

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Regular Board of Directors Meeting

MINUTES

May 15, 2013

3:30 p.m. Closed Session * 5:00 p.m. Open Session

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 3:30 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Gerald Pasek, Roberta Belton, Betty Ferraro, Paul Gumbinger, and Michael Martel. 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.

2. ADOPT AGENDA

Motion/Belton to adopt the agenda with Agenda Items 13 and 14 being switched. **Second/Gumbinger. Ayes: Pasek, Belton, Ferraro, Gumbinger, and Martel. Noes: None.**

3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES

None.

4. BOARD ADJOURNED TO CLOSED SESSION AT 3:34 P.M. TO DISCUSS THE FOLLOWING ITEMS:

Conference with Legal Counsel – Anticipated Litigation. Significant Exposure to Litigation Pursuant to 54956.9(b): 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.

Conference with Legal Counsel – Anticipated Litigation. Initiation of litigation pursuant to Government Code Section 54956.9(c): (Two Potential Cases).

Under Government Code section 54956.8: Conference with Real Property Negotiators - 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: CSGF Rancho Murieta, LLC, BBC Murieta Land, LLC, Murieta Retreats, LLC, PCCP CSGF RB PORTFOLIO, LLC. Under Negotiation: Price and Terms.

Under Government Code 54957: Public Employee Performance Review: Title: General Manager.

5/6. BOARD RECONVENED TO OPEN SESSION AT 5:04 P.M. AND REPORTED THE FOLLOWING:

Jonathan Hobbs, District General Counsel, reported that the Board will be returning to closed session after completion of tonight's Open Session. No reportable action at this time.

7. COMMENTS FROM THE PUBLIC

Janis Eckard commented on interim water for Murieta Gardens Hotel, community vote regarding payment for developer water, Reynen & Bardis letter of credit and the water plant membrane filtration system. Ms. Eckard asked when District Policy 2004-05, Water Service Commitments (Will Serve Policy) had been abandoned. Ed Crouse stated that the policy is still in effect and that there has been no building or financing of any new development.

Mary Brennan commented on the April 26, 2013 Board workshop, how the community should be at full build out by now, and that District needs to do whatever it can to use the letter of credit.

Bob Wright, President, Rancho Murieta Country Club (RMCC), stated that RMCC is in favor of the new hotel; RMCC has gotten 44 new members in the last two (2) months, and is having Casino Corral this Saturday.

Steve Murphy asked about the letter of credit. Ed Crouse stated that a letter is sent out annually requesting the renewal of the letter of credit. If it is not renewed by the due date, the District can pull the letter of credit. Mr. Murphy asked if the District's legal counsel had spoken with the bank's legal counsel to determine if it is still valid. Mr. Hobbs stated that he has not talked with the bank's attorney but that the letter is still valid. Mr. Murphy suggested Mr. Sullivan's group back up the letter of credit.

8. CONSENT CALENDAR

Motion/Ferraro to adopt the consent calendar with Directors Belton and Gumbinger abstaining from the approval of the April 17, 2013 Board meeting minutes. **Second/Martel. ROLL CALL VOTE: Ayes: Pasek, Belton, Ferraro, Gumbinger, and Martel. Noes: None.**

9. STAFF REPORTS

No comments.

10. CORRESPONDENCE

Director Belton stated the letter from Mr. Schultz has some valuable insight. Director Belton also commented on the emails from Candy Chand and Matthew McGuire and stated that she suggested an advisory vote at the April 26, 2013 Board workshop. President Pasek said that an advisory vote is fine but the residents first have to understand what it is they are voting on.

Ted Hart stated that the Board should be making the decision on whether to use the membrane system or not, no need to put out to a vote/survey since the District will not be able to get a majority of the community to respond.

Director Gumbinger commented on the need to find out what the costs will be for rehabbing to the current 1.5 million gallons capacity before going any further. Director Belton and Martel agreed.

11. APPROVE PROPOSAL FOR WATER TREATMENT PLANT REDESIGN PLANS

Ed Crouse gave a brief summary of the recommendation to approve the proposal from HDR to redesign the Water Treatment Plant 1 expansion project.

Director Ferraro commented on the District having to pay for the design plans for a third time. Mr. Crouse stated that Reynen & Bardis paid for the first set of plans, the developers as a group paid for the second set.

Janis Eckard commented on the problems some agencies have had with the membrane system. Rich Stratton, HDR, stated that the membrane system technology has improved over the years and is working fine in many water agencies.

Mr. Stratton gave a brief overview of the process and stated that a workshop would be held in either July or August to review treatment alternatives and select the preferred technology for expanding Plant 1.

Motion/Gumbinger to approve the proposal from HDR to redesign the Water Treatment Plant 1 expansion project, in an amount not to exceed \$177,778, funding to come from Water Replacement Reserves, with the bill being submitted to Reynen & Bardis for payment. If payment not received, payment to be made through the letter of credit. **Second/Belton. Ayes: Pasek, Belton, Ferraro, Gumbinger, and Martel. Noes: None.**

12. RECEIVE 2012 DIVERSION REPORT

Jack Fiori, California Waste Recovery Systems (CWRS), gave a presentation regarding the 2012 Diversion Report for Rancho Murieta. The items covered in the report included the consolidated tons collected in Rancho Murieta: 1,891 tons of solid waste, 1,088 tons of green-waste and 639 tons of recycled materials for a total of 3,618 tons. A question and answer period followed.

14. APPROVE ADDITIONAL TERM OF COLLECTION SERVICES WITH CALIFORNIA WASTE RECOVERY SYSTEMS (taken out of order)

Jack Fiori California Waste Recovery Systems (CWRS) gave a brief presentation regarding the additional term of the Collection Services Agreement between Rancho Murieta Community Services District and California Waste Recovery Systems for solid waste collection and disposal. Some of the enhancements to the contract include household battery collection, cell phone collection, e-waste and u-waste collection, used cooking oil, and an increase in the allowable volume of large item collection.

Motion/Belton to approve an additional ten (10) year term of the Collection Services Agreement between Rancho Murieta Community Services District and California Waste Recovery Systems for solid waste collection and disposal. **Second/Gumbinger. Ayes: Pasek, Belton, Ferraro, Gumbinger, and Martel. Noes: None.**

13. APPROVE CALIFORNIA WASTE RECOVERY SYSTEMS CONTRACT SEVENTH AMENDMENT

Motion/Martel to approve the seventh (7th) contract amendment between Rancho Murieta Community Services District and California Waste Recovery Systems for solid waste collection and disposal. **Second/Gumbinger. Ayes: Pasek, Belton, Ferraro, Gumbinger, and Martel. Noes: None.**

David Vaccarezza, President, California Waste Recovery Systems, commented on how much they appreciate the business and how his staff enjoys working in the community.

Director Gumbinger commented on what a great job the drivers do. Director Belton commented on how great the quality of service is they provide.

15. REVIEW OF THE PROPOSED 2013/2014 BUDGET AND CAPITAL PROJECTS

Darlene Gillum provided a presentation, which included services provided by the District, current projects, new projects, budget assumptions, staffing, financial statistics, followed by a question and answer period.

President Pasek asked for public comments at 7:24 p.m.

Ken Kosh requested the District keep funding for the taste and odor issues, as there is an odor and bad taste to his water. Paul Siebensohn stated that he will have staff check in to the matter.

Motion/Belton to continue adoption of Resolution 2012-05 to the June 20, 2012 Board meeting, after adopting of Ordinance 2012-01. **Second/Ferraro. ROLL CALL VOTE: Ayes: Pasek, Belton, Ferraro, and Gumbinger. Noes: None. Absent: Martel.**

16. PUBLIC HEARING – REVIEW OF THE PROPOSED RATE INCREASE AND SPECIAL TAX ADJUSTMENTS

Darlene Gillum gave a brief overview of the proposed rate increase for water, sewer, drainage, solid waste, and security, followed by a question and answer period.

President Pasek opened the public hearing at 7:28 p.m. and asked for public comments.

No public comments.

President Pasek closed the public hearing at 7:29 p.m.

Motion/Gumbinger to introduce Ordinance 2013-01, waive the first reading and continue to the June 19, 2013 Board meeting for adoption. **Second/Belton. Roll Call: Ayes: Pasek, Belton, Ferraro, and Gumbinger. Noes: Martel.**

17. DISCUSS PTF REQUEST FOR BOARD OF DIRECTORS PARTICIPATION IN FINANCING AND SERVICES AGREEMENT

Ed Crouse stated that PTF is willing to proceed with negotiations of a Financing and Services Agreement (FSA) for the remaining undeveloped properties owned by PTF (Rancho North Properties) if two (2) Board members participate with staff in the negotiations. The District's informal policy for the current FSA negotiations has been no Board member(s) participate in the negotiations

Mike Hamilton, representative for PTF and Rancho North Properties, stated that having Directors participate with staff has worked well in the past and would like to have them involved now. Director Belton asked Mr. Hamilton to provide verification of which parties he represents.

Director Gumbinger stated that the Board President should be included in the negotiations.

Motion/Gumbinger to appoint President Pasek to the District's negotiation team for the Finance and Services Agreement. **Second/Ferraro. Ayes: Pasek, Ferraro, Gumbinger, Martel. Noes: Belton.**

18. APPROVE HOTEL SITE WILL SERVE LETTER AGREEMENT

Ed Crouse gave a brief summary of the will serve letter agreement. The will serve letters will remain provisional until the water plant is expanded and the project's 30 EDUs are built into the expansion.

Director Gumbinger commented on his concerns for the need for an Financing and Services Agreement with Cosumnes River Land, LLC; the District should be asking for \$6,000 per EDU, for a total of \$180,000; and the bill for HDR services for design plans should be sent to Reynen & Bardis for payment, if they don't pay then collect from the letter of credit. Director Gumbinger requested that staff provide information in written form that based on their calculations there is water that can be borrowed on an interim basis prior to the agreement being signed.

John Sullivan, Cosumnes River Land, LLC, commented on the hotel project not being able to move forward until the water entitlements have been settled which Murieta Gardens project is entitled to due to previous owners having already paid for it the entitlements.

Janis Eckard commented on her conversation with the Department of Public Health regarding Title 22 and her concerns regarding available capacity especially on high usage days, which could affect the community's safety net.

Ted Hart commented on how he feels the Board should move forward with the agreement.

Motion/Gumbinger to approve Draft Water Service Agreement for Gardens Project Lot 8 Hotel and Lot 7 Extended Stay Units, subject to District Engineer's calculation for sufficient water capacity available.

Jonathan Hobbs, District Legal Counsel, suggested modifying the motion to require the developer to negotiate in good faith with the District towards a Financing and Services Agreement.

Director Gumbinger amended the motion to approve Draft Water Service Agreement for Gardens Project Lot 8 Hotel and Lot 7 Extended Stay Units, subject to District Engineer's calculation for sufficient water capacity available and require the Cosumnes River Land, LLC to negotiate in good faith with the District towards a Financing and Services Agreement. **Second/Martel. Ayes: Pasek, Ferraro, Gumbinger, Martel. Noes: Belton.**

19. APPROVE PAYMENT OF TAX FOR 6B GENERATOR REPLACEMENT

Paul Siebensohn gave a brief summary of the recommendation to approve the additional payment to Cummins West to cover the tax that was left off the original Board approval.

Motion/Gumbinger to approve an additional payment of \$1,566.57 to Cummins West, to cover the tax for the purchase of an LP Generator. Funding to come from Sewer Reserves, CIP 12-07-2. **Second/Martel. Ayes: Pasek, Ferraro, Gumbinger, Martel. Noes: None. Absent: Belton.**

20. APPROVE 2012-13 AUDIT PROPOSAL

Darlene Gillum gave a brief summary of the recommendation to approve the proposal from Larry Bain, CPA, An Accounting Corporation for preparation of the 2012-13 audit reports.

Motion/Gumbinger to approve the proposal from Larry Bain, CPA, An Accounting Corporation, for preparation of audit reports (for the District and for the Community Facilities District #1) for the fiscal year 2012-13, in an amount not to exceed \$15,500. Funding to come from the 2013-14 General Administration Operating Budget in the amount of \$13,500 for the District and \$2,000 from the CFD#1. **Second/Belton. Ayes: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

21. APPROVE REGIONAL WATER AUTHORITY PROPOSED AMENDMENT TO THE RWA JOINT POWERS AGREEMENT (JPA)

Ed Crouse gave a brief summary of the recommendation to approve the amendments to the Regional Water Authority Joint Powers Agreement.

Motion/Belton to approve the Regional Water Authority (RWA) Proposed Amendments to the RWA Joint Powers Agreement (JPA) as presented in Amendment 1, red-line version. **Second/Gumbinger. Ayes: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

22. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES

Director Ferraro will be attending the CSDA Annual Conference.

23. MEETING DATES/TIMES

No changes.

24. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

Director Martel asked Chief Remson how the cameras Stan Van Vleck donated work. Chief Remson stated that they are motion cameras that are monitored by a monitoring company who will notify Security when they feel they need to.

President Pasek stated that staff need to start to work on developing a finance plan; the Board will be having a Special Board meeting, closed session only; and staff need to look at contract alternatives regarding the rehabilitating the water treatment plant.


Suzanne Lindenfeld stated that the April e-waste collection event collected 1,709 pounds of televisions and monitors and 1,378 pounds of other computer related items.

President Pasek stated given the lateness of the meeting, the continuation of the closed session will occur on another day.

25. ADJOURNMENT

Motion/Gumbinger to adjourn at 8:30 p.m. **Second/Ferraro. Ayes: Pasek, Belton, Ferraro, Gumbinger, and Martel. Noes: None.**

Respectfully submitted,


Suzanne Lindenfeld, District Secretary