RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 JACKSON ROAD
RANCHO MURIETA, CA 95683
916.354.3700
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AGENDA

"Your Independent Local Government Agency Providing
Water, Wastewater, Drainage, Security, and Solid Waste Services"

REGULAR BOARD OF DIRECTORS MEETINGS ARE HELD
3rd Wednesday of Each Month

REGULAR BOARD MEETING
Wednesday, March 21, 2012
Closed Session 4:00 p.m. - Open Session 5:00 p.m.
RMCSD Administration Building – Board Room
15160 Jackson Road
Rancho Murieta, CA 95683

BOARD MEMBERS

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

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

March 21, 2012

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

AGENDA

RUNNING TIME

1. CALL TO ORDER - Determination of Quorum - President Belton **(Roll Call)** 4:00

2. ADOPT AGENDA (Motion) 4:05

3. EMPLOYEE RECOGNITION - PROMOTIONS – CERTIFICATIONS - AWARDS 4:10

4. CLOSED SESSION 4:15

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

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

5. OPEN SESSION

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.

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. ***TIMED ITEMS*** *as specifically noted, such as Hearings or Formal Presentations of community-wide interest, will not be taken up earlier than listed.*

6. REPORT ACTION FROM CLOSED SESSION 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. February 15, 2012 Board Meeting

b. **Committee Meeting Minutes** (Receive and File)
1. March 1, 2012 Communication & Technology Committee Meeting
2. March 6, 2012 Security Committee Meeting
3. March 6, 2012 Improvements Committee Meeting
4. March 6, 2012 Finance Committee Meeting

c. **Approval of Bills Paid Listing**

9. **STAFF REPORTS** (Receive and File) (*5 min.)* 5:20
a. General Manager's Report
b. Administration/Financial Report
c. Security Report
d. Water/Wastewater/Drainage Report

10. **CORRESPONDENCE** *(5 min.)* 5:25

11. **DISCUSS MIDGE FLY SPRAYING** (Discussion/Action) *(5 min.)* 5:30

12. **CONSIDERATION OF RANCHO MURIETA AIRPORT APPEAL OF SECURITY TAX** 5:35
(Discussion/Action) *(20 min.)*
a. Staff Presentation.
b. Appellant's Presentation.
c. Public Comment (if any)
d. Response by Staff (if any)
e. Board Deliberations and Decision. Appeal.
(Discussion/Action) (Motion) **(Roll Call Vote)**

13. **PRESENT 2012/2013 DRAFT BUDGET** (Discussion/Action) *(30 min.)* 5:55
a. Presentation of 2012/2013 Draft Budget
b. Consideration of 2013/2014 and 2014/2015 Draft Budgets
c. Authorize Staff to Mail Proposed Rate Increase and Notice of Hearing(s)
b. Schedule Budget Hearing for May 16, 2012

14. **TIMED ITEM – FIELD OPERATIONS ANNUAL REPORT – PRESENTATION BY PAUL SIEBENSOHN, DIRECTOR OF FIELD OPERATIONS** (Discussion/Action) 6:25
(15 min.) (Time is approximate but will not be conducted before 5:30 p.m.)

15. **ADOPT DISTRICT RESOLUTION 2012-04, AUTHORIZING SALE OF SURPLUS PROPERTY** (Discussion/Action) (Motion) **(Roll Call Vote)** *(5 min.)* 6:40

16. **ADOPT DISTRICT POLICY 2012-01, RESPONSE TO PUBLIC COMMENT** 6:45
(Discussion/Action) (Motion) **(Roll Call Vote)** *(5 min.)*

17. **ADOPT DISTRICT POLICY 2012-02, COMMUNICATION OUTREACH** 6:50
(Discussion/Action) (Motion) **(Roll Call Vote)** *(5 min.)*

18. **ADOPT DISTRICT POLICY 2012-03, DISTRICT INSURANCE REQUIREMENTS** 6:55
(Discussion/Action) (Motion) **(Roll Call Vote)** *(5 min.)*

19. **APPROVE PROPOSALS FOR CHEMICAL PURCHASE CONTRACTS** 7:00
(Discussion/Action) (Motion) *(5 min.)*

20. **APPROVE PROPOSAL FOR SLUDGE DREDGE RENTAL** 7:05
(Discussion/Action) (Motion) *(5 min.)*

21. **RECEIVE WATER SUPPLY ASSESSMENT REPORT** 7:10
(Discussion/Action) *(5 min.)*

22. **NOMINATIONS FOR CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS** (Discussion/Action) (Motion) *(5 min.)* 7:15

23. **REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES** 7:20

24. **MEETING DATES/TIMES FOR THE FOLLOWING:** *(5 min.)* 7:25

Next Regular Board Meeting: April 18, 2012

Committee Meeting Schedule:

- Security - Tuesday, April 3, 2012 at 8:30 a.m.
- Improvements – Tuesday, April 3, 2012 at 9:00 a.m.
- Finance - Tuesday, April 3, 2012 at 9:30 a.m.
- Communications - Thursday, April 5, 2012 at 8:30 a.m.
- Personnel - Thursday, April 5, 2012 at 9:00 a.m.
- Joint Security - T.B.A.

25. **COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF** 7:30
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.

26. **ADJOURNMENT** (Motion) 7:35

"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 March 16, 2012. Posting locations are: 1) District Office; 2) Plaza Foods; 3) Rancho Murieta Association; 4) Murieta Village Association.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Board of Directors Meeting
MINUTES
February 15, 2012
5:00 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 5:00 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Roberta Belton, Richard Taylor, Betty Ferraro, Steven Mobley, and Gerald Pasek. Also present 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.

2. ADOPT AGENDA

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

3. EMPLOYEE PROMOTIONS – CERTIFICATIONS- AWARDS

None.

4. COMMENTS FROM THE PUBLIC

Mark Pecotich thanked the District for the work done on Detention Basin 5 (Lost Lake).

5. CONSENT CALENDAR

Motion/Pasek to adopt the consent calendar. **Second/Belton. ROLL CALL VOTE: Ayes: Belton. Taylor, Ferraro, Mobley, and Pasek.**

Agenda Item 5b4, Director Pasek stated that the taste and odor issues Contra Costa was having was this year. Paul Siebensohn stated that Contra Costa has taste and odor problems annually.

6. STAFF REPORTS

Under Agenda Item 6d, under Water Source Supply, Director Pasek suggested staff put up posts and cables to keep residents from driving on the face of Calero Dam.

Under Agenda Item 6a, under Security, President Belton asked for an update on PTF installing gates to prevent vehicle access to backcountry. Chief Remson stated that PTF if still deciding on what course of action to take.

Under Agenda Item 6b, under Lock-Offs, President Belton asked if 35 was the total locked off or just how many were locked off in January. Darlene Gillum stated that it is the total number locked off.

President Belton asked the Directors for any input regarding rate increases. Director Ferraro stated she needed more information before giving any input. Director Mobley agreed. Director Taylor stated there should be an increase to the Security Tax. After a discussion, the Board agreed that

Director Ferraro would attend the March Finance Committee meeting since Director Pasek will be out of town.

7. CORRESPONDENCE

No discussion.

8. WELCOME ROBERTA MACGLASHAN, SACRAMENTO COUNTY BOARD OF SUPERVISORS

Supervisor Roberta MacGlashan gave a brief summary of her experience which includes being on the first Citrus Heights City Counsel. Supervisor MacGlashan was elected to the Sacramento County Board of Supervisors in 2004. Besides the regular Board of Supervisors' meetings, Supervisor MacGlashan also holds monthly community meetings. The next one is scheduled for March 6, 2012 with Amy Rutledge as the guest speaker. A question and answer period followed.

President Belton asked about having road improvements done to Scott Road. Supervisor MacGlashan stated that since Scott Road has been declared a scenic road, no work other than maintenance, can be done to it. A discussion followed.

The Board took a break at 5:38 p.m. and returned at 5:44 p.m.

9. SECURITY DEPARTMENT ANNUAL REPORT – PRESENTATION BY GREG REMSON, SECURITY CHIEF

Chief Remson gave his annual presentation of the Security Department for 2011. The items covered in the presentation include: 2011 review, gate operations, patrol operations, calls for service, patrol time, and the James L. Noller Safety Center. A question and answer period followed.

10. ADOPT DISTRICT ORDINANCE 2011-04, AMENDING CHAPTER 14 OF THE DISTRICT CODE, THE WATER CODE

Ed Crouse gave a brief summary of the amendments to Chapter 14 of the District Code. The amendments are in support of the county, state and federal codes and regulations; implementation of the 2020 Compliance Plan and a continuation of the Integrated Water Master Plan Update.

Motion/Mobley to adopt Ordinance 2011-04, an Ordinance amending District Code Chapter 14, the Water Code. **Second/Pasek. ROLL CALL VOTE: Ayes: Belton, Taylor, Ferraro, Mobley, and Pasek. Noes: None.**

11. ADOPT DISTRICT RESOLUTION 2012-02 CALLING THE GENERAL DISTRICT ELECTION

Suzanne Lindenfeld gave a brief summary of the recommendation to adopt Resolution 2012-02.

Motion/Belton to adopt Resolution 2012-02, a resolution calling the General District Election for the purpose of electing two (2) Directors to the Rancho Murieta Community Services District's Board of Directors. **Second/Pasek. ROLL CALL VOTE: Ayes: Belton, Taylor, Ferraro, Mobley, and Pasek. Noes: None.**

12. ADOPT DISTRICT RESOLUTION 2012-03 SUPPORTING PARTICIPATION IN THE WATER RECLAMATION AND REUSE GRANT PROGRAM

Ed Crouse gave a brief summary of the recommendation to adopt Resolution 2012-03 authorizing the District to apply for a grant to help cover costs for a feasibility study.

Motion/Mobley to adopt District Resolution 2012-03, supporting the District's participation in the Bureau of Reclamation WaterSMART, Title XVI Water Reclamation and Reuse Grant Program. Second/Ferraro. **ROLL CALL VOTE: Ayes: Belton, Taylor, Ferraro, Mobley, and Pasek. Noes: None.**

13. ADOPT DISTRICT POLICY 2012-01, RESPONSE TO PUBLIC COMMENT

Ed Crouse gave a brief summary of the proposed Policy change and stated that staff is developing a separate communication outreach policy. Director Pasek suggested some timelines be included in the policy. After a discussion, the Board agreed to send this policy back to the Communications & Technology Committee for further review.

14. APPROVE PROPOSAL FOR QUARTERLY AND ANNUAL GROUNDWATER MONITORING REPORTS

Paul Siebensohn gave a brief summary of the proposal for quarterly and annual groundwater monitoring reports, as required by the Regional Water Quality Control Board Monitoring and Reporting Plan 5-01-124.

Motion/Ferraro to approve the proposal from Westmark Group for quarterly and annual groundwater monitoring reports and services in an amount not to exceed $14,850.00. Funding to come from Sewer Operating Budget. **Second/Mobley**. **Ayes: Belton, Taylor, Ferraro, Mobley, and Pasek. Noes: None.**

15. APPROVE INVOICE FOR VXU METER READING EQUIPMENT PURCHASE

Paul Siebensohn gave a brief summary of the emergency expenditure last month for VXU meter reading equipment. The device purchased is utilized by the District for billing.

Motion/Belton to approve the invoice from Golden State Flow Measurement, Inc., for purchase of a VXU meter reading equipment, in an amount not to exceed $19,646. Funding to come from Water Replacement Reserves. **Second/Pasek. Ayes: Belton, Taylor, Ferraro, Mobley, and Pasek. Noes: None.**

16. APPROVE ADDITIONAL COSTS FOR WASTEWATER RECLAMATION PLANT REHABILITATION

Paul Siebensohn gave a brief summary of the recommendation to approve the additional costs for the wastewater reclamation plant rehabilitation project. The additional costs are for replacement of the wastewater reclamation plant motors.

Motion/Ferraro to approve the invoice for additional costs to Kirby Pump and Mechanical, Inc., for the rehabilitation of the wastewater reclamation plant motors, in an amount not to exceed $5,577. Funding to come from Sewer Replacement Reserves. **Second/Pasek. Ayes: Belton, Taylor, Ferraro, Mobley, and Pasek. Noes: None.**

17. REVIEW BOARD WORKSHOP GOALS AND SCHEDULE

Ed Crouse gave a brief summary of this year's three (3) new goals, the next steps, schedule and estimated costs along with the next steps for the Integrated Water Master Plan.

Director Ferraro asked if Rancho Murieta Association (RMA) had been contacted yet to restart the Parks Committee meetings. Ed stated no, that he is working with the Developers to appoint their two (2) representatives first.

18. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES

Motion/Belton to approve Director Mobley and Chief Remson to attend the 2012 ISC West Public Security and Safety Expo in Las Vegas. **Second/Mobley. Ayes: Belton, Taylor, Ferraro, Mobley, and Pasek. Noes: None.**

19. MEETING DATES/TIMES

No changes.

20. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

Suzanne Lindenfeld stated an e-waste curbside pickup has been scheduled for Monday, April 2, 2012.

Ed Crouse reported that only the General Managers attended the February Presidents and General Managers meeting. Items discussed included parks, the trails and promoting the community. The meeting has been rescheduled to next week. Ed also commented on the Golf Expo held at Rancho Murieta Country Club. Paul Siebensohn and Chief Remson were there from 2:00 p.m. to 5:00 p.m. answering questions and talking with people. Ed was there from 5:00 p.m. to 8:00 p.m. Ed will be on vacation the last week of February, 2012.

Director Mobley thanked the Board for approval to attend the ISC Security Expo.

Paul Siebensohn gave a brief summary of the symposium he attended.

21. ADJOURNMENT

Motion/Ferraro to adjourn at 6:30 p.m. **Second/Taylor. Ayes: Belton, Taylor, Ferraro, Mobley, and Pasek. Noes: None.**

Respectfully submitted,

Suzanne Lindenfeld
District Secretary

MEMORANDUM

Date: March 1, 2012

To: Board of Directors

From: Communication & Technology Committee Staff

Subject: March 1, 2012 Communication & Technology Committee Meeting

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Director Ferraro called the meeting to order at 8:32 a.m. Present were Directors Ferraro and Taylor. Present from District staff were Darlene Gillum, Director of Administration; Greg Remson, Security Chief; and Suzanne Lindenfeld, District Secretary.

COMMENTS FROM THE PUBLIC
None.

ADOPT DISTRICT POLICY 2012-01 RESPONSE TO PUBLIC COMMENT
Darlene Gillum gave a brief summary of the recommendation to approve District Policy 2012-01. This policy is to provide direction to the Board and staff in responding to inaccurate, misleading or negative information being discussed by the public. **This item will be added to the March 21, 2012 Board of Directors meeting agenda.**

ADOPT DISTRICT POLICY 2012-02 COMMUNICATION OUTREACH
Darlene Gillum gave a brief summary of the recommendation to approve District Policy 2012-02. This policy is to maintain and enhance effective customer and community relations by communicating, educating and providing information regarding the services provided by the District. **This item will be added to the March 21, 2012 Board of Directors meeting agenda.**

UPDATES
2020-Fix a Leak Week (March 12-18, 2012)
The District will be putting a banner up inside each gate and will have free toilet leak detection packets available to the community that week.

Water Conservation Coloring Books
350 coloring books have been ordered. 300 of them will be sent to Cosumnes River Elementary School for grades 1 to 3. The other 50 will be available to give out at the Easter festivities.

Communications Survey
The communications survey went out with the February billing statements. The survey is also available on-line.

DIRECTOR & STAFF COMMENTS/SUGGESTIONS
Director Ferraro stated she has received a “thank you” from residents regarding Detention Basin 5.

ADJOURNMENT
The meeting was adjourned at 8:52 a.m.

MEMORANDUM

Date: March 6, 2012

To: Board of Directors

From: Security Committee Staff

Subject: March 6, 2011 Security Committee Meeting

Director Ferraro called the meeting to order at 8:30 a.m. Present were Directors Ferraro and Mobley. 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.

COMMENTS FROM THE PUBLIC
None.

MONTHLY OPERATIONS REVIEW

Operations
Chief Remson met with the new California Highway Patrol Lieutenant for the Rancho Murieta area, Richard Desmond.

Chief Remson, Ed Crouse, Sergeant Bieg, and Paul Siebensohn participated in the Rancho Murieta Country Club Golf Expo.

Patrol Officers have been testing an in-car video recorder in the patrol vehicles.

Incidents of Note
Chief Remson stated there were two (2) DUI arrests in two (2) days.

RMA Citations/Advisals
Chief Remson reported on the following Rancho Murieta Association (RMA) rule violation citations for the month of February: 22 stop sign, 21 speeding and 12 driveway parking. RMA rule violation admonishments and/or complaints for the month of February: 28 loose dogs, 14 barking dogs, and 14 open garage doors.

RMA Compliance/Grievance/Safety Committee Meeting
At the March 5, 2012, meeting, there were appearances regarding speeding and stop sign. Letters were submitted regarding stop signs. Also discussed were the new fine schedule and the community garden. The next meeting will be on Monday, April 2, 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

Ed Crouse reported that District staff is continuing to work with RMA regarding the new rules. PTF is going to be installing three (3) gates to help reduce trespassing on their property. Chief Remson is recruiting for a Security Gate Officer position.

ADJOURNMENT

The meeting adjourned at 8:47 a.m.

MEMORANDUM

Date: March 6, 2012

To: Board of Directors

From: Improvements Committee Staff

Subject: March 6, 2012 Committee Meeting Minutes

Director Ferraro called the meeting to order at 9:00 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 Pasek was absent.

COMMENTS FROM THE PUBLIC
None.

RECEIVE GRANT UPDATE
DWR Grant for Augmentation Well
RWA is still working on the DWR grant agreement as well as individual grant agreements. The District's schedule update has been completed. The project is now set to start in May or June 2012

New Bureau of Reclamation Grant
The application has been submitted. Notification will be sent out the end of March/beginning of April, 2012.

REVIEW DRAFT RAW WATER SUPPLY ASSESSMENT
Paul Siebensohn gave a brief summary of the Technical Memorandum 1, Raw Water Supply Assessment, prepared by HDR. A discussion followed. **This item will be added to the March 21, 2012 Board of Directors meeting agenda.**

APPROVE CHEMICAL PURCHASE CONTRACT
Paul Siebensohn gave a brief summary of the recommendation to accept the proposals for chemical purchase contracts. A short discussion followed. **This item will be added to the March 21, 2012 Board of Directors meeting agenda.**

APPROVE SLUDGE DREDGE RENTAL
Paul Siebensohn gave a brief summary of the recommendation to approve the costs for a sludge dredge rental. This cost includes a $5,400 refundable deposit. A short discussion followed. **This item will be added to the Board of Directors meeting agenda.**

DIRECTORS' & STAFF COMMENTS/SUGGESTIONS
None.

ADJOURNMENT
The meeting was adjourned at 9:32 a.m.

MEMORANDUM

Date: March 6, 2012

To: Board of Directors

From: Finance Committee Staff

Subject: March 6, 2012 Finance Committee Meeting

Director Belton called the meeting to order at 9:36 a.m. Present were Directors Belton and 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 Pasek was absent.

COMMENTS FROM THE PUBLIC
None.

RECEIVE GRANT UPDATE
DWR Grant for Augmentation Well
RWA is still working on the DWR grant agreement as well as individual grant agreements. The District's schedule update has been completed. The project is now set to start in May or June 2012

New Bureau of Reclamation Grant
The application has been submitted. Notification will be sent out the end of March/beginning of April, 2012.

ADOPT DISTRICT POLICY 2012-03, DISTRICT INSURANCE REQUIREMENTS
Darlene Gillum gave a brief summary of the recommendation to adopt District Policy 2012-03 District Insurance Requirements. **This item will be on the March 21, 2012 Board of Directors meeting agenda.**

REVIEW DRAFT BUDGET AND 2 YEAR PROJECTION
Darlene Gillum gave a brief summary of the draft 2012-2013 budget. The preliminary assumptions used include the following expenses: wages as provided for in the MOU, no increase to PERS employer contribution, medical increase estimated at 5% on January 1, 2013, no increase for life, dental, vision, liability insurance, and SMUD. Increases in chemicals, non-routine maintenance, water meters, and water permits.

Revenues used include: property tax revenue reduction, no new growth in 2012-13, 2% projected decrease in water consumption, continuing advance debt service and reserve increase for water and sewer.

The unknowns at this time include solid waste contract adjustment and property insurance premium adjustment. A question and answer period followed.

Director Belton asked that staff check to see what the amount is that Sacramento County is now charging for solid waste pick up and disposal.

Staff will present different rate scenarios for the Board to review at the March Board meeting. Rate increase notices need to go out by April 1, 2012.

DIRECTORS' & STAFF COMMENTS/SUGGESTIONS
None.

ADJOURNMENT
The meeting was adjourned at 10:26 a.m.

MEMORANDUM

Date: March 14, 2012

To: Board of Directors

From: Darlene Gillum, Director of Administration

Subject: Bills Paid Listing

Enclosed is the Bills Paid Listing Report for **February 2012**. 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	$42,456.12	Operating Expense
SMUD	Monthly Electric	$20,148.27	Operating Expense
Sening Engineering	Annual Monument Surveying	$5,450.00	Operating Expense
County of Sacramento	Quarterly Waste Disposal Surcharge	$8,217.44	Operating Expense
Innovative Pond Products	Basin 5 Aeration	$8,011.21	Operating Expense
Ken Grady Company, Inc.	Mag Meter/Cable	$5,354.50	Operating Expense

Rancho Murieta Community Services District
Bills Paid Listing for February 2012

Ck Number	Date	Vendor	Amount	Purpose
CM24920	2/3/2012	Ace Hardware	$164.10	Monthly Supplies
CM24921	2/3/2012	Allied Waste Services #922	$333.85	Container Service
CM24922	2/3/2012	American Express	$646.35	Monthly Bill
CM24923	2/3/2012	Applications By Design, Inc.	$125.00	Security Data Back-up
CM24924	2/3/2012	Aramark Uniform Services	$68.95	Uniform Service - Water
CM24925	2/3/2012	AT&T	$1,198.91	Monthly Phone Bill
CM24926	2/3/2012	California Public Employees' Retirement Sys	$30,561.07	Payroll
CM24927	2/3/2012	California Waste Recovery Systems	$42,456.12	Solid Waste Monthly Contract
CM24928	2/3/2012	California-Nevada Section	$315.00	Training - Siebensohn
CM24929	2/3/2012	Caltronics Business Systems	$650.73	Admin Copier Maintenance
CM24930	2/3/2012	Costco Wholesale	$1,073.39	Monthly Supplies
CM24931	2/3/2012	Cravens Administrative Services	$850.00	Pipeline Newsletter - Winter 2012
CM24932	2/3/2012	Daily Journal Corporation	$64.60	Legal Notice:Ord #2011-05
CM24933	2/3/2012	Dunbar Air Conditioning Heating & Ref Servi	$465.05	Repair Service-Warehouse
CM24934	2/3/2012	Employment Development Department	$2,989.97	Payroll
CM24935	2/3/2012	Express Office Products, Inc.	$245.06	Office Supplies
CM24936	2/3/2012	Folsom Lake Fleet Services	$1,061.91	Repair, Tires - #517
CM24937	2/3/2012	Franchise Tax Board	$126.15	Payroll
CM24938	2/3/2012	Groeniger and Company	$1,402.70	Maintenance & Repair Supplies
CM24939	2/3/2012	Guardian Life Insurance	$4,993.71	Payroll
CM24940	2/3/2012	Howe It's Done	$191.63	Board Meeting Dinner
CM24941	2/3/2012	Larry Bain, CPA, An Accounting Corporation	$3,775.00	2010-11 Audit (final 25%)
CM24942	2/3/2012	National Payment Center	$189.50	Payroll
CM24943	2/3/2012	Nationwide Retirement Solution	$1,578.23	Payroll
CM24944	2/3/2012	Operating Engineers Local Union No. 3	$507.75	Payroll
CM24945	2/3/2012	PERS Long Term Care Program	$132.19	Payroll
CM24946	2/3/2012	Pitney Bowes	$696.70	Postage Machine Lease
CM24947	2/3/2012	Prodigy Electric	$3,861.65	Electric Service - Granlees Pump
CM24948	2/3/2012	Romo Landscaping	$325.00	Landscaping
CM24949	2/3/2012	Roto Rooter Service & Plumbing	$317.55	Sewer Service
CM24950	2/3/2012	S. M. U. D.	$20,148.27	Monthly Utilities
CM24951	2/3/2012	Sacramento Area Water Works Association	$325.00	2012 Membership
CM24952	2/3/2012	Sening Engineering, Ltd.	$5,450.00	Annual Monument Surveying
CM24953	2/3/2012	TASC	$124.61	Payroll
CM24954	2/3/2012	U.S. Bank Corp. Payment System	$4,338.30	Monthly Gasoline
CM24955	2/3/2012	U.S. Healthworks Medical Group, PC	$423.00	Annual Pulminary Function Test - Water
CM24956	2/3/2012	USA Blue Book	$722.93	Supplies
CM24957	2/3/2012	Vision Service Plan (CA)	$474.87	Payroll
CM24958	2/3/2012	Brian Chenoweth	$2,550.00	IT Support
EFT	2/3/2012	Internal Revenue Service	$1,132.77	Payroll Taxes
EFT	2/6/2012	Internal Revenue Service	$9,515.14	Bi-Weekly Payroll Taxes

Rancho Murieta Community Services District
Bills Paid Listing for February 2012

Ck Number	Date	Vendor	Amount	Purpose
CM24959	2/17/2012	Aramark Uniform Services	$137.90	Uniform Service - Water
CM24960	2/17/2012	ARC - Brownie's Digital Imaging	$296.85	Public Records Request
CM24961	2/17/2012	Bay Area Coating Consultant Services. Inc.,	$680.00	WWRP Warranty Inspection
CM24962	2/17/2012	Mary Brennan	$100.00	Toilet Rebate
CM24963	2/17/2012	C.S.D.A.	$69.00	Seminar
CM24964	2/17/2012	CDW Government Inc.	$1,239.13	Computer/Monitor (Secretary)
CM24965	2/17/2012	CLS Labs	$1,820.84	Monthly Lab Tests
CM24966	2/17/2012	County of Sacramento	$8,217.44	Quarterly Waste Disposal
CM24967	2/17/2012	Employment Development Department	$2,482.47	Payroll
CM24968	2/17/2012	Express Office Products, Inc.	$397.36	Office Supplies
CM24969	2/17/2012	Acme Saw & Supply Inc.	$1,854.83	Tools
CM24970	2/17/2012	Franchise Tax Board	$126.15	Payroll
CM24971	2/17/2012	Fred Pryor Seminars/CareerTrack	$199.00	Training - Czerwinsky
CM24972	2/17/2012	Gallery & Barton	$1,401.34	Legal Consulting
CM24973	2/17/2012	GALLS, LLC	$171.31	Supplies
CM24974	2/17/2012	Golden State Flow Measurement	$3,586.78	Meters/Gaskets
CM24975	2/17/2012	Goree & Thompson Real Estate	$138.90	Refund Overpayment
CM24976	2/17/2012	Groeniger and Company	$339.15	Supplies
CM24977	2/17/2012	Innovative Pond Products, Inc.	$8,011.21	Basin 5 Aeration
CM24978	2/17/2012	J B Bostick Company	$4,245.00	Street Repairs
CM24979	2/17/2012	James Johnson	$200.00	Toilet Rebate
CM24980	2/17/2012	Ken Grady Company, Inc.	$5,354.50	Mag Meter/Cable
CM24981	2/17/2012	Koff & Associates, Inc.	$300.00	Pay For Performance Program Review
CM24982	2/17/2012	Kronick Moskovitz Tiedemann & Girard	$1,745.50	Legal Consulting
CM24983	2/17/2012	McMaster-Carr Supply Co.	$290.76	Maintenance & Repair Supplies
CM24984	2/17/2012	National Payment Center	$189.50	Payroll
CM24985	2/17/2012	Nationwide Retirement Solution	$1,578.23	Payroll
CM24986	2/17/2012	NORMAC	$789.07	Maintenance & Repair Supplies
CM24987	2/17/2012	Operating Engineers Local Union No. 3	$507.75	Payroll
CM24988	2/17/2012	Pac Machine Co. Inc.	$1,353.34	Portable Generator - Cantova
CM24989	2/17/2012	PERS Long Term Care Program	$132.19	Payroll
CM24990	2/17/2012	Pirtek Power Inn	$243.50	Air System Repair
CM24991	2/17/2012	Rockhurst University Continuing Ed. Center	$30.12	Book
CM24992	2/17/2012	Sacramento County Sheriff's Dept.	$318.42	Sheriff's Off-Duty Program
CM24993	2/17/2012	Sierra Office Supplies	$100.21	AP Entry Forms
CM24994	2/17/2012	Sprint	$573.19	Monthly Cell Phone
CM24995	2/17/2012	TASC	$124.61	Payroll
CM24996	2/17/2012	TelePacific Communications	$499.90	Monthly Phone Bill
CM24997	2/17/2012	U.S. Healthworks Medical Group, PC	$141.00	Annual Pulminary Function Test - Water
CM24998	2/17/2012	USA Blue Book	$109.22	Maintenance & Repair Supplies
CM24999	2/17/2012	W.W. Grainger Inc.	$889.66	Maintenance & Repair Supplies

Rancho Murieta Community Services District
Bills Paid Listing for February 2012

Ck Number	Date	Vendor	Amount	Purpose
EFT	2/21/2012	Internal Revenue Service	$9,266.28	Bi-Weekly Payroll Taxes
EFT	2/27/2012	US Postmaster	$1,500.00	Postage
EFT	2/29/2012	PremierWest Bank	$130.00	Bank Fees
EFT	2/29/2012	Global Pay	$1,032.24	Merchant Service Fees
EFT	2/29/2012	Payment Tech	$671.57	Merchant Service Fees
		TOTAL	**$210,158.13**	

Rancho Murieta Community Services District
Bills Paid Listing for February 2012

Ck Number	Date	Vendor	Amount	Purpose
		CFD#1 Bank of America Checking		
CM2635	2/3/2012	Bank of America	$16.06	CFD#1 Admin Fees
CM2636	2/17/2012	Rancho Murieta CSD	$309,478.10	Sacramento County Tax Disbursement
		TOTAL	**$309,494.16**	
		EL DORADO PAYROLL		
Payroll (El Dorado)				
Checks: # CM10707 to CM10724		and Direct Deposits: DD05417 to DD5477	$ 106,136.57	Payroll
EFT	2/29/2012	National Payment Corporation	$ 134.96	Payroll
		TOTAL	**$106,271.53**	

MEMORANDUM

Date: March 15, 2012

To: Board of Directors

From: Edward R. Crouse, General Manager

Subject: General Manager's Report

The following are highlights since our last Board Meeting.

Employee Relations
This week's payroll began represented employees 3% cost share of PERS employee contribution as well as wage adjustment per the Memorandum of Understanding (MOU). Darlene and Debby provided a short memo explaining the payroll changes to remind the employees of the MOU adjustments.

Finance/IT
Darlene made great strides in preparing our two-year budget projections and a more detailed analysis of increases to budget line items. For the first time, Darlene also included an analysis of projected increases per budget line items to assist in explaining to the community what is driving the increases. I will be working with Darlene and Paul on Replacement Reserves and the five-year capital improvement projects (CIP).

Security
Greg reports that the backcountry gates have not yet been installed by PTF, although recent communications from PTF indicate they have selected a contractor and are working towards installation soon.

Water
We continue to divert 24/7 through today as we are still in a dry month scenario. The river flows have not dropped below 90 cfs and have peaked as high as 1,300 cfs today.

Paul noted our production for the month of February was at a 3 year high due to the unseasonably mild temperatures and lack of rain. Even so, we still had Plant 2 off line for filter repairs.

Wastewater
On the flip side of high water production, the mild February resulted in lowest wastewater flows in 10 years. Our secondary storage for the winter is below the last three (3) years. As such, Paul and Rich Scholes are working out a dry year scenario for Rancho Murieta Country Club (RMCC) irrigation demands. RMCC recently installed the Bass Lake pump to meet early season irrigation needs.

Drainage
Very little activity due to the lack of rain, although the warmer weather is allowing grass and weeds to grow earlier than normal. That said, our crews conducted pre and post storm inspections this past week to ensure all erosion control measures are in place.

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

Grant Funding
Our Regional Water Authority (RWA) grant for the augmentation well is still on hold, pending final DWR agreements.

We submitted additional information at the request of the Bureau of Reclamation for the recycled water feasibility grant. I can only hope this request is based on the serious consideration of our grant application.

Engineering
More cost information on the R&B reimbursement for previously constructed facilities was provided to the 670 group for consideration. We are still working through other cost issues that have arisen due to the slow economic outlook.

Conservation
We are in the middle of our Fix a Leak Week campaign. Banners are up. The website has information on fixing leaks and rebate information. An article was posted on Rancho Murieta.com. We also gave Ace Hardware Fix a Leak week flyers and rebate applications. Even though Fix a Leak Week ends March 18, 2012, our rebates will be good through March 31, 2012.

Next month has Creek Week, when we will focus on River Friendly landscaping. May is Water Awareness Month, when we will offer rebates for sprinkler replacements and weather based controllers.

MEMORANDUM

Date: March 14, 2012

To: Board of Directors

From: Darlene Gillum, Director of Administration

Subject: Administration/Financial Reports

Enclosed is a financial summary report for **February 2012**. Following are highlights from various internal financial reports. Please feel free to call me before the Board meeting regarding any questions you may have relating to these reports.

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

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

	12 month rolling % increase	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Residences	0.0	2511	2511	2511	2511	2512	2512	2512	2512				
	Weighted average	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**
Cubic Feet	1813	2871	3043	2753	1989	1306	978	1071	851				
Gallons per day	452	716	759	686	496	326	244	267	212				

Lock-Offs

For the month of February, there were 33 lock-offs.

Aging Report **-** Delinquent accounts total $68,677, which is 15.0% of the total accounts receivable balance of $456,363. Past due receivables, as a percent of total receivables, have decreased approximately 1.5% since January.

Summary of Reserve Accounts as of February 29, 2012 **–** The District's reserve accounts have increased $441,196 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 $117,131 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 February 29, 2012 is $8,442,757. Please see the Reserve Fund Balances table below for information by specific reserve account.

Reserve Fund Balances

Reserve Descriptions	*Fiscal Yr Beg Balance July 1, 2011*	*YTD Collected & Interest Earned*	*YTD Spent*	*Period End Balance Feb 29, 2012*
Water Capital Replacement (200-2505)	2,466,331	131,222	(88,907)	2,508,646
Sewer Capital Replacement (250-2505)	2,504,993	194,414	(0)	2,699,407
Security Capital Replacement (500-2505)	50,973	98	(0)	51,071
Sewer Capital Improvement Connection (250-2500)	3,981	8	(0)	3,989
Capital Improvement (200-2510/250-2510)	433,949	3,195	(0)	437,144
Water Supply Augmentation (200-2511)	2,567,525	9,091	(28,224)	2,548,392
Water Debt Service Reserves (200-2512)	25,087	37,280	(0)	62,367
Sewer Debt Service Reserves (250-2512)	63,697	65,884	(0)	129,581
Rate Stabilization (200/250/500-2515)	2,156	4	(0)	2,160
Total Reserves	*8,118,693*	*441,196*	*(117,131)*	*8,442,757*

PARS GASB 45 Trust: The PARS GASB 45 Trust, which is the investment trust established to fund Other Post Employment Benefits, had returns of 3.76% over the most recent 3-month period ended January 31, 2012. The investment return for the comparable CalPERS investment program (CERBT-Strategy 1) during the same 3-month period was a 2.63% increase.

Financial Summary Report:

***Revenues*:**

Water Charges, year-to-date, are **below budget by $12,263 or 1.2%**

Sewer Charges, year-to-date, are **below budget by $812 or 0.1%**

Drainage Charges, year-to-date, are **below budget by $223 or 0.2%**

Security Charges, year-to-date, are **above budget by $198 or 0%**

Solid Waste Charges, year-to-date, are **above budget by $1,655 or 0.4%**

Total Revenues, which include other income and interest income year-to-date, are **below** budget **$1,895 or 0.1%**. Revenue areas that exceeded budget are primarily Late Charges. The under-run in Water Charges is primarily due to the August Water Quality Credit of approximately $26,500.

***Expenses*: Year-to-date total expenses are below budget by $97,318 or 2.9%. Year-to-date operational reserve expenditures total $115,419.** 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 $3,342 or .4%, 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 Lab Tests, Training/Safety, Equipment Rental, Supplies, Vehicle Maintenance, Fuel, Post Repair Road Paving and Tools. Power, Maintenance & Repairs, Meters, Permits, Legal and Consulting Services are running below budget. Year-to-date, $115,419 of expenses have been incurred from reserves expenditures; primarily for the meter retrofit project.

Sewer Expenses, year-to-date, are **below budget by $85,764 or 13.3%, 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 Permits and Training/Safety. The largest areas running below budget are Power, Chemicals, Maintenance/Repair, Lab Tests, Equipment Rental, Supplies, Hazardous Waste Removal, Legal, Tools 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 $5,175 or 6.6%**. 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 Power, Permits, Tools and Improvements. The largest areas running below budget are Equipment Rental and Chemicals.

Security Expenses, year-to-date, are **below budget by $24,165 or 3.5%.** Employers Costs are below budget due to variances in elected employee benefit coverage compared to budget. Areas running over budget are Bar Codes, Equipment Repairs, Vehicle Maintenance and Legal. In addition to Employers Costs, 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 $2,500 or .7%**. 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 $6,594 or .9%.** Wages, Supplies, Memberships, Community Communications, Consulting, Vehicle Maintenance, Building Maintenance (due to replacement of one HVAC unit) and Director Expenses/Reimbursements are the largest categories running over budget. Employer Costs, Director Meeting Stipends, Travel/Meetings, Legal, Vehicle Fuel and IT Systems Maintenance are the largest areas running below budget.

Net Income: Year-to-date unadjusted net income, before depreciation, is $247,350. Net income/(Loss) adjusted for estimated depreciation expense of $739,582 is ($492,232).

The YTD expected net operating income before depreciation, per the 2011-2012 budget, is $151,927. The actual net operating income is $95,423 higher than the budget expectation due to revenue running $1,895 under budget and total operating expenses running under budget $97,318.

Rancho Murieta Community Services District

Summary Budget Performance Report

YTD THROUGH FEBRUARY 2012

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE Amount	YTD VARIANCE %
REVENUES								
Water Charges	29.9%	$1,543,782	30.7%	$1,065,508	$1,053,245	30.3%	($12,263)	(1.2%)
Sewer Charges	21.9%	1,128,190	21.6%	751,840	751,028	21.6%	(812)	(0.1%)
Drainage Charges	3.2%	163,320	3.1%	108,880	108,657	3.1%	(223)	(0.2%)
Security Charges	21.7%	1,122,360	21.5%	748,240	748,438	21.5%	198	0.0%
Solid Waste Charges	11.4%	586,920	11.3%	391,280	392,935	11.3%	1,655	0.4%
Other Income	1.6%	80,212	1.5%	52,272	65,544	1.9%	13,272	25.4%
Interest Earrnings	0.0%	2,180	0.0%	1,280	414	0.0%	(866)	(67.7%)
Property Taxes	10.4%	534,960	10.3%	356,640	353,784	10.2%	(2,856)	(0.8%)
Total Revenues	***100.0%***	***5,161,924***	***100.0%***	***3,475,940***	***3,474,045***	***100.0%***	***(1,895)***	***(0.1%)***
OPERATING EXPENSES								
Water/Sewer/Drainage								
Wages	13.8%	710,970	14.2%	473,240	481,249	14.9%	8,009	1.7%
Employer Costs	6.5%	337,620	6.8%	225,990	217,115	6.7%	(8,875)	(3.9%)
Power	6.3%	325,860	6.1%	202,108	190,391	5.9%	(11,717)	(5.8%)
Chemicals	4.1%	209,140	3.5%	116,320	110,696	3.4%	(5,624)	(4.8%)
Maint & Repair	5.5%	285,400	5.3%	176,125	153,902	4.8%	(22,223)	(12.6%)
Meters/Boxes	1.1%	55,000	1.0%	31,750	15,860	0.5%	(15,890)	(50.0%)
Lab Tests	1.6%	85,000	1.5%	50,500	52,792	1.6%	2,292	4.5%
Permits	1.1%	59,130	1.2%	41,010	44,785	1.4%	3,775	9.2%
Training/Safety	0.3%	17,500	0.3%	9,275	14,863	0.5%	5,588	60.2%
Equipment Rental	0.8%	43,000	0.9%	31,200	35,532	1.1%	4,332	13.9%
Other	6.5%	333,520	6.2%	205,228	168,314	5.2%	(36,914)	(18.0%)
Subtotal Water/Sewer/Drainage	**47.7%**	**2,462,140**	**47.0%**	**1,562,746**	**1,485,499**	**46.0%**	**(77,247)**	**(4.9%)**
Security								
Wages	11.2%	578,400	11.7%	388,200	391,718	12.1%	3,518	0.9%
Employer Costs	6.4%	332,500	6.7%	222,800	205,661	6.4%	(17,139)	(7.7%)
Insurance	0.1%	4,500	0.1%	3,000	3,000	0.1%		0.0%
Off Duty Sheriff Patrol	0.2%	10,500	0.2%	7,000	2,337	0.1%	(4,663)	(66.6%)
Other	2.4%	123,479	2.0%	66,217	60,336	1.9%	(5,881)	(8.9%)
Subtotal Security	**20.3%**	**1,049,379**	**20.7%**	**687,217**	**663,052**	**20.5%**	**(24,165)**	**(3.5%)**
Solid Waste								
CWRS Contract	10.0%	513,600	10.3%	342,400	339,601	10.5%	(2,799)	(0.8%)
Sacramento County Admin Fee	0.6%	32,400	0.6%	21,600	21,899	0.7%	299	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%
Subtotal Solid Waste	**10.9%**	**563,000**	**11.0%**	**364,000**	**361,500**	**11.2%**	**(2,500)**	**(0.7%)**
General / Admin								
Wages	9.0%	462,500	9.4%	310,800	325,799	10.1%	14,999	4.8%
Employer Costs	4.9%	254,100	5.1%	169,300	159,232	4.9%	(10,068)	(5.9%)
Insurance	1.0%	54,060	1.1%	36,040	36,074	1.1%	34	0.1%
Legal	0.5%	25,000	0.5%	16,000	12,509	0.4%	(3,491)	(21.8%)
Office Supplies	0.4%	19,200	0.4%	12,800	16,913	0.5%	4,113	32.1%
Director Meetings	0.3%	18,000	0.4%	12,000	8,200	0.3%	(3,800)	(31.7%)
Telephones	0.1%	4,140	0.1%	2,760	2,947	0.1%	187	6.8%
Information Systems	1.8%	95,000	1.6%	52,800	37,889	1.2%	(14,911)	(28.2%)
Community Communications	0.2%	9,900	0.1%	3,600	5,127	0.2%	1,527	42.4%
Postage	0.4%	18,600	0.4%	12,400	12,052	0.4%	(348)	(2.8%)
Janitorial/Landscape Maint	0.3%	16,800	0.3%	11,200	14,135	0.4%	2,935	26.2%
Other	2.1%	109,810	2.1%	70,350	85,767	2.7%	15,417	21.9%
Subtotal General / Admin	**21.1%**	**1,087,110**	**21.4%**	**710,050**	**716,644**	**22.2%**	**6,594**	**0.9%**
Total Operating Expenses	***100.0%***	***5,161,629***	***100.0%***	***3,324,013***	***3,226,695***	***100.0%***	***(97,318)***	***(2.9%)***
Operating Income (Loss)	***100.0%***	***295***	***100.0%***	***151,927***	***247,350***	***100.0%***	***95,423***	***62.8%***
Non-Operating Expenses								
Water Reserve Expenditure	0.0%		0.0%		115,419	100.0%	115,419	0.0%
Total Non-Operating Expenses	***0.0%***		***0.0%***		***115,419***	***100.0%***	***115,419***	***0.0%***
Net Income (Loss)	***100.0%***	***295***	***100.0%***	***151,927***	***131,931***	***100.0%***	***(19,996)***	***(13.2%)***

Rancho Murieta Community Services District

Budget Performance Report by FUND
YTD THROUGH FEBRUARY 2012

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE Amount	YTD VARIANCE %
WATER								
REVENUES								
Water Charges	98.6%	$1,543,782	98.7%	$1,065,508	$1,053,245	98.3%	($12,263)	(1.2%)
Interest Earnings	0.0%	420	0.0%	300	(221)	0.0%	(521)	(173.7%)
Other Income	1.3%	20,890	1.3%	13,928	17,902	1.7%	3,974	28.5%
Total Water Revenues	**100.0%**	**1,565,092**	**100.0%**	**1,079,736**	**1,070,926**	**100.0%**	**(8,810)**	**(0.8%)**
EXPENSES (excluding depreciation)								
Wages	28.4%	383,970	30.4%	255,580	285,255	33.8%	29,675	11.6%
Employer Costs	13.5%	182,330	14.5%	122,050	127,943	15.2%	5,893	4.8%
Power	12.5%	169,000	11.8%	98,923	90,164	10.7%	(8,759)	(8.9%)
Chemicals	8.9%	120,245	8.2%	69,110	69,290	8.2%	180	0.3%
Maint & Repair	9.6%	129,500	9.8%	82,525	63,548	7.5%	(18,977)	(23.0%)
Meters/Boxes	4.1%	55,000	3.8%	31,750	15,860	1.9%	(15,890)	(50.0%)
Lab Tests	3.0%	40,000	2.4%	20,000	27,960	3.3%	7,960	39.8%
Permits	2.4%	32,000	2.4%	20,000	15,784	1.9%	(4,216)	(21.1%)
Training/Safety	0.6%	7,500	0.6%	4,875	6,364	0.8%	1,489	30.5%
Equipment Rental	1.6%	21,500	1.8%	15,000	24,822	2.9%	9,822	65.5%
Other Direct Costs	15.6%	211,470	14.4%	121,147	117,312	13.9%	(3,835)	(3.2%)
Operational Expenses	**100.0%**	**1,352,515**	**100.0%**	**840,960**	**844,302**	**100.0%**	**3,342**	**0.4%**
Water Income (Loss)	**15.7%**	**212,577**	**28.4%**	**238,776**	**226,624**	**26.8%**	**(12,152)**	**(5.1%)**
38.9% Net Admin Alloc	**15.7%**	**211,751**	**16.2%**	**135,920**	**138,902**	**16.5%**	**2,982**	**2.2%**
Reserve Expenditures	**0.0%**		**0.0%**		**115,419**	**13.7%**	**115,419**	**0.0%**
Total Net Income (Loss)	***0.1%***	***826***	***12.2%***	***102,856***	***(27,697)***	***-3.3%***	***(130,553)***	***(126.9%)***
SEWER								
REVENUES								
Sewer Charges	98.7%	1,128,190	98.7%	751,840	751,028	98.6%	(812)	(0.1%)
Interest Earnings	0.1%	820	0.1%	490	(69)	0.0%	(559)	(114.1%)
Other Income	1.2%	13,590	1.2%	9,056	10,995	1.4%	1,939	21.4%
Total Sewer Revenues	**100.0%**	**1,142,600**	**100.0%**	**761,386**	**761,954**	**100.0%**	**568**	**0.1%**
EXPENSES (excluding depreciation)								
Wages	28.3%	277,240	28.7%	184,540	164,703	29.6%	(19,837)	(10.7%)
Employer Costs	13.4%	131,660	13.7%	88,130	75,156	13.5%	(12,974)	(14.7%)
Power	14.7%	143,960	14.8%	94,935	89,820	16.1%	(5,115)	(5.4%)
Chemicals	8.1%	79,310	6.7%	43,260	40,640	7.3%	(2,620)	(6.1%)
Maint & Repair	15.0%	147,500	13.7%	88,000	84,202	15.1%	(3,798)	(4.3%)
Lab Tests	4.6%	45,000	4.7%	30,500	24,832	4.5%	(5,668)	(18.6%)
Permits	2.4%	23,130	3.3%	21,010	24,149	4.3%	3,139	14.9%
Training/Safety	1.0%	10,000	0.7%	4,400	8,499	1.5%	4,099	93.2%
Equipment Rental	1.6%	16,000	1.7%	11,200	7,065	1.3%	(4,135)	(36.9%)
Other Direct Costs	10.9%	106,460	12.0%	77,081	38,226	6.9%	(38,855)	(50.4%)
Operational Expenses	**100.0%**	**980,260**	**100.0%**	**643,056**	**557,292**	**100.0%**	**(85,764)**	**(13.3%)**
Sewer Income (Loss)	**16.6%**	**162,340**	**18.4%**	**118,330**	**204,662**	**36.7%**	**86,332**	**73.0%**
29.7% Net Admin Alloc	**16.5%**	**161,672**	**16.1%**	**103,775**	**106,051**	**19.0%**	**2,276**	**2.2%**
Total Net Income (Loss)	***0.1%***	***668***	***2.3%***	***14,555***	***98,611***	***17.7%***	***84,056***	***577.5%***
DRAINAGE								
REVENUES								
Drainage Charges	99.9%	163,320	99.9%	108,880	108,657	99.9%	(223)	(0.2%)
Interest Earnings	0.1%	240	0.1%	130	134	0.1%	4	3.1%
Total Drainage Revenues	**100.0%**	**163,560**	**100.0%**	**109,010**	**108,791**	**100.0%**	**(219)**	**(0.2%)**
EXPENSES (excluding depreciation)								
Wages	38.5%	49,760	42.1%	33,120	31,291	37.3%	(1,829)	(5.5%)
Employer Costs	18.3%	23,630	20.1%	15,810	14,016	16.7%	(1,794)	(11.3%)
Power	10.0%	12,900	10.5%	8,250	10,407	12.4%	2,157	26.1%
Chemicals	7.4%	9,585	5.0%	3,950	766	0.9%	(3,184)	(80.6%)
Maint & Repair	6.5%	8,400	7.1%	5,600	6,152	7.3%	552	9.9%
Permits	3.1%	4,000	0.0%		4,852	5.8%	4,852	0.0%
Equipment Rental	4.3%	5,500	6.4%	5,000	3,645	4.3%	(1,355)	(27.1%)
Other Direct Costs	12.1%	15,590	8.9%	7,000	12,776	15.2%	5,776	82.5%
Operational Expenses	**100.0%**	**129,365**	**100.0%**	**78,730**	**83,905**	**100.0%**	**5,175**	**6.6%**
Drainage Income (Loss)	**26.4%**	**34,195**	**38.5%**	**30,280**	**24,886**	**29.7%**	**(5,394)**	**(17.8%)**
6.1% Net Admin Alloc	**25.7%**	**33,206**	**27.1%**	**21,314**	**21,781**	**26.0%**	**467**	**2.2%**
Total Net Income (Loss)	***0.8%***	***989***	***11.4%***	***8,966***	***3,105***	***3.7%***	***(5,861)***	***(65.4%)***
SECURITY								
REVENUES								
Security Charges	96.7%	1,122,360	96.7%	748,240	748,438	96.0%	198	0.0%
Interest Earnings	0.0%	100	0.0%	60	318	0.0%	258	430.0%
Other Income	3.3%	37,932	3.3%	25,288	30,961	4.0%	5,673	22.4%
Total Security Revenues	**100.0%**	**1,160,392**	**100.0%**	**773,588**	**779,717**	**100.0%**	**6,129**	**0.8%**

Rancho Murieta Community Services District

Budget Performance Report by FUND
YTD THROUGH FEBRUARY 2012

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE Amount	%
EXPENSES (excluding depreciation)								
Wages	55.1%	$578,400	56.5%	$388,200	$391,718	59.1%	$3,518	0.9%
Employer Costs	31.7%	332,500	32.4%	222,800	205,661	31.0%	(17,139)	(7.7%)
Insurance	0.4%	4,500	0.4%	3,000	3,000	0.5%		0.0%
Equipment Repairs	2.2%	23,400	0.4%	2,936	9,800	1.5%	6,864	233.8%
Vehicle Maintenance	0.6%	6,700	0.6%	4,450	6,461	1.0%	2,011	45.2%
Vehicle Fuel	2.1%	21,960	2.1%	14,140	14,143	2.1%	3	0.0%
Off Duty Sheriff Patrol	1.0%	10,500	1.0%	7,000	2,337	0.4%	(4,663)	(66.6%)
Other	6.8%	71,419	6.5%	44,691	29,931	4.5%	(14,760)	(33.0%)
Operational Expenses	**100.0%**	**1,049,379**	**100.0%**	**687,217**	**663,051**	**100.0%**	**(24,166)**	**(3.5%)**
Security Income (Loss)	**10.6%**	**111,013**	**12.6%**	**86,371**	**116,666**	**17.6%**	**30,295**	**35.1%**
20.3% Net Admin Alloc	**10.5%**	**110,503**	**10.3%**	**70,931**	**72,486**	**10.9%**	**1,555**	**2.2%**
Total Net Income (Loss)	***0.0%***	***510***	***2.2%***	***15,440***	***44,180***	***6.7%***	***28,740***	***186.1%***
SOLID WASTE								
REVENUES								
Solid Waste Charges	99.9%	586,920	99.9%	391,280	392,935	99.9%	1,655	0.4%
Interest Earnings	0.1%	600	0.1%	300	252	0.1%	(48)	(16.0%)
Total Solid Waste Revenues	**100.0%**	**587,520**	**100.0%**	**391,580**	**393,187**	**100.0%**	**1,607**	**0.4%**
EXPENSES (excluding depreciation)								
CWRS Contract	91.2%	513,600	94.1%	342,400	339,601	93.9%	(2,799)	(0.8%)
Sacramento County Admin Fee	5.8%	32,400	5.9%	21,600	21,899	6.1%	299	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%
Operational Expenses	**100.0%**	**563,000**	**100.0%**	**364,000**	**361,500**	**100.0%**	**(2,500)**	**(0.7%)**
Solid Waste Income (Loss)	**4.4%**	**24,520**	**7.6%**	**27,580**	**31,687**	**8.8%**	**4,107**	**14.9%**
5.0% Net Admin Alloc	**4.8%**	**27,218**	**4.8%**	**17,471**	**17,854**	**4.9%**	**383**	**2.2%**
Total Net Income (Loss)	***-0.5%***	***(2,698)***	***2.8%***	***10,109***	***13,833***	***3.8%***	***3,724***	***36.8%***
OVERALL NET INCOME(LOSS)	***100.0%***	***295***	***100.0%***	***151,926***	***132,032***	***100.0%***	***(19,894)***	***(13.1%)***

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

INVESTMENT REPORT

INSTITUTION	CASH BALANCE AS OF February 29, 2012 YIELD	BALANCE
CSD FUNDS		
EL DORADO SAVINGS BANK		
SAVINGS	0.07%	$ 712,700.02
CHECKING	0.05%	$ 43,628.92
PAYROLL	0.05%	$ 59,394.76
STOCKMANS BANK		
EFT	N/A	$ 85,499.21
LOCAL AGENCY INVESTMENT FUND (LAIF)		
UNRESTRICTED		$ -
RESTRICTED RESERVES	0.38%	$ 4,662,418.09
CALIFORNIA ASSET MGMT (CAMP)		
OPERATION ACCOUNT	0.15%	$ 3,785,421.95
UNION BANK		
PARS GASB45 TRUST		$ 257,276.95
TOTAL		**$ 9,606,339.90**
BOND FUNDS		
COMMUNITY FACILITIES DISTRICT NO. 1 (CFD)		
BANK OF AMERICA		
CHECKING	N/A	$ 485,171.92
CALIFORNIA ASSET MGMT (CAMP)		
SPECIAL TAX	0.16%	$ 8,276.83
US BANK		
SPECIAL TAX REFUND	0.00%	$ -
BOND RESERVE FUND/ SPECIAL TAX FUND	0.00%	$ 876,000.00
TOTAL		**$ 1,369,448.75**
TOTAL ALL FUNDS		**$ 10,975,788.65**

The investments comply with the CSD adopted investment policy.

PREPARED BY: Darlene Gillum
Director of Administration

MEMORANDUM

Date: March 14, 2012

To: Board of Directors

From: Greg Remson, Security Chief

Subject: Security Report for the Month of February 2012

OPERATIONS

I met with California Highway Patrol Lieutenant Richard Desmond, the new commander of the Rancho Cordova area office. We discussed the Rancho Murieta area and concerns and I gave him a tour of the Safety Center.

Ed Crouse, Paul Siebensohn, Sergeant Bieg and I participated in Rancho Murieta Country Club's Golf Expo. The District was provided a table and we offered security, water and other District service information.

A District patrol vehicle was involved in a non-injury collision with another patrol vehicle behind the North Gate. The claim was turned over to our insurance company. Due to the damages and mileage, the vehicle will be totaled. We are researching whether leasing or purchasing would be a better option for us.

Patrol Officers have been testing in-car video recorder in the patrol vehicles. Policy and procedures are in the process of being written.

Interviews for a Gate Officer eligibility list will begin soon. A Gate Officer is in the last stages of testing for a dispatching job with Sacramento Metro Fire.

PTF is finalizing locations for the installation of gates in the undeveloped back area. Proposed locations are the east end of Clementia Dam and the south/east side of Bass Lake. The initial goal is to keep vehicles and golf carts off of their property for safety and fire reasons.

INCIDENTS OF NOTE

February 12, Sunday, 11:47 a.m. Reynosa Drive. DUI arrest. A resident was observed by Security Officer driving a U-Haul truck erratically from Murieta Parkway onto Jackson Road. Contact was made with the driver on Reynosa Drive and California Highway Patrol (CHP) was called and responded. CHP conducted field sobriety tests. The initial preliminary alcohol screening test (PAS) administered by CHP registered .22. Driver was arrested.

February 14, Tuesday, 9:07 p.m. Celebrar Street. DUI arrest. CHP dispatch received numerous calls about a possible DUI driver from Sunrise Blvd onto eastbound Jackson Road. CHP officers were searching for the vehicle and located it driving into Murieta South. CHP stopped the vehicle on

Celebrar Street. CHP conducted field sobriety tests. The initial preliminary alcohol screening test (PAS) administered by CHP registered .21. The resident driver was arrested.

February 20, Monday, 3:21 p.m. Carmella Circle. Report of the theft of landscape lights that occurred overnight.

February 21, Tuesday, 3:15 p.m. Feathery Court. Microwave fire, extinguished prior to arrival.

February 25, Saturday, 10:56 a.m. Rio Oso. Hit and run. Vendor vehicle hit resident's vehicle and left area. Vendor contacted, information exchanged, referred to CHP.

During February, District Patrol Officers responded to complaints of doorbell ditching and loud people and parties.

RANCHO MURIETA ASSOCIATION COMPLIANCE/GRIEVANCE/SAFETY COMMITTEE MEETING
The meeting was held February 6, 2012. There were four (4) appearances regarding speeding, stop signs and parking violations. Letters were sent in regarding stop sign violations. Discussed were rules regarding fines and the community garden. The next meeting will be on March 5, 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 are 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: March 15, 2011

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

Water Treatment Plant #1 production is at 1.1 million gallons per day (MGD) up from 0.75 due to slightly higher than normal use due to unseasonably warm weather. Plant #2 is still off for winter maintenance activities. Total potable water production for February 2012 was approximately 23.849 million gallons or approximately 73.2acre-feet, compared to 12.94 MG produced to February 2010 and 21.172 MG in 2009.

Maintenance this past month included the repairs of chemical lines feeding Plant #2 and repairing the chain-of-flights on the left side sedimentation basin of Plant #2. Staff will be cleaning and disinfecting Plant #2 before bringing it back online.

Water Source of Supply

Raw water diversion continues from the Cosumnes River to storage in Calero Reservoir using its two (2) minor capacity pumps (125hp each). On February 29, 2012, the combined raw water storage for Calero, Chesbro and Clementia Reservoirs was measured at 4,105 acre-feet. Total storage volume for just Calero and Chesbro Reservoirs was 3,024 acre-feet. Calero and Chesbro Reservoirs are projected to be full to their spillways in early April. On April 15 of each year, the Department of Dam Safety allows us to put stop logs in the spillways so we can fill the reservoirs even more.

HDR provided the final of the Raw Water Supply Assessment, included in the Improvements Committee packet for review. Staff is working on developing an implementation plan for the recommendations based on monies that may or may not be available, as well as developing consumer acceptance criteria.

Wastewater

Influent wastewater flow averaged 0.406 MGD, approximately 36.2 acre-feet, to the wastewater plant during February 2012. This is the lowest monthly influent total in the past ten (10) years. A total of 271 acre-feet of secondary wastewater was measured in the secondary storage reservoirs on February 29, 2012, allowing us good capacity for winter storage of secondary wastewater and slightly below average supply for Rancho Murieta Country Club (RMCC) irrigation.

Maintenance this past month included the removal of a failed propeller meter for the North Course Pump Station, replacing it with a much more accurate magnetic flow meter. The meter is a Sparling Tigermag, keeping consistency with the rest of the meter replacements we have done over the past several years.

Kirby Pump and Mechanical, Inc. plans to re-install the pumps and motors from the North Course Pump stations this week. Staff has been working on rehabilitation of the biosolids drying beds to accommodate the solids removed from the tertiary process as well as for the pond sludge removal project. The painting contractor, FD Thomas, is currently working on warranty touch up work needed to be completed due to repair minor pinholes in the coatings that were weeping rust.

Staff installing a new magnetic flow meter for the North Course Pump Station discharge.

Collections

Staff worked with Rotorooter this past month to remove grease from several of our sewer pumping stations. Staff helped a resident remove a sewer blockage on their private lateral while in the process of determining if the blockage was the District's or the resident's.

Redwood tree roots removed from a private sewer lateral.

Drainage
Staff conducts storm water inspections before, during and after rainfall events to ensure that there are no issues with erosion in the District. So far, none have been found.

Utility Operations
Staff replaced a failed fire hydrant at the corner of Murieta Parkway and Lago Drive. Meter maintenance completed last month included eleven (11) water meter replacements.

MEMORANDUM

Date: March 14, 2012

To: Board of Directors

From: Edward R. Crouse, General Manager

Subject: Discuss Midge Fly Spraying

BACKGROUND

At the April 16, 2008 Board meeting, the Board approved a motion to discontinue treatment of Laguna Joaquin for midge flies.

At the September 17, 2008 Board meeting, several residents commented on the midge fly problem and requested the Board reconsider their decision to not pay for spraying for midge flies. Director Kjome stated the issue would be reviewed in March 2009 during the budget discussions. The amount estimated for four (4) treatments was $13,200 or $3,400 each. At the March 18, 2009 Board meeting, the Board approved continuing with the midge fly treatments.

Since that time, we have typically conducted four (4) treatments through the summer.

For the last two (2) years, Paul has used a lower cost contractor, but with mixed results. We may consider going back to using the original contractor if the mixed results continue.

DISCUSSION

Residents from the Laguna Joaquin area will be attending the March 21, 2012 Board meeting to request the District continue midge fly treatments in the upcoming budget for next year. We have monies budgeted for three (3) additional treatments through the end of this fiscal year at the lower cost of $705 per treatment.

The Finance Committee is seeking guidance as to whether to fund midge fly treatments in the 2012-13 budget.

MEMORANDUM

Date: March 21, 2012

To: Board of Directors

From: Edward R. Crouse, General Manager
Jonathan P. Hobbs, General Counsel

Subject: Rancho Murieta Airport Appeal of Security Tax

RECOMMENDED ACTION

Deny the Rancho Murieta Airport Appeal of the Security Special Tax.

BACKGROUND

Appeal of Security Special Tax

On March 28, 2011, the District received a letter from Bradley Beer on behalf of the Rancho Murieta Airport, Inc. (the "Airport") asking the District to reduce the amount of the Special Security Tax being paid by the Airport.[1] Consistent with Section 5.09 of the District Security Code (Chapter 21), District staff has met with Mr. Beer concerning his request for a reduction of the tax. The District's staff and the District's legal counsel have also exchanged various correspondence with Mr. Beer and his attorney. Following legal and financial analyses of this matter, District staff advised Mr. Beer that staff would not reduce the voter-approved tax as requested by the Airport. Mr. Beer has requested to be heard by the Board of Directors ("Board") concerning the request for a security tax reduction, and the matter is now being presented for consideration by the Board. Copies of relevant correspondence are attached as Exhibit 1 to this staff report.

Security Department Special Tax Formula

The Security Special Tax was adopted by the District Board and approved by over two-thirds of the District's registered voters in 1998 consistent with Government Code sections 61121, 50075 through 50077.5, and the California Constitution, including provisions added by Proposition 13 and Proposition 218 (Cal. Const. art. 13A, § 4; art 13C, § 2(d)). The foundation of the tax formula was calculated by a patrol time and gate use study prepared in February of 1998. The information for the study was derived from 1997 patrol logs and gate operations. This study included land uses (developed and undeveloped land), both inside and outside of the gates. The Special Tax formula established the foundation or baseline of the Special Tax rates based on the type of property (i.e., residential-inside the gates, residential-outside the gates, non-residential, undeveloped-inside the gates, and undeveloped-outside the gates). The formula

[1] The Airport had previously requested a complete removal of the Special Security Tax as to its property, which request has since been withdrawn. The Airport presently seeks a reduction in the tax.

also established the basis for the tax as per lot for residential, per square foot for non-residential, and per acre for undeveloped property.

Measure J - Security Special Tax Election

The Special Tax was placed on the ballot for consideration of the District residents in 1998 as "Measure J." The ballot measure for the Security Special Tax used the Special Tax formula noted above for the various land use categories. These Special Tax Rates were the initial baseline with the maximum annual adjustment of the Special Tax Rates capped at 2.0%. (*See* Security Code §§ 5.03, 5.05.) The local electorate approved the measure by 76.6%. There were no judicial actions that overturned the election results, which have long since become final. Measure J was codified at Section 5 of the District's Security Code.

Security Code Appeal

The Airport is not challenging the manner of calculation of the tax or the square footage determination upon which the total special tax against the Airport is based. Rather, in short, the Airport contends that the tax is not necessary because the Airport feels that the tax does not provide sufficient benefit to the Airport property. The appeal also suggested that the Airport should be treated similar to the Equestrian Center, which pays a lower tax rate. However, the study supporting Measure J took these land uses into consideration and identified the basis for the tax. The tax was then adopted as a voter-approved measure, and it would be improper to repeal or amend the measure except by a vote of the electorate. (*See* Cal. Elec. Code § 9323; Cal. Const. art. 13D, § 2.) Substantive changes to the tax structure, such as changes in calculation methodology, changes in annual rate increase cap, or other changes which may have an effect of causing other District residents to pay more to cover District expenses or cause them to bear a greater burden of the tax, would be subject to Proposition 218 and require a two-third's voter approval. (Cal. Const. art. 13D, § 2.)

Provision of Security Services

The District's Security Code defines the Security Department's functions. These include the provision of gate and patrol services to the District. The Security Code does not (and need not) specify how much time is to be spent in each area of the District. One of staff's primary goals, among others, is to provide visible coverage throughout the District using a marked patrol car, which serves as a presence and deterrent to undesirable activity. All District residents and properties benefit from this service.

Whether or not the individual property receives a predetermined amount of patrol time or calls for service time is not determinative of the validity of the tax. The underlying premise of the voter-approved tax is that all properties benefit from enhanced security, and all properties must pay for this additional benefit and service.

Funding Challenges

Measure J, as approved by the District voters, limits annual increases of the Special Security Tax to 2%. (*See* Security Code §§ 5.03, 5.05.) The 2% maximum increase has made it difficult to keep up with the costs associated with the Security Department. Measure J allows the Board to adjust the special tax "if necessary to meet expenses." (District Code § 5.03.) As illustrated on the chart attached as Exhibit 2, all of the current tax revenues are necessary to fund the District's security expenses. A reduction of a tax to the Airport (or other property categories) would result in expenses exceeding revenues and, thus, result in an operational deficit. Such a reduction would conflict with the provision of the Security Code that the Special Security Tax may only be adjusted to "meet expenses." Accordingly, staff recommends that the Board decline to approve a reduction of the Special Security Tax as requested by Mr. Beer.

Financial Impact

Mr. Beer provided District General Manager Ed Crouse with a proposed monthly rate for the Airport security tax of $304. Mr. Beer, in his letter, felt that due to the Airport's building square footage, calls for service, and his own security measures that $304 was a fair tax. In the 2011/12 fiscal year the monthly rate for the Airport is $1,089. The District would incur a revenue loss of $785 per month, or $9,420 per year, from implementing Mr. Beer's proposed monthly rate. Any reduction in the Special Tax income must be funded by other sources or ratepayers in order to retain the current level of services. Such an additional burden on the taxpayers would conflict with the voter-approved tax, and it would likely also conflict with Proposition 218 by imposing a disproportionate burden on other properties.

Policy Impact

By allowing a reduction to the Airport Security Special Tax or to reclassify the use runs counter the voter-approved Special Tax or land use category. The Board lacks authority to overturn what the voters approved. Also, approving the appeal allows other property owners to seek similar appeals owing to reduced or no response to an individual property.

CONCLUSION

For the reasons presented, staff recommends that the Board deny the appeal and decline to reduce the Special Security Tax for the Airport, as requested by Mr. Beer.

Attachments:
1. Correspondence
2. Chart: RMCSD Security Expenses and Revenues

EXHIBIT 1

March 25, 2011

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

RE: Rancho Murieta Airport, Inc.
Security Fee

Mr. Crouse,

Thank you for the opportunity to discuss the Rancho Murieta Security cost issue on Wednesday morning. Pursuant to our conversation and the data that you provided to me, I believe that the following analysis is a justifiable argument to lower the Airport security fee down to a more palatable level, and a "fair" level, for our operating budget and in comparison to our adjacent businesses to the Rancho Murieta Airport.

Currently the Airport is paying a rate of 0.0156 per square foot of building area, i.e. 76,000 square feet at 0.0156 equates to a monthly fee of $1,185.60. In contrast to the Equestrian Center that has a rate of 0.0034.

If you would refer to the attached Calls for Service that you provided to me, and the Patrol Activity Report, you will note that the Airport had a difference of 10.60% to that of the Equestrian Center. In essence, essentially the same. In addition, you will note that the vast majority of your time spent at the airport was "checking the doors of the Airport Office".

In addition, I believe that the Airport's potential patrols expense is far less than that of the Equestrian Center for a number of reasons; (1) the Equestrian Center has far more footage under roof than the Airport, (2) The Equestrian Center is hosting 32 events this year that entails much more vehicle traffic and population congestion than the airport.

In conclusion, I do not believe that the Airport Tax rate is fair when compared to the Equestrian Center, especially based on your own data that was provided to me. I believe a fair multiplier rate would be the difference between the Equestrian Center rate, and the marginal 10.60% spread between the percentages of calls. In doing this calculation I came up with a rate of 0.0040 x 76,000 square feet for a monthly security fee of $304.00 per month. This would be a fee that I could live with and one that is more in line with the exposure that the Airport has in relation to a much more commercial exposure as the Equestrian Center.

In addition, the Airport is in the process of fencing the complex off to all vehicle traffic except Airport tenants, this will essentially make all patrol in around the airport impossible in the future. Also, we have installed surveillance cameras at many locations and are in the process of installing more, and all cameras have DVR Back Up for a period of several weeks.

I believe that all of the above substantiate my case as to the fee reduction, so please accept this letter as a formal request to lower our fee at the Airport to a more commensurate level of a true expense, as related to potential exposure and time.

Sincerely,

Bradley Beer
President

Rancho Murieta Community Services District

Security Rates for Fiscal Year Budget 2011-12

SECURITY LAND USE		Special Tax Rates **Maximum ceiling rates** Fiscal Year 2011-12	Proposed Monthly Special Tax Rates Fiscal Year 2011-12	Current Monthly Special Tax Rates Fiscal Year 2010-11
DEVELOPED PROPERTY		Maximum ceiling rates increased 2%		
Residential				
Inside Gates				
- Metered	Per Lot	$25.37	$24.62	$24.07
- Unmetered	Per Lot	$20.30	$19.33	$18.89
Outside Gates	Per Lot	$6.12	$5.94	$5.80
Non-Residential				
1 *- Highway Retail*	Per Building Sq.Ft.	$0.2285	$0.2219	$0.2169
2 *- Other Retail/Commercial*	"	$0.0247	$0.0239	$0.0234
3 *- Industrial/Warehouse/Lt Industrial*	"	$0.0538	$0.0523	$0.0511
4 *- Office*	"	$0.0128	$0.0125	$0.0122
5 *- Institutional*	"	$0.0128	$0.0125	$0.0122
6 *- Public Utility*	"	$0.0410	$0.0398	$0.0389
7 *- Equestrian Center*	"	$0.0037	$0.0035	$0.0034
8 *- RMCC*	"	$0.0644	$0.0626	$0.0612
9 *- Airport*	"	$0.0164	1094.811 Max $0.0160	$0.0156
UNDEVELOPED PROPERTY				
Inside Gates	Per Acre	$21.4647	$20.8471	$20.3784
Outside Gates	Per Acre	$3.1988	$3.1065	$3.0367

January 14, 2011

CSD Security
Rancho Murieta Airport

1. CSD Security Functions
2. Calls for Service listing, 2010
3. Calls for Service listing, 2009
4. Patrol Activity Summary Report 1, December 2010
5. Patrol Activity Summary Report 2, December 2010
6. Officer's Daily Log

January 14, 2011

CSD Security Functions
Rancho Murieta Airport

- Provide routine vehicle and foot patrol of the airport area
  - Act as a visible deterrent to crime and safety related issues
  - Provide assistance to tenants, visitors and employees as needed
  - Report any issues to the Security Department Dispatcher (South Gate)
    - Open doors
    - Suspicious persons/vehicles
    - Motorist assists
    - This information is recorded by the Dispatcher
  - Report crimes to SSD for response
  - Provide Business Checks of buildings and hangars
    - Secure doors if possible
    - Notify responsible person of open door
  - Assist outside agencies as needed
    - Airplane landing check
    - Beacon locating
    - Airplane crashes
    - After hours responsible contact

Calls for Service/Airport/January-June 2010

Calls for Service	Jan-10	Time	Feb-10	Time	Mar-10	Time
Assist	1	96				
Door Check	31	155	28	140	29	145
Follow Up	1	5	6	30	6	30
Lost & Found Property						
Open Door	1	9	6	43	6	30
Suspicious Vehicle	1	10			2	10
Trespass	1	5				
Total	**36**	**280**	**40**	**213**	**43**	**215**

Calls for Service	Apr-10	Time	May-10	Time	Jun-10	Time
Door Check	30	150	28	140	29	145
Dog Off Leash	1	5				
Follow Up	6	30	5	25	2	10
Open Door	7	35	3	16	3	15
Suspicious Person					1	5
Suspicious Vehicle			2	32	2	12
Trespass	1	5			1	5
Total	**45**	**225**	**38**	**213**	**38**	**192**

Calls for Service/Airport/July-December 2010

Calls for Service	Jul-10	Time	Aug-10	Time	Sep-10	Time
Accident					1	13
Door Check	31	155	31	155	29	145
Extra Patrol Request	1	5				
Fire Assist					1	26
Follow Up	6	30	2	10	5	25
Gunshots					1	5
Lost & Found Property			2	10		
Open Door	4	20	2	10	4	23
Suspicious Person			1	5		
Suspicious Vehicle	2	14				
Total	**44**	**224**	**38**	**190**	**41**	**237**

Calls for Service	Oct-10	Time	Nov-10	Time	Dec-10	Time
Accident	1	13				
Door Check	29	145	30	150	31	155
Fire Assist	1	26				
Follow Up	5	25	6	30		
Gunshots	1	5				
Lost & Found Property			1	5		
Open Door	4	23	6	30		
Total	**36**	**201**	**43**	**215**	**31**	**155**

Calls for Service/Airport/January-June 2009

Calls for Service	Jan-09	Time	Feb-09	Time	Mar-09	Time
Door Check	27	135	28	140	31	155
Follow Up	3	15			1	5
Open Door	6	53	2	15	1	5
Suspicious Circumstances					1	10
Suspicious Person	1	5	1	5		
Suspicious Vehicle	2	10				
Total	**39**	**218**	**31**	**160**	**34**	**175**

Calls for Service	Apr-09	Time	May-09	Time	Jun-09	Time
Bird					2	10
Disturbance			1	5		
Door Check	28	140	32	160	30	150
Extra Patrol Request	2	10				
Follow Up	3	15	2	10	2	10
Low Flying Aircraft	1	5				
Open Door	8	50	2	10		
Suspicious Vehicle					1	5
Traffic Hazard			1	5		
Transport			1	5		
Trespass	1	6	1	5		
Total	**43**	**226**	**40**	**200**	**33**	**165**

Calls for Service/Airport/July-December 2009

Calls for Service	Jul-09	Time	Aug-09	Time	Sep-09	Time
Airplane Landing Check (SSD)					1	5
Door Check	31	155	31	155	30	150
Extra Patrol Request					1	5
Follow Up					1	5
Open Door	1	5	2	10	3	22
Reckless Driver					1	6
Suspicious Person					1	15
Suspicious Vehicle	1	5	1	17	1	5
Total	**33**	**165**	**34**	**182**	**39**	**213**

Calls for Service	Oct-09	Time	Nov-09	Time	Dec-09	Time
Airplane Landing Check (SSD)					1	5
Fish & Game	1	247			1	33
Door Check	33	165	28	140	30	150
Extra Patrol Request			2	10		
Follow Up			1	5	3	15
Gunshots					1	17
Open Door	1	5	7	39	5	34
Suspicious Circumstances	2	10				
Suspicious Person					3	22
Suspicious Vehicle	2	20				
Theft			1	5		
Total	39	447	39	199	44	276

Security Department

Patrol Activity Summary Report

December 1-31, 2010

Project Code	Project Name	Calls	Calls %	Minutes	Minutes %
17	RM North Residential Area	423	15.42%	19,316	33.75%
19	RM South Residential Area	326	11.88%	13,610	23.78%
24	CSD Office/Patrol Office	243	8.86%	5,470	9.56%
20	RM South Gate	264	9.62%	4,475	7.82%
18	RM North Gate	218	7.94%	3,345	5.85%
11	RM North Back Area	81	2.95%	1,810	3.16%
21	Murieta Plaza	114	4.15%	1,330	2.32%
12	Clementia Park	81	2.95%	800	1.40%
4	Country Store/Burger King	93	3.39%	765	1.34%
1	Murieta Village	104	3.79%	735	1.28%
23	Outside Agency	36	1.31%	570	1.00%
5	Airport	112	4.08%	565	0.99%
16	RMA Maintenance	46	1.68%	565	0.99%
13	RMCC Areas	89	3.24%	545	0.95%
6	Mini-Storage	108	3.94%	540	0.94%
2	Equine Complex	93	3.39%	505	0.88%
22	RMA Rules Enforcement	12	0.44%	430	0.75%
9	Business Park I	83	3.02%	420	0.73%
28	RM South Back Areas	16	0.58%	310	0.54%
14	Golf & Maint	61	2.22%	305	0.53%
3	Operating Engineers	40	1.46%	205	0.36%
10	RMA Office	38	1.38%	200	0.35%
15	The Villas	28	1.02%	170	0.30%
25	CSD Wastewater Areas	14	0.51%	105	0.18%
8	Van Vleck Ranch	15	0.55%	75	0.13%
27	Pacific Bell	3	0.11%	45	0.08%
26	CSD Water Treatment Areas	2	0.07%	10	0.02%
7	Geyer Ranch	1	0.04%	5	0.01%

Project Code	Project Name	Calls	Calls %	Minutes	Minutes %
	Grand Total:	2,744		57,226	

13-Jan-11

Security Department

Patrol Activity Summary Report

December 1-31, 2010

Project Code	Project Name	Category	Calls	Calls %	Minutes	Minutes %
18	RM North Gate	1	218	7.94%	3,345	5.85%
10	RMA Office	1	38	1.38%	200	0.35%
16	RMA Maintenance	1	46	1.68%	565	0.99%
17	RM North Residential Area	1	423	15.42%	19,316	33.75%
15	The Villas	1	28	1.02%	170	0.30%
	SubTotal:		753		23,596	
11	RM North Back Area	2	81	2.95%	1,810	3.16%
12	Clementia Park	2	81	2.95%	800	1.40%
	SubTotal:		162		2,610	
20	RM South Gate	3	264	9.62%	4,475	7.82%
19	RM South Residential Area	3	326	11.88%	13,610	23.78%
	SubTotal:		590		18,085	
28	RM South Back Areas	4	16	0.58%	310	0.54%
	SubTotal:		16		310	
22	RMA Rules Enforcement	5	12	0.44%	430	0.75%
	SubTotal:		12		430	
9	Business Park I	6	83	3.02%	420	0.73%
27	Pacific Bell	6	3	0.11%	45	0.08%
7	Geyer Ranch	6	1	0.04%	5	0.01%

Project Code	Project Name	Category	Calls	Calls %	Minutes	Minutes %
2	Equine Complex	6	93	3.39%	505	0.88%
5	Airport	6	112	4.08%	565	0.99%
8	Van Vleck Ranch	6	15	0.55%	75	0.13%
3	Operating Engineers	6	40	1.46%	205	0.36%
4	Country Store/Burger King	6	93	3.39%	765	1.34%
21	Murieta Plaza	6	114	4.15%	1,330	2.32%
6	Mini-Storage	6	108	3.94%	540	0.94%
	SubTotal:		662		4,455	
14	Golf & Maint	7	61	2.22%	305	0.53%
13	RMCC Areas	7	89	3.24%	545	0.95%
	SubTotal:		150		850	
1	Murieta Village	8	104	3.79%	735	1.28%
	SubTotal:		104		735	
23	Outside Agency	9	36	1.31%	570	1.00%
24	CSD Office/Patrol Office	9	243	8.86%	5,470	9.56%
25	CSD Wastewater Areas	9	14	0.51%	105	0.18%
26	CSD Water Treatment Areas	9	2	0.07%	10	0.02%
	SubTotal:		295		6,155	
	Grand Total:		2,744		57,226	

R.M.C.S.D. Officer's Daily Log

Name:			ID #		Date:		On Duty:	
Area	Time Code							
Murieta Village	1-10000							
Equine Complex	2-11000							
Operating Engineers	3-12000							
Country Store	4-13000							
Airport	5-14000							
Mini-Storage	6-14100							
Geyer Ranch	7-15000							
Van Vleck Ranch	8-16000							
Business Park	9-17000							
RMA Office	10-18000							
North Back Area	11-18100							
Clementia Park	12-18200							
RMCC Areas	13-19000							
Golf & Maint.	14-19100							
Villas	15-20000							
RMA Maint.	16-21000							
North Residential	17-21100							
North Gate	18-21200							
South Residential	19-22000							
South Gate	20-22100							
Murieta Plaza	21-23000							
RMA Rule Enf.	22-24000							
Outside Agency	23-25000							
CSD Ofc. Patrol Ofc.	24-26000							
Waste-Water	25-26100							
WTP	26-26200							
Pacific Bell	27-27000							
South Back Area	28-28000							
Total Minutes				Signed				

September 30, 2011

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

RE: Rancho Murieta Airport, Inc.
Security Fee

Mr. Crouse,

On December 23, 2010, I wrote you a letter stating that pursuant to Section 5.09 of "The Security Code", District Code Chapter 21, that we wanted to appeal the Security Tax charged to Rancho Murieta Airport and opt out of CSD's current security patrols, and hence not be charged by the CSD the monthly sum of $1,069.07, which has since been raised to $1,089.63, for security.

In response, you had a meeting with me on March 23, 2011 explaining that your legal counsel advised you that the fee could not be negated in its entirety and that some sort of adjustment could be made based on the data that you provided to me in our meeting on that date.

Subsequently I sent you a very detailed letter with a logical and mathematical argument on March 25, 2011, that used your numbers to substantiate my position, and have a fee reduction to $304.00 per month. The response I received was a meeting request by you and your Board on July 5, 2011 at 9:30 AM, to discuss the matter, and adjust the fee as I have proven by using your numbers was justified.

Since that meeting, I have heard nothing other than your decision to add the security fee to the Tax Rolls of Sacramento County.

I am hereby requesting again that the fee be lowered to reflect my calculated reduction, and be charged at that rate. I again formally request your response or I will turn over to my legal counsel for appropriate action to the appropriate parties.

Sincerely,

Bradley Beer
President

CC: Robert Pye, Attorney at Law
Cary Greisen, Attorney at Law

Rancho Murieta Community Services District
15160 Jackson Road • P.O. Box 1050 Rancho Murieta, CA 95683 • 916-354-3700 • Fax 916-354-2082
Visit our website at www.rmcsd.com

October 7, 2011

Bradley Beer
President
Rancho Murieta Airport, Inc.
7443 Murieta Drive
Rancho Murieta, Ca 95683

Re: Rancho Murieta Airport, Inc.
Appeal of Security Special Tax

Dear Mr. Beer:

This letter is in response to your September 30, 2011 letter requesting that the Airport's Security Special Tax be reduced. Your suggested amount of the reduction is based on calculations you provided that you believe support a request to lower the special tax to $304.00 per month.

Since your initial request to negate the tax entirely, the District has undertaken substantial time and effort to analyze your request to adjust the Special tax. Our research and analysis has determined that the requested modification to your tax is not appropriate.

The Security Special Tax was passed by voter approval as Measure J in 1998. Measure J set the rates and maximum tax escalation for the provision of the following services within the Rancho Murieta boundaries:

a) Operating the security gates located at the entrances to Rancho Murieta, 24 hours a day, 365 days a year, including but not limited to staffing these gates;

b) Providing 24 hour a day mobile patrol of the District and its boundaries;

c) Operating a radio communication system to maintain contact with external police, fire and other emergency services as well as the appropriate entities;

d) Providing assistance to other agencies providing first aid, fire fighting, police and emergency services;

e) Monitoring, controlling and registering guests or invitees of the District's clients and/or other visitors;

f) Conducting such other activities as the Board in its discretion may authorize for the protection of District customers and their property;

g) Any other incidental efforts to provide the above listed services.

The security tax was established by a vote of the electorate. Collection of the taxes is necessary to meet the District's expenses. Any modifications to tax structure established by Measure J would require a vote of the electorate. We realize the financial constraints of your operation as well as your belief that our security services are not needed and that they provide you no benefit. Unfortunately these arguments are not sufficiently persuasive to justify an alteration of the tax or pursuit of an election to change the security tax structure on your behalf.

If you have any questions, please contact Darlene Gillum at 354-3700 who is acting General Manager in my absence.

Sincerely,

Edward R. Crouse
General Manager

ERC/sl

October 12, 2011

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

RE: Rancho Murieta Airport, Inc.
Security Fee

Mr. Crouse,

I received your letter dated October 7, 2011 and your letter completely ignores the basis for the security tax on the Rancho Murieta Airport, you yourself told me in our meeting earlier this year that the security tax was based on a mathematical formula based on "square footage of buildings", I unequivocally demonstrated that the Airport, compared with the security tax imposed on the Equestrian Center and other properties, is both unfair and unjustified. In addition, you told me that "you" had the obligation to analyze the numbers that were presented by you to me and :you" had the authority to make the adjustment if justified.

I have demonstrated such justification and demand a Board Meeting specifically to address my request, no election by the voters is necessary as you indicated to me in person, and your counsel validated the method for adjustment in our earlier meetings and discussions.

I again demand that the security tax be adjusted to a the level that I calculated and demonstrated to be justified pursuant to you and your legal counsel stipulation for services provided to the Airport.

Sincerely,

Bradley Beer
President

CC: Robert Pye, Attorney at Law
Cary Greisen, Attorney at Law

KRONICK MOSKOVITZ TIEDEMANN & GIRARD
A LAW CORPORATION

Jonathan P. Hobbs

916.321.4500
jhobbs@kmtg.com

November 3, 2011

Mr. Bradley Beer, President
Rancho Murieta Airport, Inc.
7443 Murieta Drive
Rancho Murieta, CA 95683

Re: Security Special Tax Appeal

Dear Mr. Beer:

I serve as General Counsel to the Rancho Murieta Community Services District ("District"). I have reviewed the matter of your "appeal" of the special security tax imposed against the Rancho Murieta Airport property, including the correspondence between you and the District. For the reasons explained below, and as has been previously explained to you by the District's General Manager, the District will not be reducing the special security tax against the airport property, and it will not be scheduling this matter for a further hearing before the District's Board of Directors. The special tax has been properly established and adjusted by the District Board and, from the District's perspective, this matter is at a close.

The special security tax was adopted as Measure J by a super-majority (two-thirds) vote of the electorate in 1998. By its vote approving and authorizing the special tax, the electorate approved section 5 of the District Security Code (Chapter 21). Section 5.03 of the Security Code establishes a monthly maximum tax rate by property use, within which the airport property is included as a separate property type subject to the special tax. Section 5.03 also provides that the District's Board of Directors is to adjust the special tax annually as of July 1 and set the "actual security tax for the applicable fiscal year," provided that the Board may not set the special tax in excess of the maximum rate authorized by the tax measure. The maximum rate is to be increased by 2% each year (*See* District Code Chapter 21, § 5.05).

On June 15, 2011, the District Board established the tax rate for the 2011/12 fiscal year. Based on the inflationary adjustment authorized by Measure J, the maximum tax rate per square foot of building that could have been charged to the airport property was $0.0164. Consistent with the authority vested in it by Measure J, the Board set the actual tax rate for the airport at a lower rate of $0.0159 per building square foot. The actual rates are set (and below the maximum rates authorized) to support the funding of the District's annual budget. The Board established the actual rates for the 2011/12 fiscal year after your initial letter of December 23, 2010 seeking an exemption from the tax and after your subsequent March 25, 2011 letter seeking

a reduction in the tax. Therefore, the Board necessarily considered your request for a tax reduction when it approved the 2011/12 tax rate.

You are presumably pursuing your "appeal" under section 5.09 of the District Security Code, which provides that a taxpayer "aggrieved by the amount of this tax shall file written appeal with the General Manager stating the grounds for the appeal." The section further provides that the General Manager shall meet with the taxpayer to attempt to reach a resolution "or set the matter for determination by the Board." (emphasis added).

Initially, it is unclear how you have been "aggrieved" by the amount of the tax where, as here, the District and the District Board have applied the provision of the special tax measure precisely as they have been enacted. The District's compliance with the law and the mandates of the people cannot be considered a cognizable loss or injury for which you can claim to be "aggrieved."

In any event, even if you had a right of an appeal under section 5.09 of the District Security Code, you were provided the opportunity to be heard following the filing of such appeal. The District's General Manger has explained in person and in writing why an alteration of the special tax rate for the airport would be improper. There is no right to be further heard by the Board. Such a hearing is optional and discretionary for the District, as illustrated by the use of the disjunctive word "or" in section 5.09. Moreover, as indicated above, your "appeal" was necessarily considered by the Board when it set the actual 2011/12 tax rates in June of 2011, consistent with Measure J.

Finally, on August 12, 2011, the Board adopted a resolution placing delinquent taxes on the Sacramento County tax rolls. The airport property was identified as a property with delinquent taxes, including delinquent security special taxes. Prior to adopting the resolution, the District Board held a public hearing on the matter. Neither you, nor anyone else, appeared at the hearing and commented on the placement of the delinquent taxes on the County tax roll, which equates to a tacit acknowledgement to placement of the delinquencies on the tax roll.

The District and I appreciate that the special tax imposes a financial obligation on your operations. However, that is the nature of tax; an exaction of funds from the electorate. The residents of the District approved and authorized the special tax by more than a two-third's vote. It would be improper now for the District to alter the taxing methodology, particularly as to one property use, without a further vote of the people, and the District does not intend to reduce the airport tax rate at this time.

I hope that this letter provides an adequate explanation of this matter and puts the matter at an end. If you have any questions, please feel free to contact me or have your legal counsel contact me at (916)321-4500.

Sincerely,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Law Corporation

Jonathan P. Hobbs

JPH/dlc

Law Offices Of
Robert B. Pye
4600 Roseville Road, Suite 220
North Highlands, California 95660
Tel (916) 834-7280
Fax (916) 331-7730

December 6, 2011

Jonathan P. Hobbs
Kronick, Moskovitz, Tiedemann & Girard
400 Capitol Mall, 27th Floor
Sacramento, CA 95814

Re: Rancho Murieta Airport

Dear Mr. Hobbs:

I represent Rancho Murieta Airport, Inc. ("RMA") and my client has asked me to respond to your letter of November 3, 2011. Specifically, Brad Beer, President of RMA requested that I review your letter, the document entitled Rancho Murieta Community Services District, "The Security Code", District Code, Chapter 21 ("Code") and the correspondence that preceded your letter. I have reviewed all of those documents and have concerns regarding the content of your letter.

Specifically, your letter first states, on page 2, that it is "unclear how you have been "aggrieved" by the amount of the tax." Since the Code has selected the word "aggrieved" the District is bound by its common meaning(s) which are "hurt, upset, angry or distressed." By Mr. Beer's letters to the General Manager of the district, he, on behalf of RMA, is clearly aggrieved, in that he views the rate at which he is being assessed for services is unjust, which clearly hurts the business operations by placing a financial strain on RMA.

Further, your letter concludes that since Mr. Beer had a meeting with the District General Manager concerning the tax rate, he is not entitled to a hearing before the board, due to the "use of the disjunctive word "or" in section 5.09." I disagree with your conclusion since the section states first that "The General Manager shall meet with the taxpayer", which makes an in person meeting mandatory. The section then states that "they may agree to a resolution of the appeal or set the matter for determination by the Board." Clearly, the section does not make the hearing "optional or discretionary" for the District, it makes resolution between the General Manger and taxpayer discretionary and setting the matter for hearing mandatory if resolution is not reached.

Since a resolution was not reached by the General Manager and Mr. Beer, section 5.09 required that the matter be set for hearing, which clearly was not done. Your statement that the "appeal" was necessarily "considered" when the Board set the tax rates in June of 2011 lacks legal substance since there is no evidence that the board knew of or in any way considered the data that Mr. Beer had submitted to the General Manager prior to and at their meeting. Simply saying that a rate was set does not comply with the appeals process.

Since there is an appeal process, it logically follows that if a taxpayer can show that his classification and resulting tax rate lacks any logical basis and therefore causes him to be "aggrieved", that the basis for the tax rate needs to be examined and justification provided that the rate is based upon the impact upon the District. Mr. Beer has provided ample data to show that the impact of RMA is far less than other business classifications within the district, yet the tax rate for this single user class is approximately five times higher than the other single use class, the equestrian center.

Mr. Beer requests a proper hearing for his appeal and a specific finding as to the tax rate for the "Airport" class tax rate being consistent with the "Equine Complex" tax rate.

Please contact me at your earliest convenience to discuss a resolution to this matter

Sincerely,

Robert B. Pye

Law Offices Of
Robert B. Pye
4600 Roseville Road, Suite 220
North Highlands, California 95660
Tel (916) 834-7280
Fax (916) 331-7730

January 12, 2012

Jonathan P. Hobbs
Kronick, Moskovitz, Tiedemann & Girard
400 Capitol Mall, 27th Floor
Sacramento, CA 95814

Re: Rancho Murieta Airport

Dear Mr. Hobbs:

I sent a letter to you on December 6, 2011, on behalf of my client, Rancho Murieta Airport (RMA), regarding the Rancho Murieta Community Services District. Specifically, my letter addressed the fact that my client had filed a protest of the fees assessed against RMA and the District had failed to follow its rules regarding that protest.

I would appreciate a response and an explanation as to the process which will be followed to address my clients concerns.

Sincerely,

Robert B. Pye

KRONICK MOSKOVITZ TIEDEMANN & GIRARD
A LAW CORPORATION

Jonathan P. Hobbs

916.321.4500
jhobbs@kmtg.com

January 27, 2012

VIA FACSIMILE (916) 331-7730 AND U. S. MAIL
Robert B. Pye
Law Offices of Robert B. Pye
4600 Roseville Road, Suite 220
North Highlands, CA 95660

Re: Rancho Murieta Community Services District
Security Special Tax

Dear Mr. Pye:

This letter follows up the voicemail message that I left you on January 24, 2012, and responds to your letter of January 12, 2012. As I advised you in my voicemail message, the Rancho Murieta Community Services District ("RMCSD") Board of Directors will consider Rancho Murieta Airport, Inc.'s request for a reduction of the security special tax levied against your client. The RMCSD Board will consider your client's request at its regular meeting scheduled for February 15, 2012. The meeting will begin at 5:00 p.m., and the Board will hear your matter as soon after 5:00 p.m. as is reasonably practical.

I trust that you have a copy of the RMCSD Code concerning the special tax as well as correspondence from RMCSD and this office to your client concerning this matter. Should you like additional copies of these materials or would like to discuss this further, please do not hesitate to contact me.

Sincerely,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Law Corporation

Jonathan P. Hobbs

JPH/dlc
990671.1 3130.010

Law Offices Of
Robert B. Pye
4600 Roseville Road, Suite 220
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Tel (916) 834-7280
Fax (916) 331-7730

January 30, 2012

Jonathan P. Hobbs
Kronick, Moskovitz, Tiedemann & Girard
400 Capitol Mall, 27th Floor
Sacramento, CA 95814

VIA FAX(916) 321-4555

Re: Rancho Murieta Airport

Dear Mr. Hobbs:

Thank you for your letter of January 27, 2012. My client appreciates the setting of a date to allow him to address the RMCSD Board with regard to his request for a reduction in the special security tax. However, I would appreciate a postponing the appearance to the next meeting, I presume in March, since I will be out of town the week of February 15.

I do have a copy of the RMCSD Code, but would like the opportunity to discuss this with you informally prior to the hearing.

Sincerely,

Robert B. Pye

KRONICK
MOSKOVITZ
TIEDEMANN
& GIRARD
A LAW CORPORATION

Jonathan P. Hobbs

916.321.4500
jhobbs@kmtg.com

February 1, 2012

VIA FACSIMILE (916) 331-7730 AND U. S. MAIL
Robert B. Pye
Law Offices of Robert B. Pye
4600 Roseville Road, Suite 220
North Highlands, CA 95660

Re: Rancho Murieta Community Services District
Security Special Tax

Dear Mr. Pye:

Per your request, the Rancho Murieta Community Services District Board of Directors will consider Rancho Murieta Airport, Inc.'s request for a reduction of the security special tax levied against your client at its March 21, 2012 meeting (rather than it's February 15, 2012 meeting). The Board meeting will start at 5:00 p.m.

Please feel free to call me if you would like to further discuss this matter.

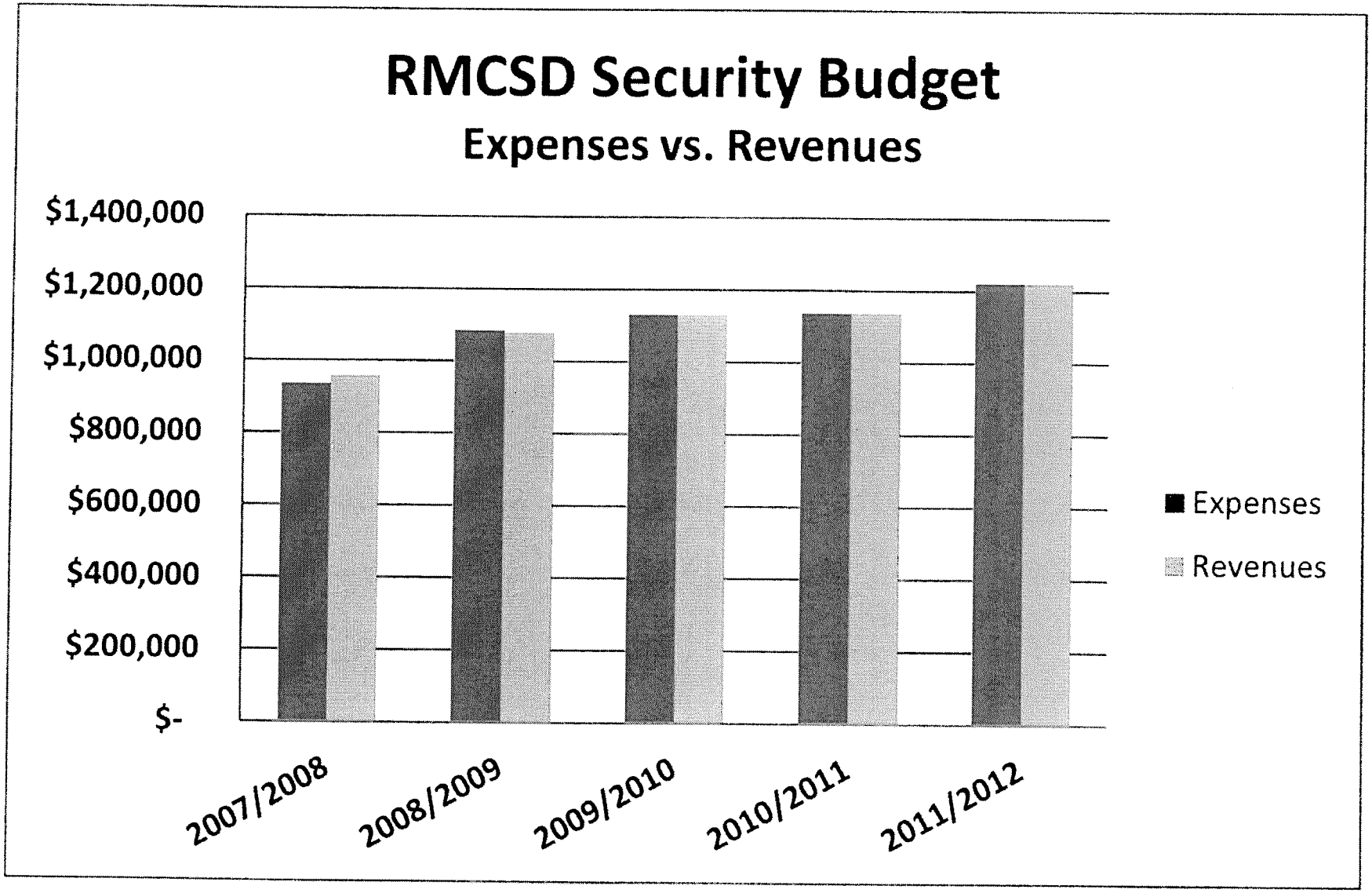
Sincerely,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Law Corporation

Jonathan P. Hobbs

JPH/dlc

EXHIBIT 2


RMCSD Security Budget
Expenses vs. Revenues
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$-
2007/2008
2008/2009
2009/2010
2010/2011
2011/2012
Expenses
Revenues

MEMORANDUM

Date: March 15, 2012

To: Board of Directors

From: Finance Committee Staff

Subject: Present 2012/13 Draft Budget – Worst Case Scenario

The purpose of this budget presentation is to receive Board direction on possible rate adjustments for FY 2012/13. Based on Board direction received, staff will send out notices of rate increases and schedule rate hearing in May, meeting the requirements of Prop 218 for rate notices and hearing. Final budget approval and respective rate adjustments will not occur until the June Board meeting. In the ensuing 45 days, staff and Finance Committee will fine tune the budget based on Board guidance received at this meeting.

Budget Overview

Staff has worked on developing the worst case budget, which was reviewed by the Finance Committee in early March. The Finance Committee requested that the Debt Service Prefunding collections be smoothed over the next three (3) fiscal years to lessen the impact on rate payers in the 2012/13 fiscal year. By spreading the collection of catch-up Debt Service Prefunding (the catch-up is to recover the debt service prefunding not collected as planned in 2010/11 and 2011/12) the average increase for a residential metered lot reduced from 12.93% to 9.37% in 2012/13.

Staff was asked to look at the current ratio between the water flat charge and the water consumption charge to determine if it is feasible to place a higher weight on the water consumption charge. Staff evaluated the Water Fund expenditures and determined that the only expense areas that are somewhat variable with water consumption are power and chemicals, which comprise approximately 22% of the Water Fund budget. As the District currently operates with a minimum level of staffing, wages and employer costs would not be impacted by reduced water consumption due to the fact that it would not be feasible to reduce staff as a result of reduced water consumption. Currently, 51% of the District's water service charges are from the base or flat charge and 49% are from consumption or usage charges. There have been recent reports that water districts are moving toward a 50/50 split between flat charges and consumption charges. Districts that were operating closer to a 70 consumption/30 flat ratio have found that expenditures do not vary to that degree based on water consumption. Staff recommends that the Board not make any revision to the District's flat charge and consumption charge ratio.

Staff is also seeking Board direction regarding the implementation of a credit card processing fee to be charged to anyone who uses a credit card to pay their District account. Currently, the District incurs approximately $24,000 per year in credit card charges. On average, this charge is $6.00 per transaction. Per the provisions of Prop 218 and Prop 26, the District is allowed to charge a fee for providing a special service, such as credit card processing, as long as the District is not charging

more than the cost of providing the service and provided that the fee is imposed on anyone who uses that service. Implementing this fee has not yet been incorporated into the budget. It is estimated that implementing this fee would reduce the average monthly residential metered lot bill for 2012/2013 to $162.80, a $.73 reduction.

A Sample Bill-Worst Case, draft budget summaries for each fund, and a detail explanation by revenue and expense line item, are attached to assist in review of this draft of the 2012/2013 budget.

Following are the assumptions used in developing this draft 2012/2013 budget.

District 2012 - 2013 Budget Assumptions & Unknowns

Revenues

1. Property tax reduction of $33,120 based on projections provided by Sacramento County. This reduction is caused primarily by $33 million of tax base currently at risk for pending Prop 8 assessed value appeals and last year Prop 8 assessed value reductions being larger than anticipated.
2. No new development growth in 2012 – 13.
3. Late charges are estimated at 1% of total service charges.
4. Water usage based on calendar year 2011 data with a 2% projected decrease in consumption.
5. Continuation of the advance debt service and related reserve increase for both Water and Sewer. This draft includes catching-up previous year's debt service collections to get the debt service plan back on track over the next three (3) fiscal years. Recall that these debt service projects are the WTP1 Rehab and VVR Permanent Irrigation Fields. 2012 – 13 is the third (3rd) year of the five (5) year plan approved by the board in 2010 – 2011.

The following table shows the debt service prefunding plan compared to actual debt prefunding status by rate and total debt service prefunding collected to date.

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Water Treatment Plant 1 Rehab							
Principal Prefunding	10/11	11/12	12/13	**Interim Total**	Projected 13/14	Projected 14/15	Total
Planned $	$ 36,500	$ 73,000	$ 109,500	**$ 219,000**	$ 146,000	$ 146,000	$ 511,000
Actual $	$ 25,061	$ 53,364	$ 53,196	**$ 131,621**	$ 140,093	$ 238,832	$ 510,546
Planned Rate							
Base Rate	$ 0.43	$ 1.03	$ 1.70		$ 2.45	$ 2.45	
Usage Rate	$ 0.0002	$ 0.0008	$ 0.0011		$ 0.0012	$ 0.0012	
Actual Rate							
Base Rate	$ 0.43	$ 0.75	$ 0.75		$ 2.25	$ 4.75	
Usage Rate	$ 0.0002	$ 0.0005	$ 0.0005		$ 0.0012	$ 0.0016	
Replacement Reserves	10/11	11/12	12/13	**Interim Total**	Projected 13/14	Projected 14/15	Total
Planned $	$ 6,518	$ 13,140	$ 19,711	**$ 39,369**	$ 26,281	$ 26,281	$ 91,931
Actual $	$ 6,574	$ 9,844	$ 19,703	**$ 36,121**	$ 27,913	$ 27,913	$ 91,947
Planned Rate	$ 0.20	$ 0.40	$ 0.60		$ 0.80	$ 0.80	
Actual Rate	$ 0.20	$ 0.30	$ 0.60		$ 0.85	$ 0.85	

VVR Permanent Irrigation Fields							
Principal Prefunding	10/11	11/12	12/13	**Interim Total**	Projected 13/14	Projected 14/15	Total
Planned $	$ 60,500	$ 121,000	$ 181,500	**$ 363,000**	$ 242,000	$ 242,000	$ 847,000
Actual $	$ 63,140	$ 98,520	$ 114,941	**$ 276,601**	$ 246,301	$ 328,402	$ 851,304
Planned Rate	$ 1.84	$ 3.68	$ 5.53		$ 7.37	$ 7.37	
Actual Rate	$ 2.00	$ 3.00	$ 3.50		$ 7.50	$ 10.00	
Replacement Reserves	10/11	11/12	12/13	**Interim Total**	Projected 13/14	Projected 14/15	Total
Planned $	$ 10,837	$ 21,675	$ 32,512	**$ 65,024**	$ 43,349	$ 43,349	$ 151,722
Actual $	$ 10,861	$ 16,420	$ 32,512	**$ 59,793**	$ 45,976	$ 45,976	$ 151,745
Planned Rate	$ 0.33	$ 0.66	$ 0.99		$ 1.32	$ 1.32	
Actual Rate	$ 0.30	$ 0.50	$ 0.99		$ 1.40	$ 1.40	

Green shading denotes projected numbers

EXPENSES

1. Wages
   a. Provisions of OE3/District Memorandum of Understanding included.
   b. Non-represented merit pool based on 5% of salary costs.
   c. Operator in Training position, which was removed in the 2011-2012 budget, has not been reinstated for Water/Sewer/Drainage.
2. Employer Costs
   a. PERS Employer Contribution rate of 11.938%, essentially the same as last year.
   b. District's PERS Employer Paid Member Contributions reduced to 4%.
   c. Medical Insurance – Estimated 5% increase on January 1, 2013.
   d. Life, Dental and Vision – no change to current rates.

e. Other Post Employment Benefit (OPEB) funding increased $48,000 to fully fund the Annual Required Contribution as determined by 2010 Actuarial. This amount includes $21,000 make-up contribution for 2011/12.

3. Workers Comp Insurance Premiums – no increase in rate; approx. $4,000 premium increase related to increased wages
4. Liability and Property Insurance Premiums – no increase in rate; premium will increase if base value (i.e., covered property) increases.
5. Election cost – added $5,000.
6. Postage - rates increased 17% from $.36 to $.42 (pre-sort postage rate).
7. Audit – estimated increase of 5%.
8. SMUD power cost – currently no rate increase expected.
9. Fuel – Estimated at $4.25 per gallon; budget includes Federal and State excise tax refund.
10. Water SOS – 4 Midge Fly treatments planned.
11. Water SOS – Additional chemicals for the treatment/prevention of Taste and Odor issues – Added $40,000
12. Water Treatment – Projected cost added for treatment for Taste and Odor issues – Added $45,000
13. Increased non-routine maintenance by $25k in Water and $20k in Sewer (third year of four year funding timeframe; recall that the second year increase was not implemented in 2011/12). These funds are included in the operations budget to avoid depleting the capital replacement reserves prematurely.
14. Sewer – legal/consulting increased $49k for the design of **Main Lift North improvements (previously identified as sludge drying bed design improvement but need has been reprogrammed due to recent sludge removal activities)**.
15. The cost of Chemicals is projected to increase 16% on average based on recent quotes from our supply vendors.
16. Drainage – maintenance/repairs and improvements increased in preparation for potential repairs due to the age and condition of the drainage culverts.
17. Drainage – power increased to support Basin 5 aeration.
18. Security Vehicle Lease – budgeted for replacement of Security vehicle.
19. Solid Waste – 4% estimated worst case increase for California Waste Recovery Services and Sacramento County surcharge fee.
20. Solid Waste – Household Hazardous Waste Event increased for 2012/2013 event – Added $8,000
21. Information Technology – planned replacement of 2 Security workstations (gates), 2 Water/Sewer workstations and 1 Administration workstation.

UNKNOWNS

Staff is in the process of tracking down the following unknowns, which will be incorporated into the budget prior to the May Board meeting, if possible:

1. Actual Solid Waste contract adjustment.
2. Health Insurance premium increase (fine tune - estimated currently at 5%).
3. Property insurance premium (impact from the recent property appraisal).

March 15, 2012

Sample Bill
Worst Case Budget

Rancho Murieta Community Services District
with Debt Service Prefunding Smoothed over 3 years

Average Monthly Customer Bill		Current Monthly Rates July 1, 2011	Proposed Monthly Rates with WTP1 and VVR Irrigation Field Debt Service Increase July 1, 2012	% Change
Residential Metered Lot				
Water	Average Usage in CF	1823	1787	
old rate	($31.92 Flat rate + .0129 Usage)	55.44	**62.16**	12.1%
new rate	($35.89 Flat rate + .0147 Usage)			
Sewer		46.07	**50.75**	10.2%
Solid Waste (avg. 64 Gallon Container)		19.26	**20.25**	5.1%
Security Tax (Maximum Tax Ceiling $25.88)		24.55	**25.82**	5.2%
Drainage Tax (Maximum Tax Ceiling $4.55)		4.20	**4.55**	8.3%
		$ 149.52	**$ 163.53**	
% Change over prior year			**9.37%**	
Murieta Village Lot				
Water	Average Usage in CF	520	515	
old rate	($31.92 Flat rate + .0129 Usage)	38.63	**43.46**	12.5%
new rate	($35.89 Flat rate + .0147 Usage)			
Sewer		46.07	**50.75**	10.2%
Solid Waste (avg. 64 Gallon Container)		19.26	**20.25**	5.1%
Security Tax (Maximum Tax Ceiling $6.24)		5.91	**6.21**	5.1%
Drainage Tax (Maximum Tax Ceiling $3.04)		2.80	**3.04**	8.6%
		$ 112.67	**$ 123.71**	
% Change over prior year			**9.80%**	
Vacant or Unmetered Lot				
Security Tax (Maximum Tax Ceiling $20.71)		19.26	**20.26**	5.2%
* **Water Standby**	$10.00 PER YEAR	0.83	**0.83**	0.0%
* **Sewer Standby**	$10.00 PER YEAR	0.83	**0.83**	0.0%
Drainage Tax (Maximum Tax Ceiling $4.55)		4.20	**4.55**	8.3%
		$25.12	**$26.47**	
% Change over prior year			**5.37%**	

* This fee is billed annually at $10.00 and is shown as a monthly rate for comparison purposes only.

denotes increase in rates

March 15, 2012

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY

COMBINED FUNDS

	Actual 2010-11	Adopted Budget 2011-12	Projected 2011-12	% Variance 2011-12	Proposed Budget 2012 - 2013	% Change Projected 2011-12
Revenues:						
Service Charges	4,386,280	**4,544,562**	4,529,346	-0.3%	**4,988,377**	10.1%
Property Taxes	522,207	**534,960**	520,680	-2.7	**501,840**	-3.6
Interest Earnings	1,225	**1,580**	799	-49.4	**1,100**	37.7
Other Charges / Reimbursements	103,351	**80,812**	91,531	13.3	**85,655**	-6.4
Total Revenues:	**5,013,063**	**5,161,914**	**5,142,356**	**-0.4%**	**5,576,972**	**8.5%**
Expenditures:						
Total Operating Expenses:	**4,822,365**	**5,165,129**	**5,051,249**	**-2.2%**	**5,572,215**	**10.3%**
Initial Overage (Deficit)	***190,697***	***(3,216)***	***91,107***	-2933.4	**4,757**	-94.8
Trans from Misc Reserves	***0***	***8,750***	***0***	-100.0	***0***	0.0
Trans from Rate Stab. Fund	***0***	***0***	***0***	0.0	***0***	0.0
Transfer from Fund Balance	***0***	***0***	***0***	0.0	***0***	
Net Income (Loss)	**190,697**	**5,534**	**91,107**	1546.2	**4,757**	-94.8
Rate Transfers to Repl Reserves	***0***	**417,000**	***450,450***	8.0	**504,635**	12.0
Add'l Transfers to Repl Reserves	***0***	***0***	***0***	0.0	**0**	0.0
Depreciation	**1,070,127**	**1,071,096**	**1,076,227**	**0.5%**	**1,096,500**	**1.9%**

March 15, 2012

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - SECURITY FUND

	Actual 2010-11	Adopted Budget 2011-12	Projected 2011-12	% Variance 2011-12	Proposed Budget 2012 - 2013	% Change Projected 2011-12	% Change Budget 2011-12
Revenues:							
Residential Special Taxes	943,918	**962,760**	962,936	0.0%	**1,012,578**	5.2%	5.2%
Commercial Special Taxes	156,360	**159,600**	159,543	0.0	**167,761**	5.2	5.1%
Late Charges	27,906	**22,680**	25,965	14.5	**24,960**	-3.9	-1005%
Title Transfer Fees	3,120	**2,400**	2,750	14.6	**2,400**	-12.7	0.0%
Bar Code Income	8,060	**6,600**	6,870	4.1	**6,600**	-3.9	0.0%
Fines, Enforcement	2,100	**2,100**	2,100	0.0	**2,100**	0.0	0.0%
Special Events Permits	0	**0**	0	0.0	**0**	0.0	0%
Interest Income	51	**100**	360	259.8	**640**	77.9	540.0%
Investment Income	310	**0**	0	0.0	**0**	0.0	0%
Investment Expense	(484)	**0**	0	0.0	**0**	0.0	0%
Misc	4,948	**4,152**	5,270	26.9	**4,150**	-21.3	0.0%
Operating Revenues	**1,146,290**	**1,160,392**	**1,165,794**	**0.5%**	**1,221,189**	**4.8%**	5.2%
Expenditures:							
Security Gates	*10-11 Actual*	*11-12 Budget*	*Projected*	*Variance*	*12-13 Budget*	*Variance*	*Variance*
Wages	268,912	**271,900**	270,466	-0.5%	**283,000**	4.6%	4.1%
Employers Costs	152,733	**173,000**	159,441	-7.8	**176,800**	10.9	2.2%
Information Systems Maint	6,999	**6,700**	3,730	-44.3	**6,700**	79.6	0.0%
Equipment Repairs	22,547	**22,300**	21,969	-1.5	**3,300**	-85.0	-85.2%
Bar Codes	2,984	**4,950**	4,992	0.8	**5,360**	7.4	8.3%
Telephones	4,681	**4,350**	4,957	13.9	**4,850**	-2.2	11.5%
Building Maint	3,558	**2,940**	3,552	20.8	**2,950**	-16.9	0.3%
Power	2,323	**3,179**	2,649	-16.7	**2,810**	6.1	-11.6%
Uniforms	1,643	**2,400**	1,000	-58.3	**2,400**	140.0	0.0%
Supplies	47	**1,800**	750	-58.3	**1,800**	140.0	0.0%
Training/Safety	255	**1,000**	405	-59.5	**1,000**	146.9	0.0%
Other	3,054	**3,700**	2,951	-20.2	**3,700**	25.4	0.0%
Subtotals	**469,737**	**498,219**	**476,862**	**-4.3%**	**494,670**	**3.7%**	-0.7%
Security Patrol	*10-11 Actual*	*11-12 Budget*	*Projected*	*Variance*	*12-13 Budget*	*Variance*	*Variance*
Wages	220,187	**229,700**	229,088	-0.3%	**246,200**	7.5%	7.2%
Employers Costs	117,645	**121,900**	122,199	0.2	**130,500**	6.8	7.1%
Vehicle Fuel	20,230	**21,960**	23,918	8.9	**20,460**	-14.5	-6.8%
Off Duty Sheriff Patrol	4,267	**10,500**	6,393	-39.1	**6,000**	-6.2	-42.9%
Vehicle Maint.	6,236	**6,700**	9,203	37.4	**6,700**	-27.2	0.0%
Vehicle Lease	0	**5,000**	2,083	-58.3	**5,400**	159.2	8.0%
Information Systems Maint	700	**7,500**	3,125	-58.3	**7,500**	140.0	0.0%
Training/Safety	1,320	**1,320**	1,416	7.3	**1,320**	-6.8	0.0%
Safety Center	2,321	**2,580**	2,598	0.7	**2,580**	-0.7	0.0%
Uniforms	1,607	**2,400**	1,674	-30.3	**2,400**	43.4	0.0%
Telephones	2,652	**3,930**	3,367	-14.3	**3,930**	16.7	0.0%
Equipment Repairs	275	**1,100**	456	-58.5	**1,100**	141.2	0.0%
Supplies	0	**1,500**	625	-58.3	**1,500**	140.0	0.0%
Other	1,227	**3,000**	1,831	-39.0	**3,000**	63.8	0.0%
Subtotals	**378,668**	**419,090**	**407,978**	**-2.7%**	**438,590**	**7.5%**	4.7%

BUDGET SUMMARY - SECURITY FUND

	Actual 2010-11	Adopted Budget 2011-12	Projected 2011-12	% Variance 2011-12	Proposed Budget 2012 - 2013	% Change Projected 2011-12	% Change Budget 2011-12
Security Administration	*10-11 Actual*	*11-12 Budget*	*Projected*	*Variance*	*12-13 Budget*	*Variance*	*Variance*
Wages	75,961	**76,800**	79,227	3.2%	**83,900**	5.9%	9.2%
Employers Costs	28,153	**41,100**	36,162	-12.0	**44,000**	21.7	7.1%
Insurance	4,500	**4,500**	4,500	0.0	**4,500**	0.0	0.0%
Legal/Consulting	6,292	**3,150**	5,919	87.9	**6,500**	9.8	106.3%
Supplies	5,321	**2,400**	4,271	77.9	**3,900**	-8.7	62.5%
Telephones	478	**420**	381	-9.2	**420**	10.1	0.0%
Information System Maint	2,919	**3,000**	2,842	-5.3	**3,000**	5.6	0.0%
Training/Safety	1,262	**1,200**	1,037	-13.5	**1,200**	15.7	0.0%
Travel/Meetings	0	**800**	350	-56.2	**800**	128.3	0.0%
Uniforms	0	**400**	190	-52.5	**400**	110.5	0.0%
Bad Debts	1,172	**600**	(414)	-169.1	**600**	-244.8	0.0%
Equipment Maint	0	**600**	250	-58.3	**600**	140.0	0.0%
Other	294	**600**	2,057	242.8	**600**	-70.8	0.0%
Subtotals	**126,352**	**135,570**	**136,772**	**0.9%**	**150,420**	**10.0%**	11.0%
Operating Expenses	**974,756**	**1,052,879**	**1,021,611**	**-3.0%**	**1,083,680**	**6.1%**	2.9%
General Fund Net Allocation	100,175	**111,592**	115,317	3.3	**131,920**	14.4	18.2%
Total Expenses	**1,074,931**	**1,164,471**	**1,136,928**	**-2.4%**	**1,215,600**	**6.9%**	4.4%
Initial Overage(Deficit)	**71,359**	**(4,079)**	**28,866**	**-807.7%**	**5,589**	**-80.6%**	-237.0%
Transfer from Misc Reserves	0	**0**	0		**0**		
Transfer from Rate Stab Resr	0	**0**	0		**0**		
Net Income (Loss)	**71,359**	**(4,079)**	**28,866**	**-807.7%**	**5,589**	**-80.6%**	-237.0%
Depreciation	39,654	**39,780**	31,884	-19.8%	**36,300**	13.9%	-8.7%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - WATER FUND

March 15, 2012

	Actual 2010-11	Adopted Budget 2011-12	Projected 2011-12	% Variance 2011-12	Proposed Budget 2012 - 2013	% Change Projected 2011-12	% Change Budget 2011-12
Revenues:							
Residential Sales	1,269,993	**1,388,400**	1,370,417	-1.3%	**1,578,940**	15.2%	13.7%
Commercial Sales	131,827	**146,600**	148,865	1.5	**175,275**	17.7	19.6%
Other Sales	7,872	**8,412**	8,415	0.0	**8,415**	0.0	0.0%
Availability Fees	370	**360**	360	0.0	**360**	0.0	0.0%
Late Charges	13,953	**11,400**	13,008	14.1	**12,480**	-4.1	9.5%
Telephone Line Contracts	4,619	**4,990**	5,111	2.4	**5,195**	1.6	4.1%
Meter Installation Fees	400	**0**	400	0.0	**0**	-100.0	0.0%
Interest Income	395	**420**	(95)	-122.5	**0**	-100.0	-100.0%
Investment Income	248	**0**	0	0.0	**0**	0.0	0.0%
Investment Expense	(387)	**0**	0	0.0	**0**	0.0	0.0%
Inspection Fees	127	**0**	125	0.0	**0**	-100.0	0.0%
Project Reimbursement	0	**0**	0	0.0	**0**	0.0	0.0%
Other	9,168	**4,500**	5,325	18.3	**4,500**	-15.5	0.0%
Operating Revenues	**1,438,585**	**1,565,082**	**1,551,931**	**-0.8%**	**1,785,165**	**15.0%**	14.1%
Expenditures:							
Water Source of Supply	*10-11 Actual*	*11-12 Budget*	*Projected*	*Variance*	*12-13 Budget*	*Variance*	*Variance*
Wages	5,651	**9,260**	12,604	36.1%	**9,876**	-21.6%	6.7%
Employers Costs	4,599	**4,390**	6,067	38.2	**4,638**	-23.6	5.6%
Power	38,784	**48,000**	41,242	-14.1	**45,400**	10.1	-5.4%
Dam Inspection	36,136	**39,500**	44,950	13.8	**37,000**	-17.7	-6.3%
Chemicals - Routine	12,517	**5,245**	6,520	24.3	**6,500**	-0.3	23.9%
Chemicals - Taste & Odor	0	**0**	0	0.0	**40,000**	100.0	100.0%
Maint/Repairs	12,309	**8,500**	17,572	106.7	**15,000**	-14.6	76.5%
Equipment Rental	627	**1,500**	5,327	255.1	**1,500**	-71.8	0.0%
Supplies	0	**600**	250	-58.3	**600**	140.0	0.0%
Other	0	**500**	251	-49.8	**500**	99.1	0.0%
Subtotals	**110,623**	**117,495**	**134,784**	**14.7%**	**161,014**	**19.5%**	37.0%
Water Treatment	*10-11 Actual*	*11-12 Budget*	*Projected*	*Variance*	*12-13 Budget*	*Variance*	*Variance*
Wages	103,166	**106,670**	109,719	2.9%	**113,910**	3.8%	6.8%
Employers Costs	42,476	**50,660**	47,731	-5.8	**53,520**	12.1	5.6%
Power	73,049	**84,000**	82,860	-1.4	**82,570**	-0.4	-1.7%
Chemicals	73,552	**115,000**	115,481	0.4	**123,800**	7.2	7.7%
Maint/Repairs	46,805	**40,000**	45,038	12.6	**45,070**	0.1	12.7%
Lab Tests	15,003	**40,000**	49,481	23.7	**40,000**	-19.2	0.0%
Equipment Rental	7,889	**8,000**	9,486	18.6	**8,000**	-15.7	0.0%
Taste & Odor Treatment	0	**0**	0	0.0	**45,000**	100.0	100.0%
Supplies	228	**1,100**	1,100	0.0	**1,100**	0.0	0.0%
Other	0	**1,000**	250	-75.0	**1,000**	300.0	0.0%
Subtotals	**362,169**	**446,430**	**461,147**	**3.3%**	**513,970**	**11.5%**	15.1%
Water Transmission & Distr	*10-11 Actual*	*11-12 Budget*	*Projected*	*Variance*	*12-13 Budget*	*Variance*	*Variance*
Wages	152,896	**170,630**	185,899	8.9%	**182,256**	-2.0%	6.8%
Employers Costs	64,780	**81,030**	80,890	-0.2	**85,635**	5.9	5.7%
Maint/Repairs	34,518	**48,000**	24,894	-48.1	**48,000**	92.8	0.0%
Meters/Box/Valve	81,279	**55,000**	39,023	-29.0	**55,000**	40.9	0.0%
Power	35,808	**37,000**	37,527	1.4	**36,480**	-2.8	-1.4%

BUDGET SUMMARY - WATER FUND

March 15, 2012

	Actual 2010-11	Adopted Budget 2011-12	Projected 2011-12	% Variance 2011-12	Proposed Budget 2012 - 2013	% Change Projected 2011-12	% Change Budget 2011-12
Equipment Rental	10,231	**12,000**	14,626	21.9	**12,000**	-18.0	0.0%
Post Repair Road Paving	33,603	**24,000**	25,895	0.0	**24,000**	-7.3	0.0%
Supplies	3,932	**4,000**	5,705	42.6	**4,000**	-29.9	0.0%
Other	1,851	1,500	11,192	646.1	**1,500**	-86.6	0.0%
Subtotals	**418,898**	**433,160**	**425,650**	**-1.7%**	**448,871**	**5.5%**	3.6%

Water Administration	*10-11 Actual*	*11-12 Budget*	*Projected*	*Variance*	*12-13 Budget*	*Variance*	*Variance*
Wages	112,041	**97,410**	105,587	8.4%	**104,040**	-1.5%	6.8%
Employers Costs	68,822	**46,250**	54,608	18.1	**48,886**	-10.5	5.7%
Permits	19,094	**32,000**	30,284	-5.4	**32,000**	5.7	0.0%
Equipment Maint	28,015	**8,000**	10,548	31.9	**8,000**	-24.2	0.0%
Legal/Consulting	22,754	**15,500**	11,326	-26.9	**15,500**	36.8	0.0%
Vehicle Fuel	13,425	**15,360**	18,719	21.9	**18,610**	-0.6	21.2%
Training/Safety	13,246	**7,500**	8,860	18.1	**9,140**	3.2	21.9%
Regional Water Authority	6,845	**4,500**	11,410	153.6	**11,410**	0.0	153.6%
Central Ground Water Authority	3,000	**6,000**	3,250	-45.8	**6,000**	84.6	0.0%
South Area Water Council	3,000	**6,000**	3,250	-45.8	**6,000**	84.6	0.0%
Supplies	6,809	**5,500**	6,322	14.9	**5,500**	-13.0	0.0%
Telephones	6,570	**6,840**	7,043	3.0	**7,000**	-0.6	2.3%
Information Systems Maint	9,007	**6,000**	3,350	-44.2	**6,000**	79.1	0.0%
Vehicle Maint.	14,744	**10,000**	14,134	41.3	**15,000**	6.1	50.0%
Tools	8,484	**4,000**	6,157	53.9	**4,000**	-35.0	0.0%
CIA Ditch Operations	637	**4,500**	2,450	-45.6	**4,500**	83.7	0.0%
Uniforms	3,967	**4,000**	3,109	-22.3	**3,800**	22.2	-5.0%
Conservation	8,863	**38,000**	19,369	-49.0	**38,000**	96.2	0.0%
Travel/Meetings	1,079	**2,500**	1,942	-22.3	**2,500**	28.7	0.0%
Memberships	2,023	**1,480**	926	-37.4	**2,390**	158.1	61.5%
Bad Debts	508	**500**	(188)	-137.6	**500**	-365.8	0.0%
Building Maint	1,555	**1,590**	1,571	-1.2	**1,590**	1.2	0.0%
Nonroutine Maint/Repair	455	**25,000**	12,500	-50.0	**50,000**	300.0	100.0%
Other	1,863	**7,000**	4,370	-37.6	**7,000**	60.2	0.0%
Subtotals	**356,805**	**355,430**	**340,896**	**-4.1%**	**407,366**	**19.5%**	14.6%
Operating Expenses	**1,248,494**	**1,352,514**	**1,362,477**	**0.7%**	**1,531,221**	**12.4%**	13.2%
Reserve Expenditures	58,164	**0**	115,419		**0**		
General Fund Net Alloc	191,456	**212,841**	220,976	3.8	**252,800**	14.4	18.8%
Total Expenses	**1,439,950**	**1,565,355**	**1,698,871**	**8.5%**	**1,784,021**	**5.0%**	14.0%
Initial Overage(Deficit)	**(1,365)**	**(273)**	**(146,941)**	**53655.5%**	**1,144**	**-100.8%**	-518.5%
Transfer from Fund Balance	0	**8,750**	0		**0**		
Transfer from Rate Stab Resr	0	**0**	0		**0**		
Net Income (Loss)	**(1,365)**	**8,477**	**(146,941)**		**1,144**		
Depreciation	463,491	**464,257**	459,937	-0.9%	**469,200**		

Replacement Reserves and Debt Service Summary		
Debt Service Prefunding Collected	**25,462**	**53,196**
Debt Service Repl Rsrv Collected	**6,523**	**19,703**
Water Reserves Collected	**180,692**	**182,147**

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - SEWER FUND

March 15, 2012

	Actual 2010-11	Adopted Budget 2011-12	Projected 2011-12	% Variance 2011-12	Proposed Budget 2012 - 2013	% Change Projected 2011-12	% Change Budget 2011-12
Revenues:							
Residential Service	1,019,280	**1,019,880**	1,019,214	-0.1%	**1,129,541**	10.8%	10.8%
Commercial Service	107,946	**107,880**	107,832	0.0	**119,422**	10.7	10.7%
Availability Fees	420	**430**	430	0.0	**430**	0.0	0.0%
Late Charges	13,953	**11,400**	13,008	14.1	**12,480**	-4.1	9.5%
Interest Income	509	**820**	286	-65.1	**180**	-37.1	-78.0%
Investment Income	176	0	0	0.0	**0**	0.0%	0.0%
Investment Expense	(274)	0	0	0.0	**0**	0.0%	0.0%
Project Reimbursement	2,184	**2,190**	2,190	0.0	**2,190**	0.0	0.0%
Inspection Fees	127	**0**	127	0.0	**0**	-100.0	0.0%
Other	3,393	**0**	0	0.0	**0**	0.0	0.0%
Operating Revenues	**1,147,714**	**1,142,600**	**1,143,086**	**0.0%**	**1,264,243**	**10.6%**	**10.6%**

Expenditures:

Sewer Collection	*10-11 Actual*	*11-12 Budget*	*Projected*	*Variance*	*12-13 Budget*	*Variance*	*Variance*
Wages	83,610	**99,540**	76,490	-23.2%	**106,316**	39.0%	6.8%
Employers Costs	36,994	**47,270**	36,327	-23.1	**49,955**	37.5	5.7%
Power	15,263	**17,450**	16,097	-7.8	**17,450**	8.4	0.0%
Maint/Repairs	45,498	**35,000**	39,809	13.7	**40,000**	0.5	14.3%
Equipment Rental	7,895	**6,000**	3,809	-36.5	**6,000**	57.5	0.0%
Supplies	123	**4,000**	1,650	-58.8	**4,000**	142.4	0.0%
Other	52	**2,000**	1,000	-50.0	**2,000**	100.0	0.0%
Subtotals	**189,435**	**211,260**	**175,181**	**-17.1%**	**225,721**	**28.8%**	**6.8%**

Sewer Treatment & Disposa	*10-11 Actual*	*11-12 Budget*	*Projected*	*Variance*	*12-13 Budget*	*Variance*	*Variance*
Wages	143,573	**135,060**	127,355	-5.7%	**144,286**	13.3%	6.8%
Employers Costs	61,775	**64,140**	57,907	-9.7	**67,795**	17.1	5.7%
Power	112,300	**126,510**	123,501	-2.4	**126,510**	2.4	0.0%
Maint/Repairs	139,765	**75,000**	65,480	-12.7	**75,000**	14.5	0.0%
Chemicals	48,434	**79,310**	76,690	-3.3	**79,310**	3.4	0.0%
Lab Tests	35,230	**45,000**	36,059	-19.9	**38,250**	6.1	-15.0%
Supplies	1,168	**3,000**	1,307	-56.4	**3,000**	129.5	0.0%
Equipment Rental	9,492	**10,000**	6,691	-33.1	**10,000**	49.5	0.0%
Sludge Removal Off Site	8,670	**19,000**	6,243	-67.1	**9,500**	52.2	-50.0%
Subtotals	**560,408**	**557,020**	**501,233**	**-10.0%**	**553,651**	**10.5%**	**-0.6%**

BUDGET SUMMARY - SEWER FUND

March 15, 2012

	Actual 2010-11	Adopted Budget 2011-12	Projected 2011-12	% Variance 2011-12	Proposed Budget 2012 - 2013	% Change Projected 2011-12	% Change Budget 2011-12
Sewer Administration	***10-11 Actual***	***11-12 Budget***	***Projected***	***Variance***	***12-13 Budget***	***Variance***	***Variance***
Wages	39,348	**42,640**	48,433	13.6%	**45,564**	-5.9%	6.9%
Employers Costs	14,947	**20,250**	22,760	12.4	**21,410**	-5.9	5.7%
Equipment Maint	42,741	**17,500**	24,451	39.7	**17,500**	-28.4	0.0%
Vehicle Fuel	14,409	**14,720**	12,517	-15.0	**13,970**	11.6	-5.1%
Permits	23,033	**23,130**	26,269	13.6	**26,540**	1.0	14.7%
Legal/Consulting	4,026	**21,000**	15,495	-26.2	**70,000**	351.8	233.3%
Training/Safety	29,167	**10,000**	14,045	40.5	**14,200**	1.1	42.0%
Supplies	5,116	**4,200**	4,556	8.5	**4,200**	-7.8	0.0%
Information Systems Maint	5,425	**8,250**	3,525	-57.3	**8,250**	134.0	0.0%
Vehicle Maint.	4,252	**8,200**	3,450	-57.9	**8,200**	137.7	0.0%
Tools	9,052	**5,000**	2,105	-57.9	**5,000**	137.5	0.0%
Telephones	6,429	**6,000**	6,227	3.8	**6,600**	6.0	10.0%
Uniforms	4,900	**3,400**	2,759	-18.9	**3,400**	23.2	0.0%
Travel/Meetings	1,079	**2,000**	1,842	-7.9	**2,000**	8.6	0.0%
Building Maint	1,555	**1,590**	1,570	-1.2	**1,590**	1.3	0.0%
Copier Maintenance	0	**500**	1,466	193.1	**1,500**	2.3	200.0%
Bad Debts	410	**600**	(20)	-103.3	**600**	-3136.4	0.0%
Sewer General Fine	870	0	400	0.0	**0**	-100.0	0.0%
Nonroutine Maint/Repair	13,854	**20,000**	10,000	-50.0	**40,000**	300.0	100.0%
Other	839	**3,000**	2,153	-28.2	**3,000**	39.4	0.0%
Subtotals	**221,452**	**211,980**	**204,002**	**-3.8%**	**293,524**	**43.9%**	**38.5%**
Operating Expenses	**971,295**	**980,260**	**880,416**	**-10.2%**	**1,072,896**	**21.9%**	9.5%
Reserve Expenditures	**37,071**	**0**	**0**		**0**		
General Fund Net Allocation	**146,518**	**162,761**	168,714	3.7	**193,010**	14.4	18.6%
Total Expenses	**1,154,883**	**1,143,021**	**1,049,131**	**-8.2%**	**1,265,906**	**20.7%**	**10.8%**
Initial Overage(Deficit)	**(7,170)**	**(421)**	**93,956**	**-22442.6%**	**(1,663)**	**-101.8%**	295.5%
Transfer from Misc Reserve	0	**0**	0		**0**		
Transfer from Rate Stab Res	0	**0**	0		**0**		
Net Income (Loss)	**(7,170)**	**(421)**	**93,956**		**(1,663)**		
Depreciation	566,982	**567,059**	584,405	3.1	**591,000**	1.1	-9.7

Replacement Reserves and Debt Service Summary			
Debt Service Prefunding Collected	**98,520**	**114,940**	
Debt Service Repl Rsrv Collected	**16,420**	**32,512**	
Sewer Reserves Collected	**270,274**	**270,273**	

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - DRAINAGE FUND

March 15, 2012

	Actual 2010-11	Adopted Budget 2011-12	Projected 2011-12	% Variance 2011-12	Proposed Budget 2012-13	% Change Projected 2011-12	% Change Budget 2011-12
Revenues:							
Residential Special Taxes	136,537	**136,800**	136,530	-0.2%	**148,255**	8.6%	8.4%
Commercial Special Taxes	26,448	**26,520**	26,448	-0.3	**28,655**	8.3	8.1%
Interest Income	269	**240**	247	3.1	**280**	13.2	16.7%
Investment Income	31	**0**	0	0.0	**0**	0.0	0.0%
Investment Expense	(48)	**0**	0	0.0	**0**	0.0	0.0%
Inspection Fees	0	**0**	0	0.0	**0**	0.0	0.0%
Other	0	**0**	0	0.0	**0**	0.0	0.0%
Operating Revenues	**163,237**	**163,560**	**163,225**	**-0.2%**	**177,190**	**8.6%**	8.3%
Expenditures:							
	10-11 Actual	*11-12 Budget*	*Projected*	*Variance*	*12-13 Budget*	*Variance*	*Variance*
Wages	50,181	**49,760**	50,787	2.1	**53,158**	4.7	6.8%
Employers Costs	20,736	**23,630**	23,195	-1.8	**24,980**	7.7	5.7%
MS4 Permit	3,600	**4,000**	8,852	121.3	**4,000**	-54.8	0.0%
Power	14,974	**12,900**	14,676	13.8	**15,500**	5.6	20.2%
Chemicals	2,807	**9,585**	6,901	-28.0	**5,400**	-21.8	-43.7%
Maint/Repairs	10,267	**8,400**	9,652	14.9	**12,000**	24.3	42.9%
Equipment Rental	5,028	**5,500**	4,145	-24.6	**5,500**	32.7	0.0%
Improvements	0	**11,040**	7,540	-31.7	**12,000**	59.2	8.7%
Legal/Consulting	1,573	**2,000**	2,780	39.0	**3,000**	7.9	50.0%
Uniforms	0	500	500	0.0	**200**	-60.0	-60.0%
Tools	114	50	399	698.2	**400**	0.2	700.0%
Bad Debts	202	**0**	2	0.0	**0**	-100.0	0.0%
Other	1,315	**2,000**	717	-64.2	**1,500**	109.4	-25.0%
Subtotals	**110,797**	**129,365**	**130,146**	**0.6%**	**137,638**	**5.8%**	6.4%
Operating Expenses	**110,797**	**129,365**	**130,146**	**0.6%**	**137,638**	**5.8%**	6.4%
General Fund Net Allocation	29,959	**33,205**	34,652	4.4	**39,640**	14.4	19.4%
Total Expenses	**140,756**	**162,570**	**164,798**	**1.4%**	**177,278**	**7.6%**	9.0%
Net Income (Loss)	**22,481**	**990**	**(1,572)**	**-258.8%**	**(88)**	**-94.4%**	-108.9%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - SOLID WASTE FUND

March 15, 2012

	Actual 2010-11	Adopted Budget 2011-12	Projected 2011-12	% Variance 2011-12	Proposed Budget 2012-2013	% Change Projected 2011-12	% Change Budget 2011-12
Revenues:							
Solid Waste Charges	585,308	**586,920**	588,357	0.2%	**618,745**	5.2%	5.4%
Other	410	**600**	552	-8.0	**600**	8.7%	0.0%
Operating Revenues	**585,718**	**587,520**	**588,909**	0.2	**619,345**	5.2%	5.4%
Expenditures:							
	10-11 Actual	*11-12 Budget*	*Projected*	*Variance*	*12-13 Budget*	*Variance*	*Variance*
CWRS Contract	500,904	**513,600**	509,625	-0.8%	**528,360**	3.7%	2.9%
Sac. County Admin. Fee	32,012	**32,400**	32,658	0.8	**33,720**	3.3%	4.1%
Consulting	0	**5,000**	5,000	0.0	**5,000**	0.0%	0.0%
HHW Event	0	**12,000**	12,000	0.0	**20,000**	66.7%	66.7%
Bad Debts	495	**0**	0	0.0	**0**	0.0%	0.0%
Total Expenses	**533,411**	**563,000**	**559,283**	-0.7	**587,080**	5.0%	4.3%
Operating Expenses	**533,411**	**563,000**	**559,283**	-0.7	**587,080**	5.0%	4.3%
General Fund Net Allocation	25,000	**23,951**	28,403	18.6	**32,490**	14.4%	35.6%
Total Expenses	**558,411**	**586,951**	**587,686**	0.1	**619,570**	5.4%	5.6%
Net Income (Loss)	**27,307**	**569**	**1,223**	115.0	**(225)**	-118.4%	-139.6%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - GENERAL FUND

March 15, 2012

	Actual 2010-11	Adopted Budget 2011-12	Projected 2011-12	% Variance 2010-11	Proposed Budget 2012-2013	% Change Projected 2011-12	% Change Budget 2011-12
Revenues:							
Property Taxes	522,207	**534,960**	520,680	-2.7%	**501,840**	-3.6%	-6.2%
Title Transfer Fees	6,039	**4,800**	5,000	4.2	**4,800**	-4.0	0.0%
Project Reimbursement	97	**0**	0	0.0	**0**	0.0	0.0%
Interest	551	0	102	0.0	**200**	96.4	0.0%
Investment Income	269	0	0	0.0	**0**	0.0	0.0%
Investment Expense	(419)	0	0	0.0	**0**	0.0	0.0%
CIA Ditch Admin Service Charges	1,800	**1,800**	1,800	0.0	**1,800**	0.0	0.0%
Other	957	**1,200**	1,829	52.4	**1,200**	-34.4	0.0%
Total Operating Revenues	**531,502**	**542,760**	**529,410**	**-2.5%**	**509,840**	**-3.7%**	-6.1%

Expenditures:	*10-11 Actual*	*11-12 Budget*	*Projected*	*Variance*	*12-13 Budget*	*Variance*	*Variance*
Wages	460,006	**462,500**	476,069	2.9%	**502,500**	5.6%	8.6%
Director Meeting Stipends	13,240	**18,000**	14,300	-20.6	**18,000**	25.9	0.0%
Employers Costs	223,716	**254,100**	243,176	-4.3	**275,200**	13.2	8.3%
Liability Insurance	54,017	**54,060**	54,076	0.0	**54,060**	0.0	0.0%
Information Systems Maintenance	43,059	**95,000**	82,960	-12.7	**95,400**	15.0	0.4%
Community Communications	8,247	**9,900**	10,361	4.7	**9,900**	-4.4	0.0%
Legal	48,431	**25,000**	22,386	-10.5	**25,000**	11.7	0.0%
Office Supplies	16,974	**19,200**	23,451	22.1	**19,200**	-18.1	0.0%
Building/Grounds Maintenance	20,012	**16,800**	20,002	19.1	**16,800**	-16.0	0.0%
Postage	18,572	**18,600**	19,509	4.9	**21,780**	11.6	17.1%
Telephones	10,685	**4,140**	4,412	6.6	**4,320**	-2.1	4.3%
Contingency	0	**11,000**	11,000	0.0	**11,000**	0.0	0.0%
Audit	15,100	**15,100**	15,100	0.0	**15,850**	5.0	5.0%
Consulting	20,724	**3,600**	11,385	216.3	**3,600**	-68.4	0.0%
Memberships	9,042	**9,300**	12,688	36.4	**9,890**	-22.1	6.3%
Training/Safety	6,793	**6,000**	5,152	-14.1	**6,000**	16.5	0.0%
Power	8,258	**8,700**	8,600	-1.1	**8,670**	0.8	-0.3%
Meetings	7,057	**7,380**	6,339	-14.1	**7,000**	10.4	-5.1%
Director Expense Reimbursement	4,169	**5,220**	7,408	41.9	**5,200**	-29.8	-0.4%
Vehicle Fuel	3,555	**4,590**	3,583	-21.9	**4,590**	28.1	0.0%
Equipment Maint	465	**2,000**	2,090	4.5	**2,000**	-4.3	0.0%
Election Costs	1,654	**0**	0	0.0	**5,000**	0.0	0.0%
Mail Machine Lease	2,344	**2,820**	2,796	-0.8	**2,840**	1.6	0.7%
Copy Machine Maintenance	8,017	**8,100**	7,788	-3.9	**8,100**	4.0	0.0%
Vehicle Maint	0	**2,000**	4,872	143.6	**2,000**	-58.9	0.0%
Clerical Services	0	**0**	0	0.0	**0**	0.0	0.0%
Other	19,510	**24,000**	27,812	15.9	**25,800**	-7.2	7.5%
Total Operating Expenses	**1,023,646**	**1,087,110**	1,097,316	**0.9%**	**1,159,700**	**5.7%**	6.7%
Overage(Deficit)	**(492,144)**	**(544,350)**	(567,905)	**4.3%**	**(649,860)**	**14.4%**	19.4%

2012-2013 Security Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase	
Total Security Operations	$ 1,164,471	$ 1,215,600	$ 51,129	4.4%	
Line Item Impacts:					
Wages	$ 578,400	$ 613,100	$ 34,700	6.0%	2011/12 budget does not reflect increases provided during 11-12: Unrep 2% plus 3% on 1/1/12 for EE PERS Contribution; Rep 2% on 1/1/12 plus 3% on 3/1/12 for EE PERS Contribution; 12-13 5% increase for unrep, rep employees: 3% for Security, plus steps
Employers Cost	$ 336,000	$ 351,300	$ 15,300	4.6%	
PERS ER Paid Member Cost	$ 38,476	$ 23,338	$ (15,138)	-39.3%	Reflects reduction of 3% to be paid by EE
PERS ER Cost	$ 65,575	$ 69,653	$ 4,078	6.2%	Corresponds to wage increase
Medicare	$ 7,255	$ 7,658	$ 403	5.6%	Corresponds to wage increase
State Unemployment	$ 7,378	$ 7,378	$ -	0.0%	
Medical	$ 152,138	$ 150,834	$ (1,304)	-0.9%	Includes $6k for Opt-Out cushion; Dental/Life and
Dental/Life Ins	$ 8,880	$ 21,510	$ 12,630	142.2%	and Vision appear skewed due to new 80/20
Vision	$ 832	$ 2,141	$ 1,309	157.3%	split provided in new MOU
Sub-total Medical	$ 161,850	$ 174,485	$ 12,635	7.8%	
Workers Comp	$ 18,599	$ 19,725	$ 1,126	6.1%	Corresponds to wage increase
OPEB ER Contribution	$ 31,500	$ 45,900	$ 14,400	45.7%	Base Contribution increase of $25K (to $130k/yr) per 2010 actuarial plus $23K make-up contribution for 2011-2012
Equipment Repairs/Maint	$ 24,000	$ 5,000	$ (19,000)	-79.2%	Replacement of gate arms & readers complete -
Off-duty Sheriff	$ 10,500	$ 6,000	$ (4,500)	-42.9%	Reduction based on historical data
Barcodes	$ 4,950	$ 5,360	$ 410	8.3%	Based on historical data
Telephones	$ 8,700	$ 9,200	$ 500	5.7%	Based on historical data

Vehicle Lease	$ 5,000	$ 5,400	$ 400	8.0%	Based on anticipated increase in lease value
Vehicle Fuel	$ 21,960	$ 20,460	$ (1,500)	-6.8%	Based on historical data using $4.25/gallon
Vehicle Maintenance	$ 6,700	$ 6,700	$ -	0.0%	Based on historical data
Power	$ 3,179	$ 2,810	$ (369)	-11.6%	Based on historical data
Information Systems Maint	$ 17,200	$ 17,200	$ -	0.0%	Based on historical data
Building Maintenance	$ 2,940	$ 2,950	$ 10	0.3%	Based on historical data
Uniforms	$ 5,200	$ 5,200	$ -	0.0%	Based on historical data
Training/Safety	$ 3,520	$ 3,520	$ -	0.0%	Based on historical data
Safety Center	$ 2,580	$ 2,580	$ -	0.0%	Based on historical data
Legal/Consulting	$ 3,150	$ 6,500	$ 3,350	106.3%	Special Tax initiative research
Insurance	$ 4,500	$ 4,500	$ -	0.0%	Based on historical data
Travel/Meetings	$ 800	$ 800	$ -	0.0%	Based on historical data
Supplies	$ 5,700	$ 7,200	$ 1,500	26.3%	Based on historical data
Other	$ 7,300	$ 7,300	$ -	0.0%	Based on historical data
Bad Debts	$ 600	$ 600	$ -	0.0%	Based on historical data
General Fund Allocation	$ 111,592	$ 131,920	$ 20,328	18.2%	See Admin Sheet for increase explanations

2012-2013 Security Budget
Detail Review by Line Item

Impact on Rate Increase by Line Item:	
Wages	68%
ER Cost	30%
Equip Repairs/Maint	-37%
Off-duty Sheriff	-9%
Barcodes	1%
Telephones	1%
Vehicle Lease	1%
Vehicle Fuel	-3%
Power	-1%
Building Maintenance	0%
Legal/Consulting	7%
Supplies	3%
Gen Fund Allocation	40%
	100%

Security Rate Increase Breakdown

	2011-2012 Rate	2012-2013 Rate	% Increase
Base	$ 24.55	$ 25.82	5.2%
Base Rate change	$ 1.27		
Operations	$ 1.27		100%

Wages	$ 0.86	68%
ER Costs	$ 0.38	30%
EquipMaint	$ (0.47)	-37%
Off-Duty Sheriff	$ (0.11)	-9%
Barcodes	$ 0.01	1%
Telephones	$ 0.01	1%
Vehicle Lease	$ 0.01	1%
Vehicle Fuel	$ (0.04)	-3%
Power	$ (0.01)	-1%
Building Maint	$ 0.00	0%
Legal	$ 0.08	7%
Supplies	$ 0.04	3%
Admin Alloc	$ 0.50	40%
	$ 1.27	100%

2012-2013 WATER Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase	
Total Water Operations	$ 1,565,355	$ 1,784,021	$ 218,666	14.0%	
Line Item Impacts:					
Wages	$ 383,886	$ 410,076	$ 26,190	6.8%	2011/12 budget does not reflect increases provided during 11-12: Unrep 2% plus 3% on 1/1/12 for EE PERS Contribution; Rep 2% on 1/1/12 plus 3% on 3/1/12 for EE PERS Contribution; 12-13 5% increase for unrep, rep employees: 2% for Water plus steps
Employers Cost	$ 182,304	$ 192,672	$ 10,368	5.7%	(refer to following breakdown)
PERS ER Paid Member Cost	$ 24,627	$ 15,085	$ (9,542)	-38.7%	Reflects reduction of 3% to be paid by EE
PERS ER Cost	$ 41,972	$ 45,021	$ 3,049	7.3%	Corresponds to wage increase
Medicare	$ 5,566	$ 5,946	$ 380	6.8%	Corresponds to wage increase
State Unemployment	$ 3,281	$ 3,047	$ (234)	-7.1%	12-13 base lowered by 1 position
Medical	$ 62,925	$ 64,548	$ 1,623	2.6%	Includes $12k for Opt-Out cushion; Dental/Life and Vision
Dental/Life Ins	$ 5,909	$ 11,471	$ 5,561	94.1%	Vision appear skewed due to new 80/20 split
Vision	$ 448	$ 1,025	$ 577	128.8%	provided in new MOU
Sub-total Medical	$ 69,282	$ 77,044	$ 7,762	11.2%	
Workers Comp	$ 12,361	$ 13,205	$ 843	6.8%	Corresponds to wage increase
OPEB ER Contribution	$ 24,948	$ 33,048	$ 8,100	32.5%	Base Contribution increase of $25K (to $130k/yr) per 2010 actuarial plus $23K make-up contribution for 2011-2012
Chemicals	$ 120,245	$ 130,300	$ 10,055	8.4%	Based on vendor quotes
Chemicals - T&O added	$ -	$ 85,000	$ 85,000	100.0%	new cost added for the treatment/prevention of taste & odor issues
Lab Tests	$ 40,000	$ 40,000	$ -	0.0%	Based on historical data
Maint & Repairs	$ 96,500	$ 108,070	$ 11,570	12.0%	Aging infrastructure requiring higher level of maint/repair

2012-2013 WATER Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase	
Non-Routine Maintenance	$ 25,000	$ 50,000	$ 25,000	100.0%	Aging infrastructure requiring higher level of maint/repair; initial plan scheduled $75K for 2012-2013 budget (proposed budget lower $25k from plan)
Meters/Box/Valve	$ 55,000	$ 55,000	$ -	0.0%	Based on historical data
Equipment Rental	$ 21,500	$ 21,500	$ -	0.0%	Based on historical data
Equipment Maintenance	$ 8,000	$ 8,000	$ -	0.0%	Based on historical data
Post Repair Road Paving	$ 24,000	$ 24,000	$ -	0.0%	Based on historical data
Power	$ 169,000	$ 164,450	$ (4,550)	-2.7%	Reduction based on historical data
Vehical Maintenance	$ 10,000	$ 15,000	$ 5,000	50.0%	Aging Vehicles requiring higher level of maint
Vehical Fuel	$ 15,360	$ 18,610	$ 3,250	21.2%	Based on historical data using $4.25/gallon
Training/Safety	$ 7,500	$ 9,140	$ 1,640	21.9%	Based on historical data
Regional Water Authority	$ 4,500	$ 11,410	$ 6,910	153.6%	Based on historical data
Central Groundwater Authority	$ 6,000	$ 6,000	$ -	0.0%	Based on historical data
South Area Water Council	$ 6,000	$ 6,000	$ -	0.0%	Based on historical data
Memberships	$ 1,480	$ 2,390	$ 910	61.5%	Based on historical data
Dam Inspections	$ 39,500	$ 37,000	$ (2,500)	-6.3%	Based on historical data
Permits	$ 32,000	$ 32,000	$ -	0.0%	Based on historical data
Legal/Consulting	$ 15,500	$ 15,500	$ -	0.0%	Based on historical data
Telephones	$ 6,840	$ 7,000	$ 160	2.3%	Telephone admin fee increase
Information Systems Maintenance	$ 6,000	$ 6,000	$ -	0.0%	Based on historical data
Tools	$ 4,000	$ 4,000	$ -	0.0%	Based on historical data

2012-2013 WATER Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase	
CIA Ditch Operations	$ 4,500	$ 4,500	$ -	0.0%	Based on historical data
Uniforms	$ 4,000	$ 3,800	$ (200)	-5.0%	Based on historical data
Conservation	$ 38,000	$ 38,000	$ -	0.0%	Based on historical data
Travel/Meetings	$ 2,500	$ 2,500	$ -	0.0%	Based on historical data
Bad Debt	$ 500	$ 500	$ -	0.0%	Based on historical data
Building Maintenance	$ 1,590	$ 1,590	$ -	0.0%	Based on historical data
Supplies	$ 11,200	$ 11,200	$ -	0.0%	Based on historical data
Other	$ 10,000	$ 10,000	$ -	0.0%	Based on historical data
General Fund Allocation	$ 212,841	$ 252,800	$ 39,959	18.8%	See Admin Sheet for increase explanations

Impact on Rate Increase by Line Item:	
Wages	12.0%
ER Cost	4.7%
Chemicals	4.6%
T&O Chemicals	38.9%
Maint & Repairs	5.3%
Non-routine Maintenance	11.4%
Power	-2.1%
Vehicle Maint & Fuel	3.8%
Training/Safety	0.8%
RWA	3.2%
Memberships	0.4%
Dam Inspections	-1.1%
Telephones	0.1%
Uniforms	-0.1%
Gen Fund Allocation	18.3%
	100.0%

2012-2013 WATER Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase

Water Rate Increase Breakdown

	2011-2012 Rate	2012-2013 Rate	% Increase
Base	$ 25.33	$ 29.00	14.5%
Debt Svc-Base (WTP1 Rehab)	$ 0.75	$ 0.75	0.0%
Replacement Reserves	$ 5.54	$ 5.54	0.0%
Debt Svc-Reserves (WTP1 Rehab)	$ 0.30	$ 0.60	100.0%
Total Base Rate	$ 31.92	$ 35.89	12.4%
Usage	$ 0.0124	$ 0.0142	14.5%
Debt Svc-Usage (WTP1 Rehab)	$ 0.0005	$ 0.0005	0.0%

Base Rate change ($35.89 - $31.92) = $ 3.97

Debt Service	$ -	0%		
Debt Service Reserves	$ 0.30	8%		
Operations	$ 3.67	92%		
	Wages	$ 0.44	12%	
	ER Costs	$ 0.17	5%	
	Chemicals	$ 0.17	5%	
	T&O	$ 1.43	39%	
	Maintenance	$ 0.19	5%	
	Non-routine	$ 0.42	11%	
	Power	$ (0.08)	-2%	
	Vehicles	$ 0.14	4%	
	Training	$ 0.03	1%	
	RWA	$ 0.12	3%	
	Memberships	$ 0.02	0%	
	Dam Inspect	$ (0.04)	-1%	
	Telephones	$ 0.00	0%	
	Uniforms	$ (0.00)	0%	
	Admin Alloc	$ 0.67	18%	
		$ 3.67	100%	

2012-2013 Sewer Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase	
Total Sewer Operations	$ 1,143,021	$ 1,265,906	$ 122,885	10.8%	
Line Item Impacts:					
Wages	$ 277,251	$ 296,166	$ 18,915	6.8%	2011/12 budget does not reflect increases provided during 11-12: Unrep 2% plus 3% on 1/1/12 for EE PERS Contribution; Rep 2% on 1/1/12 plus 3% on 3/1/12 for EE PERS Contribution; 12-13 5% increase for unrep, rep employees: 2% for Water plus steps
Employers Cost	$ 131,664	$ 139,152	$ 7,488	5.7%	
PERS ER Paid Member Cost	$ 17,786	$ 10,895	$ (6,892)	-38.7%	Reflects reduction of 3% to be paid by EE
PERS ER Cost	$ 30,313	$ 32,515	$ 2,202	7.3%	Corresponds to wage increase
Medicare	$ 4,020	$ 4,294	$ 274	6.8%	Corresponds to wage increase
State Unemployment	$ 2,370	$ 2,200	$ (169)	-7.1%	2012-13 base lowered by 1 position
Medical	$ 45,446	$ 46,618	$ 1,172	2.6%	Includes $12k for Opt-Out cushion; Dental/Life and
Dental/Life Ins	$ 4,268	$ 8,284	$ 4,017	94.1%	and Vision appear skewed due to new 80/20
Vision	$ 324	$ 741	$ 417	128.8%	split provided in new MOU
Sub-total Medical	$ 50,037	$ 55,643	$ 5,606	11.2%	
Workers Comp	$ 8,927	$ 9,537	$ 609	6.8%	Corresponds to wage increase
OPEB ER Contribution	$ 18,018	$ 23,868	$ 5,850	32.5%	Base Contribution increase of $25K (to $130k/yr) per 2010 actuarial plus $23K make-up contribution for 2011-2012
Power	$ 143,960	$ 143,960	$ -	0.0%	Based on historical data
Maint & Repairs	$ 110,000	$ 115,000	$ 5,000	4.5%	Aging infrastructure requiring higher level of maint/repair

2012-2013 Sewer Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase	
Non-Routine Maintenance	$ 20,000	$ 40,000	$ 20,000	100.0%	Aging infrastructure requiring higher level of maint/repair; initial plan scheduled $60K for 2012-2013 budget
Equipment Maintenance	$ 17,500	$ 17,500	$ -	0.0%	Based on historical data
Chemicals	$ 79,310	$ 79,310	$ -	0.0%	Based on historical data
Lab Tests	$ 45,000	$ 38,250	$ (6,750)	-15.0%	Reduction based on historical data
Equipment Rental	$ 16,000	$ 16,000	$ -	0.0%	Based on historical data
Sludge Removal	$ 19,000	$ 9,500	$ (9,500)	-50.0%	Reduction based on historical data
Vehicle Fuel	$ 14,720	$ 13,970	$ (750)	-5.1%	Based on historical data using $4.25/gallon
Permits	$ 23,130	$ 26,540	$ 3,410	14.7%	Based on historical data
Legal/Consulting	$ 21,000	$ 70,000	$ 49,000	233.3%	Engineering of Dry Beds/Sludge Removal
Training/Safety	$ 10,000	$ 14,200	$ 4,200	42.0%	Based on historical data
Informtion Systems Maint	$ 8,250	$ 8,250	$ -	0.0%	Based on historical data
Vehicle Maintenance	$ 8,200	$ 8,200	$ -	0.0%	Based on historical data
Tools	$ 5,000	$ 5,000	$ -	0.0%	Based on historical data
Telephones	$ 6,000	$ 6,000	$ -	0.0%	Based on historical data
Uniforms	$ 3,400	$ 3,400	$ -	0.0%	Based on historical data
TravelMeetings	$ 2,000	$ 2,000	$ -	0.0%	Based on historical data
Building Maintenance	$ 1,590	$ 1,590	$ -	0.0%	Based on historical data

2012-2013 Sewer Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase	
Copier Maintenance	$ 500	$ 1,500	$ 1,000	200.0%	Based on historical data
Bad Debt	$ 600	$ 600	$ -	0.0%	Based on historical data
Supplies	$ 11,200	$ 11,200	$ -	0.0%	Based on historical data
Other	$ 5,000	$ 5,000	$ -	0.0%	Based on historical data
General Fund Allocation	$ 162,761	$ 193,010	$ 30,249	18.6%	See Admin Sheet for increase explanations

Impact on Rate Increase by Line Item:	
Wages	15.4%
ER Cost	6.1%
Maint & Repairs	4.1%
Non-routine Maintenance	16.3%
Lab Tests	-5.5%
Sludge Removal	-7.7%
Vehicle Fuel	-0.6%
Permits	2.8%
Legal/Consulting	40.0%
Training/Safety	3.4%
Copier Maintenance	0.8%
Gen Fund Allocation	24.6%
	100%

2012-2013 Sewer Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase

Sewer Rate Increase Breakdown

	2011-2012 Rate	2012-2013 Rate	% Increase
Base	$ 34.34	$ 38.03	10.7%
Replacement Reserves	$ 8.23	$ 8.23	0.0%
Debt Svc-Base (VVR Irrigation Fields)	$ 3.00	$ 3.50	16.7%
Debt Svc-Reserves (VVR Irrigation Fields)	$ 0.50	$ 0.99	98.0%
Total Sewer Rate	$ 46.07	$ 50.75	

Total Rate Change	$ 4.68			
Debt Service Base		$ 0.50		11%
Debt Service Reserves		$ 0.49		10%
Operations Base Rate change ($38.03 - $34.34) =		$ 3.69		79%
		Wages	$ 0.57	15%
		ER Costs	$ 0.22	6%
		Maintenance	$ 0.15	4%
		Non-Routine Maint	$ 0.60	16%
		Lab Tests	$ (0.20)	-5%
		Sludge Removal	$ (0.29)	-8%
		Vehicle Fuel	$ (0.02)	-1%
		Permits	$ 0.10	3%
		Legal/Consulting	$ 1.48	40%
		Training/Safety	$ 0.13	3%
		Copier Maint	$ 0.03	1%
		Admin Alloc	$ 0.91	25%
			$ 3.68	100%

2012-2013 Drainage Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase	
Total Drainage Operations	$ 162,570	$ 177,278	$ 14,708	9.0%	
Line Item Impacts:					
Wages	$ 49,763	$ 53,158	$ 3,395	6.8%	2011/12 budget does not reflect increases provided during 11-12: Unrep 2% plus 3% on 1/1/12 for EE PERS Contribution; Rep 2% on 1/1/12 plus 3% on 3/1/12 for EE PERS Contribution; 12-13 5% increase for unrep, rep employees: 2% for Water plus steps
Employers Cost	$ 23,632	$ 24,976	$ 1,344	5.7%	
PERS ER Paid Member Cost	$ 3,192	$ 1,955	$ (1,237)	-38.7%	Reflects reduction of 3% to be paid by EE
PERS ER Cost	$ 5,441	$ 5,836	$ 395	7.3%	Corresponds to wage increase
Medicare	$ 722	$ 771	$ 49	6.8%	Corresponds to wage increase
State Unemployment	$ 425	$ 395	$ (30)	-7.1%	2012-13 base lowered by 1 position
Medical	$ 8,157	$ 8,367	$ 210	2.6%	Vision appear skewed due to new 80/20 split
Dental/Life Ins	$ 766	$ 1,487	$ 721	94.1%	and Vision appear skewed due to new 80/20
Vision	$ 58	$ 133	$ 75	128.8%	split provided in new MOU
Sub-total Medical	$ 8,981	$ 9,987	$ 1,006	11.2%	
Workers Comp	$ 1,602	$ 1,712	$ 109	6.8%	Corresponds to wage increase
OPEB ER Contribution	$ 3,234	$ 4,284	$ 1,050	32.5%	Base Contribution increase of $25K (to $130k/yr) per 2010 actuarial plus $23K make-up contribution for 2011-2012

2012-2013 Drainage Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase	
Maint & Repairs	$ 8,400	$ 12,000	$ 3,600	42.9%	Aging infrastructure requiring higher level of maint/repair
MS4 Permit	$ 4,000	$ 4,000	$ -	0.0%	Based on historical data
Power	$ 12,900	$ 15,500	$ 2,600	20.2%	Based on historical data
Chemicals	$ 9,585	$ 5,400	$ (4,185)	-43.7%	Reduction based on historical data
Equipment Rental	$ 5,500	$ 5,500	$ -	0.0%	Based on historical data
Improvements	$ 11,040	$ 12,000	$ 960	8.7%	Aging infrastructure requiring higher level of maint/repair
Legal/Consulting	$ 2,000	$ 3,000	$ 1,000	50.0%	Based on historical data
Miscellaneous	$ 2,550	$ 2,100	$ (450)	-17.6%	Based on historical data
General Fund Allocation	$ 33,205	$ 39,640	$ 6,435	19.4%	See Admin Sheet for increase explanations

Impact on Rate Increase by Line Item:	
Wages	23%
ER Cost	9%
Maint & Repairs	24%
Power	18%
Chemicals	-28%
Improvements	7%
Legal/Consulting	7%
Misc	-3%
Gen Fund Allocation	44%
	100%

2012-2013 Drainage Budget
Detail Review by Line Item

2011-2012 Budget	2012-2013 Budget	Increase	% Increase

Drainage Rate Increase Breakdown

	2011-2012 Rate	2012-2013 Rate	% Increase
Base	$ 4.20	$ 4.55	8.3%
Base Rate change	$ 0.35		
	Operations	$ 0.35	100%

Wages	$ 0.08	23%
ER Costs	$ 0.03	9%
Maintenance	$ 0.09	24%
Power	$ 0.06	18%
Chemicals	$ (0.10)	-28%
Improvements	$ 0.02	7%
Legal/Consult	$ 0.02	7%
Misc	$ (0.01)	-3%
Admin Alloc	$ 0.15	44%
	$ 0.35	100%

2012-2013 Solid Waste Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase	
Total Solid Waste Operations	$ 586,951	$ 619,570	$ 32,619	5.6%	
Line Item Impacts:					
CWRS Contract	$ 513,600	$ 528,360	$ 14,760	2.9%	Est 4% cost increase;mix of carts as of 1/1/12
Sac County Admin Fee	$ 32,400	$ 33,720	$ 1,320	4.1%	Estimated 4% cost increase
Consulting	$ 5,000	$ 5,000	$ -	0.0%	Based on historical data
HHW Event	$ 12,000	$ 20,000	$ 8,000	66.7%	Increase for planned event in 2012-2013
General Fund Allocation	$ 23,951	$ 32,490	$ 8,539	35.7%	See Admin Sheet for increase explanations

Impact on Rate Increase by Line Item:

CWRS Contract	45%
Sac County Admin Fee	4%
Consulting	0%
HHW Event	25%
Gen Fund Allocation	26%
	100%

Solid Waste Rate Increase Breakdown

	2011-2012 Rate	2012-2013 Rate	% Increase
Base 64 Gal Cart	$ 19.26	$ 20.25	5.1%
Base Rate change	$ 0.99		
	Operations	$ 0.99	100%

CWRS Contract	$ 0.45	45%
Co Admin Fee	$ 0.04	4%
Consulting	$ -	0%
HHW Event	$ 0.24	25%
Admin Alloc	$ 0.26	26%
	$ 0.99	100%

2012-2013 Admin Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase	
Total Admin Deficit	$ (544,350)	$ (649,860)	$ (105,510)	19.4%	
Line Item Impacts:					
Property Taxes	$ 534,960	$ 501,840	$ (33,120)	-6.2%	
Wages	$ 462,500	$ 502,500	$ 40,000	8.6%	2011/12 budget does not reflect increases provided during 11-12: Unrep 2% plus 3% on 1/1/12 for EE PERS Contribution; Rep 2% on 1/1/12 plus 3% on 3/1/12 for EE PERS Contribution; 12-13 5% increase for unrep, rep employees: 2% for Admin, plus steps
Employers Cost	$ 254,100	$ 275,200	$ 21,100	8.3%	
PERS ER Paid Member Cost	$ 32,375	$ 20,100	$ (12,275)	-37.9%	Reflects reduction of 3% to be paid by EE
PERS ER Cost	$ 55,176	$ 59,988	$ 4,812	8.7%	Corresponds to wage increase
Medicare	$ 6,967	$ 7,524	$ 557	8.0%	Corresponds to wage increase
State Unemployment	$ 2,604	$ 2,604	$ -	0.0%	
Medical	$ 100,836	$ 106,658	$ 5,822	5.8%	Dental/Life and Vision appear skewed due to
Dental/Life Ins	$ 6,584	$ 8,476	$ 1,892	28.7%	new 80/20 split provided in new MOU
Vision	$ 664	$ 967	$ 303	45.6%	
Sub-total Medical	$ 108,084	$ 116,101	$ 8,017	7.4%	
Employee Assistance Plan	$ 2,400	$ 2,400	$ -	0.0%	
Employee Med125 Plan	$ 2,016	$ 2,016	$ -	0.0%	
Tuition Reimbursement	$ 1,500	$ 1,500	$ -	0.0%	

2012-2013 Admin Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase	
Workers Comp	$ 15,472	$ 16,760	$ 1,288	8.3%	Corresponds to wage increase
OPEB ER Contribution	$ 27,300	$ 45,900	$ 18,600	68.1%	Base Contribution increase of $25K (to $130k/yr) per 2010 actuarial plus $23K make-up contribution for 2011-2012
Director Meeting Stipends	$ 18,000	$ 18,000	$ -	0.0%	Based on historical data
Liability Insurance	$ 54,060	$ 54,060	$ -	0.0%	Based on historical data
IT Maintenance	$ 95,000	$ 95,400	$ 400	0.4%	Increase in software annual support fees
Community Communications	$ 9,900	$ 9,900	$ -	0.0%	Based on historical data
Legal	$ 25,000	$ 25,000	$ -	0.0%	Based on historical data
Office Supplies	$ 19,200	$ 19,200	$ -	0.0%	Based on historical data
Bldg/Grounds Maint	$ 16,800	$ 16,800	$ -	0.0%	Based on historical data
Postage	$ 18,600	$ 21,780	$ 3,180	17.1%	Postage rate increase
Telephones	$ 4,140	$ 4,320	$ 180	4.3%	Based on historical data
Contingency	$ 11,000	$ 11,000	$ -	0.0%	Based on historical data
Audit	$ 15,100	$ 15,850	$ 750	5.0%	Anticipated increase in audit fees
Consulting	$ 3,600	$ 3,600	$ -	0.0%	Based on historical data

2012-2013 Admin Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase	
Memberships	$ 9,300	$ 9,890	$ 590	6.3%	Based on historical data
Training/Safety	$ 6,000	$ 6,000	$ -	0.0%	Based on historical data
Power	$ 8,700	$ 8,670	$ (30)	-0.3%	Based on historical data
Election Costs	$ -	$ 5,000	$ 5,000	100%	Anticipated cost for Election fees
Meetings	$ 7,380	$ 7,000	$ (380)	-5.1%	Based on historical data
Director Expense Reimb	$ 5,220	$ 5,200	$ (20)	-0.4%	Based on historical data
Vehicle Fuel	$ 4,590	$ 4,590	$ -	0.0%	Based on historical data using $4.25/gallon
Equip Maintenance	$ 2,000	$ 2,000	$ -	0.0%	Based on historical data
Mail Machine Lease	$ 2,820	$ 2,840	$ 20	0.7%	Based on historical data
Copy Machine Maint	$ 8,100	$ 8,100	$ -	0.0%	Based on historical data
Vehicle Maintenance	$ 2,000	$ 2,000	$ -	0.0%	Based on historical data
Other	$ 24,000	$ 25,800	$ 1,800	7.5%	Bank Fee Increase

2012-2013 Admin Budget
Detail Review by Line Item

	2011-2012 Budget	2012-2013 Budget	Increase	% Increase

Impact on Deficit Increase by Line Item:

Property Taxes	31%
Wages	38%
Employer Costs	20%
IT Maintenance	0%
Postage	3%
Telephones	0%
Audit	1%
Memberships	1%
Power	0%
Election Costs	5%
Meetings	0%
Director Expense Reimb	0%
Mail Machine Lease	0%
Other	2%
	100%

Admin Allocation Increase Breakdown

	2011-2012 Allocation	2012-2013 Allocation	$ Increase
Security	$ 111,592	$ 131,920	$ 20,328
Water	$ 212,841	$ 252,800	$ 39,959
Sewer	$ 162,761	$ 193,010	$ 30,249
Drainage	$ 33,205	$ 39,640	$ 6,435
Solid Waste	$ 23,951	$ 32,490	$ 8,539

MEMORANDUM

Date: March 15, 2012

To: Board of Directors

From: Finance Committee

Subject: 2 Year Projected Budget for 2013 – 14 and 2014 – 15
(Catch-up of Debt Service Prefunding smoothed over 3 years)

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2 Year Projected Budget Overview

Staff was asked to prepare a projected multiple year budget for general information purposes and possible consideration by the Board of Directors for noticing and adoption. The projected budget in 2013 – 2014 uses the 2012 – 2013 worst case draft budget as its basis with the following assumptions for revenue and expense increases:

Revenues

1. Property tax revenues reflect only the 2% automatic adjustment allowed by the county each year in 2013-14 and 2014-15
2. No new development
3. As reflected in the 20 x 2020 Conservation Plan, Water usage is reduced 2% each year in 2013-14 and 2014-15
4. Continue planned increase for Debt Service Prefunding for Water and Sewer (see table below for a summary of Plan-to-Date activity versus actual for both principal dollars collected and replacement reserves). This projection smoothes the necessary make-up collection over 3 years to minimize the increase required in 2012-2013.

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Water Treatment Plant 1 Rehab							
Principal Prefunding	10/11	11/12	12/13	**Interim Total**	13/14	14/15	Total
Planned $	$ 36,500	$ 73,000	$ 109,500	**$ 219,000**	$ 146,000	$ 146,000	$ 511,000
Actual $	$ 25,061	$ 53,364	$ 53,196	**$ 131,621**	$ 140,093	$ 238,832	$ 510,546
Planned Rate							
Base Rate	$ 0.43	$ 1.03	$ 1.70		$ 2.45	$ 2.45	
Usage Rate	$ 0.0002	$ 0.0008	$ 0.0011		$ 0.0012	$ 0.0012	
Actual Rate							
Base Rate	$ 0.43	$ 0.75	$ 0.75		$ 2.25	$ 4.75	
Usage Rate	$ 0.0002	$ 0.0005	$ 0.0005		$ 0.0012	$ 0.0016	
Replacement Reserves	10/11	11/12	12/13	**Interim Total**	13/14	14/15	Total
Planned $	$ 6,518	$ 13,140	$ 19,711	**$ 39,369**	$ 26,281	$ 26,281	$ 91,931
Actual $	$ 6,574	$ 9,844	$ 19,703	**$ 36,121**	$ 27,913	$ 27,913	$ 91,947
Planned Rate	$ 0.20	$ 0.40	$ 0.60		$ 0.80	$ 0.80	
Actual Rate	$ 0.20	$ 0.30	$ 0.60		$ 0.85	$ 0.85	

VVR Permanent Irrigation Fields							
Principal Prefunding	10/11	11/12	12/13	**Interim Total**	13/14	14/15	Total
Planned $	$ 60,500	$ 121,000	$ 181,500	**$ 363,000**	$ 242,000	$ 242,000	$ 847,000
Actual $	$ 63,140	$ 98,520	$ 114,941	**$ 276,601**	$ 246,301	$ 328,402	$ 851,304
Planned Rate	$ 1.84	$ 3.68	$ 5.53		$ 7.37	$ 7.37	
Actual Rate	$ 2.00	$ 3.00	$ 3.50		$ 7.50	$ 10.00	
Replacement Reserves	10/11	11/12	12/13	**Interim Total**	13/14	14/15	Total
Planned $	$ 10,837	$ 21,675	$ 32,512	**$ 65,024**	$ 43,349	$ 43,349	$ 151,722
Actual $	$ 10,861	$ 16,420	$ 32,512	**$ 59,793**	$ 45,976	$ 45,976	$ 151,745
Planned Rate	$ 0.33	$ 0.66	$ 0.99		$ 1.32	$ 1.32	
Actual Rate	$ 0.30	$ 0.50	$ 0.99		$ 1.40	$ 1.40	

Green shading denotes projected numbers

Expenses

1. Wages
    a. Provisions of OE3/District Memorandum of Understanding through 2014 included
    b. Estimated 3% increase on 1/1/15 for represented employees (covers the 6 month period in fiscal year 2014-15 not included in the MOU)

c. Non-represented merit pool based on 5% of salary costs
d. Operator in Training position, which was removed in the 2011-12 budget, has not been reinstated for Water/Sewer/Drainage

2. Employer Costs
   a. PERS Employer Contribution rate of 12.1% in 2013-14 (based on actuarial estimate provided by PERS) and 13.1% in 2014-15 (based on projection of potential increase)
   b. District's PERS Employer Paid Member Contributions remain at 4%
   c. Medical Insurance – Estimated 10% increase on 1/1/14 and 1/1/15
   d. Life, Dental and Vision – estimated 3% increase on 1/1/14 and 1/1/15
   e. Other Post Employment Benefit (OPEB) make-up contribution of $21,000, which is included in the 2012 -13 budget, is removed in 2013 - 14
3. Security Vehicle Lease – added a second replacement vehicle in 2013 – 2014
4. Continue planned increase of Non-routine Maintenance & Repair for Water and Sewer. These funds are included in the operations budget to avoid depleting the capital replacement reserves prematurely as the District's infrastructure ages:
   a. Water
      i. Increase of $25,000 in 2013 – 14 (total budget of $75,000)
      ii. Increase of $25,000 in 2014 – 15 (total budget of $100,000)
   b. Sewer
      i. Increase of $20,000 in 2013 – 14 (total budget of $60,000)
      ii. Increase of $20,000 in 2014 – 15 (total budget of $80,000)
5. Most other expense categories increased 3% (based on current CPI) in both 2013 – 14 and 2014 – 15
6. Drainage Maintenance & Repairs and Improvements reduced in 2013-14 and 2014-15 to stay within 2% rate increase max

A sample bill, detail budget summaries by fund and a combined budget summary are attached for review. As noted in the sample bill, the average increase for a Residential Metered Lot for the worst case budget for 2012 – 13, the projected budget for 2013 – 14 and the projected budget for 2014 – 15 is 9.37%, 7.75% and 6.41% respectively. Please refer to the separate discussion on the proposed 2012 – 13 budget, in an earlier item on the Board agenda, for an explanation of the cost increases in the 2012 – 13 fiscal year.

The impact to future rates is summarized below in the following table. This table identifies the projected rates by fund for a Residential Metered lot. Commercial, Murieta Village Lot, and Vacant or Unmetered Lot rates will be affected similarly by the percentage increase in each year. An item of note is that, based on current projections, the Security rate for 2013 – 14 exceeds the maximum allowable rate for that year. A $4,500 reduction in projected expenditures is needed to bring the Security budget within the 2% maximum rate.

2 Year Projected Rate Increase Summary

Residential Metered	Current Rates 2011-12	Proposed 2012-13	Increase from 2011-12	Projected 2013-14	Increase from 2012-13	Projected 2014-15	Increase from 2013-14
Water*							
Base Rate	$ 25.33	$ 29.00	14.5%	$ 30.22	4.2%	$ 31.73	5.0%
Debt Service Base	$ 0.75	$ 0.75	0.0%	$ 2.25	200.0%	$ 4.75	111.1%
Reserves	$ 5.54	$ 5.54	0.0%	$ 5.54	0.0%	$ 5.54	0.0%
Reserves-Debt Service	$ 0.30	$ 0.60	100.0%	$ 0.85	41.7%	$ 0.85	0.0%
Total Base Rate	$ 31.92	$ 35.89	12.4%	$ 38.86	8.3%	$ 42.87	10.3%
Usage Rate	$ 0.0124	$ 0.0142	14.5%	$ 0.0151	6.0%	$ 0.0161	7.0%
Debt Service Usage	$ 0.0005	$ 0.0005	0.0%	$ 0.0012	140.0%	$ 0.0016	33.3%
Total Usage Rate	$ 0.0129	$ 0.0147	14.0%	$ 0.0163	10.6%	$ 0.0177	8.9%
Sewer*							
Base Rate	$ 34.34	$ 38.03	10.7%	$ 39.70	4.4%	$ 41.73	5.1%
Debt Service Base	$ 3.00	$ 3.50	16.7%	$ 7.50	114.3%	$ 10.00	33.3%
Reserves	$ 8.23	$ 8.23	0.0%	$ 8.23	0.0%	$ 8.23	0.0%
Reserves-Debt Service	$ 0.50	$ 0.99	98.0%	$ 1.40	41.4%	$ 1.40	0.0%
Total Monthly Rate	$ 46.07	$ 50.75	10.2%	$ 56.83	12.0%	$ 61.36	8.0%
Drainage*							
Maximum Rate	$ 4.46	$ 4.55	2.0%	$ 4.64	2.0%	$ 4.73	2.0%
Projected Rate	$ 4.20	$ 4.55	8.3%	$ 4.64	2.0%	$ 4.73	2.0%
Security*							
Maximum Rate	$ 25.37	$ 25.88	2.0%	$ 26.40	2.0%	$ 26.93	2.0%
Projected Rate**	$ 24.55	$ 25.82	5.2%	$ 26.47	2.5%	$ 26.68	0.8%
Solid Waste							
T38	$ 16.57	$ 17.43	5.2%	$ 17.95	3.0%	$ 18.49	3.0%
T64	$ 18.15	$ 19.10	5.2%	$ 19.67	3.0%	$ 20.26	3.0%
T96	$ 27.03	$ 28.44	5.2%	$ 29.29	3.0%	$ 30.17	3.0%
TSUR	$ 1.11	$ 1.15	3.6%	$ 1.18	3.0%	$ 1.22	3.0%
TX38	$ 7.24	$ 7.62	5.2%	$ 7.85	3.0%	$ 8.08	3.0%
TX64	$ 9.08	$ 9.56	5.3%	$ 9.85	3.0%	$ 10.14	3.0%
TX96	$ 19.45	$ 20.46	5.2%	$ 21.07	3.0%	$ 21.71	3.0%
TXRY	$ 5.72	$ 6.02	5.2%	$ 6.20	3.0%	$ 6.39	3.0%
TXYW	$ 5.72	$ 6.02	5.2%	$ 6.20	3.0%	$ 6.39	3.0%
TYWE	$ (2.00)	$ (2.00)	0.0%	$ (2.00)	0.0%	$ (2.00)	0.0%

* Commercial customers will see comparable percent increases each year

** Need to reduce 2013-2014 budget by $4,500 to operate within 2% max increase constraint

The following table summarizes the annual dollar increase in total (all funds combined) and by individual fund for the 2012 – 13, 2013 – 14, and 2014 – 15 budgets by Operations, Debt Service Pre-funding, Reserves and Debt Service Reserves.

Summary of Dollar Increase in Total and by Fund

	Proposed Budget 2012 – 2013	Increase from 2011 – 2012	Projected Budget 2013 – 2014	Increase from 2012 – 2013	Projected Budget 2014 - 2015	Increase from 2013 - 2014
TOTAL (All funds)						
Operations	$5,572,215	$407,086	$5,767,689	$195,474	$5,967,498	$199,809
Debt Service	$168,137	$16,253	$386,394	$218,257	$567,234	$180,840
Reserves	$452,204	$0	$452,204	$0	$452,204	$0
Debt Svc Reserves	$52,216	$25,952	$73,890	$21,674	$73,890	$0
TOTAL	**$6,244,772**	**$452,791**	**$6,680,177**	**$435,405**	**$7,060,826**	**$380,649**
% increase		**7.8%**		**7.0%**		**5.7%**

	Proposed Budget 2012 – 2013	Increase from 2011 – 2012	Projected Budget 2013 – 2014	Increase from 2012 – 2013	Projected Budget 2014 - 2015	Increase from 2013 - 2014
WATER						
Operations	$1,784,021	$218,665	$1,856,927	$72,906	$1,947,180	$90,253
Debt Service	$53,196	$0	$140,093	$86,897	$238,831	$98,738
Reserves	$181,929	$0	$181,929	$0	$181,929	$0
Debt Svc Reserves	$19,704	$9,860	$27,913	$8,210	$27,913	$0
Total WATER	**$2,038,850**	**$228,525**	**$2,206,862**	**$168,012**	**$2,395,853**	**$188,991**
% increase		**11.2%**		**8.2%**		**8.6%**
SEWER						
Operations	$1,265,906	$122,885	$1,320,204	$54,298	$1,387,225	$67,021
Debt Service	$114,941	$16,421	$246,301	$131,360	$328,402	$82,101
Reserves	$270,275	$0	$270,275	$0	$270,275	$0
Debt Svc Reserves	$32,512	$16,092	$45,976	$13,464	$45,976	$0
Total SEWER	**$1,683,634**	**$155,398**	**$1,882,756**	**$199,122**	**$2,031,878**	**$149,122**
% increase		**10.2%**		**11.8%**		**7.9%**
DRAINAGE						
Operations	$177,278	$14,708	$180,816	$3,538	$184,355	$3,539
% increase		**8.3%**		**2.0%**		**2.0%**
SECURITY						
Operations	$1,215,600	$54,629	$1,252,214	$37,614	$1,261,7007	$9,493
% increase		**4.7%**		**3.0%**		**0.8%**
SOLID WASTE						
Operations	$619,570	$32,589	$637,465	$17,895	$656,539	$19,074
% increase		**5.6%**		**2.9%**		**3.0%**
Administration dollars are included above in each fund's Operations budget. This is for information only:						
ADMINISTRATION	$1,159,700	$72,590	$1,187,520	$27,820	$1,228,968	$41,448
% increase		**6.7%**		**2.4%**		**3.5%**

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

2 yr PROJECTED BUDGET SUMMARY - GENERAL FUND

March 16, 2012

	Proposed Budget 2012-2013	Projected Increase 2013-14	Projected Budget 2013-2014	Projected Increase 2014-15	Projected Budget 2014-2015
Revenues:					
Property Taxes	**501,840**	2.0%	511,877	2.0%	522,114
Title Transfer Fees	**4,800**	3.0%	4,944	3.0%	5,092
Project Reimbursement	**0**	0.0%	0	0.0%	0
Interest	**200**	3.0%	206	3.0%	212
CIA Ditch Admin Service Charges	**1,800**	0.0%	1,800	0.0%	1,800
Other	**1,200**	3.0%	1,236	3.0%	1,273
Total Operating Revenues	**509,840**		**520,063**		**530,492**
Expenditures:	***12-13 Proposed***		***13-14 Projection***		***14-15 Projection***
Wages	**502,500**	2.6%	515,700	2.1%	526,400
Director Meeting Stipends	**18,000**	0.0%	18,000	0.0%	18,000
Employers Costs	**275,200**	1.3%	278,900	7.0%	298,400
Liability Insurance	**54,060**	3.0%	55,682	3.0%	57,352
Information Systems Maintenance	**95,400**	3.0%	98,262	3.0%	101,210
Community Communications	**9,900**	3.0%	10,197	3.0%	10,503
Legal	**25,000**	3.0%	25,750	3.0%	26,523
Office Supplies	**19,200**	3.0%	19,776	3.0%	20,369
Building/Grounds Maintenance	**16,800**	3.0%	17,304	3.0%	17,823
Postage	**21,780**	3.0%	22,433	3.0%	23,106
Telephones	**4,320**	3.0%	4,450	3.0%	4,583
Contingency	**11,000**	3.0%	11,330	3.0%	11,670
Audit	**15,850**	3.0%	16,326	3.0%	16,815
Consulting	**3,600**	3.0%	3,708	3.0%	3,819
Memberships	**9,890**	3.0%	10,187	3.0%	10,492
Training/Safety	**6,000**	3.0%	6,180	3.0%	6,365
Power	**8,670**	3.0%	8,930	3.0%	9,198
Meetings	**7,000**	3.0%	7,210	3.0%	7,426
Director Expense Reimbursement	**5,200**	3.0%	5,356	3.0%	5,517
Vehicle Fuel	**4,590**	3.0%	4,728	3.0%	4,870
Equipment Maint	**2,000**	3.0%	2,060	3.0%	2,122
Election Costs	**5,000**	3.0%	5,150	3.0%	5,305
Mail Machine Lease	**2,840**	3.0%	2,925	3.0%	3,013
Copy Machine Maintenance	**8,100**	3.0%	8,343	3.0%	8,593
Vehicle Maint	**2,000**	3.0%	2,060	3.0%	2,122
Clerical Services	**0**	3.0%	0	3.0%	0
Other	**25,800**	3.0%	26,574	3.0%	27,371
Total Operating Expenses	**1,159,700**		**1,187,520**		**1,228,968**
Overage(Deficit)	**(649,860)**		**(667,457)**		**(698,476)**

Sample Bill
Worst Case Budget

March 15, 2012

Rancho Murieta Community Services District

2YR Projected Budget Rate Impact to Average Monthly Residential Metered Bill

(Catch-up of Debt Service Prefunding Smoothed over 3 years)

Average Monthly Customer Bill		Current Monthly Rates July 1, 2011	**Proposed Monthly Rates July 1, 2012**	% Change	**Projected Monthly Rates July 1, 2013**	% Change	**Projected Monthly Rates July 1, 2014**	% Change
Residential Metered Lot								
Water	**Average Usage in CF**	**1823**	**1787**		**1751**		**1716**	
	(Reflects 2% usage reduction/yr)	55.44	**62.16**	12.1%	**67.40**	8.4%	**73.24**	8.7%
old rate	($31.92 Flat rate + .0129 Usage)							
2012	($35.89 Flat rate + .0147 Usage)							
2013	($38.86 Flat rate + .0163 Usage)							
2014	($42.87 Flat rate + .0177 Usage)							
Sewer		46.07	**50.75**	10.2%	**56.83**	12.0%	**61.36**	8.0%
Solid Waste (avg. 64 Gallon Container)		19.26	**20.25**	5.1%	**20.86**	3.0%	**21.48**	3.0%
Security Tax (Maximum Tax Ceiling $25.88, $26.40, $26.93)		24.55	**25.82**	5.2%	**26.47**	2.5%	**26.68**	0.8%
Drainage Tax (Maximum Tax Ceiling $4.55, $4.64, $4.73)		4.20	**4.55**	8.3%	**4.64**	2.0%	**4.73**	2.0%
		$ 149.52	**$ 163.53**		**$ 176.20**		**$ 187.49**	
	% Change over prior year		**9.37%**		**7.75%**		**6.41%**	

March 15, 2012

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

2yr PROJECTED B U D G E T S U M M A R Y

C O M B I N E D F U N D S

	Proposed Budget 2012 - 2013	Projected Increase 2013-14	Projected Budget 2013-2014	Projected Increase 2014-15	Projected Budget 2014-2015
Revenues:					
Service Charges	**4,988,377**		5,166,034		5,354,932
Property Taxes	**501,840**		511,877		522,114
Interest Earnings	**1,100**		1,957		2,016
Other Charges / Reimbursements	**85,655**		86,993		88,991
Total Revenues:	**5,576,972**	**3.4%**	**5,766,860**	**3.5%**	**5,968,053**
Expenditures:					
Total Operating Expenses:	**5,572,215**	**3.5%**	**5,767,689**	**3.5%**	**5,967,498**
Initial Overage (Deficit)	**4,757**		***(829)***		***556***
Trans from Misc Reserves	***0***		***0***		***0***
Trans from Rate Stab. Fund	***0***		***0***		***0***
Transfer from Fund Balance	***0***				
Net Income (Loss)	**4,757**		***(829)***		***556***
Rate Transfers to Repl Reserves	**504,419**		**526,093**		**526,093**
Add'l Transfers to Repl Reserves	**0**				
Depreciation	**1,096,500**				

March 15, 2012

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

2 yr PROJECTED BUDGET SUMMARY - SECURITY FUND

	Proposed Budget 2012-2013	Projected Increase 2013-14	Projected Budget 2013-2014	Projected Increase 2014-15	Projected Budget 2014-2015
Revenues:					
Residential Special Taxes	**1,012,578**	2.5%	1,038,039	0.8%	1,045,908
Commercial Special Taxes	**167,761**	2.5%	171,979	0.8%	173,283
Late Charges	**24,960**	3.0%	25,709	3.0%	26,480
Title Transfer Fees	**2,400**	3.0%	2,472	3.0%	2,546
Bar Code Income	**6,600**	3.0%	6,798	3.0%	7,002
Fines, Enforcement	**2,100**	0.0%	2,100	0.0%	2,100
Special Events Permits	**0**	0.0%	0	0.0%	0
Interest Income	**640**	3.0%	659	3.0%	679
Misc	**4,150**	3.0%	4,275	3.0%	4,403
Operating Revenues	**1,221,189**		**1,252,031**		**1,262,401**
Expenditures:					
Security Gates	***12-13 Proposed***		***13-14 Projection***		***14-15 Projection***
Wages	**283,000**	3.0%	291,400	3.1%	300,400
Employers Costs	**176,800**	2.5%	181,300	5.4%	191,100
Information Systems Maint	**6,700**	3.0%	6,901	3.0%	7,108
Equipment Repairs	**3,300**	3.0%	3,399	3.0%	3,501
Bar Codes	**5,360**	3.0%	5,521	3.0%	5,686
Telephones	**4,850**	3.0%	4,996	3.0%	5,145
Building Maint	**2,950**	3.0%	3,039	3.0%	3,130
Power	**2,810**	3.0%	2,894	3.0%	2,981
Uniforms	**2,400**	3.0%	2,472	3.0%	2,546
Supplies	**1,800**	3.0%	1,854	3.0%	1,910
Training/Safety	**1,000**	3.0%	1,030	3.0%	1,061
Other	**3,700**	3.0%	3,811	3.0%	3,925
Subtotals	**494,670**		**508,616**		**528,494**
Security Patrol	***12-13 Proposed***		***13-14 Projection***		***14-15 Projection***
Wages	**246,200**	3.6%	255,100	2.7%	262,100
Employers Costs	**130,500**	0.6%	131,300	6.9%	140,400
Vehicle Fuel	**20,460**	3.0%	21,074	3.0%	21,706
Off Duty Sheriff Patrol	**6,000**	3.0%	6,180	3.0%	6,365
Vehicle Maint.	**6,700**	3.0%	6,901	3.0%	7,108
Vehicle Lease	**5,400**	3.0%	11,124	3.0%	11,458
Information Systems Maint	**7,500**	3.0%	7,725	3.0%	7,957
Training/Safety	**1,320**	3.0%	1,360	3.0%	1,400
Safety Center	**2,580**	3.0%	2,657	3.0%	2,737
Uniforms	**2,400**	3.0%	2,472	3.0%	2,546
Telephones	**3,930**	3.0%	4,048	3.0%	4,169
Equipment Repairs	**1,100**	3.0%	1,133	3.0%	1,167
Supplies	**1,500**	3.0%	1,545	3.0%	1,591
Other	**3,000**	3.0%	3,090	3.0%	3,183
Subtotals	**438,590**		**455,709**		**473,888**

2 yr PROJECTED BUDGET SUMMARY - SECURITY FUND

	Proposed Budget 2012-2013	Projected Increase 2013-14	Projected Budget 2013-2014	Projected Increase 2014-15	Projected Budget 2014-2015
Security Administration	*12-13 Proposed*		*13-14 Projection*		*14-15 Projection*
Wages	**83,900**	1.8%	85,400	0.2%	85,600
Employers Costs	**44,000**	-0.5%	43,800	5.3%	46,100
Insurance	**4,500**	3.0%	4,635	3.0%	4,774
Legal/Consulting	**6,500**	3.0%	6,695	3.0%	6,896
Supplies	**3,900**	3.0%	4,017	3.0%	4,138
Telephones	**420**	3.0%	433	3.0%	446
Information System Maint	**3,000**	3.0%	3,090	3.0%	3,183
Training/Safety	**1,200**	3.0%	1,236	3.0%	1,273
Travel/Meetings	**800**	3.0%	824	3.0%	849
Uniforms	**400**	3.0%	412	3.0%	424
Bad Debts	**600**	3.0%	618	3.0%	637
Equipment Maint	**600**	3.0%	618	3.0%	637
Other	**600**	3.0%	618	3.0%	637
Subtotals	**150,420**		**152,396**		**155,591**
Operating Expenses	**1,083,680**		**1,116,720**		**1,119,916**
General Fund Net Allocation	**131,920**		**135,494**		**141,791**
Total Expenses	**1,215,600**		**1,252,214**		**1,261,707**
Initial Overage(Deficit)	**5,589**		**(183)**		**694**
Transfer from Misc Reserves	**0**		0		
Transfer from Rate Stab Resr	**0**		0		
Net Income (Loss)	**5,589**		**(183)**		**694**
Depreciation	**36,300**				

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

2 yr PROJECTED BUDGET SUMMARY - WATER FUND

March 15, 2012

	Proposed Budget 2012-2013	Projected Increase 2013-14	Projected Budget 2013-2014	Projected Increase 2014-15	Projected Budget 2014-2015
Revenues:					
Residential Sales	**1,578,940**	4.1%	1,642,989	4.9%	1,724,098
Commercial Sales	**175,275**	3.8%	181,950	5.0%	191,012
Other Sales	**8,415**	3.0%	8,667	3.0%	8,927
Availability Fees	**360**	0.0%	360	0.0%	360
Late Charges	**12,480**	3.0%	12,854	3.0%	13,240
Telephone Line Contracts	**5,195**	0.0%	5,195	0.0%	5,195
Meter Installation Fees	**0**	0.0%	0	0.0%	0
Interest Income	**0**	0.0%	0	0.0%	0
Inspection Fees	**0**	0.0%	0	0.0%	0
Project Reimbursement	**0**	0.0%	0	0.0%	0
Other	**4,500**	0.0%	4,500	0.0%	4,500
Operating Revenues	**1,785,165**	**4.0%**	**1,856,515**	**4.9%**	**1,947,333**
Expenditures:					
Water Source of Supply	***12-13 Proposed***		***13-14 Projection***		***14-15 Projection***
Wages	**9,876**	3.1%	10,182	3.3%	10,517
Employers Costs	**4,638**	1.4%	4,701	6.6%	5,010
Power	**45,400**	3.0%	46,762	3.0%	48,165
Dam Inspection	**37,000**	3.0%	38,110	3.0%	39,253
Chemicals - Routine	**6,500**	3.0%	6,695	3.0%	6,896
Chemicals - Taste & Odor	**40,000**	3.0%	41,200	3.0%	42,436
Maint/Repairs	**15,000**	3.0%	15,450	3.0%	15,914
Equipment Rental	**1,500**	3.0%	1,545	3.0%	1,591
Supplies	**600**	3.0%	618	3.0%	637
Other	**500**	3.0%	515	3.0%	530
Subtotals	**161,014**		**165,777**		**170,949**
Water Treatment	***12-13 Proposed***		***13-14 Projection***		***14-15 Projection***
Wages	**113,910**	3.1%	117,480	3.3%	121,350
Employers Costs	**53,520**	1.3%	54,240	6.6%	57,810
Power	**82,570**	3.0%	85,047	3.0%	87,599
Chemicals	**123,800**	3.0%	127,514	3.0%	131,339
Maint/Repairs	**45,070**	3.0%	46,422	3.0%	47,815
Lab Tests	**40,000**	3.0%	41,200	3.0%	42,436
Equipment Rental	**8,000**	3.0%	8,240	3.0%	8,487
Taste & Odor Treatment	**45,000**	3.0%	46,350	3.0%	47,741
Supplies	**1,100**	3.0%	1,133	3.0%	1,167
Other	**1,000**	3.0%	1,030	3.0%	1,061
Subtotals	**513,970**		**528,656**		**546,804**
Water Transmission & Distr	***12-13 Proposed***		***13-14 Projection***		***14-15 Projection***
Wages	**182,256**	3.1%	187,968	3.3%	194,160
Employers Costs	**85,635**	1.3%	86,784	6.6%	92,496
Maint/Repairs	**48,000**	3.0%	49,440	3.0%	50,923
Meters/Box/Valve	**55,000**	3.0%	56,650	3.0%	58,350
Power	**36,480**	3.0%	37,574	3.0%	38,702
Equipment Rental	**12,000**	3.0%	12,360	3.0%	12,731

2 yr PROJECTED BUDGET SUMMARY - WATER FUND

March 15, 2012

	Proposed Budget 2012-2013	Projected Increase 2013-14	Projected Budget 2013-2014	Projected Increase 2014-15	Projected Budget 2014-2015
Post Repair Road Paving	24,000	0.0%	24,000	0.0%	24,000
Supplies	4,000	3.0%	4,120	3.0%	4,244
Other	1,500	3.0%	1,545	3.0%	1,591
Subtotals	**448,871**		**460,441**		**477,196**
Water Administration	*12-13 Proposed*		*13-14 Projection*		*14-15 Projection*
Wages	104,040	3.1%	107,298	3.3%	110,833
Employers Costs	48,886	1.3%	49,539	6.6%	52,800
Permits	32,000	3.0%	32,960	3.0%	33,949
Equipment Maint	8,000	3.0%	8,240	3.0%	8,487
Legal/Consulting	15,500	3.0%	15,965	3.0%	16,444
Vehicle Fuel	18,610	3.0%	19,168	3.0%	19,743
Training/Safety	9,140	3.0%	9,414	3.0%	9,697
Regional Water Authority	11,410	3.0%	11,752	3.0%	12,105
Central Ground Water Authority	6,000	3.0%	6,180	3.0%	6,365
South Area Water Council	6,000	3.0%	6,180	3.0%	6,365
Supplies	5,500	3.0%	5,665	3.0%	5,835
Telephones	7,000	3.0%	7,210	3.0%	7,426
Information Systems Maint	6,000	3.0%	6,180	3.0%	6,365
Vehicle Maint.	15,000	3.0%	15,450	3.0%	15,914
Tools	4,000	3.0%	4,120	3.0%	4,244
CIA Ditch Operations	4,500	3.0%	4,635	3.0%	4,774
Uniforms	3,800	3.0%	3,914	3.0%	4,031
Conservation	38,000	3.0%	39,140	3.0%	40,314
Travel/Meetings	2,500	3.0%	2,575	3.0%	2,652
Memberships	2,390	3.0%	2,462	3.0%	2,536
Bad Debts	500	3.0%	515	3.0%	530
Building Maint	1,590	3.0%	1,638	3.0%	1,687
Nonroutine Maint/Repair	50,000	50.0%	75,000	33.3%	100,000
Other	7,000	3.0%	7,210	3.0%	7,426
Subtotals	**407,366**		**442,411**		**480,523**
Operating Expenses	**1,531,221**	**4.3%**	**1,597,286**	**4.9%**	**1,675,473**
Reserve Expenditures	**0**				
General Fund Net Alloc	252,800	**2.7%**	**259,641**	**4.6%**	**271,707**
Total Expenses	**1,784,021**	**4.1%**	**1,856,927**	**4.9%**	**1,947,180**
Initial Overage(Deficit)	**1,144**		**(411)**		**153**
Transfer from Fund Balance	**0**		**0**		**0**
Transfer from Rate Stab Resr	**0**		**0**		**0**
Net Income (Loss)	**1,144**		**(411)**		**153**
Depreciation	469,200				
Replacement Reserves and Debt Service Summary					
Debt Service Prefunding Collected	53,196		140,093		238,831
Debt Service Repl Rsrv Collected	19,704		27,913		27,913
Water Reserves Collected	181,929		181,929		181,929

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

2yr PROJECTED BUDGET SUMMARY - SEWER FUND

March 15, 2012

	Proposed Budget 2012-2013	Projected Increase 2013-14	Projected Budget 2013-2014	Projected Increase 2014-15	Projected Budget 2014-2015
Revenues:					
Residential Service	**1,129,541**	4.4%	1,179,189	5.1%	1,239,327
Commercial Service	**119,422**	4.4%	124,675	5.1%	131,033
Availability Fees	**430**	0.0%	430	0.0%	430
Late Charges	**12,480**	3.0%	12,854	3.0%	13,240
Interest Income	**180**	3.0%	185	3.0%	191
Project Reimbursement	**2,190**	3.0%	2,256	3.0%	2,323
Inspection Fees	**0**	0.0%	0	0.0%	0
Other	**0**	0.0%	0	0.0%	0
Operating Revenues	**1,264,243**	4.4%	**1,319,589**	5.1%	**1,386,545**
Expenditures:					
Sewer Collection	*12-13 Proposed*		*13-14 Projection*		*14-15 Projection*
Wages	**106,316**	3.1%	109,648	3.3%	113,260
Employers Costs	**49,955**	1.3%	50,624	6.6%	53,956
Power	**17,450**	3.0%	17,974	3.0%	18,513
Maint/Repairs	**40,000**	3.0%	41,200	3.0%	42,436
Equipment Rental	**6,000**	3.0%	6,180	3.0%	6,365
Supplies	**4,000**	3.0%	4,120	3.0%	4,244
Other	**2,000**	3.0%	2,060	3.0%	2,122
Subtotals	**225,721**		**231,806**		**240,896**
Sewer Treatment & Disposal	*12-13 Proposed*		*13-14 Projection*		*14-15 Projection*
Wages	**144,286**	3.1%	148,808	3.3%	153,710
Employers Costs	**67,795**	1.3%	68,704	6.6%	73,226
Power	**126,510**	3.0%	130,305	3.0%	134,214
Maint/Repairs	**75,000**	3.0%	77,250	3.0%	79,568
Chemicals	**79,310**	3.0%	81,689	3.0%	84,140
Lab Tests	**38,250**	3.0%	39,398	3.0%	40,579
Supplies	**3,000**	3.0%	3,090	3.0%	3,183
Equipment Rental	**10,000**	3.0%	10,300	3.0%	10,609
Sludge Removal Off Site	**9,500**	3.0%	9,785	3.0%	10,079
Subtotals	**553,651**		**569,329**		**589,308**

2yr PROJECTED BUDGET SUMMARY - SEWER FUND

March 15, 2012

	Proposed Budget 2012-2013	Projected Increase 2013-14	Projected Budget 2013-2014	Projected Increase 2014-15	Projected Budget 2014-2015
Sewer Administration	*12-13 Proposed*		*13-14 Projection*		*14-15 Projection*
Wages	**45,564**	3.1%	46,992	3.3%	48,540
Employers Costs	**21,410**	1.3%	21,696	6.6%	23,124
Equipment Maint	**17,500**	3.0%	18,025	3.0%	18,566
Vehicle Fuel	**13,970**	3.0%	14,389	3.0%	14,821
Permits	**26,540**	3.0%	27,336	3.0%	28,156
Legal/Consulting	**70,000**	3.0%	72,100	3.0%	74,263
Training/Safety	**14,200**	3.0%	14,626	3.0%	15,065
Supplies	**4,200**	3.0%	4,326	3.0%	4,456
Information Systems Maint	**8,250**	3.0%	8,498	3.0%	8,752
Vehicle Maint.	**8,200**	3.0%	8,446	3.0%	8,699
Tools	**5,000**	3.0%	5,150	3.0%	5,305
Telephones	**6,600**	3.0%	6,798	3.0%	7,002
Uniforms	**3,400**	3.0%	3,502	3.0%	3,607
Travel/Meetings	**2,000**	3.0%	2,060	3.0%	2,122
Building Maint	**1,590**	3.0%	1,638	3.0%	1,687
Copier Maintenance	**1,500**	3.0%	1,545	3.0%	1,591
Bad Debts	**600**	3.0%	618	3.0%	637
Sewer General Fine	**0**	3.0%	0	3.0%	0
Nonroutine Maint/Repair	**40,000**	50.0%	60,000	33.3%	80,000
Other	**3,000**	3.0%	3,090	3.0%	3,183
Subtotals	**293,524**		**320,835**		**349,575**
Operating Expenses	**1,072,896**	4.6%	**1,121,969**	5.2%	**1,179,778**
Reserve Expenditures	**0**				
General Fund Net Allocation	**193,010**	2.7%	198,235	4.6%	207,447
Total Expenses	**1,265,906**	4.3%	**1,320,204**	5.1%	**1,387,225**
Initial Overage(Deficit)	**(1,663)**		**(615)**		**(681)**
Transfer from Misc Reserves	**0**		**0**		**0**
Transfer from Rate Stab Resr	**0**		**0**		**0**
Net Income (Loss)	**(1,663)**		**(615)**		**(681)**
Depreciation	**591,000**				
Replacement Reserves and Debt Service Summary					
Debt Service Prefunding Collected	**114,941**		246,301		328,402
Debt Service Repl Rsrv Collected	**32,512**		45,976		45,976
Sewer Reserves Collected	**270,275**		270,275		270,275

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

2 yr PROJECTED BUDGET SUMMARY - DRAINAGE FUND

March 15, 2012

	Proposed Budget 2012-2013	Projected Increase 2013-14	Projected Budget 2013-2014	Projected Increase 2014-15	Projected Budget 2014-2015
Revenues:					
Residential Special Taxes	**148,255**	2.0%	151,214	2.0%	154,173
Commercial Special Taxes	**28,655**	2.0%	29,227	2.0%	29,799
Interest Income	**280**	3.0%	288	3.0%	297
Inspection Fees	**0**	0.0%	0	0.0%	0
Other	**0**	0.0%	0	0.0%	0
Operating Revenues	**177,190**		**180,729**		**184,269**
Expenditures:					
	12-13 Proposed		***13-14 Projection***		***14-15 Projection***
Wages	**53,158**	3.1%	54,824	3.3%	56,630
Employers Costs	**24,980**	1.3%	25,312	6.6%	26,978
MS4 Permit	**4,000**	3.0%	4,120	3.0%	4,244
Power	**15,500**	3.0%	15,965	3.0%	16,444
Chemicals	**5,400**	3.0%	5,562	3.0%	5,729
Maint/Repairs	**12,000**	-2.0%	11,760	-10.0%	10,584
Equipment Rental	**5,500**	3.0%	5,665	3.0%	5,835
Improvements	**12,000**	-3.0%	11,640	-15.0%	9,894
Legal/Consulting	**3,000**	3.0%	3,090	3.0%	3,183
Uniforms	**200**	3.0%	206	3.0%	212
Tools	**400**	3.0%	412	3.0%	424
Bad Debts	**0**	3.0%	0	3.0%	0
Other	**1,500**	3.0%	1,545	3.0%	1,591
Subtotals	**137,638**		**140,101**		**141,748**
Operating Expenses	**137,638**		**140,101**		**141,748**
General Fund Net Allocation	**39,640**		40,715		42,607
Total Expenses	**177,278**		**180,816**		**184,355**
Net Income (Loss)	**(88)**		**(87)**		**(86)**

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

2 yr PROJECTED BUDGET SUMMARY - DRAINAGE FUND

March 15, 2012

	Proposed Budget 2012-2013	Projected Increase 2013-14	Projected Budget 2013-2014	Projected Increase 2014-15	Projected Budget 2014-2015
Revenues:					
Residential Special Taxes	**148,255**	2.0%	151,214	2.0%	154,173
Commercial Special Taxes	**28,655**	2.0%	29,227	2.0%	29,799
Interest Income	**280**	3.0%	288	3.0%	297
Inspection Fees	**0**	0.0%	0	0.0%	0
Other	**0**	0.0%	0	0.0%	0
Operating Revenues	**177,190**		**180,729**		**184,269**
Expenditures:					
	12-13 Proposed		***13-14 Projection***		***14-15 Projection***
Wages	**53,158**	3.1%	54,824	3.3%	56,630
Employers Costs	**24,980**	1.3%	25,312	6.6%	26,978
MS4 Permit	**4,000**	3.0%	4,120	3.0%	4,244
Power	**15,500**	3.0%	15,965	3.0%	16,444
Chemicals	**5,400**	3.0%	5,562	3.0%	5,729
Maint/Repairs	**12,000**	-2.0%	11,760	-10.0%	10,584
Equipment Rental	**5,500**	3.0%	5,665	3.0%	5,835
Improvements	**12,000**	-3.0%	11,640	-15.0%	9,894
Legal/Consulting	**3,000**	3.0%	3,090	3.0%	3,183
Uniforms	**200**	3.0%	206	3.0%	212
Tools	**400**	3.0%	412	3.0%	424
Bad Debts	**0**	3.0%	0	3.0%	0
Other	**1,500**	3.0%	1,545	3.0%	1,591
Subtotals	**137,638**		**140,101**		**141,748**
Operating Expenses	**137,638**		**140,101**		**141,748**
General Fund Net Allocation	**39,640**		40,715		42,607
Total Expenses	**177,278**		**180,816**		**184,355**
Net Income (Loss)	**(88)**		**(87)**		**(86)**

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

2 yr PROJECTED BUDGET SUMMARY - SOLID WASTE FUND

March 15, 2012

	Proposed Budget 2012-2013	Projected Increase 2013-14	Projected Budget 2013-2014	Projected Increase 2014-15	Projected Budget 2014-2015
Revenues:					
Solid Waste Charges	**618,745**	2.9%	637,315	3.0%	656,581
Other/Interest	**600**	3.0%	618	3.0%	637
Operating Revenues	**619,345**		**637,933**		**657,218**
Expenditures:					
	12-13 Proposed		***13-14 Projection***		***14-15 Projection***
CWRS Contract	**528,360**	3.0%	544,211	3.0%	560,537
Sac. County Admin. Fee	**33,720**	3.0%	34,732	3.0%	35,774
Consulting	**5,000**	3.0%	5,150	3.0%	5,305
HHW Event	**20,000**	0.0%	20,000	0.0%	20,000
Bad Debts	**0**	0.0%	0	0.0%	0
Total Expenses	**587,080**		**604,092**		**621,615**
Operating Expenses	**587,080**		**604,092**		**621,615**
General Fund Net Allocation	**32,490**		33,373		34,924
Total Expenses	**619,570**		**637,465**		**656,539**
Net Income (Loss)	**(225)**		**468**		**679**

FIELD OPERATIONS

2011
YEAR IN REVIEW

Presentation by
Paul Siebensohn

MEMORANDUM

Date: March 8, 2012

To: Board of Directors

From: Security Committee Staff

Subject: Adopt Resolution 2012-04, Authorizing Sale of District Surplus Equipment

---

RECOMMENDED ACTION

Adopt Resolution 2012-04, Authorizing the Sale of District Surplus Equipment.

BACKGROUND

Patrol vehicle #518, a 2009 Ford Escape, was involved in a collision. Due to the mileage and the damage, the District's insurance company has declared the vehicle totaled. By declaring the vehicle surplus, staff will sell the vehicle to a scrap yard.

The Security Committee recommends adoption.

RESOLUTION # 2012-04

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT AUTHORIZING SALE OF DISTRICT SURPLUS EQUIPMENT

WHEREAS, in the past, the Rancho Murieta Community Services District has purchased equipment to be used in the provision of water, sewer, drainage, solid waste, and security services to the community of Rancho Murieta; and

WHEREAS, the equipment listed below has become obsolete and its useful life has been consumed:

No.	Description
1	2009 Ford Escape

THEREFORE, BE IT RESOLVED the Board of Directors of Rancho Murieta Community Services District declares this equipment surplus to the needs of the District and authorizes the equipment be placed for sale, with the sale to be conducted by staff.

PASSED AND ADOPTED this 21st day of March, 2012, by the following roll call vote:

Ayes:
Noes:
Absent:
Abstain:

_____
Roberta Belton, President of the Board
Rancho Murieta Community Services District

[SEAL]

Attest:

_____
Suzanne Lindenfeld, District Secretary
Rancho Murieta Community Services District

MEMORANDUM

Date: March 8, 2012

To: Board of Directors

From: Communication & 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 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.

At the January 18, 2012 Board meeting, Director Pasek suggested and the Board agreed to review the policy at the January 20, 2012 Board Goal Workshop. At the Board Goal Workshop, President Belton suggested the Policy include notifying the public of positive information not just responding to negative comments. By consensus, the Board agreed to send the Policy back to Communications & Technology Committee for review.

At the February 15, 2012 Board meeting Director Pasek suggested a more defined timeline be identified in the policy. By consensus, the Board agreed to send the Policy back to Committee for review. Attached is the draft policy with the changes suggested by Director Pasek.

The Communication & Technology Committee recommends adoption.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Category:	Administration	**Policy** # ~~2010-10~~ 2012-01
Title:	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. If a response is planned, a prompt response is necessary to ensure correct information is relevant. In no case should the response drag out indefinitely.

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.

Approved by Rancho Murieta Community Services District’s Board of Directors	

MEMORANDUM

Date: March 8, 2012

To: Board of Directors

From: Communication & Technology Committee Staff

Subject: Adopt District Policy 2012-02, Communication Outreach

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RECOMMENDED ACTION

Adopt District Policy 2012-02, Communication Outreach.

BACKGROUND

At the January 18, 2012 Board meeting, Director Pasek suggested, and the Board agreed, to review Policy 2010-10, Response to Public Comment, at the January 20, 2012 Board Goal Workshop. At the Board Goal Workshop, President Belton suggested the Policy include notifying the public of positive information not just responding to negative comments. By consensus, the Board agreed to send the Policy back to Communications & Technology Committee for review.

At the February 2, 2012 Communication & Technology Committee meeting, Ed stated that Policy 2010-10 covers responses to negative comments and suggested staff develop a separate overall communications policy. After a discussion, the Committee agreed. Attached is the draft policy for your review.

The Communication & Technology Committee recommends adoption.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Category:	**Communications & Technology**	**Policy** # 2012-02
Title:	Communication Outreach	

PURPOSE

To maintain and enhance effective customer and community relations by communicating, educating and providing information regarding the services provided by Rancho Murieta Community Services District (District).

BASIC COMMUNICATION PRINCIPALS

Successful communications are regular, consistent and simple.

Think, speak and write backwards from your audience, not outward from the District.

Cost-effective communications are absolutely necessary.

OBJECTIVES

Goal 1

Using a variety of techniques, communicate with customers and the community on topics related to:

a. The District
b. Local, regional and federal water issues
c. Water conservation
d. Wastewater
e. Water education
f. Drainage
g. Security services and issues
h. Solid waste services and issues

<u>Actions to Achieve Objective</u>

a. Target all customers/users of all ages
b. Develop an assortment of methods to reach customers and the community.
    - Printed material — Bill inserts, newsletters, handouts, fliers, direct mailings, welcome packets, etc.

- Media — Videos, news releases, public service announcements, newspaper, radio
- Electronic Media — Website, DVD's, Pipeline, email, Facebook, Twitter, etc.
- Direct Contact — Daily customer/staff interaction, workshops, Board and Committee meetings, telephone
- Indirect Contact — Code RED

c. Inform customers and the community about the District (e.g., mission statement, history, operations, rules and regulations, budget, water production and conveyance, District Policies, District Resolutions, District Ordinances, and events.)

d. Promote efficient and wise use of water resources (e.g. Water-Wise House Calls, water workshops, rebate programs)

e. Educate customers and community on:
   - Water issues
   - Wastewater
   - Drainage
   - Climate change issues and challenges
   - Water conservation and demand management techniques
   - Security issues
   - Solid waste collection and disposal issues

f. Encourage individuals to take responsibility for their actions that impact water and the environment

g. Inform customers regarding regional, state and federal legislation within legal guidelines without taking an advocacy position

h. Solicit feedback from customers and the community (comments on bills, encouraging attendance at Board and Committee meetings, e-mail, surveys)

i. Educate and communicate with customers concerning the District's Capital Improvements Plans (e.g. upgrading water and wastewater system, etc.)

j. Provide information on the security services available to businesses and organizations

k. Provide information on solid waste collection and disposal services available to residents (extra yard trimmings collection, Christmas tree pick up, bulky waste pick up, e-waste pickup, etc.)

Goal 2
Inform, communicate and participate with the local and statewide water community on District issues, pertaining to local and regional development.

Actions to Achieve Objective

a. At all organizational levels, promote communication and sharing of timely and accurate information with colleagues from other water agencies.

b. Communicate, inform and coordinate with other agencies (e.g. ACWA, CSDA, RWA, DWR, DPH)

c. Continue to implement Water Forum's Best Management Practices (BMPs).

d. Encourage businesses to take responsibility for their actions that impact water and the environment.

Goal 3
Promote communication and interaction with District employees.

Actions to Achieve Objective

a. Inform employees on District activities and provide on-going community outreach updates (e.g. website changes/updates, programs, services, rebates offered via monthly meetings, paycheck stuffers, website)

b. Encourage staff participation in community outreach events and District activities

c. On a regular basis, solicit feedback on District activities from employees by asking for ideas and input on community outreach activities.

d. Support human resources to continue to provide the opportunity for new employee community outreach orientation (e.g. programs and services, website, newsletter)

e. Encourage employees to take responsibility for their actions that impact water and the environment.

f. Encourage employees to take responsibility for their actions that impact the security of the community (e.g. residents, employees, guests and vendors).

Approved by Rancho Murieta Community Services District's Board of Directors	

MEMORANDUM

Date: March 8, 2012

To: Board of Directors

From: Finance Committee Staff

Subject: Adopt District Policy 2012-03, District Insurance Requirements

---

RECOMMENDED ACTION

Adopt District Policy 2012-03, District Insurance Requirements.

BACKGROUND

Golden State Risk Management Authority (GSRMA) adopted their Loss Prevention Incentive Program allows for member agencies to receive an award of up to 10% of the current year's contribution, subject to a $50,000 maximum per member agency, per year. The credit is based on a points system. 100 points are needed to be awarded the maximum credit.

One item, worth 3 points, is a Board adopted policy regarding insurance requirements. This draft policy has been reviewed by GSRMA and it does meet their policy requirements. Attached is the draft policy for your review.

The Finance Committee recommends adoption.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Category:	Finance	**Policy** # 2012-03
Title:	District Insurance Requirements	

PURPOSE

Rancho Murieta Community Services District (District) requires all vendors to maintain insurance, at coverage levels no less than specified herein, during the term of any and all contracts.

BASIC POLICY AND GUIDELINES

General Liability

$1,000,000 per occurrence for bodily injury, personal injury and property damage. General Liability insurance shall endorse District as an additional insured party.

Automobile Liability

$1,000,000 per accident for bodily injury and property damage. Automobile Liability insurance shall cover "any" vehicle.

Workers' Compensation and Employer's Liability

Workers' Compensation limits as required by the labor Code of the State of California. Employer's Liability limits of $1,000,000 per accident for bodily injury or disease.

Acceptability of Insurers: All insurance must be placed with insurers with a current A.M. Best financial rating no less than A-VII, licensed to do business in California, and satisfactory to the District.

The insurance requirements specified in this policy are minimum requirements only. The District may require higher limits of liability or other additional insurance coverage when deemed by the District, in its sole discretion, to be in the District's best interest.

All insurance documents must be submitted and approved by the District's Director of Administration prior to execution of any Agreement with Rancho Murieta Community Services District.

Approved by Rancho Murieta Community Services District's Board of Directors	

MEMORANDUM

Date: March 9, 2012

To: Board of Directors

From: Improvements Committee Staff

Subject: Approve Chemical Purchase Contracts

RECOMMENDED ACTION

Approve chemical purchase contracts as follows:

NTU Technologies Inc. was able to lower their costs from the previous year for Protek 301, price not to exceed $1.02/lb delivered; Liquid Aluminum Sulphate, price not to exceed $0.159/lb delivered; Pro Pac 9890, price not to exceed $1.39/lb delivered. The contract will last to June 30, 2013.

Sierra Chemical supplies chlorine gas one-ton cylinders, $540/ton delivered. This is approximately a 3% increase from last year's pricing. Contract pricing will last through December 31, 2012.

Sodium Hydroxide 50% from UNIVAR at $3.85/gal delivered price and Potassium Permanganate at $210.50/pail plus delivery, contract pricing through December 31, 2012, subject to a 30 day notice of increase and a fuel surcharge. UNIVAR purchased BCS last year who was our previous supplier. This cost is up 24% from last year's quote but only up 2.9% from our most recent invoice as the pricing has increased throughout the past year.

Funding to come from the applicable Water and Sewer Operating Budgets.

BACKGROUND

The District uses bulk chemicals to treat its potable and non potable water. Annually staff obtains contract pricing for these chemicals to aid in budget determinations. In addition, with a price not to exceed a certain level, future chemical purchases do not have to come to the Board for individual approval.

The chemicals are used in various aspects of treatment, such as to coagulate particles for filtration, aid in coagulation, prevent corrosion in the pipes, perform disinfection and improve overall water quality. These chemicals all meet regulatory standards for use in potable water treatment.

The Improvements Committee recommends approval.

NTU Technologies, Inc.
P. O. Box 55048, Sherman Oaks, CA 91413
(800) 342-6733 (818) 788-8809 fax

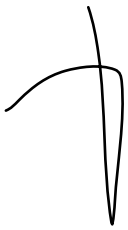
February 2, 2012

Rancho Murieta CSD
Paul Siebensohn
P.O. Box 1050
Rancho Murieta, CA 95683
psiebensohn@rmcsd.com

PRICE LIST EFFECTIVE
July 1, 2012 through June 30, 2013

PRODUCT	PACKAGING	PRICE	ORDER QUANTITY	DELIVERY
Liquid Aluminum Sulfate	Bulk Tank Truck	$0.119/lb/del not to exceed $0.159/lb/del	Full Truckload	ARO 3-7 business days
Protek 301 Zinc Orthophosphate	Bulk Tank Truck	$0.86/lb/del not to exceed $1.02/lb/del	1000 gallons minimum	ARO 5 – 10 business days
Pro Pac 9890	55-gallon drums (550 lbs net each)	$1.16/lb/del not to exceed $1.39/lb/del	6 drums	ARO 5 – 10 business days

PLEASE NOTE: We are not taxing products for potable or reclaimed water because the finished product is resold to the end user.



2302 LARKIN CIRCLE
SPARKS, NEVADA 89431-6587
P.O. BOX 50730
SPARKS, NEVADA 89435-0730
TELEPHONE (775) 358-0888
FAX (775) 358-0987

SIERRA CHEMICAL CO.
PRICE QUOTATION

50 Years of Excellence 1959—2009

TO: Paul Siebensohn Director of Field Operations DELIVER TO:
Rancho Murieta Water & Water Facilities
Phone 916 354-3700
Fax 916 354-2082 MILEAGE:

WE ARE PLEASED TO QUOTE AS FOLLOWS: Fax to:

YOUR INQUIRY	ESTIMATED SHIPPING DATE	TERMS	F.O.B.	DATE
	3 Days ARO	Net 30 Days	Delivered	2/10/2012

ITEM NO.	DESCRIPTION	PRODUCT CODE	UNIT QTY	UNIT	UNIT PRICE	AMOUNT
1	CHLORINE	281700	#2000	lb.	$ 0.2700	$ 540.00
2	CHLORINE TON/TANK DEPOSIT				$ 1,000.00	$ 1,000.00
	California Pesticide Assesment - 2.10%					
	Fuel Surcharge - Per delivery				Included	
	Regulatory Compliance Fee				Included	

ABOVE PRICES ARE GOOD THRU: 12/31/2012
or AS MARKET CHANGES DICTATE

EFFECTIVE: 2/10/2012

Dennis Moore
775-240-9244
Dennis@SierraChemSales.com
www.SierraChemSales.com

Univar
17425 NE Union Hill Rd.
Redmond, WA 98052
USA

T 425 889-3400
F 425 889-4100
www.univarusa.com

February 29 2012

Rancho Murieta CSD
Paul Siebensohn
Director of Field Operations
P.O. Box 1050
Rancho Murieta, Ca 95683

Re: UNIVAR Chemical Product Pricing 2012

Dear Paul,

UNIVAR has become a strategic partner supplying and supporting Rancho Murieta CSD's chemical program needs for over five years. The following products and pricing is offered for 2012 subject to a, "Force Majeure clause."

UNIVAR continues to offer our no cost, primary and secondary containment tank program. This allows UNIVAR to supply tank systems from 200 to 3000 gallons meeting situational needs inclusive of any pricing.

Please contact me if you have any questions. We appreciate your business and look forward to servicing your future chemical needs.

No	Product:		Current Price:	New Price:
SJ721268	Caustic Soda 50% (Sodium Hydroxide 50%)	Mini Bulk	$4.08 Gal Del	$3.85 Gal Del
FF752556	Potassium Permanganate	Packaged	None	$210.50 Pail $8.42 KG
	Aluminum Sulfate	Bulk	None	Pending

Please call me with any questions?

Regards,

Patrick Lynn

Patrick C Lynn
Territory Sales Manager, Mini-Bulk
Patrick.Lynn@UNIVARUSA.com
(916) 599-8410

MEMORANDUM

Date: March 9, 2012

To: Board of Directors

From: Improvements Committee Staff

Subject: Approve Sludge Dredge Rental

RECOMMENDED ACTION

Approve the costs from SRS Crisafulli for sludge dredge rental, in an amount not to exceed $30,100. Funding to come from Sewer Non-routine Maintenance Operations Budget.

COST

Rental is for an estimated six (6) weeks of use. The cost includes a $5,400 refundable deposit. This option is the most cost effective and least impact method of completing sludge removal in wastewater ponds 1 and 2.

BACKGROUND

As stated in the June 22, 2007 NOV for CONTINUED NUISANCE ODORS and June 19, 2007 INSPECTION REPORT issued by Anne Olson, California Regional Water Quality Control Board (CRWQCB): *"An excessive accumulation of sludge in Pond No.1 (and possibly No.2) is the apparent cause." And "It appears that the only viable solution to the odor problem is to remove the sludge from the affected ponds immediately."*

Although it was determined that a lack of dissolved oxygen was the culprit for the odor issue back then, sludge volume and depth was a major contributing factor. The goal is to remove a majority of the accumulated sludge from wastewater process ponds 1 and 2.

The solids that accumulate within our pond process are results of everything that is received through our sewer collection system at our Wastewater Treatment facility as well as the backwash waste from our tertiary filters. The majority of these solids accumulate in Pond #1 which is the initial receiving treatment pond. As it is a fully mixed pond with aerators running continuously, the solids that are in suspension there carry into Pond #2. These solids are broken down by naturally occurring microorganisms which feed upon the nutrients within the waste. Occasionally these solids should be removed to restore the treatment capacity of the ponds.

The rental unit (Flump) functions as a floating dredge with a pivoting auger head which can be lowered to the depth needed. (See attached Flump Components diagram.) It is set up to run on a cable system which allows it to be moved throughout the pond. (See attached 4 Post Manual Traverse System figure.) It is controlled by an operator on shore using a remote control, discharging through a floating discharge line to piping on the shore.

Arial photo of District Wastewater Treatment Facility

The volume of Pond #1 sludge is estimated at 861,920 gallons wet, 161.7 dry tons. The Pond #2 sludge volume is estimated at 1,149,227 gallons wet, 215 dry tons. This totals approximately 377 tons of additional sludge to remove. If our sludge hauler maintains their costs as in the previous two years this would add over $15,000 to our annual sludge (biosolids) removal costs, if the sludge was 100% dry. As sludge never dries out completely its estimated that it would be more in the order of $18,000.

Due to the volume of biosolids and the volume limitations of our drying beds, my intention is to utilize our drying beds in conjunction with geotextile bags. The bags are utilized by adding a coagulant to the biosolids being pumped by the dredge into the bags. The porous bags capture the solids and allow a clear filtrate to weep out which will be recaptured by the drain system in our drying beds.

Our goal each year is to utilize solar radiation and mechanical churning of the biosolids in our drying beds in 40 CFR (code of federal regulations) Part 503 requirements for classifying the biosolids as Class B. Should there be any constituents beyond the allowable regulatory limits the costs could go up significantly, although it is unlikely as it has not occurred so far in my experience here with our biosolids.

Additional costs for this project will include hose and piping as well as electrical costs for accommodating the rental unit.

Staff will endeavor to complete the work within the given timeframe or sooner to reduce overall rental costs.

The Improvements Committee recommends approval.

SRS Crisafulli
PO Box 1051 Glendive, MT 59330
(406) 365-3393 Fax (406) 365-8088
www.crisafulli.com
srsc@crisafulli.com

Our Quotation # 004436-01

02/29/2012

To : RANCHO MURIETA CSD
PO Box 1050
RANCHO MURIETA CA 95683
UNITED STATES

Terms : NET 30
Quotation Valid Thru : 04/29/2012

Phone (916)354-3700
Fax (916)354-2082
Attention : PAUL SIEBENSOHN

We are pleased to quote the equipment shown below based upon the information available at the time of this quotation. Our company has a reputation for delivering quality products on time and we look forward to the opportunity of serving you.

Item	Part / Rev / Description / Details	Quantity	Unit Price	Extended Price
001	RENTAL	1 EA	14,800.00000	14,800.00
	Standard duty 3" Flump, USED DREDGE, Flump , 3" S-Series, 25hp, Radio Remote Control, Model ST 3 Standard Duty , SN 15809, PN 4000076, 3", VD, 6" DISCHARGE, 25 HP, 54" CUTTERHEAD, S-SERIES PUMP, POLY PONTOONS, 10' DREDGE DEPTH		Tax Amount	1,147.00
	PN 4000076, SN 15809: Built in August 2008, has been out on rental jobs for a total of 3 months, estimated total hours about 600 to 700			
	Initial month rental rate is $14,800, additional months are $10,800, weekly $3,600, daily $720.00 Initial month rental can be used toward purchase of used or new unit			
	Details: - 3" S-Series vertical, direct driven, submersible pump - Pump manufactured from heat treated, abrasion resistant steel. - Dual mechanical seal bearing frame - 8" Diameter impeller - 10' Dredging depth. - 26" Blow molded, foam filled, poly pontoons w/ A36 mild carbon steel frame. - Integral lifting eyes. - 25 HP, TEFC pump motor. (3 phase, 460 volt, 60 Hz) - Auger/tiller cutterhead, 54" wide, directly mounted to pump. - 7.5 HP Electric hydraulic power unit. (3 phase, 460 volt, 60 Hz) - 1.5 HP Variable speed traversing winch. (3 phase, 460 volt, 60 Hz) - 0.75 HP Depth control winch (3 phase, 460 volt, 60 Hz) 17' of 5/16" galv - Painted with grey epoxy. - 6" Irrigation quick coupler discharge. ALSO INCLUDES Handheld RADIO REMOTE CONTROL with control functions for: -Traverse (forward/stop/reverse) -Traverse speed (faster/slower) -Dredging depth (raise/lower)			

CUSTOMER

Authorized Signature

SRS Crisafulli
PO Box 1051 Glendive, MT 59330
(406) 365-3393 Fax (406) 365-8088
www.crisafulli.com
srsc@crisafulli.com

Our Quotation # 004436-01

02/29/2012

To : RANCHO MURIETA CSD
PO Box 1050
RANCHO MURIETA CA 95683
UNITED STATES

Terms : NET 30
Quotation Valid Thru : 04/29/2012

Phone (916)354-3700
Fax (916)354-2082
Attention : PAUL SIEBENSOHN

Item	Part / Rev / Description / Details	Quantity	Unit Price	Extended Price
	-Cutterhead (forward/off) -Pump (on/off) Rental System ALSO INCLUDES THESE ITEMS (Cross reference Item #4000088) - 500' Power cable, 4 ga, 4 cond, SOW - with 60 amp Electrical quick disconnects -Includes Traverse system -200' of six inch floating discharge line			
002	DAMAGE DEPOSIT Rev 000 RENTAL DAMAGE DEPOSIT -Damage deposit is required prior to shipment. -Deductions from the damage deposit may be made for missing items, damaged items, necessary cleaning, negligence or excessive wear pursuant to Rental Contract. NOTE: Equipment is to be steam cleaned prior to return to SRSC factory. -Damage deposit may be credited upon return of all goods in satisfactory condition.	1 EA	5,400.00000	5,400.00
003	FREIGHT Rev 000 FREIGHT CHARGES -Estimated freight to Rancho Murieta, CA -Quantity two(2) is for round trip	2 EA	3,400.00000	6,800.00
004	RENTAL FLOAT Rev 000 RENTAL FLOAT PIPE-MONTHLY	1 EA	92.00000	92.00
			Tax Amount	7.13
005	RENTAL FLEX Rev 000 RENTAL FLEX HOSE-MONTHLY	1 EA	40.00000	40.00
			Tax Amount	3.10

CUSTOMER

Authorized Signature

SRS Crisafulli
PO Box 1051 Glendive, MT 59330
(406) 365-3393 Fax (406) 365-8088
www.crisafulli.com
srsc@crisafulli.com

Our Quotation # 004436-01

02/29/2012

To : RANCHO MURIETA CSD
PO Box 1050
RANCHO MURIETA CA 95683
UNITED STATES

Quotation Valid Thru : 04/29/2012

Phone (916)354-3700
Fax (916)354-2082
Attention : PAUL SIEBENSOHN

Item	Part / Rev / Description / Details	Quantity	Unit Price	Extended Price

All prices shown above are NET prices, FOB Glendive, MT, unless stated otherwise.

Buyer agrees to grant SRS Crisafulli Inc. a security interest in all products purchased until payment is made in full. Buyer further agrees to pay a finance charge of 1.5% per month and all costs of collection, including reasonable attorneys fees, for all amounts past due.

If you have any questions regarding this quotation, please call us on our toll-free number, 1-800-442-7867 or reply by email.

On behalf of the company we look forward to serving you.

Thank you.

Sincerely,
ERIC LILLBERG

CUSTOMER

Authorized Signature

SRS Crisafulli

RENTAL RATES

Effective January 1, 2011

► DREDGES

DREDGE MODEL & Description of rental PACKAGE	Rental rate
ROTOMITE 6000 package including: ❖ Rotomite 6000 Dredge; ❖ 200' of 8" diameter floating discharge line; ❖ (Optional) Traverse system to cover a 200' x 400' area.	$29,885 initial month $26,885 monthly thereafter $15,000 Damage deposit* plus round-trip freight
ROTOMITE SD110 package including: ❖ Rotomite SD110 Dredge; ❖ 200' of 8" diameter floating discharge line; ❖ (Optional) Traverse system to cover a 200' x 400' area.	$22,650 initial month $18,650 monthly thereafter $11,000 damage deposit* plus round-trip freight
FLUMP, 3" STANDARD DUTY package including: ❖ 3" standard duty 25 HP FLUMP dredge; ❖ Handheld radio remote control; ❖ 500' of power & control cord; ❖ 200' of 6" diameter floating discharge line; ❖ Traverse system, 4-post manual, to cover a 200' x 400' area.	$14,800 initial month $10,800 monthly thereafter $ 7,400 Damage deposit* plus round-trip freight
FLUMP 4" SEVERE DUTY package including: ❖ 4" severe duty 50 HP FLUMP dredge; ❖ Handheld radio remote control; ❖ 500' of power & control cord; ❖ 200' of 6" diameter floating discharge line; ❖ Traverse system, 4-post, manual, to cover a 200' x 400' area.	$16,700 initial month $12,700 monthly thereafter $ 7,250 damage deposit* plus round-trip freight
FLOATING DISCHARGE LINE	MONTHLY RENTAL RATE
6" diameter x 15' length, rigid section, including couplings	$92.00 each/month
6" diameter x 5' length, flexible section, including couplings	$40.00 each/month
8" diameter x 15' length, rigid section, including couplings	$110.00 each/month
8" diameter x 5' length, flexible section, including couplings	$55.00 each/month
Discharge line includes the necessary couplings & clamps. As you set up a pipeline, we recommend that you alternate RIGID and FLEXIBLE sections, beginning & ending the pipe run with a FLEX (i.e. for 10 rigid sections, order 11 flex sections).	

*Damage deposit may be credited and/or refunded upon return of all rental equipment in satisfactory condition.
SRS Crisafulli reserves the right to revise above rental rates and damage deposits based on intended application.
Rates are subject to change without notice. Rentals are available within the United States and (on a limited basis) in Canada.

Call to inquire about our "Try Before You Buy" program!
Initial month rental fee *credited toward dredge purchase*

RENTAL RATES for PUMPS & accessories: See next page >

Please call our Factory for any special request Rental items. Toll-free: 1-800-442-7867

SRS Crisafulli Inc. • 1610 Crisafulli Drive • Glendive MT 59330 • USA • Ph: 406-365-3393 • Toll-free 800-442-7867 Fax: 406-365-8088
Email: srsc@crisafulli.com • Website: www.crisafullipumps.com

SRS Crisafulli, Inc.
RENTAL RATES

Effective January 1, 2011

►TRAILER PUMPS & ACCESSORIES

PUMP MODEL or accessory item	Rental rate
8" PTO-driven Trailer Pump (540 RPM) pumps up to 4,100 gallons/minute, up to 50' TDH	$2,100.00/month $1,400.00 Damage deposit* plus round-trip freight
12" PTO-driven Trailer Pump (540 RPM) pumps up to 6,500 gallons/minute, up to 35' TDH	$2,400.00/month $1,200.00 Damage deposit* plus round-trip freight
16" PTO-driven Trailer Pump (540 RPM) pumps up to 9,000 gallons/minute, up to 30' TDH	$2,800.00/month $1,400.00 Damage deposit* plus round-trip freight
DISCHARGE TUBING	MONTHLY RENTAL RATE
8" diameter x 50' length, heavy duty butyl rubber tubing w/clamp	$ 450.00 each/month
12" diameter x 50' length, heavy duty butyl rubber tubing w/clamp	$750.00 each/month
16" diameter x 50' length, heavy duty butyl rubber tubing w/clamp	$970.00 each/month

*Damage deposit may be credited and/or refunded upon return of all rental equipment in satisfactory condition.
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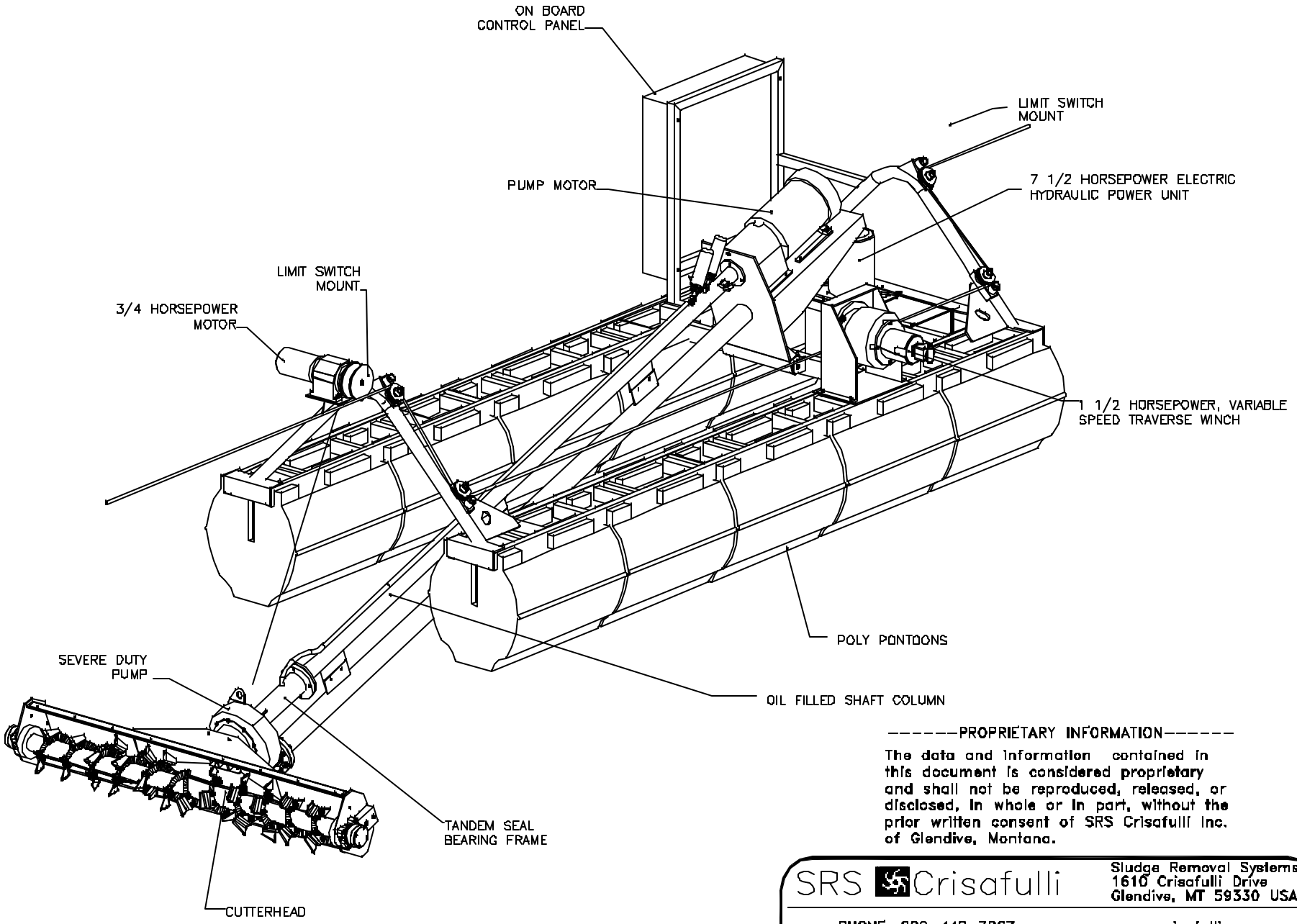

SRS Crisafulli
Sludge Removal Systems
1610 Crisafulli Drive
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PHONE: 800-442-7867
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FLUMP COMPONENTS

DATE: 12/13/10 | BY: GCS | DWG # 10442

**IN OUR CONTINUING EFFORT TO PROVIDE EXCELLENCE IN PERFORMANCE, AND EFFICIENCY, SRS CRISAFULLI RESERVES THE RIGHT TO MAKE CHANGES WITHOUT PRIOR NOTICE.

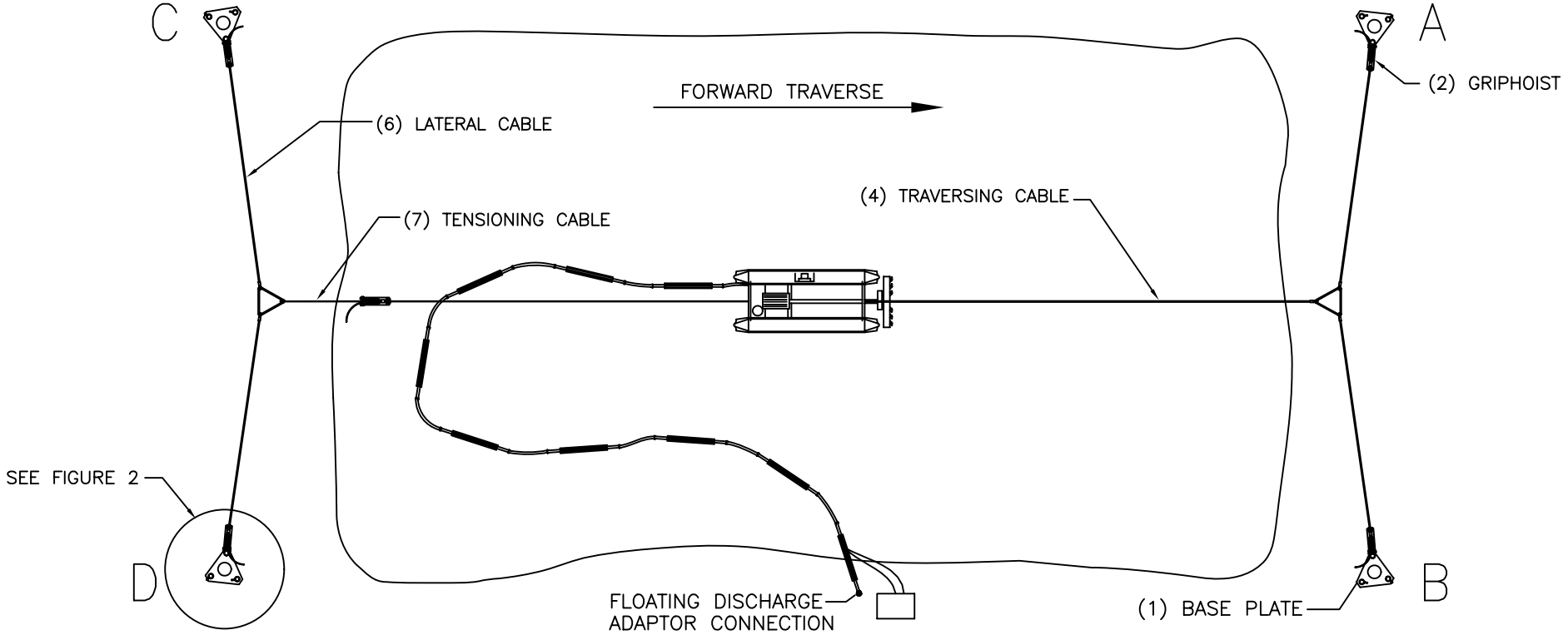


FIGURE 1

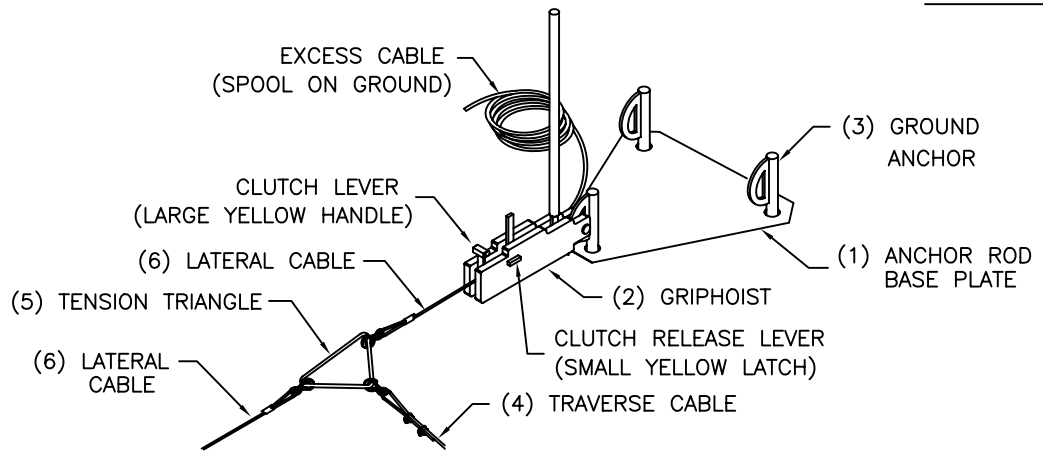


FIGURE 2

PARTS LIST

ITEM	DESCRIPTION	QUANTITY	PART #
1.	BASE PLATES	4 EACH	1000421
2.	GRIPHOIST CABLE TENSIONER	5 EACH	WNT508–XXX
3.	48" GROUND ANCHORS	12 EACH	1000423
4.	TRAVERSE CABLE (W/ HOOK)	1 EACH	WRG0313–XXX
5.	TENSION TRIANGLE	2 EACH	1000422
6.	LATERAL CABLE (W/ HOOK)	4 EACH	
7.	TENSIONING CABLE (W/ HOOK)	1 EACH	

SRS Crisafulli — Sludge Removal Systems

4–POST MANUAL TRAVERSE LAYOUT AND PARTS LIST

Dwn By: MDM	Ckd.:	Date: 6/19/00	Dwg.#: 20390

MEMORANDUM

Date: March 9, 2012

To: Board of Directors

From: Improvements Committee Staff

Subject: Receive Raw Water Supply Assessment

RECOMMENDED ACTION

Receive the Raw Water Supply Assessment prepared HDR.

BACKGROUND

The Technical Memorandum (TM) presented herein is HDR's review of the District's raw water supply in relation to taste and odors (T/O); evaluating raw water quality, determination of possible causes, T/O characteristics, proposing acceptance criteria, and alternatives for addressing T/O water quality issues.

The preliminary findings and recommendations beginning on page 37 of the TM provide a good summary. Tables 10 and 11, beginning on page 31, list mitigation alternatives and rank various treatment alternatives.

Costs from the preliminary recommendations that have been incorporated in the draft budget for T/O include those for source and finished water treatment. Costs include commencing the use of powdered activated carbon (PAC) earlier in the season and at a higher dose, potassium permanganate, aquatic harvesting, purchasing algae detection equipment, and Green Clean Pro algaecide partial reservoir applications. Depending on the types of source water treatment options we pursue, costs may vary.

For example, we need to get a legal opinion on whether or not the use of copper sulfate and other algaecides can be used. It is much less expensive; however it is an aquatic pesticide that is regulated. If needed, the cost to file and maintain a Notice of Intent to comply with the Regional Water Quality Control Board (RWQCB) Statewide General NPDES (see section 8.1.1.2) as well as seek approval from the California Department of Public Health (CDPH) is unknown at this point. Also, should the committee prefer to rent an ozonation system, we would have revise the budget to add in the HDR estimated $65,000 rental cost and back out the costs for PAC and reservoir treatment. The net effect is basically a wash.

Our next step will be to evaluate the information within this Assessment and to pursue an acceptance plan to address T/O. However, as part of plan development, we will conduct outreach to solicit customer input on T/O acceptance in relation to the various levels of costs for mitigation.

Also, as I did further investigation, I saw that the use of a DAF system, similar to ones used in our wastewater tertiary process, are utilized for algae removal prior to treatment. Their benefit is that they do not destroy the T/O causing algae cell which prevents the release of T/O causing substances into the water. I will research their capital costs further.

TM-1 Data Evaluation and Preliminary Findings - Final

Rancho Murieta Community Services District

Raw Water Supply Assessment ***February 29, 2012***

Reviewed by: Rich Stratton, P.E.

Prepared by: Malar Perinpanayagam. P.E.

1 Introduction

Rancho Murieta Community Services District's (District) raw water is exclusively from diversions from the Cosumnes River at Granlees Dam, pumped to storage reservoirs. The District diverts water from the river between November 1 and May 31 and stores it in three (3) reservoirs: Calero, Chesbro, and Clementia. Water may be pumped directly into each reservoir from the Granlees Dam pumping station. Currently, due to California Department of Public Health (CDPH) permit restrictions, only Calero and Chesbro Reservoirs are used as potable water sources. Calero is the highest in elevation and the largest reservoir, with Chesbro below it in elevation. Calero is used to fill Chesbro through a 30-inch siphon line, where it then flows by gravity from Chesbro to the water treatment plant (WTP) to produce potable water. Clementia is located slightly below the Water Plant in elevation with a pump station available for pumping directly to the Water Plant or to Chesbro. Clementia may be used for Rancho Murieta Country Club (RMCC) irrigation supply and is open to the public for recreation uses, including body contact activities. Under existing operation practices, water may be routed from Clementia to Bass Reservoir or Pond 10 for RMCC irrigation use. Clementia water is not currently planned for consumptive use during years when the District's water use needs can be met from direct diversion and storage from both Calero and Chesbro Reservoirs. The storage capacity of the reservoirs is shown in Table 1. A vicinity map showing the Cosumnes River and the reservoirs is presented in Figure 1.

Table 1. Primary Reservoir Storage Capacity based off As-built surveys

Reservoir	Useable Volume (Acre-Feet)	Total Volume (Acre-Feet)
Calero	2,541	2841
Chesbro	1181	1334
Clementia	850	1,043
Total	**4,572**	**5,209**

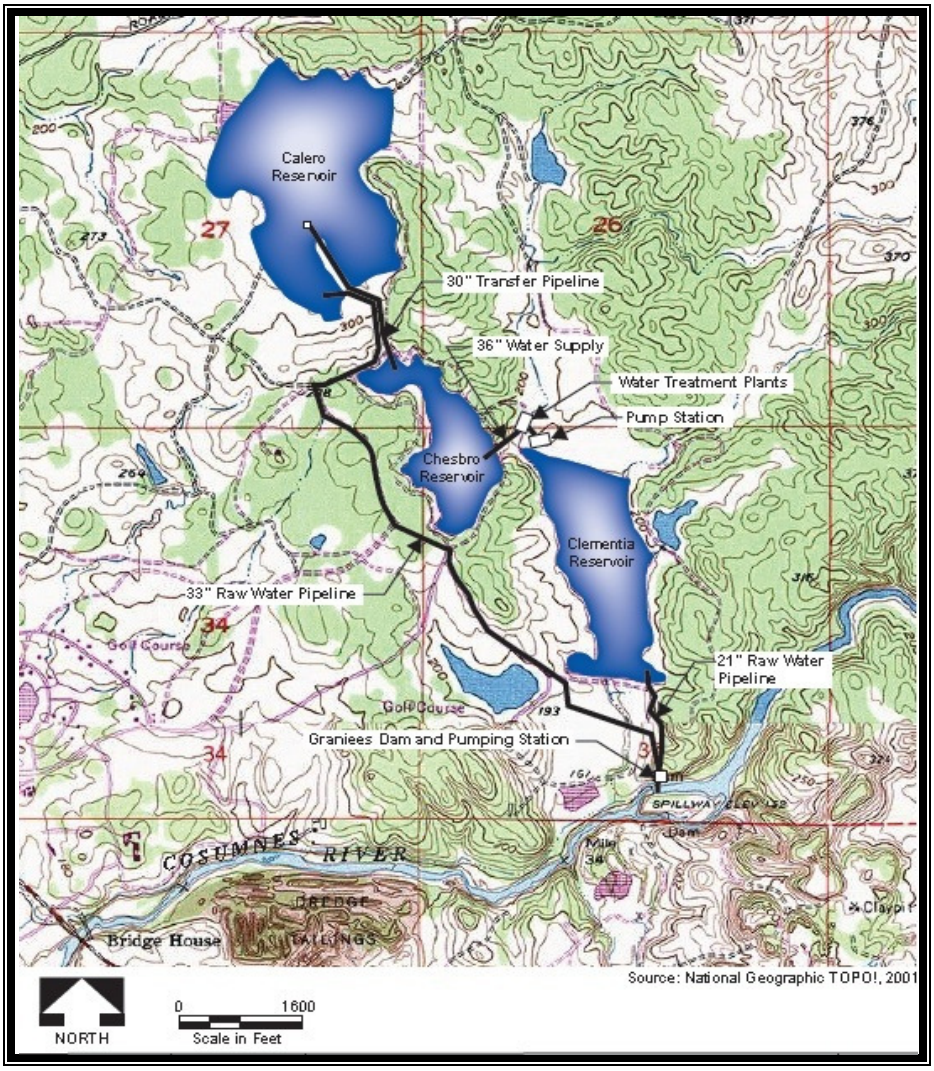


Figure 1. RMCSD Vicinity Map

The water treatment plant, with a total design capacity of 3.5 million gallons a day (mgd), treats the stored reservoir water to supply drinking water to the Rancho Murieta community. The treatment facility has two (2) trains: Treatment Plant No. 1 (1.5 mgd capacity) and Plant No. 2 (2.0 mgd capacity). One (1) of the plants is typically shut down in winter with the other operating due to lower demands, allowing for maintenance activities.

1.1 Defining the Problem

In mid-July, 2011, the District started receiving drinking water taste and odor (T&O) complaints from consumers with complaints peaking in early August 2011. Those people that could detect the T&O described it as having an earthy, musty smell and taste. Primary causes of earthy and musty T&O characteristics are algae and organic material (*Taste and Odor in Drinking Water*). District staff initially assumed that T&O was a result of the die-off of aquatic vegetation due to lowered reservoir levels, imparting nutrients into the water and spurring the

growth of algae. Laboratory tests for 2-Methylisoborneol (MIB), chloroanisole, and geosmin in September 2011, revealed that the likely source of the T&O is MIB from Phormidium – a blue green algae species.

Water in Chesbro Reservoir is normally clear of algae blooms but typically has aquatic vegetation (emergent) growing along its shorelines. However, during the T&O episode, the District observed a partial die off of aquatic vegetation and a nearly 20-foot wide swath of aquatic weed growth, approximately 7,500 feet long, along the shoreline of the reservoir. The aquatic weeds were identified as Eurasion Water Milfoil (nearly 95%), Elodea and Coontail. Additionally, suspended algae growth was also noticed on the sides of the Chesbro Reservoir where the wind blew and evenly spread it throughout the water column. Pictures of Chesbro Reservoir aquatic weeds are presented in Appendix A.

A T&O issue was also experienced in 2006, a similar climatic wet and mild year. However, some residents claim it happens every year.

1.2 Project Scope

The project scope is to evaluate the raw water quality in Chesbro Reservoir and to develop response plans for dealing with challenging conditions, such as high taste and odor, as occurred in 2011, as well as iron, manganese, and total organic carbon (TOC) which area often present. The key components of this technical memorandum (TM) are:

- Summarizing the data evaluation
- Providing a discussion of what the data indicates as problematic constituents and causes/reasons these constituents pose challenges to acceptable drinking water quality.
- Establishing water quality acceptance criteria
- Develop response options for each problematic constituent

2 Cosumnes River Background

Cosumnes River starts flowing from El Dorado National Forest and merges with the Mokelumne River to flow into the Sacramento-San Joaquin Delta and eventually the Pacific Ocean. Due to Mediterranean climate, the Cosumnes River watershed receives almost all the precipitation between October and May and little or no precipitation in summer and early fall. As given in Cosumnes River Watershed Inventory and Assessment: Phase II Final Report, the average annual precipitation ranges from 15 inches near the mouth of the river to 50–60 inches in the upper watershed and averages about 33 inches. Snow precipitation accumulation and melting in upper Cosumnes watershed, contributes a small portion to runoff because the snow cover area is less than 16% of watershed. Cosumnes River sub-watersheds are shown in Figure 2. Figure 3 shows the mean daily flow duration curve.

Results of "Spatial variation in water chemistry in the last free-flowing river draining the Sierra Nevada, CA: Are the uplands important?" research by [a]Ahearn et.al., in Cosumnes Research

Group show that flux of water quality constituents such as Na+, K+, Mg2+, Total Phosphorus, Total Nitrogen and etc., increases with Cosumnes River flow flux. It can be clearly noticed from the results that wet year water quality constituents flux is higher than dry year flux. Further, upper watershed substantially contributes to most of the constituents flux.

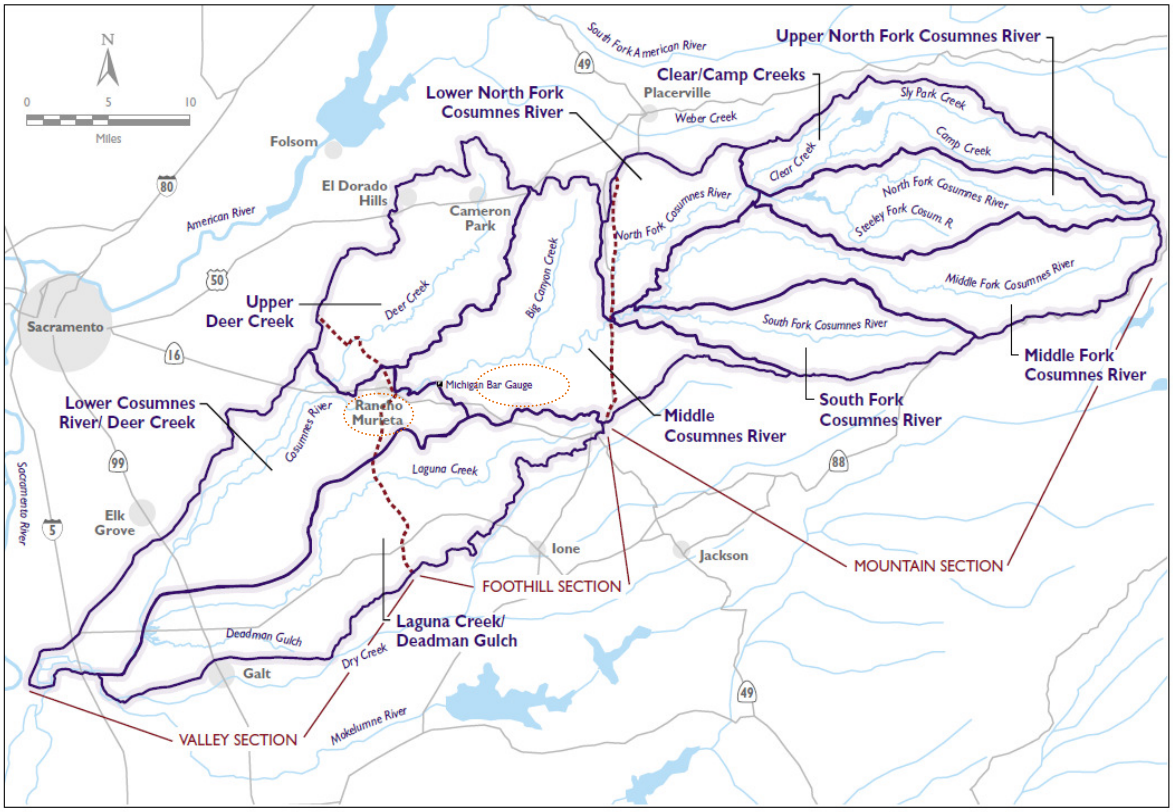


Figure 2. Cosumnes River Subwatersheds (Source: Cosumnes River Watershed Inventory and Assessment: Phase II Final Report)

Temporal patterns of stream water chemistry for Cosumnes River watershed were analyzed from 1998-2002 by [b]Ahearn et.al. The annual hydrologic pattern is divided into three (3) distinct water quality seasons: baseflow, stormflow and meltflow. The baseflow season is from July to October and primarily contributed by ground water. In this period, sediments and nutrients in the stream water are below detection levels. The stormflow period is from November to March and is further separated into flushing and dilution periods. The annual nutrient load moves through the watershed in stormflow season. The flushing period, followed by high flow, brings sediments and nitrates at elevated concentrations and other major constituents at low level. The meltflow period is from April to June, and does not bring high nutrient load because of the little chemical variation across the upland watershed.

The District incorporated some management practices for when to pump water from Cosumnes River. The water rights permit conditions that must be followed for withdrawal are as follows:

- 6 cfs maximum can be diverted from the Cosumnes River directly to the water treatment plant.

- Maximum collection of 4,050 acre feet (AF) per year can be committed to storage
  - 3,900 AF per year from diverted from the Cosumnes River and stored as follows:
    - 1,250 AF per year to Chesbro Reservoir
    - 2,610 AF per year to Calero Reservoir
    - 850 AF per year to Clementia Reservoir
    - 40 AF per year to Fairway No. 10 Lower Lake
    - Combined amount point of diversion, purpose of use, and place of use (combined cannot exceed 2,650 AF per year.)
  - 50 AF per year surface runoff into Chesbro Reservoir
  - 100 AF per year surface runoff into Calero Reservoir.
- Maximum rate of diversion from the river is 46 cfs (plus the 6 cfs directly to the WTP).
- No diversions allowed when flow is less than 70 cfs at Michigan Bar. For flows between 70 cfs and 175 cfs, discharge rate shall be a maximum of 6 cfs. Only flows greater than 175 cfs can the 6 cfs rate diversion be exceeded.
- Special provisions of diversion are allowed for dry years.
- Measuring devices acceptable to the State Water Resources Control Board – Department of Water Resources (SWRCB) must be installed and maintained at specified locations.

Operating Procedures: Full compliance with the permit requires that the diversion time window to be followed and the measuring and metering equipment be properly maintained and operated with proper records at all pumped diversions. At minimum, the locations include:

- Granlees Dam, Bass Lake Pump, Old Bridge Pump, Rock Plant Pump, the Water Treatment Plant outflow, and the pressurized raw water irrigation system (south of Highway 16).
- The gravity open ditch flows at the Cosumnes Irrigation Association (CIA) ditch headworks and the CIA ditch downstream of Laguna Joaquin, near the Lone Pine Drive undercrossing.
- Cosumnes River flows at the Michigan Bar gage station and the McConnell gage station.
- Reservoir levels at Clementia, Chesbro, and Calero Reservoirs.

Usually, the water extraction from Cosumnes River to Calero or Clementia Reservoirs is delayed until river flow rate reaches 70 cfs. The District typically avoids pumping water from the river until first flush after heavy precipitation to pass Granlees Dam.

Mean Daily Flow Duration Curve

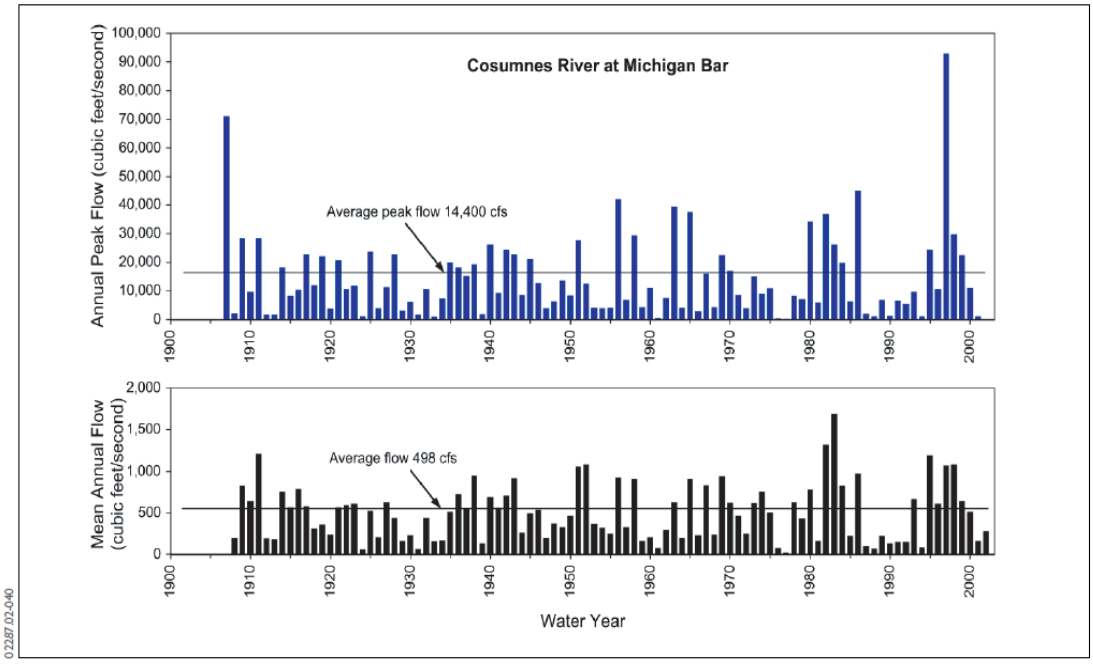


Figure 3. Mean Daily Flow Duration Curve (Source: Cosumnes River Watershed Inventory and Assessment: Phase II Final Report)

2.1 Existing Treatment Plant Information

Plant 1 was constructed in 1975 with a design capacity of 1.5 mgd. The plant components include a drum screen, flash mixer, flocculation/sedimentation basins, and a traveling bridge filter providing conventional filtration, chlorine contact basin, and distribution booster pumps.

Plant 2 was constructed in 1988 with a stated capacity of 2.0 mgd. The plant includes the same treatment processes as are included for Plant 1. Both plants have a higher peak hydraulic capacity; however, they cannot operate at higher flows due to an inability to meet treated water quality. Both plants were retrofitted in 1995 to meet new surface water treatment rules at that time.

Facilities that are common to both plants include the intake pipeline, a control building, chemical storage building, chlorine storage and feed system, reclamation basin, and drying beds. Plant controls are based on individual process controllers with digital chart recorders for data recording. Chemicals used at the plant include: alum, polymer, potassium permanganate, chlorine, powdered activated carbon (PAC), sodium hydroxide, and zinc orthophosphate.

Since the Water Plant's intake is located at the reservoir bottom of Chesbro where anaerobic conditions can exist, plant staff installed air compressors and a diffuser system to aerate the water near the intake. This has helped to keep the reservoir destratified as well as to oxidize and reduce iron and manganese levels to below the secondary maximum contaminant level (MCL).

A summary of the design criteria for both plants is presented in Table 2.

Table 2. Existing Treatment Plant Design Criteria.

Item	Value – Plant 1	Value – Plant 2
Raw Water (RW) Pipeline		
Diameter	12-inch	12-inch
Length (RW vault to split)	260 ft	260 ft
Length (Split to drum screen)	200 ft	210 ft
Drum Screen		
Diameter	5 ft	5 ft.
Length	2 ft	2 ft.
Mesh	6 mm.	6 mm.
Rapid Mix		
Detention Time	60 seconds	60 seconds
Volume	138 cf	195 cf.
Length	5.5 ft	6.5 ft.
Width	5 ft	6 ft.
Side Water Depth, SWD	5 ft.	5 ft.
Mixer	½ HP	½ HP
Velocity Gradient, G	787 /sec	787 /sec.
Capacity	1030 gal	1,458.6 gal.
Flocculation Basins (3)		
Each Basin:		
Flow	0.5 MGD	0.66 MGD
Detention Time	40 min	40 min.
Volume	1450 cf	3700 cf.
Length	12 ft.	18.5 ft.
Width	10 ft. 4 in.	20 ft.
SWD	12 ft.	10 ft.
Mixer	½ HP	½ HP
G	47 1/sec	47 1/sec.
Capacity	10,800 gal	27,600 gal.
Sedimentation Basin (2)		
Each Basin:		
Flow	0.75 MGD	1.0 MGD
Detention Time	3.5 hrs.	3.5 hrs.

Item	Value – Plant 1	Value – Plant 2
Volume	122,000 gal	146,608 gal.
Length	80 ft.	98 ft.
Width	17 ft.	20 ft.
SWD	12 ft.	10 ft.
Overflow Rate	0.38 gpm/sf	0.35 gpm/sf
Weir Overflow Rate	6.0 gpm/lf	10.0 gpm/lf
Filters		
Filter Rate	1.6 gpm/sf	2.0 gpm/sf
Filter Area	650 sf	700 sf
Cell Media	24" sand	24" sand
Backwash	9-12 gpm/sf	15-18 gpm/sf
Chlorination Basin		
Detention Time	60 min.	60 min.
Volume	64,300 gal	83,200 gal.
Length	60 ft	180 ft.
Width	18 ft.	8 ft.
SWD	8 ft	7 ft. 9 in.
Sand Drying Beds (2)		
Each Bed:		
Length	100 ft	
Width	40 ft	
Area	4,000 sf	
Total Area	8,000 sf	
Reclamation Basin		
Length	15 ft	35 ft
Width	18 ft	18 ft 6 in
Volume	8,000 gal	18,890 gal
Chemical Feed Systems		
Preoxidation		
Type	Potassium Permanganate	Potassium Permanganate
Dosage Range	0.5-1.0 mg/L	0.5-1.0 mg/L
Coagulant		
Type	Alum	Alum
Dosage Range	15 to 30 mg/L	15 to 30 mg/L
Typical Usage	250 lb/day	320 lb/day
Coagulant Aid		
Type	Polymer	Polymer
Dosage Range	1.0-2.0 mg/L	1.0-2.0 mg/L
Typical Usage	19 lb/day	24 lb/day

Item	Value – Plant 1	Value – Plant 2
Disinfectants		
Type	Chlorine	Chlorine
Dosage Range	1.5-3.0 mg/L	1.5-3.0 mg/L
Typical Usage	25 lb/day	33 lb/day
Corrosion control		
Type	Zinc Orthophosphate	Zinc Orthophosphate
Dosage Range	2.0-5.0 mg/L	2.0-5.0 mg/L
Typical Usage	45 lb/day	45 lb/day
Chemical Storage Systems:		
Alum Storage Tanks		
Number	1	
Type	Fiberglass	
Capacity, each	6,000 gal	
Polymer Storage		
Number	4	
Type	55-gal drum	
PAC	40 lb bags	
Zinc Orthophosphate Storage Tanks		
Number	1	
Type	Fiberglass	
Capacity, each	1,400 gal	
Chlorine Gas		
Number	4/1+1	
Type	Steel 1-ton container	
Cl2 Withdrawal Capacity, each	450 lb/day	
Addition points	Flash mix, filter inlet	
Potassium Permanganate	25 kg Pails	

2.2 Regulatory Considerations

Continually evolving safe drinking water act (SDWA) regulations provide a moving target for water treatment planning. In an ideal world, water utility managers would wait to make plant improvements until Environmental Protection Agency (EPA) and Department of Health and

Safety (DHS) have finalized their new regulations. Plants needing immediate improvements however, do not have this luxury. Pending regulations impacting surface water plants will emphasize protection of water systems from pathogens (e.g., Giardia and Cryptosporidium) and disinfection by-products (THMs, HAAs, etc.).

For the District's Treatment Plants, important SDWA issues include:

- Meeting the existing Enhanced Surface Water Treatment Rule (ESWTR) and the disinfectant/disinfection by-products (DBP) rules that limit HAAs and TTHMs to less than 60/80 ppb. Because of the low raw water TOC there should not be a problem meeting this standard.
- Meeting the long-term two ESWTR and Stage 2 DBP rules that will require the same HAA and TTHM limits as the existing Stage 1, but require compliance based on quarterly results at specific locations in the distribution system and not annual averaged values. The system is currently meeting these standards.
- Meeting the requirements and impacts of the proposed Cryptosporidium Rule may require further inactivation by ozone or UV disinfection. This determination will be based on watershed monitoring for *Cryptosporidium* oocysts. The District elected the option of doing coliform testing in lieu of *Cryptosporidium* testing. Testing results indicate the water supply is currently in Bin 1, which means that supplemental measures such as ultraviolet (UV) light disinfection are not required at this time.
- Ability to achieve 4/5 log removal of *Giardia* and viruses should this become a requirement in the future.
- Ability to achieve greater than 2-log removal of *Cryptosporidium* should this become a requirement in the future.
- Ability to meet the Filter Backwash Recycling (FBW) Rule. The FBW essentially requires all flows associated with the filter backwash system and solids streams to be returned to the plant prior to the point of primary coagulant addition. The State's Cryptosporidium action plan further restricts backwash return by setting goals of less than 2 NTU for the recycled water turbidity and a return rate of less than 10 percent of the influent flow. The District currently meets this standard. However, to reliably meet these goals in the future additional storage and backwash water and solids, decant water treatment may be required.
- Use of traveling bridge filters is strongly discouraged by the Department of Health Services because of their concerns with shallow media, lack of filter to waste, limited redundancy, and poor performance. Installation of new traveling bridge filters is not recommended. To continue use of the existing traveling bridge filters, the following actions may be required:
  - The existing filter's performance for removal of Cryptosporidium and Giardia would have to be verified by using particle count testing.

- Installation of supplemental disinfection using UV lamps or ozone would be required, if filters cannot reliably achieve target particle size removal criteria.
- The existing filter's capacity rating may be reduced to a rating that meets particle removal criteria.

Other codes and regulations that should be considered include:

- Fluoridation Rule – If the District's population grows above 10,000, and funding becomes available, water systems are required to install fluoridation systems.

3 Drinking Water Taste and Odor Characteristics.

Various tastes and odors can be present in water, for example, cucumber like, fishy, rancid, oily, skunk-like odorous compound, musty or muddy or earthy. Causes for these bad tastes and odors are different and can include: decaying organic matter, anaerobic conditions, and blue-green algae. Most incidents with taste and odor issues in drinking water report earthy, musty or muddy taste and odor. Musty and earthy taste and odor have been associated with Geosmin and 2-methylisoborneol (MIB). Rotten egg odors are associated with hydrogen sulfide. Common taste and odor characteristics of drinking water and its causes are given in Table 3.

Table 3. Common compounds causing taste and odor problems in drinking water

Compound	Algae genera producing the compound*	Odor descriptor	Threshold odor concentration (µg/L)
Geosmin	Anabaena, Aphanizomenon, Fisherella, Lyngbya, Oscillatoria, Phormidium, Schizothrix, Symploca	Earthy-corn-musty	0.010
2-methylisoborneol	Oscillatoria, Phormidium, Pseudanabaena, Synechococcus	Earthy-musty	0.010
2t,4c,7c-decatrienal	Synura, Dinobryon	Fishy	-†
2t,6c-nonadienal	Synura	Cucumber	0.004
Linolenic acid	Mycrocystis, Oscillatoria, Chlamydomonas	Sweet-melon-water melon	5
B-cyclocitral	Mycrocystis, Oscillatoria	Sweet-fruity-chocolate-pipe tobacco	3
Isovaleric acid	Chlamydomonas	Rancid-cheesy-dirty socks-sour	20

(Adapted from AWWA Research Foundation - Algae Detection and Removal Strategies for Drinking Water Treatment Plants: Table 2-4

* Not all species of a listed genus or all strains of a species produce taste and odor compounds.

However, because utilities are typically not in a position to identify algae beyond the genus level, the appearance of the listed algae genera in drinking water sources should serve as a warning signal that a nuisance algae bloom may be developing.
† Not determined because no standard was available)

MIB and Geosmin are volatile and saturated cyclic tertiary alcohols, and have a very low threshold odor concentration (from Table 3). These compounds are produced by certain species of cyanobacteria (blue-green algae) and actinobacteria. Cyanobacteria are the only known Geosmin and MIB producers among algae (*AWWA Manual M57*). These algae are required for the formation of MIB and Geosmin. But production of MIB and Geosmin may not be evident when Cyanobacteria are present (Martrano, 2010).

4 Cyanobacteria

Blue-green algae are known as cyanobacteria, myxophyceaens, cyanophyceans, cyanophytes, cyanoprokaryotes, etc. It is common and naturally occurring in many aquatic systems around the world and has existed nearly 3.5 billion years, according to fossil records (Newcombe, 2009). Cyanobacteria are photosynthetic micro-organisms with some characteristics of bacteria and some of algae, comprise unicellular to multi-cellular (colonies or filaments) prokaryotes (Figure 4). It contains Chlorophyll-A pigment for photosynthesis, primary mode of energy metabolism. The phycocyanin pigment in the cells gives a bluish-green color to the algae, and called blue-green algae. Cyanobacteria can be found in wide range of environments: soils, seawater, hot springs, and fresh water. It can be both beneficial (fixing environmental nitrogen) and detrimental (forming toxic algae blooms in water bodies) to the environment.

The important taxa of cyanobacteria based on specialized cell structures are aerotopes, heterocytes and akinetes. A group of gas vesicles present in aerotopes and cells, colonies and filaments can float once enough aerotopes are produced. Gas vesicle cells enables the algae to regulate buoyancy to actively position its location in the water column based on optimum growth conditions. Surface scum forming cyanobacteria: Anabaena, Aphanizomenon and Microcystis can produce aerotopes. Heterocytes cells in some cyanobacteria allow atmospheric nitrogen fixation under anaerobic condition. Akinetes in some filamentous cyanobacteria perform as resting stages to survive through adverse conditions (*AWWA Manual M57*). Many bloom forming cyanobacteria; also known as taste and odor or toxins producers.

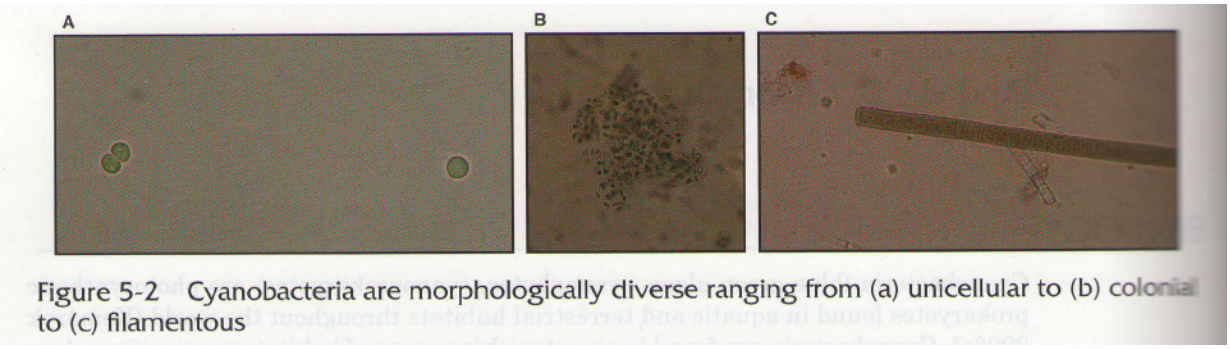
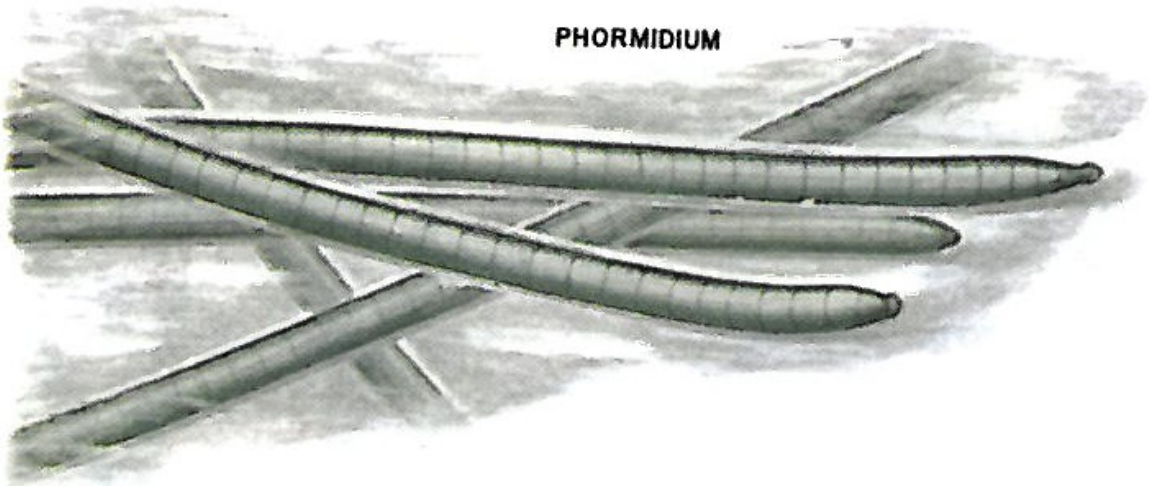
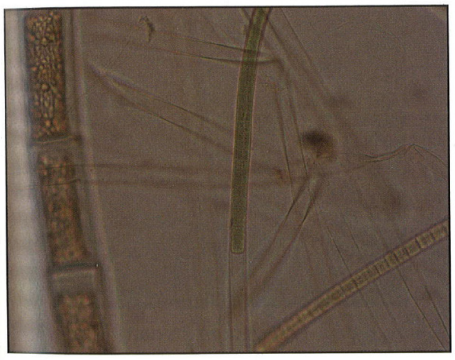


Figure 4. Cyanobacteria forms

(Source: *AWWA Manual M57*)



(Source: *Standard Methods section 10-167, plate 29 & 30*)



(Source: *AWWA Manual M57*)

Phormidium

(Source: Newcombe, 2009)

Figure 5. Phormidium

Note: Phormidium is the taste and odor producing blue green algae identified in Chesbro Reservoir.

Cyanobacteria can be commonly found in surface water. Different cyanobacteria species live in different habitats within a water body. Planktonic forms (Anabaena, Microcystis, Planktothrix rubescens, Cylindrospermopsis raciborskii, Planktothix agardhii) can be present near the surface or distributed through the water column. Benthic forms (Oscillatoria, Phormidium and Lyngbya) may be present where sufficient light reaches the bottom of water body, can form a loose mat to bottom sediments or rigid substances such as rock. Figure 5 shows the Phormidium algae. Periphytic forms can attach to any floating matters, submerged vegetation, emergent and even to other algae (*AWWA Manual M57*). Microcystis, Anabaena, Aphanizomenon, Lyngbya, Planktothrix, Nostoc and Cylindrospermopsis are some of the common genera found in California (Cyanobacteria in California Recreational Water Bodies, draft report).

The location of cyanobacteria in the water column, seasonality and cyanobacteria species in the community should be considered to manage algae in drinking water source. Factors that influence seasonal pattern of algae bloom include but not limited to geography, reservoir morphometry, nutrient and light availability, weather patterns, competitions between algae species, and grazing. Different species of algae has its optima for various environmental conditions (water temperature, pH, nutrient, light, etc.) in ultimate success or failure of resource limiting growth. If the species is a better competitor for resource limiting growth, it can continue to grow at the expenses of other species in the phytoplankton community. Algae bloom occurs when conditions favor the growth, which lasts for a long enough period to form large biomass accumulation.

Cyanobacteria prefer alkaline and nutrient enriched waters. Its growth needs to be supported by essential nutrients such as nitrogen, phosphorous and trace elements. Nitrogen and phosphorus are most often associated with limiting algae growth. Phosphorus requirement varies between cyanobacteria species and many of them are poor competitors for phosphorous (*AWWA Manual M57*). Cyanobacteria have the capability of high phosphorus uptake and storage of phosphorus when it is available in plenty. This ability is advantageous to some species such as Mictocystis which can regulate its buoyancy and move down to phosphorus enriched reservoir bottom when surface phosphorus level is not sufficient. Total nitrogen (TN) and total phosphorus (TP) are positively correlated to algae bloom occurrences. TP concentration can be a better predictor for algae bloom than TN:TP ratio. Further, increase in TP concentration from 30 to 100 µg/L accelerates dominance of cyanobacteria (Havens). Though nitrate, nitrite and N_2 can be used by cyanobacteria ammonia is the preferred form of nitrogen source. This algae group is also capable of storing nitrogen.

Light availability is the primary limiting factor in cyanobacteria growth. Due to light attenuation and absorption by water both light quality and quantity change with the water column. Cyanobacteria can vertically migrate in the water column to get optimum light intensity and quality or even adapt to changes in light conditions by changing its photosynthetic units (*AWWA Manual M57*). However, many cyanobacteria are sensitive to high light intensities for a prolonged period. It has a low metabolic maintenance constant which helps to

maintain cell function and structure with little energy, which implies cyanobacteria growth rate can be faster than other phytoplankton when light intensity is low (*Toxic Cyanobacteria in Water*).

Blue green algae bloom most commonly occur in warmer water and summer. When water temperature goes above 20ºC (68ºF), cyanobacteria dominance can be often observed (Havens). Most of the cyanobacteria reach maximum growth rate at temperature above 25ºC (*Toxic Cyanobacteria in Water*). However, other environmental factors should favor the growth.

Cyanobacteria growth rate/doubling rate is low compared to diatom or other single-cell green algae and the loss rate is also generally low (*Toxic Cyanobacteria in Water*). The growth rate is compensated by its low decay rate and prevalence of population once it is established. Water with high retention time or less turbulence is advantageous to cyanobacteria growth. Weather patterns can also play an important role in favoring algae bloom. Heavy rain followed by a prolonged dry and calm period may result in nutrient enriched runoff. On the other hand, heavy storms can disturb the algae surface scum, distribute algae throughout the water column and expose them to unfavorable environmental conditions. Lighter wind may concentrate surface scum to shore line and form thicker algae scum.

Taste and odor characteristics of water are an indication of cyanobacteria presence and lack of taste and odor does not imply the absence of cyanobacteria. Location of geosmin and MIB production in water bodies are different; geosmin is more likely to be produced in the water column and MIB is in sediments (Ortenberg and Telsch). These relatively stable components may present in the water column for a while after release and then volatile organic carbons (VOCs) move away from production site (*AWWA Manual M57*). Geosmin and MIB can be produced by both planktonic and benthic species. Further, species Nostocales and Oscillatoriales including bloom formers Anabaena circinalis, Aphanizomenon, flos-aquae, and P.agardhii are the primary geosmin producers. Oscillatoria, Phormidium and Pseudanabaena are some of the well-known MIB producers.

4.1 Cyanotoxins

In addition to taste and odor compounds, cyanobacteria can produce cyanotoxins; chemical that may be harmful to aquatic and terrestrial organisms or may induce toxic effects. Cyanotoxins are produced and can be found within cyanobacteria cells. When the cells die and the cell membrane disintegrate (process called lysis) the toxins are released into water. Though the water is clean after a blue-green algae bloom, the toxins concentration level may be high due to the toxins released from dead algae/cell. The released cyanotoxins dilute and degrade over the time. Naturally occurring aquatic degradation bacteria can remove 90% microcystin within 2 – 10 days and the laboratory test showed that half-life of anatoxin-a degradation was about 5 days in the presence of sediment and natural bacteria (Chorus & Bartram, 1999).

Cyanotoxin poisoning to domestic and wild animals have been reported worldwide. Cyanotoxin poisoning in human cases are uncommon, probably because people avoid direct contact with

surface scum. However, exposure to the cyanobacteria in any form: ingestion, dermal contact and inhalation, may pose risks to humans and pets. Blue green algae may have the potential to have adverse health effects in high concentrations depending on the groups, cyanotoxins and the amount or concentration to which one is exposed. Table 4 provides the recreational activities and their level of exposure. Exposure to water bodies containing cyanotoxins may cause rashes; eye, mouth, nose or throat irritation; allergic reactions; headache; gastrointestinal upset; malaise; and other reactions such as fever and pneumonia.

Table 4.Level of recreational activities

Level of Exposure	Recreational Activity
High	Swimming, diving, water skiing
Moderate	Canoeing, sailing, rowing
Low to none	Fishing, pleasure cruising, picnicking, hiking

(Source: Cyanobacteria in California Recreational Water Bodies, draft report)

Most of the cyanotoxins belong to three (3) classes: cyclic peptides, alkaloids and endotoxins (*AWWA Manual M57*). Microcystin belongs to cyclic peptides is the most commonly reported cyanotoxin worldwide. Microcystins and anatoxin-a are the particular cyanotoxins identified in California (Cyanobacteria in California Recreational Water Bodies, draft report). Many cyanobacteria species may be present in a bloom and can simultaneously produce multiple cyanotoxins. Microcystis, Planktothrix, Oscillatoria, Nostoc, Anabaena, Anabaenopsis and Hapalosiphon cyanobacteria species are well known microcystins producers. Anabaena, Cylindrospermum and Phormidium are known to produce neurotoxins: anatoxin-a (ATX). Table 5 provides the common cyanotoxins and the primary target organ in mammals.

Table 5. General features of the Cyanotoxins

Toxin Group	Primary target organ in mammals	Cyanobacterial genera
Cyclic peptides		
Microcystins	Liver, possible carcinogen in this and other tissues	*Microcystis, Anabaena, Planktothrix (Oscillatoria), Nostoc, Hapalosiphon, Anabaenopsis, Aphanizomenon ovalisporum*
Nodularin	Liver, possible carcinogen	*Nodularia, Anabaena, Planktothrix (Oscillatoria), Aphanizomenon*
Alkaloids		
Anatoxin-a	Nerve synapse	*Anabaena, Planktothrix (Oscillatoria), Aphanizomenon, Cylindrospermopsis*
Anatoxin-a(S)	Nerve synapse	*Anabaena*
Aplysiatoxins	Skin, possible tumour promoter	*Lyngbya, Schizothrix, Planktothrix (Oscillatoria)*
Cylindrospermopsins	Liver and possibly kidney. Possible genotoxic and carcinogenic	*Cylindrospermopsis, Aphanizomenon, Umezakia, Raphidiopsis, Anabaena, Lyngbya* (benthic)

Toxin Group	Primary target organ in mammals	Cyanobacterial genera
Lyngbyatoxin-a	Skin, gastrointestinal tract, possible tumour promoter	*Lyngbya*
Saxitoxins	Nerve axons	*Anabaena, Aphanizomenon, Lyngbya, Cylindrospermopsis*
Lipopolysaccharides (LPS)	Potential irritant; affects any exposed tissue	All

(Source: Newcombe, 2009)

World Health Organization (WHO) established a provisional guideline for drinking water microcystin – LR to be 1.0 µg/L in 1998. Though cyanobacteria and cyanotoxins have been added to US Environmental Protection Agency's (EPA) Contaminant Candidate List (CCL-1 and 2) no guidelines have been established for cyanotoxins in the United States yet. When residual chlorine of 0.5 mg/L is maintained for more than 30 minutes in finished water at neutral pH, post chlorination may eliminate microcystin and cylindrospermopsin (*AWWA Manual 57*).

4.2 Managing Cyanobacteria and Their Toxins

Mitigation and prevention are two (2) methods to manage cyanobacteria. Mitigation involves control and removal of cyanobacteria once it has bloomed (See Section 7). Prevention is to control or limit the environmental conditions that favor the cyanobacteria growth. Nutrient control is one of the most common strategies to prevent algae bloom. For effective nutrient control, the limiting factor needs to be determined and the nutrient source needs to be identified. As mentioned above, each species has its specific optimum nutrient intake. Based on the species dominate in the phytoplankton community, the limiting factor may vary.

Aquatic weeds growing along the shore line may introduce nutrients into the reservoir when they die. Controlling aquatic weeds would help in reducing algae blooms. The manual practices may be:

a. Manual harvesting of aquatic weeds.

b. Varying reservoir water level.

5 Review of Historical Raw Water and Finished Water Quality

This section of TM will discuss the data related to Cosumnes River water, rainfall, Chesbro Reservoir, and water treatment plant influent and effluent water quality.

5.1 Rainfall and Cosumnes River Mean Flow During Water Extraction Period to Reservoir

Cosumnes River is the only water source for the Rancho Murieta community drinking water. Out of the 343,000-acre watershed, 3,500 acres (nearly 1%) is owned or controlled by the

District. The watershed receives mean seasonal precipitation of 38 inches (IN) per year. Stream flows of the Cosumnes River are: maximum of 23,048 cubic foot per sec (cfs), minimum of 3 cfs and average of 417 cfs based on surface water source data sheet updated in March 2011.

Water required for the year is pumped from Cosumnes River and stored in Calero and Chesbro Reservoirs. Appendix B provides monthly average rainfall and Cosumnes River mean flow from November through May. It is not clear whether rainfall data includes all forms of precipitation. Comparatively, years 2005, 2006, 2010 and 2011 received total seasonal rainfall greater than 15 inches in the first five (5) months of year. Cosumnes River mean flow was also high corresponding to above years' rainfall.

Cosumnes River was not monitored for its water quality. No water quality data is available to analyze for nutrient transport to Calero and Chesbro Reservoirs.

5.2 Reservoir Water Surface Elevation

From the reservoir water surface elevation tables and graphs shown on Appendix C, the following observations are made:

- Calero Reservoir water surface elevations go through a regular pattern of increasing from January through May and gradually falling during the summer and fall as water is drained into Chesbro Reservoir.
- Historically, Chesbro Reservoir elevations have been held relatively constant. However, during the last four (4) years, the reservoir level has been allowed to decline about 5 ft to allow for weed abatement along the shoreline.
- Types of recreational activities allowed in the reservoirs are boating and fishing. Reservoir water is typically clear of visible algae. As discussed in paragraph 1.1, aquatic vegetation growth was noticed in summer 2011. Further, vegetation along reservoir sides can be noticed from Figure 4 of Appendix A.

5.3 Reservoir DO level

Seasonal dissolved oxygen (DO) data for Chesbro Reservoir is not available as it is not a required or typical testing parameter for raw water. Appendix D provides DO sampling sites in Chesbro Reservoir and respective DO levels as sampled on September 27, 2011. Water treatment plant intake pipe is located near to sample site No. 5. DO level of sample sites Nos. 1, 2, 5 and 6 was less than 0.25 mg/L at 25 ft water depth where sample location No. 4 DO level was less than 0.25 mg/L at 15 ft water depth. Sample site No. 3 DO levels gradually decreases over the water depth and rest of the sample site. DO level shows sudden drop in last 5 ft water depth.

5.4 Raw and Finished Water Quality Parameters

Appendix E1 tabulates monthly average of influent flow, pH and turbidity; effluent flow, pH and turbidity; and chemicals used in the processes for water treatment plant (WTP) No. 1 and No. 2.

5.4.1 Flow

Appendix E2 shows the graphs for influent flow setting, flow rate, and effluent flow rate of WTP No. 1 and 2. Followings were noticed from the data:

- WTP No. 1 shuts down for nearly four (4) months between November and March, starting from 2008.
- WTP No. 1 and 2 water production increases from March to August and gradually decreases in following months.
- WTP No. 1 and 2 influent flow rate was less than flow setting value.
- WTP No. 1 influent flow rate was less than effluent flow rate in 2006, 2007, 2008 and 2009.
- WTP No. 2 influent flow rate was less than effluent flow rate in 2007, 2008 and 2010.
- WTP No. 2 effluent flow was greater than 3 MGD in June to July, 2008. Data needs to be verified.
- WTP No.2 was shut down in mid-February to end of March in 2010, and mid-March to mid-April in 2011.

Errors in flow meter readings and water used for backwashing are the causes for the above observations. The older propeller meters have now been changed to magnetic flow meters to obtain more accurate readings.

5.4.2 pH

Appendix E3 shows WTP No. 1 and 2 influent and effluent pH. Influent pH is same for both WTPs. Influent pH gets lower from May to August. Seasonal trend of influent and effluent pH looks similar. However, it should be noted that influent pH has increased from the yearly average of 6.99 in 2006 to 7.74 in 2011 (average of Jan to August). Year maximum and minimum influent pH is given in Table 6.

Table 6. Influent pH - Year Minimum and Maximum

Year	Min	Max
2006	6.10	8.00
2007	6.53	7.95
2008	6.68	8.05
2009	6.50	8.43

Year	Min	Max
2010	6.99	8.09
2011	7.12	8.18

5.4.3 Turbidity

Appendix E3 shows WTP No. 1 and 2 influent and effluent turbidity. Influent turbidity increases slightly in the summer. Regardless of influent turbidity, WTP No. 1 and 2 effluent monthly average turbidity was less than 0.3 NTU.

5.4.4 Temperature

Increased temperatures affect the biological activities of water bodies as well as making taste and odor compounds become more apparent. Goldman and Carpenter (1974) stated that increase in water temperature can cause increased algae growth rates. Further, as temperature increases, more and more growth of a particular species may slow down and another species can dominate the water body. Each species have maximum specific growth rate at different optimum temperature.

As vapor pressure of odor-causing substances and their odor intensity are directly related to water temperature and aqueous concentration, it is very important to mention the temperature at which TON is made. Whelton and Dietrich (2004) mentioned that perceived odor intensity of odorants (1-butanol, free available chlorine, geosmin, n-hexanal, 2-methylisoborneol, and trans-2, cis-6 nonadienal) at weak concentration (approximately 4 on the flavor profile rating scale) was greater at a temperature of 45 degrees C than at 25 degrees C.

Calero Reservoir, Chesbro Reservoir and plant influent temperature data is not available. Appendix E4 depicts WTP No. 1 and 2 effluent temperatures, which increases from March to August and gradually decreases. Table 7 gives the number of days that the effluent temperature was higher than 75, 78 and 80 degree F. Effluent temperature was higher than 80 degree F in 2006, 2007 and 2011.

Table 7. Effluent Temperature

Month & Year	No. of days effluent temperature higher than		
	75 degree F	78 degree F	80 degree F
June, 2006	2	0	0
July, 2006	27	7	0
Aug, 2006	31	12	4
Sep, 2006	13	0	0
Oct, 2006	0	0	0
June, 2007	3	0	0
July, 2007	31	8	0

Month & Year	No. of days effluent temperature higher than		
	75 degree F	78 degree F	80 degree F
Aug, 2007	31	17	1
Sep, 2007	22	9	1
Oct, 2007	1	0	0
June, 2008	3	0	0
July, 2008	25	0	0
Aug, 2008	31	11	0
Sep, 2008	25	4	0
Oct, 2008	1	0	0
June, 2009	17	1	0
July, 2009	31	30	0
Aug, 2009	31	16	0
Sep, 2009	30	11	0
Oct, 2009	2	0	0
June, 2010	5	0	0
July, 2010	31	14	0
Aug, 2010	31	6	0
Sep, 2010	24	0	0
Oct, 2010	4	0	0
June, 2011	6	0	0
July, 2011	31	11	0
Aug, 2011	31	31	3

5.4.5 Alkalinity/Hardness

Source water monthly alkalinity data is shown in Appendix E5 graph. It is hard to correlate seasonal alkalinity trend. Source water highest alkalinity was experienced in September 2006. Source water average alkalinity is nearly 42 mg/L and hardness is nearly 40 mg/L as CaCO3.

5.4.6 TOC

Source water monthly Total Organic Carbon (TOC) and WTP No. 1 and 2 treated water TOC data is shown in Appendix E5 graph. It is hard to correlate seasonal TOC trend. Most of the time source water TOC was less than 5 mg/L and WTP No. 1 and 2 effluent TOC was less than 4 mg/L.

5.4.7 Iron, Manganese and Zinc

The water samples were not continuously monitored for iron, manganese and zinc concentration. Though the data provided in Table 1 and 2 of Appendix E1 shows monthly average concentration of iron, manganese and zinc data, the water was not sampled throughout the month. The available data is not enough to analysis and comment.

The District monitors for Iron and manganese in RW influent and effluent, and monthly sampling result is given in Appendix E1.

5.4.8 MIB and Geosmin

Organic compounds produced by certain species of blue-green algae that impart unpleasant taste and odor into waters include geosmin and 2-Methylisoborneol (MIB). Humans can taste/smell geosmin and MIB in water at concentrations 0.01 and 0.03 parts per billion (ppb) (*Taste and Odor in Drinking Water*). MIB concentration on August 31, 2011, Chesbro raw water sample was 84 ng/L (0.084 ppb); and WTP No. 1 effluent had 96 ng/L (0.096 ppb) and WTP No. 2 effluent had 86 ng/L (0.086 ppb) MIB.

To remove the T/O causing algae, the District submitted a mitigation plan and received approval from CDPH on September 8, 2011, to apply Green Clean Pro, a granular algaecide, at a dose rate of 30 mg/L (max 33 mg/L) to treat the shoreline of Chesbro Reservoir for algae.

On September 12 and 16, 2011, raw water sample data show that the MIB concentration in raw water was less than 40 ng/L and the geosmin concentration was less than 15 ng/L. MIB and Geosmin decreased concentrations can be noticed in WTP No. 1 and 2 effluent. Samples taken on September 27, 2011 in Chesbro Reservoir, No. 1 through 4 show the Geosmin and MIB concentration along the intake pipe and one (1) foot below water surface. In October 2011, Geosmin and MIB concentrations were non-detectable in raw water and WTP effluent.

6 Possible Causes of Taste and Odor in Finished Water

One of the major goals of this study is to evaluate the impact of extreme raw water quality events, or poor water quality, on the ability of the water treatment facility to reliably produce water at its design production capacity as well as evaluate any potential process changes or reservoir treatments that should be considered.

6.1 Lake Stratification

During the warm summer months, reservoirs often stratify causing the formation of a cooler water lower anaerobic zone in the reservoir known as the hypolimnion overlain by a warmer water layer called the epilimnion. Anaerobic sediment tends to release ammonia and orthophosphate, which can reinforce eutrophication. Entrainment of nutrients from the hypolimnion to the epilimnion can support summer blooms of blue-green algae which may produce taste and odor compounds and toxins. Anaerobic conditions can also lead to accumulation of iron, manganese and sulfides that would otherwise be oxidized when dissolved oxygen levels are higher. These inorganic constituents can degrade the aesthetic quality and treatability of drinking water. Organics released from decaying matter at the reservoir bottom can be concentrated in the hypolimnion along with carbon dioxide due to lack of mixing with the aerobic zone. A summary of the water quality changes that make the water in the hypolimnion more difficult to treat include:

- Lower pH (typically < 7.0)
- Zero to low dissolved oxygen
- Variable TOC and UV-254 absorbance
- Elevated iron and manganese
- Increased taste and odor

To address these conditions, many years ago, the District installed an air compressor and diffusers near the water plant intake pipe on the bottom of the reservoir to increase the DO level. This has been effective in controlling iron and manganese levels in the raw water. Since this condition develops nearly every summer without T&O problems, it is likely that some other factor is responsible for the T&O event experienced in the summer of 2011. A summary of possible causes is listed below.

6.2 Algae Growth on Rock

Growth of algae attached to the rocks along the dam face was visible, this summer, to a depth of 20 feet. When the reservoir level was drawn down, the algae appeared to die off, but quickly reappeared when the reservoir level was brought back up. This algae has been tentatively identified as Phormidium, a cyanobacteria or blue-green algae. Phormidium usually forms flat, slimy mats of tangled filaments. The mats are usually attached to benthic substrates, and can detach and float to the surface. Occasionally, the filaments may be solitary or arranged in tufts. Blue-green algae are associated with the formation of MIB, which imparts an earthy-musty taste and odor to reservoirs and ponds. There are also other species of blue-green algae that are suspended in the water column. Reservoir stratification has been associated with increased occurrence of blue-green algae due to entrainment of nutrients from the hypolimnion to the epilimnion. This mechanism gives blue green algae a completive advantage over other algae species in low DO zones within a reservoir.

6.3 Aquatic Weeds

Hydrilla and Milfoil are common aquatic weeds characterized as having fronds that grow near the shoreline. These plants have been observed and have been removed with a harvester. These forms of algae/aquatic weed are not directly associated with MIB formation, however, when these plants die, the decaying matter can cause increased TOC levels and also cause fishy or grassy T&O. It is suspected that these plants are the cause of high TOC concentrations that have been observed in the reservoir over the last 10 years. Appendix E7 provides source water TOC concentration and alum dosage.

6.4 Algae Identification

In the future, the District should consider routinely performing algae identification during the summer in order to determine when blue-green algae begin to grow in sufficient numbers to cause a T&O episode. As reported in the AWWA Opflow October, 2011, (see Appendix G),

the City of Westminster, Colorado is using a new particle imaging and analysis equipment to automatically detect problematic algae species before a large bloom occurs. Once blue-green algae are detected, proactive measures can be implemented to prevent the formation of T&O compounds.

7 Alternatives for Addressing Water Quality Issues

The following alternatives have been identified as techniques that could be used to either improve reservoir water quality or to remove problematic constituents that may be present. A discussion of the pros and cons of each of these alternatives as well as the relative costs are presented below.

7.1 Algaecide Addition

There is a wide range of algaecides that are commercially available for treating algae growth in ponds and reservoirs. Algaecides that have been shown to be effective include copper sulfate, Sonar (Fluridone based product), Reward (Diquat based product), and Green Clean Pro with the active ingredient sodium carbonate peroxyhydrate.

7.1.1 Copper Sulfate

Copper sulfate is frequently used for algae control. Use of water treated with copper sulfate does not have a limit when it is used for irrigation, livestock or domestic purposes and copper sulfate is applied according to manufacturer's recommendation. However, it is not recommended for use in soft water with alkalinity less than 50 ppm as $CaCO_3$ as it is toxic to fish (Durborow, et.al.). Some of the fish species sensitive to copper are Carp, Goldfish, Koi, Trout, and Salmon (Wurts, W.A.). Chesbro Reservoir average hardness is nearly 40 mg/L as CaCO3. Bass,Blue Gill, and Mosquito fish are the only fish found in Chesbro reservoir and should not be affected. Application of copper sulfate to water with alkalinity greater than 300 ppm as $CaCO_3$ is limited; effectiveness of copper sulfate is greatly reduced as the copper from copper sulfate precipitates out of solution. Copper precipitates eventually accumulate at reservoir bottom sediments. At pH above 7.0, any dissolved copper still remaining in the raw water will precipitate as copper carbonate and be removed in the sedimentation basins or the filters. Table 8 summarizes recommended copper application rates to control various algae species.

Table 8. Recommended Copper Sulfate Doses for Various Algae Species

ORGANISM	1/4 to 1/2 ppm*	1/2 to 1 ppm*	1 to 1 1/2 ppm*	1 1/2 to 2 ppm*
Cyanophyceae (Blue-Green)	Anabaena Anacystis Aphanizomenon Gloeotrichia Gomphosphaeria Polycystis Rivularia	Cylindrospermum Oscillatoris Plectonema	Nostoc Phormidium	Calothrix Symploca
Chlorophyceae (Green)	Closterium Hydrodictyon Spirogyra Ulothrix	Botryococcus Cladophora Coelastrum Draparnaldia Enteromorpha Gloeocystis Microspora Tribonema Zygnema	Chlorella Crucigenia Desmidium Golenkinia Oocystis Palmella Pithophora Staurastrum Tetraedron	Ankistrodesmus Chara Nitella Scenedesmus
Diatomaceae (Diatoms)	Asterionella Fragilaria Melosira Navicula	Gomphonema Nitzschia Stephanodiscus Synedra Tabellaria	Achnanthes Cymbella Neidium	
Protozoa (Flagellates)	Dinobryon Synura Uroglena Volvox	Ceratium Cryptomonas Euglena Glenodinium Mallomonas	Chlamydomonas Hawmatococcus Peridinium	Eudorina Pandorina

*1/4 - 1/2 ppm = 0.7 - 1.3 lb. product/acre ft. *1/2 - 1 ppm = 1.3 - 2.7 lb. product/acre ft.
*1 - 1 1/2 ppm = 2.7 - 4.0 lb. product/acre ft. *1 1/2 - 2 ppm = 4.0 - 5.4 lb. product/acre ft.

The copper rate to control algae may be toxic to fish or other bottom organisms. Further, filamentous algae are resistant to copper sulfate (Durborow, et.al.). Use of copper sulfate will cause sudden oxygen depletion from algae die off. In order to avoid low DO concentration in water, it is recommended to treat 1/3 or 1/2 water area at a time and leave nearly two (2) weeks between treatments. Granular Copper sulfate 6 lb bag costs around $19.

7.1.1.1 Effluent Water Copper Concentration

Copper is not listed under maximum contaminant levels (MCL) Title 22 of California Code of Regulations. The secondary MCL for copper is 1 mg/L and this limit should not be exceeded in waters supplied to the public by community water systems. Many communities that have wastewater treatment plant (WWTP) effluent discharges to surface waters are prohibited from using copper compounds due to the potential impact of extremely low levels of copper on aquatic life in the receiving water. However, systems that reclaim the effluent for irrigation are good candidates for algae control with copper, such as the District. For example, the Fresno Irrigation District routinely treats the canal conveying water to the City of Clovis water system treatment plant with copper during the summer. Clovis reclaims their wastewater treatment plant effluent for irrigation. Nevada Irrigation District also is reported to use copper sulfate to control algae in their water supply system.

7.1.1.2 Permit Requirements to Copper Sulfate Algaecide Application

Statewide General National Pollutant Discharge Elimination System Permit (NPDES) for the discharge of aquatic pesticides for aquatic weed control in waters of the United States General Permit No. CAG990005 addresses the discharge of aquatic pesticides: 2, 4-D, acrolein, copper, diquat, endothall, fluridone, glyphosate, imazapyr, sodium carbonate peroxyhydrate, and triclopyr-based aquatic pesticides for the control of aquatic weeds. "The application of aquatic pesticides is not necessarily considered a discharge of pollutants according to the Talent decision. The regulated discharge is the discharge of pollutants associated with the application of aquatic pesticides. These include over-applied and misdirected pesticide product and pesticide residue." The discharger/user shall prepare and submit a completed Notice of Intent to comply with the terms of the General Permit, a vicinity map and the first annual fee to the appropriate Regional Water Quality Control Board (RWQCB) in order to obtain coverage under the General Permit. The discharger can initiate termination of the General Permit by submitting a letter to Regional Water Board explaining why the coverage under the General Permit is no longer required.

The total copper limitation will be calculated based on water hardness.

Maximum residual total Copper concentration = exp{0.8545[ln(hardness)]-1.702}

The RWQCB may allow short-term or seasonal exceptions from meeting the priority pollutant criteria/objectives if "determined to be necessary to implement control measures either for resource or pest management… conducted by public entities or mutual water companies to fulfill statutory requirements or regarding drinking water conducted to fulfill statutory requirements under the federal Safe Drinking Water Act or the California Health and Safety Code" (Policy for Implementation of Toxics Standards for Inland Surface Waters, Enclosed Bays, and Estuaries of California, Water Quality Order No. 2004-0009-DWQ). The aquatic pesticide users who seek exceptions submit the following information to the RWQCB:

(a) CEQA documentation including notifying potentially affected public and government agencies;
(b) A detailed description of the proposed action which includes the proposed method of completing the action;
(c) A time schedule;
(d) A discharge and receiving water monitoring plan that specifies monitoring prior to application events, during application events, and after completion with the appropriate quality control procedures; and
(e) Any necessary contingency plans.

Also, check with CDPH to confirm their approval, seek modification to drinking water permit to allow copper addition under controlled application.

7.1.2 Green Clean Pro

As discussed above, the District received approval from CDPH to apply Green Clean Pro to treat algae. Green Clean Pro is a non-copper algaecide contains active ingredient of sodium carbonate peroxyhydrate. This algaecide uses peroxygen chemistry to create hydroxyl free radicals which can destroy algal cell membranes and chlorophyll, and immediately control algae. The Green Clean Pro Technical bulletin states that no bioaccumulation occurs, no algae resistance is triggered and only oxygen is released when Green Clean Pro is applied to algae mat. The specimen label of Green Clean Pro mentions that water treated with this algaecide are permissible to be used without interruption. Green Clean Pro Granular 50 lb bag costs around $150.

Statewide General National Pollutant Discharge Elimination System Permit for the discharge of aquatic pesticides for aquatic weed control in waters of the United States General Permit No. CAG990005 does not have a receiving water limitation for sodium carbonate peroxyhydrate. However, the permit requires the dischargers to monitor their applications.

7.2 Reservoir Mixing System

Various types of reservoir mixing systems have been utilized to improve reservoir quality. These include the Solar Bee and Wears mixing systems. The Solar Bee uses an upflow mixer that brings the anaerobic water from the bottom to the surface. The Wears system uses down flow mixers to push aerobic surface water into the hypolimnion to break the stratification. The Wears system reports good results in destratifying reservoirs and discouraging the growth of blue-green algae in several systems in Australia and one system in the US. The Solar Bee systems have generally not been that effective. The estimated cost of a Wears 1000, 1.0 hp mixer is $85,000. The size of the mixer needs to be confirmed by Wears. Reference information regarding the Wears reservoir mixing system is presented in Appendix F1.

7.3 New Intake with Ability to Withdraw from Different Levels

The water quality within a reservoir can vary widely at different levels due to various factors such as stratification, wind driven currents, and algal blooms. The cost of a multiple withdrawal level concrete intake tower would be several million dollars. The water quality from the existing intake point at the bottom of the lake has generally been very good with the exception of the taste and odor episodes. Given the relatively small size of Chesbro Reservoir, Geosmin and MIB tend to become diffused throughout the water column and withdrawing from different levels would likely not avoid the problem. Given the high cost for little improvement in raw water quality, this alternative is not recommended for further evaluation.

7.4 Treatment Alternatives

A wide range of treatment alternatives is available to reduce or remove taste and odor problems. Some of the treatment alternatives include: ion exchange units, air stripping, chemical or mechanical oxidation and adsorption. Identification and Treatment of Tastes and Odors in Drinking Water by AWWA Research Foundation tabulates a literature review of

treatment techniques used for specific T/O compounds and the results obtained. Treatment techniques common for MIB and geosmin removal are aeration, granular activated carbon (GAC), rapid-sand filter, slow-sand filter, powdered activated carbon (PAC) and oxidation (Cl2, ClO2, MnO2, KMnO4, and ozone).

7.4.1 Ozonation

Ozone is being used as a disinfectant in both water and wastewater industries. Because of its oxidizing properties, it is also used to reduce or remove taste and odor issues in drinking water by breaking down organic compounds, and to aid in the removal of iron and manganese by oxidizing these compounds to insoluble forms. Ozone is also effective in partially oxidizing organics in the water to biodegradable compounds that can be removed by biological filtration. When ozonation is placed upstream of filtration, and environmental conditions such as dissolved oxygen, pH, nutrients and temperature are favorable, microbiological activity is increased in the filter and Biological Dissolved Organic Carbon (BDOC) and Assimilable Organic Carbon (AOC) removal is enhanced. Ozone addition introduces large amounts of oxygen to the water, thus, creating an excellent environment for biological growth on the filter media. Microorganisms grow best on filter media when chlorine is not applied overtop filters and when filter backwash supply water does not contain chlorine. Biological filters are recommended with ozone usage to ensure biologically stable water is sent to the distribution system and to provide additional removal of targeted contaminants.

Ozone usage for effective T&O treatment depends on water parameters: pH, temperature, concentration of organic compounds, and concentrations of inorganic compounds (Suffet, et.al., 1995). The typical ozone injection rate for municipal drinking water is approximately 3 mg/L. A CT of 1.6, the combination of ozone oxidation followed by biological filtration has been found to be effective in removing MIB and geosmin to levels below 10 ppt. Pilot work can determine ozone effectiveness to remove geosmin and MIB based on source water quality. Preliminary testing at the District plant site indicated that ozone was able to remove the musty odor in the water. Further testing is needed to accurately determine the ozone demand and needed ozone dose. Based on experience from other plants with similar T&O problems, an ozonation system would have the following design criteria:

- Dose = 3 mg/L
- CT = 1.6
- Available contact time in 12-inch raw water piping – 1.5 minutes
- Required residual = 1.06 mg/L
- Ozone system capacity = 100 lb day
- Number of generation units (one duty plus one standby)
- Onsite air preparation system oxygen gas flow = 10 scfm (600 scfh) with 30 hp compressor

A complete ozone system with 100 lb/day firm ozone generation capacity will cost approximately $828,000. Estimated operating costs for a 100 lb/d ozonation system are as follows:

- Power - $150 per day
- Labor - $40 per day
- Materials/Replacement Parts - $30/day

Typical ozone system data sheets for two (2) reputable manufacturers and information regarding the air preparation system are shown in Appendix I.

An alternative to purchasing an ozone system would be to rent a system. This could make sense considering the T&O events do not occur year round. Rental of a 100 lb/day unit (two (2) units, one (1) standby) would cost approximately $ 15,000/month with a three (3) month minimum yearly (five (5) year contract). This would include monthly service visits. Piping and electrical modifications would be required to allow for installation of the rental equipment.

7.4.2 PAC

Powdered Activated Carbon (PAC) is used in drinking water treatment facilities to deal with water aesthetic issues such as taste and odor. PAC uses adsorption technique to remove T/O compounds in the water and it is directly added to water before or during coagulation. The selection of particular PAC depends on the particle size distribution to remove organic compounds. Contact time, disinfectant dose, mixing conditions, and the presence of organic compounds will influence the adsorption efficiency. Table 9 summarizes data obtained by Suffet and et. al. for different carbon type used, geosmin or MIB concentration in water and PAC dosage with contact time. Note that a contact time of greater than three (3) hours is not possible with the existing WTP configuration.

Table 9. Recommended PAC Doses for Various T&O Compounds

Compound	Odor Threshold Concentration	Carbon Type	Concentration Range, µg/L	Equilibrium Time	PAC Dosage, mg/L
Geosmin	4	Aqua Nuchar	0.005 – 0.1	3 h	4.1
		WPH	0.05 – 2.2	5 d	0.04
		WPH	0.009 – 0.05	5 d	
MIB	9	Aqua Nuchar	0.001 – 0.02	3 h	8.3
		WPH	0.04 -6	5 d	0.18
		WPH	0.01 – 0.04	5 d	

Research reported that PAC dosage of 23 mg/L removed geosmin and MIB from concentration of 66 ng/L down to 2 and 7 ng/L (Mullevialle, 1987). Further, PAC is effective in removing organic odorous compounds up to 73%. Use of PAC at the WTP last summer, at a dose of 5 mg/L, helped to reduce the level of MIB, but not enough to prevent T&O detection by sensitive users. Jar testing can be used to reveal the optimum PAC size selection and type based on the organic compounds present in the water and other water quality parameters.

7.4.3 Granular Activated Carbon (GAC)

Granular activated carbon (GAC) is an adsorption medium that removes elements from a water stream by adsorbing to its porous surface. GAC can be used for the removal of disinfection byproduct precursors and/or taste and odor compounds. In addition to adsorption, removal of MIB and geosmin is also provided by biological activity in the GAC filter. Natural TOC present in the water will compete with MIB and geosmin for available adsorption sites. Therefore, placing the GAC process after the existing filters would provide optimum performance. GAC can remove MIB and geosmin to below the target level of 10 ng/L.

The GAC contactors would consist of three (3) 10 ft diameter by 30 ft long pressure vessels filled with 5 ft of GAC media. With all three (3) contactors in service, an empty bed contact time of 15 minutes would be provided at 3.5 mgd. A booster pump station would be required to pump filter effluent through the GAC contactors. Backwash of the contactors would be provided by water from the distribution system. The required frequency of GAC replacement depends on the time it is placed in service. Assuming GAC operation for three (3) months per year, a replacement interval of four (4) years should be possible.

7.4.4 UV – Peroxide

Ultraviolet (UV) light combined with hydrogen peroxide will form hydroxyl radicals which have been shown to be effective in breaking down geosmin and MIB molecules. For this alternative, either an in-line medium pressure or low pressure high output UV reactor would be installed on the raw water line entering the WTP. For 90 percent MIB removal, an estimated power input of 7.0 kW and hydrogen peroxide dose of 5 mg/L would be required. Like ozonation, UV-Peroxide will breakdown TOC into smaller molecules that are more readily biodegradable. This AOC can be removed on the sand filters, if they are allowed to become biologically active.

7.4.5 Permanganate

Potassium permanganate is an oxidant widely used in water treatment for several applications and is demonstrated to remove some taste and odor compounds at a dose of 0.5 to 1.0 mg/L. Higher doses are not recommended due to possible formation of pink water. The key factor providing the optimization of permanganate use is adequate contact time. It has limited success in removing MIB and Geosmin. However, it has great impact on extracellular microcystin-LR removal. A potassium permanganate bag of 55 lb costs nearly $425.

7.4.6 Comparison of Treatment Alternatives

A preliminary cost comparison of the T&O Mitigation alternatives is presented in Table 10.

Table 10. Cost Comparison of T&O Mitigation Alternatives

Alternative	Trigger	Capital Cost	Annual Cost
Use of Clean Green Pro Algaecide ($3.00/lb)	Identification of start of blue green algae bloom	$5,275 for Cyanowatch (phycocyanin) instrument	$11,600 at dosage of 30 lb/ac-ft for first application and 20 lb/ac-ft for maintenance treatment (3 times a year), to treat 7500 ft L x 25 ft W x 8 ft D water volume, shoreline
			$124,200 at dosage of 30 lb/ac-ft for first application and 20 lb/ac-ft for maintenance treatment (3 times a year), to treat Chesbro Reservoir entire surface area and 8 ft water column
			$250,000 at dosage of 30 lb/ac-ft for first application and 20 lb/ac-ft for maintenance treatment (3 times a year), to treat Chesbro Reservoir entire volume
Use of Copper Sulfate (crystals) Algaecide ($3.20/lb)	Identification of start of blue green algae bloom	$5,275 for Cyanowatch (phycocyanin) instrument	$370 at dosage of 5.4 lb/ac for first and three maintenance applications, to treat 7500 ft L x 25 ft W x 2 ft top layer.
			$3,930 at dosage of 5.4 lb/ac for first and three maintenance applications, to treat entire surface and 2 ft top layer
			$57,000 at dosage of 5.4 lb/ac for first and three maintenance applications, to treat entire volume
Use of Copper Sulfate (Crystal Plex liquid)	Identification of start of blue green algae	$5,275 for Cyanowatch	$14,800 at dosage of 1 ppm max copper conc. for first

Alternative	Trigger	Capital Cost	Annual Cost
Algaecide ($36/gal)	bloom	(phycocyanin) instrument	application and 0.4ppm copper conc. for three maintenance applications, to treat 7500 ft L x 25 ft W x 8 ft water column
			$158,400 at dosage of 1 ppm max copper conc. for first application and 0.4 ppm copper conc. for three maintenance applications, to treat entire surface area and 8 ft water column
			$718,000 at dosage of 1 ppm max copper conc. for first application and 0.4 ppm copper conc. for three maintenance applications, to treat entire volume
Aquatic weed harvesting (Hiring harvester)	Once during early summer	$0	$15,000 or $2,000/day and 2 days for Chesbro Reservoir.
			$15,000 or $2,000/day and 2 or 3 days for Chesbro Reservoir.
			$30,000 or $2,000/day and 3 weeks for Clementia Reservoir.
Inland Lake Harvester with shore conveyor (Purchasing lake harvester)		$112,620	$8,000 (assume ~7% for operating cost)
Wears downflow mixing system	Run continuously from April through November	$127,500	$600
Ozone treatment system (permanent)	Use 3 months per year, when blue green algae is detected	$828,000	$20,000

Alternative	Trigger	Capital Cost	Annual Cost
Ozone treatment system (rental)	Use 3 months per year	$100,000	$65,000
PAC	Use 3 months per year, when blue green algae is detected	None	$14,000
GAC	Use 3 months per year, when blue green algae is detected	$1,700,000	$71,000
UV – Peroxide	Use 3 months per year, when blue green algae is detected	$461,000	$22,000
Permanganate	Use 3 months per year, when blue green algae is detected	None	$14,000

The pros and cons of T&O Mitigation alternatives are provided in Table 11.

Table 11. Comparison of treatment alternatives

Treatment	Advantages	Disadvantages	Alternative Ranking
Ozonation	• Most effective process in removing T/O compounds and cyanotoxins • No Residuals • System can be leased	• High dosage required when influent water contains high DOC concentration • Expensive • Oxidizes DOC to produce AOC that should be removed with biological filter	1
PAC	• Cheap • Easy to apply/add to treatment process	• High dosage is required to achieve high removal efficiency (T/O compounds and cyanotoxins) • Sludge generation • Solid waste/sludge doesn't easily dry • Dried sludge easily rehydrates	4

Treatment	Advantages	Disadvantages	Alternative Ranking
GAC	• Effective in removing T/O compounds and cyanotoxins	• Frequent regeneration required when influent water contains high DOC concentration • Maintenance and operation cost to replace or regenerate GAC • Expensive	3
UV + Peroxide	• Effective in removing geosmin, MIB, and microcystin • Lower capital and life cycle cost than ozone • System can be leased	• Higher power use than ozone • Requires quenching of residual peroxide • Oxidizes DOC to produce AOC that should be removed with biological filter • Limited long term experience with this process	2
Potassium Permanganate	• Cheap • Easy to apply	• Low in effectiveness to remove MIB and Geosmin • High dosage imparts in color to water • Manganese precipitates were observed in sedimentation basins • Contact time is not sufficient under plant present operation	5

8 Proposed Acceptance Criteria

Any proposed improvements to the District's WTP must be designed, constructed and operated in such a manner that the finished water produced is in compliance with all applicable laws including all primary and interim primary drinking water regulations. The regulatory limits represent a minimum acceptance standard. The proposed, more stringent finished water acceptance criteria are shown in Table 12. These criteria are set to achieve the best quality water at a reasonable cost. The regulatory standards are presented in Table 12 for comparison.

Discussed below is a summary of the different items shown in Table 12.

- Turbidity – These goals were set to meet or exceed current standards.

- Cryptosporidium inactivation: According to LT2ESWTR, the Cryptosporidium inactivation or removal will be a function of Cryptosporidium concentration in raw water. Based on coliform testing, the WTP is classified in Bin 1. The WTP should be able to achieve a total of 2-log credit for Cryptosporidium inactivation/removal. This credit can be achieved via physical removal in the sedimentation basins and filters.
- Giardia and virus inactivation: A goal of 0.5-log of Giardia and 2-log virus inactivation is set to achieve a minimum level of disinfection redundancy/reliability at the WTP. This goal is consistent with the multi-barrier concept of CDPH that requires chemical inactivation of either 0.5-log Giardia or 2-log virus; whichever has the greater concentration-time (CT) requirement.
- Total coliforms – This goal promotes compliance with the Total Coliform Rule.
- pH, alkalinity, and Calcium Carbonate Saturation Index – To promote compliance with the Lead and Copper Rule and also to minimize corrosivity of the finished water.
- Iron and manganese - To control finished water color and minimize the risk of color formation during delivery.
- Aluminum – To comply with the secondary MCL and to be compatible with water produced by other plants in the region.
- Dissolved organic carbon and SUVA - Specific UV Absorbance (SUVA) is an analysis of drinking water that uses UV absorbance at 254nm to identify dissolved organic carbon (DOC) levels. UV absorbance is easily determined using a spectrophotometer. Previous studies established a relationship between SUVA and the levels of humic substances that are removed during enhanced coagulation. A low SUVA value (<2.0) means that there mainly nonhumic organics present that are not amenable to removal by enhanced coagulation. Utilizing this relationship allows for a cheap and easy method to determine whether enhanced coagulation is required based off of the exemption allowed in Stage 1 D/DBPR and Stage 2 D/DBPR.
- Disinfection Byproducts (DBPs) - The proposed goals are set to ensure compliance with Stage 2 D/DBP Rule caused with a margin of safety.
- Methylisoborneol (MIB) and Geosmin – Goals for MIB and Geosmin were set to minimize the T&O associated with algae growth and decomposition. These goals were determined based on the goals of customer expectations to have no detectable taste and odor in the finished water and on the current limits of the technologies to remove these compounds.
- Algal toxins – There are currently no EPA regulations for cyanotoxins, however, some cyanotoxin compounds are on an EPA contaminant candidate list and are being evaluated. For additional information see the Water Research Foundation report in Appendix H.

Table 12. Water Quality Acceptance Criteria

Parameter	Location	Regulatory Limit	Proposed Acceptance Value
Turbidity	Finished Water	Combined effluent turbidity ≤ 0.3 NTU in 95% of measurements taken each month. Maximum turbidity limit is 1 NTU	<1.0 NTU for 100% of 4-hr observations; ≤ 0.2 NTU for at least 95% of 4-hr observations in any month
Cryptosporidium Disinfection Level	Finished Water	Bin 1 (2-log removal)	≥ 2-log total removal and/or inactivation credit.
Giardia and Virus Inactivation	Finished Water	Minimum three-log removal/ inactivation of Giardia (99.9%)and minimum four-log removal/inactivation of viruses (99.99%)	≥ 3.0-log Giardia and ≥ 4.0-log virus
Total Coliforms	Finished Water	If 40 samples or more/month, no more than 5.0% positive; <40 samples/month, no more than one positive for total coliforms	Non-detect in 100% of grab samples taken at least daily.
Alkalinity	Finished Water	As needed to prevent corrosion	≥ 40 and ≤ 160 mg/L as CaCO3 based on daily average
pH	Finished Water	6.5 -8.5	≥7.2 to ≤8.1
Calcium Carbonate Saturation Index or Langelier Saturation Index	Finished Water	As needed to prevent corrosion	≥0.20 and ≤1.0 units based on daily calculation using measurements of alkalinity, pH, calcium, total dissolved solids (or conductivity), and temperature from simultaneously collected grab samples
Iron	Finished Water	0.3 mg/L	≤ 0.05 mg/L total iron based on monthly
Aluminum	Finished Water	0.05 to 0.2 mg/L	≤0.20 mg/L based on monthly average
Copper	Finished Water	1.0 mg/L	≤1.0 mg/L based on monthly average
Manganese	Finished Water	0.05 mg/L	≤ 0.03 mg/L based on monthly average
Taste and Odor	Finished Water	3 TON	≤ 1 threshold odor number (TON) based on monthly average*
Specific UV Absorption (SUVA)	Finished Water	<2.0 L/mg-m	<2.0 in finished water

Parameter	Location	Regulatory Limit	Proposed Acceptance Value
Total Trihalomethanes –Simulated Distribution System (SDS)	Finished Water	0.08 mg/L based on Locational Running Annual Average (LRAA) of quarterly samples taken at locations determined by Initial Distribution System Evaluation (IDSE)	≤ 64 ug/L based on running annual average of weekly averages subjected to SDS test conditions simulating maximum DBP formation (48 hour test) in the delivered water.
Sum of 5 Haloacetic acids -SDS	Finished Water	0.06 mg/L based on LRAA of quarterly samples taken at locations determined by IDSE.	≤ 48 µg/L based on running annual average of weekly averages subjected to SDS test conditions simulating maximum DBP formation (48 hour test) in the delivered water
Bromate	Finished Water	0.010 mg/L based on running annual average	≤ 8 µg/L based on running annual average of weekly averages
Biodegradable Organic Carbon (BDOC)	Finished Water	As needed to prevent biological activities in distribution system	≤ 0.20 mg/L (as carbon) increase above Raw Water level based on monthly grab samples of Raw Water and Finished Water
Methylisoborneol (MIB)	Finished Water	Covered by TON	≤ 5 ng/L or ≥ 90% removal whichever is less stringent
Geosmin	Finished Water	Covered by TON	≤ 5 ng/L or ≥ 90% removal whichever is less stringent
Chlorine residual	Finished Water	4 mg/L (as Cl2) Maximum Residual Disinfectant Level	≥ 0.5 and ≤ 1.0 mg/L

* See discussion above for the rationale for setting the acceptance criteria for MIB and geosmin.

9 Preliminary Findings and Recommendations

A summary of preliminary findings and recommendations are presented below.

9.1 Preliminary Findings

1. The cause of T&O complaints from drinking water customers is likely from MIB formed by blue-green algae growing on the rocks on the face of the dam. Conditions that cause blooms of blue-green algae are not completely understood, but appear to be related to above average precipitation in the preceding wet season and seasonably mild temperatures.

2. During above average precipitation seasons, above normal levels of nutrients are washed into the Cosumnes River and pumped into the reservoirs. These nutrients lead to increased algal activity.

3. The source of occasional high TOC levels in the raw water is most likely due to dying algae and aquatic weeds such a Hydrilla and Milfoil that are decomposing on the reservoir bottom and stratification.

4. Chesbro Reservoir tends to have much more aquatic weed growth compared to Calero Reservoir. This is apparently due to varying water levels in Calero Reservoir and a constant level in Chesbro Reservoir.

5. Reservoir stratification in the summer causes anaerobic conditions that increase iron and manganese levels as well as increasing TOC and nutrient levels in the hypolimnion.

6. Use of the oxidant potassium permanganate at (dose of 1 mg/L) and addition of PAC at a dose of 4 mg/L helps to reduce the T&O to non-detect levels for most customers. However, for sensitive customers, this is not sufficient to completely address the T&O issue.

7. Although TOC levels are occasionally as high as 7 mg/L, the water system is in compliance with current DBP regulations.

9.2 Preliminary Recommendations

1. Continue current management practice of delaying pumping from the Cosumnes River until the initial runoff event of the wet season containing nutrients passes by the Granlees Dam intake.

2. Continue annual aquatic weed harvesting along the entire 7,500 ft shoreline of Chesbro Reservoir to minimize decaying biomass in the reservoir.

3. Allow the level in both Chesbro and Calero Reservoirs to vary as much as possible to discourage aquatic weed growth.

4. Begin an algae identification program starting in the month of June every year to help identify problematic algae species before a bloom occurs that could lead to T&O problems. The Fluid Imaging Technologies algae identification system as described in the October 2011 Opflow article or a similar system should be used.

5. Once problematic blue-green algae are identified, continue use of sodium carbonate peroxhydrate (SCP) to control problematic algae growth. Evaluate use of copper sulfate as another algae control chemical for situations when SCP may not be effective, e.g. Phormidium blooms at depths greater than 8 ft.

6. During the summer when the Chesbro Reservoir is stratified, sample the hypolimnion at four (4) or more locations and test for dissolved oxygen, pH, TOC, iron, manganese, and TON.

7. Install a reservoir mix system on a trial basis to determine its effectiveness at preventing the reservoir from stratifying. A well mixed reservoir is much less likely to experience blue green algae blooms. Additional water quality benefits from mixing include reduced iron, manganese, and TOC levels in the raw water.

8. Perform bench scale testing of ozonation to better determine the ozone demand and needed ozone dose to control T&O.

9. Pilot test UV/peroxide as treatment process for removing MIB and geosmin.

10. If the above measures are not effective, rent an ozonation system or UV peroxide system to remove geosmin and MIB. Ozone or UV/peroxide followed by biological filtration are the only proven treatment methods for removing MIB and geosmin to meet water quality goals.

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Appendix	Description
Appendix A	Chesbro Reservoir Photos
Appendix B	Monthly Rainfall Averages and Cosumnes River Mean Flow
Appendix C	Reservoirs Surface Elevation Graphs and Tables
Appendix D	Chesbro Reservoir DO Sampling Sites
Appendix E1	WTPs Monthly Average Influent and Effluent Water Quality Data
Appendix E2	WTPs Influent and Effluent Flow - Graphs
Appendix E3	WTPs Influent and Effluent pH and Turbidity - Graphs
Appendix E4	WTPs Effluent Temperature
Appendix E5	Source Water Alkalinity, and Source and Treated Water TOC
Appendix E6	NOT USED
Appendix E7	Source Water TOC and Alum Dosages
Appendix E8	Sampling Data
Appendix F1	Article: Mechanical Destratification For Reservoir Management
Appendix F2	Article: Pumping down to destratify A different approach to controlling phosphorus, metals and cyanobacteria
Appendix G	OpFlow Article
Appendix H	Water Research Foundation Report Article
Appendix I	Ozone Specifications
Appendix J	Cyanowatch Brochure
Appendix K	Inland Lake Harvester

California Special Districts Association
Districts Stronger Together

DATE: February 24, 2012

TO: CSDA Voting Member Presidents and General Managers

FROM: CSDA Elections and Bylaws Committee

SUBJECT: **CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS SEAT A**

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2013 - 2015 term.

The leadership of CSDA is elected from its six geographical regions. Each of the six regions has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA regular member located within the geographic region that they seek to represent. (See attached Region Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration.

Commitment: Serving on the Board requires one's interest in the issues confronting special districts statewide. A board member is expected to attend all board meetings held every other month, usually on the second Friday of the month, at CSDA's office in Sacramento. Besides serving on the Board, each Board Member is expected to participate on at least one committee, which usually meets 3-4 times a year in Sacramento. CSDA reimburses directors for their related expenses for Board and Committee meetings as outlined in Board Policy. In addition, all Board Members are expected to attend CSDA's two annual events: Special Districts Legislative Days (held in the spring) and the Annual Conference (held in the fall) as part of their obligation to the CSDA membership; expenses for these two events are not reimbursed by CSDA, even if a board meeting or committee meeting is held in conjunction with the event.

Nomination Procedures: Any regular member Independent Special District is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors), for election to the CSDA Board of

Directors. **A copy of the member district's resolution or minute action must accompany the nomination. The deadline for receiving nominations is May 25, 2012.** Nominations and supporting documentation may be mailed or faxed.

Nominees will receive a Candidate's Packet in the mail. The packet will include campaign guidelines.

CSDA will mail ballots on June 8th. The ballots must be received by CSDA no later than 5:00 p.m. August 3, 2012 and must be the original ballot (no faxes or e-mails). The successful candidates will be notified no later than August 7th. All selected Board Members will be introduced at the Annual Conference in San Diego, CA in September.

Expiring Terms

(See enclosed map for regional breakdown)

Region 1	Seat A	Mark Bryant, Garberville Sanitary District*
Region 2	Seat A	Noelle Mattock, El Dorado Hills Community Services District*
Region 3	Seat A	James Kohnen, Alameda County Mosquito Abatement District*
Region 4	Seat A	Ann Mathews, Kern County Water Agency*
Region 5	Seat A	Jack Curtis, Ventura River County Water District
Region 6	Seat A	Jo MacKenzie, Vista Irrigation District*
	Seat C	Dewey Ausmus, North County Cemetery District

(* = Incumbent is running for re-election)

If you have any questions, please contact Charlotte Lowe at 877-924-CSDA or charlottel@csda.net.

California Special
Districts Association
Districts Stronger Together

BOARD OF DIRECTORS NOMINATION FORM

PLEASE BE SURE THE CANDIDATE'S PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE

Name of Candidate: _____

District: _____

Mailing Address: _____

_____

Region: _____ (see attached map)

Telephone: _____

Fax: _____

E-mail: _____

Nominated by (optional): _____

Return this **form and a Board resolution/minute action** supporting the candidate by fax or mail to:

CSDA
Attn: Charlotte Lowe
1112 I Street, Suite 200
Sacramento, CA 95814
(877) 924-2732 (916) 442-7889 fax

DEADLINE FOR RECEIVING NOMINATIONS – May 25, 2012

CSDA Regions

2012 Board of Directors by Region

Region 1
Mark Bryant, *Garberville Sanitary District*
Phil Schoefer, *Western Shasta RCD*
Norman Shopay, *McKinleyville CSD*

Region 2
Pete Kampa, *Tuolumne Utilities District*
Noelle Mattock, *El Dorado Hills CSD*
Ginger Root, *Tuxedo Country Club FPD*

Region 3
Stanley Caldwell, *Mt. View Sanitary District*
James Kohnen, *Alameda County Mosquito AD*
Sherry Sterrett, *Pleasant Hill RPD*

Region 4
Adrienne (Ann) Mathews, *Kern County Water Agency*
Steve Perez, *Rosamond CSD*
Tim Ruiz, *East Niles CSD*

Region 5
Jim Acosta, *Saticoy Sanitary District*
Jack Curtis, *Ventura River County Water District*
Kathy Tiegs, *Cucamonga Valley Water District*

Region 6
Dewey Ausmus, *North County Cemetery District*
William Nelson, *Orange County Cemetery District*
Jo MacKenzie, *Vista Irrigation District*

CONFERENCE/EDUCATION SCHEDULE

Date: March 13, 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)

Special District Legislative Days	May 16 – 17, 2012	Sacramento

GOLDEN STATE RISK MANAGEMENT ASSOCIATION (GSRMA)

GSRMA Annual Training Day	October 25, 2012	Rolling Hills Resort Corning, CA

SPECIAL DISTRICT AND LOCAL GOVERNMENT INSTITUTE (SDI)

No Information Currently Available on Upcoming Conferences.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

ACWA 2012 Spring Conference	May 8 – 11, 2012	Monterey

WATEREUSE ASSOCIATION

2012 WaterReuse California Annual Conference	March 25 - 27, 2012	Sacramento

AMERICAN WATER WORKS ASSOCIATION (AWWA)

No Information Currently Available on Upcoming Conferences.

ISC WEST

2012 ISC West Public Security And Safety Expo	March 28-30, 2012	Las Vegas