

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Board of Directors Meeting

MINUTES

March 19, 2014

4:00 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 4:00 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Gerald Pasek, Roberta Belton and Betty Ferraro. Also present were Edward R. Crouse, General Manager; Darlene Gillum, Assistant General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary. Directors Paul Gumbinger and Michael Martel were absent.

2. ADOPT AGENDA

President Pasek suggested the Agenda order be changed to Agenda Items 1-10, 13, 15, 16, 17, 11, 12, 14, 18 - 22. **Motion/Belton** to adopt the agenda with the suggested changes. **Second/Ferraro**. **Ayes: Pasek, Belton, Ferraro. Noes: None. Absent: Gumbinger and Martel.**

3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES

None.

4. BOARD ADJOURNED TO CLOSED SESSION AT 4:03 P.M. TO DISCUSS THE FOLLOWING ITEMS:

Under Government Code section 54956.8: Conference with Real Property Negotiators – Real Property APN 128-0080-067 and APN 128-0100-029. Real Property Agency Negotiator: Darlene Gillum, Assistant General Manager. Negotiating Party: Cosumnes River Land, LLC and Rancho Murieta Properties, LLC. Under Negotiation: Price and Terms.

Under Government Code 54957: Public Employee Appointment: Title: District General Counsel.

Under Government Code 54957: Public Employee Employment: Title: General Manager.

5/6. BOARD RECONVENED TO OPEN SESSION AT 5:03 P.M. AND REPORTED THE FOLLOWING:

Under Government Code section 54956.8: Conference with Real Property Negotiators – Real Property APN 128-0080-067 and APN 128-0100-029. Real Property Agency Negotiator: Edward R. Crouse, General Manager. Negotiating Party: Cosumnes River Land, LLC and Rancho Murieta Properties, LLC. Under Negotiation: Price and Terms. Nothing to report.

Under Government Code 54957: Public Employee Appointment: Title: District General Counsel. Nothing to report.

Under Government Code 54957: Public Employee Employment: Title: General Manager. Nothing to report.

7. COMMENTS FROM THE PUBLIC

Phil Neff commented on Lake Guadalupe being filled and conservation recommendations including covering swimming pools. Director Ferraro stated that the District is going out to various groups and discussing water conservation.

Ted Hart asked for a quick recap of the bid results. President Pasek stated that the bids are higher than expected and the goal is to have the contracts awarded in April 2014, once funding is in place.

8. CONSENT CALENDAR

Under Agenda Item 8b3, Director Belton commented that Rancho Murieta Association's (RMA) goals for 2014 all require use of water and suggested District staff focus on helping them conserve water. Ed Crouse stated that he is meeting with RMA next week regarding water use.

Motion/Ferraro to adopt the consent calendar. **Second/Pasek. Roll Call Vote: Ayes: Pasek, Belton, Ferraro. Noes: None. Absent: Gumbinger and Martel.**

9. STAFF REPORTS

Under Agenda Item 9 d, Director Ferraro commented on a resident reporting to her that a red tanker truck was pumping water from the fire hydrant by the fire station. Paul Siebensohn stated that if someone has a hydrant permit, they are allowed to take water. Residents should call the District if they see this occurring or after hours, contact Security.

10. CORRESPONDENCE

None.

13. APPROVE HDR PROPOSAL FOR ENGINEERING SERVICES DURING CONSTRUCTION (taken out of order)

Ed Crouse gave a brief summary of the recommendation to approve the updated proposal from HDR for engineering services during the Water Treatment Plant Expansion Project.

Motion/Pasek to approve the proposal from HDR for engineering services during construction of the Water Treatment Plant Expansion Project in an amount not to exceed \$167,565. Funding to come from Water Replacement Reserves. **Second/Belton. Ayes: Pasek, Belton, Ferraro. Noes: None. Absent: Gumbinger and Martel.**

15. APPROVE PAYMENT OF ADDITIONAL COSTS FOR MAIN LIFT NORTH PROJECT (taken out of order)

Paul Siebensohn gave a brief summary of the recommendation to approve the additional costs for the Main Lift North Project.

Motion/Ferraro to approve payment of the invoice from Bay Area Coating Consultant Services, Inc., for additional inspection costs for Main Lift North Project, in an amount not to exceed \$640.00. Funding to come from Sewer Replacement Reserves, CIP #12-04-2.

Approve payment of the invoice from Prodigy Electric in an amount not to exceed \$1,640. Funding to come from Sewer Replacement Reserves, CIP #12-04-2. **Second/Pasek. Ayes: Pasek, Belton, Ferraro. Noes: None. Absent: Gumbinger and Martel.**

Director Belton asked for a report back next month on the total costs for the project.

President Pasek requested the Board discuss the drought stage at the April Board meeting.

16. APPROVE CHEMICAL PURCHASE CONTRACTS

Paul Siebensohn gave a brief summary of the recommendation to approve the chemical purchase contracts.

Motion/Pasek to approve chemical purchase contracts as follows: NTU Technologies Inc. for Protek 301, price not to exceed \$1.02/lb delivered; Liquid Aluminum Sulphate, price not to exceed \$0.159/lb delivered; Pro Pac 9890, price not to exceed \$1.39/lb delivered; Memclear, price not to exceed \$1.15/lb delivered.

Sterling Technologies Inc. for SWT 2000, pricing at \$0.58/lb delivered 600 lb. drum, \$0.50/lb delivered 3,000lb tote.

Sierra Chemical Co., at \$580/ton of chlorine gas delivered.

UNIVAR to supply Sodium Hydroxide 50% at \$3.79/gal delivered price, Sodium Hydroxide 30% at \$3.39/gal delivered and Potassium Permanganate at \$210.50/pail plus delivery.

Sierra Chemical Company, West Sacramento, powdered activated carbon (PAC) at \$2.89/lb plus freight.

Funding to come from the applicable Water and Sewer Operating Budgets. **Second/Belton. Ayes: Pasek, Belton, Ferraro. Noes: None. Absent: Gumbinger and Martel.**

17. PRESENT 2014/2015 DRAFT BUDGET

Darlene Gillum gave a brief summary of the 2014/15 draft budget. The proposed budget is a "worst case scenario" and assumes no new growth and/or development and stops pre-debt collecting for the Van Vleck fields. Two scenarios were presented: one bringing the Security rates up the maximum allowable rate and one without.

Director Belton commented on the Prop 218 is a worst case scenario and not necessarily what will be in effect and suggested keeping the pre-debt collection amount in and bringing the Security rates up to maximum allowable rate.

Motion/Belton to authorize staff to mail the Prop 218 proposed worst case rate increase, including tiered pricing structure, the pre-debt collection for Van Vleck irrigation fields, and Notice of Hearing by April 1, 2014.

Authorize staff to include the collection of Security Replacement Reserves by increasing the monthly Security Tax rates to the maximum allowable rate and include these rates in the Prop 218 rate increase notice. **Second/Ferraro. Noes: None. Absent: Gumbinger and Martel.**

11. RECEIVE DROUGHT UPDATE

Paul Siebensohn gave a brief update on the drought. Despite the recent rain, the District is still in a Stage 2 water warning, requesting a targeted cutback in overall use of 20%. Both NOAA and USGS long range forecasts call for continued extremely dry conditions. However, our water shed in the Sierras is not identified as critically dry.

Diversions were cut back since our reservoirs are at the spillway and also since the recent rains muddied the waters. Our mid-period March meter reads showed usage was about 525,000 gpd for the first two (2) weeks of March, which is about a 3.4% reduction from February demands. Usage in February was down 28% from January 2014 levels. However, a comparison of YTD 2014 to YTD 2013, January – February, reflects that 2014 usage is 11.6% higher than 2013 year to date.

12. RECEIVE WATER TREATMENT PLANT EXPANSION PROJECT UPDATE

Darlene Gillum gave a brief update on the status of the Water Treatment Plant Project. Division 10 of the original Water Treatment Plant Expansion bid scope has been divided into Site Work and Fencing. These bid packages were advertised March 13, 2014 and a mandatory pre-job walkthrough held on March 18. The bid opening is set for March 27, 2014.

Bids are still valid until late April, although the GE contract is the long lead critical path item. Based on the current delays in awarding the contracts, the plant completion will likely be delayed.

14. RECEIVE FIELD OPERATIONS ANNUAL REPORT - PRESENTATION BY PAUL SIEBENSOHN, DIRECTOR OF FIELD OPERATIONS

Paul Siebensohn gave the annual presentation of the Field Operations for 2013. The presentation discussed the following: staffing, facilities, Capital Improvement Projects completed, projects completed, water production, and water quality. A question and answer period followed.

18. RECEIVE OPEB ACTUARIAL STUDY

Darlene Gillum gave a brief summary of the OPEB Actuarial Study, which provides an estimate of the District's postemployment medical benefits liability attributable to past service rendered by employees and retirees, impacts of GASB 45 accounting rules and a twenty-year (20) projection of the pay-as-you-go cost to provide benefits, as of July 1, 2013. A question and answer period followed.

19. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES

No discussion.

20. MEETING DATES/TIMES

President Pasek stated there will probably be a Special Board meeting in April for approval of the WTP contracts.

21. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

Director Pasek commented on his wanting to discuss changing the Drought Stage 2 warning back to a Stage 1 but continue with the conservation at the next Board meeting.

Director Belton commented on staff providing their accomplishments and goals at the annual Board Goal Workshop and does not feel it is necessary to have each department give a second presentation covering the same information. Staff will discuss this item and decide how best to provide this information to the Board.

Director Ferraro commented on an email she received from a resident regarding deer in the community having ticks and spreading some type of disease to people and asked about letting the public know. President Pasek stated that both Ranchomurieta.com and River Valley Times would be the best place to get that information out to the public.

Ed Crouse stated that this is the last Board meeting with Jonathan Hobbs as District Legal Counsel. Mr. Crouse thanked Mr. Hobbs and stated that the District appreciates all the work he has done for us.

Mr. Neff commented on his concern regarding the liability of the residents that pay for Lake Guadalupe.

22. ADJOURNMENT

Motion/Belton to adjourn at 6:48 p.m. Second/Ferraro. Ayes: Pasek, Belton, Ferraro. Noes: None. Absent: Gumbinger and Martel.

Respectfully submitted,



Suzanne Lindenfeld
District Secretary