



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

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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

SPECIAL BOARD MEETING

Wednesday, November 14, 2012

Open Session 5:00 p.m.
RMCS Administration Building – Board Room
15160 Jackson Road
Rancho Murieta, CA 95683

BOARD MEMBERS

Roberta Belton	President
Vacant	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
SPECIAL BOARD MEETING
November 14, 2012

Open Session 5:00 p.m.

AGENDA

	RUNNING TIME
1. CALL TO ORDER - Determination of Quorum - President Belton (Roll Call)	5:00
2. ADOPT AGENDA (Motion)	5:05
3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES	5:10
4. COMMENTS FROM THE PUBLIC <i>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.</i> <i>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.</i> <i>that others may be allowed to speak. No action will be taken.</i>	5:15
5. CONSENT CALENDAR (Motion) (Roll Call Vote) <i>(5 min.)</i> <i>All the following items in Agenda Item 5 will be approved as one item if they are not excluded from the motion adopting the consent calendar.</i>	5:20
a. Approval of Board Meeting Minutes 1. October 17, 2012 Board Meeting	
b. Committee Meeting Minutes (Receive and File) 1. October 23, 2012 Joint Security Committee Meeting 2. November 1, 2012 Personnel Committee Meeting 3. November 6, 2012 Security Committee Meeting 4. November 6, 2012 Improvements Committee Meeting 5. November 6, 2012 Finance Committee Meeting	
c. Approval of Bills Paid Listing	
6. STAFF REPORTS (Receive and File) <i>(5 min.)</i>	5:25
a. General Manager's Report	
b. Administration/Financial Report	
c. Security Report	
d. Water/Wastewater/Drainage Report	

7. **CORRESPONDENCE** (5 min.) 5:30
8. **PRESENTATION OF THE 2011-12 FINAL AUDIT, BY LARRY BAIN, CPA** 5:35
(Discussion/Action) (Receive and File) (10 min.)
9. **AUGMENTATION WELL PROJECT** 5:45
 - a. Presentation of the Augmentation Well Geophysical Results, by Pat Dunn, Dunn Environmental, Inc. (Discussion/Action) (15 min.)
 - b. Approve Dunn Environmental, Inc., Proposal for Test Well Drilling (Discussion/Action) (Motion) (5 min.)
10. **ADOPT RESOLUTION 2012-10, IN HONOR OF RICHARD TAYLOR, RANCHO MURIETA COMMUNITY SERVICES DISTRICT DIRECTOR** (Discussion/Action) 6:05
(Motion) (Roll Call Vote) (5 min.)
11. **APPROVE REGIONAL WATER AUTHORITY GRANT PROJECT MANAGEMENT EXPENSES** (Discussion/Action) (Motion) (5 min.) 6:10
12. **RECEIVE UPDATE ON DUI ENFORCEMENT POLICY** (Discussion/Action) (5 min.) 6:15
13. **APPROVE HOLE #15 CULVERT REPAIR COSTS FROM DRAINAGE RESERVES** (Discussion/Action) (Motion) (5 min.) 6:20
14. **APPROVE WASTEWATER FACILITY PAVING PROJECT CHANGE ORDER #1** (Discussion/Action) (Motion) (5 min.) 6:25
15. **APPROVE DECEMBER 12, 2012 SPECIAL BOARD MEETING FOR FILLING VACANT BOARD OF DIRECTOR POSITION** (Discussion/Action) (Motion) (10 min.) 6:30
 - a. Review Suggested December Special Board Meeting Agenda
 - b. Cancel December 19, 2012 Regular Board Meeting
16. **REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES** (Discussion/Action) (Motion) (5 min.) 6:40
17. **MEETING DATES/TIMES FOR THE FOLLOWING:** (5 min.) 6:45

Next Regular Board Meeting: December 19, 2012

Committee Meeting Schedule:

- | | |
|--------------------|---|
| ✚ Security - | Tuesday, December 4, 2012 at 8:30 a.m. |
| ✚ Improvements – | Tuesday, December 4, 2012 at 9:00 a.m. |
| ✚ Finance - | Tuesday, December 4, 2012 at 10:00 a.m. |
| ✚ Communications - | Thursday, December 6, 2012 at 8:30 a.m. |
| ✚ Personnel - | Thursday, December 6, 2012 at 9:00 a.m. |
| ✚ Joint Security - | Tuesday, January 22, 2013 at 9:00 a.m. at RMA |

18. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

6:50

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.

19. ADJOURNMENT (Motion)

6:55

"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 November 9, 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

October 17, 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, 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. Director Steven Mobley was absent.

2. ADOPT AGENDA

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

3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES

Jacque Villa and Steven Lentz each received a Certificate of Appreciation for their assistance with traffic control and direction during the District's Household Hazardous Waste Event on September 22, 2012.

4. COMMENTS FROM THE PUBLIC

None.

5. CONSENT CALENDAR

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

6. STAFF REPORTS

Under Agenda Item 9d, Director Pasek asked about the status of the taste and odor issue. Paul Siebensohn stated that there have been no complaints to date and that that project is under budget.

7. CORRESPONDENCE

Letter from Helen-Merle Hansen

Ed Crouse stated that he spoke with Rancho Murieta Association's (RMA) General Manager, Nick Arther, who stated that he would work with RMA staff to correct the issue. Ms. Hansen stated that at this time there is nothing that can be remedied as she was required to spend the money to put in a new lawn. President Belton suggested Ms. Hansen follow-up with RMA.

8. RECEIVE UPDATE ON DUI ENFORCEMENT POLICY

President Belton asked about the DUI that occurred Tuesday night. Chief Remson stated that around 8:45 p.m. a pick-up truck was speeding down Camino Del Lago, attempted to turn onto Murieta Parkway and ended up hitting the curb, a tree and some landscape. The accident kicked up some landscape rocks which broke the windshield and caused other damage to a vehicle stopped at a stop sign across the street. The father of the driver of the pick-up truck came and took the driver before California Highway Patrol (CHP) could get to the scene. The father was contacted by CHP and told them that the driver had gotten out of his vehicle and ran off. CHP towed the pick-up. Charges are pending.

President Belton stated that the RMA Board of Directors did not discuss the District's proposed DUI enforcement policy, as requested by the District.

Ed Crouse gave a brief update on the status of the proposed policy. A letter was sent to RMA on October 9, 2012 requesting a written response. To date, there has been no response. This item will be on the agenda for the October 23, 2012 Joint Security Committee meeting, the November Security Committee meeting and scheduled to be voted on at the District's November Board meeting.

After a discussion, by consensus, the Board agreed to not bring the matter to the Board for vote in November, to allow RMA more time to provide a written response. Director Ferraro requested staff send a reminder letter to RMA.

9. APPROVE 6B GENERATOR REPLACEMENT PROPOSAL

Paul Siebensohn gave a brief summary of the recommendation to approve the proposals for the purchase and installation of a replacement generator.

Motion/Belton to approve the proposal from Cummins West for the purchase of an LP Generator in an amount not to exceed \$22,043. Approve the proposal from Prodigy Electric for removal of old equipment and installation of new generator pad, in an amount not to exceed \$4,855. Approve the proposal from Kamps Propane for the purchase and installation of a 120 gallon propane tank, in an amount not to exceed \$911. Funding to come from Sewer Reserves, CIP 12-07-2. **Second/Pasek.**

Ayes: Belton, Taylor, Ferraro, and Pasek. Noes: None. Absent: Mobley.

10. AMEND WATER AUGMENTATION WELL HYDROGEOLOGICAL SERVICES APPROVAL

Ed Crouse gave a brief summary of the request to amend the July 18, 2012 approval for the water augmentation well hydrogeological services. The source of funding is from the Water Supply Augmentation Reserves, not Prop 84 Grant Funds.

Motion/Ferraro to amend the July 18, 2012 water augmentation well hydrogeological services approval for Dunn Environmental, Inc., for hydro- geological services in support of the new water well, in an amount not to exceed \$170,000, to specify funding to come from Water Supply Augmentation Reserves. **Second/Belton. Ayes: Belton, Taylor, Ferraro, and Pasek. Noes: None. Absent: Mobley.**

11. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES

No discussion.

12. CANCEL REGULAR NOVEMBER 21, 2012 RANCHO MURIETA COMMUNITY SERVICES DISTRICT BOARD MEETING AND SET SPECIAL RANCHO MURIETA COMMUNITY SERVICES DISTRICT BOARD MEETING FOR NOVEMBER 14, 2012

President Belton gave a brief summary of the request to cancel the District's regular November Board meeting and to schedule a Special Board meeting in November.

Motion/Belton to cancel regular November 21, 2012 Rancho Murieta Community Services District Board meeting and set Special Rancho Murieta Community Services District Board meeting for November 14, 2012. **Second/Ferraro. Ayes: Belton, Taylor, Ferraro, and Pasek. Noes: None. Absent: Mobley.**

13. MEETING DATES/TIMES

No changes to the November Committee meeting dates/times.

14. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

Paul Siebensohn stated that the work at hole 15 has been completed. Everything went well.

Darlene Gillum stated the State Controller Report has been submitted and the Compensation Report will be submitted and linked on the District's website tomorrow.

Director Taylor stated that he has sold his house and will be moving out of the community; therefore he is resigning from the Board effective tonight. President Belton wished him and his wife well and thanked him for his time on the Board.

President Belton reminded the Board to consider joining one of the CSDA Committees.

Director Pasek requested staff start to develop an implementation plan for the pension reform.

Director Ferraro thanked Director Taylor for his time on the Board and stated that he will be missed.

Ed Crouse gave a brief summary of the October Presidents' Meeting. Items discussed include a meeting the RMA, RMCC and District General Manager's had with local realtors, the new North Gate update, replace the monument sign, the recycled water feasibility study, hole 15, RMCC not receiving any recycled water at this time, candidates night, FSA negotiations, the community center vote and RMA going forward with the purchase of the land, the Joint Security Committee meeting, and RMCC holiday dinner/charity event.

Ed also thanked Director Taylor and his wife, Claudia, for her support.

Director Pasek commented on RMCC meeting with Security regarding rule enforcement. Chief Remson stated that he and two (2) Patrol Officers met with RMCC and all parties are in agreement on rule enforcement on RMCC property.

Director Ferraro stated that the Parks Committee meeting is scheduled for 10:00 a.m. on Thursday, October 25, 2012 at RMA.

Suzanne Lindenfeld reported that the E-Waste Curbside Collection Event went well. A little over 2.5 tons was collected. The next event is scheduled for Monday, April 1, 2013.

22. ADJOURNMENT

Motion/Ferraro to adjourn at 5:55 p.m. **Second/Belton. Ayes: Belton, Taylor, Ferraro, and Pasek. Noes: None. Absent: Mobley.**

Respectfully submitted,

Suzanne Lindenfeld
District Secretary

DRAFT

**Rancho Murieta
Joint Security Committee
Meeting Minutes
October 23, 2012**

Present

Tim Maybee, RMA
Nick Arther, RMA Staff
Danise Hetland, RMA Staff
Carol Hyde, Murieta Village
Bob Wright, RMCC
Arnold Billingsley, RMCC
John Sullivan, WHAL Properties/Murieta Gardens
Darlene Gillum, RMCS D
Chief Remson, RMCS D

Absent

Betty Ferraro, RMCS D
Steve Mobley, RMCS D
Martin Pohl, RMA

The meeting was called to order at 9:00 a.m.

COMMENTS FROM THE PUBLIC

There were no comments at this time.

COMMITTEE HOUSEKEEPING

Committee Focus/Goals

Chief Remson stated the goal of the Joint Security Committee is to discuss community wide security issues, not the day to day operations.

Select New Chairperson

Tim Maybee nominated Martin Pohl to be the Committee Chairperson. By consensus, the Committee agreed to appoint Martin Pohl as Chairperson of the Joint Security Committee.

Confirm Committee Meeting Dates/Times/Locations

The Committee agreed to meet quarterly.

NEW NORTH GATE UPDATE

Nick Arther stated that the money has been put in escrow, but still waiting for PTF to approve the drawings.

DUI POLICY

Chief Remson gave a brief summary of the District's proposed DUI Enforcement Policy. Bob Wright, RMCC, commented on the concerns the RMCC has with the policy. Chief Remson stated Patrol Officers already have contact with suspected DUI suspects, the only change would be the use of amber lights.

BACK COUNTRY ACCESS AND TRESPASS ON ADJACENT LANDS

Mark Pecotich, Murieta Trails Stewardship (MTS), gave a PowerPoint presentation on the Rancho Murieta Trail System. Topics discussed include a trail management plan, outreach to the community, trail maps, trail user rules, trail patrol system, check point system, and liability issues.

TRESPASS ON RANCHO MURIETA COUNTRY CLUB PROPERTY

Chief Remson stated that he has been working with RMCC regarding the non-member trespassing concerns. Bob Wright stated that RMCC will be re-doing their golf cart decals at the beginning of the year and will notify Security of the changes. RMCC members also have decals on their golf bags. Arnie Billingsley commented RMCC, RMA and the District discussing starting to have quarterly new resident meetings to go over information, policies, programs, and to answer questions regarding Ranch Murieta.

COMMUNITY SURVEILLANCE CAMERAS

Chief Remson stated that currently the District has cameras at both gates and at District facilities. RMA has cameras at Stonehouse Park and Riverview Park. Security would like to get a portable camera.

OTHER ITEMS/ISSUES

Chief Remson gave a brief summary of the District's recent Security Survey. Tim Maybee said the survey was very informative.

Arnie Billingsley commented on RMCC wanting to do a community wide charity event to raise funds for a LUCAS device for the local fire station. This device creates blood flow with chest compressions.

The Committee agreed to meet quarterly on the fourth Tuesday of the month, with the location rotating. The next meeting will be at RMA. Suzanne will send the schedule out to the Committee members.

ADJOURNMENT

The meeting was adjourned at 10:30 a.m.

MEMORANDUM

Date: November 1, 2012
To: Board of Directors
From: Personnel Committee Staff
Subject: November 1, 2012 Personnel Committee Meeting

Director Belton called the meeting to order at 9:07 a.m. Present was Director Belton. Present from District staff were Edward R. Crouse, General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary.

COMMENTS FROM THE PUBLIC

None.

UPDATES

Employee Relations

Chief Remson reported the three (3) new Gate Officers have completed training and are working on their own. Patrol Officer Talley fractured his hand while off-duty and will be off work for 4 to 6 weeks.

Paul Siebensohn reported everything is running fine. Paul hopes to fill the vacant Utility Worker position by the end of the year.

Ed Crouse reported that everything is running smooth.

PENSION REFORM IMPLEMENTATION ROAD MAP

Ed Crouse gave a brief summary of the impacts of PERA. Everything is PERS driven so there is not much for the District to do administratively.

DIRECTORS' & STAFF COMMENTS/SUGGESTIONS

Ed Crouse stated that the PERS open enrollment period has closed. Staff is being reminded to use their personal holidays before the end of the year.

Suzanne is working with Jonathan Hobbs, District Legal Counsel, on the time frame for filling the vacant Director position.

Water Department surveys went out in the October statements.

The District will be offering two (2) new rebates this month, one for a hot water recirculation pumps and the other for water pressure reducing valves.

ADJOURNMENT

The meeting was adjourned at 9:40 a.m.

MEMORANDUM

Date: November 6, 2012
To: Board of Directors
From: Security Committee Staff
Subject: November 6, 2012 Security Committee Meeting

Director Ferraro called the meeting to order at 8:33 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

Our new Security Gate Officer, Denise Bridges, has completed her training and is working on her own.

Security Patrol Officer Scarzella attended the "Take a Kid Mountain Biking Day" at Clementia Park. The event included guided bike rides and a bicycle safety course and skills area. Approximately 100 riders participated.

Security Patrol Officer Fuentes attended a Cub Scout meeting and discussed various safety issues. The Scouts were also shown the Security Patrol vehicle's equipment and operations.

Overall, Halloween was quiet, with the rain holding off until about 10:00 p.m. There were two (2) serious incidents, though. At about 6:00 p.m., there was a DUI arrest of a resident who ran into a retaining wall at Murieta Plaza and then drove home. There was damage to the entire passenger side of the vehicle. California Highway Patrol (CHP) responded and arrested the driver for DUI.

On the North side at about 8:30 p.m. Security Officers and the off-duty Sacramento Sheriff Deputy (SSD) responded to a report of 4-5 subjects in a large, dark pickup truck who stopped and got out of the truck, and demanded candy from a group of trick or treaters. Some had cap guns or air soft guns and shot them into the air. The victims ran off, with one dropping their candy. The area was checked by the Officers and the subjects were not located.

Incidents of Note

Director Ferraro asked about the status of the suspected DUI accident in which the driver left the scene. Chief Remson stated he has not heard back from California Highway Patrol yet.

RMA Citations/Advisals

Chief Remson reported on the following Rancho Murieta Association (RMA) rule violation citations for the month of October included: 10 overnight street parking, 6 stop sign, and 4 unauthorized vehicle. RMA rule violation admonishments and/or complaints for the month of October included: 34 loose/off leash dogs, 32 barking dogs and 17 open garage door.

RMA Compliance/Grievance/Safety Committee Meeting

The meeting was held on October 1, 2012. The Committee was provided with the RMA DUI questions pertaining to indemnification and liability that were answered by the District's attorney, Jonathan Hobbs. The information will be given to the full RMA Board. There were three (3) appearances regarding speeding, stop sign, and parking. There was one (1) letter regarding speeding and failure to stop. The next meeting will be on November 5, 2012.

Chief Remson stated that it does not appear that RMA will be supporting the District's proposed DUI enforcement policy. Linda Garcia commented on her speaking at the Rancho Murieta Country Club (RMCC) Board meeting and the RMCC Board not supporting the policy.

Joint Security Committee Meeting

The Joint Security Committee was held at the District Office on October 23, 2012. Representatives from RMA, Murieta Village, RMCC and the District were in attendance. Also in the audience were representatives from the Operating Engineers and the Murieta Trail Stewardship. Topics for discussion included the new North Gate, DUI Policy, Back Country (PTF) Access and Trespass on Adjacent Lands, Trespass on RMCC property, Community Surveillance Cameras, and the Security Survey.

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 Jacque Villa and Steve Lentz in patrolling the District as another set of "eyes and ears".

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

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

New North Gate

Ed Crouse stated that he spoke with Randy Jenco, RMA Board of Directors, last week. Mr. Jenco reported that an agreement has been reached with the apartment owners for an extra traffic lane to be put in and re-locating the gate. A discussion followed.

DUI ENFORCEMENT UPDATE

Ed Crouse stated that a reminder letter has been sent to RMA requesting a written response.

DIRECTOR & STAFF COMMENTS

Chief Remson stated that a Patrol Officer is out for 4 to 6 weeks due to a fractured hand.

John Sullivan commented on his concerns regarding the Trail Stewardship trails.

ADJOURNMENT

The meeting adjourned at 9:03 a.m.

DRAFT

MEMORANDUM

Date: November 6, 2012
To: Board of Directors
From: Improvements Committee Staff
Subject: November 6, 2012 Committee Meeting Minutes

Director Pasek called the meeting to order at 9:07 a.m. Present were Directors Ferraro and Pasek. 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.

UPDATES

CLEMENTIA RESERVOIR – NEXT STEPS FOR DRINKING WATER USE

Paul Siebensohn stated that he is still waiting for a response from the California Department of Public Health (CDPH) on the Clementia pumping alternative.

FINANCING AND SERVICES AGREEMENT

Ed Crouse stated that the final agreement is nearing completion and will be presented at the December Board meeting.

RECYCLED WATER FEASIBILITY STUDY

Ed Crouse reported that staff met with Anne Olson, Regional Water Quality Control Board. Ms. Olson was very positive about the project. CDPH voiced some concerns with the quality of the recycled water once put into Bass Lake and then used for irrigation. A short discussion followed.

PRESENT AUGMENTATION WELL GEOPHYSICAL RESULTS – DUNN ENVIRONMENTAL

Pat Dunn, Dunn Environmental, Inc., gave a brief summary of the PowerPoint presentation he will be making at the November 14, 2012 Special Board meeting. **This item will be on the November 14, 2012 Special Board meeting agenda.**

APPROVE HOLE #15 CULVERT REPAIR COSTS FROM DRAINAGE RESERVES

Paul Siebensohn gave a brief summary of the request to approve Hole #15 culvert repair cost invoices from Drainage Reserves. This work has been completed. **This item will be on the November 14, 2012 Special Board of Directors meeting agenda.**

APPROVE WASTEWATER FACILITY PAVING PROJECT CHANGE ORDER #1

Paul Siebensohn gave a brief summary of the request to approve the Wastewater Facility Paving Project Change Order #1. This work has been completed. **This item will be on the November 14, 2012 Special Board of Directors meeting agenda.**

APPROVE WASTEWATER FACILITY PAVING PROJECT CHANGE ORDER #1

Paul Siebensohn gave a brief summary of the request to approve the Wastewater Facility Paving Project Change Order #1. This work has been completed. **This item will be on the November 14, 2012 Special Board of Directors meeting agenda.**

APPROVE PROPOSAL FROM AECOM FOR PREPARATION OF THE 2012 LETTER TO REGIONAL WATER QUALITY CONTROL BOARD

Ed Crouse gave a brief summary of the proposal from AECOM for the preparation of the 2012 letter to the Regional Water Quality Control Board. Since the amount is under the General Manager's spending limit, it will not be going to the Board for approval.

John Sullivan commented on his concerns regarding the last data used in the roadmap of the proposal. Director Pasek suggested adding a note regarding the date of the last data on the roadmap.

DIRECTORS' & STAFF COMMENTS/SUGGESTIONS

None.

ADJOURNMENT

The meeting was adjourned at 9:59 a.m.

MEMORANDUM

Date: November 6, 2012
To: Board of Directors
From: Finance Committee Staff
Subject: November 6, 2012 Finance Committee Meeting

Director Belton called the meeting to order at 10:01 a.m. Present were Directors Belton and Pasek. 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.

RECEIVE GRANT UPDATE

DWR Grant for Augmentation Well

Nothing new to report.

New Bureau of Reclamation Grant

Nothing new to report.

2011-12 AUDIT UPDATE

Larry Bain, CPA, gave a brief summary of the Draft Audit Report. Mr. Bain stated that the District has received a clean audit, the cleanest audit he has ever given. **This item will be added to the November 14, 2012 Special Board of Directors meeting agenda.**

Mr. Bain will be at the November special Board meeting to answer questions of the Board of Directors.

APPROVE REGIONAL WATER AUTHORITY GRANT PROJECT MANAGEMENT EXPENSES

Darlene Gillum gave a brief summary of the recommendation to approve the Regional Water Authority Proposition Grant Project Management Expenses. **This item will be added to the November 14, 2012 Special Board of Directors meeting agenda.**

ELK GROVE-BILBY PARTNERS, L.P. FORECLOSURE

Darlene Gillum stated that the District is waiting for the sale of the property to be scheduled.

CREDIT CARD PROCESSING FEE UPDATE

Darlene stated that some changes have been made in the contract which is now under legal review. Director Belton suggested going forward with the notification to the residents.

DIRECTORS' & STAFF COMMENTS/SUGGESTIONS

Director Belton asked about the status of the coop chemical purchase. Ed Crouse stated that Regional Water Authority has developed a Coop Bid Chemical Purchase Program. The first bid proposal will be sent out in April for two (2) different chemicals. The next year, they plan to increase the amount of chemicals included.

Director Belton stated that the Personnel Committee referred the new Pension Reform item to the Finance Committee for review and comment.

ADJOURNMENT

The meeting was adjourned at 10:43 a.m.

DRAFT

MEMORANDUM

Date: November 9, 2012
 To: Board of Directors
 From: Darlene Gillum, Director of Administration
 Subject: Bills Paid Listing

Enclosed is the Bills Paid Listing Report for **October 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
AECOM Technical Services, Inc.	Title XVI Feasibility Study	\$6,935.00	Bureau of Reclamation Title XVI Grant
California Waste Recovery Systems	Solid Waste Contract	\$44,504.06	Operating Expense
Golden State Risk Management Authority	Workers Comp/Liability Insurance 2 nd Quarter	\$25,869.00	Operating Expense
Groeniger & Company	Hole 16 Pipe Supplies	\$13,576.50 <u>\$3,649.50</u> \$17,226.00	Reserve Expenditure Operating Expense
JB Bostick Company	Street Repairs	\$6,300.00	Operating Expense
Carrillo Enterprises	Multiple Street Repairs, Admin Bldg Landscaping	\$6,967.80	Operating Expense
Clean Harbors Environmental Services	Household Hazardous Waste Event	\$23,568.34	Operating Expense
Department of Public Health	Water System Fees (July 2011 – June 2012)	\$13,189.58	Operating Expense
Dunn Environmental, Inc.	Groundwater Production Well	\$27,597.65	Reserve Expenditure (DWR Grant cost-share)
Golden State Flow Measurement	Water Meters	\$5,681.24	Operating Expense
Kronick, Moskevitz, Tiedemann & Girard	Legal Consulting	\$6,066.11	Operating Expense
Maddaus Water Management	Water Shortage Contingency Plan	\$5,430.50	Reserve Expenditure
SMUD	Monthly Electric	\$31,610.81	Operating Expense

Rancho Murieta Community Services District
Bills Paid Listing for October 2012

Ck Number	Date	Vendor	Amount	Purpose
CM25842	10/1/2012	California Public Employees' Retirement Sys	\$30,965.72	Payroll
CM25843	10/1/2012	Guardian Life Insurance	\$4,373.56	Payroll
CM25844	10/1/2012	Vision Service Plan (CA)	\$460.48	Payroll
EFT	10/1/2012	Internal Revenue Service	\$9,652.29	Bi-weekly Payroll Taxes
CM25845	10/12/2012	California Security Training Academy	\$50.00	Security Training
CM25846	10/12/2012	California Security Training Academy	\$50.00	Security Training
CM25847	10/12/2012	California Security Training Academy	\$50.00	Security Training
CM25848	10/12/2012	Universal Security Academy	\$50.00	Security Training
CM25849	10/12/2012	Universal Security Academy	\$50.00	Security Training
CM25850	10/12/2012	Universal Security Academy	\$50.00	Security Training
CM25851	10/12/2012	Ace Hardware	\$193.08	Monthly Supplies
CM25852	10/12/2012	AECOM Technical Services, Inc.	\$6,935.00	Title XVI Feasibility Report (BoR Grant)
CM25853	10/12/2012	Allied Waste Services #922	\$336.00	Container Service
CM25854	10/12/2012	American Express	\$1,389.46	Monthly Bill
CM25855	10/12/2012	Applications By Design, Inc.	\$1,787.75	Security Barcodes
CM25856	10/12/2012	Aquatic Harvesting Inc.	\$3,000.00	Chesbro Aquatic Harvesting
CM25857	10/12/2012	Aramark Uniform Services	\$253.08	Uniform Service
CM25858	10/12/2012	California Waste Recovery Systems	\$44,504.06	Solid Waste Monthly Contract
CM25859	10/12/2012	Caltronics Business Systems	\$212.27	Printer Cartridge
CM25860	10/12/2012	Costco Wholesale	\$924.05	Monthly Supplies
CM25861	10/12/2012	County of Sacramento, Environmental Mgt. De	\$35.00	Permit Fee Surcharge
CM25862	10/12/2012	CA Department of Public Health	\$60.00	Employee Certification Renewal
CM25863	10/12/2012	Ditch Witch Equipment Company, Inc.	\$379.79	Filters
CM25864	10/12/2012	Employment Development Department	\$2,397.75	Payroll
CM25865	10/12/2012	Express Office Products, Inc.	\$12.69	Office Supplies
CM25866	10/12/2012	Golden State Risk Management Authority	\$25,869.00	Workers Comp/Liability Premium 2nd Quarter
CM25867	10/12/2012	Groeniger & Company	\$17,226.00	Supplies, Hole 15 Pipe
CM25868	10/12/2012	Hach Company	\$369.76	LDO Caps
CM25869	10/12/2012	Hastie's Capitol Sand and Gravel Co.	\$4,291.92	Admin Building Landscaping
CM25870	10/12/2012	J B Bostick Company	\$6,300.00	Street Repairs
CM25871	10/12/2012	Konecranes Inc.	\$395.00	Quarterly Crane Inspection
CM25872	10/12/2012	Les Schwab Tires	\$2,934.91	Tires Vehicle #817
CM25873	10/12/2012	Nationwide Retirement Solution	\$1,763.23	Payroll
CM25874	10/12/2012	Operating Engineers Local Union No. 3	\$467.13	Payroll
CM25875	10/12/2012	P. E. R. S.	\$12,227.75	Payroll
CM25876	10/12/2012	PERS Long Term Care Program	\$138.76	Payroll
CM25877	10/12/2012	Plaza Foods Supermarket	\$12.72	Supplies
CM25878	10/12/2012	Regional Water Authority	\$4,300.00	Water Efficiency Program
CM25879	10/12/2012	Sacramento County Sheriff's Dept.	\$988.47	Off-duty Program
CM25880	10/12/2012	Sacramento For Tractors, Inc.	\$199.01	Kubota Filters
CM25881	10/12/2012	Sacramento Uniforms	\$334.32	Security Uniforms

Rancho Murieta Community Services District
Bills Paid Listing for October 2012

Ck Number	Date	Vendor	Amount	Purpose
CM25882	10/12/2012	Sprint	\$513.85	Monthly Cell Phone
CM25883	10/12/2012	Sutter EAP Resources	\$368.00	EAP Counseling
CM25884	10/12/2012	Syneco Systems Inc.,	\$3,788.49	Odor Scrubber Media: MLN
CM25885	10/12/2012	TASC	\$124.61	Payroll
CM25886	10/12/2012	TelePacific Communications	\$498.42	Monthly Phone Bill
CM25887	10/12/2012	U.S. Bank Corp. Payment System	\$4,902.13	Monthly Gasoline Bill
CM25888	10/12/2012	United Rentals Northwest, Inc.	\$251.50	Dump Truck Demo Fuel
CM25889	10/12/2012	W.W. Grainger Inc.	\$196.36	Supplies
EFT	10/12/2012	Internal Revenue Service	\$9,138.25	Bi-weekly Payroll Taxes
CM25890	10/26/2012	Action Cleaning Systems	\$1,172.00	Monthly Cleaning Service
CM25891	10/26/2012	AECOM Technical Services, Inc.	\$1,615.00	Title XVI Feasibility Report (BoR Grant)
CM25892	10/26/2012	Knute Anderson	\$200.00	Toilet Rebate
CM25893	10/26/2012	Applications By Design, Inc.	\$125.00	Security Data Backup
CM25894	10/26/2012	Aramark Uniform Services	\$171.40	Uniform Service
CM25895	10/26/2012	AT&T	\$1,256.83	Monthly Phone Bill
CM25896	10/26/2012	Meredith Barentson	\$200.00	Refund Credit Balance
CM25897	10/26/2012	Biosolids Recycling, Inc.	\$3,560.31	Remove & Dispose Biosolids
CM25898	10/26/2012	Blue Moon Industries	\$128.00	Annual Support
CM25899	10/26/2012	Caltronics Business Systems	\$1,100.09	Monthly Maintenance - Admin Copier
CM25900	10/26/2012	Carrillo Enterprises	\$6,967.80	Misc Repairs; Admin Bldg Landscaping
CM25901	10/26/2012	Cell Energy Inc.	\$242.31	Truck Batteries #211 & #214
CM25902	10/26/2012	Chere Charles Cost-U-Less Pumping Service	\$605.00	Pumping Service
CM25903	10/26/2012	Clean Harbors Env. Services Inc.	\$23,568.34	Household Hazardous Waste Event
CM25904	10/26/2012	CLS Labs	\$2,784.18	Monthly Lab Tests
CM25905	10/26/2012	Dept. of Public Health	\$13,189.58	Water System Fees (July 2011 - June 2012)
CM25906	10/26/2012	Dunn Environmental, Inc.	\$27,597.65	Groundwater Production Well (DWR Grant costshare)
CM25907	10/26/2012	Employment Development Department	\$3,720.36	Payroll
CM25908	10/26/2012	Express Office Products, Inc.	\$1,032.97	Office Supplies
CM25909	10/26/2012	Fastsigns #60601	\$26.55	Truck Decals #817
CM25910	10/26/2012	Folsom Lake Fleet Services	\$2,929.89	Repairs, Smog Service:#212, #215, #218, #517, #519
CM25911	10/26/2012	Ford Motor Credit Company LLC	\$234.78	Patrol Vehicle Lease Payment
CM25912	10/26/2012	Golden State Flow Measurement	\$5,681.24	Water Meters
CM25913	10/26/2012	Groeniger & Company	\$3,027.78	Supplies
CM25914	10/26/2012	Hach Company	\$884.31	Supplies
CM25915	10/26/2012	Kronick Moskovitz Tiedemann & Girard	\$6,066.11	Legal Consulting
CM25916	10/26/2012	Maddaus Water Management	\$5,430.50	Water Shortage Contingency Plan
CM25917	10/26/2012	Motion Industries, Inc.	\$542.31	Brush Aerators
CM25918	10/26/2012	Nationwide Retirement Solution	\$1,763.23	Payroll
CM25919	10/26/2012	Operating Engineers Local Union No. 3	\$487.44	Payroll
CM25920	10/26/2012	P. E. R. S.	\$12,394.96	Payroll
CM25921	10/26/2012	PERS Long Term Care Program	\$138.76	Payroll

**Rancho Murieta Community Services District
Bills Paid Listing for October 2012**

Ck Number	Date	Vendor	Amount	Purpose
CM25922	10/26/2012	Pitney Bowes	\$696.70	Postage Machine Lease
CM25923	10/26/2012	Prodigy Electric	\$2,620.11	Misc Electrical Repairs/Service
CM25924	10/26/2012	Public Agency Retirement Services	\$400.00	Trust Admin Fees
CM25925	10/26/2012	Rancho Murieta Association	\$280.47	Landscaping/Cable/Internet
CM25926	10/26/2012	S. M. U. D.	\$31,610.81	Monthly Electric
CM25927	10/26/2012	Sacramento County Sheriff's Dept.	\$27.00	Pre-employment Background Check
CM25928	10/26/2012	TASC	\$54.50	Payroll
CM25929	10/26/2012	TASC	\$124.61	Payroll
CM25930	10/26/2012	U.S. HealthWorks Medical Group, PC	\$58.00	Fit for Duty Exam
CM25931	10/26/2012	Univar USA Inc.	\$3,930.00	Chemicals
CM25932	10/26/2012	USA Blue Book	\$2,723.52	Supplies
CM25933	10/26/2012	W.W. Grainger Inc.	\$23.17	Supplies
CM25934	10/26/2012	Western Exterminator Co.	\$376.00	Monthly Pest & Rodent Control
EFT	10/26/2012	US Postmaster	\$1,250.00	Postage
EFT	10/29/2012	Internal Revenue Service	\$9,387.16	Bi-weekly Payroll Taxes
EFT	10/31/2012	El Dorado Savings Bank	\$20.00	Bank Fees
EFT	10/31/2012	PremierWest Bank	\$79.00	Bank Fees
EFT	10/31/2012	Global Pay	\$1,298.22	Merchant Service Fees
EFT	10/31/2012	Payment Tech	\$910.70	Merchant Service Fees
		TOTAL	\$390,486.29	

**Rancho Murieta Community Services District
Bills Paid Listing for October 2012**

Ck Number	Date	Vendor	Amount	Purpose
		CFD#1 Bank of America Checking		
CM2657	10/12/2012	CoreLogic Solutions, LLC.	\$190.00	CFD#1 Admin Fee
CM2658	10/12/2012	NBS	\$2,053.99	CFD#1 Admin Fee
CM2659	10/12/2012	US Bank Corporate Trust	\$1,050.00	CFD#1 Admin Fee
CM2660	10/26/2012	Bank of America	\$10.86	CFD#1 Admin Fee
CM2661	10/26/2012	Kronick Moskowitz Tiedemann & Girard	\$1,711.00	CFD#1 Legal Fees
		TOTAL	\$3,293.99	
		EL DORADO PAYROLL		
Payroll (El Dorado)				
Checks: # CM10869 to CM10883 and Direct Deposits: DD05957 to DD6016			\$ 106,786.43	Payroll
EFT	10/31/2012	National Payment Corp	\$127.46	Payroll
		TOTAL	\$106,913.89	

MEMORANDUM

Date: November 9, 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

The District hosted, for all employees, a Pension Reform webinar produced by California Special Districts Association (CSDA). Darlene is making a CD for those who could not attend.

Debby worked with staff on health care changes to set enrollment for PERS January 1, 2013 roll out of new providers and changes to premiums.

Finance/IT

The District has a clean audit this year. It is a testament to Darlene's doggedness in reconciling fund balances outside our Great Plains accounting platform. Great Job!

As reported last month, Greg is looking into long term hosting options with ABDI to prevent future network administration issues with our security server. He hopes to bring it to the Security Committee in December.

Security

Now that another Gate Officer is back from medical leave, the Gates are fully staffed, heading into the holiday, which is always good news, given the requests for time off and overtime needs.

While the Gates are fully staffed, Greg is down a Patrol Officer due to a non-work related injury. The Patrol Officer will be out a couple of months. Greg is moving shifts and using off-duty Sacramento Sheriff's Department (SSD) Officers for double coverage when needed.

With fall and soon winter, the new PTF gates and barriers have not necessarily caused much patrol activity in the back area or river and trails. There are ongoing talks with PTF and residents on how to make the best of the new gates and restricted vehicular access.

Water

Water production dropped almost 50% this month from 2.6 mgd to 1.4 mgd. With lower production, coupled with lower operating temperatures, we have stopped taste and odor measures for the season.

While the river appears to be flowing more, it is still not high enough to meet our minimum diversion level of 70 cfs (it has been running about 30+cfs recently). We will likely start diversions in December or early January, as is our normal practice.

Wastewater

The reclamation plant is down for the season. Staff is evaluating off-season maintenance to get a head start on repairs while we can.

Paul was successful again this year in dropping carry-over storage to less than 100 AF, by bottoming out at about 74 AF.

Drainage

James Colas inspected erosion protection at several construction sites, heading into winter season. We stopped our ditch maintenance except for walk-throughs to ensure there are no blockages heading into the storm season.

Solid Waste

Nothing new to report on operations.

Engineering

FSA negotiations

As reported last month, the 670 Group and John Sullivan, on behalf of the Murieta Gardens project, are working with Jon Hobbs on new updates and changes to the Financing and Services Agreement (FSA). It looks like a draft agreement will be available for our December Board meeting.

Augmentation Well

A draft technical Memorandum was presented at the November Improvements Committee meeting. The results look promising and we are considering drilling test holes to validate the geophysical profiling.

Recycled Water Feasibility Study

Staff met with the Regional Water Quality Control Board (Regional Board) and California Department of Public Health (CDPH) on our proposed sharing of Rancho Murieta Country Club (RMCC) facilities. Their staff will be contacting us soon concerning their more formal initial comments. While positive comments were received from the Regional Board, CDPH was concerned about the use of RMCC's irrigation lakes.

Conservation

November is Turn Off Your Sprinkler month. We are offering rebates for hot water recirculating pumps and water pressure reducing valves.

MEMORANDUM

Date: November 9, 2012
 To: Board of Directors
 From: Darlene Gillum, Director of Administration
 Subject: Administration/Financial Reports

Enclosed is a financial summary report for **November 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	2512	2512	2512	2512								
	Weighted average	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cubic Feet	2855	2991	3126	3069	2261								
Gallons per day	712	746	779	765	564								

Lock-Offs

For the month of October, there were 19 lock-offs.

Aging Report - Delinquent accounts total \$59,396 which is 11.2% of the total accounts receivable balance of \$531,544. Past due receivables, as a percent of total receivables, have remained relatively stable since September.

Summary of Reserve Accounts as of October 31, 2012 – The District’s reserve accounts have increased \$197,534 year to date since July 1, 2012. The increase is due to the reserve amounts collected in the Water and Sewer base rates and interest earned. The District has expended \$153,727 of reserves since the beginning of the fiscal year, which started July 1, 2012. The total amount of reserves held by the District as of October 31, 2012 is \$8,625,555. Please see the Reserve Fund Balances table below for information by specific reserve account.

Reserve Fund Balances

<i>Reserve Descriptions</i>	<i>Fiscal Yr Beg Balance July 1, 2012</i>	<i>YTD Collected & Interest Earned</i>	<i>YTD Spent</i>	<i>Period End Balance Oct 31, 2012</i>
Water Capital Replacement (200-2505)	2,534,416	69,538	(19,646)	2,584,308
Sewer Capital Replacement (250-2505)	2,710,606	92,599	(31,227)	2,771,978
Drainage Capital Replacement (260-2505)	50,015	45	(0)	50,060
Security Capital Replacement (500-2505)	51,164	46	(0)	51,210
Sewer Capital Improvement Connection (250-2500)	3,996	4	(0)	4,000
Capital Improvement (xxx-2510)	437,939	1,541	(47,731)	391,749
Water Supply Augmentation (200-2511)	2,548,492	6,793	(55,123)	2,500,162
Water Debt Service Reserves (200-2512)	80,192	26,820	(0)	107,012
Sewer Debt Service Reserves (250-2512)	162,628	146	(0)	162,774
Rate Stabilization (200/250/500-2515)	2,300	2	(0)	2,302
<i>Total Reserves</i>	<i>8,581,748</i>	<i>197,534</i>	<i>(153,727)</i>	<i>8,625,555</i>

PARS GASB 45 Trust: The PARS GASB 45 Trust, which is the investment trust established to fund Other Post Employment Benefits, had the following returns:

Period ended September 30, 2012		
1-Month	3-Months	1-Year
1.67%	4.12%	18.11%

Financial Summary Report:

Revenues:

Water Charges, year-to-date, are **above** budget \$25,874 or 3.4%

Sewer Charges, year-to-date, are **above** budget \$873 or 0.2%

Drainage Charges, year-to-date, are **below** budget \$167 or (0.3%)

Security Charges, year-to-date, are **below** budget \$110 or 0%

Solid Waste Charges, year-to-date, are **above** budget \$120 or 0.1%

Total Revenues, which include other income, property taxes and interest income year-to-date, are **above** budget \$46,410 or 2.3%. Revenue areas that exceeded budget are primarily Water Charges, Reconnect Charges and Late Charges. Year to date residential Water usage has exceeded budget projections by 8.8% and year to date commercial Water usage is below budget projections by (7.0)%.

Expenses: Year-to-date total operating expenses are below budget \$181,802 or 9.9%. Year-to-date operational reserve expenditures total \$48,586. 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 below budget \$101,757 or (19.9%), prior to reserve expenditures. Areas running over budget are Power, Hazardous Waste Removal, and Miscellaneous Costs, which are related to a District Claim for damages. 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. Taste & Odor Chemicals, Equipment Rental, Maintenance & Repairs, Legal, Permits, Tools, Conservation and Training/Safety are running below budget. Year-to-date, \$23,906 of expenses have been incurred from reserves expenditures.

Sewer Expenses, year-to-date, are below budget by \$18,321 or 5.3%, prior to reserve expenditures. Areas running below budget are Chemicals, Maintenance & Repair, Equipment Rental and Training/Safety. Areas running over budget are Permits, Lab Tests, Consulting and Hazardous Waste Removal. Year-to-date, \$24,680 of expenses have been incurred from reserves expenditures.

Drainage Expenses, year-to-date, are over budget by \$5,291 or (11.6%). 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. All other areas, except Maintenance & Repairs, are running below budget. Maintenance & Repairs are over budget due to the work performed on the Hole 15 drainage culvert. This over-run will be moved to reserve expenditures when the Board approves the use of reserve funds for this work.

Security Expenses, year-to-date, are below budget by \$28,478 or (8.1%). Wages and Employers Costs are below budget due to turn-over in gate personnel and some short-term Leave Without Pay. Areas running over budget are IT Systems Maintenance and Miscellaneous Costs, which are related to installation of the new Security Server, and Legal Consulting.

Solid Waste Expenses, year-to-date, are over budget by \$12,037 or 6.0%. This over-run is related to the Household Hazardous Waste Event.

General Expenses, year-to-date, are below budget by \$50,573 or (13.1%). Wages and Employers Costs are running below budget due primarily to timing differences between actual salary increases and budgeted increases. Travel/meetings, Janitorial/Landscape Maintenance (due to maintenance and repair of the lawn irrigation system and landscape) and Director Expenses/Reimbursements are the largest categories running over budget. Insurance, Legal, and IT Systems Maintenance are the largest areas running below budget.

Net Income: Year-to-date unadjusted net income, before depreciation, is \$351,347. Net income/(Loss) adjusted for estimated depreciation expense of \$368,236 is (\$16,889).

The YTD expected net operating income before depreciation, per the 2012-2013 budget, is \$171,721. The actual net operating income is \$179,626 higher than the budget expectation due to revenue running \$46,410 over budget and total operating expenses running under budget \$133,216.

Rancho Murieta Community Services District
Summary Budget Performance Report
YTD THROUGH OCTOBER 2012

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE	
							Amount	%
REVENUES								
Water Charges	31.4%	\$1,733,950	37.4%	\$753,385	\$779,259	37.8%	\$25,874	3.4%
Sewer Charges	22.5%	1,243,734	20.6%	414,440	415,313	20.1%	873	0.2%
Drainage Charges	3.2%	176,908	2.9%	58,972	58,805	2.9%	(167)	(0.3%)
Security Charges	21.2%	1,167,898	19.3%	389,300	389,190	18.9%	(110)	0.0%
Solid Waste Charges	11.1%	610,981	10.1%	203,660	203,780	9.9%	120	0.1%
Other Income	1.5%	84,375	1.4%	27,524	47,316	2.3%	19,792	71.9%
Interest Earnings	0.0%	1,700	0.0%	451	479	0.0%	28	6.2%
Property Taxes	9.1%	501,840	8.3%	167,280	167,280	8.1%		0.0%
Total Revenues	100.0%	5,521,386	100.0%	2,015,012	2,061,422	100.0%	46,410	2.3%
OPERATING EXPENSES								
Water/Sewer/Drainage								
Wages	13.8%	759,406	13.7%	253,000	234,307	14.1%	(18,693)	(7.4%)
Employer Costs	6.5%	356,819	6.3%	116,400	108,768	6.5%	(7,632)	(6.6%)
Power	5.9%	323,910	6.1%	111,680	113,137	6.8%	1,457	1.3%
Chemicals	4.8%	265,010	6.6%	121,750	75,218	4.5%	(46,532)	(38.2%)
Maint & Repair	6.3%	350,570	5.9%	109,630	78,844	4.7%	(30,786)	(28.1%)
Meters/Boxes	1.0%	55,000	0.9%	16,500	15,655	0.9%	(845)	(5.1%)
Lab Tests	1.4%	78,250	1.2%	22,100	17,788	1.1%	(4,312)	(19.5%)
Permits	1.1%	62,540	1.0%	18,400	28,277	1.7%	9,877	53.7%
Training/Safety	0.4%	23,340	0.5%	9,755	2,035	0.1%	(7,720)	(79.1%)
Equipment Rental	0.8%	43,000	1.0%	18,350	14,352	0.9%	(3,998)	(21.8%)
Other	7.1%	392,160	5.8%	106,994	101,391	6.1%	(5,603)	(5.2%)
Subtotal Water/Sewer/Drainage	49.1%	2,710,005	49.1%	904,559	789,772	47.5%	(114,787)	(12.7%)
Security								
Wages	11.1%	613,100	10.9%	201,600	183,227	11.0%	(18,373)	(9.1%)
Employer Costs	6.4%	351,300	6.1%	112,600	103,579	6.2%	(9,021)	(8.0%)
Insurance	0.1%	4,500	0.1%	1,500		0.0%	(1,500)	(100.0%)
Off Duty Sheriff Patrol	0.1%	6,000	0.1%	2,000	1,307	0.1%	(693)	(34.7%)
Other	1.9%	102,930	1.9%	34,821	35,929	2.2%	1,108	3.2%
Subtotal Security	19.5%	1,077,830	19.1%	352,521	324,042	19.5%	(28,479)	(8.1%)
Solid Waste								
CWRS Contract	9.7%	533,520	9.6%	177,840	178,287	10.7%	447	0.3%
Sacramento County Admin Fee	0.6%	33,960	0.6%	11,320	11,342	0.7%	22	0.2%
HHW Event	0.2%	12,000	0.7%	12,000	23,568	1.4%	11,568	96.4%
Subtotal Solid Waste	10.5%	579,480	10.9%	201,160	213,197	12.8%	12,037	6.0%
General / Admin								
Wages	9.1%	502,500	9.0%	166,100	150,416	9.1%	(15,684)	(9.4%)
Employer Costs	5.0%	275,200	4.8%	89,200	86,078	5.2%	(3,122)	(3.5%)
Insurance	1.0%	54,060	1.0%	18,020	14,971	0.9%	(3,049)	(16.9%)
Legal	0.5%	25,000	0.4%	8,000	7,313	0.4%	(687)	(8.6%)
Office Supplies	0.3%	19,200	0.3%	6,400	5,748	0.3%	(652)	(10.2%)
Director Meetings	0.3%	18,000	0.3%	6,000	4,700	0.3%	(1,300)	(21.7%)
Telephones	0.1%	4,320	0.1%	1,440	1,424	0.1%	(16)	(1.1%)
Information Systems	1.7%	95,400	2.5%	45,719	6,323	0.4%	(39,396)	(86.2%)
Community Communications	0.1%	5,900	0.1%	1,800	915	0.1%	(885)	(49.2%)
Postage	0.4%	21,780	0.4%	7,260	6,000	0.4%	(1,260)	(17.4%)
Janitorial/Landscape Maint	0.3%	16,800	0.3%	5,600	20,052	1.2%	14,452	258.1%
Other	2.1%	116,790	1.6%	29,512	30,538	1.8%	1,026	3.5%
Subtotal General / Admin	20.9%	1,154,950	20.9%	385,051	334,478	20.1%	(50,573)	(13.1%)
Total Operating Expenses	100.0%	5,522,265	100.0%	1,843,291	1,661,489	100.0%	(181,802)	(9.9%)
Operating Income (Loss)	100.0%	(879)	100.0%	171,721	399,933	100.0%	228,212	132.9%
Non-Operating Expenses								
Water Reserve Expenditure	0.0%		0.0%		23,906	49.2%	23,906	0.0%
Sewer Reserve Expenditure	0.0%		0.0%		24,680	50.8%	24,680	0.0%
Total Non-Operating Expenses	0.0%	0.0%	0.0%	0.0%	48,586	100.0%	48,586	0.0%
Net Income (Loss)	100.0%	(879)	100.0%	171,721	351,347	100.0%	179,626	104.6%

Rancho Murieta Community Services District
Budget Performance Report by FUND
YTD THROUGH OCTOBER 2012

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE	
							Amount	%
WATER								
REVENUES								
Water Charges	98.7%	\$1,733,950	99.0%	\$753,385	\$779,259	98.2%	\$25,874	3.4%
Interest Earnings	0.0%		0.0%		48	0.0%	48	0.0%
Other Income	1.3%	22,055	1.0%	7,352	14,616	1.8%	7,264	98.8%
Total Water Revenues	100.0%	1,756,005	100.0%	760,737	793,923	100.0%	33,186	4.4%
EXPENSES (excluding depreciation)								
Wages	27.3%	410,082	26.7%	136,620	114,783	28.0%	(21,837)	(16.0%)
Employer Costs	12.8%	192,679	12.3%	62,856	53,803	13.1%	(9,053)	(14.4%)
Power	10.9%	164,450	9.4%	48,320	50,703	12.4%	2,383	4.9%
Chemicals	8.7%	130,300	9.8%	50,035	48,675	11.9%	(1,360)	(2.7%)
T&O - Chemicals/Treatment	4.1%	61,000	7.6%	38,850	15,114	3.7%	(23,736)	(61.1%)
Maint & Repair	11.0%	166,070	11.1%	56,630	25,577	6.2%	(31,053)	(54.8%)
Meters/Boxes	3.7%	55,000	3.2%	16,500	15,655	3.8%	(845)	(5.1%)
Lab Tests	2.7%	40,000	2.0%	10,000	4,555	1.1%	(5,445)	(54.5%)
Permits	2.1%	32,000	2.0%	10,000	7,188	1.8%	(2,812)	(28.1%)
Training/Safety	0.6%	9,140	0.7%	3,555	1,256	0.3%	(2,299)	(64.7%)
Equipment Rental	1.4%	21,500	2.0%	10,000	8,456	2.1%	(1,544)	(15.4%)
Other Direct Costs	14.8%	222,550	13.3%	68,196	64,040	15.6%	(4,156)	(6.1%)
Operational Expenses	100.0%	1,504,771	100.0%	511,562	409,805	100.0%	(101,757)	(19.9%)
Water Income (Loss)	16.7%	251,234	48.7%	249,175	384,118	93.7%	134,943	54.2%
38.9% Net Admin Alloc	16.7%	250,948	16.4%	83,916	63,514	15.5%	(20,402)	(24.3%)
Reserve Expenditures	0.0%		0.0%		23,906	5.8%	23,906	0.0%
Total Net Income (Loss)	0.0%	286	32.3%	165,259	296,698	72.4%	131,439	79.5%
SEWER								
REVENUES								
Sewer Charges	98.8%	1,243,734	98.8%	414,440	415,313	98.2%	873	0.2%
Interest Earnings	0.0%	180	0.0%	60	44	0.0%	(16)	(26.7%)
Other Income	1.2%	14,550	1.2%	4,848	7,504	1.8%	2,656	54.8%
Total Sewer Revenues	100.0%	1,258,464	100.0%	419,348	422,861	100.0%	3,513	0.8%
EXPENSES (excluding depreciation)								
Wages	27.7%	296,166	28.4%	98,670	98,245	29.9%	(425)	(0.4%)
Employer Costs	13.0%	139,160	13.1%	45,396	45,139	13.7%	(257)	(0.6%)
Power	13.5%	143,960	16.7%	58,010	58,360	17.7%	350	0.6%
Chemicals	7.4%	79,310	10.5%	36,565	19,810	6.0%	(16,755)	(45.8%)
Maint & Repair	16.2%	172,500	14.1%	49,000	38,908	11.8%	(10,092)	(20.6%)
Lab Tests	3.6%	38,250	3.5%	12,100	13,233	4.0%	1,133	9.4%
Permits	2.5%	26,540	2.4%	8,400	21,089	6.4%	12,689	151.1%
Training/Safety	1.3%	14,200	1.8%	6,200	779	0.2%	(5,421)	(87.4%)
Equipment Rental	1.5%	16,000	1.8%	6,350	4,838	1.5%	(1,512)	(23.8%)
Other Direct Costs	13.3%	141,510	7.6%	26,548	28,517	8.7%	1,969	7.4%
Operational Expenses	100.0%	1,067,596	100.0%	347,239	328,918	100.0%	(18,321)	(5.3%)
Sewer Income (Loss)	17.9%	190,868	20.8%	72,109	93,943	28.6%	21,834	30.3%
29.7% Net Admin Alloc	17.9%	191,598	18.5%	64,069	48,493	14.7%	(15,576)	(24.3%)
Reserve Expenditures	0.0%		0.0%		24,680	7.5%	24,680	0.0%
Total Net Income (Loss)	-0.1%	(730)	2.3%	8,040	20,770	6.3%	12,730	158.3%
DRAINAGE								
REVENUES								
Drainage Charges	99.8%	176,908	99.9%	58,972	58,805	100.0%	(167)	(0.3%)
Interest Earnings	0.2%	280	0.1%	76	20	0.0%	(56)	(73.7%)
Total Drainage Revenues	100.0%	177,188	100.0%	59,048	58,825	100.0%	(223)	(0.4%)
EXPENSES (excluding depreciation)								
Wages	38.6%	53,158	38.7%	17,710	21,279	41.7%	3,569	20.2%
Employer Costs	18.1%	24,980	17.8%	8,148	9,826	19.2%	1,678	20.6%
Power	11.3%	15,500	11.7%	5,350	4,074	8.0%	(1,276)	(23.9%)
Chemicals	3.9%	5,400	3.9%	1,800	429	0.8%	(1,371)	(76.2%)
Maint & Repair	8.7%	12,000	8.7%	4,000	14,359	28.1%	10,359	259.0%
Permits	2.9%	4,000	0.0%			0.0%		0.0%
Equipment Rental	4.0%	5,500	4.4%	2,000	1,058	2.1%	(942)	(47.1%)
Other Direct Costs	12.4%	17,100	14.8%	6,750	24	0.0%	(6,726)	(99.6%)
Operational Expenses	100.0%	137,638	100.0%	45,758	51,049	100.0%	5,291	11.6%
Drainage Income (Loss)	28.7%	39,550	29.0%	13,290	7,776	15.2%	(5,514)	(41.5%)
6.1% Net Admin Alloc	28.6%	39,352	28.8%	13,159	9,960	19.5%	(3,199)	(24.3%)
Total Net Income (Loss)	0.1%	198	0.3%	131	(2,184)	-4.3%	(2,315)	(1,767.2%)
SECURITY								
REVENUES								
Security Charges	96.6%	1,167,898	96.7%	389,300	389,190	94.8%	(110)	0.0%
Interest Earnings	0.1%	640	0.0%	165	230	0.1%	65	39.4%
Other Income	3.3%	39,970	3.3%	13,324	21,275	5.2%	7,951	59.7%

Rancho Murieta Community Services District
Budget Performance Report by FUND
YTD THROUGH OCTOBER 2012

	% of	Annual	% of	YTD	YTD	% of	YTD VARIANCE	
	Total	Budget	Total	Budget	Actuals	Total	Amount	%
Total Security Revenues	100.0%	\$1,208,508	100.0%	\$402,789	\$410,695	100.0%	\$7,906	2.0%
EXPENSES (excluding depreciation)								
Wages	56.9%	613,100	57.2%	201,600	183,227	56.5%	(18,373)	(9.1%)
Employer Costs	32.6%	351,300	31.9%	112,600	103,579	32.0%	(9,021)	(8.0%)
Insurance	0.4%	4,500	0.4%	1,500		0.0%	(1,500)	(100.0%)
Equipment Repairs	0.4%	4,400	0.4%	1,468	315	0.1%	(1,153)	(78.5%)
Vehicle Maintenance	0.6%	6,700	0.6%	2,225	3,583	1.1%	1,358	61.0%
Vehicle Fuel	1.9%	20,460	2.1%	7,320	5,284	1.6%	(2,036)	(27.8%)
Off Duty Sheriff Patrol	0.6%	6,000	0.6%	2,000	1,307	0.4%	(693)	(34.7%)
Other	6.6%	71,370	6.8%	23,808	26,748	8.3%	2,940	12.3%
Operational Expenses	100.0%	1,077,830	100.0%	352,521	324,043	100.0%	(28,478)	(8.1%)
Security Income (Loss)	12.1%	130,678	14.3%	50,268	86,652	26.7%	36,384	72.4%
20.3% Net Admin Alloc	12.2%	130,957	12.4%	43,791	33,145	10.2%	(10,646)	(24.3%)
Total Net Income (Loss)	0.0%	(279)	1.8%	6,477	53,507	16.5%	47,030	726.1%
SOLID WASTE REVENUES								
Solid Waste Charges	99.9%	610,981	99.9%	203,660	203,780	99.9%	120	0.1%
Interest Earnings	0.1%	600	0.1%	150	137	0.1%	(13)	(8.7%)
Total Solid Waste Revenues	100.0%	611,581	100.0%	203,810	203,917	100.0%	107	0.1%
EXPENSES (excluding depreciation)								
CWRS Contract	92.1%	533,520	88.4%	177,840	178,287	83.6%	447	0.3%
Sacramento County Admin Fee	5.9%	33,960	5.6%	11,320	11,342	5.3%	22	0.2%
HHW Event	2.1%	12,000	6.0%	12,000	23,568	11.1%	11,568	96.4%
Operational Expenses	100.0%	579,480	100.0%	201,160	213,197	100.0%	12,037	6.0%
Solid Waste Income (Loss)	5.5%	32,101	1.3%	2,650	(9,280)	-4.4%	(11,930)	(450.2%)
5.0% Net Admin Alloc	5.6%	32,256	5.4%	10,786	8,164	3.8%	(2,622)	(24.3%)
Total Net Income (Loss)	0.0%	(155)	-4.0%	(8,136)	(17,444)	-8.2%	(9,308)	114.4%
OVERALL NET INCOME(LOSS)	100.0%	(680)	100.0%	171,771	351,347	100.0%	179,576	104.5%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

INVESTMENT REPORT

CASH BALANCE AS OF OCTOBER 31, 2012

INSTITUTION	YIELD	BALANCE
CSD FUNDS		
EL DORADO SAVINGS BANK		
SAVINGS	0.05%	\$ 365,561.41
CHECKING	0.03%	\$ 8,382.11
PAYROLL	0.03%	\$ 3,653.62
PREMIER WEST BANK		
EFT	N/A	\$ 52,817.54
LOCAL AGENCY INVESTMENT FUND (LAIF)		
UNRESTRICTED		\$ -
RESTRICTED RESERVES	0.34%	\$ 5,271,200.73
CALIFORNIA ASSET MGMT (CAMP)		
OPERATION ACCOUNT	0.21%	\$ 3,591,329.98
UNION BANK		
PARS GASB45 TRUST (balance as of 9/30/12)		\$ 317,939.07
TOTAL		\$ 9,610,884.46

BOND FUNDS

COMMUNITY FACILITIES DISTRICT NO. 1 (CFD)

BANK OF AMERICA		
CHECKING	N/A	\$ 47,440.69
CALIFORNIA ASSET MGMT (CAMP)		
SPECIAL TAX	0.21%	\$ 8,290.09
US BANK		
SPECIAL TAX REFUND	0.00%	\$ -
BOND RESERVE FUND/ SPECIAL TAX FUND	0.00%	\$ 726,685.00
TOTAL		\$ 782,415.78
TOTAL ALL FUNDS		\$ 10,393,300.24

The investments comply with the CSD adopted investment policy.

PREPARED BY: Darlene Gillum
Director of Administration

MEMORANDUM

Date: November 7, 2012
To: Board of Directors
From: Greg Remson, Security Chief
Subject: Security Report for the Month of October 2012

OPERATIONS

Our new Security Gate Officer, Denise Bridges, has completed her training and is working on her own.

Security Patrol Officer Scarzella attended the "Take a Kid Mountain Biking Day" at Clementia Park. The event included guided bike rides and a bicycle safety course and skills area. Approximately 100 riders participated.

Security Patrol Officer Fuentes attended a Cub Scout meeting and discussed various safety issues. The Scouts were also shown the Security Patrol vehicle's equipment and operations.

Overall, Halloween was quiet, with the rain holding off until about 10:00 p.m. There were two (2) serious incidents, though. At about 6:00 p.m., there was a DUI arrest of a resident who ran into a retaining wall at Murieta Plaza and then drove home. There was damage to the entire passenger side of the vehicle. California Highway Patrol (CHP) responded and arrested the driver for DUI.

On the North side at about 8:30 p.m. Security Officers and the off-duty Sacramento Sheriff Deputy (SSD) responded to a report of 4-5 subjects in a large, dark pickup truck who stopped and got out of the truck, and demanded candy from a group of trick or treaters. Some had cap guns or air soft guns and shot them into the air. The victims ran off, with one dropping their candy. The area was checked by the Officers and the subjects were not located.

INCIDENTS OF NOTE

October 2, Tuesday, 4:13 p.m. Gazebo bus stop. Physical fight between two (2) resident 14 year old girls. Parents contacted, mediated and provided options.

October 3, Wednesday, 6:55 p.m. Bass Lake. Possible drug use. Report of subjects smoking something from a large glass smoking device. Subjects contacted and said they were smoking cigarettes only.

October 7, Sunday, 8:03 a.m. Anderson Field on Cantova Way. Vandalism. A plastic chair was damaged and subjects also toilet papered the back stop and defecated on home plate.

October 7, Sunday, 10:29 p.m. Lake Calero. Fish & Game Warden and Security Patrol Officer contacted subjects. Driver was in possession of marijuana.

October 8, Monday, 1:26 a.m. Jurata Court. Unknown subject was knocking on the front door. Contacted subject who was in the wrong neighborhood. SSD responded and gave the subject a ride home to Herald.

October 10, Wednesday, 2:11 p.m. Airport. Report of multiple gunshots from a helicopter that was hovering near the south end of the airstrip. SSD responded and contacted an airport employee and the pilots, who were demonstrating a stabilizing device to enable accurate shooting from a helicopter. SSD took the information from all involved and will follow up on safety/legal issues.

October 13, Saturday, 11:06 p.m. Country Club, lower parking lot. Report of an unknown disturbance. Security Patrol Officer contacted an angry, intoxicated male from a wedding party who was walking around the area. He was advised to call for a ride. The ride arrived but both the driver and passenger were intoxicated. CHP responded and arrested the driver for DUI.

October 14, Sunday, 9:30 a.m. Theft. Lago Drive. A ceramic pot was taken from the deck.

October 16, Tuesday, 10:45 p.m. Camino Del Lago at Murieta Parkway. Single vehicle crash into a tree. Upon impact, landscaping rocks were thrown onto a vehicle stopped at the stop sign, breaking the windshield. Witness says vehicle was speeding and the driver was under the influence. The 21 year old driver was taken from scene prior to Security or CHP's arrival by his father. The mother arrived later to speak with CHP. CHP investigation continues due to possible criminal acts.

October 17, Wednesday, 8:10 a.m. Residential burglary on Pera Drive. Five (5) nights prior, the resident was gone overnight and left multiple doors unlocked. Prescription medication was taken. Referred to SSD for a report.

October 18, Thursday, 8:50 a.m. Gazebo. Refused entry subject rode bus into the Gazebo bus stop. 72 year old female was contacted by Security Patrol Officers and advised of trespassing. Subject refused to leave; SSD was notified and transported subject to the hospital for mental health evaluation.

October 23, Tuesday, 10:15 a.m. Bass Lake pump house and Rancho Murieta Country Club (RMCC) maintenance yard. Locks on storage areas were broken and copper pipe, wiring harness, chain saw, trimmer, impact wrench and oil were taken. Referred to SSD for report.

October 26, Friday, 10:39 a.m. Sonora Drive. Window screens were tampered with. No entry was made. Referred to SSD for a report.

October 28, Sunday, 12:56 a.m. Suspicious person squatting down next to an open door of a vehicle in front of the China Palace Restaurant. An intoxicated female was waiting for the driver to come out of restaurant to take her home.

October 28, Sunday, 1:25 a.m. Abierto Drive. A Security Patrol Officer observed an open garage door along with an open door of a vehicle parked inside of the garage. An intoxicated male was found passed out in the driver's seat. Subject was determined to be a resident of the house. His wife was notified and brought him inside. Subject was previously at a Halloween party.

During the month of October, District Security Patrol Officers responded to complaints of juvenile disturbances, loud people/parties, and toilet paper jobs. Various campaign signs were also taken and/or knocked down.

RANCHO MURIETA ASSOCIATION COMPLIANCE/GRIEVANCE/SAFETY COMMITTEE MEETING

The meeting was held on October 1, 2012. The Committee was provided with the RMA DUI questions pertaining to indemnification and liability that were answered by the District's attorney, Jonathan Hobbs. The information will be given to the full RMA Board. There were three (3) appearances regarding speeding, stop sign, and parking. There was one (1) letter regarding speeding and failure to stop. The next meeting will be on November 5, 2012.

JOINT SECURITY COMMITTEE MEETING

The Joint Security Committee was held at the District Office on October 23, 2012. Representatives from RMA, Murieta Village, RMCC and the District were in attendance. Also in the audience were representatives from the Operating Engineers and the Murieta Trail Stewardship. Topics for discussion included the new North Gate, DUI Policy, Back Country (PTF) Access and Trespass on Adjacent Lands, Trespass on RMCC property, Community Surveillance Cameras, and the Security Survey.

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 Jacque Villa and Steve Lentz in patrolling the District as another set of "eyes and ears".

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

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

NEW NORTH GATE

Although there has been discussion between RMA and PTF on the gate, there has been no movement on a construction date.

MEMORANDUM

Date: November 8, 2012
To: Board of Directors
From: Paul Siebensohn, Director of Field Operations
Subject: Water/Wastewater/Drainage Report

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

Water

Water Treatment Plant #1 production flow is set at 0.5 million gallons per day (MGD) and Plant #2 production is at 0.9 MGD for a total of 1.4 MGD. Due to lower water temperatures and the lack of taste and odor in the water, the powdered activated carbon feed has been shut off since October 25, 2012. Total potable water production for October 2012 was approximately 51.2 million gallons (MG) or approximately 157.1 acre-feet.

This past month staff installed a check valve for the Plant #2 sedimentation basin sludge discharge line to force the sludge to the drying beds vs sludge recovery basin. This was done to prevent recovery water with high total organic carbon (TOC) from going back into the headworks of Plant #2, to help prevent disinfection byproduct (DBP) formation. Staff also cleaned out one of the sludge drying beds at the water treatment plant and hauled it back to the wastewater reclamation plant. Improvements to the potassium permanganate saturator were made to ensure a more consistent feed.

Water Source of Supply

On November 7, 2012, the combined raw water storage for Calero, Chesbro, and Clementia Reservoirs measured 3,339 acre-feet. Total storage volume for just Calero and Chesbro Reservoirs was at 2,474 acre-feet. Staff removed the stop-logs in Clementia prior to the rainy season, as required by the Department of Dam Safety.

As the weather has cooled off enough to help prevent odors, as well as Rancho Murieta Association (RMA) not needing irrigation water, staff is has worked on draining Laguna Joaquin enough to reset the drain valve located at the spillway.

Wastewater

Influent wastewater flow averaged 0.406 MGD, approximately 38.7 acre-feet for the month of October. A total of 73.73 acre-feet of secondary wastewater was measured in the secondary storage reservoirs on November 7, 2012. The Rancho Murieta Country Club (RMCC) requested that we stop supplying them reclaimed water on October 3, 2012. We ran reclaimed water for one (1) day out to the Van Vleck ranch and then shut the facility down for the season. Maintenance included beginning winterizing facility and off-season maintenance; draining down filters and

leaving filter valves in the open position; flushing chemical feed lines; removing cover over chlorine contact basin and flushing it out.



Reclaimed water irrigation at VanVleck Ranch; wastewater solids drying beds in foreground

Wastewater Collections

As part of scheduled annual maintenance of the collection system, the Utility staff has been running a closed circuit television camera (cctv) in the District's sewer collection pipelines to investigate possible issues. Where issues are found, staff addresses them right away or notes them on a spreadsheet to be serviced. So far, staff has cctv'd over 600' of lines in the Murieta Village alone.

The Main Lift North (MLN) sewer pumping station was experiencing major issues with alarms this past weekend. Staff figured out it was due to issues with the bubbler bells, used in measuring the wet well levels. Staff is looking into installing new ones, purchased from TESCO.



Some of the Wastewater Reclamation Plant paving work that occurred this past month

Drainage

From this month forward, staff will no longer be cutting vegetation as we are heading into the winter season. The goal is to leave the drainage in a natural state to catch, filter, and slow the velocity of stormwater runoff as part of Best Management Practices (BMPs) for stormwater control. Staff has been clearing debris from storm drains in preparation for upcoming wet weather storm water.



Storm drain on Reynosa Dr. filled with sand and debris prior to cleaning by staff

Across Hole #15 on the RMCC North Course, staff replaced three hundred-and-sixty (360) feet of corrugated metal pipe (cmp) with the equivalent size of and length with soil-tight High-density-polyethylene pipe, as this type of pipe should easily provide another fifty (50) years of service. Further detail on this project may be found in the memo to approve Hole #15 culvert repair costs from drainage reserves, in this Board packet.

Utility Operations

Meter maintenance completed last month included replacement of six (6) water meters, one (1) meter registers, and five (5) MXU radio read units.

In October, Utility staff had eleven (11) calls for water leaks, three (3) of which were on District service lines and were repaired (one (1) was a leaking water distribution line air release valve (arv) which was repaired), eight (8) USA (Underground Service Alerts), three (3) sewer calls which were all in the Murieta Village, and thirty (30) Utility Star work orders that were completed.

MEMORANDUM

Date: November 7, 2012
To: Board of Directors
From: Finance Committee Staff
Subject: Receive the **Draft** 2011-2012 Rancho Murieta Community Services District Annual Audit Report and **Draft** 2011-2012 CFD #1 Annual Audit Report

RECOMMENDED ACTION

To receive the **DRAFT** 2011-2012 audit reports for the Rancho Murieta Community Services District and the CFD#1. And to request the Finance Committee recommendation to present the **FINAL** 2011-2012 audit reports to the Board of Directors for approval at the November 14, 2012 Special Board Meeting.

BACKGROUND

Enclosed are **draft** audit reports related to the 2011-2012 fiscal year. I am excited to report that the District has a clean audit – no outstanding findings! Mr. Bain will attend the November 14, 2012 Special Board meeting to present the final audit to the Board of Directors.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2012

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of each major fund, and the fiduciary fund of the Rancho Murieta Community Services District (District) as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Rancho Murieta Community Services District, California, as of June 30, 2012, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in conformity with U.S. generally accepted accounting principles.

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

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

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Statement of Net Assets - Proprietary Funds
June 30, 2012
(With Comparative Totals for June 30, 2011)**

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
<u>Assets</u>			
Current Assets:			
Cash and investments	\$ 110,147	\$ 209,439	\$ 44,396
Accounts receivable	258,050	219,136	30,176
Due from other governments			
Interest receivable	(44)	58	324
Prepaid Expenses	32,944	635	130
Due from developers	148,546	7,393	
Due from other funds			
Total Current Assets	549,643	436,661	75,026
Capital Assets - net of accumulated depreciation	8,561,866	11,676,199	
Other Assets:			
Cash and investments -designated	4,978,199	2,937,057	377,381
Interest receivable - designated	2,970	804	
Total Other Assets	4,981,169	2,937,861	377,381
Total Assets	14,092,678	15,050,721	452,407
<u>Liabilities</u>			
Current Liabilities:			
Accounts payable	88,433	76,979	3,647
Accrued payroll	19,531	20,338	5,995
Post retirement medical liability	19,058	13,135	2,422
Deposits	41,374	102	21
Deferred revenue	6,396	4,883	1,003
Capital lease			
Total Current Liabilities	174,792	115,437	13,088
Noncurrent Liabilities:			
Capital lease			
Compensated absences	27,122	20,018	3,798
Total Liabilities	201,914	135,455	16,886
<u>Net Assets</u>			
Invested in capital assets, net of related debt	8,561,866	11,676,199	
Net Assets:			
Unrestricted	5,328,898	3,239,066	435,521
Total Net Assets	\$ 13,890,764	\$ 14,915,265	\$ 435,521

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

		Totals	
Solid Waste Fund	Security Fund	2012	2011
\$ 211,001	\$ 309,866	\$ 884,849	\$ 705,635
63,508	204,588	775,458	574,804
		-	123,192
134	219	691	215
107	687	34,503	78,710
		155,939	158,924
		-	-
<u>274,750</u>	<u>515,360</u>	<u>1,851,440</u>	<u>1,641,479</u>
	<u>347,510</u>	<u>20,585,575</u>	<u>21,510,545</u>
	49,007	8,341,644	8,033,372
	78	3,852	5,083
	<u>49,085</u>	<u>8,345,496</u>	<u>8,038,456</u>
<u>274,750</u>	<u>911,955</u>	<u>30,782,511</u>	<u>31,190,480</u>
93,031	18,681	280,771	284,411
1,047	27,692	74,603	60,620
612	19,245	54,472	34,996
17	70	41,584	47,535
822	3,338	16,442	14,507
	2,283	2,283	-
<u>95,529</u>	<u>71,309</u>	<u>470,155</u>	<u>442,069</u>
	7,298	7,298	-
1,337	43,407	95,682	89,222
<u>96,866</u>	<u>122,014</u>	<u>573,135</u>	<u>531,291</u>
	347,510	20,585,575	21,510,545
<u>177,883</u>	<u>442,432</u>	<u>9,623,800</u>	<u>9,148,645</u>
<u>\$ 177,883</u>	<u>\$ 789,942</u>	<u>\$ 30,209,375</u>	<u>\$ 30,659,189</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012
(With Comparative Totals for the Fiscal Year Ended June 30, 2011)

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
Operating Revenues:			
Service charges	\$ 1,564,784	\$ 1,126,964	\$ -
Special taxes			162,962
Other charges	23,730	19,526	506
Total Operating Revenues	<u>1,588,514</u>	<u>1,146,490</u>	<u>163,468</u>
Operating Expenses:			
Source of supply	137,011		
Treatment	451,725		
Transmission and distribution	381,487		
Sewer collection		165,590	
Sewer treatment and disposal		584,311	
Drainage			123,282
Gate services			
Patrol services			
Solid waste			
General and administrative	951,444	564,813	65,197
Depreciation	476,294	597,607	
Total Operating Expenses	<u>2,397,961</u>	<u>1,912,321</u>	<u>188,479</u>
Operating Income (Loss)	<u>(809,446)</u>	<u>(765,832)</u>	<u>(25,010)</u>
Non-operating Revenues (Expenses):			
Taxes	194,088	148,185	30,435
Capital reserve fees	199,867	288,229	
Debt reserve fee	64,761	115,070	
Interest revenue	15,882	6,914	1,364
Rent			
Water augmentation			
Gain (Loss) on disposal of capital assets			
Refunds and reimbursements			
Miscellaneous	12,354	2,109	1,182
Total Non-operating Revenues (Expenses)	<u>486,952</u>	<u>560,507</u>	<u>32,982</u>
Change in Net Assets	(322,494)	(205,325)	7,971
Net Assets, Beginning of Fiscal Year	14,180,071	15,119,432	426,695
Prior Period Adjustments	33,187	1,158	855
Net Assets, End of Fiscal Year	<u>\$ 13,890,764</u>	<u>\$ 14,915,265</u>	<u>\$ 435,521</u>

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

		Totals	
Solid Waste Fund	Security Fund	2012	2011
\$ 588,809	\$ -	\$ 3,280,557	\$ 3,122,167
	1,122,545	1,285,507	1,264,558
	49,958	93,721	89,008
<u>588,809</u>	<u>1,172,503</u>	<u>4,659,785</u>	<u>4,475,733</u>
		137,011	111,940
		451,725	373,109
		381,487	422,012
		165,590	190,647
		584,311	591,626
		123,282	112,884
	474,578	474,578	457,716
	407,595	407,595	377,699
541,572		541,572	532,916
53,284	363,546	1,998,283	1,836,141
	38,976	1,112,877	1,098,969
<u>594,856</u>	<u>1,284,695</u>	<u>6,378,311</u>	<u>6,105,659</u>
<u>(6,046)</u>	<u>(112,191)</u>	<u>(1,718,526)</u>	<u>(1,629,926)</u>
24,947	101,285	498,941	529,522
		488,096	452,295
		179,831	108,179
399	895	25,454	30,159
			4,187
	4,625	4,625	(10,798)
<u>5,569</u>	<u>3,149</u>	<u>24,363</u>	<u>14,676</u>
<u>30,915</u>	<u>109,954</u>	<u>1,221,310</u>	<u>1,128,221</u>
24,869	(2,237)	(497,216)	(501,705)
153,010	779,981	30,659,188	31,095,724
5	12,199	47,404	\$ 65,170
<u>\$ 177,883</u>	<u>\$ 789,943</u>	<u>\$ 30,209,376</u>	<u>\$ 30,659,189</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2012

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

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
Cash Flows from Operating Activities:			
Receipts from customers	\$ 1,556,100	\$ 1,112,478	\$ 163,346
Payments to employees	(847,602)	(620,315)	(119,500)
Payments to suppliers	(1,022,528)	(650,901)	(63,117)
Net Cash Provided By (Used In) Operating Activities	(314,030)	(158,737)	(19,270)
Cash Flows from Non-capital Financing Activities:			
Taxes received	194,088	148,185	30,435
Due from other funds			
Due to other funds			
Prior year adjustment-allocating admin/reserve accounts			
Debt reserve fee	64,761	115,070	
Miscellaneous	12,354	2,109	1,182
Net Cash Provided By (Used In) Non-capital Financing Activities	271,203	265,364	31,618
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	(35,157)	(136,203)	
Cash received from sale of assets			
Proceeds of debt			
Reduction of debt			
Capital reserve fees	199,867	288,229	
Net Cash Provided By (Used In) Capital and Related Financing Activities	164,710	152,026	
Cash Flows from Investing Activities:			
Interest received	17,094	7,003	1,116
Net Cash Provided by Investing Activities	17,094	7,003	1,116
Net Increase (Decrease) in Cash and Cash Equivalents	138,977	265,656	13,463
Cash and Cash Equivalents, July 1	4,949,369	2,880,840	408,314
Cash and Cash Equivalents, June 30	\$ 5,088,346	\$ 3,146,496	\$ 421,777
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets:			
Cash and investments	\$ 110,147	\$ 209,439	\$ 44,396
Restricted cash and investments	4,978,199	2,937,057	377,381
Total Cash and Cash Equivalents	\$ 5,088,346	\$ 3,146,496	\$ 421,777

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

		Totals	
Solid Waste Fund	Security Fund	2012	2011
\$ 587,919	\$ 1,178,424	\$ 4,598,267	\$ 4,507,386
(36,887)	(1,046,161)	(2,670,464)	(2,628,802)
(555,974)	(191,536)	(2,484,056)	(2,388,113)
(4,942)	(59,273)	(556,253)	(509,529)
24,947	101,285	498,941	529,522
		-	68,304
		-	(68,304)
		-	65,170
		179,831	108,179
5,569	3,149	24,363	18,863
30,516	104,434	703,135	721,732
	(25,521)	(196,881)	(353,710)
	13,600	13,600	9,000
	10,000	10,000	
	(419)	(419)	
		488,096	452,295
	(2,340)	314,396	107,585
330	664	26,207	30,979
330	664	26,207	30,979
25,904	43,485	487,485	350,767
185,097	315,388	8,739,008	8,388,239
<u>\$ 211,001</u>	<u>\$ 358,873</u>	<u>\$ 9,226,493</u>	<u>\$ 8,739,006</u>
\$ 211,001	\$ 309,866	\$ 884,849	\$ 705,635
	49,007	8,341,644	8,033,372
<u>\$ 211,001</u>	<u>\$ 358,873</u>	<u>\$ 9,226,493</u>	<u>\$ 8,739,006</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Statement of Cash Flows
Proprietary Funds (Continued)
For the Fiscal Year Ended June 30, 2012
(With Comparative Totals for the Fiscal Year Ended June 30, 2011)**

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities			
Operating loss	\$ (809,446)	\$ (765,832)	\$ (25,010)
Noncash items included in operating loss			
Depreciation	476,294	597,607	
Changes in assets and liabilities			
Decrease (increase) in operating assets			
Accounts receivable	(78,092)	(71,189)	(7,758)
Prepaid expenses	28,754	16,531	3,635
Due from others	50,906	36,588	7,515
Increase (decrease) in operating liabilities			
Accounts payable	11,569	15,764	(402)
Accrued payroll	1,704	5,039	1,531
Post retirement medical liability	7,118	4,483	818
Customer deposits	(5,981)	15	3
Compensated absences	2,391	1,682	280
Deferred revenue	753	574	118
Net Cash Provided By (Used In) Operating Activities	\$ (314,030)	\$ (158,737)	\$ (19,270)

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

Solid Waste Fund	Security Fund	Totals	
		2012	2011
\$ (6,046)	\$ (112,191)	\$ (1,718,526)	\$ (1,629,925)
	38,976	1,112,877	1,098,968
(7,150)	(19,490)	(183,679)	159,587
2,153	23,562	74,635	(548)
6,160	25,008	126,177	(130,584)
(432)	(30,139)	(3,640)	29,113
258	5,451	13,983	12,133
157	6,900	19,476	(55,005)
2	10	(5,951)	(455)
(141)	2,248	6,460	4,080
97	393	1,935	3,105
<u>\$ (4,942)</u>	<u>\$ (59,273)</u>	<u>\$ (556,253)</u>	<u>\$ (509,529)</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Statement of Fiduciary Net Assets
June 30, 2012**

	<u>PARS</u>	
	<u>Trust Fund</u>	<u>Agency Fund</u>
<u>Assets</u>		
Cash and investments	\$ 305,568	\$ 1,568,732
Assessments receivable		623,078
	<hr/>	<hr/>
Total Assets	\$ 305,568	\$ 2,191,810
	<hr/>	<hr/>
<u>Liabilities</u>		
Due to others	\$ -	\$ 2,191,810
	<hr/>	<hr/>
Total Liabilities		2,191,810
	<hr/>	<hr/>
<u>Net Assets</u>		
Held in trust for OPEB benefits	305,568	
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 305,568	\$ 2,191,810
	<hr/>	<hr/>

Changes in Fiduciary Net Assets-PARS Retirement Fund

Additions:		
Employer contributions	\$ 105,000	
Total contributions	<hr/>	<hr/>
	105,000	
Investment income (loss):		
Net adjustment to fair value of investments	5,803	
Total Additions (Deductions)	<hr/>	<hr/>
	5,803	
Change in plan net assets	<hr/>	<hr/>
	110,803	
Net Assets:		
Held in trust for OPEB benefits:		
Beginning of year	194,764	
End of year	<hr/>	<hr/>
	\$ 305,567	
	<hr/>	<hr/>

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 1: Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

B. Basis of Presentation

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

Fund Financial Statements

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

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

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 1: Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

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

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

C. Major Funds

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

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

The District reported the following major proprietary funds:

Water

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

Sewer

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

Drainage

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

Solid Waste

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

Security

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

The District reports the following additional fund types:

PARS Trust Fund

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

Agency Fund

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 1: Significant Accounting Policies (Continued)

D. Basis of Accounting

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

E. Budget and Budgeting

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

F. Restricted Assets

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

G. Comparative Data

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

H. Cash and Cash Equivalents

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

I. Property Taxes

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

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 1: Significant Accounting Policies (Continued)

J. Capital Assets

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

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

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

K. Compensated Absences

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

L. Net Assets

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

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

M. Deferred Compensation Plan

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

N. Use of Estimates

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 2: Cash and Investments

Classification

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

Cash and investments	\$ 884,849
Designated cash and investments	<u>8,341,644</u>
Cash and investments, Statement of Net Assets	9,226,493
Cash and investments, Statement of Fiduciary Net Assets	<u>1,874,300</u>
Total cash and investments	<u><u>\$ 11,100,793</u></u>

Cash and investments as of June 30, 2012 consist of the following:

Cash on hand	\$ 250
Deposits with financial institutions	1,060,201
Investments	<u>10,040,342</u>
Total cash and investments	<u><u>\$ 11,100,793</u></u>

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

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

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 2: Cash and Investments (Continued)

B. Investments Authorized by Debt Agreements (Continued)

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

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

C. Disclosures Relating to Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13-24 Months</u>	<u>25-36 Months</u>	<u>37-48 Months</u>
CAMP*	\$ 3,596,818	\$ 3,596,818	\$ -	\$ -	\$ -
State Investment Pool*	5,261,956	5,261,956			
PARS Trust*	305,568	305,568			
Money Market*	876,000	876,000			
Totals	<u>\$ 10,040,342</u>	<u>\$ 10,040,342</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Not subject to categorization

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 2: Cash and Investments (Continued)

D. Disclosures Relating to Credit Risk

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

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
CAMP Investment Pool	\$ 3,596,818	N/A	\$ -	\$ -	\$ -	\$ -	\$ 3,596,818
State Investment Pool	5,261,956	N/A	-	-	-	-	5,261,956
Pars Trust	305,568	N/A	-	-	-	-	305,568
Money Market	876,000	N/A	-	-	-	-	876,000
Total investments	<u>\$10,040,342</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,040,342</u>

E. Concentration of Credit Risk

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

F. Custodial Credit Risk

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

As of June 30, 2012, \$524,907 of the District's deposits with financial institutions in excess of federal depository insurance limits was held in public funds collateralized accounts. As of June 30, 2012, the District did not hold investments in investments held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

G. Investment in State Investment Pool

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 3: Capital Assets

Capital Assets at June 30, 2012, consist of the following:

	Balance July 1, 2011	Additions	Adjustments/ Deletions	Balance June 30, 2012
Water				
Depreciable assets:				
Water Transmission	\$ 7,277,969	\$ 33,371	\$ -	\$ 7,311,340
Water Treatment	9,071,793		-	9,071,793
Studies	673,375		-	673,375
Vehicles and equipment	522,955	7,457		530,412
Subtotal	17,546,092	40,828	-	17,586,920
Less: Accumulated Depreciation	(9,089,391)	(476,294)		(9,565,685)
Net Capital Assets	8,456,701	(435,466)	-	8,021,235
Non-depreciable assets:				
Construction in progress	532,662	19,062	(24,733)	526,991
Land	13,640	-	-	13,640
Subtotal	546,302	19,062	(24,733)	540,631
Net Capital Assets	\$ 9,003,003	\$ (416,404)	\$ (24,733)	\$ 8,561,866
Sewer				
Depreciable assets:				
Collection Facilities	\$ 4,156,757	\$ 7,230	\$ -	\$ 4,163,987
Pumping facility	42,763			42,763
Treatment Plant/Facilities	15,815,914	128,973		15,944,887
Vehicles and equipment	655,842			655,842
Lake Chesbro Protection	270,020			270,020
Waste Discharge	549,152			549,152
Telemetry Building	512,452			512,452
Subtotal	22,002,900	136,203	-	22,139,103
Less: Accumulated Depreciation	(10,651,967)	(597,607)		(11,249,574)
Net Capital Assets	11,350,933	(461,404)	-	10,889,529
Non-depreciable assets:				
Construction in progress	208,620	-		208,620
Land	578,050	-	-	578,050
Subtotal	786,670	-	-	786,670
Net Capital Assets	\$12,137,603	\$ (461,404)	\$ -	\$ 11,676,199
Security				
Depreciable assets:				
Vehicle and equipment	\$ 409,112	\$ 25,521	\$ (22,450)	\$ 412,183
Buildings and improvements	305,455			305,455
Subtotal	714,567	25,521	(22,450)	717,638
Less: Accumulated Depreciation	(369,204)	(38,976)	13,476	(394,704)
Net Capital Assets	345,363	(13,455)	(8,974)	322,934
Non-depreciable assets:				
Construction in progress	24,576			24,576
Subtotal	24,576	-		24,576
Net Capital Assets	\$ 369,939	\$ (13,455)	\$ (8,974)	\$ 347,510

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 4: Long-Term Liabilities

Long-term liabilities activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>
Compensated absences	\$ 89,222	\$ 106,485	\$ 100,025	\$ 95,682
Total	<u>\$ 89,222</u>	<u>\$ 106,485</u>	<u>\$ 100,025</u>	<u>\$ 95,682</u>

Note 5: Net Assets

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

Invested in Capital Assets, Net of Related Debt

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

Restricted Net Assets

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

Unrestricted Net Assets

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

Note 6: Defined Benefit Pension Plan

A. Plan Description

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 6: Defined Benefit Pension Plan (Continued)

B. Funding Policy

Active plan members in the District's defined pension plan are required to contribute 7% of their annual covered salary. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members as required by the defined pension plan. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2011-12 was 11.93%. The contribution requirements of the plan members are established by state statute and the employer contribution rate is established, and may be amended, by CalPERS annually.

C. Annual Pension Cost

For fiscal year 2011-12, the District's annual required employer pension cost was \$199,260 and the District actually contributed \$199,260. The District also contributes 4% of the employees' 7% portion of their annual covered salary as a benefit to the employee. The employer's required contribution for fiscal year 2011-12 was determined as part of the June 30, 2009 actuarial valuation using entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of expenses); (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members; and (c) 3.25% overall payroll growth including 3.0% for inflation.

The actuarial value of the plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and losses. The plan's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at July 1, 2009, was 18 years.

Trend Information for the District

Fiscal Year <u>Ended</u>	Annual Pension Cost (APC) <u>Cost (APC)</u>	Percentage of APC Contributed <u>Contributed</u>	Net Pension Obligation <u>Obligation</u>
06/30/10	\$ 182,583	100%	\$ -
06/30/11	187,469	100%	-
06/30/12	199,260	100%	-

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 7: Post Retirement Health Care Benefits

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

Funding Policy. The contribution requirement of plan members is established by the District's Board of Directors. The 2011-2012 fiscal year annual required contribution is calculated using entry age normal cost (same as CalPERS). For the fiscal year ending June 30, 2012 the District contributed \$105,000 towards the unfunded actuarial accrued liability (UAAL). The District made the net contribution for fiscal year end June 30, 2012 directly to health insurance providers totaling \$67,163.

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

Net OPEB obligation-beginning of year	\$ 34,996
Annual OPEB cost current fiscal year	191,639
Less: Employer contribution made to trust	(105,000)
Less: Unreimbursed retiree premium payments made to plan provider	(67,163)
Net employer contribution	(172,163)
Net OPEB obligation-end of year	\$ 54,472

Three year disclosure of the District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation is presented as follows:

Trend Information for the District OPEB

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost (AOC)</u>	Percentage of AOC <u>Contributed</u>	Net OPEB <u>Obligation</u>
06/30/10	\$ 153,302	33.16%	\$ 102,481
06/30/11	188,914	100.00%	34,996
06/30/12	191,639	89.83%	54,472

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 7: Post Retirement Health Care Benefits (Continued)

Funded Status and Funding Progress. As of June 30, 2012, the actuarial accrued liability (AAL) was \$1,682,875 and the unfunded actuarial accrued liability (UAAL) for benefits was \$1,377,307. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress will be presented in the future when multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits is available.

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

Note 8: Special Assessment District

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

The amount of special assessment debt at June 30, 2012, is:

Community Facilities District No. 1	<u>\$ 3,290,000</u>
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Separate audited financial statements have been issued for the assessment district.

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

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 10: Revenue Limitation Imposed by California Proposition 218

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

Note 11: Prior Period Adjustments

C. Restatement of Net Assets and Fund Balance

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

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

	Water Fund	Sewer Fund	Drainage Fund	Solid Waste Fund	Security Funds
Fund Balances, June 30, 2011	\$ 14,180,071	\$ 15,119,432	\$ 426,695	\$ 153,010	\$ 779,981
Adjustments for:					
Collection of prior year bad debt writeoffs	2,759	1,158	855	5	12,199
Record prior year prepaid expense	30,428				
Total adjustment	<u>33,187</u>	<u>1,158</u>	<u>855</u>	<u>5</u>	<u>12,199</u>
Fund Balances, July 1, 2011 as restated	<u>\$ 14,213,258</u>	<u>\$ 15,120,590</u>	<u>\$ 427,550</u>	<u>\$ 153,015</u>	<u>\$ 792,180</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Revenues

Water Fund

For the Fiscal Year Ended June 30, 2012

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

	<u>2012</u>	<u>2011</u>
Service Charges:		
Water sales - residential	\$ 1,405,770	\$ 1,269,520
Water sales - commercial	150,197	131,827
Water availability charges	350	370
Water sales - others	<u>8,467</u>	<u>7,872</u>
Total Service Charges	<u>1,564,784</u>	<u>1,409,590</u>
Other Charges:		
Water telephone line contracts	5,225	4,619
Ditch service charge	700	700
District project charges	400	438
Late charges	14,749	13,953
Water inspection fees	127	127
Transfer fees	<u>2,529</u>	<u>2,349</u>
Total Other Charges	<u>23,730</u>	<u>22,185</u>
Total Operating Revenues	<u>\$ 1,588,514</u>	<u>\$ 1,431,775</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Expenses
Water Fund**

For the Fiscal Year Ended June 30, 2012

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

	<u>2012</u>	<u>2011</u>
Source of Supply:		
Wages and salaries	\$ 12,582	\$ 5,652
Employer costs	5,888	4,613
Maintenance and repairs	23,864	12,309
Purchased power	46,067	39,381
Dam inspection costs	36,306	36,136
Supplies		
Chemical	8,477	13,223
Equipment rental	<u>3,827</u>	<u>627</u>
Total Source of Supply	<u>137,011</u>	<u>111,940</u>
Treatment:		
Wages and salaries	113,427	103,166
Employer costs	38,938	43,060
Purchased power	82,413	79,159
Chemicals	106,561	73,552
Maintenance and repairs	60,635	49,048
Supplies	210	228
Equipment rental	11,152	7,889
Lab tests	33,741	15,517
Miscellaneous	<u>4,648</u>	<u>1,490</u>
Total Treatment	<u>451,725</u>	<u>373,109</u>
Transmission and Distribution:		
Wages and salaries	179,742	152,896
Employer costs	61,752	65,871
Water meters	26,021	81,279
Maintenance and repairs	14,076	34,972
Purchased power	38,995	38,867
Lab tests		
Equipment rentals	18,983	10,231
Road paving	28,535	33,603
Supplies	7,088	3,932
Miscellaneous	<u>6,295</u>	<u>361</u>
Total Transmission and Distribution	<u>381,487</u>	<u>422,012</u>
General and Administrative:		
Wages and salaries	275,346	293,420
Employer costs	<u>170,896</u>	<u>165,009</u>
Subtotal General and Administrative	<u>446,242</u>	<u>458,429</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Expenses (Continued)

Water Fund

For the Fiscal Year Ended June 30, 2012

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

	<u>2012</u>	<u>2011</u>
Subtotal General and Administrative:	\$ 446,242	\$ 458,429
Communications	13,785	14,128
Maintenance and repairs	213,677	124,426
Insurance	21,093	21,013
Permits	19,413	19,094
Supplies	15,083	13,412
Directors' meeting and expenses	7,741	6,781
Elections	-	643
Legal and audit	24,616	39,321
Training and safety	11,650	15,889
Vehicle expenses	46,899	28,332
Tools	5,171	8,484
Sacramento Water Authority	21,656	12,845
Miscellaneous	16,945	10,202
Postage	7,508	7,225
Travel and meetings	3,599	3,833
Tuition reimbursement	244	-
Consulting services	45,483	20,014
Dues and memberships	6,543	5,541
Uniforms	2,770	3,967
Purchased power	3,276	3,212
Equipment lease	1,082	1,094
Bad debts	(313)	844
Water conservation	15,588	8,863
Janitorial and pest control	1,614	1,555
CIA ditch operations	<u>77</u>	<u>637</u>
 Total General and Administrative	 <u>951,444</u>	 <u>829,782</u>
 Depreciation	 <u>476,294</u>	 <u>474,693</u>
 Total Operating Expenses	 <u>\$ 2,397,961</u>	 <u>\$ 2,211,534</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Revenues
Sewer Fund**

**For the Fiscal Year Ended June 30, 2012
(With Comparative Totals for the Fiscal Year Ended June 30, 2011)**

	<u>2012</u>	<u>2011</u>
Service Charges:		
Sewer service - residential	\$ 1,018,722	\$ 1,013,489
Sewer service - commercial	107,832	107,946
Sewer availability charges	410	420
	<u>1,126,964</u>	<u>1,121,855</u>
Total Service Charges		
	<u>1,126,964</u>	<u>1,121,855</u>
Other Charges:		
Sewer inspection fees	127	127
District project charges	2,184	2,213
Ditch service charge	535	535
Late charges	14,749	13,953
Transfer fees	1,931	1,794
	<u>19,526</u>	<u>18,620</u>
Total Other Charges		
	<u>19,526</u>	<u>18,620</u>
Total Operating Revenues	<u>\$ 1,146,490</u>	<u>\$ 1,140,476</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Expenses

Sewer Fund

For the Fiscal Year Ended June 30, 2012

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

	<u>2012</u>	<u>2011</u>
Collections:		
Wages and salaries	\$ 67,567	\$ 83,610
Employer costs	25,861	37,346
Maintenance and repairs	46,080	45,498
Purchased power	15,032	16,123
Equipment rental	5,061	7,895
Supplies	5,989	123
Miscellaneous	-	52
	<hr/>	<hr/>
Total Collections	165,590	190,647
	<hr/>	<hr/>
Treatment and Disposal:		
Purchased power	124,862	124,234
Chemicals	68,957	48,434
Wages and salaries	150,602	143,573
Employer costs	55,379	62,777
Lab tests	37,789	42,327
Maintenance and repairs	125,339	159,421
Supplies	769	1,168
Equipment rental	20,516	9,492
Miscellaneous	98	200
	<hr/>	<hr/>
Total Treatment and Disposal	584,311	591,626
	<hr/>	<hr/>
General and Administrative:		
Wages and salaries	205,337	177,836
Employer costs	126,547	88,129
Communications	11,688	12,238
Maintenance and repairs	48,289	81,377
Insurance	16,104	16,043
Vehicle expenses	16,165	18,799
Supplies	11,657	10,157
Directors' meetings and expenses	5,910	5,668
Legal and audit	9,915	22,995
Training and safety	20,591	31,185
Permits	25,690	23,033
Miscellaneous	12,354	7,771
Postage	5,732	5,516
Tools	7,282	9,052
	<hr/>	<hr/>
Subtotal General and Administrative	523,261	509,799
	<hr/>	<hr/>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Expenses (Continued)

Sewer Fund

For the Fiscal Year Ended June 30, 2012

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

	<u>2012</u>	<u>2011</u>
Subtotal General and Administrative:	\$ 523,261	\$ 509,799
Travel and meetings	3,069	3,181
Tuition reimbursement	226	-
Consulting	26,922	8,376
Uniforms	3,037	4,900
Dues and memberships	3,677	3,000
Purchased power	2,501	2,453
Bad debts	(320)	746
Janitorial and pest control	1,614	1,555
Equipment lease	826	835
	<u>564,813</u>	<u>534,846</u>
Total General and Administrative		
	<u>597,607</u>	<u>580,133</u>
Depreciation		
	<u>\$ 1,912,321</u>	<u>\$ 1,897,251</u>
Total Operating Expenses		

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Revenues
Drainage Fund
For the Fiscal Year Ended June 30, 2012
(With Comparative Totals for the Fiscal Year Ended June 30, 2011)**

	<u>2012</u>	<u>2011</u>
Special Taxes:		
Drainage service - residential	\$ 136,514	\$ 136,796
Drainage service - commercial	<u>26,448</u>	<u>26,448</u>
Total Special Taxes	<u>162,962</u>	<u>163,244</u>
Other Charges:		
Ditch service charge	110	110
Transfer fees	<u>397</u>	<u>368</u>
Total Operating Revenues	<u><u>\$ 163,468</u></u>	<u><u>\$ 163,722</u></u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Expenses

Drainage Fund

For the Fiscal Year Ended June 30, 2012

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

	<u>2012</u>	<u>2011</u>
Drainage:		
Wages and salaries	\$ 52,716	\$ 50,166
Maintenance and repairs	6,774	10,267
Purchased power	16,251	16,029
Employer costs	24,467	21,939
Equipment rental	4,311	5,028
Legal and audit	1,754	1,573
Chemicals	1,520	2,807
Improvements	8,011	-
Permits	4,852	3,600
Miscellaneous	<u>2,626</u>	<u>1,477</u>
Total Drainage	<u>123,282</u>	<u>112,884</u>
General and Administrative:		
Wages and salaries	29,405	28,461
Employer costs	15,501	14,181
Communications	1,007	1,160
Insurance	3,308	3,295
Maintenance and repairs	4,633	4,413
Vehicle Expenses	440	264
Directors' meeting and expenses	1,214	1,164
Uniforms		
Office supplies	1,407	1,035
Legal and audit	2,036	4,297
Postage	1,177	1,133
Consulting services	1,160	1,320
Miscellaneous	1,820	2,701
Travel and meeting	349	432
Tuition reimbursement	40	-
Memberships	574	552
Training and safety	442	414
Purchased power	514	504
Equipment lease	<u>170</u>	<u>172</u>
Total General and Administrative	<u>65,197</u>	<u>65,498</u>
Total Operating Expenses	<u>\$ 188,479</u>	<u>\$ 178,382</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Revenues
Solid Waste Fund
For the Fiscal Year Ended June 30, 2012
(With Comparative Totals for the Fiscal Year Ended June 30, 2011)**

	<u>2012</u>	<u>2011</u>
Service Charges:		
Solid Waste - residential	<u>\$ 588,809</u>	<u>\$ 590,722</u>
Total Service Charges	<u>588,809</u>	<u>590,722</u>
Total Operating Revenues	<u><u>\$ 588,809</u></u>	<u><u>\$ 590,722</u></u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Expenses
Solid Waste Fund**

**For the Fiscal Year Ended June 30, 2012
(With Comparative Totals for the Fiscal Year Ended June 30, 2011)**

	<u>2012</u>	<u>2011</u>
Solid Waste:		
Contract charges	\$ 508,738	\$ 500,904
Miscellaneous	32,834	32,012
	<u>541,572</u>	<u>532,916</u>
Total Solid Waste		
	<u>541,572</u>	<u>532,916</u>
General and Administrative:		
Wages and salaries	24,102	23,329
Employer costs	13,038	11,624
Travel-Meetings	286	354
Tuition reimbursement	20	-
Office supplies	1,153	849
Mail machine lease	139	141
Insurance	2,711	2,701
Postage	965	929
Professional services	4,444	6,732
Utilities	645	952
Maintenance and repairs	1,903	1,706
Miscellaneous	2,882	2,952
Directors' meeting and expenses	995	872
	<u>53,284</u>	<u>53,138</u>
Total General and Administrative		
	<u>53,284</u>	<u>53,138</u>
Total Operating Expenses	<u>\$ 594,856</u>	<u>\$ 586,054</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Revenues

Security Fund

For the Fiscal Year Ended June 30, 2012

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

	<u>2012</u>	<u>2011</u>
Special Taxes:		
Security service - residential	\$ 963,000	\$ 944,954
Security service - commercial	<u>159,545</u>	<u>156,360</u>
Total Special Taxes	<u>1,122,545</u>	<u>1,101,314</u>
Other Charges:		
Late charges	29,499	27,906
Transfer fees	5,020	4,346
Fines and permits	9,460	10,160
Other	<u>5,979</u>	<u>5,314</u>
Total Other Charges	<u>49,958</u>	<u>47,725</u>
Total Operating Revenues	<u><u>\$ 1,172,503</u></u>	<u><u>\$ 1,149,039</u></u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Expenses
Security Fund**

For the Fiscal Year Ended June 30, 2012

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

	<u>2012</u>	<u>2011</u>
Gate Services:		
Wages and salaries	\$ 276,568	\$ 268,912
Employer costs	150,117	154,322
Miscellaneous	2,198	3,054
Equipment repairs and maintenance	28,057	15,736
Supplies	6,363	3,031
Communications	5,303	4,712
Janitor and pest controls	3,583	3,558
Purchased power	2,172	2,493
Training and safety	-	255
Uniforms	217	1,643
	<hr/>	<hr/>
Total Gate Services	474,578	457,716
	<hr/>	<hr/>
Patrol Services:		
Wages and salaries	234,663	220,187
Employer costs	127,131	119,013
Vehicle fuel	22,667	17,868
Off-duty sheriff patrol	2,761	4,639
Vehicle maintenance	9,068	6,236
Uniforms	991	1,607
Miscellaneous	718	1,227
Cellular phone	3,280	2,777
Equipment repairs and maintenance	433	975
Janitor and pest control	2,638	2,321
Supplies	-	-
Travel/meetings	128	-
Tuition reimbursement	1,583	-
Training and safety	1,534	849
	<hr/>	<hr/>
Total Patrol Services	407,595	377,699
	<hr/>	<hr/>
General and Administrative:		
Wages and salaries	178,932	168,320
Employer costs	91,766	82,601
Insurance	15,507	15,466
Legal and audit	17,854	20,695
Supplies	10,514	8,766
Directors' meetings and expenses	4,039	3,874
Training and safety	2,717	2,416
Consulting	2,635	4,392
Uniforms		
Purchased power	1,709	1,676
	<hr/>	<hr/>
Subtotal General and Administrative	325,675	308,207
	<hr/>	<hr/>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

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

For the Fiscal Year Ended June 30, 2012

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

	<u>2012</u>	<u>2011</u>
Subtotal General and Administrative:	\$ 325,675	\$ 308,207
Communications	3,748	4,364
Equipment repairs and maintenance	16,212	14,883
Postage	3,918	3,770
Bad debts	(613)	12,303
Travel and meetings	1,161	1,437
Miscellaneous	10,297	4,823
Memberships	1,912	1,836
Equipment lease	565	571
Vehicle expenses	671	684
Uniform		
	<u>363,546</u>	<u>352,877</u>
Total General and Administrative		
Depreciation	<u>38,976</u>	<u>44,143</u>
Total Operating Expenses	<u>\$ 1,284,695</u>	<u>\$ 1,232,434</u>

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

We have audited the Financial Statements of the Rancho Murieta Community Services District (District) as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated **January 13, 2012**. In our audit report we issued an unqualified opinion. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified.

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

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

COMMUNITY FACILITIES DISTRICT NO. 1

COMPONENT UNIT FINANCIAL STATEMENTS

JUNE 30, 2012

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 1
JUNE 30, 2012**

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and the major fund of Rancho Murieta Community Services District, Community Facilities No.1 (CFD), a component unit of the Rancho Murieta Community Services District, as of and for the fiscal year ended June 30, 2012, which collectively comprise the CFD's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Rancho Murieta Community Services District, Community Facilities No.1's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Rancho Murieta Community Services District, Community Facilities District No.1 as of June 30, 2012, and the respective changes in financial position, thereof for the fiscal year then ended in conformity with the accounting principles generally accepted in the United States of America.

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

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

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

**STATEMENT OF NET ASSETS
JUNE 30, 2012**

Current Assets	
Cash and investments	\$ 1,568,748
Assessments receivable	623,078
Other Assets	
Deferred charges-net of accumulated amortization	<u>133,037</u>
Total Assets	<u><u>\$ 2,324,863</u></u>
Current Liabilities	
Accounts payable	\$ 9,270
Interest payable	<u>44,658</u>
Total Current Liabilities	<u>53,928</u>
Noncurrent Liabilities	
Due in one year	760,000
Due in more than one year	<u>2,530,000</u>
Total Liabilities	<u>3,343,928</u>
Net Assets	
Restricted for debt service	1,568,748
Unrestricted	<u>(2,587,813)</u>
Total Net Assets	<u><u>\$ (1,019,065)</u></u>

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

**STATEMENT OF ACTIVITIES
JUNE 30, 2012**

	Expenses	Program Revenues Capital Grants and Contributions	Total
Governmental Activities:			
General government	\$ 66,818	\$ 899,927	\$ 833,109
Interest expense	187,990	-	(187,990)
Total Governmental Activities	\$ 254,808	\$ 899,927	645,119

General Revenues:

Investment income	346
Total general revenues	346
Change in net assets	645,465
Net assets - beginning	(1,662,430)
Prior period adjustment	(2,100)
Net assets - ending	\$ (1,019,065)

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

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2012**

Assets	
Cash and investments	\$ 1,568,748
Assessments receivable	<u>623,078</u>
Total Assets	<u><u>\$ 2,191,826</u></u>
Liabilities and Fund Balances	
Liabilities	
Accounts payable	\$ 9,270
Deferred Revenue	<u>541,973</u>
Total Liabilities	<u><u>551,243</u></u>
Fund Balance	
Fund balances	
Restricted for debt service	876,000
Assigned	938,630
Unassigned	<u>(174,047)</u>
Total Fund Balance	<u><u>1,640,583</u></u>

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
JUNE 30, 2012**

Fund Balances of Governmental Funds	\$ 1,640,583
Amounts reported for governmental activities in the statement of net assets are different because:	
Debt issuance costs are current expenses in the funds, but are deferred assets in the statement of net assets.	133,037
Deferred revenues are not available to pay for current-period expenditures and therefore are deferred in the funds.	541,973
Some liabilities, including long-term debt and accrued interest are not due and payable in the current period and therefore are not reported in the funds.	<u>(3,334,658)</u>
Net assets of governmental activities	<u><u>\$ (1,019,065)</u></u>

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

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
JUNE 30, 2012**

Revenues	
Assessments	\$ 809,591
Investment income	<u>346</u>
Total Revenues	<u>809,937</u>
Expenditures	
Current:	
Administration	33,602
Debt Service	
Principal	720,000
Interest	<u>197,350</u>
Total Expenditures	<u>950,952</u>
Net Change in Fund Balance	<u>(141,015)</u>
Fund Balance, July 1, 2011	1,783,698
Prior period adjustment	<u>(2,100)</u>
Fund Balance, June 30, 2012	<u><u>\$ 1,640,583</u></u>

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2012**

Net Change in Fund Balances - Total Governmental Funds	\$ (141,015)
Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures and Changes in Fund Balances because:	
Governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the government-wide statements.	(33,216)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	90,336
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	720,000
The change in accrued interest is recorded as a current liability in the statement of activity, however interest expense is recorded when paid in the governmental funds.	<u>9,360</u>
Change in net assets of governmental activities	<u><u>\$ 645,465</u></u>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

B. Basis of Presentation

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Major Funds:

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

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

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

D. Basis of Accounting:

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

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

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

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

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

E. Budget and Budgetary Accounting

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Estimates

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

G. Net Assets/Fund Equity

Government-wide Financial Statements

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

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

Fund Financial Statements

Fund Equity- Restricted fund balance of the governmental fund is created to satisfy the debt covenant reserve, not available for future expenditures. The assigned fund balance is the amount needed to make the current portion of the debt service payment and the unassigned portion is the remaining amount not restricted or assigned.

NOTE 2: CASH AND INVESTMENTS

Deposits with financial institutions	\$ 684,464
Investments	884,284
	<hr/>
Total cash and investments - restricted	\$ 1,568,748
	<hr/> <hr/>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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

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

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

B. Investments Authorized by Debt Agreements

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

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

C. Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Totals	Remaining Maturity (in Months)				
		12 Months or Less	13-24 Months	25-36 Months	49-60 Months	More Than 60 Months
CAMP Investment Pool*	\$ 8,284	\$ 8,284	\$ -	\$ -	\$ -	\$ -
Held by Trustee:						
Money Market*	876,000	876,000	-	-	-	-
Totals	\$ 884,284	\$ 884,284	\$ -	\$ -	\$ -	\$ -

*Not subject to categorization

D. Disclosures Relating to Credit Risk

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

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
CAMP Investment Pool	\$ 8,284	N/A	\$ -	\$ -	\$ -	\$ -	\$ 8,284
Held by Trustee:							
Money Market	876,000	N/A	-	-	-	-	876,000
Total investments	\$ 884,284		\$ -	\$ -	\$ -	\$ -	\$ 884,284

E. Concentration of Credit Risk

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

F. Custodial Credit Risk

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

At June 30, 2012, \$434,464 of the District’s deposits, with financial institutions, in excess of federal depository insurance limits, were held in collateralized accounts.

NOTE 3: SPECIAL ASSESSMENTS RECEIVABLE

Assessments are levied by the CFD against property owners and collected through the secured property tax rolls of the County of Sacramento. Assessments receivable represent the amount assessed to the property owners to bond principle and interest. In the event property owners are delinquent in their payments, the CFD is required to initiate foreclosure proceedings within 150 days following the date of delinquency. Delinquent assessment receivables were \$623,078 at June 30, 2012. The District refers pending cases to the CFD’s legal counsel for collection.

NOTE 4: SPECIAL ASSESSMENT DEBT WITH NO GOVERNMENT COMMITMENT

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2013	\$ 760,000	\$ 178,630	\$ 938,630
2014	800,000	138,350	938,350
2015	840,000	95,150	935,150
2016	890,000	48,950	938,950
Total	<u>\$ 3,290,000</u>	<u>\$ 461,080</u>	<u>\$ 3,751,080</u>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 5: CHANGES IN LONG-TERM DEBT

Long-term liabilities activity for the fiscal year ended June 30, 2012, was as follows:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Due within One Year
Special Assessment Debt					
No Governmental Commitment	\$ 4,010,000	\$ -	\$ 720,000	\$ 3,290,000	\$ 760,000
Total	<u>\$ 4,010,000</u>	<u>\$ -</u>	<u>\$ 720,000</u>	<u>\$ 3,290,000</u>	<u>\$ 760,000</u>

NOTE 6: RESERVE FOR BOND SERVICE

By the terms of the bond indenture, \$876,000 of the proceeds of the bond issue plus an additional deposit by the District was set aside for the purpose of paying any delinquent bond interest and principle payments. In the event the monies expended from this trust fund are for any delinquent payments, the CFD is obligated to pursue legal means to cause the redemption of the delinquent payments by the property owner(s) or force sale of the property wherein the monies shall be used to reimburse the reserve fund for the delinquent payments made. At June 30, 2012, the CFD had \$876,000 invested in the bond reserve fund.

NOTE 7: DEFICIT NET ASSETS

The CFD is reporting a deficit net assets balance of (\$1,019,065) in their government-wide statement of activities due to the \$3,290,000 bond debt outstanding for which capital assets have been conveyed to the Rancho Murieta Community Services District. This is normal in this type of operation due to the fact that the CFD does not hold custody or ownership of acquired assets. Assets, which are mostly infrastructure, were transferred to the Rancho Murieta Community Services District which is responsible for continued maintenance and operation. The deficit net assets will be cured in future years as assessments are received from property owners to pay for the outstanding debt.

NOTE 8: CONTINGENT LIABILITY

At June 30, 2012 there were delinquent assessments totaling \$623,078. The majority of the delinquency was caused by one landowner. The District began foreclosure proceedings against the delinquent landowners during the 2011/12 fiscal year and has hired special counsel to assist with these proceedings. The District has recognized the delinquent assessments as a receivable in these financial statements however the actual amount of collection may be less than the recorded receivable depending on the amount of proceeds from the sale of delinquent parcels. The amount of the shortfall, if any, is unknown and the District has not written down the assessment receivable as of June 30, 2012. CFD #1 has a debt service reserve which may be used in the event that proceeds from the annual assessment are less than the amount required to pay the annual debt service. Management expects a shortfall during the 2012-2013 fiscal year.

MEMORANDUM

Date: November 7, 2012
To: Board of Directors
From: Improvements Committee Staff
Subject: Present Augmentation Well Geophysical Results

RECOMMENDED ACTION

Receive presentation on the augmentation well geophysical results from the electrical resistivity profiling efforts and recommendation for test well locations, presented by Pat Dunn, Dunn Environmental, Inc.

BACKGROUND

Attached is the draft Technical Memorandum No. 1 which summarizes background data, surface geophysics, the hydrogeological model, and proposed test well locations.

Pat Dunn will be at the November 14, 2012 Special Board meeting with a Power Point presentation of the Technical Memo. We envision an interactive dialogue to walk us through the results.

The desired outcome is for the Board to gain insight on the aquifer potential to support our proposed augmentation well. This will include a discussion of the aquifer profile in the area and suggested test well locations.

Pat will also walk us through the next steps for test well drilling, test well testing, and production well construction.



TO: Mr. Edward Crouse, General Manager
Rancho Murieta Community Services District

FROM: Jaco Fourie, P.G. – Dunn Environmental
Pat Dunn, M.S., P.G., C.Hg. – Dunn Environmental

DATE: September 24, 2012

PROJECT NO.: 157-02

RE: **Technical Memorandum No. 1** — New Water Well Background
Data Summary, Surface Geophysics, Hydrogeologic Conceptual
Model and Proposed Testhole Locations

1 SETTING AND PURPOSE

The Dunn Environmental, Inc. (DE) and Domenichelli and Associates (DA) Team (DE/DA Team) was retained by the Rancho Murieta Community Services District (RMCS D, Client or District) to assist in identifying a suitable location for ground water well development. RMCS D relies solely on surface water supplies from the Cosumnes River to meet water demand. As part of the RMCS D drought preparedness plan, the District plans to construct a ground water well or wells to augment surface water supplies during drought years. Grant funding through the State of California Local Ground Water Assistance Program awarded to RMCS D may be used to assist in ground water resource development.

RMCS D provides essential services, including drinking water, to the community of Rancho Murieta. RMCS D serves an area of approximately 3,500 acres, and includes approximately 2,500 households with estimated population of 6,000. The RMCS D service area is located in the eastern margin of the Sacramento River Valley within Sacramento County, approximately 21 miles southeast of downtown Sacramento. State Highway 16 runs through the RMCS D service area and is a major traffic artery connecting Sacramento with Sierra Foothill Communities. Surface elevation within the service area ranges from 200 feet Mean Sea Level (MSL) in the east to 120 feet MSL in the west. The Cosumnes River is a significant surface water feature in the general area and drains from east to west, and is fed mainly by rainfall run off and snowmelt from the Sierra Nevada. The Cosumnes River is currently the sole source of drinking water. Surface water is stored and treated in several off stream reservoirs. The river course is depicted on Figure 1.

Land use to the east of Highway 16 is characterized by residential development and the Rancho Murieta golf course. To the west of Highway 16 limited residential and commercial land use is present. The Rancho Murieta Airport, Equestrian Center and irrigated agriculture are the dominant land uses east of Highway 16. Major soil types in the area include the Hadselville-Pentz complex, Keyes sandy loam, Mokelumne gravelly loam, Pardee-Ranchoseco complex and Vina fine sandy loam. These soils are typically well drained, however, bedrock is commonly found in the near surface and may limit ground water recharge potential.

Based on a water supply and demand analysis completed by RMCS D, surface water supplies may be augmented with ground water. Drought period planning indicated that potentially 600 acre-feet (ac-ft or AF) annually which correlates with a ground water yield of 370 gallons per minute (gpm) to meet projected water demand. The DE/DA Team presented a phased approach proposal on June 22, 2012 for the investigation effort. The proposal was approved at the July 18, 2012 RMCS D board meeting and a contract was issued. This Technical Memorandum No. 1 (TM-1) was prepared as deliverable as per Tasks 1 and 2 of the contract. This TM provides a summary of:

- past ground water investigations completed by others which generally supports a ground water well specific yield in excess of the anticipated ground water demand,
- 2012 surface geophysical survey completed NORCAL Geophysical Consultants that identified preferred layered resistive sediments to a depth of 300 feet. Existing borehole geology information was used to calibrate or ground truth these findings, and
- the rational and location of two proposed testholes to investigate ground water resources near the RMCS D service area as per Tasks 3a and 3b.

2 REGIONAL GEOLOGY AND HYDROGEOLOGY

RMCS D is located along the eastern margin of the South American subbasin of the Sacramento Valley Ground Water Basin (Ground Water Basin No. 5-21.65). The South American Subbasin is bounded on the north by the American River, to the west by the Sacramento River, to the south by the Mokelumne and Cosumnes Rivers and the Mesozoic basement rocks of the Sierra Nevada Foothills to the east. The ground water resources of the South American Subbasin are described in considerable detail in Bulletin 118, Individual Basin Description. Surface geologic map indicates that the Modesto Formation, Mehrten Formation, Valley Springs Formation and Salt Springs Slate are located within close proximity to the site. The eastern margin of the South

American subbasin is characterized by non-water bearing Jurassic age Salt Spring Slate Formation (Jss) shown on Figure 2. The Salt Spring Slate consists of metamorphosed sedimentary rocks on which water bearing formations were deposited.

Significant recharge and water bearing geologic formations within the subbasin are described as follows:

- Older Alluvium consists of loosely to moderately compacted sand, silt and gravel deposited in alluvial fans during the Pliocene and Pleistocene. In the study area (Figure 2) these deposits are identified as the Modesto Formation (Qm2) and Riverbank Formation (Qr). These units are moderately permeable, however, due to the shallow nature ground water quality impacts from agriculture or other man-made activities are common.
 - Alluvial and Tertiary Sand and Gravel Erosional and Depositional Sequences – As documented throughout the Sierra Foothills and of significance hydrogeologically are the erosional and depositional sequences that contain significant sand and gravels from historical channel deposition within the laterally confined alluvial basins.
- The Mehrten Formation (MPm) underlies the Modesto and Riverbank Formation and outcrops along the eastern edge of the subbasin and consists of interbedded clays, silts, “black sands” and gravels. Mehrten Formation sands and gravels are permeable and have known water well high specific yields. Additional sands and gravels related to alluvial systems and buried stream channels may provide additional aquifer recharge potential and target zones for water well production.
- The Valley Springs Formations (Mvs) and Ione Formation (Ei) exist beneath the Mehrten Formation and are thought to be a transitional aquifer system. The Ione Formation has limited sands and gravels regionally, and this formation is known for the extensive fine grained silty clay layers.

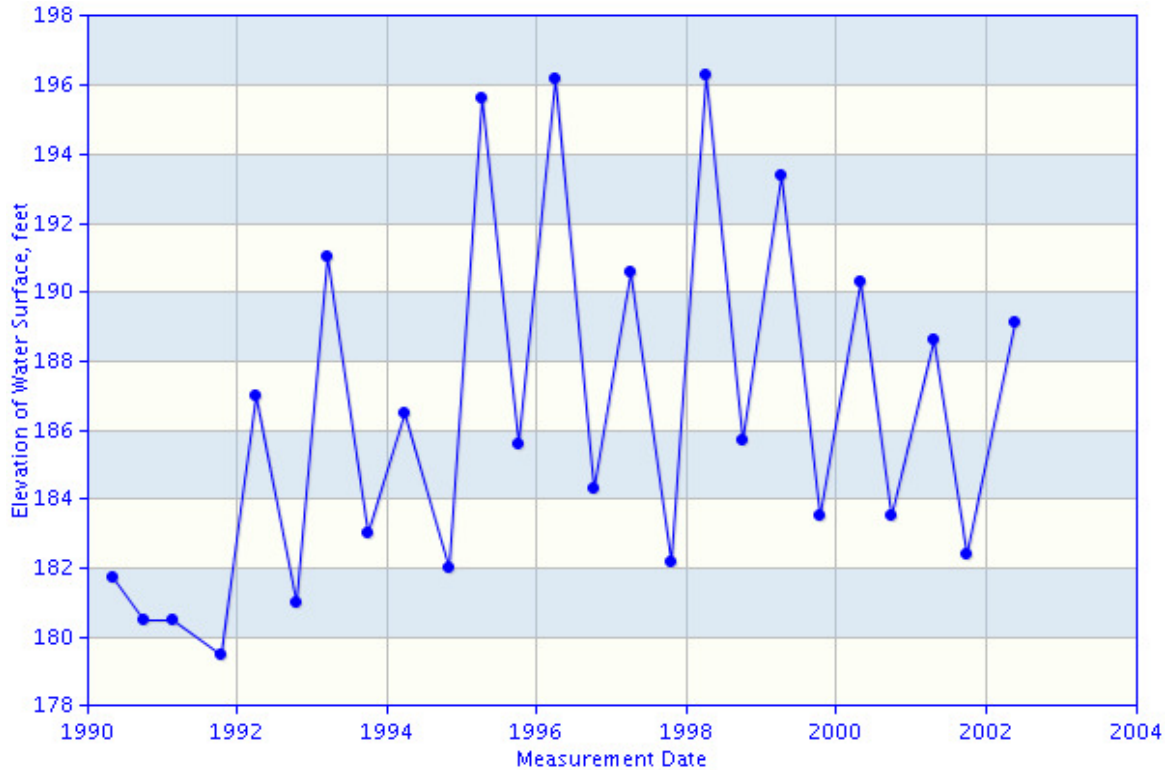
2.1 GROUND WATER LEVEL INFORMATION

Two historic monitoring wells were identified close to the RMCS D on the DWR website. The first monitoring well (07N08E16E001M) has water level data from 1968 to 1970 and indicates water levels between 110.5 and 113.5 feet MSL. As depicted on Figure 1, the well is located approximately 1.5 miles south-southwest of the Rancho Murieta Airport. The second monitoring well (07N08E02L001M, depicted below) has water level data from 1990 to 2002 when it was destroyed. The well is located approximately 1.5 miles east of the Rancho Murieta Airport. The well is identified as a stock well. Monitoring

RMCS D – Hydrogeologic Summary, Geophysical Profiles and Proposed Testhole Locations

data indicates water levels fluctuate between 179 to 197 feet MSL. Water level drops and increases of up to 14 feet have been observed historically. These water level responses support a non-overdraft condition within this part of the basin.

Ground Water Level Data
Well 07N08E02L001M (Ground Surface Elevation 198 feet MSL)



3 PREVIOUS INVESTIGATIONS

Several previous investigations have been conducted on the potential of ground water resources in the specific RMCS D area. Investigations reports dating from 1988 to 2003 were reviewed. The following listing summarizes these reports:

- 1988 Ludhorff & Scalamini Consulting Engineers: Myers Bros Well Drilling completed two testhole south of the Rancho Murieta Airport near the Cosumnes River. Downhole geophysical was completed by Welenco and was available for review. The investigation report, if prepared, was not available for review.
- 1994 Eaton Drilling & Helmick – Lerner: Eaton Drilling completed a testhole to depth of 390 feet. The consulting firm Helmick & Lerner completed a Test Hole Log Interpretation Report and zones for water well development were identified from 240 to 330 feet below grade surface (bgs).

- 1995 Eaton Drilling & Helmic – Lerner: Eaton Drilling completed and additional five testholes to depths ranging from 500 to 700 feet bgs. Driller’s logs and partial geophysical logs for the five testholes were available for review.
- 2002 GeoConsultants: Electrotulleric soundings were completed for 17 locations, 1 location was selected for testhole drilling and sampling. Electrotulleric logs, boring log and downhole geophysical logs were reviewed.
- 2003 HDR: Complete a review of previous work completed and available regional hydrogeologic information. No additional testhole were completed as part of this investigation.

3.2 1988 – LUDHORFF & SCALMANINI

During 1988, Ludhorff & Scalmanini Consulting Engineers (LSCE) directed the completion of two testholes south of the Rancho Murieta Airport, north of the Cosumnes River. Refer to Figure 1 for estimated testhole locations. A well driller’s log and geophysical log was available for Testhole No. 1 (southern testhole shown on Figure 1). The testhole was completed to 375 feet bgs. The well driller’s log identified the following sand or gravel intervals: 9 to 42, 93 to 95, 108 to 113, 115 to 118, 228 to 229 and 366 to 367 feet. Based on the geophysical log potential sand and gravel (high resistivity zones) were identified from 0 to 40, 56 to 60, 104 to 114, 220 to 224 and 250 to 332 feet. Based on the testhole findings, basement was encountered at 367 feet. LSCE estimated the encountered strata could achieve production of 400 to 500 gallons per minute (gpm), but below the 1988 stated project goal of 1,000 to 1,500 gpm. Geologic formations encountered were interpreted as follows: Modesto Formation from 0 to 118 feet, Valley Springs 118 to 220 feet and Ione Formation 220 to 367 feet. Refer to Figure 3 - Hydrogeologic Cross Section A-A’ for a depiction of the LSCE-1988 boring.

3.3 1994 & 1995 – EATON DRILLING

Eaton Drilling in association with Helmick – Lerner, completed a total of six testholes between 1994 and 1995. Well driller’s logs and downhole geophysical logs were available for review; however, geophysical logs were not for the entire borehole depth for every testhole. In 1994 Eaton completed on testhole shown on Figure 1 as ED-1994. The testhole was completed to 390 feet bgs and well driller and geophysical logs were available. The well driller’s log identified sand and gravel horizons from 2 to 27 and 68 to 115 feet. Below 115 feet, sand and gravel were found with significant amounts of clay present. The Helmick – Lerner assessment identified zones for ground water production development from 40 to 48, 82 to 114 and 210 to 324 feet. A production well was proposed with screen from 240 to 330 feet bgs. Estimated production for the proposed well was 500 gpm. Refer to Figure 3 for the proposed well design.

During the summer of 1995, Eaton Drilling completed an additional five testhole to evaluate ground water resources. Testholes were completed to depths of 500 to 700 feet. Refer to Figure 1 for depiction of testhole locations shown as ED-1995/A through ED-1995/E. Testhole evaluation prepared by Helmick – Lerner identified four potential water bearing formation in testhole ED-1995/A, found between 20 and 684 feet bgs and thickness ranged from 42 to 142 feet. Testholes ED-1995/B, C and D found each found one water bearing formation. The depth of water bearing formations ranged from 70 to 468 feet bgs and thickness ranged from 45 to 155 feet. Testhole ED-1995/E encountered two water bearing formations from 67 to 196 and 404 to 474 feet. Refer to Figure 3 for depiction of the depth information. The Eaton Drilling cover letter concluded that based on the available data completed production wells would not meet the 1995 stated project goal of 2,000 gpm.

3.4 2002 – GEOCONSULTANTS

In 2002, two separate work efforts were completed by GeoConsultants to investigate ground water resources in the area. In late 2001 electro-tulleric soundings were completed at 17 sites around the RMCS D services area. Electro-tulleric soundings estimated the depth and thickness of saturated horizons below the surface. The most promising electro-tulleric site was selected to complete a testhole and water well. The location of the testhole is shown as GC-2002 on Figure 1. The testhole was completed to 295 feet bgs, Mehrten Formation was identified above 190 feet bgs. The testhole was reamed to 12 inches diameter and a testwell constructed using 6 inch diameter casing. The testwell had 120 feet of screened interval at 120 to 180 and 200 to 260 feet. Refer to Figure 3 for the testhole and well completion information.

Once the testwell development was complete, constant rate aquifer testing was completed. Static water level before the pump test was 39.00 feet bgs, water level declined to 63.95 feet bgs or 24.92 feet of drawdown. Average pump rate over the 24 hours was 108.19 gpm. During the recovery the well achieved 97 percent recovery within 2 hours of pump shutdown. The calculated specific capacity is 4.3 feet/gpm. Based on the pump and recovery test average transmissivity was estimated as 14,317 gallons per day(gpd)/foot. Save yield for 6 inch diameter well was estimated as 350 gpm.

GeoConsultants collected field parameters during the pump test. The report indicates that RMCS D staff collected a water sample near the end of the 24 hour test. However, this water quality data was not included in the report.

4 SURFACE GEOPHYSICAL PROFILING

4.1 RATIONALE

Based on the previous investigations, conceptual hydrogeologic model and in consultation with NORCAL Geophysical Consultants, surface Electrical Resistivity (ER) profiling was selected to assist in identifying preferred hydrogeology and testhole locations for future production well development. ER profiling has historically been successful in identifying electrically resistive layers or buried stream channel deposits to depth of 300 feet bgs. Two geophysical profiles, Line 1 and 2, are shown on Figure 1 and Plate 1.

Geophysical profile Line 1 has a general east-west orientation and was completed sub-parallel to the regional dip. The profile covers approximately 5,000 feet and passes through the vicinity of testholes ED-1994 and ED-1995/E. This profile identifies potential water bearing horizons along dip direction.

Geophysical profile Line 2 was completed in a north-south orientation nearly parallel to regional strike. This profile assists in identifying buried migrating stream channels with depth. The profile covers approximately 3,500 feet and passes through the vicinity of testhole ED-1994.

The completed geophysical profiles are used to refine testhole locations and target areas of high resistivity, which can be correlated to sand and gravel horizons.

4.2 METHODS

The electrical resistivity (ER) survey was conducted from August 21 through 24, 2012, by NORCAL Geophysical Consultants of Cotati, California (NORCAL). Electrical resistivity surveys were completed for profiles Line 1 and Line 2 which were 4,950 and 3,480 feet in length, respectively. Figures produced by NORCAL are attached to this TM as Plates 1 through 3. Refer to the attached Plate 1 for the location of each line. Geophysical interpretation and the resistivity profiles are provided as Plate 2 and Plate 3. The NORCAL report will be finalized once testholes have been drilled and downhole geophysics completed.

The ER survey was completed as a Wenner array of 56 electrodes. Electrode spacing was 30 feet. The array advanced by leap-frogging up to 14 electrodes at a time along the length of the profile until reaching the end of the profile. Data acquisition was completed using an Advanced Geosciences Inc. (AGI) SuperSting R1 IP Earth Resistivity/IP Meter. The profiles were located and staked in the field using an aerial photo map and a 300-foot measuring tape. Electrodes were driven into the ground

using a hammer and wetted using fresh water as necessary. Electrode penetration depth varied from 8 to 12 inches depending on soil conditions. Contact resistivity was below 2,000 ohm-meters (ohm-m) and percent error was below 5% for each profile. Completed profiles were surveyed by NORCAL using a Trimble GEOXH6000 handheld GPS. Data processing to determine the best fit model was completed using EarthImager, written by AGI of Austin, Texas. Contoured ER profiles were generated using Surfer 9.0, written by Golden Software of Golden, Colorado.

Line 1 started near the drainage canal in the west, approximately 500 feet due north from the Cosumnes River. The line extended approximately 2,500 feet east across pasture land. From here the line followed the edge of crop fields north of the Cosumnes River. Refer to Plate 1 for surveyed location.

Line 2 started directly north of the Cosumnes River levee near the end point of Line 1. The initial orientation was N 30° E to avoid corn crops. Once the line had cleared the crop fields, the orientation changed to N 15° E. The end point was near the northern limit of the levee surrounding the football field. This line was initially planned to extend 300 feet north of the levee for a total of 3,750 feet. However, the line had to be shortened on the final day due to an access conflict with the wheat harvesting schedule.

4.3 FINDINGS

The general features of the two profiles are similar. High resistivity material (greater than 30 ohm-m) exists from 0 to 100 feet of ground surface, underlain by approximately 50 to 200 feet of low resistive material (less than 11 ohm- m), with moderately resistive material (greater than 11 and less than 30 ohm-m) from 200 to the maximum depth of the profile at 300 feet. Higher resistive sediments are observed with depth. Note that with depth geophysical resolution does decrease due to the stratigraphic variation and the averaging resistivities of the overlying sediments. The ability to identify thin, interbedded layers of gravel with depth is limited with this investigation tool.

Resistivity Profile Line 1

Along the eastern half of the profile, near surface high resistive units (greater than 80 ohm-m) attain a thickness of up to 100 feet. To the west, these near surface deposits thin to 25 to 50 feet thick deposits and are also less resistive (30 to 80 ohm-m). A section of moderately resistive material is present at surface from 2,000 to 2,400 horizontal feet. The low resistive layer (less than 11 ohm-m) is present 50 to 100 feet bgs, and attains thickness of 125 to 200 feet . The contours between this low resistive layer and overlying moderately resistive material undulate, a possible indication of an erosive contact and penetration to depth. This low resistive layer is not horizontally continuous

at two locations: Stations 1,800 and 2,700 feet. Moderately resistive material exists at the base of the profile, appearing at depth of 175 feet bgs or greater.

Resistivity Profile Line 2

At surface, deposits of up to 50 feet in depth of higher resistivity (greater than 50 ohm-m) material are present. Moderately resistive (22 to 50 ohm-m) material is sporadically present at surface at the northern 1,200 feet of the profile. A low resistive layer approximately 50 to 200 feet thickness is present at depths of 50 to 100 feet bgs. This low resistive layer is thickest from Station 1,600 to 2,700 horizontal feet, is approximately 50 to 100 feet thick at the southern end, and pinches out at the northern end. Moderately resistive material is present below the low resistive layer. This moderately resistive layer is dominant from 400 to 1,200 horizontal feet and resistivity ranges up to approximately 25 ohm-m, and appears at 100 to 150 feet bgs at the northern end of the profile.

4.4 INTERPRETATIONS

One of the data objectives of the surface geophysics is to identify basin wide sequences and variations that may indicate preferred bedding, erosion patterns and infill deposits that will increase both the production capacity and sustainability of a ground water resource. Both geophysical profiles depict in general a bedded sequence of the coarse grained deposits, underlain by a thick low permeable (low resistivity) clay bed and then further by a higher permeable interbedded sands and silts. Inference from the resistivity increases with depth support a coarsening downward sequence from approximately 50 feet bgs to the depth of 300 feet bgs.

Paleo-channels or historic Tertiary sand and gravel resistive features have been identified near RMCS D which also address the referenced data objective. The increased resistivity noted Line 1 at Station 1,850 feet can be interpreted as a paleo-channel. This is due to the u-shaped nature of the feature and the increased resistive relative to the surrounding material. The increased resistivity at Station 2,700 feet does not display the same u-shaped, but can also be interpreted to be an erosional feature associated with fluvial processes.

The geophysical profile results corroborate the boring log and areas of interest indicated on Figure 3 for well ED-1994. Permeable sediments are generally correlated with resistive layers, and zones of interest identified by Eaton/DE are correlated with increased resistivity. The sandy clays and gravel and clays identified in the ED-1994 boring log from 250 to 300 feet bgs are correlated to the moderately resistive materials (11 to 30 ohm-m) seen near the bottom 50 to 100 feet of the resistivity profile. The surficial gravels found at ED-1995/E are reflected in resistivity profile Line 1. Borehole

geophysics of ED-1995/E identified downhole geophysics resistivity exceeding 50 ohm-m from 60 to 205 feet bgs. This interval is described on the driller's log as silty sandy gravel. This interval corresponds to the increased surface ER noted at Line 1, Station 2,700 feet.

ER profile Line 2 shows formations within the 50 to 100 feet bgs has resistivity above 50 ohm-m, is corresponds to the near surface sand and gravel layers identified in testholes and Line 1. The increased resistivity observed from Station 400 to 1,200 feet can be correlated to sand and gravel deposits. From Station 2,800 feet to the end of Line 2, increased resistivity is observed within 50 to 250 feet bgs. This increased resistivity can be correlated to sand and gravel units. It is important to note that Jurassic basement material can also result in increased resistivity. Basement material was found at 380 feet bgs in ED-1994; several testhole completed for the Elk Grove Unified School District (EGUSD) northwest of Jackson Rd and Stonehouse Rd found basement material from 20 to 200 feet bgs; the surface geologic map (Figure 2) identifies basement less than 5,000 feet east of Line 2. The presence basement material above 300 feet bgs, may also result in increased resistivity noted in the north end of Line 2.

5 CONCEPTUAL HYDROGEOLOGIC MODEL

The 2010 updated geologic map of the project area, referenced completed boring logs, cross section line and completed geophysical lines are presented as Figure 2. The geologic map shows the Mesozoic basement rocks to the east of Highway 16 and north of the Cosumnes River. Based on the geologic map Cenozoic units have estimated regional dip of 4.5° to the south west (400 feet drop over approximately 1 mile). The previous testhole investigations identified basement rock at depth ranging from 360 to greater than 700 feet bgs. Target geologic features for aquifer recharge, discharge and ground water production can be summarized as follows:

- The potential well sites are located in the existing Cosumnes River alluvial basin.
- Sand and gravel horizons have been identified with depth above basement material.
- The alluvial paleo-channel target horizons consist of the sand and gravel units within the Mehrten, Valley Springs and Ione Formations. The Hydrogeologic Cross Section A-A' presented in Figure 3 shows the presence of potential water bearing formations to depths greater than 400 feet bgs.
- Water bearing units range in thickness from 10 to 50 feet.
- Potential erosional features and regional dip the southwest, water bearing formations are expected be better developed further west than near bedrock highs.

- Testholes LSCE-1988 and ED-1994 noted the presence of coal or lignite layers below 250 feet. Water quality may be adversely affected by the presence of these formations.
- These stratified sequences of paleo-channel sand and gravels facilitate recharge and water well production areas.
- Surface geophysical ER profiling was completed. ER profiles identified high resistive material from surface to 50 feet bgs. This resistive material is correlated to the sand and gravel deposits identified in previous testholes. The resistive material is typically underlain by layer of less resistive material ranging in thickness from 50 to 200 feet and is interpreted as fine grained material identified in testholes. Resistivity increases with depth with the interval from 200 to 300 feet bgs typically more resistive and the immediately overlying unit. This increased resistivity is correlated to sand and gravel horizons in testhole ED-1994.

The resistive material at surface is interpreted to be the Modesto and Riverbank Formation with possible Mehrten Formation at the western portion of Profile Line 1. This interpretation is based upon the Modesto Formation deposits at surface for both the profile locations as shown on Figure 1. The Mehrten and Valley Springs contact as shown on Figure 1 can be projected through the Modesto deposits and intersects the Profile Line 1 approximately midway. The low resistive material below the Modesto/Mehrten formations is interpreted to include the fine grained members of the Valley Springs and Ione Formations. The moderately resistive material present at the base of the profile is interpreted to be interbedded sands within the Ione clays.

6 POTENTIAL TESTHOLE LOCATIONS AND TARGET DEPTH

Obtaining additional ground truth by drilling test borings is the preferred method to confirm the character of subsurface sediments. Water bearing materials will likely yield in excess of 100 gpm; subsequently two wells may be needed to sustain the 600 AFY or 375 gpm water wells for the target production rate. As shown on Plates 1, 2 and 3; four potential testhole locations have been identified. These proposed testholes are positioned where the increasing resistivity zones below the low resistive layer are relatively shallow (within approximately 80- to 120-ft below ground surface). These more resistive zones are thicker in nature at these locations.

We recommend completing testholes at two locations on Line 2 and are shown as proposed testholes TH-A and TH-B on Figures 1 and 2. These locations are preferred over locations located along Line 1 due to the proximity to the existing RMCSD distributions system. The testholes target depth should be to the depth exceeding the geophysical profile depth; 300 feet at a minimum and up to 600 feet in depth. Final

borehole depth will be based on encountered borehole geology. If testholes TH-A and TH-B finds geologic formations unsuitable for ground water production additional testholes along Line 1 may be considered.

7 PROPOSED TESTHOLE DRILLING, TESTWELL CONSTRUCTION, AQUIFER TESTING AND WATER QUALITY SAMPLING

A testholes will be drilled in the proposed locations TH-A and TH-B. A direct mud rotary or air rotary drill rig will be used to advance the testhole. The nominal testhole diameter of 6-inches is expected. Drill cuttings will be collected and described by geologist during testhole drilling. Samples may be collected for grain size analysis by a geotechnical laboratory to optimize gravel pack and well screen slot size.

At testhole termination, the testhole will be stabilized for down hole geophysical logging consisting of focused resistivity, resistivity (16-inch and 64-inch), conductivity and spontaneous potential geophysical logs. Close attention will be paid to the drill fluid resistivity and the potential impact on geologic and pore water quality interpretation.

Upon completion of testhole drilling, geophysics and grain size analyses, aquifer zones for testwell construction will be determined. Target zones will then be selected for water production and water quality sampling. Based on the borehole geology, the testhole will be reamed from a 10 to 18 inch diameter to the determined target depth. Testwell will be constructed using 4 to 8 inch diameter Poly Vinyl Chloride (PVC) well casing, suitable for drinking water well development. Well screen is expected to be 0.050 inch slot, 8 inch diameter well casing with screen length of up to 90 feet. Gravel pack will be placed in the annular space opposite the well screen. If the testwell has separate screened zones bentonite may be used to separate well screen intervals. A sanitary well seal from surface to 80 feet bgs at a minimum will be constructed. The annular space below the annular seal and above the first screen interval will be filled with bentonite and gravel pack as appropriate. Refer to Figure 4 for proposed testwell construction.

Once the testwell construction is completed, the testwell will be air developed until discharge is free of significant sediment. After the testwell screen has been developed a submersible pump will be lowered and used to perform aquifer testing and collect water quality samples. Aquifer performance testing will consist at a minimum of a step test and 24-hour constant rate test. The step test will consist of three or more individual steps to determine pumping water level response to increasing pump rates. Pumping rates and pumping water level will be used to select a target pump rates.

During well development and aquifer performance testing field parameters for pH, temperature, specific conductance and turbidity will be recorded to assess parameter stabilization. Water quality samples for partial Title 22 analysis will be collected at the end of the constant rate tests and submitted to an accredited laboratory for analysis.

Once the testhole hole aquifer testing and water quality sampling is completed, DE will assess the possibility of converting the testhole into permitted production well.

ENCLOSURE/

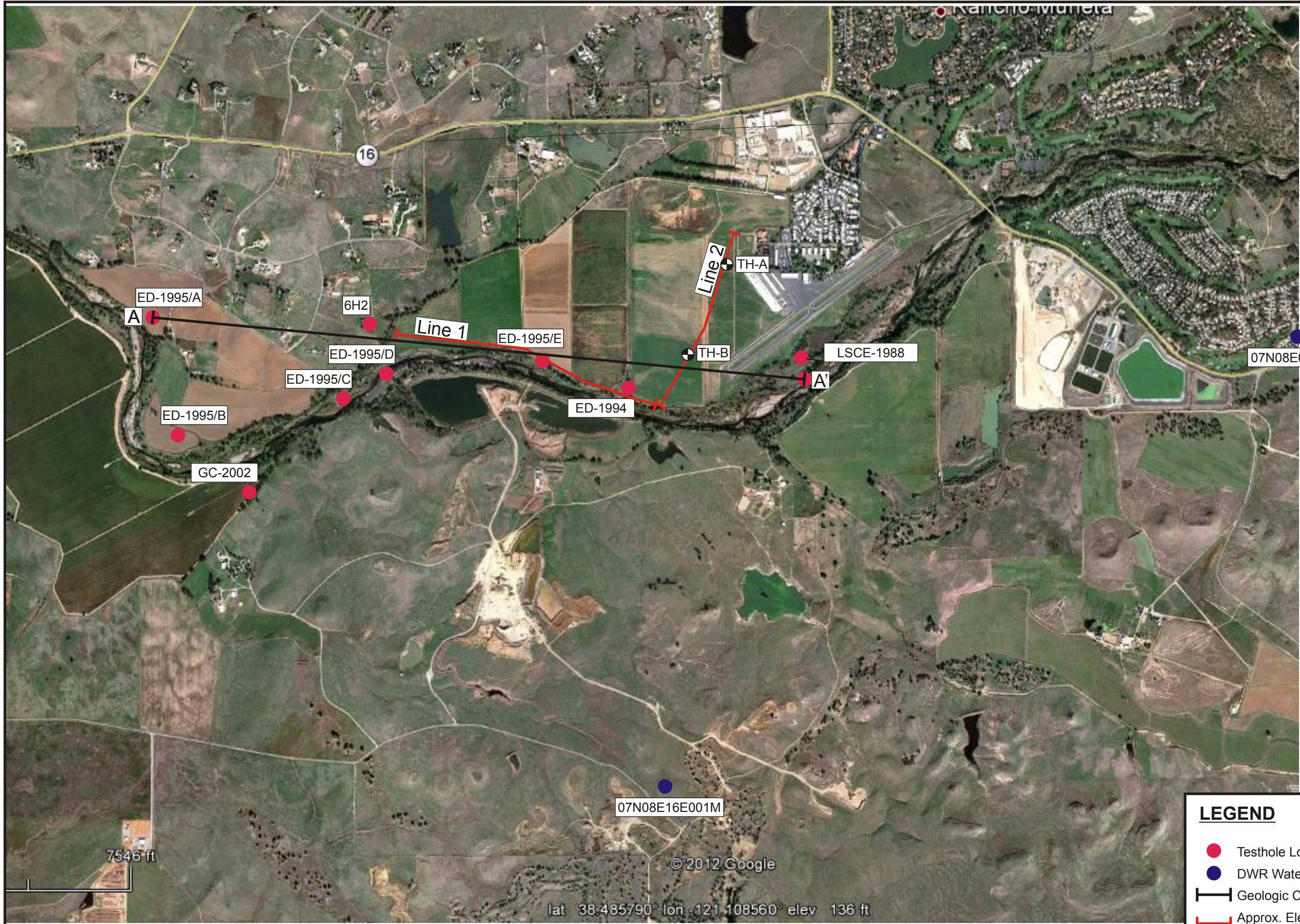
- Figure 1 Site Map with Cross Section Line, Geophysical Profiles and Proposed Testhole Locations
- Figure 2 Geology Map with Cross Section Line, Geophysical Profiles and Proposed Testhole Locations
- Figure 3 Hydrogeologic Cross Section A-A'
- Figure 4 Proposed Testhole Completion

NORCAL Geophysical Figures

Plate 1 – Site Location Map

Plate 2 – Electrical Resistivity Profile – Line 1

Plate 3 – Electrical Resistivity Profile – Line 2



SITE MAP WITH CROSS SECTION LINE,
 GEOPHYSICAL PROFILES AND PROPOSED
 TESTHOLE LOCATIONS
 RANCHO MURIETA CSD
 SACRAMENTO COUNTY, CALIFORNIA

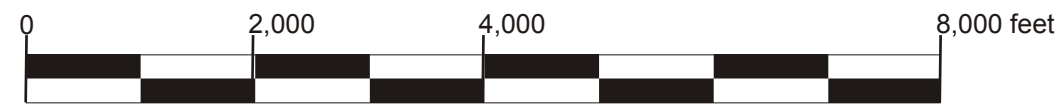
DATE: 09/22/2012
SCALE: 1"=1,680'
PROJECT NO: 157-01
DRAWN: JE, MM
CHECKED: PFD
FIGURE: 1

LEGEND

- Testhole Location (Approx.)
- DWR Water Level Well (Approx.)
- Geologic Cross Section
- Approx. Electrical Resistivity Profile Location
- Proposed Testhole Location

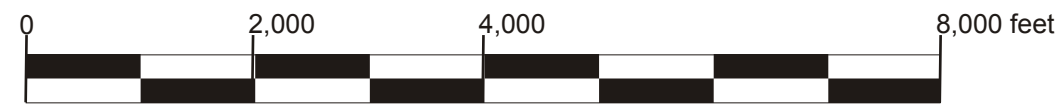
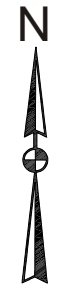


7546 ft



lat 38.485790° lon -121.108560° elev 136 ft

© 2012 Google



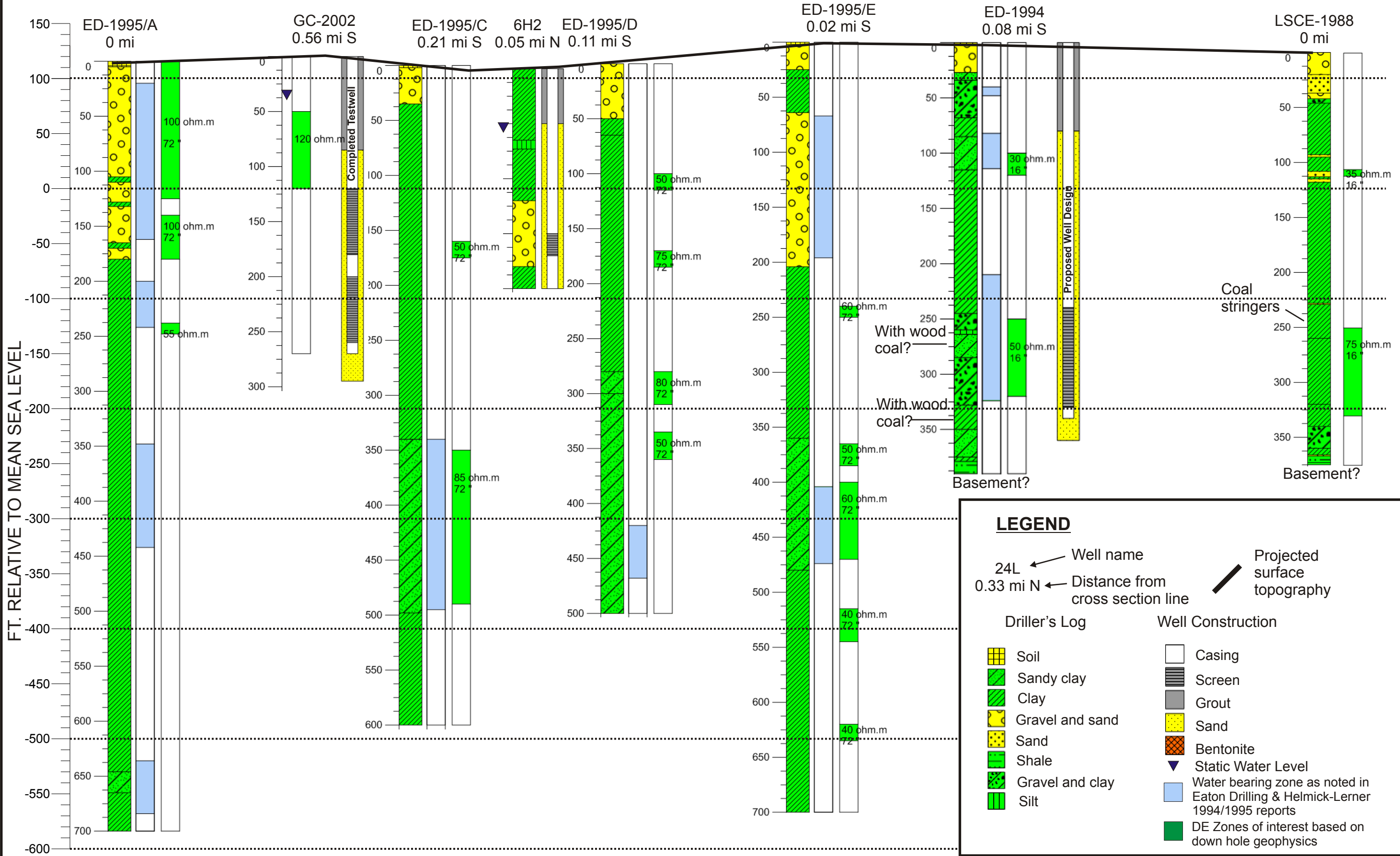
LEGEND	
af	Artificial Fill
Qa	Alluvium
Qm	Modesto Formation
Qr	Riverbank Formation
PI	Laguna Formation
MPm	Mehrten Formation
Mvs	Valley Springs Formation
Ei	Ione Formation
Jss	Salt Spring Slate Formation
● (Red)	Testhole Location (Approx.)
● (Blue)	DWR Water Level Well (Approx.)
—	Geologic Cross Section
— (Red)	Approx. Electrical Resistivity Profile Location
⊕	Proposed Testhole Location

GEOLOGY MAP WITH CROSS SECTION LINE,
 GEOPHYSICAL PROFILES AND PROPOSED
 TESTHOLE LOCATIONS
 RANCHO MURIETA CSD
 SACRAMENTO COUNTY, CALIFORNIA

DATE: 09/24/2012
SCALE: 1"=1,680'
PROJECT NO: 157-01
DRAWN: JF, MM
CHECKED: PFD
FIGURE: 2



A - WEST **A' - EAST**






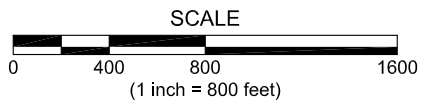
HYDROGEOLOGIC CROSS SECTION A-A'
 RANCHO MURIETA CSD
 SACRAMENTO COUNTY, CALIFORNIA

DATE: 08/13/2012
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 PROJECT NO: 157-01
 DRAWN: MM/JF
 CHECKED: PFD
 FIGURE: 3



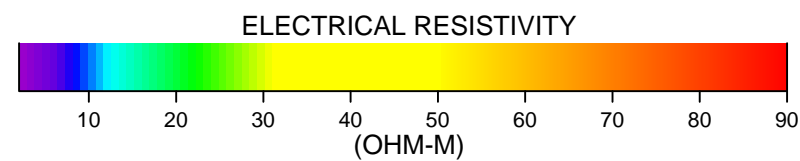
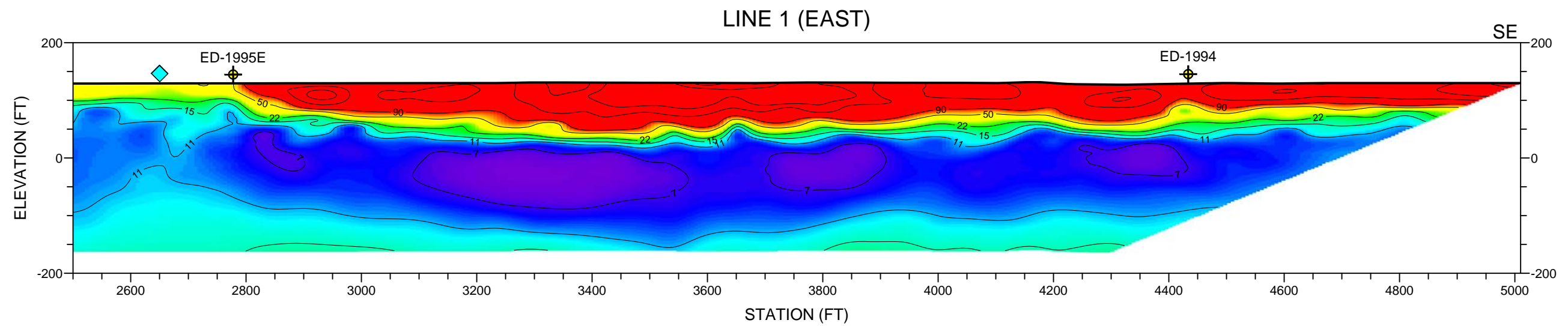
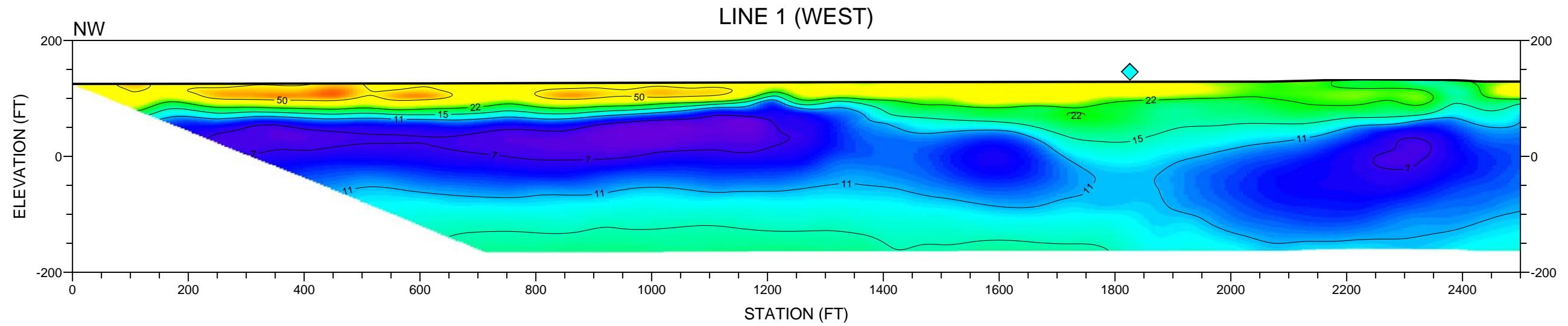


LEGEND	
	ELECTRICAL RESISTIVITY LINE
	APPROXIMATE BORING LOCATION
	PROPOSED TEST HOLE



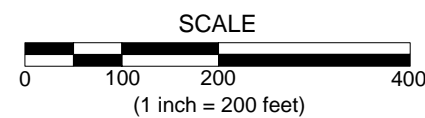
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	SITE LOCATION MAP RANCHO MURIETA COMMUNITY SERVICE DISTRICT ELECTRICAL RESISTIVITY SURVEY	
	LOCATION: RANCHO MURIETA, CALIFORNIA	
JOB #: 12-952.05	CLIENT: DUNN ENVIRONMENTAL, INCL	PLATE 1
DATE: SEP. 2012	NORCAL GEOPHYSICAL CONSULTANTS INC. DRAWN BY: G.RANDALL APPROVED BY: DJK	

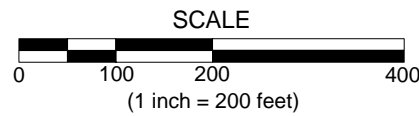
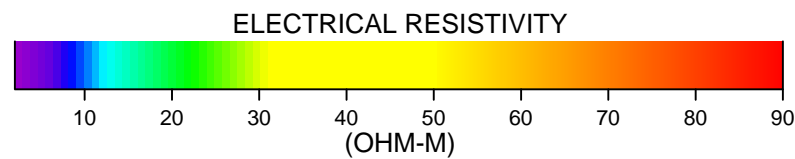
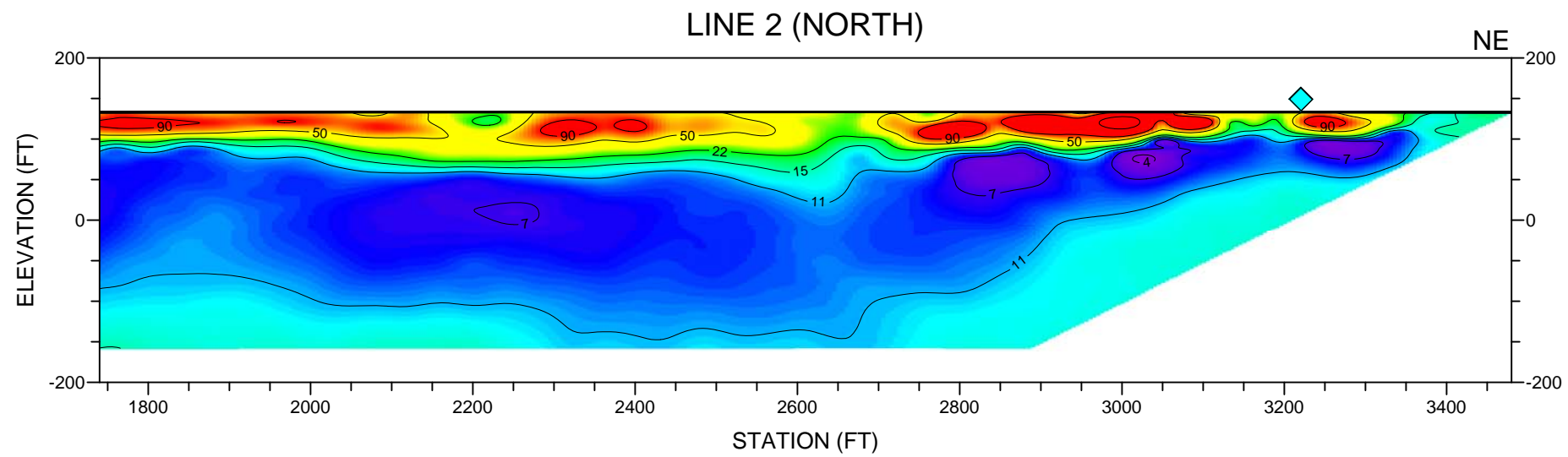
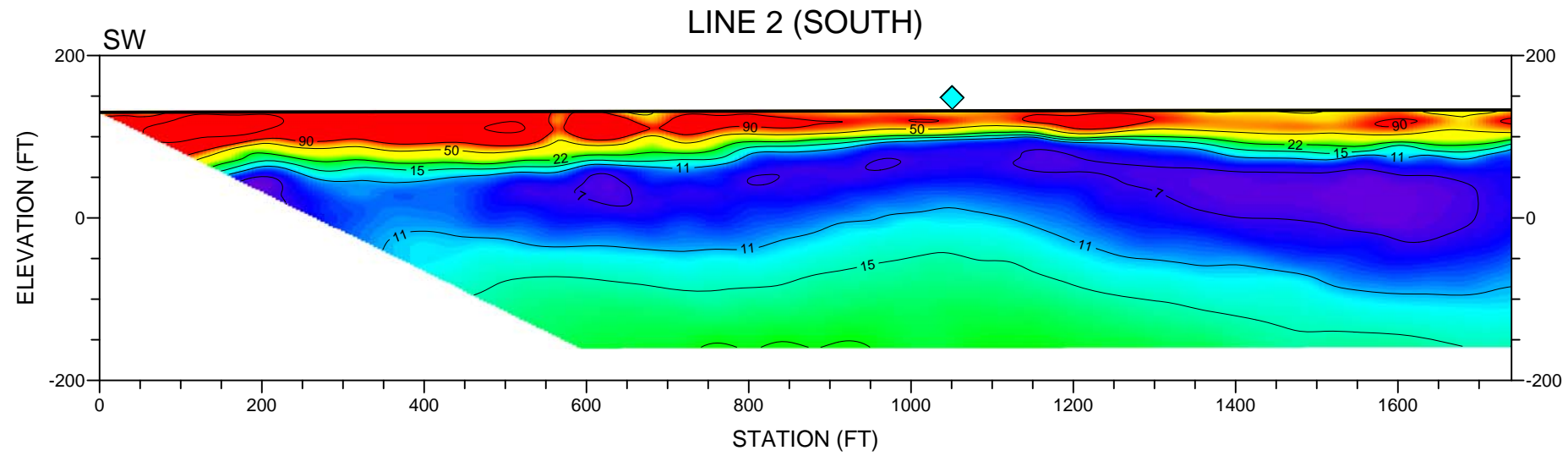


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LEGEND	
	APPROXIMATE BORING LOCATION
	PROPOSED TEST HOLE




	ELECTRICAL RESISTIVITY PROFILE - LINE 1		PLATE 2
	RANCHO MURIETA		
	COMMUNITY SERVICE DISTRICT		
	LOCATION: RANCHO MURIETA, CALIFORNIA		
JOB #: 12-952.05	NORCAL GEOPHYSICAL CONSULTANTS INC.		
DATE: SEP. 2012	DRAWN BY: G.RANDALL	APPROVED BY: DJK	



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LEGEND	
	PROPOSED TEST HOLE

 NORCAL	ELECTRICAL RESISTIVITY PROFILE - LINE 2 RANCHO MURIETA COMMUNITY SERVICE DISTRICT	
	LOCATION: RANCHO MURIETA, CALIFORNIA	
	CLIENT: DUNN ENVIRONMENTAL, INC.	PLATE
	JOB #: 12-952.05	NORCAL GEOPHYSICAL CONSULTANTS INC.
DATE: SEP. 2012	DRAWN BY: G.RANDALL	APPROVED BY: DJK

MEMORANDUM

Date: November 7, 2012
To: Board of Directors
From: Edward R. Crouse, General Manager
Subject: Approve Dunn Environmental, Inc., Proposal for Test Hole Drilling

RECOMMENDED ACTION

Approve the proposal from Dunn Environmental, Inc., for Task 3 - Test Hole (well) Drilling, in an amount not to exceed \$39,000. Funding to come from Water Augmentation Reserves.

BACKGROUND

Last July, Dunn Environmental, Inc., provided a proposal for hydrogeological services in support of the new water augmentation well (copy attached for reference). The scope was developed to assess hydrogeological conditions and determine a sufficient water resource for the proposed test hole location. Each of the four (4) tasks could be initiated after success of the previous task and approval from the District. Those tasks are:

- Task 1: Conceptual Hydrogeological Model and Work Plan Development-**Completed**
- Task 2: Surface Geophysical Profiling-**Completed**
- Task 3: Optional Test Hole Drilling, Zone Testing and Well Installation
- Task 4: Optional Pump Install and Drinking Water Source Permitting

Tasks 1 and 2 are now complete and their results are presented in the Technical Memorandum reviewed earlier. The suggested next step is to drill a test hole to validate the geophysical profiling. The test hole drilling is a portion of Task 3 above and shown on the attached task order from Dunn Environmental, Inc.

Depending on the results of the test hole, the District could either perform test well development and pumping to validate the potential yield or, if the test well profile shows evidence of a viable aquifer(s), the District could opt to go straight to drilling and perfecting the final production well.

Staff is recommending moving forward with just the test hole drilling at this time and then deciding later whether to perform test well development and testing or to proceed with production well construction.

INDEPENDENT CONSULTING AGREEMENT



TASK ORDER NO. 3

CLIENT Rancho Murieta Community

NAME: Services District (RMCS D)

PROJ. RMCS D – Hydrogeologic

NAME: Investigation Task 3a

PROJECT NO.: 157-03

SERVICES PROVIDED SHALL BE IN ACCORDANCE WITH PROVISIONS OF THE DE - RMCS D AGREEMENT FOR CONSULTING SERVICES, EXECUTED July 25, 2012

1. SCOPE OF SERVICES

Scope of services is pursuant to the June 22, 2012 Proposal prepared for RMCS D and approved at the July 18, 2012, RMCS D Board meeting. Due to the success of Tasks 1 and 2, the following Scope of Services include the two remaining tasks:

- Task 3a – Testhole Investigation – DE anticipates in meeting sustainable drought yield of 370 gpm, the installation of two testholes for testing may be necessary. Under this task, a work plan and specifications will be completed for testhole drilling and two isolation zone test for yield testing. The anticipated drilling depth is 600 feet per testhole. Investigation efforts include: testhole drilling, borehole logging/oversight, borehole geophysics and isolation zone sampling to assess yield and preliminary water quality

2. COST COMPONENTS

Estimated fee detailed in the approved proposal attached. Estimated DE fee is \$12,000 and Drilling Sub-Contractor (Frederick Drill and Pump) fee is estimated to for two testholes only (not test wells) to range up to \$27,000. **Estimated** maximum fee is \$39,000.

DE Rates:

Project Manager: \$110 per hour

Senior Consultant: \$135 per hour

Project Scientist: \$90 per hour

Staff Scientist: \$80 per hour

Field Tech \$65 per hour

10% markup on direct and

subcontractor expenses

Laboratory, well installation and

pump equipping. Well abandonment

is not included.

3. DELIVERABLES

The findings of Task 3 will be presented in a Technical Memorandum (TM).

4. SCHEDULED MILESTONES

DE is prepared to initiate work immediately. Tentative mobilization date for the driller is December 14, 2012 pending weather delays.

5. EXECUTION

DUNN ENVIRONMENTAL, Inc.

RANCHO MURIETA CSD

By: **PATRICK F. DUNN, PRESIDENT**
Date:

By: **EDWARD R. CROUSE, GENERAL MANAGER**
Date:

June 22, 2012

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

RE: Proposal for Hydrogeological Services in Support of the New Water Well for the Rancho Murieta Community Services District

Dear Mr. Crouse:

Dunn Environmental, Inc. (DE) in association with Domenichelli and Associates (DA), the DE/DA Team, appreciates the opportunity to propose on this very important project for the Rancho Murieta Community Services District (RMCS D, Client). The DE/DA Team understands that RMCS D has the goal of developing a ground water production well to supplement the district drought period water demand. The DE/DA Team has provided a phased approach which includes: the refinement conceptual hydrogeologic model, surface geophysical survey toward the completion of a test hole and a new production well. We will provide a water resource assessment for this area within RMCS D.

INFORMATON AND LITERATURE REVIEW

The following documents provided by RMCS D were reviewed:

- Various memos, access agreements and estimates for test hole drilling and possible production well placement, 1988-1991.
- Eaton Drilling test hole drilling results and proposed well design, June 1994. *This test hole data was critical in identifying water resources at depths greater than 250 feet below ground surface (bgs) in the confined basin southwest of the airport and southwest of the RMCS D pipe distribution system.*
- Geoconsultants, Inc., Summary Report Drilling, Well Construction and Aquifer Testing, Rancho Murieta Community Services District, Emergency Feasibility Study, Sloughhouse, CA, 2002. *Summary of the Sneider property test hole completed several miles west and south of the Consumes River.*
- HDR, Preliminary Data Review – Aquifer Conditions, Water Supply Augmentation Alternatives Project, Rancho Murieta, CA, 2003. *Significant data collected for the regional setting.*
- Omochumne-Hartnell Water District (OHWD)/RMCS D Groundwater Recharge Project, January 2011. *Provides significant supply and demand requirements and project work plan.*

Mr. Edward R. Crouse

June 22, 2012

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Other Documents Used Include:

- Dawson, T.E., Preliminary Geologic Map of the Lodi Quadrangle, California, 2009.
- Gutierrez, C.I., Preliminary Geologic Map of the Sacramento Quadrangle, California, 2011.
- California Department of Water Resources, California's Groundwater – Bulletin 118, 2003.
- California's Groundwater – Bulletin 118, Sacramento Valley Groundwater Basin, South American Subbasin, Updated 2/27/04.
- Central Sacramento County Groundwater Management Plan (MWH, February 2006)
- California Water Well Standards (California Department of Water Resources, Bulletin 74-81 and Bulletin 74-90).

UNDERSTANDING, CONCEPTUAL MODEL AND APPROACH

RMCS D plans a new production well to supplement the drought year water supplies, and the DE/DA Team has extensive knowledge and experience with projects with similar work scopes in this area. Based on our knowledge and existing information, a conceptual model was developed in support of our phased project approach.

The RMCS D is partially located within the South American subbasin of the Sacramento Valley Ground Water Basin (Ground Water Basin No. 5-21.65). The South American Subbasin is bounded on the north by the American River, to the west by the Sacramento River and to the south by the Mokelumne and Cosumnes Rivers. The groundwater resources of the South American Subbasin are described in considerable detail in Bulletin 118, Individual Basin Description. Surface geology indicates that the Modesto Formation, Mehrten Formation, Valley Springs Formation and Salt Springs Slate are located within close proximity to the site.

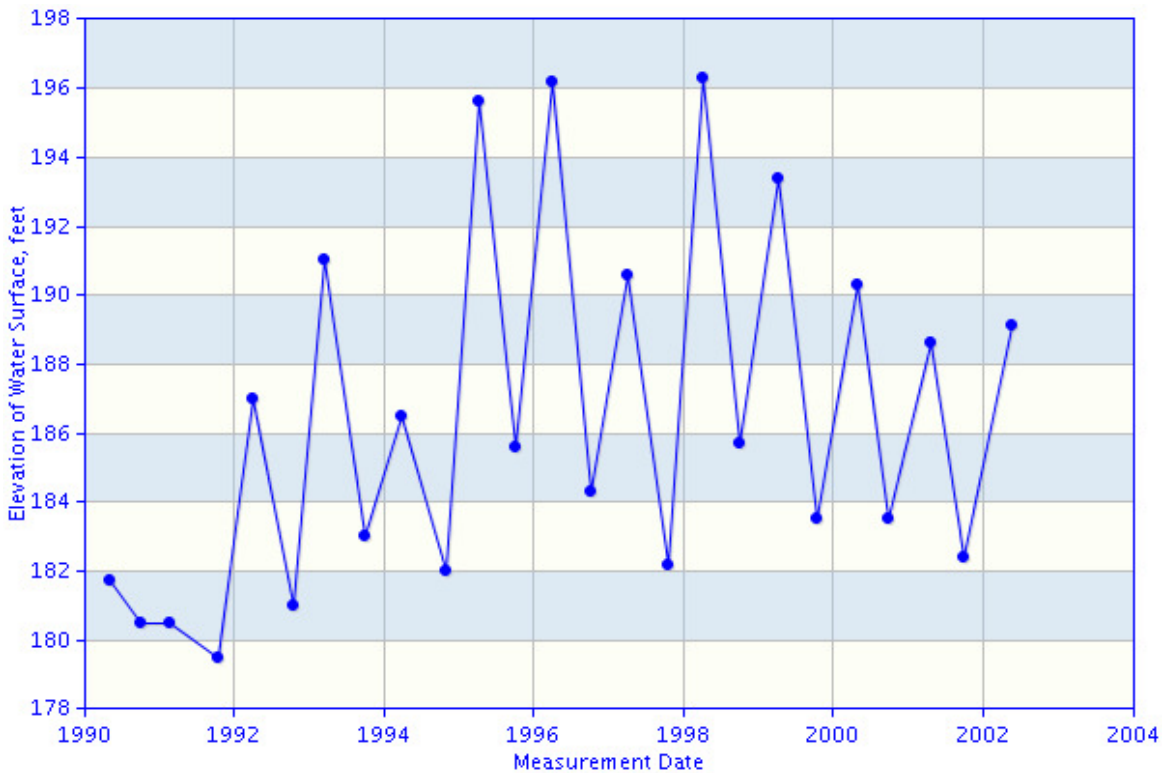
Water bearing geologic formation within the subbasin are described as follows:

- The Mehrten Formation underlies the older alluvium deposits, outcrops along the eastern edge of the subbasin and consists of interbedded clays, silts, "black sands" and gravels. Mehrten Formation sands and gravels are permeable and have known water well high specific yields. Additional sands and gravels related to alluvial systems and buried stream channels may provide additional target zones for water production.
- The Ione and Valley Springs Formations exist beneath the Mehrten Formation and are thought to be a transitional aquifer system. The Ione Formation has limited sands and gravels regionally, and this formation is known for the extensive fine grained silty clay layers.
- Based on review of the 1994 referenced test hole effort, the permeable sediments encountered at depth are likely related specifically to the limited extent of sand and gravels within the Ione Formation.

- However, the potential is high for the observed sand and gravels to be part of a Tertiary sequence that has eroded through and deposited significant sand and gravel beds from the basal rock through the Ione, Valley Springs and into the Mehrten.

GROUNDWATER LEVEL INFORMATION - Two historic monitoring wells were identified close to the RMCSO on the DWR website. The first monitoring well (07N08E16E001M) has water level data from 1968 to 1970 and indicates water levels between 110.5 and 113.5 feet MSL. The well is located approximately 1.5 miles south-southwest of the Rancho Murieta Airport. The second monitoring well (07N08E02L001M, depicted below) has water level data from 1990 to 2002. The well is located approximately 1.5 miles east of the Rancho Murieta Airport. The well is identified as a stock well. Monitoring data indicates water levels fluctuate between 179 to 197 feet MSL. Water level drops and increases of up to 14 feet have been observed historically. These water level responses support a non-overdraft condition within this part of the basin.

Ground Water Level Data
Well 07N08E02L001M (Ground Surface Elevation 198 feet MSL)



Mr. Edward R. Crouse

June 22, 2012

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The DE/DA scope of work has been developed to focus on the hydrogeology just west of the airport. We will compile relevant additional environmental and hydrogeologic data within a potential influence area near RMCS D west end of the district. This available information will be used to refine the hydrogeologic conceptual model and draft a preliminary drinking water source assessment (DPH - DWSAP) prior to completing the geophysical survey efforts and test hole drilling specification package, target depth determination and implementation.

The RMCS D has no active or standby ground water wells in operation. The referenced 1994 test hole information and proposed geophysics will be used to facilitate additional well locations in the basin. Geophysical survey and proposed additional drilling activities (if needed) will target the Mehrten Formation and other modern and Tertiary age alluvial gravels if available. The target depths will exceed 200 feet.

SCOPE OF WORK

The following scope of work has been developed to assess hydrogeologic conditions and determine a sufficient water resource for the proposed test hole location in the southwest portion of RMCS D. Each task will be initiated based on the RMCS D approval and success of the previous task.

TASK 1 – CONCEPTUAL HYDROGEOLOGIC MODEL AND WORK PLAN DEVELOPMENT

Under Task 1, the DE/DA Team will complete review of existing data to refine the conceptual model. We anticipate completing a well log search through the DWR to compile and create schematic cross sections across the area of interest. Additional information from existing downhole geophysics, geology logs and pump test information will be used to identify target zone for test hole drilling.

Through review of existing documents and water well completion information near the project site, we have compiled a preliminary conceptual model during the pre-proposal preparation period shown above. Under this task, we will refine the model based on additional information collected during initial kick-off meetings and additional data requests. For scoping and cost estimate purposes, assumptions were made based on the variability of the hydrogeology and driller equipment capabilities. The review and compilation efforts are anticipated to take approximately two days. This task effort will be used to revise the surface geophysical survey and drilling program under Tasks 2 and 3 as needed. Task 1 will be used to assist in providing documentation toward negotiations with owners on the location and use of water resources. The conceptual model will be presented in three potential meetings with RMCS D.

The DE/DA Team will provide a work plan to the RMCS D with the refined hydrogeologic model, background data review and remaining planned activities, described below in Tasks 2 through 4.

TASK 2 – SURFACE GEOPHYSICAL PROFILING

Nondestructive measurements of subsurface conditions can be achieved through the use of geophysics. Geophysical methods can be used to measure formation thicknesses, identify potentially water bearing zones, and to obtain stratigraphic information from existing and new wells. NorCal Geophysics and the DE/DA Team propose the use electrical resistivity profiling at the surface to identify potential water bearing zones and preferred geology. The profile line will span approximately 8,000 feet and will traverse across the Cosumnes River to the south from the area north of the airport.

Electrical resistivity profiling measures subsurface electrical properties related to lithologic variations. For example, fine grained silts and clays have lower electrical resistivity's than coarser grained sands and gravels, and more resistive bedrock. The apparent resistivity of subsurface materials is determined by transmitting electrical current into the ground through metal electrodes placed along a traverse and measuring the resulting voltage. The electrical resistivity profiles derived from these measurements provide information regarding the thickness and continuity of clay/silt and sand/gravel zones along with bedrock structural features.

Resistivity profiling does require numerous electrodes to probe the ground. These probes are typically placed on 30-foot spacing. The maximum practical depth is about 300 feet using a traverse about 1,650 feet in length. The resistivity profiling traverse cannot have tight turns or bends and must avoid certain kinds of obstacles, such as marsh areas.

Much of the project area is relatively open and gently rolling terrain and would be well suited to electrical resistivity profiling. This method provides a way to evaluate large portions of the project area for potential ground water sand and gravel resources and can establish targets for test hole drilling locations.

Deliverable: A Technical Memorandum (TM) containing the findings of the additional data gathering effort, refined hydrogeologic conceptual model and surface geophysical survey finding will be presented to RMCS D. The TM will identify possible test hole locations and target depths and assist with negotiations with surrounding land owners as needed. The existing 1994 test hole will be used for ground truthing the southern portion of the geophysical line along with the proposed test hole program discussed in Task 3.

TASK 3 – OPTIONAL TEST HOLE DRILLING, ZONE TESTING AND WELL INSTALLATION

Under this task and based on the success of Task 2, the DE/DA Team will provide assistance to the RMCS D to consider a test hole location based on geophysical survey response, preferable hydrogeology, existing pipeline connections, minimal constraints related to surface rights and access.

A phased approach has been developed based on discussions and estimates from a drilling contractor. Specific elements are defined with separate cost details.

Subtask 3a (optional) - Under the test hole drilling phase, the DE/DA Team will provide oversight during specification development, driller selection, test hole drilling, including borehole logging, downhole geophysics and discrete zone sampling. Technical specifications will be developed and followed. Depth discrete water quality samples will be completed once the test hole is complete and temporary monitoring isolation zones are completed. The depth discrete sample zones will be selected based on the geologic and geophysical logging. The samples will assist in evaluating ground water quality in relation to Title 22 drinking water Maximum Contaminant Levels (MCLs). We anticipate collecting two depth discrete samples for general mineral and metal laboratory analysis. Anticipated target depth is 350 feet.

Subtask 3b (optional) - Based on the test hole geology and water quality results, the DE/DA Team will initiate subtask 3b and finalize the production well specifications for test hole reaming, construction and development. Based on the projected demand of 600 acre feet per year or 350 gpm, the DE/DA Team expects a production well with 8-inch diameter casing would be sufficient.

Deliverable: Under this task, the DE/DA Team will develop well drilling specifications package and assist in oversight of the drilling contractor. Borehole completion, final design and suggested pump design information will be provided. Water quality information will be used to document rationale for the well design and presented in the Technical Memorandum as described under Task 4.

TASK 4 – OPTIONAL PUMP INSTALL AND DRINKING WATER SOURCE PERMITTING

Depending on the outcome of Task 3 an 8-inch diameter production well may be constructed. Based on optional production well construction, a temporary pump will be installed for final well development and aquifer testing. The DE/DA Team will provide oversight activities for the installation of a pump for use for the pump tests. At a minimum, a step test and 24-hour constant rate test will be performed. The step test will consist of three or more individual steps to determine pumping water level response to increasing pump rates. Pumping rates and pumping water level will be used to select a target pump rates and design capacity.

Mr. Edward R. Crouse

June 22, 2012

Page 7 of 8

After the step test has finished, the well will be allowed to recover a minimum of 24 hours or until 95% of observed drawdown has been recovered. Once the well has recovered sufficiently, a 24-hour constant rate test will be performed.

The DE/DA Team will provide aquifer analysis to determine well specific capacity and final pump setting and design.

Deliverable: The geophysical survey, test hole and well completion information along with the pump design (as needed) will be included in a Technical Memorandum. Included in this technical memorandum will be the results from Tasks 2 through 4, including surface geophysics, test hole drilling activities, discrete zone sampling and the aquifer test data. The DE/DA Team will provide assistance in permitting the new production well as a drinking water source with California Department of Public Health (CDPH). This includes preparing a drinking water source assessment (DSWAP).

PROJECT ORGANIZATION

A small project team will be used to complete this very important project. This provides efficiency and project continuity during the project. Our project team will be the same personnel that currently work on several similar water supply projects in the Sacramento Area: PROJECT MANAGER AND HYDROGEOLOGIST - Patrick Dunn, M.S.,P.G., C.Hg.; PROJECT ENGINEER – Sara Roger, P.E. QSD; GEOLOGIST - Jaco Fourie, P.G., QSD

SCHEDULE CONSIDERATIONS

Note that the efforts described are part of a phased approach; so the results of the initial phases are important to the project hydrogeologic conceptual model and implementation of additional task efforts.

- Task 1 – The background data collection efforts have been initiated during the proposal phase and will be completed within three weeks of project initiation.
- Task 2 – The surface geophysics can be completed within four weeks of Task 1 completion, depending on the geophysical subcontractor availability.
- Optional Task 3 – Test hole drilling oversight activities will take place over an estimated period of approximately two weeks, depending on drilling contractor availability.
- Optional Task 4 – Pump test activities will be completed within two weeks of completion of Task 3. Permitting activities will be initiated after pump test activities have concluded. A draft technical memorandum can be provided within three weeks of completion of the pump test activities. Regulatory response and the need for CEQA documentation will control the schedule for this task.

Mr. Edward R. Crouse

June 22, 2012

Page 8 of 8

COMPENSATION

For this costing effort, the DE/DA Team has provided the following fee estimate to ranges from \$40,000 to \$170,000 based on direct costs hourly billing rates of \$110 /hr Project Manager, \$135/hr Senior Engineer, \$100/hr Project Engineer, \$90 /hr Project Scientist, \$80 /hr Staff Scientist and \$65 /hr Field Technician. Direct costs will be invoiced at a 10% markup. *Note that individual tasks within this proposal can be initiated on a task order basis.* The fee estimate includes estimates from geophysical survey contractor, well drilling contractor and analytical laboratory. A brief summary of estimated fee is as follows:

- Task 1: Conceptual Hydrogeologic Model and Work Plan Development
Estimated DE/DA Team Fee - \$ 5,700
- Task 2: Surface Geophysical Profiling
Estimated DE/DA Team Fee - \$4,500
Estimated Geophysical Contractor Fee - \$22,000.
- Optional Task 3: Test Hole Drilling and Oversight with Well Installation without CEQA compliance
Estimated DE/DA Team Fee - \$9,500
3a. Estimated Drilling Contractor Fee for test hole completion – \$21,000
3b. Estimated Drilling Contractor Fee for well installation - \$57,000
- Optional Task 4: Pump Install, Pump Testing and Permitting
Estimated DE/DA Team Fee – \$12,000
Estimated Pump Installation Contractor Fee without pump house and distribution piping –\$38,000 pending the well installation.

The DE/DA Team again appreciates the opportunity to assist you in this proposal, and we look forward to working with you. If you have any questions, please do not hesitate to call. If this meets your approval, a master agreement and task order initiated contract can be used to implement this phased approach. Thank you for the opportunity.

Sincerely,
DUNN ENVIRONMENTAL, Inc.

Patrick F. Dunn, M.S., P.G., C.Hg.
President

PF/D/

Enclosure

RESOLUTION 2012-10

IN HONOR OF RICHARD TAYLOR, DIRECTOR

WHEREAS, Richard Taylor was elected in 2002 to the Rancho Murieta Community Services District Board of Directors, and

Whereas, Richard generously gave a great deal of his time and energy to the community and the District Board, and

Whereas, during his term, Richard served as Vice - President of the Board from 2004 – 2008 and 2010 – 2012 and as a committee member on the following Board Committees: Communications & Technology, Finance, Improvements, Parks, Personnel, Security, and

Whereas, in serving on these committees, Richard shared his vast experience and insight on the operations and finances of the District, and

Whereas, Richard's leadership and vision will enable the District to continue to benefit from his service in the years to come, and

Whereas, Richard's example and counsel will be missed by the Board and staff of the Rancho Murieta Community Services District, as well as the community as a whole, and

Whereas, the community and residents will continue to benefit from Richard's service, long after his leaving the Board.

NOW THEREFORE BE IT PROCLAIMED, this 14th Day of November in the year 2012, that the Board of Directors of the Rancho Murieta Community Services District, recognizes, appreciates and commends Richard Taylor for his ten (10) years of service to the community and District, and wishes him well in his future endeavors.

Director

Director

Director

Director

MEMORANDUM

Date: November 7, 2012
To: Board of Directors
From: Finance Committee Staff
Subject: Approve Regional Water Authority Grant Project Management Expenses

RECOMMENDED ACTION

Approve the Regional Water Authority (RWA) Proposition Grant Project Management Expenses in the amount of \$5,649, not to exceed \$7,705; funding to come from Water Augmentation Reserves.

BACKGROUND

At the September 19, 2012 Board of Directors meeting, the Board approved the Proposition 84 Implementation Grant Project, which provides grant funding for a portion of the District's augmentation well project: Element 17 - Lower Cosumnes River Integrated Groundwater Recovery Project. The RWA has estimated that their cost to manage the grant with the Department of Water Resources to be \$183,287 to \$250,000, which is 1.1% to 1.6% of the total grant award of \$16,030,766. RWA has allocated their management fee to each participating agency based on the agency's share of the grant award. The District's share of the total grant award is \$494,097 or 3.1%. The attached invoice from RWA is for 3.1% of \$183,287 or \$5,649.

This cost of this task, which is task 1 of our Prop 84 grant proposal, is to be funded by local cost share and not Prop 84 Grant dollars. Prop 84 Grant Funds are for construction related activities and tasks, not planning, engineering, permitting, etc., which are local share dollars. Our local cost share for the augmentation well is being funded through Water Augmentation Reserves, which requires Board approval for expenditure.

The Finance Committee recommends approval.

Regional Water Authority



5620 Birdcage Street, Ste. 180
Citrus Heights, CA 95610
Phone 916.967.7692 Fax 916.967.7322

INVOICE

DATE: October 4, 2012
INVOICE # RWA 12-134

Bill To:
Ed Crouse
Rancho Murieta Community Services District
PO Box 1050
Rancho Murieta, CA 95683-1050

RECEIVED
OCT 12 2012
Rancho Murieta
Community Services District

DESCRIPTION	AMOUNT
Proposition 84 Implementation Grant Project Management Expenses	\$5,649.00
TOTAL	\$ 5,649.00

Payment due 30 days upon receipt

2012 OCT 12 A 10:02
RANCHO MURIETA
COMM. SERV. DIST.

Make checks payable to Regional Water Authority
If you have any questions concerning this invoice, contact Nancy Marrier, 916-967-7692, nancy@rwah2o.org

THANK YOU FOR YOUR BUSINESS!

EXHIBIT 1

DESCRIPTION OF PARTICIPANT PROJECTS

Organization	Project Name	Grant Application Project #	Grant Award	Prorated Management Fee	Not-to-Exceed Fee
City of Elk Grove	Sleepy Hollow Detention Basin Retrofit Project	15	\$ 222,345	\$ 2,542	\$ 3,487
City of Folsom	Willow Hill Pipeline Rehabilitation Project	11	\$ 1,926,987	\$ 22,032	\$ 30,051
City of Roseville	ASR Program - Phase 2	1	\$ 1,976,397	\$ 22,597	\$ 30,822
City of Roseville	Secret Ravine Fish Passage Improvement Project	2	\$ 311,051	\$ 3,556	\$ 4,851
City of Sacramento	E. A. Fairbairn Groundwater Well Project	3	\$ 988,198	\$ 11,289	\$ 15,411
City of Sacramento	Shasta Park Reservoir and Well Project	4	\$ 988,189	\$ 11,289	\$ 15,411
City of Sacramento	Regional Water Meter Retrofit Acceleration Project	6	\$ 304,365	\$ 3,480	\$ 4,747
Ducks Unlimited	Lower Cosumnes River Floodplain Restoration Project	13	\$ 415,041	\$ 4,745	\$ 6,473
Orochumne-Hartnell Water District	OHWD/Rancho Murieta Groundwater Recharge Project	14	\$ 986,868	\$ 11,281	\$ 15,387
Placer County Flood Control and Water Conservation District	Antelope Creek Water Efficiency and Flood Control Improvement Project	5	\$ 741,149	\$ 8,474	\$ 11,558
Placer County Water Agency	Antelope Creek Water Efficiency and Flood Control Improvement Project	5	\$ 379,468	\$ 4,339	\$ 5,918
Rancho Murieta Community Services District	OHWD/Rancho Murieta Groundwater Recharge Project	14	\$ 494,097	\$ 5,949	\$ 7,706
RWA Water Efficiency Program	Regional Indoor and Outdoor Water Efficiency Project	7	\$ 988,198	\$ 11,299	\$ 15,411
Sacramento Area Flood Control Agency/Water Forum	Lower American River Mile 0.5R Aquatic Riparian Habitat Enhancement Project	12	\$ 1,408,183	\$ 16,100	\$ 21,961
Sacramento County Water Agency	Regional Water Meter Retrofit Acceleration Project	6	\$ 304,365	\$ 3,480	\$ 4,747
Sacramento Regional County Sanitation District	SRCSD/Sacramento Power Authority Recycled Water Project	8	\$ 1,547,519	\$ 17,693	\$ 24,134
Sacramento Suburban Water District	North Antelope Booster Pump Station Project	9	\$ 261,873	\$ 2,994	\$ 4,084
Sacramento Suburban Water District	Coyle Ave and Roseview Park Pump Stations and Treatment Systems Project	10	\$ 1,482,298	\$ 16,948	\$ 23,116
Sacramento Suburban Water District	Regional Water Meter Retrofit Acceleration Project	6	\$ 304,365	\$ 3,480	\$ 4,747
Total			\$ 16,030,766	\$ 183,287	\$ 250,000

MEMORANDUM

Date: November 9, 2012
To: Board of Directors
From: Edward R. Crouse, General Manager
Subject: DUI Enforcement Policy Update

RECOMMENDED ACTION

Receive update and provide direction to staff.

BACKGROUND

As directed at the October Board meeting, the DUI policy was carried over from the November Board meeting to the December Board meeting. This will allow Rancho Murieta Association (RMA) more time to provide comments on the DUI policy and the District's request to adopt a Non-Arch Rule requiring RMA residents to stop when our Security Patrol Officers flash their yellow hazard warning lights

Attached is a copy of my correspondence to the RMA Board as a reminder of our earlier request for input from their Board.

The DUI Policy was also discussed at the October 23, 2012 Joint Security Committee meeting. During the meeting, Chief Remson gave a brief summary of the District's proposed DUI Enforcement Policy. Bob Wright, Rancho Murieta Country Club (RMCC), commented on the concerns the RMCC has with the policy primarily dealing with the perception that RMCC is one of the focused enforcement areas and the belief that the RMCC members like the community atmosphere as it is and see no desire for change.

Chief Remson also attended the November 5, 2012 RMA compliance meeting. There was very little discussion of the policy and, given the tenor of that limited discussion, Chief Remson feels the RMA is unlikely to support the policy and adopt the Non-Arch rule.



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 www.rmcsd.com

November 2, 2012

Board of Directors
Rancho Murieta Association
7191 Murieta Parkway
Rancho Murieta, CA 95683

RE: Proposed Suspected DUI Vehicle Stop Policy

Dear Directors,

On October 9, 2012, the District forwarded to you the updated draft of the Rancho Murieta Community Services District's (District) Suspected DUI Vehicle Stop Policy for review along with the responses to the questions from Rancho Murieta Association (RMA) for review and comment.

In the October 9, 2012 correspondence, the District also requested RMA adopt a Non-Architectural Rule requiring vehicles within the gates to stop for a Security Patrol Officer who is displaying flashing amber lights. If the driver refuses to stop a fine may be imposed on the driver or responsible property owner. This rule would provide a joint approach to prevent, deter, reduce and enforce DUI driving within the gates. To date, the District has not received any response from RMA.

To assist the District in future deliberations on the Policy at the December Board meeting, please forward a written response of your Board's comments, suggestions and support of the draft Policy and adoption of a Non-Architectural Rule.

Thank you in advance for your consideration of this matter.

Sincerely,


Edward R. Crouse
General Manager

MEMORANDUM

Date: November 7, 2012
To: Board of Directors
From: Improvements Committee Staff
Subject: Approve Hole #15 Culvert Replacement Costs from Drainage Reserves

RECOMMENDED ACTION

Approve invoice from Groeniger & Co, in an amount not to exceed \$13,576.50 for piping; approve invoice from Carrillo Enterprises in an amount not to exceed \$6,840 for backhoe and grade setting work; approve invoice from JB Bostick Co. in an amount not to exceed \$995 for paving; and approve invoice from West Coast Turf in an amount not to exceed \$2,014.45 for sod for a total approval amount of \$23,425.95. Funding to come from Drainage Reserves, CIP No 12-03-2.

BACKGROUND

The 36" corrugated metal pipe (cmp) that served as the drainage culvert across Hole #15 on the North Golf Course had corroded after thirty (30) plus years of being in the ground and needed replacement. The bottom had corroded out (*shown in photo on the right*) along ninety percent of the pipe as well as in several areas at the top of the pipe. One area had even begun to collapse near the golf course cart path, becoming a potential safety issue to players on the golf course.



We solicited bids for replacing the three hundred-and-sixty (360) feet of cmp with the equivalent size and length with soil-tight high-density-polyethylene pipe, as this type of pipe should easily provide another fifty (50) years of service. The lowest cost came from Groeniger & Co. The cost to Carrillo Enterprises is for seventy hours (72) of backhoe and grade setting work that was necessary for the project to be completed, as well as improvements that had to be made to the drainage ditch flow line south of the culvert pipe. Those improvements included clearing sediment out of the ditch to allow the existing pipeline to drain, as well as armoring the ditch near and redirecting the ditch from several property lines adjacent to the ditch. The cost to JB Bostick Co. is for the replacing the section of golf course cart path that was removed during the project. The invoice from West Coast Turf is for sod needed to repair the course that was damaged from excavation.

The project went very well due to our hardworking staff working with Carrillo Enterprises, Vince Carrillo. However, the excavation took slightly longer than initially anticipated due to Rancho Murieta Country Club (RMCC) changing their minds during the project in regards to cutting and repairing the RMCC's irrigation lines vs digging around them. Staff estimated this cost the District approximately another day worth of work at the project.



Removing the old pipe with bottom missing.



Installation of new pipe with RMCC irrigation lines running across the top of it.

The Improvements Committee recommends approval.



Groeniger & Company

7601 14TH AVE
SACRAMENTO, CA 95820-3601

INVOICE NUMBER	CUSTOMER	PAGE
0843840	424394	1

PLEASE REFER TO INVOICE NUMBER WHEN MAKING PAYMENT AND REMIT TO:

Please contact with Questions:
760-967-7618

FERGUSON ENTERPRISES INC 1423
DBA GROENIGER & COMPANY
FILE 56809
LOS ANGELES, CA 90074-6809



00001144 01 AT 0.374 01 TR 006 FRIDDR01 000000
RANCHO MURIETA COMM SERV DIST
P O BOX 1050
RANCHO MURIETA, CA 95683

SHIP TO:
RANCHO MURIETA COMM SERV DIST
ATT:ROB MCLEOD C18771
15160 JACKSON HWY
RANCHO MURIETA, CA 95683



SHIP WHSE.	SELL WHSE.	TAX CODE	CUSTOMER ORDER NUMBER	SALESMAN	JOB NAME	INVOICE DATE	BATCH ID
3304	3304	CA34	C18771	JPS	ROB MCLEOD	09/25/12	36054
ORDERED	SHIPPED	ITEM NUMBER	DESCRIPTION	UNIT PRICE	UM	AMOUNT	
240	240	A368500201B	36X20 N12 PROLIN S/T SLD HDPE PIPE AASHTO SOIL TITE DUAL WALL 12 PCS OR 240' IS ONE TRUCKLOAD, IN STOCK AT THIS TIME IN MADERA, CA	35.000	FT	8400.00	
			INVOICE SUB-TOTAL			8400.00	
			TAX		Sacramento	651.00	

[Handwritten Signature]
10/9/12
[Handwritten Initials]

COPY
PO # C18771

2012 OCT - 1 P 1:02

LEAD LAW NOTICE: BRASS/BRONZE PRODUCTS WITHOUT "LF" IN THE DESCRIPTION FIELD MAY CONTAIN LEAD AND THUS NOT COMPLY WITH LOW LEAD LAWS. THESE PRODUCTS MUST NOT BE USED IN POTABLE WATER APPLICATIONS.

OCT 12 2012



Groeniger & Company

7601 14TH AVE
SACRAMENTO, CA 95820-3601

INVOICE NUMBER	CUSTOMER	PAGE
0845412	424394	1

PLEASE REFER TO INVOICE NUMBER WHEN MAKING PAYMENT AND REMIT TO:

Please contact with Questions:
760-967-7618

FERGUSON ENTERPRISES INC 1423
DBA GROENIGER & COMPANY
FILE 56809
LOS ANGELES, CA 90074-6809



00009963 01 AT 0.374 01 TR 046 FRIDDA01 000000
RANCHO MURIETA COMM SERV DIST
P O BOX 1050
RANCHO MURIETA, CA 95683

SHIP TO:

RANCHO MURIETA COMM SERV DIST
ATT:ROB MCLEOD
15160 JACKSON HWY
RANCHO MURIETA, CA 95683



SHIP WHSE.	SELL WHSE.	TAX CODE	CUSTOMER ORDER NUMBER	SALESMAN	JOB NAME	INVOICE DATE	BATCH ID
3304	3304	CA34	C18795	JPS	ROB MCLEOD	09/27/12	36106

ORDERED	SHIPPED	ITEM NUMBER	DESCRIPTION	UNIT PRICE	UM	AMOUNT
120	120	A368500201B	36X20 N12 PROLIN S/T SLD HDPE PIPE PLEASE SHIP WITH FULL FREIGHT ORDER WHEN POSSIBL	35.000	FT	4200.00
			INVOICE SUB-TOTAL			4200.00
			TAX	Sacramento		325.50

[Handwritten Signature]
10/9/12 *[Handwritten Initials]*

COPY

P.O. # C18795

LEAD LAW NOTICE: BRASS/BRONZE PRODUCTS WITHOUT "LF" IN THE DESCRIPTION FIELD MAY CONTAIN LEAD AND THUS NOT COMPLY WITH LOW LEAD LAWS. THESE PRODUCTS MUST NOT BE USED IN POTABLE WATER APPLICATIONS.

OCT 12 2012

5

Carrillo Enterprises

19100 Forest Home Rd.
Plymouth, Ca. 95669
(209) 245-3665

Rancho Murieta C.S.D.
15160 Jackson Rd.
Rancho Murieta, Ca. 95683

Attn: Rob McLeod
Dave Herrmann

Job: Drainage improvements
#15 Fairway north golf course
Rancho Murieta, Ca.

2012 OCT 29 P 3:41
RECEIVED
RANCHO MURIETA
DIST. SERV. DIST.

Tracking No. 0919-1011

INVOICE: 10301201 P.O. No. C18793 Page 1 of 1

DESCRIPTION: Equipment required to excavate drainage ditch below outlet of drainage pipe below fairway 15. Remove existing 24" squash pipe and install new 36" ads pipe as directed. Place rip-rap on effluent side.

EQUIP	RATE	(X)	HOUR(S)/QUANTITY	(=) AMOUNT
BKH	90.00 PER HR.		76.0 HRS	6840.00

DISCOUNT DUE DATE 11/10/12 TOTAL AMOUNT DUE \$ 6,840.00

DISCOUNT AMOUNT \$ 136.80

*** PLEASE PAY FROM THIS INVOICE. NO STATEMENT WILL BE ISSUED ***
2% Discount can only apply if paid on or before DISCOUNT DUE DATE and TOTAL AMOUNT DUE is paid in full less discount amount.

TERMS: Net 25th. Past due thereafter unless otherwise specified on invoice. A Finance Charge of 1 1/2 % Per Month, which is an Annual Percentage Rate of 18%, will be assessing on all accounts past due. In the event any invoice(s) is not paid when due, the person or company to whom the equipment, product and/or services were furnished, agrees to pay all costs and /or collection fees and attorney fees.

10/29/12
Rob

PHONE (916) 773-6067
FAX (916) 773-6070
CA STATE LICENSE #669487
TAX ID #94-3305812



INVOICE

BOSTICK COMPANY ASPHALT PAVING CONTRACTORS

2175 P.F.E. ROAD, SUITE C • ROSEVILLE, CA 95747

SOLD TO
RANCHO MURIETA CSD
P.O. BOX 1050
RANCHO MURIETA, CA 95683

DATE 10/17/2012

JOB NO.

SALESMAN TB

JOB LOCATION
VARIOUS

TERMS
UPON COMPLETION

PARK 8 GOLF COURSE: REPAIR WATER LEAK TOTALING APPROXIMATELY 250 SQUARE FEET <i>Wde 15</i>	995.00
6518 RIO OSO: REMOVE AND REPLACE APPROXIMATELY 79 SQUARE FEET OF ASPHALT 4 INCHES IN DEPTH. ROLL TO COMPACT.	1,095.00
BRISSA: REMOVE AND REPLACE APPROXIMATELY 110 SQUARE FEET OF ASPHALT 4 INCHES IN DEPTH. ROLL TO COMPACT.	800.00

RECEIVED
RANCHO MURIETA
COMM. SERV. DIST.
2012 OCT 30 P 1:02

TOTAL DUE: \$2,890.00

IMPORTANT: Please note that this invoice not only incorporates J.B. Bostick Company's standard terms and conditions but the parties agree that the terms and conditions contained herein are separately enforceable as a binding contract. In accordance with the standard terms and conditions, the parties agree that a late charge of 18% per annum will be assessed to all past due, unpaid amounts including retention held. The parties also agree to pay J.B. Bostick Company all of its attorney's fees and costs incurred to enforce the terms of this invoice. J.B. Bostick Company is a CA corporation.



REMIT TO:
WEST COAST TURF
 P.O. Box 4563
 Palm Desert, CA 92261
 (800) 447-1840
 www.westcoastturf.com

invoice

California Contractor License #688087
 Nevada Contractor License #48299
 Arizona Contractor License #ROC110478

RANC125

SOLD TO:
RANCHO MURIETA COUNTRY CLUB
 7000 ALAMEDA DRIVE
 RANCHO MURIETA CA 95683

SHIP TO:
RICH
 7000 ALAMEDA DR

RANCHO MURIETA CA 95683

PHONE: (916) 354-3400 Ext. 0000

PHONE: (916) 354-0916 Ext. 0000
 (000) 000-0000 Ext. 0000

DIRECTIONS:

INVOICE NO.
INV488352

Authorization Code:
 Amount Received:

\$0.00

DRIVER JOEL	JOB # ALAMEDA DR	PO #	TERMS Net 30	DELIVERY DATE 10/17/2012	INVOICE DATE 10/17/2012
----------------	---------------------	------	-----------------	-----------------------------	----------------------------

FIELD	ITEM #	QTY. SHIPPED	DESCRIPTION	PRICE	EXTENSION
WR10B	BANDERA	4,704.00 SQ	BANDERA SOD	\$0.390	\$1,834.56
STEDL	1050	1 PE	HANDLING FEE - CALIFORNIA/NEVADA	\$35.00	\$35.00

CSO

RECEIVED

OCT 20 2012

By _____

CALIFORNIA NURSERY STOCK CERTIFICATE
 FOR INTERSTATE AND INTRASTATE SHIPMENTS
 No. D9279

Vendor code: _____ This plant material or nursery or premises from which this shipment was made has been inspected and found free from especially injurious plant pests and disease symptoms.

Terms: _____

G/L # _____

THIS SHIPMENT NEED NOT BE HELD FOR INSPECTION IN CALIFORNIA

Issued by: Riverside County Agriculture Commissioner
 and
 California Department of Agriculture, Sacramento 95814
 Nevada Contractor #48299 Bond Limit \$750,000

Dept. Head Approval: _____

Approved: _____

888-893-TURF (8873)

WEST COAST TURF ("WCT") is not responsible for installation, labor, standby time pending delivery, or damage to the product after delivery. This sale is made on an "as is basis" without warranties, express or implied. Purchaser is solely responsible for all installation and maintenance requirements. WCT will attempt to place sod where designated at job site, but it will have no responsibility for damage to the product after delivery. WCT's liability with respect to claims of any kind for all losses or damages arising out of, and/or related to goods sold or services provided under this order, or any amendment thereto, shall in no case exceed the price paid to WCT for the goods or services giving rise to such claims. In no event shall WCT be liable for special, incidental, consequential, or exemplary damages, and Purchaser will indemnify WCT against any such claims. This transaction, and any disputes arising out of relating to it will be governed by the laws of the State of California. In the event any dispute arises out of and/or relates to the goods or services provided under this order, venue shall be the Superior Court of Riverside County, State of California, Indio Branch.

SALE AMOUNT	\$1,869.56
SALES TAX	\$144.89
TOTAL	\$2,014.45

RECEIVED BY: _____

DELIVERED BY: _____

MEMORANDUM

Date: November 7, 2012
To: Board of Directors
From: Improvements Committee Staff
Subject: Approve Wastewater Facility Paving Project Change Order #1

RECOMMENDED ACTION

Approve Wastewater Facility Paving Project Change Order #1, for an additional amount of \$3,300 to Folsom Lake Asphalt. Funding to come from Sewer Replacement Reserves, CIP No 12-05-2.

BACKGROUND

On September 19, 2012 the Board approved the proposal from Folsom Lake Asphalt for the wastewater facility paving project, in an amount not to exceed \$24,680. The primary purpose for this project is to maintain the roadway along wastewater pond #5 to prevent further erosion and degradation of subsurface which is containing the pond, as well as to pave an area by our North Course pump station which receives a lot of traffic daily.

During the course of the work, we identified a spider crack portion of asphalt that extended the amount of road to be repaved. The additional work required installation of an additional 28.5 tons of asphalt and base, totaling \$3,300, as shown on the attached contract change order from Folsom Lake Asphalt. This brings the total cost for the project to \$27,980; still \$8,926 below the second lowest bidder's bid at \$36,906.

The project was completed on October 14, 2012 without incident and looks very good.

The Improvements Committee recommends approval.

**Asphalt Installation, Overlays,
Reinforced Overlays, R&R Patching,
Seal Coating and Striping, Skin
Patching, and more.**



Date 10/4/2012 Estimate # 6954

Customer

Estimator
DaveG

Rancho Murieta Community Services Dist.
PO Box 1050
Rancho Murieta, CA 95683
Attn: Paul Siebensohn



Job Location

PROPOSAL AND CONTRACT

Wastewater Facility Pavin

Scope of Work	Total
Change Order #1 to Wastewater Facility Paving Project, CIP NO. 12-5-2 Additional 28.5 tons of material at \$116.00 per ton installed.	3,300.00

Asphalt Oil and Energy Price Escalation: All Asphalt concrete quoted is subject to a price escalation based on the current rack price of asphalt paving oil. Any increase in the cost of asphalt oil or fuel will be subject to this escalation. Any Applicable price escalation will be added on to the base rate per ton of asphalt concrete mix sold.

Total

\$3,300.00

Signature _____

MEMORANDUM

Date: November 6, 2012
To: Board of Directors
From: Suzanne Lindenfeld, District Secretary
Subject: Approve December 12, 2012 Special Board Meeting for Filling Vacant Board of Director Position

RECOMMENDED ACTION

Approve December 12, 2012 Special Board meeting for filling the vacant Board of Director position.

BACKGROUND

On October 17, 2012, Director Richard Taylor resigned from the Rancho Murieta Community Services District's (District) Board of Directors. Due to the timing of the resignation, this vacant position cannot be filled through the November 2012 election process. Therefore, per California Government Code Section 1780, the District's Board of Directors can fill the vacancy by appointment within 60 days of the vacancy.

The District must post the Notice of Vacancy in three (3) locations within the District at least 15 days before any appointment. The Notice was posted on November 2, 2012. If the District does not appoint or call a special election within the 60 days, Sacramento County Board of Supervisors can appoint.

The vacancy was announced and effective October 17, 2012. The 60 days from that date is Sunday, December 16, 2012. The December Board meeting is on December 19, 2012. Therefore, we will need a Special Board meeting for the appointment.

Attached is a suggested agenda for the December Special Board meeting. Note the day is December 12, 2012, a week earlier than our regular Board meeting. Staff also included agenda items now known to be included.



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

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

SUGGESTED 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

SPECIAL BOARD MEETING

Wednesday, December 12, 2012

Closed Session 4:00 p.m. - Open Session 6:30 p.m.
RMCS D Administration Building – Board Room
15160 Jackson Road
Rancho Murieta, CA 95683

BOARD MEMBERS

Roberta Belton	President
Vacant	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
SPECIAL BOARD MEETING
December 12, 2012**

Closed Session 4:00 p.m. - Open Session 6:30 p.m.

SUGGESTED AGENDA

	RUNNING TIME
1. CALL TO ORDER - Determination of Quorum - President Belton (Roll Call)	4:00
2. ADOPT AGENDA (Motion)	4:05
3. RESOLUTION 2010-14, RESOLUTION DECLARING THE RESULTS OF THE NOVEMBER 6, 2012 ELECTION (Discussion/Action) (Motion) (5 min.)	4:10
4. APPOINTMENT OF NEW DIRECTOR	4:15
a. Applicant Statements (12 minutes (3 min. each))	
•	
•	
b. Open Public Testimony (5 min.)	
c. Close Public Testimony (5 min.)	
d. Director Questions of Applicants (5 min.)	
e. Director Deliberations on Applicants (5 min.)	
f. Appointment of New Director (5 min.)	
(Discussion/Action) (Motion) (Roll Call Vote) (45 min.)	
5. DISTRICT SECRETARY WILL ADMINISTER THE OATH OF OFFICE TO BETTY FERRARO AND MICHAEL MARTEL (5 min.)	5:00
6. RESOLUTION 2012-11, IN HONOR OF STEVEN C. MOBLEY, DIRECTOR, RANCHO MURIETA COMMUNITY SERVICES DISTRICT (Discussion/Action) (Motion) (5 min.)	5:05
7. PRESENTATION OF PLAQUE TO OUTGOING DIRECTOR Out-going Director Comment (10 min.)	5:10
8. ELECTION OF BOARD OFFICERS (10 min.)	5:20
a. President (5 min.)	
b. Vice-President (5 min.)	

9. CLOSED SESSION

5:30

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

Conference with Legal Counsel – Existing Litigation Pursuant to Government Code section 54956.9(a). Name of case: Rancho Murieta Community Services District v. Elk Grove Bilby Partners, LP, Sacramento County Superior Court Case No. 34-2011-00097778.

Under Government Code section 54956.8: Real Property Negotiations - Real Property APN 128-0080-067; APN 128-0080-068; APN 128-0080-069; APN 128-0080-076; and APN 128-0100-029. Real Property Agency Negotiator: Edward R. Crouse, General Manager. Negotiating Party: Rancho Murieta 670, LLC. Under Negotiation: Price and Terms.

10. 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.*

11. REPORT ACTION FROM CLOSED SESSION

6:30

12. SPECIAL ANNOUNCEMENTS AND ACTIVITIES (5 min.)

6:35

13. COMMENTS FROM THE PUBLIC

6:40

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.
that others may be allowed to speak. No action will be taken.*

14. COMMITTEE ASSIGNMENTS (10 min.)

6:45

15. CONSENT CALENDAR (Motion) (Roll Call Vote) (5 min.) 6:55
All the following items in Agenda Item 5 will be approved as one item if they are not excluded from the motion adopting the consent calendar.

- a. Approval of Board Meeting Minutes**
 - 1. November 14, 2012 Board Meeting
- b. Committee Meeting Minutes (Receive and File)**
 - 1. December 4, 2012 Security Committee Meeting
 - 2. December 4, 2012 Improvements Committee Meeting
 - 3. December 4, 2012 Finance Committee Meeting
 - 4. December 6, 2012 Communication & Technology Committee Meeting
 - 5. December 6, 2012 Personnel Committee Meeting
- c. Approval of Bills Paid Listing**

16. STAFF REPORTS (Receive and File) (5 min.) 7:00

- a. General Manager's Report
- b. Administration/Financial Report
- c. Security Report
- d. Water/Wastewater/Drainage Report

17. CORRESPONDENCE (5 min.) 7:05

18. ADOPT DISTRICT POLICY 2012-XX, DUI ENFORCEMENT POLICY 7:10
(Discussion/Action) (Motion) (Roll Call Vote) (10 min.)

19. RECEIVE AND DISCUSS FINANCING AND SERVICES AGREEMENT 7:20
(Discussion/Action) (Motion) (Roll Call Vote) (10 min.)

20. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES 7:25
(Discussion/Action) (Motion) (5 min.)

21. MEETING DATES/TIMES FOR THE FOLLOWING: (5 min.) 7:35

Next Regular Board Meeting: January 16, 2013

BOARD GOAL WORKSHOP: January 31, 2013

Committee Meeting Schedule:

- ✚ Communications - Thursday, January 3, 2013 at 8:30 a.m.
- ✚ Personnel - Thursday, January 3, 2013 at 9:00 a.m.
- ✚ Security - Tuesday, January 8, 2013 at 8:30 a.m.
- ✚ Improvements – Tuesday, January 8, 2013 at 9:00 a.m.
- ✚ Finance - Tuesday, January 8, 2013 at 10:00 a.m.
- ✚ Joint Security - Tuesday, January 22, 2013 at 9:00 a.m. at RMA

22. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

7:40

In accordance with Government Code 54954.2(a), Directors and staff may make brief announcements or brief reports of their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda.

23. ADJOURNMENT (Motion)

7:50

"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 December 7, 2012. Posting locations are: 1) District Office; 2) Plaza Foods; 3) Rancho Murieta Association; 4) Murieta Village Association.

DRAFT

CONFERENCE/EDUCATION SCHEDULE

Date: November 7, 2012
To: Board of Directors
From: Suzanne Lindenfeld, District Secretary
Subject: Review Upcoming Conference/Education Opportunities

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 Board will 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).

The upcoming conferences/educational opportunities include the following:

CALIFORNIA SPECIAL DISTRICT ASSOCIATION (CSDA)

Setting Direction/Community Leadership November 15, 2012 Pleasanton, CA

GOLDEN STATE RISK MANAGEMENT ASSOCIATION (GSRMA)

No Information Currently Available on Upcoming Conferences.

SPECIAL DISTRICT AND LOCAL GOVERNMENT INSTITUTE (SDI)

No Information Currently Available on Upcoming Conferences.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

ACWA 2012 Fall Conference & Exhibition	December 4-7, 2012	San Diego
ACWA Region 3 and Mountain Counties Water Resources Association	December 14, 2012	El Dorado Irrigation District

WATEREUSE ASSOCIATION

No Information Currently Available on Upcoming Conferences.

AMERICAN WATER WORKS ASSOCIATION (AWWA)

No Information Currently Available on Upcoming Conferences.

ISC WEST

No Information Currently Available on Upcoming Conferences.