



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING**

May 15, 2019

Call to Order/Closed Session 4:00 p.m. - Open Session 5:00 p.m.

1. CALL TO ORDER/ROLL CALL

President Les Clark called the Regular Board 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 Les Clark, Randy Jenco, Tim Maybee, and John Merchant. Director Linda Butler was absent. Also, present were Mark Martin, General Manager; Tom Hennig, Director of Administration; Jeff Werblun, Security Chief; Paul Siebensohn, Director of Field Operations; Richard Shanahan, District General Counsel; and Suzanne Lindenfeld, District Secretary. Director Linda Butler participated in Agenda Item 12 by teleconference.

2. CONSIDER ADOPTION OF AGENDA

Motion/Maybee to adopt the agenda. Second/Clark. Ayes: Clark, Jenco, Maybee, Merchant. Noes: None. Absent: Butler. Abstain: None.

3. BOARD ADJOURNED TO CLOSED SESSION AT 4:02 P.M. TO DISCUSS THE FOLLOWING ITEMS:

Under Government Code 54956.9(a): Conference with Legal Counsel - Anticipated Litigation - Significant Exposure to Litigation: One Potential Case.

Under Government Code 54957: Public Employee Performance Evaluation of the General Manager.

4. BOARD RECONVENED TO OPEN SESSION AT 5:00 P.M. AND REPORTED THE FOLLOWING:

Under Government Code 54956.9(a): Conference with Legal Counsel - Anticipated Litigation - Significant Exposure to Litigation: One Potential Case. No action to report back.

Under Government Code 54957: Public Employee Performance Evaluation of the General Manager. No action to report back.

5. CONSENT CALENDAR

Motion/Clark to adopt the consent calendar. Second/Maybee. Roll Call Vote: Ayes: Clark, Jenco, Maybee, Merchant. Noes: None. Absent: Butler. Abstain: None.

6. STAFF REPORTS

Under Agenda Item 6a, Mark Martin, General Manager, gave a brief update on the proposed water tax to supplement struggling water districts to provide clean water. This item went to the Senate Budget Committee this morning but have not heard the outcome.

Director Maybee asked if Rancho Murieta Association (RMA) has provided their expectations and priorities yet. Mr. Martin stated no and that a reminder email was sent earlier today. Director Maybee asked about the District's position on sharing the costs with RMA for road repairs. Mr. Martin stated that the District is not stating one way or another until the cause of the road issue is discovered.

Under Agenda Item 6b, Director Merchant asked about the delinquent accounts and asked what the best way to collect on them. Richard Shanahan, District General Counsel, stated that the County's Teeter Plan is the best way for the District to collect on the delinquencies. Director Merchant asked if the District is collecting

reserves for the new water treatment plant in addition to interfund loan pay back and asked for this to be on a future Finance Committee meeting agenda for discussion.

Under Agenda Item 6c, Chief Werblun gave a brief overview of the rules and process for registering golf carts and getting a yellow tag. Resident Jeff Gibson stated that he had never heard about the yellow tag before and the community should be notified. Chief Werblun stated that it is published in the Pipeline regularly with the last time being in the April Pipeline. It is also on the District's website and posted on the District's Facebook page.

Chief Werblun stated that he has received nine (9) responses back from residents regarding their top five (5) security concerns.

Under Agenda Item 6d, Paul Siebensohn, Director of Field Operations, commented on Rancho Murieta Country Club's Operations Manual and stated that District staff does help out when possible to be sure they are in compliance.

Paul Siebensohn stated that staff received a bid today for the Administration Building Recycled Water Tie-In Project and will be moving forward to complete the project by the June 30, 2019 grant deadline.

7. CONSIDER CONFERENCE/EDUCATION OPPORTUNITIES

Director Clark received a SDFL Kohlen Scholarship from California Special Districts Association (CSDA) to cover his registration fees for the upcoming Special District Leadership Academy.

8. EMPLOYEE ANNOUNCEMENTS, PROMOTIONS, COMMENDATIONS, AND KUDOS

None.

9. REVIEW APRIL 2019 BOARD/COMMITTEE MEETING DATES/TIMES

No discussion.

10. CORRESPONDENCE

Mark Martin, General Manager, stated he received two (2) additional letters protesting the developer request.

11. COMMENTS FROM THE PUBLIC

Ted Hart commented on his feeling that when the community was originally developed, the intention was to operate it like a city, one governing agency over the entire community and requested the Board give full consideration to the request made by John Sullivan and that he feels it would greatly benefit the entire community.

12. CONSIDER REQUEST BY DEVELOPER TO UTILIZE \$540,000 PHASE 2 WATER TREATMENT PLANT RESERVED FUNDS AS A ONE-TIME SOURCE TO COVER A PORTION OF MELLO-ROOS CFD No. 2014-1 SPECIAL TAX DELINQUENCIES ON SELECTED PARCELS (Director Linda Butler participated by teleconference.)

Mark Martin, General Manager, gave a brief overview of the recommendation to decline the request by John Sullivan to redirect \$540,000 Phase 2 Water Treatment Plant Expansion Reserved Acquisition and Construction Funds as a one-time source to cover a portion of Mello-Roos CFD No. 2014-1 Special Tax delinquencies on selected parcels.

Director Maybee commented on his concerns with the cost to the District for administration time spent and changing what the previous Board approved.

Director Merchant commented on the Finance and Services Agreement (FSA) requiring the money be held and is not comfortable with changing that.

Director Jenco commented his concern that if land is used to secure a bond, there is a chance the District could lose money if the developer goes bankrupt or if the property goes down in value.

President Clark commented on his concern of whether or not it is legal and/or appropriate, what issues granting this can cause with the other bond holders who are current on their payments, and is not in favor of granting this request.

Director Butler commented that she sees no benefit to the community in granting the request and recommends declining.

John Sullivan stated that he is withdrawing the request.

13. PRESENTATION AND DISCUSSION OF GENERAL MANAGER'S ACTION PLANS

Mark Martin, General Manager, gave a brief overview of the action plan the Board had given him as a condition of a salary adjustment which will be retro-active to September 30, 2018. President Clark stated that he feels Mr. Martin has met the requirements. Director Merchant agreed. ***By consensus, the Board agreed to accept the General Manager's action plans.***

14. CONSIDER APPROVAL OF CO-OP INTERNSHIP PROGRAM HOURLY PAY RATE

Tom Hennig, Director of Administration, gave a brief summary of the recommendation to approve the proposed UOP CO-OP Internship Program hourly rate of pay. The duties of the first intern will be to scan escrow files into the document management system and update operational management procedures. Both tasks will improve District operations by leveraging existing technologies such as Electronic Document Management and Microsoft SharePoint.

Motion/Jenco to approve the UOP CO-OP Internship Program pay rate of \$20.00 an hour. Second/Clark. Roll Call Vote: Ayes: Clark, Jenco, Maybee, Merchant. Noes: None. Absent: Butler. Abstain: None.

15. CONSIDER APPROVAL OF ANNUAL FINANCIAL AUDIT ENGAGEMENT LETTER

Tom Hennig, Director of Administration, gave a brief overview of the request to approve the annual audit engagement letter with Larry Bain, CPA for the 2018-10 financial audits. Next year, the District will be going out to bid for this service.

Motion/Clark to approve the annual audit engagement letter with Larry Bain, CPA for the 2018-2019 financial audit and authorize the General Manager to sign the engagement letter. The not-to-exceed fee for the District audits is \$16,275 and \$2,500 for the CFD 2014-1. The District audit is paid from Operating Budget and the CFD 2014-1 audit is paid from administration fees collected in the Special Assessment Levy. Second/Maybee. Call Vote: Ayes: Clark, Jenco, Maybee, Merchant. Noes: None. Absent: Butler. Abstain: None.

16. CONSIDER ADOPTION OF RESOLUTION R2019-04 APPROVING THE PROPOSED BUDGET FOR FISCAL YEAR 2019-20, INCLUDING CAPITAL PROJECTS

Tom Hennig, Director of Administration, gave a PowerPoint presentation. The proposed budget results in a 5.41% increase or \$9.54 per month, on the average monthly bill for a residential metered lot. Adoption of the 2018-2019 budget will occur at the June 19, 2019 Regular Board Meeting.

Motion/Clark to introduce Resolution R2019-04, waive the full reading and continue to the June 19, 2019 Board meeting for adoption. **Second/Merchant. Roll Call Vote: Ayes: Clark, Jenco, Maybee, Merchant. Noes: None. Absent: Butler. Abstain: None.**

17. PUBLIC HEARING TO CONSIDER ADOPTION OF THE PROPOSED SERVICE CHARGE INCREASES AND SPECIAL TAX ADJUSTMENTS

Tom Hennig, Director of Administration gave a brief overview of the proposed rate changes. Only eight (8) letters objecting to the rate increase were received.

President Clark opened the public hearing at 7:43 p.m.

There were no comments.

President Clark closed the public hearing at 7:44 p.m.

Motion/Clark to introduce Ordinance O2019-01, an Ordinance of the Rancho Murieta Community Services District, amending Chapter 14 of the District Code relating to Water Service Charges; amending Chapter 15 of the District Code relating to Sewer Service Charges; amending Chapter 16 of the District Code relating to Drainage Service Charges; amending Chapter 16A of the District Code relating to Drainage Special Tax; amending Chapter 21 of the District Code relating to Security Special Tax; and amending Chapter 31 of the District Code relating to Solid Waste Collection and Disposal Service Charges, waive the full reading of the Ordinance and continue to the June 19, 2019 Regular Board Meeting for adoption. **Second/Maybee. Roll Call Vote: Ayes: Clark, Jenco, Maybee, Merchant. Noes: None. Absent: Butler. Abstain: None.**

18. DIRECTOR COMMENTS

Director Maybee commented a phone call that was made to the District and the lack of customer service on the part of the District employee.

President Clark thanked staff for all they do.

19. ADJOURNMENT

Motion/Maybee to adjourn at 7:52 p.m. **Second/Merchant. Ayes: Clark, Jenco, Maybee, Merchant. Noes: None. Absent: Butler. Abstain: None.**

Respectfully submitted,



Suzanne Lindenfeld
District Secretary