**RESOLUTION NO. R2026-18**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT APPROVING THE ACQUISITION OF A REPLACEMENT CATERPILLAR 420-07 BACKHOE LOADER THROUGH A GOVERNMENTAL EQUIPMENT LEASE-PURCHASE AGREEMENT WITH CATERPILLAR FINANCIAL SERVICES CORPORATION, CONFIRMING THE TRANSFER OF FY 2026-27 CAPITAL IMPROVEMENT PLAN FUNDS, AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE RELATED DOCUMENTS**

**WHEREAS,** the Rancho Murieta Community Services District ("District") is a community services district organized and existing under the Community Services District Law, Government Code section 61000 et seq., and is authorized to acquire, purchase, lease, and hold personal property necessary to exercise its powers; and

**WHEREAS,** the District's existing backhoe is a 2010 unit that has required more than $50,000 in repairs and rental equipment over the past two years, and for which approximately $22,000 in further repairs has been recommended; and

**WHEREAS,** on September 8, 2026, the Board's Improvements Committee reviewed replacing the existing backhoe and forwarded the matter to the Board, requesting a recommendation from the Director of Finance and Administration on whether an outright purchase or a lease-purchase would be more cost-effective; and

**WHEREAS,** on September 16, 2026, the Board approved the transfer of $141,000 in Fiscal Year 2026-27 Capital Improvement Plan funds from the Sewer/Vactor (Combination) Truck project to the Backhoe project, but did not select a method of acquisition, approve a purchase contract or financing agreement, or designate persons authorized to execute those documents; and

**WHEREAS,** Holt of California ("Holt") has offered to sell the District one new 2025 Caterpillar 420-07 Backhoe Loader, Serial No. H8T06615, with the attachments described in Holt Quote No. 168687-05 (the "Equipment"), under Sourcewell Contract No. 020223-CAT, a cooperatively procured contract, for $172,387.87 plus applicable sales tax, for a total of $185,747.93; and

**WHEREAS,** Caterpillar Financial Services Corporation ("Cat Financial") has offered to finance the Equipment, excluding the Wainroy ditch-cleaning bucket, under Governmental Equipment Lease-Purchase Agreement No. 001-70239917 (the lease"), at a fixed interest rate of 4.99% per year, payable in two annual payments of $98,615.97 and a final payment of $101.00, subject to annual appropriation by the District; and

**WHEREAS,** the form of the Lease, the Holt quote, and a staff report comparing the cost of each alternative have been presented to the Board at this meeting; and

**WHEREAS,** under District Code Chapter 4, Sections 3.01 and 3.03, the General Manager's purchasing authority is limited to $5,000, and the acquisition of the Equipment therefore requires the approval of the Board; and

**WHEREAS,** District Code Chapter 4, Section 6.01, requires competitive bidding for purchases of Commodities exceeding $5,000 unless an exception applies, including where the General Manager determines that competitive bidding would not be advantageous or in the best interests of the District and recommends a single vendor purchase to the Board (Section 6.01(d)), or where the Board determines or directs otherwise (Section 6.01(e)); and

**WHEREAS,** the General Manager has determined that competitive bidding for the Equipment would not be advantageous or in the best interests of the District, and recommends that the Board approve the acquisition from Holt under Sourcewell Contract No. 020223-CAT; and

**WHEREAS,** this special meeting was duly called and noticed under Government Code section 54956, and the Board has considered the staff report and all public comment.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT RESOLVES AS FOLLOWS:**

**Section 1. Recitals.** The recitals above are true and correct and are incorporated into this resolution.

**Section 2. Approval of Acquisition; Competitive Bidding Determination.** (a) The Board approves the acquisition of the Equipment from Holt under Sourcewell Contract No. 020223-CAT, and finds that the acquisition serves a public purpose of the District by replacing an unreliable backhoe used in the District's water, wastewater, and drainage operations.

(b) Under District Code Chapter 4, Sections 6.01(d) and 6.01(e), the Board accepts the General Manager's determination and determines that formal competitive bidding under Section 6.02 is not required for this acquisition, because: (i) Sourcewell, a public agency, awarded Contract No. 020223-CAT through a competitive solicitation; (ii) the contract pricing provides discounts of 22% on the machine and 15% on attachments; (iii) the Equipment is available now from the authorized Caterpillar dealer's inventory; and (iv) the delay required for a formal bid would expose the District to continued repair and rental costs on the existing backhoe.

**Section 3 –Lease-Purchase Financing.**

(a) The Board approves the Lease with Cat Financial, including its payment schedule and exhibits, in substantially the form presented at this meeting. The Board also approves any changes that District General Counsel approves, provided those changes do not increase the interest rate or the total Lease payments. Total Lease payments shall not exceed $197,332.94.

(b) The following officers, and their successors in office, are each authorized to sign and deliver the Lease and related documents on behalf of the District: the General Manager and the Director of Finance and Administration. Related documents include the insurance verification, the customer information form, IRS Form 8038-G, and the Purchase Agreement acknowledgment. The President of the Board and the District Secretary/Clerk of the Board are authorized to attest to and certify this resolution and the minutes of this meeting.

(c) The District's obligation to make Lease payments in any fiscal year is a current expense of the District for that fiscal year, payable only from funds lawfully appropriated for that purpose. It does not constitute an indebtedness of the District or a pledge of its general credit or taxing power. The Board intends, but does not bind future Boards, to include the Lease payments in the District's budgets for FY 2026-27, 2027-28 and FY 2028-29.

(d) The District will take all actions within its control to maintain the federal tax-exempt status of the interest component of the Lease payments, including timely filing IRS Form 8038-G and using the Equipment only for District governmental purposes.

(e) As part of the same acquisition approved by this resolution, the General Manager is authorized to purchase the Wainroy ditch-cleaning bucket from Holt under Sourcewell Contract No. 020223-CAT for an amount not to exceed $2,801.50, including sales tax.

(f) The District Secretary/Clerk of the Board is directed to deliver to Cat Financial a certified copy of this resolution and the minutes of this meeting, as provided in Section 15 of the Lease.

**Section 4. Confirmation of Fund Transfer.** The Board confirms its September 16, 2026 action transferring $141,000 in FY 2026-27 Capital Improvement Plan funds from the Sewer/Vactor (Combination) Truck project to the Backhoe project. The Combination Truck will be considered for funding in a future fiscal year.

**Section 5. Further Actions.** The General Manager and other District officers are authorized to take all further actions, and to sign all further documents, that are consistent with this resolution and necessary to carry it out. This includes obtaining the required insurance.

**Section 6. Environmental Review.** The Board finds that this action is not a "project" under the California Environmental Quality Act (Pub. Resources Code § 21065; CEQA Guidelines § 15378) because it will not result in a direct or reasonably foreseeable indirect physical change in the environment. In the alternative, the action is exempt under CEQA Guidelines section 15061(b)(3), because it can be seen with certainty that there is no possibility it may have a significant effect on the environment.

**Section 7. Effective Date.** This resolution takes effect immediately upon adoption.

PASSED AND ADOPTED by the Board of Directors of the Rancho Murieta Community Services District at a special meeting held on October 21, 2026, by the following roll call vote:

AYES: Merchant, Butler, Maybee
NOES: None
ABSENT: Jenco, Gere
ABSTAIN: None

John Merchant, President, Board of Directors

ATTEST:

Dyanne Fleet, Interim District Secretary/Clerk of the Board

**CERTIFICATE**

I, Dyanne Fleet, Interim District Secretary/Clerk of the Board of the Rancho Murieta Community Services District, certify that:

1. The foregoing is a full, true, and correct copy of Resolution No. R2026-18, duly adopted by the Board of Directors at a special meeting held on October 21, 2026, at the District office, 15160 Jackson Road, Rancho Murieta, California.
2. The meeting was duly called, noticed, and held in accordance with Government Code section 54956.
3. A quorum was present, and the resolution was adopted by the vote shown above.
4. The resolution has not been amended or repealed and remains in full force and effect.

Dated: October 27, 2026

Dyanne Fleet

Dyanne Fleet, Interim District Secretary/Clerk of the Board