

# RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Regular Board of Directors Meeting

MINUTES

July 16, 2008

4:00 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 4:00 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Wayne Kuntz, Richard Taylor, Roberta Belton, and Gerald Pasek. Also present were Edward R. Crouse, General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary. Director Robert Kjome was absent.

## **2. EMPLOYEE PROMOTIONS – CERTIFICATIONS**

None.

## **3. BOARD ADJOURNED TO CLOSED SESSION at 4:01 P.M. TO DISCUSS THE FOLLOWING ITEMS:**

*Under Government Code 54957: Public Employee Performance Evaluation: General Manager.*

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

## **4/5. BOARD RECONVENED TO OPEN SESSION AT 5:08 P.M. AND REPORTED THE FOLLOWING:**

*Under Government Code 54957: Public Employee Performance Evaluation: General Manager. The Board reviewed the General Manager's performance evaluation. No action taken.*

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

## **6. ADOPT AGENDA**

**Motion/Belton** to adopt the agenda, moving Agenda Item 9c to be before Agenda Item 9d and move Agenda Item 15 to be after Agenda Item 9c. **Second/Pasek. Ayes: Kuntz, Taylor, Belton, Pasek. Absent: Kjome.**

## **7. COMMENTS FROM THE PUBLIC**

Betty Ferraro commented on Pond 10/11. President Kuntz stated Rancho Murieta Country Club (RMCC) has responsibility for Pond 10/11 and they recently applied an algae removal chemical.

## **8. CONSENT CALENDAR**

Under Agenda Item 8b3, Director Pasek asked for clarification on the request from Don Hutchison. Ed Crouse stated Mr. Hutchison's current source of water is from a shallow well that has been failing for a number of years resulting in their having to buy bottle water for domestic use. Mr. Hutchison requested the District pursue an emergency expansion to allow them to hook into our water system. Regional Water Rights stated since it is for a single family, sole purpose of health and safety, it would not be a controversial item. LAFCo also has an exception for health and safety. The Improvements Committee is pursuing more dialogue with the approval agencies. Mr. Hutchison will be paying all expenses related to project and will be charged for the water.

Under Agenda Item 8b5, Director Pasek asked if the District would start noticing residents that are wasting water, per Ordinance. Ed Crouse stated yes. Paul Siebensohn stated he has instructed his staff to carry water notices and tag doors. Chief Remson stated that Patrol does leave a follow-up for day shift.

**Motion/Belton to accept the Consent Calendar. Second/Taylor. Roll Call Vote: AYES: Kuntz, Taylor, Belton, and Pasek. Absent: Kjome.**

#### **9. STAFF REPORTS**

Under Agenda Item 9a, Director Belton asked about the interviews for the Plant Operator. Paul Siebensohn stated a candidate verbally accepted the job offer today. This is the new Plant Operator position.

Under Agenda Item 9c (taken out of order), Director Pasek asked about the status of the additional cameras in the community. Chief Remson stated that Rancho Murieta Association (RMA) is still looking into them. Dick Cox stated that Mike Martel is heading that project. The cameras will be in the gazebo and the bridge areas, along with 6 or 7 other locations.

Director Pasek asked what the VIPs do. Chief Remson stated that VIPs have specific functions which include report writing that does not require a Deputy response, when two are working, they can drive through the community. They cannot make contact but act as eyes and ears. They also do vacation checks. The District pays for the vehicle the VIPs use, the gas, and all building expenses, except for telephones.

#### **15. RECEIVE UPDATE ON SECURITY AUTHORITY (taken out of order)**

Ed Crouse stated that the Joint Security Committee held their first meeting. Chris Pedersen was voted to Chair the Committee. The Committee will be meeting monthly, the first three at the District's Administration Building, the next three will be held at the RMA Building. The different entities within the community represented include Rancho Murieta Association, Rancho Murieta Community Services District, Rancho Murieta Country Club, Murieta Village, and Murieta Plaza. The Committee will gather input from the community as to how they want the Security Department to function in the future.

Director Belton commented on her concern regarding getting the non-enforceable Ordinances off the books. Steve Rudolph, District Counsel, stated there is no harm being caused by their being on the books. Steve spoke with Kim Zdobnikow, District Attorney's Office, who said that there is no urgency in removing them from the books. Since there is no harm, a more efficient process is to wait until direction is given by the Board as to what the Security program is going to look like and then, in one action, amend the Ordinances, bring forward the new provisions and then get rid of the material that is not enforceable.

Director Pasek asked who is working on it. Director Belton stated no one that she knows of is. Steve Rudolph stated what he previously heard from the Board was the direction will come out the reformed Joint Security Committee and input from the community. President Kuntz stated that RMA's Compliance Committee, with input from Chief Remson, is expanding their non-arch rules. Ed Crouse stated staff is waiting for the Board to provide direction on how to proceed. A discussion followed.

Director Pasek stated that at the May 28 meeting, Steve Rudolph outlined a number of things that the District could not do or things that were limitations and asked for a presentation to be made to the Board regarding each scenario, listing the alternatives and what the magnitude of the problems with doing each scenario. A discussion followed.

Director Belton stated the Board approved the budget last month which included an increase of funds for use of off-duty Sheriff Deputies.

Ed Crouse stated that staff viewed the process as more interactive with the community. Staff would present to the Board based on the community input. Director Pasek stated the Joint Security can get community input based on the outline from Steve Rudolph.

Director Belton stated she does not want to wait to delete the unenforceable ordinances. Director Taylor stated that the Board has already acknowledged that Security will not be enforcing those ordinances and does not see the need to spend the money just to take them off the books. President Kuntz stated he does not understand the concern about having them on the books after the District Attorney's Office stated not to worry about it. Director Belton stated there should not be any cost associated with it since the only change needs to be to change the wording to include "on District owned property" or delete the item.

Director Taylor stated that the District needs to find out what it is that RMA is doing. Dick Cox, RMA Board President, stated that the RMA Compliance Committee is currently working on non-arch rules which would address curfew, vandalism, skateboarding, and noxious activities. Chief Remson is working with the Committee. The Committee is using the wording from the District's ordinances. Director Pasek stated that the RMA non-arch rules only apply to RMA property; the same issues need to be addressed for all of Rancho Murieta.

Dick Cox stated that RMA is only interested in what happens inside the gates and what Security can do in supporting their non-arch rules. RMA's understanding is that Security can observe and report to RMA to take action issue fines. RMA recently increased fines for speeding and is looking at increasing the fines for other non-arch rules and issuing fines to the parents of minors who violate non-arch rules. RMA is also looking at developing a contract with an outside security agency. Director Pasek stated that RMA having their own security does not solve anything as they will not be able to anything other than what the District's Security Department can do. Mr. Cox stated that that RMA would be in control of what they do and can direct them on what area to concentrate on. Director Pasek stated that is available now by submitting a letter to the District outlining what is wanted.

Betty Ferraro commented on the non-enforceable ordinances and the District's ability to contract with RMA. Steve Rudolph stated the Government Code gives authority for Community Services Districts to contract with various agencies and gives authority for the District to enforce CC&R's.

Mrs. Ferraro commented on the Security/Safety Policy, 2000-1, and the RMA gate policy. Steve Rudolph stated that all policies will be reviewed. Mrs. Ferraro asked about the public providing input at the Joint Security Committee. Ed Crouse stated that the Committee will decide the format, how community input is sought and the conduct of their meetings. Mrs. Ferraro stated that many of the residents are not sure what is going on with Security.

Ed Crouse stated that nothing precludes the public from making comments at the District's regular Board meetings. Comments can also be made at the RMA Board meetings. Director Taylor stated that the Joint Security Committee meetings are open meetings. President Kuntz stated that the Joint Security Committee is not a District committee.

Lisa Taylor commented on the ordinances and the need for the District to take a leadership role in what is going on with Security. Ms. Taylor stated that the Joint Security Committee does not speak for the community regarding the options available.

**Motion/Pasek** to require staff/legal counsel to develop and present to the Joint Security Committee an overview of the generic Rancho Murieta security issues, problems, and alternatives for resolution. A discussion followed.

Lisa Taylor asked what role the Ad Hoc Governance Committee will play in this. Steve Rudolph stated, per the Resolution, the Ad Hoc Governance Committee was formed for purposes separate and distinct from the security issues and was tasked with taking a 50,000 foot view of the total governance in the community.

Director Belton stated she heard from the residents that there is not much change in how Security responds to calls. Director Belton suggested Security provide an outline of what was done before and what can be done now. Director Belton also suggested the Board proceed on providing indemnity to the Officers. A discussion followed.

President Kuntz stated the Board needs to direct Steve Rudolph to put together the different options and present it to the District Board, not the Joint Security Committee. Director Belton agreed. A discussion followed.

**Director Pasek amended his motion to be:** require staff/legal counsel to develop and present to the District Board of Directors an overview of the generic Rancho Murieta security issues, problems, and alternatives for solution. **Second/Belton. Ayes: Kuntz, Belton, Pasek. Abstain: Taylor. Absent: Kjome.**

#### **9. STAFF REPORTS (continued)**

Under Agenda Item 9b, Director Belton commented on the increase in the number of lock-offs and asked if it is related to the foreclosures. Ed Crouse stated that lock-offs are due to the lack of payment, whether by the resident or the bank.

Director Pasek asked for clarification on the operating loss of \$500,000. Ed Crouse stated that is in pre-reserve transfers. Some are actually dedicated replacement reserve projects or projects that were identified. Director Pasek asked about the CSPA litigation item in the report. Ed Crouse stated he will review the report.

Under Agenda Item 9d, Director Belton congratulated staff on getting Rio Oso up and running.

#### **10. CORRESPONDENCE**

Director Taylor asked President Kuntz to acknowledge the position the Board is taking in this matter. President Kuntz stated that, by consensus, the Board agreed the Parks Committee should proceed with this item, not the District.

#### **11. PRESENTATION OF 2006-07 COMPREHENSIVE ANNUAL FINANCIAL REPORT WITH DRAFT AUDIT BY LARRY BAIN, CPA**

Larry Bain, CPA, gave a brief summary of the Draft Audit Report and the Opinion on the Financial Statement. Mr. Bain commented on the District's accounting system not being a self-balancing program. Director Pasek asked what software programs Mr. Bain would recommend. Mr. Bain recommended Peachtree, Fundware, and HTE. A question and answer period followed.

Director Belton asked what three things Mr. Bain recommends the new Director of Administration to look at in the accounting/bookkeeping area. Mr. Bain stated the first item would be the bank reconciliations, the accounting software, and the fixed assets updating schedule.

Director Pasek asked what Mr. Bain feels is a reasonable amount to contribute to reserves annually. Mr. Bain stated depreciation is a good benchmark, but the District will need to look at its long term plan and determine what is going to be replaced in the near future and within a 10 to 20 year period and determine what the reserve requirements will be to meet those replacements. A discussion followed.

Larry Bain stated that the day to day accounting is handled with a great amount of attention to detail.

Director Taylor read a section from Mr. Bain's report which stated, "Except for the effect of not maintaining an accounting system with a self-balancing set of accounts for each major fund, as described in the preceding paragraph, the financial statements referred to above present fairly in all material respects, the respective financial position of each major fund of the RMCS D as of June 30, 2007 and the respective changes in financial position thereof for the fiscal year then ended in conformity with US generally acceptable accounting principles." Director Taylor commented that it suggests the issue with differences in the individual funds but that it doesn't make a difference as it is all okay anyway.

Mr. Bain stated yes, in total but in the next paragraph down is a separate opinion on the government wide financial statements which is the District in total. In total it is fine but per fund is the issue. President Kuntz stated bottom line is fine it is just some of the things to get there.

### **12. PUBLIC HEARING – AMENDMENT OF CHAPTER 8 OF THE COMMUNITY FACILITIES FEE CODE, SECTION 3.00**

Ed Crouse gave a brief overview of the history of the Community Park Fee and the Water Supply Augmentation Fee. The proposed increases were then discussed, followed by a question and answer period.

President Kuntz opened the public hearing at 6:41 p.m. and asked for public comments.

No public comments.

President Kuntz closed the public hearing at 6:42 p.m.

**Motion/Belton** to introduce Ordinance 2008-02, waive the first reading of and continue to the August 20, 2008 Board meeting. **Second/Pasek. Roll Call Vote: Ayes: Kuntz, Taylor, Belton, And Pasek. Absent: Kjome.**

### **13. APPOINT PARKS COMMITTEE ALTERNATE REPRESENTATIVE**

Ed Crouse stated that at the June 18, 2008 Board meeting, Director Taylor resigned as the District's representative on the Parks Committee. Director Kjome was the alternate and is now the representative. Staff recommends appointing a new alternate. A discussion followed.

**Motion/Pasek** to appoint Director Belton as the Park Committee alternate representative replacement. **Second/Kuntz. Ayes: Kuntz, Taylor, Pasek. Abstain: Belton. Absent: Kjome.**

### **14. APPOINT SACRAMENTO CENTRAL GROUNDWATER AUTHORITY ALTERNATE BOARD MEMBER REPRESENTATIVE**

Ed Crouse gave a brief summary of the recommendation to appoint a Sacramento Central Groundwater Authority Alternate board member representative. Ed recommended Director Kjome. A discussion followed.

**Motion/Pasek** to appoint Director Kjome as the Sacramento Central Groundwater Authority Alternate Board Member Representative. **Second/Kuntz. Ayes: Kuntz, Taylor, Belton, Pasek. Absent: Kjome.**

### **16. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES**

Director Belton stated she will complete the Special District Institute training next fiscal year.

**17. MEETING DATES/TIMES FOR THE FOLLOWING COMMITTEES:**

Joint Security	(Kuntz/Belton)	August 4, 2008	(10:00 a.m.)
Security	(Kuntz/Belton)	August 5, 2008	( 8:30 a.m.)
Finance	(Taylor/Belton)	August 5, 2008	( 9:30 a.m.)
Improvements	(Kuntz/Kjome)	August 7, 2008	( 8:30 a.m.)
Personnel	(Kjome/Pasek)	August 7, 2008	( 9:30 a.m.)
Com. & Tech.	(Taylor/Pasek)	August 7, 2008	(10:30 a.m.)
Ad Hoc Governance	(Pasek)	August 13, 2008	(6:30 p.m.)
Parks	(Kjome)	August 28, 2008	(4:00 p.m.)

Regular Board Meeting – Wednesday, August 20, 2008 at 5:00 p.m.

**18. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF**

Director Belton commented on the Special District Institute training on administration she attended. Director Belton stated this training was not as good as the first class. One thing that was surprising is that Southern California does not have water; they buy it from other areas.

Director Belton suggested having Special District Risk Management Authority make a presentation to the Board regarding workers compensation.

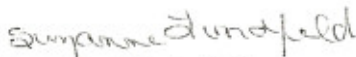
Ed Crouse gave a brief report back on the July Presidents meeting. Dennis Martel represented RMCC and Ted Ryon from MTI attended.

1. Discussed security authority and RMA's recent activities on non-arch rules.
2. MTI expressed concern about skateboarders on various streets.
3. Discussed investigating neighborhood watch programs
4. Discussed activities in the undeveloped areas.
5. Discussed neighborhood conflict resolution.
6. Discussed what issues, if any, to bring to the Joint Security Committee.
7. Discussed RMA hot topics they will address internally, relating to the ad hoc Governance Committee.
8. Discussed researching best of class Home Owner Associations to see what they do and how they do it as part of governance and security authority.
9. Dave Stiffler reported on RMA's activities of maintaining landscaping on foreclosed properties.

**19. ADJOURNMENT**

Motion/Belton to adjourn at 6:54 p.m. Second/Pasek. AYES: Kuntz, Taylor, Belton, and Pasek. Absent: Kjome.

Respectfully submitted,



Suzanne Lindenfeld  
District Secretary