

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**SPECIAL BOARD MEETING**  
**June 3, 2021 – 2:00 p.m.**



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

President Tim Maybee called the Special Board Meeting of the Board of Directors of Rancho Murieta Community Services District to order at 2:00 p.m. via ZOOM video conference pursuant to Governor Newsom Executive Order N-29-20 related to COVID-19. Director's present were Tim Maybee, Randy Jenco, Linda Butler, John Merchant and Martin Pohll. Also present were Tom Hennig, General Manager; Paula O'Keefe, Director of Administration; Tina Talamantes, Interim Security Supervisor; and Amelia Wilder, District Secretary.

**2. ADOPT AGENDA**

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

**3. COMMENTS FROM THE PUBLIC**

No comments.

**4. RECEIVE AND FILE RESERVE STUDY PREPARED BY ASSOCIATION RESERVES, INC.**

Tom Hennig, General Manager, introduced Derek Eckert, President, Association Reserves, who gave a detailed presentation to the Board on the current state of District assets and their replacement costs, with a comparison of those costs to our current reserve fund balances.

In response to questions from the community, Mr. Hennig informed the Board that the Security Special Tax funds about three-quarters of the cost of Security, and the rest comes from unrestricted property tax. In prior Years, the Board designated an amount to Security Reserves, in addition to the use of the property tax revenues to subsidize the operational activities. This contribution from the Board to subsidize Security should not remain in the Security unrestricted fund balance if unused for its intended purposes.

Director Merchant asked if the \$650,000 in Security fund is staying there? Mr. Hennig let him know that Staff will ask that funds that were not dedicated to reserves be put back in the general fund.

Mr. Eckert gave his opinion that the District's reserves are funded at:

Admin	0%
Water	34%
Sewer	47.6%
Drainage	8.4%
Security	248.9% (Due to the unrestricted property taxes that will be redirected to the general fund)

He would like to see all reserves at 50%, noting this will significantly reduce the risk of a special assessment in the future.

Director Jenco noted that many of the projects have not been agreed to and these are just estimates. These numbers could be recalculated based on many factors and new targets could be set.

Mr. Eckert explained that the target is to fund the reserves 100% over 30 years. If we want to see what the difference between 100% and 60% funded would look like it is a big difference.

Director Pohll added that many of the big ticket items need more research to put a number on them. He wondered if the target funding level could be pushed out over more than five years.

Director Butler stated that 15 years goes by very quickly, and she thinks it's time to look at these things and decide what needs to be done.

## 5. PRESENTATION OF RETAINED REVENUE ANALYSIS AND RECOMMENDATION FOR RESERVE TRANSFERS

Paula O'Keefe, Director of Administration, gave a detailed analysis of the fund balance and the reserve contribution analysis.

Director Merchant asked that an analysis of the negative balance for the Water Treatment Plant construction be discussed at the July 6 Finance Committee meeting.

There was no roll call vote on this item.

## 6. EVALUATE PREVIOUSLY APPROVED CAPITAL PROJECTS

Ms. O'Keefe gave a brief presentation to the Board concerning the current projects on the Capital Improvement Plan, with the suggestion that the projects not necessary to be completed in the 2021-22 Fiscal Year be deferred until the need arises and funds are available. This item will be moved to the July 6 Finance Committee meeting.

## 7. REVIEW RESERVE POLICY RECOMMENDED CHANGES

Ms. O'Keefe reviewed the proposed changes to the Reserve Policy P2021-06. The policy must redefine Development Impact Fees, distinguish between Unrestricted and Restricted fund balances that can be used for Capital Projects, remove sections that no longer apply, reestablish a policy for excess property tax revenues and establish a rate stabilization fund to restrict six months of cash to meet cash flow requirements.

Director Merchant asked if we would have a new Chart of Accounts when we made the switch to the new accounting system, and Ms. O'Keefe stated we would. Mr. Merchant asked that the Chart of Accounts be added as an agenda item to the July Finance Committee meeting.

## 8. DIRECTOR COMMENTS AND SUGGESTIONS

Director Pohll commented that there is a lot to be done, and he is glad we are making progress.

Director Jenco would like to see a simple spread sheet that will detail the amounts we need to have set aside in the different reserve accounts. He would also like to see what Security and Drainage would look like if we don't fund them with property taxes.

Director Maybee said that part of the presentation for the Security townhall meeting will include what the department could fund without property taxes.

Director Merchant thought being funded 60% would be sufficient.

Director Butler liked the idea of having a plan for each area and thought 60% would be sufficient.

Mr. Hennig mentioned that the state is opening up to in-person events and asked the Board if they wanted live Board meetings in the future. They unanimously agreed to have future Board meetings in person.

## 9. ADJOURNMENT

**Motion/Maybee to adjourn at 4:30 p.m. Second/Butler. Ayes: Maybee, Jenco, Butler, Merchant, Pohll. Noes: None. Absent: None. Abstain: None.**

Respectfully submitted,



Amelia Wilder  
District Secretary