



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Board of Directors Meeting

MINUTES

June 15, 2016 – Open Session at 5:00 p.m.

1. CALL TO ORDER/ROLL CALL

President Gerald Pasek called the regular 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 Gerald Pasek, Betty Ferraro, Morrison Graf, Michael Martel, and Mark Pecotich. Also present were Darlene J. Thiel Gillum, General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; Eric Thompson, Controller; Suzanne Lindenfeld, District Secretary; and Richard Shanahan, District General Counsel.

2. ADOPT AGENDA

Motion/Ferraro to adopt the agenda. Second/Graf. Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.

3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES

None.

4. COMMENTS FROM THE PUBLIC

Richard Brandt commented on the District's role and involvement in the Parks, that Murieta Gardens and the Greens are not included in the Parks Agreements, and his feeling that having a Nexus Study done could have a negative impact.

5. CONSENT CALENDAR

Motion/Ferraro to adopt the consent calendar. Second/Martel. Roll Call Vote: Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.

6. STAFF REPORTS

Under Agenda Item 6a, President Pasek asked about the status on sharing gas with Rancho Murieta Association (RMA). Darlene stated that Greg Vorster, RMA General Manager, stated that RMA does not get the gasoline tax rebate.

Under Agenda Item 6c, Director Pecotich asked about the status of the pin map. Chief Remson stated that it will be up before he retires.

7. CORRESPONDENCE

None.

8. CONSIDER ADOPTION OF RESOLUTION R2016-07, IN HONOR OF MELISSA REHUREK-BENNETT

Motion/Pasek to adopt Resolution R2016-07 in honor of Melissa Rehurek-Bennett. Second/Martel. Roll Call Vote: Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.

9. CONSIDER DEVELOPER, COSUMNES RIVER LAND, LLC, CONTESTING PAYMENT OF COMMUNITIES FACILITIES FEES AS CALCULATED BY THE DISTRICT

Darlene Thiel Gillum gave a brief summary of John Sullivan's, Cosumnes River Land, LLC, disagreement of the District's calculation of the fees due upon water permit issue for the Murieta Inn. Mr. Sullivan believes the

Water Supply Augmentation Fee and the Capital Improvement Fee should be calculated on an EDU basis; similar to the calculation methodology for residential permits.

The Financing and Services Agreement specifies in Article 3.3, Standard District Fees, that “....fees are documented and established in the District Code and will be charged according to the fees in place at the time of water permit issuance.” District Code, Chapter 8, Communities Facilities Fees, clearly identifies the hotel as a commercial property and the District has calculated the fees accordingly.

Motion/Pasek to have the District collect all fees due, minus the Water Supply Augmentation and Capital Improvement Fee, at this time and have the District’s legal counsel provide a legal opinion at the July 20, 2016 Board meeting. **Second/Ferraro. Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.**

10. CONSIDER REQUEST FROM ROEBBELEN CONSTRUCTION, CONSTRUCTION MANAGER AT RISK, FOR AN ADJUSTMENT TO THE GUARANTEED MAXIMUM BUDGET FOR THE WATER TREATMENT PLANT EXPANSION PROJECT

Darlene Thiel Gillum gave a brief summary of the recommendation to deny the request to increase the Guaranteed Maximum Budget (GMB) for the Water Treatment Plant Expansion Project. Staff contends that Roebbelen failed to identify the change orders as outside of the original project scope.

Bob Kjome, Roebbelen Management, Inc. stated that the work performed was outside the original project scope and not included in the GMB. The total amount requested puts the project 1% over budget. Roebbelen held weekly meetings with District staff and all change orders were approved by District staff.

Director Martel commented that all parties to the project should share in the cost. Director Graf agreed.

Director Ferraro commented on her concern that Paul Siebensohn was too involved in the project, parts received had to be sent back at District expense, no presentation was made to the Board during the construction, and suggested staff go back and review each item requested to be reimbursed.

Director Pecotich stated that the District needs to make things right and asked for Paul Siebensohn’s input on the project. Paul stated that Roebbelen did perform as contracted; he is happy with the project, and was surprised it didn’t cost more.

President Pasek suggested staff meet with Roebbelen to work out an agreement to bring back to the Board at the July 20, 2016 Board meeting for approval. By consensus, the Board agreed.

11. CONSIDER APPROVAL OF SALES TAX PAYMENT ON THE GE PORTION OF THE WATER TREATMENT PLANT EXPANSION PROJECT

Darlene Thiel Gillum gave a brief summary of the recommendation to approve payment of the sales tax due on the GE portion of the Water Treatment Plant Expansion Project. The agreement between the District and GE specifies the District is to pay California sales tax directly to the State. However, throughout the project GE has included sales tax in their project invoicing and has paid the sales taxes collected to the State of California. The amount of \$116,575.95 is the sales tax amount on the taxable portion of the GE contract and since GE remitted sales tax directly to the State it is the District’s obligation to reimburse GE for the sales tax.

Motion/Ferraro to approve payment of \$116,575.95 to GE Zenon Environmental Corporation for the sales tax due on the GE portion of the Water Treatment plant Expansion Project. Funding to come from the Water Capital Replacement Reserves. **Second/Graf. Roll Call Vote: Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.**

12. CONSIDER APPROVAL OF THE COSTS FOR THE SMUD POWER PANEL UPGRADE FOR THE WASTEWATER TREATMENT PLANT SOLAR ARRAY

Paul Siebensohn gave a brief summary of the recommendation to approve payment for SMUD power panel upgrades to the wastewater treatment plant. SMUD’s engineering review of the solar system integration into the wastewater treatment plant requires a new power panel, power lines, and transformer.

Motion/Graf to approve up to \$164,000 to Solar City for cost reimbursement for SMUD power panel upgrades to the wastewater treatment plant. Funding to come from Sewer Capital Replacement Reserves. **Second/Ferraro. Roll Call Vote: Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.**

13. DISCUSS SACRAMENTO CENTRAL GROUNDWATER AUTHORITY MEMBERSHIP

Darlene Thiel Gillum gave a brief background of the District’s participation on the Sacramento Central Groundwater Authority (SCGA). The purpose of the SCGA is to manage the Central Basin (now commonly referred to as the South American Basin), which underlies the SCGA service area, and implement the Groundwater Management Plan (GMP) developed by the Sacramento County Groundwater Forum.

At the June 8, 2016 Board meeting of the SCGA, action was taken to approve increasing in annual contributions for all members. The District’s annual contribution will increase from \$6,000 to \$18,000.

There is a pending basin boundary adjustment request by the Sloughhouse Resource Conservation District (SRCD), which would place the majority of the District in the Cosumnes Sub-basin. District staff has reservations about continuing to participate in the SCGA and paying the sizable increase in SCGA annual contributions, when the District may be under a different basin for compliance in the near future.

Motion/Martel to have the District get out of the SCGA at this time. **Second/Ferraro. Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.**

14. CONSIDER ADOPTION OF ORDINANCE 02016-02 AMENDING DISTRICT CODE CHAPTER 2, BOARD OF DIRECTORS RULES AND PROCEDURES AND REVISING BOARD GUIDELINES AND POLICIES

Motion/Pecotich to adopt District Ordinance 02016-02 amending District Code Chapter 2, Board of Directions Rules and Procedures and revising Board Guidelines and Policies. **Second/Martel. Roll Call Vote: Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.**

15. CONSIDER ADOPTION OF RESOLUTION R2016-04, FISCAL YEAR 2016-2017 BUDGET AND CAPITAL PROJECTS

Motion/Graf to adopt Resolution 2016-04, a Resolution adopting the proposed budget for fiscal year 2016-2017, including Capital Projects. **Second/Martel. Roll Call Vote: Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.**

16. CONSIDER ADOPTION OF ORDINANCE O2016-03, AN ORDINANCE AMENDING CHAPTER 14 OF THE DISTRICT CODE RELATING TO WATER SERVICE CHARGES; AMENDING CHAPTER 15 OF THE DISTRICT CODE

RELATING TO SEWER SERVICE CHARGES; AMENDING CHAPTER 16A OF THE DISTRICT CODE RELATING TO DRAINAGE SPECIAL TAX; AMENDING CHAPTER 21 OF THE DISTRICT CODE RELATING TO SECURITY SPECIAL TAX; AND AMENDING CHAPTER 31 OF THE DISTRICT CODE RELATING TO SOLID WASTE COLLECTION AND DISPOSAL SERVICE CHARGES

Motion/Graf to acknowledge the Second Reading of Ordinance O2016-03 and adopt Ordinance O2016-03 an Ordinance adopting the proposed service charge increases and Special Tax adjustments for fiscal year 2016-2017. **Second/Ferraro. Roll Call Vote: Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.**

17. CONSIDER APPROVAL OF CALIFORNIA WASTE RECOVERY SYSTEMS THIRD AMENDMENT TO THE 2013 CONTACT

Motion/Ferraro to approve the Third Amendment to the 2013 Contract between Rancho Murieta Community Services District and California Waste Recovery Systems for solid waste collection and disposal. **Second/Graf. Roll Call Vote: Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.**

18. CONSIDER APPROVAL OF ANNUAL AUDIT ENGAGEMENT LETTER

Darlene Thiel Gillum gave a brief summary of the recommendation to approve the annual audit engagement letter for the 2015-2016 fiscal year.

Motion/Pecotich to approve the annual audit engagement letter with Larry Bain, CPA, for the 2015-2016 audit. **Second/Ferraro. Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.**

19. CONSIDER APPROVAL OF MASTER LEASE/PURCHASE AGREEMENT WITH HOBLIT CHRYSLER JEEP DODGE FOR SECURITY VEHICLE

Darlene Thiel Gillum gave a brief summary of the recommendation to approve the lease with Hoblit Chrysler Jeep Dodge for a security patrol vehicle. Since there is no pre-payment penalty, staff will research getting a loan from another lender at a lower interest rate.

Motion/Pecotich to (1) Approve the Master Lease with Option to Purchase Agreement with Hoblit Chrysler Jeep Dodge for a security patrol vehicle, in an amount not to exceed \$240 a month, for 48 months, for a total of \$11,520; (2) Determine that the agreement is in the best interest of the District; and (3) Authorize and direct General Manager to sign the agreement and related documents on behalf of the District. Funding to come from Security Operating Budget. **Second/Ferraro. Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.**

20. RECEIVE AND CONSIDER UPDATES

Midge Fly Ad Hoc Committee

Director Ferraro reported that since the meeting last month, fish have been put in Laguna Joaquin and the Committee is looking at pumps.

Members of the Committee submitted a Midge Fly Insecticide Application Petition, with approximately 84 signatures, requesting the District switch from liquid insecticide to granular insecticide which they believe will bring better results. This type of treatment is more expensive. Larry Sheldon, Committee Co-Chair, stated that the Committee recommends treating only the target areas, which will help in keeping the costs down.

Darlene Thiel Gillum stated that the District could order about \$3,000 worth of granular out of the current year's budget, to be used for next week's treatment. The treatment after that would be the remaining liquid insecticide the District has on-hand. Depending on how effective the granular product is, the District will determine whether to purchase granular or liquid BTI out of the 2016-2017 budget funds, for future treatments as needed. By consensus, the Board agreed.

Solar Power Installation

Paul Siebensohn gave an update on the Solar Power Project. Staff is continuing to work with SMUD and Solar City to revise the solar array layout by the water plant. SMUD recommendations are for a 10' horizontal clearance to be kept from the center of a power pole and lines in order to maintain a safe working clearance for their line crews. Staff asked SMUD to provide documentation showing this requirement. They provided a drawing from SMUD that shows that this is a recommendation. Paul is continuing to work on the issue. The Wastewater Treatment Facility project completion is anticipated to be October 20, 2016.

Escuela Gate

Darlene Thiel Gillum stated she sent a letter to Supervisor MacGlashan last week requesting that the County look for a source of funding to support the construction of the left turn lane from Stonehouse Road onto Escuela Drive. The project was on the Board of Supervisors' agenda this week for approval to send out for bid.

Pending and Proposed Land Development Projects

Darlene Thiel Gillum reported that an additional seven (7) water permits were issued for The Retreats West in May 2016 (a total of 11 have been issued to date) and Paul and Kevin Kennedy are continuing to work with Mike Robertson and John Sullivan on the sewer study for The Retreats North and East.

Stakeholder Meetings

The first of the Rancho North Stakeholder Group meetings held June 3, 2016 was to discuss the purpose and role of the group and the rules of engagement. The primary purpose of the meetings is for information sharing to generate ideas, not resolutions, regarding the proposed Rancho North development. The group consists of representatives from the District, Rancho Murieta Country Club, Rancho Murieta Association, SOLOS, Development/Applicant team, Murieta Trails Stewardship, adjacent landowner, Sacramento County staff, and Sacramento County Board of Supervisors. The District's engineers, John Griffin (Coastland) and Kevin Kennedy (Kennedy/Jenks), will attend the next meeting on June 23 as observers in order for them to hear first-hand the discussion surrounding water/sewer/drainage/reclaimed water.

Director Martel commented on his concern regarding the meetings not being open to the public, not trusting the County's agenda and that a sign in sheet should be provided for each meeting. Director Martel also feels the District's engineers should not be attending the meetings. Darlene Thiel Gillum stated that she will check with the County to see if it is possible for the local media to attend.

Parks

District Parks Role Position Statement

Director Pecotich gave a brief summary of the draft District Parks Role Position Statement and asked the Board to review and provide any comments to Darlene. Director Martel stated that 36 residents have not paid anything in park fees. John Sullivan stated that is because they are not a party to the Parks Agreement.

John Sullivan suggested the District amend the FSA with the developers to include Park Fees. By consensus, the Board agreed to have District Legal Counsel look into this. Mr. Sullivan also suggested the District form a separate Parks Ad Hoc Committee to discuss forming a JPA with Sacramento County.

Director Martel left at 8:16 p.m.

Les Clark stated that the District needs to make it clear to the community what their role is regarding community parks.

Parks Operating Guideline

Director Pecotich requested the Board review the guidelines and submit their comments to Darlene who will consolidate them into one document to be presented to the Parks Committee for discussion.

Fees

Darlene Thiel Gillum stated that at the Parks Committee meeting, it was mentioned that the nexus study could result in a conflict with the PDA. Also, there was concern as to how the District is going to pay for the study.

Richard Shanahan, District Legal Counsel, suggested staff send the project out for bid and then bring it back to the Board for a decision.

President Pasek suggested modifying the FSA. By consensus, the Board agreed. Staff and Legal Counsel will work with the developers on modifying the FSA. The board agreed by consensus to have staff postpone seeking quotes for the nexus study at this time.

21. CONSIDER CALIFORNIA SPECIAL DISTRICTS ASSOCIATION 2016 BOARD ELECTIONS REPRESENTATIVE

Motion/Graf to submit the District's ballot for Gil Albiani. **Second/Ferraro. Ayes: Pasek, Ferraro, Graf, Pecotich. Noes: None. Absent: Martel. Abstain: None.**

22. CONSIDER CONFERENCE/EDUCATION OPPORTUNITIES

No discussion.

23. REVIEW MEETING DATES/TIMES

No discussion.

24. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

Paul Siebensohn stated that he will be on vacation the last week of June 2016.

President Pasek stated that at the Presidents meeting, a complaint was made regarding drainage from the Retreats onto the golf course. John Sullivan stated that the Retreats has an easement and that he is owner of both parties so it is not an issue.

Director Ferraro thanked Security Patrol for their assistance on Sunday.

25. ADJOURNMENT

Motion/Ferraro to adjourn at 9:07 p.m. **Second/Graf. Ayes: Pasek, Ferraro, Graf, Pecotich. Noes: None. Absent: Martel. Abstain: None.**

Respectfully submitted,


Suzanne Lindenfeld

District Secretary