

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Regular Board of Directors Meeting

MINUTES

March 21, 2007

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 3:02 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Wayne Kuntz, Dick Taylor, and Bobbi Belton. Also present were Ed Crouse, General Manager; Les Tyler, Director of Administration; Greg Remson, Security Chief; Paul Siebensohn, Treatment Plant Supervisor; and Suzanne Lindenfeld, Recording Secretary.

2. EMPLOYEE PROMOTIONS – CERTIFICATIONS

None.

Director Bob Kjome arrived late.

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

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

Under Government Code 54956.9 (a) Conference with Legal Counsel – Administrative Civil Liability Complaint No. R5-2007-0503 from California Regional Water Quality Control Board.

Under Government Code 54957.6: Conference with Labor Negotiator: Gene Bell.

Under Government Code 54956.8: Real Property Negotiations – Real Property APN 128-0080-067; APN 128-0080-068; APN 128-0080-069; APN 128-0080-76; and APN 128-0100-029. Real Property Negotiator: Edward R. Crouse, General Manager.

4/5. BOARD RECONVENED TO OPEN SESSION AT 5:03 P.M. AND REPORTED THE FOLLOWING:

Under Government Code 54956 (a): Conference with Legal Counsel – Existing Litigation – Cease and Desist Order. Received update from Legal Counsel and General Manager. No action taken.

Under Government Code 54956.9 (a) Conference with Legal Counsel – Administrative Civil Liability Complaint No. R5-2007-0503 from California Regional Water Quality Control Board. Received update. No Action taken.

Under Government Code 54957.6: Conference with Labor Negotiator: Gene Bell. Received update from Labor Negotiator. By a vote of 4 – 0, Board approved the 3-year Memorandum of Agreement with Operating Engineers, Local 3. The contract has been ratified.

Under Government Code 54956.8: Real Property Negotiations – Real Property APN 128-0080-067; APN 128-0080-068; APN 128-0080-069; APN 128-0080-76; and APN 128-0100-029. Real Property Negotiator: Edward R. Crouse, General Manager. Received update from Real Property Negotiator and Attorney. No action taken.

6. ADOPT AGENDA

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

7. RESOLUTION 2007-02, IN HONOR OF WILLIAM ORVILLE WHITE

Motion/Taylor to approve Resolution 2007-02, in honor of William Orville White, CSD Director.
Second/Kjome. Roll Call Vote: Kuntz, Taylor, Belton, Kjome.

8. PRESENTATION OF PLAQUE TO OUTGOING DIRECTOR

President Kuntz presented outgoing Director William Orville "Bill" White with an engraved plaque and invited him to share his thoughts on his term in office.

Bill White stated that he enjoyed his time on the Board and complimented the staff and Board for all the work they do.

9. COMMENTS FROM THE PUBLIC

Carl Gaither, lot 441, commented on the increase in vandalism in Rancho Murieta. Chief Remson stated that Security is aware of the increase on both the North and South. Security is working with RMA regarding the Gazebo area and has increased patrols. Mr. Gaither asked about the \$200,000 fine CSD received from the Regional Board and the \$3,000,000 being paid to use Van Vleck property. President Kuntz stated that CSD is in the process of addressing the fine with the Regional Water Quality Control Board and cannot comment on the fine at this time. The \$3,000,000 is being spent by the developers, not by CSD, to purchase use of property to dispose of excess recycled water.

Pete Petro, 6300 Playa Del Rey, asked what is CSD's course of action for paying the fine and how the paying of the fine will affect rates. Mr. Petro also asked what the developers are getting in return for their \$3,000,000. President Kuntz stated that the \$3,000,000 is for the developers to acquire property to dispose of recycled water generated by their projects, not existing development. Mr. Petro then asked what CSD is doing address the current capacity issues. President Kuntz stated this year the CSD's storage levels are lower than they were last year. A discussion followed.

Don Martin, 14996 Guadalupe Drive, commented on the \$200,000 fine and the inability of the CSD to prevent this from happening. A discussion followed. Mr. Martin commented on the Director vacancy and getting someone with expertise in dealing with government agencies.

13. DISCUSSION OF DISTRICT'S POLICY REGARDING RESERVOIR LEVELS (taken out of order)

Ed Crouse stated that this item is in response to Ted Hart's December letter and follow-up letter in February, asserting that the reservoir levels must be maintained for recreational purposes and comments from other residents about maintaining the lake levels as required by the CC&R's and DRE report.

Dan Gallery, CSD's water rights attorney, gave a history of the CSD water rights. Mr. Gallery stated that the original plan was to get the water rights to divert water from the Cosumnes River and to store the water in Chesbro and Guadalupe. The plan included three recreational lakes, Laguna Joaquin, Peralta, and Calero. The plan was to keep those recreational lakes up all through the summer season. The storage reservoirs, Chesbro and Guadalupe, would be drawn down each year as necessary to meet the project water needs, including maintaining the recreational lake levels.

After the permit was issued in 1970, the PTF could not get the 1650 AF in Chesbro so they had to cut it back to 1300 and that Guadalupe would not work. Therefore, they went back to the Water Board to make Calero a storage reservoir and convert Clementia to a storage reservoir. In 1980, the permit was revised to allow 3 storage reservoirs, Calero, Chesbro and Clementia, which is how the permit now reads. A question and answer period followed.

10. CONSENT CALENDAR

Under Agenda Item 10a1, under Review and Select Conference/Education Opportunities, Director Belton requested that the minutes be changed to reflect that she said she would like to attend the Special District Legislative Days, not that she would be attending. The change will be made.

Motion/Taylor to accept the Consent Calendar with the change to the February 21, 2007 Board meeting minutes as mentioned. **Second/Kjome. Roll Call Vote: Ayes: Kuntz, Taylor, Belton, Kjome.**

11. STAFF REPORTS

Under Agenda Item 11a, Director Taylor asked about the agreement with RMCC for irrigation demands. Ed Crouse stated that the agreement is necessary since in the WWRP expansion report, CSD needs to be able to project the future irrigation demands and predict what excess capacity disposal needs the CSD will have. A short discussion followed.

Under Agenda Item 11b, Director Belton asked what the time line is for the public hearing on the proposed budget. Les Tyler stated that the budget would be presented to the Finance Committee in April and the final budget to the Board in April. The public hearing will be in May or June.

Director Kjome asked the status of obtaining a new accounting firm, Les Tyler stated that staff has not started the RFP will be sent out in May, with a 30 day response time, and selection made by mid-June. Director Kjome asked if the audit has been completed yet. Les Tyler stated that there are still some open items. Staff hopes to receive a draft by early April.

Under Agenda Item 11c, Director Taylor commented on the freestanding "Child At Play" signs appearing in the community and possibility of children interpreting that it is okay for them to play in the street. Chief Remson stated that the signs are not allowed in the roadway, but can be in the gutters and sidewalks. If Security sees children playing in the street, Security will make contact with the kids and their parents. A short discussion followed.

Director Belton asked for an update on Sergeant Bieg and the new hire. Chief Remson stated that Sergeant Bieg returned to work Friday, March 16. One Patrol Officer has been hired.

Under Agenda 11d, under Water Plant, Director Taylor asked what the more significant exceptions were. Paul Siebensohn stated that includes the maintenance of the drying beds, the overall facility itself, our records and documentation is more organized.

Under Utility Department, Director Taylor asked if wooden planks are still being found placed across the CIA Ditch, near the dam. Paul Siebensohn stated there have not been any problems since last summer.

Director Kjome asked about an approximate date for when Veerkamp would be done with Guadalupe Drive. Paul Siebensohn stated that he does not have a definite date, but it should be soon.

12. CORRESPONDENCE

President Kuntz stated that one letter for the vacant Director seat has been received. The application period is open until March 31, 2007. After the application period has closed, the letters will be reviewed and selection will be made at a Special Board meeting on April 16, 2007 at 6:30 p.m.

14. DISCUSSION OF TERM SHEET FOR DEVELOPER FINANCING AND SERVICES AGREEMENT

President Kuntz stated that all the signatures have been received from the developers for the Term Sheet for the Financing and Services Agreement.

Ed Crouse gave a brief summary of the negotiated Term Sheet for the business elements to be included in the Financing and Services Agreement. The Term sheet: identifies the landowners; identifies the projects and maximum densities; identifies water plant capacity and funding; identifies wastewater disposal capacity improvements and funding, identifies development fees and reimbursements for previously constructed facilities; and provides a mechanism for service commitments.

Andy Zinniger, Woodside Group, gave a brief history of the negotiations. The units represented by Woodside, Warmington, Cassano, and Kamilos have not been approved yet. They are at the Board of Supervisors for consideration, with the next hearing scheduled for April 11, 2007. Another 150 units for Regency Centers, 50 represented by the commercial development they have proposed, and an application for residential subdivision behind the commercial center. Those projects have not gone into any hearing process yet and are further down the line but have shown interest and have signed on to the term sheet to participate in the funding for these improvements. This does not obligate the CSD to do anything if those improvements are not made or if there is no funding.

Motion/Kjome to approve the Term Sheet for the business elements to be included in the Financing and Services Agreement. **Second/Belton. Ayes: Kuntz, Taylor, Belton, Kjome.**

15. APPROVE HDR PROPOSAL FOR PROJECT MANAGEMENT SERVICES FOR THE RIO OSO REHABILITATION PROJECT

Paul Siebensohn gave a brief summary of the recommendation to approve the proposal from HDR Engineering to provide project management services for the Rio Oso Tank Rehabilitation Project.

Motion/Kjome to approve the proposal from HDR Engineering, Inc., to provide project management services for the Rio Oso Tank Rehabilitation Project in an amount not to exceed \$24,281. Funds to come from Capital Improvements Project Number 00-03-1. **Second/Taylor. Ayes: Kuntz, Taylor, Belton, Kjome.**

16. APPROVE MAIN LIFT SOUTH DIESEL TANK REPLACEMENT

Paul Siebensohn gave a brief summary of the recommendation to approve the proposal from Johnson Petroleum Construction, Inc. for replacement of the Main Lift South underground diesel tank.

Motion/ Kuntz to approve the bid from Johnson Petroleum Construction, Inc. for replacement of the Main Lift South underground diesel tank, Capital Improvement Project 04-04-02, in the amount of \$62,279, with an added contingency to an amount not to exceed \$80,000. Funding is to come from the Sewer Replacement Reserves. **Second/Belton. Ayes: Kuntz, Taylor, Belton, Kjome.**

17. RECEIVE CEASE AND DESIST ORDER UPDATE

Ed Crouse stated that Rancho Murieta Country Club (RMCC) completed the odor issues at Bass Lake and is in the process of completing a diversion project to stop overflows from Bass Lake. They are engaging engineering and environmental consultants. Their goal is to begin the project in July or August and complete prior to the January 2008 deadline. RMCC will also be pursuing a NPDES permit, which will be a low threat discharge covering Lake 10 and Lake 11, once every 25 years when the river over tops the small levee.

CSD is in the process of depleting the carry over storage by use of a sprinkler system. CSD is also preparing our Expansion and Financing Report for full build out. The goal is to have a Board Workshop in April to update the Board on the report's progress.

Monitoring of the groundwater wells continues on a monthly basis. Carlton Engineering comes out, take samples, and send off to a certified lab. At the end of a 10-month period, Carlton Engineering will

complete the Title 23 Engineering Report, which is a statistical analysis that will help the Regional Board analyze the results of the groundwater testing to determine whether the reclamation plant is contaminating the groundwater. That compliance is required by January 2008.

For the ACL, we have requested a meeting to discuss and negotiate the ACL fine with staff and the executive officer.

18. RECEIVE DIRECTOR VACANCY UPDATE

President Kuntz stated that, to date, one statement of interest has been received. The cut off date for receiving statements is March 31, 2007. Director Kjome stated that if only one letter of interest is received, he feels we obligated to accept it and asked the other Directors their opinion. President Kuntz stated that we have to wait until the cut off date before making any comment. A discussion followed.

19. REVIEW CHAPTER 2 OF THE DISTRICT CODE

a. Consideration of Board Meeting Tape Retention

Director Belton stated that it is critical that there be a permanent record of our meetings on tape. Another agency stores them on CDS. Without amending the bylaws, the longer we can maintain the complete record of a meeting the better for CSD. Director Kjome asked what happens to the tapes after the 30 days. Ed Crouse stated that they are deleted and then the tape is disposed of.

Motion/Belton requests the Board to direct staff to retain recordings of Board meetings for 180 days.
Second/Kuntz. Ayes: Kuntz, Taylor, Belton, Kjome.

b. Consideration of Committee Schedule

Director Taylor stated that it would be beneficial to the Committee members and the public who wish to attend, for standing Committee meetings to be held on a fixed day and time each month. President Kuntz stated that he does not see a problem in changing a Committee meeting date if needed. After a discussion, President Kuntz and Directors Belton and Kjome wish to have the flexibility of changing a meeting date/time if needed.

Wilbur Haines suggested an email listing for committee meeting dates and times be sent out every month. Director Belton suggested Mr. Haines bring up this item at the next Communication & Technology Committee meeting on April 4, 2007 at 8:30 a.m.

c. Consideration of Board Meeting Schedule

Director Taylor asked the Board to consider changing the time at which the Board meetings start to encourage more public participation. Director Belton stated that she would like the meetings to be more user friendly and would like this question included in the Customer Satisfaction Survey. Director Kjome stated that a later start time would work better for him. President Kuntz asked when the Customer Satisfaction Survey is scheduled to be sent out. Ed Crouse stated that the Communication & Technology Committee would begin addressing the survey in July. A discussion followed.

Director Taylor asked that the Communication & Technology Committee review this item at the next meeting.

20. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES

Director Kjome asked if the Ethics Training DVD has arrived yet. Suzanne stated that it has been mailed out but not received yet.

President Kuntz and Director Belton will be attending the CSDA Special District Legislative Days, May 14 and 15, 2007 in Sacramento.

Director Belton stated she would like to attend the CSDA Annual Conference October 1 – 4, 2007 in Monterey.

Director Taylor is considering attending the Special District Administration conference in Anaheim on May 24 and 25, 2007.

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

| | | | |
|----------------|-----------------|----------------|-----------------|
| Security | (Kuntz/Belton) | April 3, 2007 | (8:30 a.m.) |
| Finance | (Taylor/Belton) | April 3, 2007 | (9:30 a.m.) |
| Com. & Tech. | (Kuntz/Taylor) | April 4, 2007 | (8:30 a.m.) |
| Personnel | (Belton/Kjome) | April 10, 2007 | (8:30 a.m.) |
| Improvements | (Kuntz/Kjome) | April 10, 2007 | (9:30 a.m.) |
| Joint Security | (Kuntz/Belton) | April 16, 2007 | (8:30 a.m.) RMA |

22. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

Director Taylor stated that he would like to have a committee address receiving reports back from the RMA, RMCC and CSD Presidents meetings.

Director Taylor stated that he would like to have the Joint Security Committee meeting considered and eliminated from the CSD's list of standing committees.

Director Taylor asked the status of the Park Committee meetings and what has been the consensus regarding legal costs among RMA, RMCC and CSD.

Director Taylor asked about the household hazardous waste event in April and that it may not be legally possible to assist in transporting items for residents requesting assistance. Les Tyler stated that the vendor stated that if someone is willing to bring items for another resident, as long as they are under the weight limit it is not an issue. If they are above the limit, they will need to provide proof that they are transporting items for other residents. A short discussion followed. Director Taylor asked that the vendor count how many households participate.

Director Belton stated that El Dorado Irrigation District gave a wonderful presentation last Friday regarding use of recycled water. Director Belton asked that a formal thank you letter be sent to El Dorado Irrigation District. Ed Crouse stated that he will be sending one. Director Belton stated that staff should look into some of the grants available.

Director Kjome stated that he would also like to see a thank you letter sent.

23. ADJOURNMENT

Motion/Kjome to adjourn at 8:37 p.m. Second/Belton. Ayes: Kuntz, Taylor, Belton, Kjome.

Respectfully submitted,


Suzanne Lindenfeld
Recording Secretary


Edward R. Crouse
District Secretary