDED ACTION

1. Acknowledge the Second Reading of Ordinance 2011-05; and
2. Adopt Ordinance 2011-05, an Ordinance adopting District Code Chapter 17, the Recycled Water Code.

### BACKGROUND

As a continuation of our Integrated Water Master Plan (IWMP) Update (adopted in October 2010) next steps with the planned future expansion of the recycled water distribution system, Lisa Maddaus has been working on the proposed new District Code, Chapter 17, Recycled Water Code. This Code is closely aligned with the current District Code, Chapter 14, Water Code, as appropriate. It is also envisioned to be updated in the future with yet to be determined recycled water rates and charges.

Chapter 17 was previously brought to the October 19, 2011 Board meeting for introduction. At that meeting, John Sullivan commented on his concerns with specific sections of the proposed Code. After a discussion, the Board agreed to send this item back to Committee to address Mr. Sullivan's concerns. Lisa Maddaus and staff addressed the concerns raised by Mr. Sullivan at the November 1, 2011 Improvements Committee, which Mr. Sullivan attended. Ordinance 2011-05 was re-introduced at the November 16, 2011 Board meeting. Legal Counsel has already reviewed the Code.

Staff recommends proceeding with the adoption of Ordinance 2011-05, an Ordinance adopting District Code Chapter 17, the Recycled Water Code.

**Improvements Committee recommends adoption.**

**ORDINANCE NO. 2011-05**

**AN ORDINANCE OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT,  
ADDING CHAPTER 17 TO THE DISTRICT CODE ESTABLISHING POLICIES AND  
REGULATION OF THE INSTALLATION, CONNECTION AND USE OF THE DISTRICT  
RECYCLED WATER SYSTEM**

**BE IT ORDAINED** by the Board of Directors of the Rancho Murieta Community Services District, Rancho Murieta, Sacramento County, California, as follows:

**SECTION ONE:**

Chapter 17, Recycled Water Code is hereby added to the District Code and reads as stated in Attachment A.

**SECTION TWO:**

This Ordinance shall be in full force and effect thirty (30) days after its adoption and shall be published and/or posted as required by law.

**PASSED AND ADOPTED** by the Board of Directors of the Rancho Murieta Community Services District, Sacramento County, California, at a meeting held on January 18, 2012, by the following roll call vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Roberta Belton, President  
Rancho Murieta Community Services District

[seal]

**ATTEST:**

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



# RANCHO MURIETA COMMUNITY SERVICES DISTRICT

DISTRICT CODE

CHAPTER 17

## THE RECYCLED WATER CODE

INSTALLATION, CONNECTION AND USE OF THE  
DISTRICT RECYCLED WATER SYSTEM



Adopted January 18, 2012  
Ordinance 2011-05

# DISTRICT CODE

## CHAPTER 17

### POLICES REGULATING THE INSTALLATION, CONNECTION AND USE OF THE DISTRICT RECYCLED WATER SYSTEM

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## CHAPTER 17

### POLICES REGULATING THE INSTALLATION, CONNECTION AND USE OF THE DISTRICT RECYCLED WATER SYSTEM

#### SECTION 1.00 General Provisions

**1.01 Title**

This Chapter shall be known as the "Recycled Water Code" and may be cited as such.

**1.02 Scope of Service:**

The provision of this Chapter shall apply to recycled water supply and service in, upon or affecting the land within the Rancho Murieta Community Services District's service area boundary, and the design, construction, alteration, use, and maintenance of public recycled water mains, reservoirs, recycled water distribution system, pumping equipment and facilities, pressure reducing station connections and services, and all system appurtenances; the issuance of permits and the collection of fees therefore; fees to pay for the costs of checking plans, inspecting construction, and making record plans of the facilities permitted hereunder; providing penalties for violation of any of the provisions hereof, and all other necessary or related matters.

#### SECTION 2.00 Definitions

For the purpose of this Chapter, the following terms shall have the following meanings unless the context clearly indicates otherwise.

**2.01 Applicant**

Applicant shall mean the owner or the agent of the owner of the property for which recycled water service is being requested.

**2.02 Authorized Contractor**

Authorized Contractor shall mean a District approved contractor who has completed appropriate education requirements in order to perform any work associated with the District's or customer's recycled water system.

**2.03 Board**

Board shall mean the Board of Directors of the Rancho Murieta Community Services District.

**2.04 Recycled Water Customer**

Recycled Water Customer shall mean the owner or agent of the owner of the property receiving recycled water service.

- 2.05 Recycled Water Distribution System**  
Recycled Water Distribution System shall mean the system of the pipelines and other appurtenances by which the District conveys recycled water to its customers.
- 2.06 District**  
District shall mean the Rancho Murieta Community Services District.
- 2.07 Main or Recycled Water Mains**  
Mains or Recycled Water Mains shall mean the portion of the recycled water distribution system, which is located in streets, highways, public ways or easements, which are used to supply recycled water to the District's customers.
- 2.08 General Manager**  
General Manager shall mean the General Manager of the Rancho Murieta Community Services District.
- 2.09 Metered Service**  
Metered Service shall mean the provision of recycled water in measured quantities for a charge based on the quantity of recycled water supplied.
- 2.10 Metered Service Connection**  
Metered Service Connection shall mean the portion of the recycled water distribution system by which recycled water is conveyed from the recycled water main to the premises, including the tap, meter, meter box, pipe, corporation stop, curb stop or shut-off valve.
- 2.11 Recycled Water Permits**  
Recycled Water Permits shall mean the District's written approval or authorization for an action. A recycled water permit may only be issued by the District upon the completion of the appropriate District application form for the action sought, payment of all applicable fees and charges, and compliance with all applicable District ordinances, rules and regulations, as well as local, state and federal law.
- 2.12 Point of Connection**  
Point of Connection shall be defined as the location of the recycled water meter located adjacent to the curb, where downstream is the recycled water customer-owned recycled water line and upstream is the district owned infrastructure.
- 2.13 Premises**  
Premises shall mean a parcel of real estate, including any improvements thereon, which is determined by the District to be a single unit for purposes of receiving, using and paying for service.

In making this determination, the District shall take into consideration such factors as whether the unit could reasonably be subdivided and whether the unit is being used for a single enterprise, apartment or dwelling.

**2.14 Customer Recycled Water Line**

Customer Recycled Water Line shall mean the portion of the recycled water distribution system located on the customer's side of the point of connection.

**2.15 Residential Recycled Water Service**

Residential Recycled Water Service shall mean the provision of recycled water for purposes outlined in the District's "Recycled Water Use Guidelines" as applicable for residential dual plumbed homes, including water used on the premises for sprinkling lawns, gardens and shrubbery; and other similar and customary purposes pertaining to outdoor non-potable uses.

**2.16 Recycled Water Service Connection**

Recycled Water Service Connection generally means the pipe, valves and other facilities by which recycled water is conveyed from the recycled water main to the premises, and includes the tap, corporation stop, curb stop or shut-off valve, and may include meter and/or service box depending on the type of service.

**2.17 Water Conservation or Water Use Efficiency**

Water Conservation or Water Use Efficiency shall mean recycled water use that results in a water savings or lower demand due to (a) change that increases efficiency for the same productivity (e.g., update to more efficient models of irrigation equipment or upgrades to perform the same function) or (b) change in use of the irrigation equipment that results in reduced demand (e.g., customer behavioral change such as changing irrigation scheduling).

**2.18 Recycled Water Facilities**

Recycled Water Facilities shall mean all reservoirs, wells, sources of supply, storage, treatment, transmission, distribution and pumping facilities, recycled water service connections and any other appurtenance.

**SECTION 3.00 GENERAL POLICIES**

**3.01 General Policy of Operating System**

The District will operate and maintain the recycled water recycled water distribution system in strict compliance with the requirements, regulations and permits enforced by the Central Valley Regional Water Quality Control Board and the California Department of Public Health.



The District shall operate and maintain the recycled water distribution system in an efficient and economical manner and supply recycled water of acceptable quality as fairly and equitably as possible. The charges to be made for service shall be set at rates necessary to enable the District to recover all costs of supplying recycled water including, but not limited to, the costs for the following:

- a. Purchasing, pumping, treating, storing, transmitting and distributing recycled water;
- b. Customer Service and Water Conservation;
- c. Administration;
- d. Overhead;
- e. Debt service;
- f. Charges and assessments in-lieu of taxes;
- g. Replacement Reserves
- h. All other necessary and appropriate expenses.

### **3.02 District's Responsibility for Recycled Water Distribution System**

The District shall be responsible for operating, maintaining and replacing all portions of the recycled water distribution system, which are owned by the District. The District shall not be responsible for operating, maintaining or replacing that portion of the recycled water distribution system not owned by the District. The installation of a District measuring device upon private property or within a portion of the recycled water distribution system not owned by the District shall not create an obligation on the part of the District for operation, maintenance or replacement of any works or facilities not owned by the District. District responsibility for maintenance of service extends only to the recycled water meter and the responsibility beyond the recycled water meter is the property owner's.

### **3.03 Allowable Uses of Recycled Water**

The District will allow residential subdivisions, home owners associations, and commercial projects to receive recycled water. Residential subdivisions are required to prepare an Engineer's Report, subject to the approval of the California Department of Health Services. The District prohibits individual homes, not in such subdivisions, to receive recycled water. All residential and non-residential units located in an approved subdivision are required to

use recycled water for all landscaping uses upon District approval of adequacy to serve as subject to the provisions of Section 7.02. If recycled water is used on the property, then potable water may only be used indoors, through hose bibs connected to the house and for swimming pools and spas. Dual plumbed parcels are intended to use recycled water for landscape irrigation.

The District will review and approve of all uses of recycled water in accordance with the District's "Recycled Water Use Guidelines". At the General Manager's discretion, recycled water may be approved but not limited to the following non-potable uses:

- a. Landscape irrigation
- b. Construction including compaction and dust control
- c. Industrial processing
- d. Cooling towers
- e. Toilet and urinal flushing in non-residential buildings

#### **3.04 Unauthorized Use of District Recycled Water**

No person shall supply recycled water to any person or to any premises except as authorized by District permit or as approved in writing by the District. Discharge of recycled water for any purpose, including approved uses, in areas other than those authorized, is prohibited. Unauthorized or wasteful use of recycled water as defined in Section 11.00 is prohibited. Violations are, at minimum, subject to the enforcement provisions in Section 13.00.

#### **3.05 District Ownership and Control**

The portion of the recycled water distribution system, including the recycled water main, recycled water service connection, and/or meter, which is located in the public way or in easements, shall be under the exclusive control of the District and owned, managed and operated under the direction of the General Manager.

#### **3.06 Customer Recycled Water Lines**

The customer shall be responsible for the proper operation and maintenance of the customer's recycled water line downstream of the point of connection and for any damages to the recycled water distribution system or loss of recycled water resulting from the customer's recycled water line.

#### **3.07 Access to District-Owned Property**

The District shall have access, at all reasonable hours, to meter service connections and other property owned by the District, whether located on or off the customer's premises, for the purposes

of inspection, installation, repair, maintenance, operation, turn on, turn off, or removal of the District's property.

**3.08      **Unsafe Apparatus, Detrimental or Damaging Conditions****

If an unsafe or hazardous condition is found to exist on the customer's premises, or if the use of recycled water thereon by apparatus, appliance, equipment or otherwise is found to be detrimental or damaging to the District or its customers, the service may be shut off without notice, provided that the District shall notify the customer immediately of the reasons for the discontinuance and the corrective action to be taken by the customer before service can be restored.

**3.09      **Fraudulent Use of Service****

When the District has discovered that a customer has obtained recycled water service by fraudulent means or has diverted the water service for unauthorized use; the service to that customer may be discontinued in the manner set forth in Section 13.00 herein. The District shall not be required to restore service until the customer has complied with all rules and requirements of the District and the District has been reimbursed for the full amount of the service rendered and the actual or estimated costs to the District incurred by reason of the fraudulent use.

**3.10      **Use of District Authorized Contractors****

All customers shall choose an "Authorized Contractor" from the District's list of contractors who have completed an orientation and education class on recycled water use for any and all work performed on the customer owned side of recycled water system.

**3.11      **Inspection of Customer-Owned Property****

A customer's recycled water line shall be open for inspection at all reasonable times to a representative of the District. However, except in cases of emergency, before a District representative enters a customer's premises for the purpose of inspecting non-District owned facilities, the District shall obtain the occupant's consent or the District shall give 24-hour advance notice, in writing, to the occupant of the District's intention to enter and inspect the customer's private recycled water line.

**3.12      **Interference with District Employees****

Except as provided in Section 3.11 hereof, it shall be unlawful for any person to interfere, seek or cause to interfere with the inspection, installation, removal, maintenance, or other lawful activity by the General Manager or the General Manager's authorized representative, of any part of the recycled water distribution system owned by the District.

**3.13 Obstructions Prohibited**

No person shall place or cause to be placed on any recycled water line easement any wires, fences, trees, buildings, or other structures, either temporary or permanent, or any refuse, rubbish, debris or other objects which may impede or otherwise interfere with the ready access by the District to any portion of the recycled water distribution system owned by the District unless otherwise authorized by Board action. Any such obstruction, upon the written request of the General Manager, shall immediately be removed by the violator at no expense to the District or shall be removed by the District at violator's expense, and shall not be replaced.

**3.14 Continuity of Service**

The District shall not be liable for any interruptions, shortage, or insufficiency of recycled water supply or for pressure at the customer's point of connection, or for any loss or damages occasioned thereby.

**3.15 Street Work:**

- a. When an authorized contractor who opens, grades, excavates, fills or does other street construction, deems it necessary to expose, remove, raise, lower, or otherwise affect any portion of the recycled water distribution system owned by the District, the contractor performing such street construction shall give at least seven (7) days advance notice in writing to the District and to the affected Home Owners Association of the contractor's intention to perform such construction and immediate notice upon exposure or contact with such system.
  
- b. At its option, the District may elect to perform the removal, raising, lowering or other construction on the District's recycled water distribution system, which is necessitated by the street construction. Prior to the District performing the construction on its recycled water distribution system, the person requiring the street construction shall pay to the District a reasonable deposit in an amount not to exceed the estimated cost of the District's construction. When the District completes its construction, the District shall refund that portion, if any, of the deposit which exceeds the actual costs of construction and the person requiring the construction shall pay the amount, if any, by which the actual costs of construction exceeds the deposit.

- c. The contractor performing the street construction shall be liable for any damage to the District's recycled water distribution system resulting from the street construction or from the contractor's construction on the District's recycled water distribution system.

**3.16 Contractors Hired by the District**

Portions of this Chapter may be waived by the General Manager for contractors hired by the District to construct any part of the District's recycled water distribution system.

**3.17 Delegation of Authority**

The General Manager shall have the authority to delegate the performance of any of the General Manager's responsibilities to any District employee or independent contractor.

**3.18 Recycled Water Standards**

All procedures, design, work, materials, capacities, facilities and other improvements on recycled water facilities or connections, subject to the provisions of this Chapter, shall be in accordance with the following District standards as applicable to District owned facilities or residential and non-residential sites:

- a. Recycled Water Use Guidelines
- b. Recycled Water System Design and Construction Standards
- c. Standard Details

In addition, any work associated with recycled water facilities or connections shall be subject to applicable provisions of the latest revisions of State and Local regulations and generally accepted standards of recycled water works practice insofar as deemed appropriate by the District considering the conditions and where not in conflict with any District standards. Such regulations and standards are included in, but not necessarily limited to, the following references:

California Department of Health Services Titles 17 and 22 of the California Administrative Code

California Safe Drinking Water Act

California State Building Code (Cal Green) Title 24

Uniform Plumbing Code (National)

American Water Works Association

## **SECTION 4.00 Connection To and Construction of Recycled Water Facilities**

### **4.01 In General**

Nothing in this Chapter shall be construed as preventing or limiting the right of the District to require or undertake the preparation of engineering, economic, environmental, or financing evaluation from any person requesting recycled water service from the District, which service necessitates the installation of recycled water facilities and thereafter to require the construction of such facilities as a condition of service, all without cost to the District.

### **4.02 Requirement of Meters**

Following the effective date of this Chapter, every connection made to the District recycled water distribution system or recycled water service connection shall provide for and include a meter. The meter shall be supplied, approved and/or installed by the District prior to the time the owner connects to the District's recycled water distribution system.

### **4.03 Installation of Recycled Water Service Connections and Meters**

- a. Whenever practicable, the recycled water service connection from the recycled water main to the customer's property line shall be installed by a District Authorized Contractor at the time the main is constructed.
- b. Main line extensions, recycled water service connections and meters shall be installed only after the District's issuance of a permit and after payment by the customer of all District fees and charges.
- c. Main line extensions, recycled water service connections and/or meters shall be installed, at the District's option, either by the District or by contractors hired by the District or under the supervision of District employees.
- d. When main line extensions, recycled water service connections or meters are not installed by the District, the main line extension, recycled water service connection or meter shall be installed only by bonded contractors licensed to perform such installation.

- e. When the District determines that any installation shall be performed by the District or person hired by the District, the applicant shall pay in advance an amount of funds equal to the approximate costs of construction and other necessary expenses. Upon completion of construction, the District shall refund the excess, if any, of any funds paid by the applicant or, if applicable, the applicant shall pay the amount, if any, by which the actual costs exceeded the applicant's deposit.

**4.04 Size of Recycled Water Service Connection and Meters**

- a. The size of the recycled water service connection shall be approved by the District in advance. Except when otherwise specifically approved by the District, the maximum size for a single-family recycled water service connection shall be one inch.
- b. The size of the meter serving a premise shall be approved by the District in advance of service. The standard size recycled water meter serving a mobile village lot and townhouse lot shall be a 5/8 inch or 3/4 inch meter, for all other residential lots, it shall be a 3/4 inch or 1 inch meter.

**4.05 Installation of Customer Recycled Water Line**

The customer shall, at the customer's own expense, install according to District standards and using a District authorized contractor, the customer's recycled water line. The private recycled water line shall remain the sole property of the customer.

**4.06 Financial Responsibility for Installation of Recycled Water Facilities**

An applicant who installs or causes to be installed, any part of the District's recycled water facilities, shall be financially liable for the costs of installation and all incidents thereof.

**4.07 Relocation of Recycled Water Facilities at Customer's Request**

Upon a customer's written request, recycled water facilities may be relocated by the District, provided that the relocation, in the opinion of the General Manager, is not detrimental to the District's recycled water distribution system. The cost of the relocation shall be borne by the customer and shall be payable in advance to the District. The cost of the relocation shall include the applicable costs and fees for all construction (if the construction is performed by persons hired by the District), design, installation, inspection, administration, overhead, and any other necessary related expenses.

**4.08 Relocation of Recycled Water Service Connection at District's Request**

Where a recycled water service connection is relocated for the convenience or protection of the District, the relocation shall be at the expense of the District provided such relocation is not made necessary by the customer.

**4.09 Change of Recycled Water Meter at Customer's Request**

- a. A customer may apply in writing to the District to change the size of an installed meter.
- b. If the existing recycled water service connection is adequate to service the proposed change in meter size and the District determines that the change is necessary or advisable, the District shall authorize the change. Before the meter is changed, the customer shall pay all applicable fees and charges to the District.
- c. If the existing recycled water service connection is inadequate to serve the proposed meter change, the recycled water service connection shall be changed at the customer's expense. Before the meter and recycled water service connection are changed, the customer shall pay all applicable fees and charges to the District.

**4.10 Separate Recycled Water Service Connection**

Separate premises, whether owned by the same or different persons, shall not be supplied with recycled water through the same recycled water service connection.

**4.11 Division of Presently Serviced Premises**

When premises currently serviced by the District's recycled water distribution system are divided into two or more premises, unless otherwise agreed to by the District, the existing meter and recycled water service connection shall be considered to belong to the premise which the meter or recycled water service connection most directly enters and the new premises shall require the installation of additional meter(s) and recycled water service connection(s) and payment of all applicable fees and charges.

**4.12 Recycled Water Plans**

- a. Each application for a recycled water permit, for which installation of recycled water facilities is necessary, shall be accompanied by three (3) sets of plans and specifications for the installation and one electronic version in District approved software format.



- b. The plans shall be the exclusive property of the District.
- c. The General Manager or Engineer shall determine the adequacy of the proposed recycled water facilities as to size, type and quality of materials, and as to the location of facilities to serve the proposed development, including off-tract pipelines and other appurtenances.
- d. The General Manager or Engineer shall certify in writing whether the plans and specifications submitted conform to District Recycled Water System Design and Construction Standards.

**4.13 Easements and Rights-of-Way**

- a. Any applicant who installs, or proposes to install, recycled water facilities shall furnish the District all necessary easements and rights-of-way for such facilities and the subsequent operation and maintenance thereof.
- b. If the applicant cannot finish the necessary easements and rights-of-way, the District may, at its sole option, acquire such easements and right-of-way, subsequent to the applicant's payment to the District of all funds necessary to cover the District's cost of such acquisition.
- c. Until the necessary easements and rights-of-way have been properly executed and recorded, the District shall not approve any plans for recycled water facilities to be constructed by one person across the property of another person. The District shall not accept for public use any such recycled water facilities and no person shall place such facilities into use.

**4.14 Performance Bond**

The applicant shall post a surety bond, cash or other security satisfactory to the District to guarantee the faithful performance of any agreement for the applicant's construction of the recycled water facilities. The surety bond, cash or security shall be in the sum of one hundred percent (100%) of the estimated cost of the work, or in such other sum as may be fixed by the District. The surety bond, cash or security shall, in addition to guaranteeing the faithful performance of the work, guarantee the maintenance of the portion of the recycled water facilities constructed by the applicant for a

period of one year following the District's written acceptance of the work.

**4.15 Liability**

The District and its officers, agents and employees shall not be liable for any injury or death of any person or damage to any property arising during or stemming from, the performance of any work by an applicant. The applicant shall be answerable for, defend, indemnify and hold harmless, the District and its officers, agents and employees, including all costs, expenses, attorney's fees and other fees and interest, incurred in defending the same or in seeking to enforce this provision. The applicant shall be solely liable for any defects in the performance of the applicant's work or for any failure, damage, injury, claim or loss, which may develop therefrom.

**4.16 Dedication Requirements**

An Offer of Dedication of the recycled water facilities, excluding any private water lines, shall be included in any application for a recycled water permit. The District shall not accept for dedication any portion of the recycled water facilities, which are not constructed in conformity with the requirements of the main line extension agreement, if any, and of this Chapter.

**4.17 As-Built Plan**

Two (2) sets of drawings and one (1) electronic version delineating as-built recycled water lines and appurtenances shall be filed with the District, prior to and as a condition of, the District's approval and acceptance of construction by an applicant. No certificate of final inspection shall be issued until such prints and drawings are filed.

**4.18 Inspection of Construction**

- a. The District shall have the right to inspect all work on the recycled water distribution system downstream of the point of connection on the customer side of the meter during and subsequent to its construction. When construction is completed, the work must be inspected and approved, in writing, by the District before the newly constructed facilities may be connected to the District's recycled water distribution system. Each site will be inspected to ensure prevention of any cross connection between the water and recycled water systems. No construction shall be covered at any time unless it has been inspected and approved by the District. No facilities shall be connected to the District's system unless the District has performed tests indicating the new construction is satisfactory and the

facilities have been cleaned of any debris accumulated from construction operations.

- b. The applicant shall give the District at least forty-eight (48) hours advance notice, Saturdays, Sundays and holidays excluded, of when it wishes the District to perform an inspection of any part of the recycled water system. If work is inspected and deemed inadequate, the District shall so notify the applicant in writing and identify the deficiencies in the project.

#### **4.19 Certificate of Final Inspection and Completion**

When the District determines that a work done; under the recycled water permit and a recycled water main line extension agreement, if any, has been constructed according to and meets the requirements of all applicable provisions of this Chapter, the agreement, and other District rules and regulations, and when any fees have been paid, the General Manager, subject to any procedure which may be adopted by the Board, shall authorize the issuance of the Certificate of Final Inspection and Completion.

#### **4.20 Ownership Upon Dedication**

When the Certificate of Final Inspection and Completion is issued, the District shall accept the Offer of Dedication and authorize the connection of the new recycled water facilities. Upon connection to the District's recycled water distribution system, the new recycled water facilities, excluding recycled private water lines, shall become the exclusive property of the District.

#### **4.21 Testing of Backflow Devices**

Pursuant to County Ordinance, certain categories of District customers are required to install, maintain and test annually backflow devices. Provided District has personnel who are certified to perform the annual testing and, upon the customer's request, the District will perform the annual testing do so on a time-and-materials basis charged to the customer and collectible as any other District fee. Otherwise, the annual backflow testing shall be performed by a certified third party vendor.

### **SECTION 5.00 Recycled Water Main Line Extensions**

#### **5.01 Recycled Water Main Line Extension**

Any person requesting recycled water service from the District, which necessitates an extension of the District's recycled water main line, shall apply to the District for a recycled water main line extension agreement on the forms prescribed by the District.

**5.02 Formation of an Assessment District**

At the District's sole discretion, the District may utilize any statutory or other procedure concerning assessment districts to finance the construction of the recycled water main line extension, metered recycled water service connections and related appurtenances.

**5.03 Size of New Recycled Water Main Line**

The District may require the installation of a recycled water main line larger than that necessary to adequately serve the applicant's property. When the District requires the installation of a larger recycled water main line, the District shall either:

- a. Pay the difference in cost, as determined by the District, between the size necessary to service the applicant's construction and the larger recycled water main line;
- b. Perform the installation itself, subsequent to the receipt from the applicant of a sum sufficient to cover the cost of installation, and other necessary expenses, of the recycled water main line required by the applicant;
- c. Require the applicant to construct the larger recycled water main line subject to reimbursement as hereinafter provided.
- d. A combination of the foregoing.

**5.04 Reimbursement for Extension**

When an applicant enters into a recycled water main line extension agreement with the District, which requires the installation of a recycled water main line larger than that necessary to adequately serve the applicant's property, the agreement shall provide for a refund to the applicant as follows:

- a. Within the limits specified herein, when the recycled water main line extension has been installed at the applicant's sole expense, the applicant shall be eligible for reimbursement of applicant's cost based upon the applicant's and other customer's pro rata use, as determined by the District, of the extension.
- b. The District shall levy on all customers connecting into the extension financed by applicant; a fee determined by the District and based on the connecting customer's pro rata use of the extension and the actual cost of the extension.

- c. Within ninety (90) days of the District's receipt of any money pursuant to Section 5.04(b), the District shall pay such money to the applicant.

**5.05 Pre-Existing Recycled Water Main Line Extension Agreements**  
Notwithstanding any section of this Chapter, all recycled water main line extension agreements, on or before adoption of this recycled water code, shall be governed by the rules under which the pre-existing recycled water main line extension agreements were made at the time of execution of that particular agreement.

## **SECTION 6.00 Recycled Water Permits and Fees**

**6.01 Recycled Water Permit Required**  
No persons, other than those specifically excluded by this Chapter, shall uncover or cause to be uncovered, construct or cause to be constructed, use or cause to be used, alter or cause to be altered, or connect to or cause to be connected to, any public recycled water main or other portion of the recycled water distribution system or services owned by the District without first obtaining a recycled water permit from the District, paying the applicable fees, and complying with all other applicable provisions of this Chapter.

**6.02 Application for Recycled Water Permit**  
Any person legally entitled to apply for and receive a recycled water permit shall make application for a recycled water permit on forms provided by the District for that purpose. Any applicant shall describe the proposed construction and location, ownership, occupancy, and use of the premises in connection therewith. The General Manager may require, in addition to the information specified, any additional information from the applicant, which will enable the General Manager to determine that the proposed connection complies with the provisions of this Chapter.

**6.03 Unauthorized Usage of Recycled Water Permit**

- a. Upon prior written approval of the District, a person to whom a recycled water permit has been issued may transfer such permit to another person solely for the same use and premise for which the recycled water permit was issued, subject to all terms and conditions under which the recycled water permit was issued. The transferee shall meet all requirements of the District relating to the transfer.
- b. Usage of recycled water permit for a premise other than the premises for which the recycled water permit was issued shall be unauthorized usage and shall render the recycled water permit void and invalid.

- c. A person engaging in an unauthorized use of the recycled water permit shall apply to the District for an appropriate recycled water permit. If the District issues the recycled water permit, the applicant shall pay the appropriate current fees and charges.

**6.04 Persons Excluded From This Section**

The provisions of this Section 6.00 may be waived by the General Manager for contractors constructing recycled water facilities or improvements under contract with the District, or under contract awarded by the District under proceedings pursuant to any of the special procedure statutes of the State providing for the construction of recycled water facilities and assessing of the expenses thereof against the lands benefited thereby.

**6.05 Plan Checking**

No recycled water permit shall be issued until the District has checked and approved the plans in accordance with the applicable provisions of this Chapter.

**6.06 Payment of Fees and Charges**

No recycled water permit shall be issued until all fees and charges in connection therewith are paid to the District.

**6.07 Applicant's Agreement to Comply with Code**

The applicant's signature on an application for a recycled water permit or the applicant's acceptance of any recycled water permit shall constitute an agreement by the applicant to comply with all the provisions, terms and requirements of the District's Recycled Water Code, with all other rules and regulations of the District, and with the plans and specifications the applicant has filed, together with such corrections or modifications, if any, as may be permitted or required by the District in writing. This agreement shall be binding upon the applicant and the applicant's successors in interest, and may be altered only by the District in writing upon the applicant's written request.

**6.08 Time Limits on Recycled Water Permits**

If work under a recycled water permit is not commenced within six (6) months from the date of issuance of such permit or if, after commencing, the work is discontinued for a period of one (1) year, the recycled water permit shall become void and no further work shall be undertaken until a new recycled water permit shall have been secured and a new fee paid therefore at applicable rates then in effect.

## **SECTION 7.00 Recycled Water Rates and Charges**

### **7.01 Recycled Water Service When Recycled water Service Connection is Adequate**

Where an existing and adequate recycled water service connection and/or meter are properly connected to the District's recycled water distribution system, and which is or has been legally servicing the premises or for which a District recycled water permit has been issued, an applicant for recycled water service from the District shall be entitled to such service after the applicant submits an appropriate application to the District, and complies with all other District regulations. However, if the applicant is delinquent in any bills to the District, the applicant shall pay such bills in full, prior to receiving District recycled water service.

### **7.02 Recycled Water Service When Recycled Water Service Connection Is Inadequate**

Prior to recycled water being available, potable water will be supplied in lieu of recycled water via recycled water distribution and service lines. Once the District has sufficient recycled water supply and system capacity to supply recycled water, all parcels connected to the recycled water system shall accept recycled water. The District shall notify in advance their schedule for furnishing the recycled water service subsequent to the applicant's construction and when sufficient recycled water supplies have become available. The District shall furnish the recycled water service, when available, subsequent to the applicant's construction, or payment for the construction of the necessary portions of the distribution system; the applicant's payment of all fees to the District; the applicant's compliance with all District rules and regulations; and the applicant's payment in full of all delinquent charges, if any, owed to the District. The applicant must also be in compliance with all District rules and regulations for recycled water use by the time recycled water service is deemed adequate and service is initiated.

### **7.03 Rates and Fees**

The District will determine all recycled water rates, fees and charges concerning recycled water service. These may be changed at the discretion of the District and may be subject to the same conservation pricing levels as potable water to encourage efficient water use. The rates, fees and charges shall be determined by Board Resolution.

## **SECTION 8.00 Special Types of Recycled Water Service**

### **8.01 Recycled Water Service Outside District**

- a. The District may provide or allow recycled water service to persons outside its boundaries when the

Board finds that such service shall not adversely affect the recycled water service within the District and that a surplus supply of recycled water and recycled water facility capacity exists.

- b. In the event that, because of increased usage or other causes, service outside the District becomes adverse to the District's interest or the interest of District customers located within the District or surplus recycled water and/or pipeline capacity is no longer available for such outside use, the District may discontinue or disconnect the service outside the District 120 days after the District gives written notice to the person or premises receiving the recycled water that such outside service is to be terminated.
- c. Except as set forth in this Section, the rules and regulations of the District shall apply to all customers outside the District.
- d. The rates, fees and charges for recycled water service outside of District boundaries are to be determined by future Board Resolution.
- e. Prior to receiving recycled water service, a customer outside the District shall deposit an amount equal to three (3) months of the District's applicable rates for recycled water service.
- f. The supply of recycled water to persons outside the District shall not create a vested right with the person outside the District to continue to receive recycled water service from the District for any credit or refund for improvements made to receive such recycled water service.

## **8.02 Temporary Recycled Water Service**

Before temporary service is supplied through a recycled water service connection, the applicant shall obtain a recycled water permit or other written approval from the District.

- a. The applicant for temporary recycled water service shall pay the charges to be set forth by a future Board resolution.
- b. Temporary service may be interrupted for testing or other conditions deemed necessary by the District.



## **SECTION 9.00 Collection of Recycled Water Rates and Enforcement Provisions**

The collection and enforcement provisions related to recycled water rates, fees and charges are to be determined by future Board Resolution.

## **SECTION 10.00 Recycled Water Use Efficiency**

### **10.01 Definitions**

As used in Section 10.00, the following terms shall have the specified meanings.

- a. Pressure Reducing Valve  
Pressure reducing valve shall mean a valve device, which regulates recycled water pressure to structures and is designated to permit the pressure for use within that structure.
- b. Public Use  
Public use shall mean all commercial or industrial establishments, including restaurants, bars, public buildings, comfort stations, schools, gymnasiums, or other places to which the public has access or which are frequented by the public with or without special permission or invitation, and installation where both free and pay fixtures are installed so that the fixtures' use is similarly unrestricted.
- c. Self-Closing Valve  
Self-closing valve shall mean a valve device designed to close by spring or by recycled water pressure when left unattended.
- d. Weather Based Irrigation Controller  
An irrigation controller that has automated watering schedules using climate or soil moisture sensing capability in accordance with requirements of the California Building Standards CalGreen Code.
- e. Landscape Area  
Landscape area means all the planting areas, turf areas, and water features in a landscape design plan. The landscape area does not include footprints of buildings or structures, sidewalks, driveways, parking lots, decks, patios, gravel or stone walks, other pervious or non-pervious hardscapes, and other non-irrigated areas designated for non-development (e.g., open spaces and existing native vegetation).

- f. Dedicated Irrigation Meter  
A meter used to measure recycled water only used for outdoor irrigation purposes and which can serve as the basis for applied water to the landscape area used in comparison to a water budget for the same area.
- g. Runoff  
Water which is not absorbed by the soil or landscape to which it is applied and flows from the landscape area. For example, runoff may result from water that is applied at too great a rate (application rate exceeds infiltration rate) or when there is a slope runoff is strictly prohibited.

**10.02 Recycled Water Waste**

No person shall cause or permit any recycled water furnished to the person's premises by the District to run to waste as defined in Section 11.00. The District may, pursuant to the requirements of Section 13.00, disconnect the District's service to any premises and/or customer for the customer's failure to comply with this Section. The District may inspect or install test meters in un-metered service to determine compliance.

**10.03 Outdoor Conservation Devices Required on New or Remodeled Landscapes**

All landscaped area that requires a Sacramento County Building or Home Owner's Association (HOA) review and/or permit that are connected to the District recycled water distribution system, after the effective date of this Chapter, shall be constructed pursuant to the California State Building Codes otherwise known as the "CalGreen Code" and any replaced or remodeled irrigation equipment shall be District-approved water efficient equipment, and be USEPA WaterSense labeled products. Pressure reducing valves shall be installed on landscape or dedicated irrigation connections where District approved improvement plans call for such installation in accordance with District Standards.

**10.04 Conservation Devices Required on New or Remodel Public Landscaped Areas or Facilities**

All new public users or users remodeling landscaped area or any facilities that may benefit from recycled water use that require a Sacramento County building permit and are connected to the District recycled water distribution system after the effective date of this Chapter, shall be equipped with District-approved water efficient equipment pursuant to the California State Building Codes otherwise known as the "CalGreen Code" and be USEPA WaterSense labeled products. Pressure reducing valves shall be installed on new

public use facilities where District approved improvement plans call for such installation in accordance with District Standards.

## **SECTION 11.00 Recycled Water Waste**

### **11.01 Illegal Discharge of Recycled Water**

Discharge of recycled water for any purpose, including approved uses, in areas other than those authorized, is prohibited.

### **11.02 Determination of Wasteful Uses of Recycled Water**

It shall be unlawful for any person to waste recycled water as defined in this Section 11.00. Violations will be based on observation(s) and documentation of waste by District staff, including up not limited to evidence of a continually running recycled water meter readings and/or physical inspection, and/or visual observation of the occurrence. Violations are subject to the enforcement and penalty provisions in Section 13.00.

### **11.03 Repair of Leaky Outdoor Fixtures**

It shall be unlawful for any person to maintain or allow on the person's premises leaky or faulty recycled water using equipment or devices to which District recycled water is supplied, so that District recycled water is wasted thereby. Failure to repair or disconnect such leaky or faulty devices within seven (7) days after being notified in writing to do so by the District, shall be sufficient cause for the District to disconnect its water service for such premises, pursuant to the requirements of Section 13.00, until the repairs have been made. At the discretion of the District, the customer may be informed in writing that the leak must be repaired more quickly, in which case the customer shall repair the leak in the time specified by the General Manager.

## **SECTION 12.00 Drought Response**

The General Manager may restrict or interrupt service supplied using District recycled water in response to a District declared drought based on the provisions outlined in the District Board adopted Water Shortage Contingency Plan. The Board of Directors shall make the final drought declaration and service interruption, if any, upon public review of the General Manager's drought response.

## **SECTION 13.00 Enforcement, Disconnection and Restoration of Service**

### **13.01 Enforcement**

The General Manager shall enforce the provisions of this Chapter and, for such purposes, shall have the powers of a peace officer, if deputized or if authorized by law. Such power shall not be regarded as limitations on or otherwise affecting the powers and duties of the County Health Officer.

**13.02 Violation of Chapter**

In the event of a violation of any laws, ordinances, rules or regulations of the State of California, the County of Sacramento, or the District, respecting the subject matter contained herein, the District shall notify in writing the person or persons causing, allowing, or committing such violation and the General Manager shall have the authority to issue penalties and/or disconnect the property served from the District recycled water distribution system, in the manner set forth herein.

**13.03 Penalties**

The goal of the provisions of this chapter are to achieve voluntary compliance from the customer, and the District will take reasonable measures to assure the customer has information available to promptly and efficiently address recycled water use issues. Where voluntary compliance cannot be achieved through initial contacts and warnings, then appropriate administrative penalties and further action are required. Except as otherwise provided herein, violations of any provision of this chapter shall be addressed as follows:

| <b>Violation</b> | <b>Penalty</b>   |
|------------------|--|
| First            | Personal or written notification of the violation  |
| Second           | Written notification and issuance of a notice to correct   |
| Third            | Issuance of an administrative penalty of \$100   |
| Fourth           | Issuance of a penalty of \$200   |
| Fifth            | Issuance of a penalty of \$500   |
| Final            | Disconnected water service and/or other penalties as provided in the notice of violation and as determined by the General Manager. |

**13.04 Penalties in Times of Water Shortage**

In addition to any other penalties provided by this chapter, if a customer of the District recycled water system violates any of the recycled water use restrictions as set forth in the Water Shortage Contingency Plan, and such conditions are not corrected within five (5) days after the customer is given written notice, the District is authorized to bill the customer, as a penalty, at twice the metered rate during the time that the violation continues and the penalties listed above in Section 13.03 may be increased by up to 100%.

### 13.05

#### **Appeal**

There shall be no appeal of the recycled water use restrictions identified in this Chapter or the Water Shortage Contingency Plan. Any appeal of other matters or decisions of District staff shall be appealable in writing to the General Manager within ten (10) days and if still unresolved a second appeal may be sent in writing to the District Board of Directors within ten (10) days of the General Manager's decision.

### 13.06

#### **Variations**

In unusual circumstances, application of this chapter may cause unnecessary hardships or results inconsistent with this chapter's purposes and intent. Therefore, variations to some of the requirements of this chapter may be appropriate as described below:

a. Authority to Grant Variations

The General Manager may grant variations to recycled water use restrictions provisions as specified in the Water Shortage Contingency Plan.

b. Other Variations

Customers who seek a variance from this chapter for any reason shall submit to the District a written request for variance, setting forth, in detail, the extraordinary circumstances that support the application. The General Manager may approve the application in his or her discretion; provided, that the variance allows the applicant to use only the minimum amount of recycled water in addition to that allowed by this chapter that the General Manager reasonably believes is necessary to satisfy the circumstances that support the application. Any such variance shall terminate one (1) year after its issuance, subject to an application for its renewal.

### 13.07

#### **Disconnection**

As an alternative method of enforcing the provisions of this or any other Chapter, rule or regulation of the District, the General Manager shall have the authority to disconnect the customer from the District's recycled water distribution system, without liability to the District, in the following manner:

a. At least ten (10) days before the proposed disconnection of any recycled water service, a customer shall be provided with written notice of the procedure for the availability of an opportunity to discuss the reasons for the proposed disconnection of recycled water service.

b. After notice has been given as specified in subparagraph (a) and prior to disconnection of recycled

water service, a customer shall have the opportunity to discuss the reason for the disconnection with an employee designated by the District who shall be empowered to review disputed bills, rectify errors and settle controversies pertaining to disconnection of recycled water service.

- c. No recycled water service shall be disconnected by reason of delinquency in payment of bills on any Saturday, Sunday, legal holiday, or any time during which the District's office is not open to the public.

**13.08 Settling Disputes**

The General Manager is hereby authorized to review disputes pertaining to any matters for which recycled water service may be disconnected and to adjust errors and settle disputes.

**13.09 Public Nuisance and Abatement**

During the period of disconnection, the habitation of such disconnected premises by human beings shall constitute a public nuisance, which shall authorize the District to bring proceedings for the abatement of the occupancy of the premises during the period of the disconnection. In such event, and as a condition of restoring service, the District shall be paid reasonable attorney's fees and costs arising from such action, plus any other necessary charges for or incurred in the restoration of service.

**13.10 Restoration of Recycled Water Service**

When recycled water service under this Chapter has been disconnected for any reason, the recycled water service shall not be restored until all unpaid sums are paid in full, plus all District expenses for disconnecting and restoring the recycled water service, plus a seventy-five dollar (\$75.00) restoration fee.

**13.11 Recovery of Costs**

In the event that the District is required to bring legal action to enforce any provision of this Chapter, including but not limited to the collection of delinquent fees and charges, the District shall be entitled to recover its reasonable attorney's fees, interest and other costs of suit.

**13.12 Means of Enforcement Only**

The District hereby declares that the foregoing procedures are established as a means of enforcement of the terms and conditions of its ordinances, rules, and regulations and not as a penalty.

**13.13 Cumulative Remedies**

All remedies set forth herein for the collection and enforcement of rates, charges, and penalties are cumulative and may be pursued alternatively, concurrently or consecutively.

**13.14 Misdemeanor**

A violation of any provision of this Chapter is a misdemeanor, punishable by a fine not to exceed five hundred dollars (\$500.00) or by imprisonment in the County Jail not to exceed six (6) months, or both. Each and every day, or part of day that a violation of the Chapter continues, shall be deemed a separate offense hereunder and shall be punishable as such.

**13.15 Other Emergencies**

Nothing in this chapter limits, or may be construed as limiting the availability of recycled water for meeting the demands of any emergency or routine inspection and maintenance of the recycled water distribution system or recycled water private lines.

**SECTION 14.00 Severability**

The Board hereby declares that it would have passed this Ordinance and thereby adopted this Chapter or any section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared to be unconstitutional.

If any section, subsection, sentence, clause or phrase of the Ordinance of the application thereof to any person or circumstances is for any reason held unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Chapter or the application of such provisions to other persons or circumstances.

## MEMORANDUM

Date: January 5, 2012  
To: Board of Directors  
From: Darlene J. Gillum, Director of Administration  
Subject: Adopt Resolution 2012-01 CalPERS Medical Contribution for Non-Represented

---

### RECOMMENDED ACTION

Adopt Resolution 2012-01 amending the fixed employer's contribution for non-represented Public Employees' Medical and Hospital Care Act.

### BACKGROUND

As a routine formality, CalPERS requires the District to adopt a resolution annually updating the amounts paid by the District towards non-represented employee's medical coverage. The resolution language is the same every year with the exception of the cost of the lowest plan provided by CalPERS.

This revision is to add the specific name of the lowest cost plan, which is now required by CalPERS. In the past few years, CalPERS accepted the more generic language that was used on the previous Resolution, Resolution 2009-07.



**RESOLUTION 2012-01**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT  
AMENDING FIXED EMPLOYER'S CONTRIBUTION FOR UNREPRESENTED  
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**

**WHEREAS**, the Board of Directors of Rancho Murieta Community Services District has heretofore adopted Resolution No. 84-9 establishing a Fixed Employer's Contribution for Public Employee's Medical and Hospital Care Act; and

**WHEREAS**, Government Code Section 22892(a) provides that a local agency contracting under the Public Employee's Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b)(1) of the Act; and

**WHEREAS**, Rancho Murieta Community Services District is a local agency contracting under the Act; and

**WHEREAS**, Rancho Murieta Community Services District has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefit set forth above; and

**NOW, THEREFORE**, the Board of Directors of Rancho Murieta Community Services District resolves that the section of Resolution 2010-13, describing the Employer's Contribution, shall be amended to read as follows:

- A. The employer's contribution for unrepresented employees (Group 002) or annuitants shall be the amount necessary to pay the full costs of his/her enrollment, including the enrollment of his/her family member(s), based on Blue Shield Net Value – Sacramento region basic, plus administrative fees and Contingency Reserve Fund assessments. The change is effective January 1, 2012 and is reviewed periodically by the Board.

**PASSED AND ADOPTED** by the Board of Directors of the Rancho Murieta Community Services District at their regular meeting held on this 18<sup>th</sup> day of January, 2012 by the following roll call vote:

**Ayes:**

**Noes:**

**Absent:**

**Abstain:**

---

Roberta Belton, President of the Board  
Rancho Murieta Community Services District

[seal]

Attest:

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Suzanne Lindenfeld, District Secretary

## MEMORANDUM

Date: January 11, 2012  
To: Board of Directors  
From: Communications & Technology Committee Staff  
Subject: Adopt District Policy 2012-01, Response to Public Comment

---

### **RECOMMENDED ACTION**

Adopt District Policy 2012-01, Response to Public Comment. This Policy supersedes District Policy 2010-10.

### **BACKGROUND**

At the September Committee meeting, there was a discussion regarding community letters and how best to include the Communications Committee. At the October Committee meeting, the District's current policy regarding District response to public comments was distributed and the Committee was asked to review and provide any suggestions they may have on how best to include the Communications and Technology Committee in the process.

At the November Committee meeting, the Committee agreed to include in the Policy that the Board of Directors will be provided an advance copy of any out-going communication whenever possible as long as the advanced notification to the board does not delay the release of any communication from the District.

**The Communication & Technology Committee recommends adoption.**

# RANCHO MURIETA COMMUNITY SERVICES DISTRICT

|                  |                                      |                         |
|------------------|--------------------------------------|-------------------------|
| <b>Category:</b> | Administration                       | <b>Policy #</b> 2012-01 |
| <b>Title:</b>    | District Response to Public Comments |                         |

## PURPOSE

The purpose of this policy is to provide direction to Rancho Murieta Community Services District Board of Directors and staff in responding to inaccurate, misleading or negative information being discussed by the public.

## POLICY

When responding to inaccurate, misleading or negative information the public is discussing, these things need to be considered prior to any response from the District:

Level of error, the level of interest in the community, where the error lives and the degree of sensitivity.

Source – how the information is being distributed – blog, gossip, letter, public meeting, etc.

Topic – specific, general interest, current or past.

Severity – not everything needs a response.

Timelines – how quick can a response be made public.

Method – how to distribute the response – letter to residents, on website and/or out to media; interview with media; phone call to media.

Author – who the response will come from – General Manager, Board of Directors, or Board President.

Who needs to approve response – review before release.

How to end the discussion/response – do not keep the issue going.

At the outset, staff works with department heads and Board as appropriate on these issues individually to determine the best strategy. It depends on the level of error, the level of interest by the community, where the error lives and the degree of sensitivity. In general, on issues of high interest and misinformation, we should keep the website updated with the latest factual information to mitigate any rumors and false information, and if the situation warrants it, put out a news release with the whole story and also write a complete story to send to small, local papers and/or email to appropriate stakeholders.

The response should “not repeat the negative” but should put out the “whole and complete story” so as to negate the error or false information.

Whenever reasonably possible, all responses shall be provided to the Board of Directors prior to distribution.

### PUBLIC COMMENTS AT BOARD MEETINGS

In accordance with State law, the Board is prohibited from discussing items not calendared on the agenda. The public may address the Board on any item not listed on the agenda and is within the Board's jurisdiction, under agenda item **Comments from the Public**. Matters brought up which are not on the agenda may be referred to staff for action or calendared on a future agenda.

If a staff person or Board member has some factual data that clarifies and or addresses the comment being made, the staff person or Board member shall respond/answer at that time instead of waiting for the matter to be put on a future agenda. Public discussion, as in extended question and answer, debate and/or pontification is discouraged.

For public comments regarding items on the agenda, if the comment is erroneous and a staff person can correct the misstatement, staff is encouraged to do so.

### CORRESPONDENCE FROM DIRECTORS

Directors may wish to have letters/correspondence written to the residents, businesses or other entities of Rancho Murieta. Typically, the General Manager and/or Board President (decision made by the entire Board of Directors) shall be charged with transmitting the District's position on matters to the residents, businesses or other entities in Rancho Murieta.

On occasion, Directors may disagree with a position the District has taken on an issue. In these instances, if a Director responds to public comments it is to be made as a private citizen (no use of title), not on District letterhead and no use of District staff in preparing such responses.

### RESPONDING TO PUBLIC COMPLAINTS

When Directors receive a complaint or inquiry from the public regarding the District's services and/or staff, the Director should acknowledge the complaint/inquiry without making any comment/promise as to what will happen on behalf of the District and forward the message to the General Manager.

### SPEAKING FOR THE DISTRICT

When Directors are asked the District's position on an issue, the response should reflect the position of the District as a whole. A Director may clarify his/her vote on an issue by stating, "While I voted against XX, the District voted in support of it." When representing the District at meetings or other venues that the Board of Directors has approved prior to attending, the Director can state the District's position not their individual position in any issue.

|  |  |
|--|--|
| <b>Approved by Rancho Murieta Community Services District's<br/>Board of Directors</b> |  |
|--|--|

## MEMORANDUM

Date: January 12, 2012  
To: Board of Directors  
From: Improvements Committee Staff  
Subject: Approve Water Plant #2 Filter Repair

---

### RECOMMENDED ACTION

Approve the proposal from ERS Industrial Services, Inc. for filter repairs at water plant #2, in an amount not to exceed \$20,005.60. Funding to come from Water Operating Budget (non-routine maintenance and repairs).

### BACKGROUND

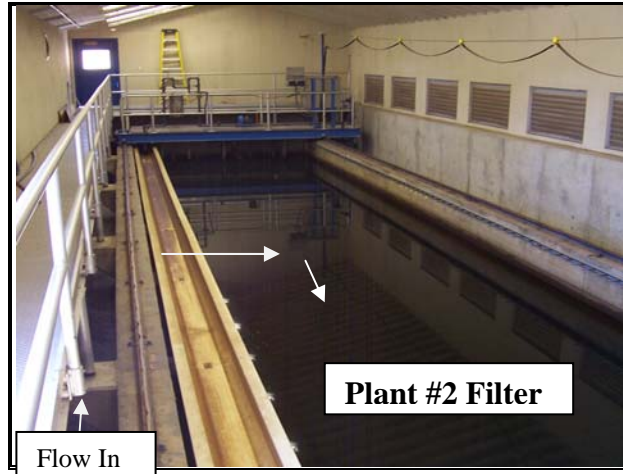
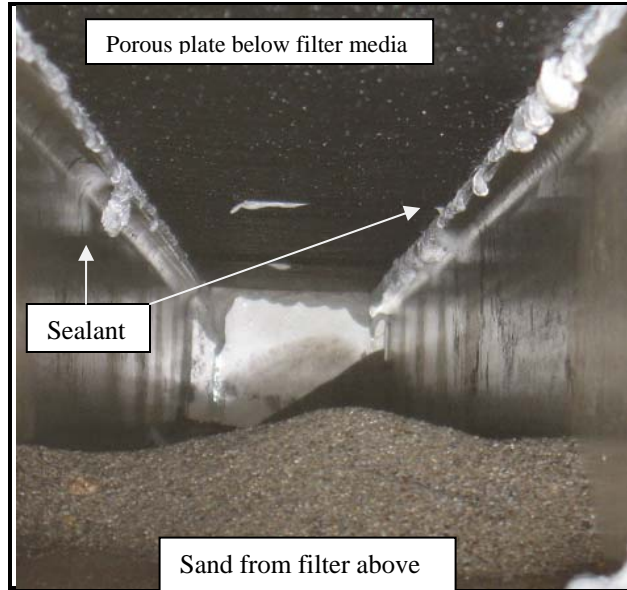
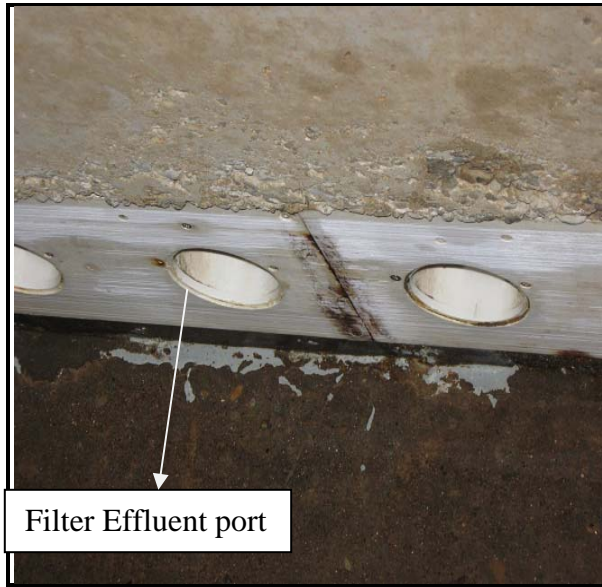
The water produced for the community comes from two (2) treatment plants operated by the District below Chesbro Reservoir.



*Photo of Water Treatment facility. Plant #1 filter in building on right, Plant #2 filter in building on left.*

Plant #1, built in 1975, may produce up to 1.5 million gallons per day (MDG). Plant #2, built in 1988, may produce up to 2.0 MGD. Each filter consists of 81 individual filter cells that use a layer of anthracite coal and sand that sit on top of a porous plate of fused polymers beads for filtration. The porous plate and fiberglass channel make up the filter underdrain which channels the filtered water away from the filters. Both plants were retrofitted in 1994-95 to meet newer surface water treatment rules at the time.

Every year, while water demands are low, we shut down one of the plants for maintenance inspections while continuing to operate the other. Last spring we discovered a small amount of sand in portions of the filter underdrain system of Plant #2. As the filter media was changed out the prior year, we could not be certain that the sand came from the media change out or not. This year we discovered that there was more sand in several of the under-drains and, therefore, they needed to be repaired.



ERS specializes in filtration media and filter repairs and was the company that completed the filter upgrades in 1995 and media replacement in 2009. Their cost includes removal, packaging and dump on-site of existing media, interior filter cleaning where required, supply and installation of new media, per design. Board approval cost includes tax.

ERS will also repair or replace existing under-drains if needed, on a time and materials basis. ERS relayed that there is approximately a 98% chance that there is no damage to the filter. In their experience, if there was damage most of that filter cells media would be in the under-drain.

As it is not known if there damage to under-drains, an additional estimate of \$7,000 could be added in to cover the replacement in eleven (11) cells.

**The Improvements Committee recommends approval.**





January 13, 2012

Mr. David Herrmann

Rancho Murieta CSD  
PO Box 1050  
Rancho Murieta, CA. 95683

**QUOTE #041111-3Q**

**Fax: 916-354-2082**

**Email:dherrmann@ranchomurieta.csd.com**

Dear: David

ERS is pleased to submit its proposal for our TurnKey Service on your 1 each 700 square foot Traveling Bridge Filter. This proposal includes the repair of approximately 180 square feet of filter underdrains.

Our service includes removal, packaging and dump on-site of existing media, interior filter cleaning where required, supply and installation of new media, per design. ERS will also repair or replace existing underdrains as needed, on a time and materials basis\*.

**ERS to provide:**

- 1) Qualified Manpower
- 2) Forklift
- 3) Disposal and disposal transport---Dump On-site
- 4) High power industrial vacuum system
- 5) Confined space equipment as follows:
  - a) Supervisor/Environmental Technician/Hole watch
  - b) Ventilation fan for air circulation
  - c) Tripod/winch for emergency evacuation
  - d) Four gas monitor for pre-entry testing, as well as for continuous testing
  - e) 2-way Radios for communication with in-tank personnel
  - f) Cellular phone as an emergency response tool
  - g) Half-face cartridge type respirators (Supplied air respirators available if required)
  - h) Harnesses with safety ropes for all men
  - i) Daily monitoring log
  - j) Complete and post-confined space entry permit (if required)

Page 2 of 3  
Quote # 041111-3Q  
January 13, 2012



- 6) New media as follows:  
a) .55-.65mm<1.5uc Filter Sand  
b) .85-.95mm<1.6uc Anthracite

**PRICING:**

**\$18,609.86**

**Quote Valid for 45 days**

**Our time and materials work is billed at \$89.00 per man-hour, straight time, plus materials with a 20% margin. Price includes all applicable sales tax.**

Please feel free to call me should you need further information or any clarification. My cell phone is 510-552-5301; office is 510-770-0202.

Sincerely,

**Rick D. Langlois**  
Vice President Sales

**Public works/Prevailing Wage Contract**

The contracting party (Rancho Murieta CSD) has represented to and ERS (hereinafter "Contractor) understands that neither the project which is the subject matter of this Agreement nor the requested work to be performed on the project by Contractor is a public works project as defined by federal law, California Labor code 1720 et seq., or any other statute, ordinance, regulation, or administrative and/or judicial decision. Based on the forgoing representation, Contractor has calculated its bid the subject project based on certain wage rates and benefits. Contracting Party will specifically verify, prior to allowing Contractor to submit a proposal on the project or work to be performed on the project, that project is not deemed to be a public works project or any requirement for prevailing wages or other unique bid requirements. In the event that Contracting Party has misrepresented, whether intentionally or negligently, contracting Party specifically agrees to indemnify, reimburse, and hold Contractor harmless any and all claims, penalties, fines or assessments that may arise from Contracting party's failure to properly report and describe the project to Contractor. Contracting Party shall reimburse any and all attorney fees and all costs associated with defending or enforcing this provision to Contractor.

## MEMORANDUM

Date: November 12, 2012  
To: Board of Directors  
From: Finance Committee Staff  
Subject: Approve Grant Research and Proposal Completion Services

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### RECOMMENDED ACTION

Approve an extension to the contract with LH Associates, for grant research and proposal completion services. Funding to come from Water, Sewer, Drainage or Security Operating Budget, depending on type of grant pursued.

### BACKGROUND

The attached proposal is from Linda Heffelfinger, for performing grant research and consulting services. At the November 2009 District Board meeting, the Board approved a one (1) year contract with LH Associates for grant and proposal completion services. At the March 16, 2011 Board meeting, the Board approved a one year extension to that contract. That contract expires March 16, 2012. Staff recommends renewing the contract for another 12 month period. Attached is the proposal for your review.

Ms. Heffelfinger is currently working on the WaterSMART XVI Water Reclamation and Reuse Feasibility Studies grant.

**LINDA HEFFELFINGER**

**15258 Murieta South Parkway  
Rancho Murieta, CA 95683  
916-769-9358**

January 3, 2012

Mr. Ed Crouse  
Rancho Murieta Community Services District  
15160 Jackson Road  
Rancho Murieta, CA 95683

**RE: PROPOSAL FOR SERVICES (GRANTS)**

Dear Ed,

I am pleased to present this proposal to provide **Grant Research and Funding Application Services** for the Rancho Murieta Community Services District under the terms identified below.

**Hourly Rate.....** \$75.00 per hour  
(Services not related to a specific funding application i.e. research & general meetings). Not to exceed 3 hours in any one month without prior authorization from RMCS D.

**Funding Opportunity Application**

**Completion & Submittal.....** Proposal to be provided to RMCS D upon release of Funding Opportunity Announcement or Solicitation for Applications. RMCS D approval required prior to work commencing.

**Upon Award of Grant**

Proposals less than \$1,000,000..... 1% of Award  
Proposals \$1,000,000 or greater..... \$10,000 flat fee

January 3, 2012  
Page 2

**Reimbursement for  
Incidentals** (Copies,  
postage, supplies, etc)..... Actual Costs

**Payment Terms**..... Net 30 days

Please don't hesitate to contact me with any questions regarding the information contained in this proposal.

Sincerely,



Linda Heffelfinger

## CONFERENCE/EDUCATION SCHEDULE

Date: January 12, 2012  
To: Board of Directors  
From: Suzanne Lindenfeld, District Secretary  
Subject: Review Upcoming Conference/Education Opportunities

---

### RECOMMENDED ACTION

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).

### BACKGROUND

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 upcoming conferences/educational opportunities include the following:

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

|                                     |                  |                 |
|-------------------------------------|------------------|-----------------|
| How to be an Effective Board Member | January 25, 2012 | El Dorado Hills |
| Brown Act Reimbursement & Mandates  | March 8, 2012    | Webinar         |

#### **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)**

|                             |                      |           |
|-----------------------------|----------------------|-----------|
| CA-NV 2012 Spring Symposium | February 8 – 9, 2012 | Las Vegas |
|-----------------------------|----------------------|-----------|

**WATEREUSE ASSOCIATION**

2012 WaterReuse California Annual  
Conference

March 18-21, 2012

Sacramento

**AMERICAN WATER WORKS ASSOCIATION (AWWA)**

No Information Currently Available on Upcoming Conferences.



2012  
CA-NV AWWA  
**SPRING  
SYMPOSIUM**  
LAS VEGAS, NV FEBRUARY 8TH & 9TH

*“This Spring the Section will host a Symposium in Las Vegas, NV on February 8th & 9th. The Symposium is the perfect opportunity to gain contact hours, network with industry partners and learn from a diverse group of industry professionals.”*

*-Sue Mosburg, Education Director, CA-NV AWWA*

**This years event will feature the following sessions:**

- Alternative experiences; lessons learned from alternative capital delivery projects in California
- Essential Keys to an Effective Asset Management Program
- Giardia and Cryptosporidium and Some other Waterborne Pathogenic Protozoa
- In-Situ Aeration Application for Corrosion Control in Groundwater Under the Influence of Surface Water System
- Potable Water Storage Tank Design, Maintenance, and Effect on Water Quality
- Protecting your water supply and your bottom line shifting treatment costs from ratepayers to polluters
- Sensory Analysis of Drinking Water: Measuring Consumer Acceptance
- Why Measure Performance? An Introduction to Bringing Purpose to All That Data You Collect

To register please log onto the Section website at [www.ca-nv-awwa.org](http://www.ca-nv-awwa.org).

**Extra! Extra!**

The Water Education Seminar (formerly held in Vacaville, CA in February) will take place in Northern California in May or June and feature workshops as well as exhibits. See you there!

