

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Regular Board of Directors Meeting

MINUTES

February 20, 2008

3:00 p.m. – Closed Session

5:00 p.m. - Open Session

1. CALL TO ORDER/ROLL CALL

President Wayne Kuntz called the regular meeting of the Board of Directors of Rancho Murieta Community Services District to order at 3:00 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Wayne Kuntz, Dick Taylor, Bobbi Belton, Bob Kjome, and Jerry Pasek. Also present were Ed Crouse, General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary.

2. EMPLOYEE PROMOTIONS – CERTIFICATIONS

None.

3. BOARD ADJOURNED TO CLOSED SESSION at 3:02 P.M. TO DISCUSS THE FOLLOWING ITEMS:

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

Under Government code 54956.9(a): Conference with Legal Counsel – Anticipated Litigation – Initiation of Litigation Pursuant to 54956.9: One Potential Case.

Under Government Code 54956(a) Conference with Legal Counsel – Existing Litigation – Cease and Desist Order.

Under Government Code 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 Negotiator: Edward R. Crouse, General Manager.

4/5. BOARD RECONVENED TO OPEN SESSION AT 5:00 P.M. AND REPORTED THE FOLLOWING:

Under Government Code 54956.9 (a) Conference with Legal Counsel – Anticipated Litigation – Significant Expose to Litigation Pursuant to 54956.9: One Potential Case. Received update from legal counsel; no action taken.

Under Government Code 54956.9 (a) Conference with Legal Counsel – Anticipated Litigation – Initiation of Litigation Pursuant to 54956.9: One Potential Case. Received update from legal counsel: no action taken.

Under Government Code 54956(a) Conference with Legal Counsel – Existing Litigation – Cease and Desist Order. Received update from legal counsel; no action taken.

Under Government Code 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 Negotiator: Edward R. Crouse, General Manager. Received update; no action taken.

6. ADOPT AGENDA

Motion/Taylor to adopt the agenda. **Second/Belton. Ayes: Kuntz, Taylor, Belton, Kjome, Pasek.**

7. COMMENTS FROM THE PUBLIC

Ted Hart, lot 825, commented on comments made at the Rancho Murieta Association (RMA) Board meeting the previous night regarding all three entities, RMA, Rancho Murieta Country Club and the District, working together more, perhaps under a new governance structure.

John Merchant, lot 723, commented on the RMA Board meeting the previous night and consolidating RMA and the District. Mr. Merchant also stated the District should explain the District's involvement in the Parks Agreement to the residents.

Mike Martel, lot 424, commented on the validity of the Parks Agreement Amendment. Mr. Martel provided copies of the Parks Agreement Addendum to the Board.

Ted Hart, lot 825, commented on Rancho Murieta becoming incorporated or a city.

8. RECEIVE SUMMARY OF SECURITY SURVEY

Betty Ferraro gave a summary of the result of the Security Survey. Of the 556 surveys returned, only one was commercial. The areas covered included: CSD safety functions, traffic safety, and RMA compliance assistance. The items in each area were listed by what was most important, somewhat important, slightly important, not important, and no response. A question and answer period followed.

Director Belton thanked Betty Ferraro, Jack Tavolaro and Wilbur Haines for their work on the survey.

9. CONSENT CALENDAR

Motion/Pasek to accept the Consent Calendar, with items D and E removed for further discussion. **Second/Kjome. Roll Call Vote: AYES: Kuntz, Taylor, Belton, Kjome, and Pasek.**

Director Pasek stated that in item D, sections 4 and 5, the word "approval" be changed to "reviewed". In item E, the word "approve" be removed.

Motion/Belton to approve Policy 2008-01 and 2008-02 with the wording changes suggested by Director Pasek. **Second/Pasek. Roll Call Vote: AYES: Kuntz, Taylor, Belton, Kjome, and Pasek.**

10. STAFF REPORTS

Under Agenda Item 10d, Director Belton asked for a status report on the Rio Oso Tank Rehabilitation Project. Paul Siebensohn stated that the footing for the concrete foundation ring at the base of the outer edge of the tank is 16 inches deep, not the 3 feet as labeled on as built drawings; therefore, the foundation improvements have to be redesigned by HDR. The roof and knuckle are no longer usable and will be replaced.

11. CORRESPONDENCE

President Kuntz thanked Sally Paravantes and Robin & Patrick Borin for their letters commending the Security Department for their assistance. Chief Remson also thanked them.

12. APPROVE SECOND GRANT AND AGREEMENT REGARDING IRRIGATION EASEMENT WITH VAN VLECK RANCHING AND RESOURCES, INC., AND ACCEPTANCE OF IRRIGATION EASEMENT

Ed Crouse gave a brief summary of the recommendation to accept the second easement and agreement regarding irrigation with Van Vleck Ranching and Resources, Inc., granting of a permanent easement over a portion of the Van Vleck Ranch property, approximately 51 acres, for purposes of recycled water irrigation. The purpose of the second easement and agreement is to

complete the 90-acre easement donation. The first 49 acres were donated in December 2007. The developers will be donating another 60 acres for their disposal requirements. A discussion followed.

Motion/Pasek to accept an easement and agreement regarding irrigation easement by Van Vleck Ranching and Resources, Inc. and authorize the General Manager to record the easement and agreement. **Second/Kjome. Roll Call Vote: Ayes: Kuntz, Taylor, Kjome, and Pasek. Absent: Belton.**

13. PROVIDE DIRECTION TO PARKS COMMITTEE REPRESENTATIVE

A. Rancho Murieta Association Reimbursement for Legal Fees

Director Taylor stated that during closed session, the item was discussed and by consensus, the Board suggested a letter expressing the Board's position regarding a demand for repayment of the funds in question.

B. Disbursement/Accounting Payment Procedure

Director Taylor reviewed his proposal to be made to the Parks Committee concerning the manner in which disbursement and accounting for payments from the Parks fund might be made.

C. Procedures for the Receipt of Funds

Director Taylor stated that the manner in which the receipt of funds needs to be considered.

D. Procedures for Reporting and Reconciling of Fund Balance

Director Taylor stated that the manner in which reporting the act of the activity and balance of Park Fund monies is to accounted for to the Parks Committee in their monthly meetings needs to be considered.

Director Taylor stated that the Parks Fund money should not be in the RMA general ledger, as the money does not belong to the RMA and should not be on their balance sheet. John Merchant stated that he applauds the stance that the Board has taken on this item. A discussion followed.

Motion/Belton to direct legal counsel to draft a letter stating the District's position regarding the money taken out of the Parks Fund for legal fees and to draft a resolution for approval at the March Board meeting if no action is taken to correct the situation and for Director Taylor to submit his recommendations to the Parks Committee. **Second/Pasek. AYES: Kuntz, Taylor, Belton, Kjome, and Pasek.**

14. PROVIDE DIRECTION TO STAFF REGARDING PLACING INCREASE IN SECURITY TAX ON NOVEMBER BALLOT

Ed Crouse stated that Director Belton requested dialogue among the Board members to direct staff to place an increase in the Security Tax for expanded patrol services on the November ballot. Steve Rudolph gave a brief summary of the deadlines for placing items on the November ballot. Mr. Rudolph stated that a Special Tax could be an amount that would be designated for Security Services in general, not tied to one particular position or aspect of Security. Mr. Rudolph suggested building in an automatic increase to deal with inflation and adjustments in salaries.

President Kuntz stated that the Board needs to give staff and legal counsel directions to research the information needed and bring the item back to the March Board meeting. Mr. Rudolph requested the Board specify what goals they hope to achieve through this tax measure. Director Belton stated the residents want more visibility by Security. A discussion followed.

Motion/Belton to give direction to staff to research placing a special tax increase on the general election this November to provide adequate funding for one additional patrol position. **Second/Pasek. AYES: Kuntz, Belton, Kjome, Pasek. NOES: Taylor.**

Lisa Taylor asked when fully staffed, whether there are two Patrol Officers on duty during swing shift. Chief Remson stated yes, although it is not consistent when you factor in sick leave, vacation, and other absences. Ms. Taylor asked if the additional Patrol Officer would always be on swing shift. Director Belton stated that the position motion would not mandate a specific shift.

15. PROVIDE DIRECTION TO STAFF REGARDING CHANGES TO CHAPTER 2 OF THE DISTRICT CODE, BOARD OF DIRECTORS RULES AND PROCEDURES

Director Belton requested this item be deferred to the April Board meeting allowing time for each Director to read the Code prior to discussion. President Kuntz asked if there were any particular items Director Belton would like the Board to look at. Director Belton stated yes, maintaining the minutes and consider the terms of office for the President and Vice President from 2 years to 1 year. Director Pasek would like the Board to look at the duties of the President and consider moving the Board meetings from 5:00 p .m. to 7:00 p.m. This item will be deferred to the April 16, 2008 Board meeting.

16. RECEIVE CEASE AND DESIST ORDER UPDATE

Ed Crouse stated that the District has complied with all of the elements of the Cease and Desist Order (CDO) concerning adequate storage and groundwater monitoring. The remaining item relates to RMCC's responsibility to prevent overflows from their lakes. They have taken preventative measures at 16 and 17, hole 10, hole 2 on the North, and holes 5 and 6 on the South. The items remaining are Lakes 10, 11, and Bass Lake. On Lakes 10 and 11, they have completed putting overflow pipe and raising it 4 feet to provide additional storage volume. Pending approval of the final agreement last night with RMA, Pension Trust Fund (PTF) will fund the improvements to Bass Lake and construction would start this spring. Director Pasek stated that the present plan for Lakes 10 and 11 is to bring the ditch that comes along hole 12 all the way over and down the overflow pipe.

17. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES

President Kuntz asked the Board and staff to contact Suzanne regarding any conference/education opportunities they are interested in taking.

Director Belton stated that the Special District and Local Government Institute (SDBMI) Special District Governance training was very informative and gave a report of her attendance.

18. SET MEETING DATES/TIMES FOR THE FOLLOWING COMMITTEES:

Security	(Kuntz/Belton)	March 4, 2008	(8:30 a.m.)
Finance	(Taylor/Belton)	March 4, 2008	(9:30 a.m.)
Personnel	(Kjome/Pasek)	March 6, 2008	(8:30 a.m.)
Improvements	(Kuntz/Kjome)	March 6, 2008	(9:30 a.m.)
Com. & Tech.	(Taylor/Pasek)	March 6, 2008	(10:30 a.m.)

Recycled Water Feasibility Study Workshop – Wednesday, February 27, at 8:30 a.m.

Conservation Pricing Workshop – Tuesday, March 18, 2008 at 7:00 p.m.

Regular Board Meeting – Wednesday, March 19, 2008 at 5:00 p.m.

19. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

Director Pasek asked when the Operations Audit presentation would be made. Ed Crouse stated it is scheduled for the March Board meeting.

Director Taylor asked staff to contact Rauch Communications Consultants to see if they can provide guidance on becoming a township or city. Ed Crouse stated that at next month's Board meeting, the Board would consider forming an ad hoc committee to research governance structures appropriate for Rancho Murieta.

Director Belton asked if the audit had been completed. Ed Crouse stated that the auditors are there this week and hope to have a report back in March.

Director Kjome stated he was recently elected President of the Sacramento Builder's Exchange and was able to attend a Leadership Symposium for volunteer associations and would be happy to discuss it with any Directors who care to.

Ed Crouse stated that the February Presidents and General Managers meeting was cancelled. There will be a meeting in March.

Ed Crouse stated that the Conservation Pricing Workshop is scheduled for March 18 at 7:00 p.m. Different scenarios for conservation pricing were passed out and requested the Board get their comments in as soon as possible. Director Pasek stated that he feels the District should lean heavily towards the usage pricing instead of the base pricing.

20. ADJOURNMENT

Motion/Pasek to adjourn at 7:16 p.m. **Second/Kjome. AYES: Kuntz, Taylor, Belton, Kjome and Pasek.**

Respectfully submitted,



Suzanne Lindendorf
District Secretary