RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 JACKSON ROAD
RANCHO MURIETA, CALIFORNIA 95683

REGULAR MEETING
September 16, 2026

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

AGENDA

1. CALL TO ORDER, ROLL CALL

2. CLOSED SESSION –

A. CONFERENCE WITH LEGAL COUNSEL — EXISTING LITIGATION

Pursuant to Government Code § 54956.9(d)(1)
Number of Cases: One (1)
Name of Case:
Rancho Murieta Properties, LLC; Cosumnes River Land, LLC; Murieta Industrial Park, LLC; Murieta Lakeside Properties, LLC; and Murieta Highlands, LLC v. Rancho Murieta Community Services District, Sacramento County Superior Court Case No. 26CV018522

B. CONFERENCE WITH LEGAL COUNSEL — ANTICIPATED LITIGATION

Pursuant to Government Code § 54956.9(d)(2) — Significant Exposure to Litigation
Number of Potential Cases: Two (2)
Existing Facts and Circumstances (Gov. Code, § 54956.9(e)(3)): Government Claims Act claims presented to the District and other written communications from potential plaintiffs threatening litigation, each of which the District has rejected, consisting of (1) the claim of River Canyon Properties, LLC, presented August 21, 2026 and rejected August 26, 2026, together with its payment-under-protest correspondence dated July 1, 2026; and (2) the claim of Rancho Murieta 205, L.P., presented August 12, 2026 and rejected August 26, 2026. These claims and communications are available for public inspection pursuant to Government Code section 54957.5.

3. OPEN SESSION/REPORT BACK FROM CLOSED SESSION

4. COMMENTS FROM THE PUBLIC

The Public Comments section is for the Board of Directors to receive comments; except for brief questions for clarification, no discussion or action may be taken on any item that is not listed on the agenda.
If you wish to speak during Comments from the Public or would like to comment regarding an item appearing on the meeting agenda, you must complete a public comment card and submit it to the Board Secretary prior to Public Comments or the item you wish to comment on. Speakers presenting individual opinions shall have 3 minutes to speak. Speakers presenting opinions of groups or organizations shall have 5 minutes per group. Each individual will be limited to one (1) comment per item.

5. CONSENT CALENDAR *All items in this agenda item will be approved as one motion if they are not excluded from the motion adopting the consent calendar*.

A. Approval of Board Meeting and Committee Meeting Minutes
1. *August 26, 2026, Special Board Meeting Minutes*
2. *September 1, 2026, Personnel Committee Meeting Minutes*
3. *September 3, 2026, Communications & Technology Committee Meeting Minutes*

4. *September 8, 2026, Special Improvements Committee Meeting Minutes*
5. *September 10, 2026, Special Finance Committee Meeting Minutes*

B. Bills Paid Listing

C. Continue Emergency Equestrian Center Culvert Repair

D. Approve Updated Org Chart Without Names

E. Approve ABDI Quote – ~~Gate Repair~~ - Gate Access System Upgrade

F. Approve Transfer of Funds for Vactor Truck to the Backhoe

G. Adopt Policy 2026-02 Board Procedures for Form 700 Compliance

H. Second Reading – Introduction of Ordinance No. O2026-03 an Ordinance of the Board of Directors of the Rancho Murieta Community Services District Repealing and Replacing District Code Chapter 3 (Conflict of Interest); and Direction to Submit to the Sacramento County Board of Supervisors for Review and Approval Pursuant to Government Code Section 87303

6. REVIEW DISTRICT MEETING DATES/TIMES OCTOBER 2026

A. Security Committee – October 1, 2026, at 9:00 a.m.

B. Communications & Technology Committee – October 1, 2026, at 10:00 a.m.

C. Personnel Committee – October 6, 2026, at 10:00 a.m.

D. Improvements Committee – October 7, 2026, at 8:00 a.m.

E. Finance Committee – October 8, 2026, at 10:00 a.m.

F. Regular Board Meeting –October 21, 2026, at 5:00 p.m.

7. CORRESPONDENCE

None

8. STAFF AND COMMITTEE REPORTS (Receive and File)

A. General Manager Report

B. Finance Report

C. Security Report

D. Operations Report

E. IT Report

9. *Action Item* APPROVE GRAND JURY REPORT

10. *Action Item* APPROVE GENERAL MANAGER CONTRACT

11. DIRECTOR COMMENTS/SUGGESTIONS

12. ADJOURNMENT (Motion)

In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 24 hours prior to a special meeting, will be made available for public inspection in the District offices during normal business hours. If, however, the document is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting.
In compliance with federal and state laws concerning disabilities, if you are an individual with a disability and you need a disability-related modification or accommodation to participate in this meeting or need assistance to participate in this meeting, please contact the District Office at 916-354-3700 or dfleet@rmcsd.com. Requests must be made as soon as possible.

Note: This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. Posting location is the District Office. The date and time of this posting is September 10, 2026, at 4:30 p.m.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
SPECIAL BOARD MEETING MINUTES

August 26, 2026

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

1. CALL TO ORDER/ROLL CALL

Vice President Butler called the Regular Board 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 at the District office were Linda Butler, Bill Gere, Randy Jenco, Tim Maybee and John Merchant. Also present at the District office were Amelia Wilder, Interim General Manager; Cecilia Min, Director of Finance and Administration; Corey Carskaddon, Utility Supervisor; Andy Lee, IT Manager; Patrick Enright, District General Counsel; and Dyanne Fleet, Interim District Secretary/Clerk of the Board. Present from Richardson & Company, LLP; Ingrid Sheipline, Richardson & Associates.

2. CLOSED SESSION

A. PUBLIC EMPLOYEE APPOINTMENT (Gov. Code, §§ 54957(b)(1), 54954.5(e)) — Title: General Manager

B. CONFERENCE WITH LEGAL COUNSEL — EXISTING LITIGATION

Pursuant to Government Code § 54956.9(d)(1)

Number of Cases: One (1)

Name of Case:

Rancho Murieta Properties, LLC; Cosumnes River Land, LLC; Murieta Industrial Park, LLC; Murieta Lakeside Properties, LLC; and Murieta Highlands, LLC v. Rancho Murieta Community Services District, Sacramento County Superior Court Case No. 26CV018522

C. CONFERENCE WITH LEGAL COUNSEL — ANTICIPATED LITIGATION

Pursuant to Government Code § 54956.9(d)(2) — Significant Exposure to Litigation

Number of Cases: Two (2)

Existing Facts and Circumstances (Gov. Code, § 54956.9(e)(3)): Written communications from potential plaintiffs threatening litigation, including the Government Claims Act claim of Rancho Murieta 205, L.P., presented August 12, 2026. These writings are available for public inspection pursuant to Government Code section 54957.5.

3. OPEN SESSION/REPORT BACK FROM CLOSED SESSION

President Merchant reported that there was no action to report from the Closed Session.

4. RECEIVE AND FILE THE FY22-23 AND FY23-24 ANNUAL RANCHO MURIETA COMMUNITY SERVICES DISTRICT AUDIT REPORT AND THE COMMUNITY FACILITIES DSITRICT #2014-1 ANNUAL FY22-23 AND FY23-24 AUDIT REPORT

Audit presentation presented by Richardson & Company; Ingrid Sheipline. The auditors presented the results of the District's FY23 and FY24 audits, noting significant improvements in the District's accounting and audit preparation processes. They recommended continued work on year-end closing procedures, developer-donated infrastructure, and updates to the District's reserve and investment policies.

Motion/Merchant to *Approve to Receive and Files* **Second/Maybee. Roll Call Vote: Ayes: Butler, Gere, Jenco, Maybee, Merchant. Noes: None. Absent: None. Abstain: None**

5. PUBLIC COMMENTS

The public comments focused primarily on pending litigation, legal representation, transparency regarding legal costs, and concerns related to the Water Vision Working Group.

6. CONSENT CALENDAR

Items A-6A Improvements Committee Meeting Board Minutes, Item A-6D Updated Org Chart, and Item A-6E Manager of Administrative Services Job Description were pulled from the Consent Calendar to discuss separately. **Motion/Merchant to** *Approve Consent Calendar* ***S*****econd/Maybee. Roll Call Vote: Ayes: Butler, Gere, Jenco, Maybee, Merchant. Noes: None. Absent: None. Abstain: None**

Motion/Maybee to *Approve Item A-6A Improvement Committee Meeting Board Minutes, Table Manager of Administrative Services Job Description and Move Org Chart to Item 17* ***S*****econd/Gere. Roll Call Vote: Ayes: Butler, Gere, Jenco, Maybee, Merchant. Noes: None. Absent: None. Abstain: None**

7. REVIEW DISTRICT MEETING DATES/TIMES JULY 2026

During the review of the District's September 2026 meeting schedule, the Board agreed to cancel the Personnel and Security Committee meetings. The Communications and Finance Committee meetings, as well as the September 16 Regular Board Meeting, will proceed as scheduled. The Improvements Committee meeting will be moved to September 8th at 10:00 a.m. for this month only.

8. CORRESPONDENCE

A. Letter dated August 12, 2026, from David E. Cameron, Atkinson, Andelson, Loya, Ruud & Romo, to the Board of Directors re: Notice of Non-Compliance Regarding Board Agenda Procedures

B. Nellie Bloom

9. STAFF REPORTS

Complete Staff Reports can be found on August 26, 2026, Regular board Meeting Packet on the District's website or by clicking here.

Under Agenda Item 8A, Ms. Wilder gave a summary of the General Manager update, including:

- Updates on Grand Jury Report
- Updates on HR Policies in Personnel Manual which will be brought back to the Board when completed
- Updates on General Manager Recruitment
- Updates on Lago Gate repairs
- Updates Board room and website upgrades
- Updates on Cyber Security

Under Agenda Item 9B, Ms. Min updated the Board on the Following:

- Audits Preparation Status Update for FY25 and FY26
- Financial Update – 12 months Ending June 30, 2026

Under Agenda Item 9C. Ms. Wilder updated the Board on Security regarding staffing, Independence Day Operations with details in the Incident of Note Report and continued coordination with RMA.

Under Agenda Item 9D Mr. Carskaddon updated the Board on the following:

- Water Treatment Facility
- July 2026 Drinking Water Production Data

- Water Consumption
- Raw Water Storage & Delivery
- Utilities Activities
- Sewer
    - Wastewater Facility
- Project Updates
    - The Equestrian Culvert Repair project is ongoing
    - Wastewater Plant Filter Bed Rehab – working on RFP to send out for bids
    - Rio Oso Generator – part have been ordered

Under Agenda Item 9D, Mr. Lee, IT Supervisor, updated the Board on the following:

- New Computers and Window 11 Completed
- Replacement of Inter-Building Network Communication Hardware Completed
- Wi-Fi Access Point Update Completed
- New Board Room Conference System
- Cybersecurity Training
- Network Failover for Greenfield ISP
- Surveillance Systems Upgrades

10. GRAND JURY REPORT RECOMMENTATIONS

The Board reviewed two Grand Jury recommendations concerning the District's recycled water agreement with Rancho Murieta Country Club. Staff reported that the Country Club fully satisfied its 2021 south pump station repair loan. The Board also discussed the long-standing recycled water arrangement and agreed that continuing the current agreement is in the District's best interest because the golf courses provide a critical and cost-effective location for disposal of the District's recycled wastewater. The Board reached consensus to reflect these conclusions in its formal Grand Jury response and indicated its intent to renew the agreement and continue the existing arrangement.

Consensus from the Board to proceed with a response to the Grand Jury and to move forward with the Intent to extend the agreement once language has been negotiated.

11. APPROVE EXTENSION TO 1988 AGREEMENT FOR AVAILABILTIY AND USE OF RECLAIMED WASTEWATER WITH RMCC

Item was withdrawn.

12. APPROVAL TO REVIEW AND PROVIDE DIRECTION ON PROPOSED INCREASES TO WATER AND SEWER INSTALLATION AND INSPECTION FEES AND ON A PROPOSED FIRE FLOW CAPACITY FEE FOR NEW DEVELOPMENT

The Board discussed updating water and sewer connection and inspection fees to recover the District's actual service costs, as well as establishing a fire-flow capacity fee for new development. Staff will calculate and document the costs internally, including staff time, engineering, and benefits, and present a revised fee structure to the Improvements Committee on September 8, 2026, before bringing it to the Board on September 16.

13. APPROVAL OF CYBER SECURITY PROTECTION EXPENSES

The Board unanimously approved a one-year cybersecurity upgrade to provide expanded software protection, patch management, endpoint detection and recovery, and continuous network monitoring. **Motion/Maybee to** *Approve Cyber Security Protection Expense.* **Second/Maybee. Roll Call Vote: Ayes: Butler, Gere, Jenco, Maybee, Merchant. Noes: None. Absent: None. Abstain: None**

14. APPROVAL OF TASK 1, 2 AND 3 SINKHOLES ON PERA DRIVE AND APPROVE UPDATED RFP FROM DOMENICHELLI & ASSOCIATES

The Board considered Domenichelli & Associates' revised proposal for the PARA Drive sinkhole project and clarified that the correct amount for Tasks 1, 2, and 3 is $96,791. The work includes design, permitting, project coordination, contractor bidding, inspection, and closeout services, with construction anticipated to begin around May due to weather concerns.

Motion/Jenco to *Approve Domenichelli & Associates Task Orders 1, 2 and 3.* ***S*****econd/Butler. Roll Call Vote: Ayes: Butler, Gere, Jenco, Maybee, Merchant. Noes: None. Absent: None. Abstain: None**

15. PROVIDE DIRECTION ON CANDIDATES NIGHT

The Board discussed whether the District should host a candidates' night and considered venue capacity, staffing, cost, and time management. A majority of the Board supported having the District not organize or host the event, leaving candidates or community organizations to arrange an independent forum at a larger venue.

Motion/Maybee to *Approve Not to Host Candidates Night.* ***S*****econd/Merchant. Roll Call Vote: Ayes: Butler, Maybee, Merchant. Noes: Jenco. Recuse: Gere. Absent: None. Abstain: None. Abstain: None**

16. REVIEW WATER VISION GROUP MATRIX

The Board requested this item roll into Item 17.

17. CONSIDER THE DISSOLUTION OF THE ADMINISTRATIVE OVERSIGHT AD HOC COMMITTEE AND THE WATER VISION WORKING GROUP, AND DIRECT DISPOSITION OF ANY PENDING ASSIGNMENTS

The Board approved the immediate dissolution of the Administrative Oversight Ad Hoc Committee, concluding that it had served its intended purpose and would no longer be necessary with the anticipated appointment of a new General Manager.

Motion/Merchant to *dissolve Administrative Oversight Ad Hoc Committee.* ***S*****econd/Gere. Roll Call Vote: Ayes: Butler, Gere, Jenco, Maybee and Merchant. Noes: None. Absent: None. Abstain: None**

The Board agreed to dissolve the Water Vision Working Group, concluding that its work and pending assignments should transition to the incoming General Manager, future Director of Operations, and appropriate standing committees.

Motion/Merchant to *dissolve Water Vision Working Group.* ***S*****econd/Butler. Roll Call Vote:**
Ayes: Butler, Gere, Jenco, Maybee and Merchant. Noes: None. Absent: None. Abstain: None

The Board reviewed Item A6E (Consent Calendar) Revised Org Chart and discussed updating the organizational chart to accurately reflect the District's current structure as of August 2026. The Board directed staff to remove the ad hoc committee, correct the Director of Finance and Administration title, address the unapproved Manager of Administrative Services position, and return the revised chart for consideration at the next Board meeting.

DIRECTOR COMMENTS/SUGGESTIONS

Director Maybee and the rest of the Directors thanked Ms. Min and her staff for their audit work

ADJOURNMENT

Time meeting was adjourned at 8:22 p.m.

Respectfully submitted,

Dyanne Fleet
Interim District Secretary/Clerk of the Board

MEMORANDUM

Date: September 8, 2026

To: Board of Directors

From: Personnel Committee Staff

Subject: September 8, 2026, Special Personnel Committee Meeting Minutes

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1. CALL TO ORDER

Director Merchant called the meeting to order at 2:00 p.m. Present were Directors Butler and Director Merchant. Present from District staff were Amelia Wilder, Interim General Manager; Corey Carskaddon, Utilities Supervisor; and Dyanne Fleet, Interim District Secretary/Clerk of the Board.

2. PUBLIC COMMENTS

None.

3. REVIEW HIRING OF NEW GM

The Committee reviewed the hiring process for the new General Manager, whose contract is scheduled for Board approval on September 16, with an anticipated start date of October 19.

4. DIRECTOR OF OPERATIONS RECRUITING

The Committee directed staff to reach out to the recruiter to begin the search for a Director of Operations, emphasizing experience with water-management planning, regulatory compliance, and grants.

5. REVIEW REVISED ORG CHART

The Committee confirmed the updated organizational chart and agreed that the proposed administrative manager position should be reviewed by the new General Manager after she begins. Staff will prepare a background packet explaining the history and structure of the Finance and Administration departments and the reasons for the proposed changes. The organizational chart will continue to list the seven positions as Utility Workers I, II, and III while union negotiations remain underway.

6. DIRECTORS & STAFF COMMENTS/SUGGESTIONS

Ms. Wilder requested that Corey Carskaddon join her in representing the District during the upcoming MOU negotiations, and Mr. Carskaddon agreed to participate.

7. ADJOURNMENT

The meeting was adjourned at 2:17 p.m.

MEMORANDUM

Date: September 3, 2026

To: Board of Directors

From: Communication & Technology Committee Staff

Subject: September 3, 2026, Communication & Technology Committee Meeting Minutes

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1. CALL TO ORDER

Director Butler called the meeting to order at 10:00 a.m. Present was Director Butler; present from District staff were Amelia Wilder, Interim General Manager; Andy Lee, IT Supervisor; Branden Arino, Security Supervisor; and Dyanne Fleet, Interim District Secretary/Clerk of the Board.

2. COMMENTS FROM THE PUBLIC

None.

3. UPDATE ON WEBSITE AND SOCIAL MEDIA

Ms. Wilder provided an update on the Website and Facebook statistics.

4. PIPELINE

A. Good News

- The Board is ready to announce the new General Manager at the September Board meeting.
- FY24-25 and FY25-26 will be ready for the auditors review by the end of December 2026.
- Cybersecurity Protection has been installed and is now in the process of being tested.
- The audio in the Boardroom in in process of a much needed upgrade.

5. COMMUNITY LETTER

Director Butler and staff agreed to publish one annual community letter in the late November Pipeline. The letter will summarize 2026 accomplishments, introduce the new Board Directors, provide staffing and security updates, outline 2027 priorities, and highlight key community rules. The Committee will also explore QR codes and links to expand digital outreach.

6. RANCHO MURIETA RESILIENCE PLAN

The Committee discussed the Sacramento County-led Rancho Murieta Resilience Plan, which is focused on developing a safe and efficient emergency evacuation strategy for Rancho Murieta and surrounding communities. The District is also coordinating with RMA and Sacramento County transportation officials on emergency evacuation procedures. The Committee emphasized that the District must play an active role in managing evacuation efforts within the gates until emergency personnel arrive.

7. DIRECTOR AND STAFF COMMENTS

Mr. Lee discussed two new technology improvements: enhanced cybersecurity services and a new Boardroom audiovisual system designed to improve meeting participation for directors and consultants while enhancing ADA accessibility.

8. ADJOURNMENT

The meeting was adjourned at 11:02 a.m.

MEMORANDUM

Date: September 8, 2026

To: Board of Directors

From: Improvements Committee Staff

Subject: September 8, 2026, Special Improvements Committee Meeting Minutes

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1. CALL TO ORDER

Director Gere called the meeting to order at 10:00 a.m. Present were Directors Gere and Jenco. Present from District staff were; Amelia Wilder, Interim General Manager, Travis Bohannon, Interim Director of Operations; Corey Carskaddon, Utility Supervisor; and Dyanne Fleet, Interim District Secretary/Clerk of the Board.

2. COMMENTS FROM THE PUBLIC

Tom Shewchuk requested that the Improvements Committee address the unfinished Water Vision Working Group tasks, including wells, Lake Clementia re-permitting, the Urban Water Management Plan, and the water-use audit. The Committee also agreed to seek legal guidance regarding public-comment requirements for special meetings.

IMPROVEMENTS STAFF REPORT

The following topics were discussed:

A. NEW WATER TANK PROCESS

The Committee discussed the need to establish an approved water-demand figure before determining the size, location, cost, and permitting requirements for a new water tank. Staff will compile the relevant engineering studies, developer data, fire-protection requirements, and District regulations, consult with District Engineer Domenichelli & Associates, and identify qualified independent specialists as recommended by water counsel before determining how to proceed.

B. RIO OSO STORAGE TANK REHAB PROCESS

The Improvements Committee discussed the need to rehabilitate the Rio Oso storage tank within the next two years and directed staff to begin developing the project scope, estimated costs, timeline, bypass procedures, engineering requirements, permits, and funding options. Staff will also evaluate whether increasing the tank's capacity is structurally and operationally feasible while considering the District's long-term water-storage needs and future development.

C. CIA DITCH GUNITE SCOPE

The Committee discussed repairing the CIA ditch near the wooden bridge and agreed to obtain quotes for gunite work on the larger section due to potential cost savings and long-term benefits. Staff will confirm the scope, cost, and irrigation schedule before presenting the emergency project to the Committee for recommendation.

D. PURCHASE/LEASE BACKHOE

The Committee reviewed replacing the District's aging backhoe, which has incurred substantial repair and rental costs, by reallocating funds budgeted for the vactor truck. The Committee agreed to forward the proposed $185,000 purchase to the Board, with the Director of Finance providing a recommendation on whether an outright purchase or lease-purchase arrangement would be most cost-effective.

E. CONTRACTOR VS EMPLOYEE ANALYSIS AND COST BENEFIT DISCUSSION

The Committee discussed whether hiring an in-house engineer could reduce contractor costs and improve the coordination and completion of District projects. The Committee agreed to revisit the analysis after the new General Manager and Director of Operations are hired and can evaluate which services could be performed effectively in-house.

F. MEC CULVERT UPDATE

Staff reported that the culvert project is awaiting delivery of railing components and an estimate for hydroseeding the slope.

G. FIRE FLOW FEES

The Committee reviewed the proposed $482.73 fee for individual residential fire-flow letters, which reflects the District's staff, vehicle, administrative, and engineering costs. The Committee agreed to forward the fee to the Board for approval so the District can begin recovering these expenses.

H. WASTEWATER PLANT FILTER BED REHAB

The Committee authorized staff to issue an RFP for rehabilitation of the wastewater treatment plant's deteriorating filter beds. Cost proposals are expected to return to the Improvements Committee in November for consideration before possible Board approval and winter construction.

3. DIRECTOR AND STAFF COMMENTS

In response to Director Jenco's question, staff reported that recycled-water storage has been reduced by approximately 40% of the targeted amount. Although golf course irrigation is currently limited due to a tournament, demand is expected to increase significantly during upcoming aeration, which should further reduce stored water levels.

5. ADJOURNMENT

The meeting was adjourned at 11:39 a.m.

MEMORANDM

Date: September 10, 2026

To: Board of Directors

From: Finance Committee Staff

Subject: September 10, 2026, Finance Committee Meeting Minutes

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1. CALL TO ORDER

Director Merchant called the meeting to order at 10:00 a.m. Present were Director Merchant and Director Gere. Present from District staff were Amelia Wilder, Interim General Manager; Cecilia Min, Director of Finance and Administration; and Dyanne Fleet Interim District Secretary/Clerk of the Board.

2. PUBLIC COMMENTS

None.

3. AUDITS UPDATE

Ms. Min provided an update on preparations for the FY24–25 and FY25–26 audits following completion of the prior two fiscal-year audits.

4. FINANCE REPORT

Ms. Min presented the preliminary July FY26–27 financial report, which now compares monthly actuals with monthly budget projections.

5. DIRECTOR COMMENTS

No Comments

6. ADJOURNMENT

11:49 a.m.

System: 9/10/2026 9:17:54 AM RANCHO MURIETA CSD - NEW Page: 1
User Date: 9/10/2026 VENDOR CHECK REGISTER REPORT User ID: AP
Payables Management

Ranges:	From:	To:		From:	To:
Check Number	First	Last	Check Date	8/1/2026	8/31/2026
Vendor ID	First	Last	Checkbook ID	BANNER	BANNER
Vendor Name	First	Last			

Sorted By: Check Date

* Voided Checks

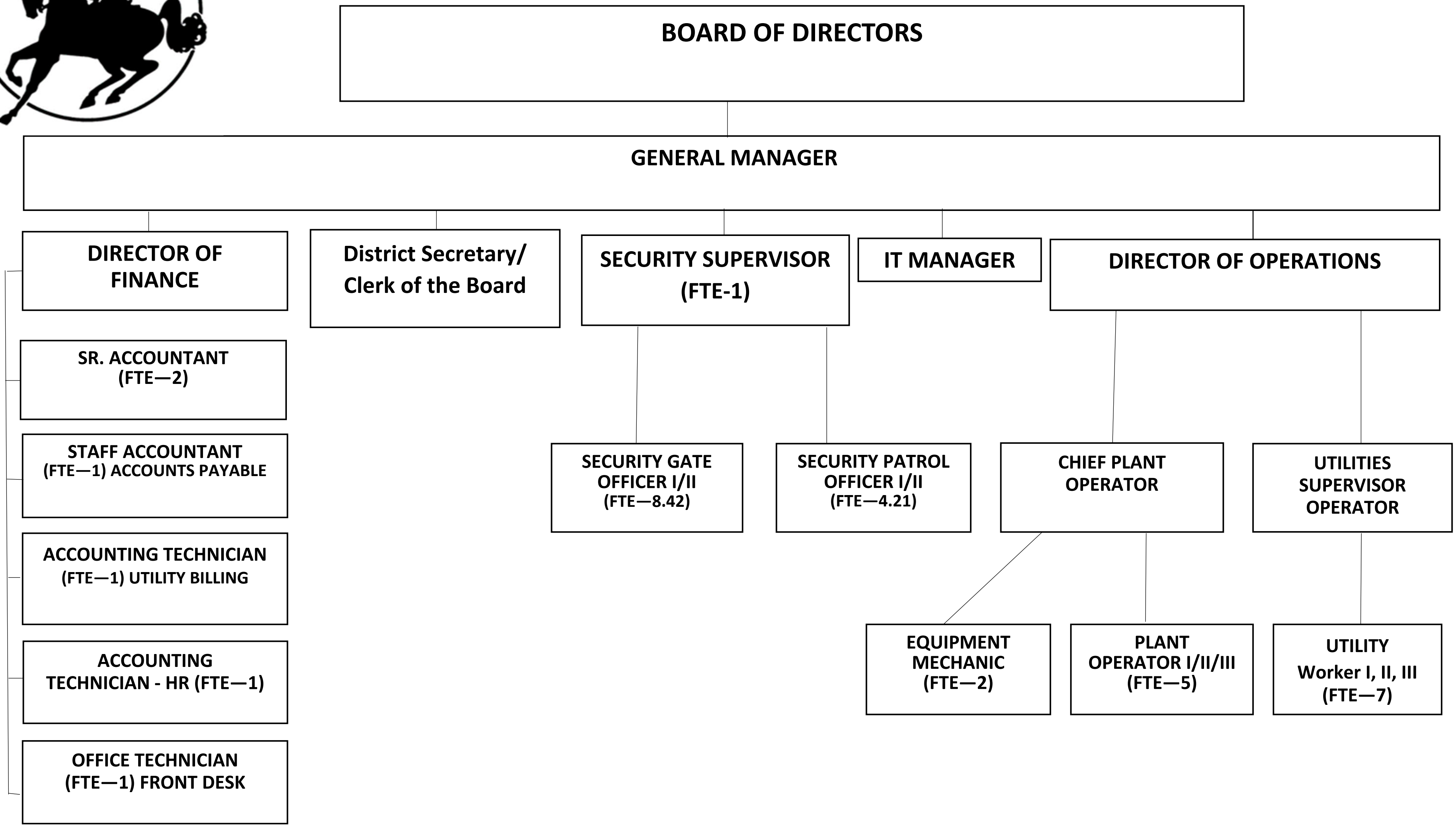
Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
003467	CENVALCLE	CVCWA	8/10/2026	BANNER	PMCHK00002005	$3,790.00
003468	CHITITCO	CHICAGO TITLE COMPANY	8/10/2026	BANNER	PMCHK00002005	$382.83
003469	CINTAS	Cintas	8/10/2026	BANNER	PMCHK00002005	$357.07
003470	CONEQUSER	Concrete Equipment Services, I	8/10/2026	BANNER	PMCHK00002005	$1,050.89
003471	COR&MAI	Core & Main LP	8/10/2026	BANNER	PMCHK00002005	$1,902.53
003472	COUOFSAC	County of Sacramento	8/10/2026	BANNER	PMCHK00002005	$695.00
003473	HDWATER	D and H Water Systems, Inc.	8/10/2026	BANNER	PMCHK00002005	$532.33
003474	ENVSYST	Esri	8/10/2026	BANNER	PMCHK00002005	$5,700.00
003475	FIDNAT	Fidelity National Title Compan	8/10/2026	BANNER	PMCHK00002005	$282.30
003476	HASCAPSAN	Hastie's Capitol Sand and Grav	8/10/2026	BANNER	PMCHK00002005	$935.20
003477	LESSCHTIR	Les Schwab Tires	8/10/2026	BANNER	PMCHK00002005	$5,056.46
003478	OLDREPTIT	Old Republic Title Company	8/10/2026	BANNER	PMCHK00002005	$115.40
003479	OPEENGLOC	Operating Engineers Local Unio	8/10/2026	BANNER	PMCHK00002005	$598.14
003480	PACIFIC	Pacific Star Chemical LLC dba	8/10/2026	BANNER	PMCHK00002005	$10,479.28
003481	RAMENVSER	Ramos Oil Company	8/10/2026	BANNER	PMCHK00002005	$2,144.83
003482	RUSHMED	Rush Truck Center, Ceres	8/10/2026	BANNER	PMCHK00002005	$72,326.61
003483	UNIREN	United Rentals Northwest, Inc.	8/10/2026	BANNER	PMCHK00002005	$1,500.61
003484	WATSUR	Watchdogs Surveillance	8/10/2026	BANNER	PMCHK00002005	$560.00
EFT000000000223	CALTRON	FlexTG LLC	8/10/2026	BANNER	PMCHK00002006	$16.27
EFT000000000224	CHECHEUS	Chemtrade Chemicals US LLC	8/10/2026	BANNER	PMCHK00002006	$5,722.41
EFT000000000225	PEC&MCK	City Management Advisors	8/10/2026	BANNER	PMCHK00002006	$9,000.00
EFT000000000226	CIVICPL	CivicPlus LLC	8/10/2026	BANNER	PMCHK00002006	$540.75
EFT000000000227	CLAPESCON	Clark Pest Control	8/10/2026	BANNER	PMCHK00002006	$847.00
EFT000000000228	CONEARTEC	Condor Earth Technologies Inc	8/10/2026	BANNER	PMCHK00002006	$2,213.85
EFT000000000229	PAULVSC	Messenger Publishing Group	8/10/2026	BANNER	PMCHK00002006	$2,187.00
EFT000000000230	ROBHAL	Robert Half	8/10/2026	BANNER	PMCHK00002006	$31,602.03
EFT000000000231	ROTHSTF	Roth Staffing Companies, L.P.	8/10/2026	BANNER	PMCHK00002006	$4,446.83
EFT000000000232	USABLUBOO	HD Supply Inc DBA USABlueBook	8/10/2026	BANNER	PMCHK00002006	$1,183.37
EFT000000000233	VESTIS	Vestis	8/10/2026	BANNER	PMCHK00002006	$868.56
EFT000000000234	WWGRA	Grainger	8/10/2026	BANNER	PMCHK00002006	$857.65
EFT000000000235	WHICAP	WHITE CAP, L.P	8/10/2026	BANNER	PMCHK00002006	$524.54
EFT000000000236	DEWENGINC	Dewberry Engineers Inc.	8/10/2026	BANNER	PMCHK00002007	$16,773.50
EFT000000000237	ASSOCIA	Associated Compressor & Equipm	8/10/2026	BANNER	PMCHK00002008	$3,803.57
003485	CADSOL	California CAD Solutions inc.	8/11/2026	BANNER	PMCHK00002009	$4,068.75
EFT000000000239	AT&T	AT&T	8/13/2026	BANNER	PMPAY00000102	$9,275.24
EFT000000000240	AT&T	AT&T	8/13/2026	BANNER	PMPAY00000102	$1,440.40
EFT000000000241	SMUD	S. M. U. D.	8/13/2026	BANNER	PMPAY00000102	$21,657.14
003486	ADVINT&CON	Advanced Integration & Control	8/26/2026	BANNER	PMCHK00002010	$15,814.50
003487	APPBYDES	Applications By Design, LLC	8/26/2026	BANNER	PMCHK00002010	$1,295.00
003488	CINTAS	Cintas	8/26/2026	BANNER	PMCHK00002010	$163.45
003489	COUOFSAC	County of Sacramento	8/26/2026	BANNER	PMCHK00002010	$69.50
003490	FERENT	Ferguson Waterworks , Inc 1423	8/26/2026	BANNER	PMCHK00002010	$4,392.54
003491	FERWAT	Ferguson Waterworks	8/26/2026	BANNER	PMCHK00002010	$4,325.93
003492	GRECOM	Greenfield Communications	8/26/2026	BANNER	PMCHK00002010	$228.00
003493	HASCAPSAN	Hastie's Capitol Sand and Grav	8/26/2026	BANNER	PMCHK00002010	$1,335.25
003494	PACSUPCOR	Pace Supply Corp	8/26/2026	BANNER	PMCHK00002010	$1,152.73
003495	POTDIV	Potable Divers Inc.,	8/26/2026	BANNER	PMCHK00002010	$8,000.00
003496	RAMENVSER	Ramos Oil Company	8/26/2026	BANNER	PMCHK00002010	$771.30
003497	SOLLAKMAN	Solitude Lake Management LLC	8/26/2026	BANNER	PMCHK00002010	$2,559.07
003498	TESLA	TESLA INC	8/26/2026	BANNER	PMCHK00002010	$12,375.19
003499	UNISOLUSA	Univar Solutions USA Inc	8/26/2026	BANNER	PMCHK00002010	$17,340.71
003500	UNIUSA	Univar USA Inc.	8/26/2026	BANNER	PMCHK00002010	$17,838.89
EFT000000000266	CALWASREC	California Waste Recovery Syst	8/31/2026	BANNER	PMCHK00002013	$128,077.47
EFT000000000267	A&DAUTGAT	A&D Automatic Gate	8/31/2026	BANNER	PMCHK00002014	$3,125.00
EFT000000000268	ALLORA	Allora Cleaning LLC	8/31/2026	BANNER	PMCHK00002014	$1,995.00
EFT000000000269	BARKRO&	BKS Law Firm, A Professional C	8/31/2026	BANNER	PMCHK00002014	$34,859.61

* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
EFT000000000270	CALLABSER	California Laboratory Services	8/31/2026	BANNER	PMCHK00002014	$4,897.00
EFT000000000271	CALTRON	FlexTG LLC	8/31/2026	BANNER	PMCHK00002014	$144.50
EFT000000000272	CERLAWCAR	Cervantes Lawn Care	8/31/2026	BANNER	PMCHK00002014	$1,800.00
EFT000000000273	CHECHEUS	Chemtrade Chemicals US LLC	8/31/2026	BANNER	PMCHK00002014	$5,727.22
EFT000000000274	CIVICPL	CivicPlus LLC	8/31/2026	BANNER	PMCHK00002014	$540.75
EFT000000000275	CON	Occupational Health Centers of	8/31/2026	BANNER	PMCHK00002014	$276.00
EFT000000000276	ECOPLASYS	Economic & Planning Systems, I	8/31/2026	BANNER	PMCHK00002014	$275.00
EFT000000000277	HRTOGO	HRtoGo, LLC	8/31/2026	BANNER	PMCHK00002014	$3,350.00
EFT000000000278	INTTECSOL	Intelligent Technical Solution	8/31/2026	BANNER	PMCHK00002014	$8,803.59
EFT000000000279	PACIFIC	Pacific Star Chemical LLC dba	8/31/2026	BANNER	PMCHK00002014	$4,851.42
EFT000000000280	RWG	RWG Law	8/31/2026	BANNER	PMCHK00002014	$9,485.88
EFT000000000281	ROBHAL	Robert Half	8/31/2026	BANNER	PMCHK00002014	$57,596.05
EFT000000000282	ROTHSTF	Roth Staffing Companies, L.P.	8/31/2026	BANNER	PMCHK00002014	$4,314.81
EFT000000000283	TNTINDCON	TNT Industrial Contractors Inc	8/31/2026	BANNER	PMCHK00002014	$2,520.00
EFT000000000284	USABLUBOO	HD Supply Inc DBA USABlueBook	8/31/2026	BANNER	PMCHK00002014	$3,745.70
EFT000000000285	USALCOL	USALCO LLC	8/31/2026	BANNER	PMCHK00002014	$4,468.80
EFT000000000286	VESTIS	Vestis	8/31/2026	BANNER	PMCHK00002014	$630.11
EFT000000000287	WWGRA	Grainger	8/31/2026	BANNER	PMCHK00002014	$977.82
EFT000000000288	THACOM	Thatcher Company	8/31/2026	BANNER	PMCHK00002015	$2,649.00
EFT000000000289	WALOFFSUP	Walker's Office Supplies, Inc	8/31/2026	BANNER	PMCHK00002015	$304.52

Total Checks: 76 Total Amount of Checks: $598,515.65

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
ORGANIZATIONAL CHART—AUGUST 2026



MEMORANDUM

Date: September 16, 2026
To: Board of Directors
From: Branden Arino, Security Supervisor
Subject: ABDI Community+ Gate Access System Upgrade

Background

RMCSD currently utilizes ABDI's legacy Community Management System (CMS) for gate access and visitor processing. ABDI Community+ is the next-generation platform designed to modernize the existing system while preserving familiar gatehouse workflows and the District's existing operational functionality. ABDI's migration strategy allows CMS and Community+ to operate side-by-side during transition, supporting validation, staff training, and continuity of operations.

What ABDI Community+ Is

Community+ is a modern hybrid gate access and community management platform that combines desktop performance, cloud infrastructure, and offline operating capability. It centralizes resident, vehicle, visitor, and vendor information while providing improved security, reporting, hardware integration, and system resiliency.

Key Operational Benefits

- Offline visitor processing: Local caching allows gate operations to continue during internet outages and synchronize when connectivity is restored.
- Improved reliability and performance: Native desktop processing reduces browser and network latency and is designed for high-volume gatehouse operations.
- License Plate Recognition (LPR) integration: The quoted package includes Plate Recognizer LPR integration, supporting automated license plate capture as part of the gate entry workflow.
- Driver's license scanning: ScanFast and ComboScan driver's license scanning are included to improve the speed and accuracy of visitor processing.
- Resident web and mobile access: The Resident Web Package with FastAccess allows owners to view and modify information and includes QR-code capabilities.
- Real-time traffic visibility and audit history: Community+ provides searchable gate activity, detailed activity logging, and improved account audit history.
- Data protection: Community+ provides cloud geo-replication, frequent transaction-log backups, offline archive copies, and rapid failover capability.
- Hardware integration: The platform directly supports scanners, cameras, printers, gate controllers, and other access-control devices.
- Future scalability: Community+ supports configurable workflows, modern reporting, third-party integrations, and continued platform modernization.

Why the Upgrade Is Necessary

The proposed upgrade addresses two primary operational priorities for the Security Department: continuity of gate operations and improved accountability. The current legacy environment is more dependent on network and server connectivity. Community+ adds offline processing and synchronization, reducing the operational impact of an internet interruption and allowing gate personnel to continue processing visitors in a consistent manner.

The upgrade also strengthens the entry process by integrating driver's license scanning, LPR capability, resident mobile/web tools, gate activity logging, and improved reporting into a modern platform. These capabilities are expected to reduce manual data entry, improve the accuracy of visitor and vehicle records, increase processing efficiency at the North and South Gates, and provide stronger audit trails for security and administrative review.

Because Community+ is designed as the successor to ABDI CMS, the District can modernize its existing system without moving to an entirely new vendor platform or abandoning established workflows and historical community data. This provides a more controlled transition while positioning the gate access system for future technology and integration needs.

Cost of Upgrade

Envera Systems Quote Q-20152-1, dated August 13, 2026, provides the following pricing for the Community+ upgrade and associated services:

Cost Component	Quoted Cost
Community+ equipment/setup and one-time services	$18,590.00
Installation discount with required agreement/payment conditions	($18,590.00)
Net one-time total	$0.00*
Community+ service additions	$2,029.50/month
OfficerPulse services (2 licenses)	$385.00/month
Total quoted monthly investment	$2,414.50/month*
60-month base contract value	$144,870.00*

*****Local sales tax is additional. The quote states that pricing requires a new 60-month agreement and that the $18,590 installation charge is discounted 100% subject to the quoted requirements, including automatic ACH and the required service deposit. The quote states there will be no monthly price increases during the primary 60-month period.

Recommendation

Staff recommends that the Board authorize the District to proceed with the ABDI Community+ upgrade, subject to final review and approval of the agreement and applicable purchasing requirements. The upgrade will modernize the District's existing gate access platform, improve operational resiliency during connectivity interruptions, strengthen visitor and vehicle accountability, and provide a scalable foundation for future gate access improvements.

Attachments

1. Envera Systems Quote Q-20152-1
2. ABDI Community+ / GateAccess vs. Legacy CMS Presentation

Quotation

Quote #:	Q-20152-1
Date:	8/13/2026
Expires On:	9/30/2026

Envera Systems

Next Generation Security
4724 Lena Rd
Bradenton, FL 34211
Phone: (855) 936-8372 | Email: info@enverasystems.com

Prepared for

Rancho Murieta CSD - Rancho Muireta CA
Rancho Murieta, California 95683

SECURITY CONSULTANT	PHONE	EMAIL
Ethan Parker		ethan.parker@enverasystems.com

Pricing is valid with a new sixty (60) month agreement. There will be no increases during the primary period.

EQUIPMENT & ONE-TIME SERVICES

Upgrade to Community+ with Service Additions

QTY	PRODUCT	INSTALL INVESTMENT
1	Community+ Core Package Setup	
1	ComboScan Driver's License Scanner (ABDI)	
1	Community+ Resident Web Package Database Setup	
2	ComboScan Driver's License Scanner (ABDI)	
	Upgrade to Community+ with Service Additions TOTAL:	$18,590.00

100% Installation Discount

Discount valid with these requirements:

- Deposit equal to 3 Months of Monthly Service Rates
- Automatic ACH setup for payment of Monthly Services
- New 5-Year Agreement

QTY	PRODUCT	INSTALL INVESTMENT
1	Installation Discount	
	100% Installation Discount TOTAL:	$-18,590.00

One-Time Total: $0.00

Local sales tax may be added to One-Time Total.

MONTHLY SERVICES

Upgrade to Community+ with Service Additions

QTY	MONTHLY SERVICE	EACH	MONTHLY INVESTMENT
1	COMMUNITY+ CORE PACKAGE	$495.00	$495.00
1	Community+ Software License	Included	$0.00

QTY	MONTHLY SERVICE	EACH	MONTHLY INVESTMENT
3	Community+ Software Admin License	Included	$0.00
1	Community+ ScanFast Module: Driver's License Scanning	Included	$0.00
1	Plate Recognizer LPR Integration (per camera)	Included	$0.00
1	Community+ TrafficLogix Interface (Requires client to subscribe to TrafficLogix)	Included	$0.00
1	Community+ TrafficLogix License (per Camera)	Included	$0.00
2,838	Community+ Resident Web Package with FastAccess (per home/address): Website and mobile app that allows owners to modify and view their information, includes QR Codes	$0.25	$709.50
1	Community+ Gate/Door Control	$75.00	$75.00
3	iCMS App License	$100.00	$300.00
1	COMMUNITY+ CORE PACKAGE FOR ADDITIONAL GATE	$450.00	$450.00
1	Community+ Software License	Included	$0.00
1	Community+ Software Admin License	Included	$0.00
1	Community+ ScanFast Module: Driver's License Scanning	Included	$0.00
1	Plate Recognizer LPR Integration (per camera)	Included	$0.00
1	Community+ TrafficLogix License (per Camera)	Included	$0.00
		Upgrade to Community+ with Service Additions TOTAL:	$2,029.50

Pulse Services

QTY	MONTHLY SERVICE	EACH	MONTHLY INVESTMENT
2	OfficerPulse App	$192.50	$385.00
		Pulse Services TOTAL:	$385.00

Monthly Total: $2,414.50

Local sales tax will be added to Monthly Investment.

SERVICE & MAINTENANCE PLAN

- During Primary Period, should any equipment need to be serviced or replaced, Envera will not charge for labor or system parts and materials.
- During Renewal Periods, should any equipment need to be serviced or replaced, Envera will not charge for labor and will only charge cost for system parts and materials.
- Ground loops are warrantied for a period of 90 days and are not included in the Service & Maintenance Plan
- Service Level Commitment
  - Envera will perform system checks of all cameras on a daily basis.
  - Envera will proactively troubleshoot any discovered issues, which may include sending a technician onsite.
  - Since most issues can be resolved remotely, emergency service requests will be responded to within 24 hours.
- Service and Maintenance Plan excludes accident, vandalism, flood, water, lightning, fire, intrusion, abuse, misuse, an act of God, any casualty, including electricity, unauthorized repair service, modification or improper installation or any other cause beyond the control of Envera, including interruption of electrical power or internet service.

TERMS & CONDITIONS

- Monthly pricing is based on 2,464 current homes, with a maximum of 2,838 homes at full build out.

- Package pricing is applied to installation and monthly pricing. Pricing presented in this Quote is based on the purchase of all items as presented.
- Minimum 60-month agreement is required for monthly services (sales tax will be added to all monthly charges).
- Community will be responsible for all costs related to permits, bonds, surveys, drawings or site plan modifications.
- Community will be responsible for all required internet lines with minimum of 5Mbps upload and download speeds for most systems to operate. This may require multiple primary and backup lines throughout the community. Envera's team will work with internet providers to assist Client as necessary.
- Community will be responsible for providing adequate power at all head-end locations.
- Deposit due at signing equal to 50% of installation costs and two (2) months of the monthly services costs prior to Envera scheduling work. 40% of installation will be due within 5 days of Envera beginning installation. Final 10% of installation is due within 5 days of Envera completing installation.
- If purchasing a Virtual Gate Guard or Access Control System, Community will be responsible for providing a list of all residents with addresses, phone numbers, and email addresses in an Excel or CSV format.
- If purchasing a Virtual Gate Guard System:
    - *Virtual Gate Guard Monitoring is a per home charge and any additional homes added above those reported in the Qty field above (or at signing) will be charged to the Community at the per home price per month.
    - Installation of the equipment will take approximately six weeks to complete and fully test
    - Envera’s Implementation Team will provide a resident orientation session
    - Once the system is activated and on-line, Envera will conduct a “soft opening” giving residents 21 days to get acclimated (Guests will be asked where they are going but no guest will be denied entry)
    - After the soft opening period expires, all guests will be verified before being granted entry into the community
    - Recurring monthly pricing is based on all resident and renters having Envera programmed credentials on their vehicles and unencumbered access to use MyEnvera.com or the MyEnvera App for guest management

COMMUNITY/COMMUNITY+ HARDWARE

- All hardware sold for Community or Community+ software solutions will be shipped for installation by the Client.

MEMORANDUM

To: Special Improvements Committee
From: Corey Carskaddon, Utility Supervisor
Date: September 8, 2026
Subject: Recommendation for Purchase of Replacement Caterpillar Backhoe

Purpose

The purpose of this memorandum is to recommend that the District purchase a new Caterpillar Backhoe to replace the District's current 2010-or-older backhoe. The existing unit has become increasingly costly to maintain and has required significant repair and rental expenditures, creating both financial and operational concerns for the District.

Background

Over the past two years, the District has spent **more than $50,000 on repairs and rental equipment** associated with the current backhoe. The District has now been quoted approximately **$22,000 in additional recommended repairs** to keep the existing unit operating.

While these repairs may extend the useful life of the current backhoe in the short term, continued investment in an aging unit carries an increasing risk of additional breakdowns, repair costs, and rental expenses. Given the amount already spent, along with the latest repair it is staff's recommendation for the District to consider replacing the equipment rather than continuing to invest in an aging asset.

Recommendation

I recommend that the District purchase a new **Caterpillar Backhoe for $185,747.93**. The purchase proposal also provides a **two-year lease option at $92,917.49, plus one stub payment of $101**. **These funds will be taken from Capital Replacement Fee.**

The Caterpillar unit provides several advantages over continuing to operate and repair the District's existing backhoe, including:

- New equipment with **manufacturer warranty coverage**;
- Improved reliability and reduced risk of unexpected equipment downtime;
- Reduced dependence on rental equipment;
- Strong reliability and resale characteristics compared with other manufacturers considered; and
- A substantially longer expected useful life is more than the District's current 2010-or-older backhoe.

The District has already spent more than $50,000 during the past two years on repairs and rentals. With another $22,000 in recommended repairs, the District could soon have more than **$72,000 in recent repair and rental expenditures** without obtaining the benefits of a new, warranted piece of equipment.

Purchasing a new backhoe would allow the District to redirect those resources toward a dependable long-term asset rather than continuing the cycle of repairs and rentals.

Proposed Funding Strategy

The District currently has **$141,000 approved in the 2026/2027 fiscal year** and an additional **$127,408.53 identified over the following five years** for the Combination Truck.

The Combination Truck has not yet been ordered and is currently delayed due to ongoing Union negotiations concerning job specifications and licensing requirements. Given the uncertainty surrounding the timing of that purchase, I recommend that the District consider utilizing the currently approved capital funds to address the more immediate need for a replacement backhoe.

Under this approach, the District could apply the **$141,000 currently approved for the Combination Truck** toward the new Caterpillar Backhoe. The approximately **$48,082.51 in remaining CIP funds** could roll forward into the next fiscal year, subject to the District's normal budget and CIP approval processes, to help address the remaining cost of the backhoe.

At the same time, the District could begin budgeting for the Combination Truck in the next fiscal year and continue to plan for that purchase once the Union negotiations and related job specification and licensing requirements have been resolved.

The additional **$127,408.53 identified over the following five years** for the Combination Truck provides the District with a longer-term funding framework that can be reassessed as the project moves forward. This strategy would allow the District to address an immediate equipment reliability issue while continuing to preserve the long-term objective of acquiring a Combination Truck.

Financial and Operational Benefits

This recommendation is intended to be a responsible use of District resources and to reduce the financial uncertainty associated with the current backhoe.

The District has already experienced substantial costs from the current unit, including:

- **More than $50,000** in repairs and rentals over the past two years;

- An additional **approximately $22,000** in recommended repairs; and
- Continued risk of future breakdowns, repairs, downtime, and rental expenses.

A new Caterpillar Backhoe would provide the District with the reliability of new equipment, warranty protection, and a more predictable maintenance outlook. It would also reduce the operational disruption that can occur when essential equipment is unavailable and a rental unit must be secured.

Rather than spending another $22,000 on an aging backhoe with an uncertain remaining service life, the District would be applying available capital resources toward a new asset that can serve the District for many years.

Conclusion

The District's current 2010-or-older backhoe has reached a point where continued repairs and rentals are becoming increasingly costly. With more than $50,000 spent during the past two years and another approximately $22,000 in recommended repairs, replacing the unit is a prudent consideration from both a financial and operational standpoint.

The proposed **$185,747.93 Caterpillar Backhoe**, with a two-year lease option of **$92,917.49 plus one $101 stub payment, to be paid for out of the Capital Replacement Fees**, which will provide the District with a reliable, warranted replacement while reducing the District's exposure to continued repair and rental costs.

Utilizing the **$141,000 currently approved for the Combination Truck**, allowing approximately **$48,082.51 in remaining CIP funds to roll forward**, and continuing to budget for the Combination Truck in the next fiscal year provides a practical path forward. This approach addresses the District's immediate equipment needs while maintaining the long-term goal of purchasing a Combination Truck once the Union negotiations and associated job specification and licensing issues are resolved.

I respectfully recommend that the Board Improvements Committee support the purchase of the new Caterpillar Backhoe and recommend that the appropriate District governing body approve the purchase and associated funding strategy.

HOLT of California CAT

August 26, 2026

RANCHO MURIETA COMMNUNITY SERVICES DISTRICT
Account # 4655900
PO BOX 1050
RANCHO MURIETA, California 95683 1050
Attention: Corey Carskaddon

New Caterpillar Model: 420 Backhoe Loader with all standard equipment in addition to the additional specifications listed below:

YEAR: **2025 (ONE CURRENTLY IN STOCK)** SMU: **4**

ADDITIONAL SPECIFICATIONS

Reference #	**Description of Material and Equipment**	**Reference #**	**Description of Material and Equipment**
542-7992	420 BACKHOE LOADER 21,000 LBS	540-2298	STANDARD RADIO (12V)
544-0883	ENCLOSED CAB, DELUXE	611-0339	SEAT, DELUXE FABRIC
542-7774	HYDRAULICS, MP, 6FCN/8BNK, ST	542-7810	AC / HEAT
544-1066	PT, 4WD/2WS, POWERSHIFT	545-5048	DISPLAY, TOUCH SCREEN
543-4284	EXTENDABLE STICK (14FT)	491-6736	WORKLIGHTS (8) LED LAMPS
379-2161	TIRES, 12.5 80/19.5L-24, GY	206-1748	BELT, SEAT, 3" SUSPENSION
9R-6007	STABILIZER PADS, FLIP-OVER	337-9696	COUNTERWEIGHT, 1015 LBS
337-7436	CAT MULTI PURPOSE BUCKET 1.3YD3	551-6453	AUTOMATIC RIDE CONTROL
9R-5321	CUTTING EDGE, TWO PIECE	382-2499	EXTERNAL MIRRORS, BOTH SIDES
542-7780	CAT C3.6 ENGINE 101 HP (82KW) TIER 4 FINAL	353-1389	GUARD, STABILIZER
548-1231	AUXILLARY HYDRAULIC LINES, COMBINED FUNCTION	567-5090	AUTO-UP STABILIZERS
456-3390	AUX LINE COUPLING, QUICK DISCONNECTS THREADED	423-7607	PLATE GROUP - BOOM WEAR
551-6940	COLD WEATHER PACKAGE, 120V	639-4880	PRODUCT LINK, CELLULAR, PLE643
420 SUB TOTAL:	**$191,419.00**	**SOURCEWELL 420 DISCOUNT 22% Off**	-$42,112.18
557-6228	AUTO SHIFT TRANSMISSION KIT (WILL NEED TO INSTALL)	282-5409	CAT HYDRAULIC THUMB FOR BACKHOE, $6,563.00
544-1901	CAT PIN LOCK (WAIN ROY STYLE) COUPLER	274-5837	CAT BACKHOE THUMB TINES, C2 $497.00 (TINES MESH WITH PIN LOCK COUPLER & 12",16", 18", & 36" BUCKETS)
CAT ATTACHMENTS SUB TOTAL:	**$12,213.00**	**SOURCEWELL WORKTOOL DISCOUNT 15% Off**	**-$1,831.95**
317900082	WAINROY 1/4 YARD 30" DITCH CLEANING BUCKET (WILL NEED TO ORDER, ETA 4-5 WEEKS)	**OPEN MARKET ITEM:**	**$2,600.00**

WARRANTY INFORMATION

Standard Warranty:	Premier Warranty (Bumper to Bumper) 12 Months / Unlimited Hours
Extended Warranty:	Powertrain & Hydraulics Warranty 84 Months / 4,500 Hours Which Ever Occurs First
CSA	Dry Parts Filter Kit - 24 Months/1,000 Hours (2 Years Vision Link Access Included)

List Price	**$203,632.00**
Sourcewell Member Discount	**-$43,944.13**
Delivery, EIN Decals, Extended Warranty, Freight, Fuel, Install Thumb, Install Auto Shift, Prep For Delivery	**$10,100.00**
Wainroy 30" Ditch Cleaning Bucket	**$2,600.00**
Rancho Murieta Community Services Discount Sell Price	**$172,387.87**
Sales Tax (7.75%)	$13,360.06
After Tax Balance	$185,747.93

THIS QUOTE IS BASED ON CURRENT INVENTORY PRICING. PRICE AND AVAILABILITY SUBJECT TO CHANGE

Sourcewell Contract # 020223-CAT 2026

F.O.B/TERMS: 15160 Jackson Road Rancho Murieta, CA 95683

STANDARD EQUIPMENT

BOOMS, STICKS, AND LINKAGES - BACKHOE - - 14'4" Center pivot backhoe - - Boom and swing transport locks - - Pilot operated backhoe and - electro hydraulic stabilizer controls - - Street type stabilizer shoes - - Anti-drift hydraulics (boom, stick, - and E-stick) - - Cat Cushion Swing(tm) system - LOADER - - Single Tilt Loader - - Lift cylinder Lockout brace - - Self-leveling loader with single lever control - - Return-to-dig (automatic bucket positioner) - - Transmission neutralizer switch - - Bucket level indicator -

POWERTRAIN - - Water separator - - Thermal starting aid system - - Dry type axial seal air cleaner with - integral precleaner - - Automatic dust ejection system - - Filter condition indicator - - Hydraulically boosted multi-plate - wet disk brake with dual pedals & interlock - - Differential lock - - Torque converter - - Transmission-four speed manual shift - - Neutral safety switch - - Spin-on filters for - Fuel - Engine oil - Transmission oil - - Outboard Planetary Rear Axles - - Diesel particulate filter - - Hydrostatic power steering

HYDRAULICS - - Pilot hoe and mechanical loader controls - - Load sensing, variable flow system - with 43 gpm (162 L/min) axial piston pump - - 6 micron hydraulic filter - - Caterpillar XT-3 hose - - Hydraulic oil cooler - - Pilot control shutoff switch - - Flow-sharing hydraulic valves - - Hydraulic suction strainer -

ELECTRICAL - - 12 volt electrical start - - Horn, front and rear - - Backup alarm - - Hazard flashers/turn signals - - Halogen head lights (2) - - Halogen rear flood lights (2) - - Stop and tail lights - - Audible system fault alarm - - Key start/stop system - - 850 CCA maintenance free battery - - Battery disconnect switch - - External Power Receptacle (12v) - - Diagnostic ports for engine and - machine Electronic Control Modules

OPERATOR ENVIRONMENT - - Interior rearview mirror - - ROPS canopy, Rear Fenders - - 2-inch retractable seat belt - - Tilt steering column - - Steering knob - - Hand and foot throttle - - Automatic Engine Speed Control - - One Touch Low Idle - - Floor mat and Coat Strap - - Lockable storage area - - Air suspension seat -

FLUIDS - - Antifreeze - Extended Life Coolant -20F (-30C) -

OTHER STANDARD EQUIPMENT - - Standard Storage Box - - Transport tie-down points - - Ground line fill fuel tank with - 42.3 gal capacity & 5 gal - diesel exhaust fluid - - Rubber impact strips on radiator guard - - Safety Manual - - Operations and Maintenance Manual - - Lockable hood - - Tire Valve Stem Protection

This quote is good for (10) days. Any machine quoted outside of HOLT of CALIFORNIA's inventory is subject to revision All quotes are subject to credit approval and prior sale. Any quoted interest rates are subject to change without notice. Quote is void unless machine is delivered, and remains, within HOLT of CALIFORNIA's Dealership territory for two years or unless the machine has at least 1000 hours if delivered outside of Holt's territory.

THE ADDITIONAL TERMS AND CONDITIONS ON THE REVERSE SIDE ARE PART OF AND INCORPRORATED IN THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSIDERED ENFORCEABLE UNTIL ACCEPTED BY HOLT AND EXECUTED BY ITS OFFICE. ANY INDIVIDUAL SIGNING THIS AGREEMENT REPRESENTS AND WARRANTES THAT HE/SHE IS AT LEAST 18 YEARS OLD AND HAS THE AUTHORITY TO BIND CUSTOMER TO THE TERMS OF THE AGREEMENT.

Accepted by ______________________________ Date, ________________

(Please Print)

Signature ______________________________

Sincerely,
Jake Sclater
Territory Manager
Holt of California
jsclater@holtca.com
Cell: 916-240-2814

Caterpillar Financial Services Corporation

Finance Proposal

CUSTOMER

Name: RANCHO MURIETA COMMNUNITY SERVICES DISTRICT

Address		Good if:	
City		Acknowledged by	Sep-26-2026
State		Funded by	Sep-26-2026

DEALER

HOLT OF CALIFORNIA H200

Sales person	Sclater H200, Jacob	Quote number	5119817
Dealer contact	Rachel Bijold H200	Fax Number	
Telephone		Quote Date	27-Aug-26
		Quote Time	04:37:03 PM

FINANCE PROPOSAL

This is Caterpillar Financial Services Corporation's confirmation of the following finance proposal. This is a proposal only and is subject to credit approval, execution of documentation, and execution and approval of the application survey.

Finance Type	Governmental Lease	Quoted By	Rachel Bijold H200
Number of Payments	2 Annual	Report Created By	Rachel Bijold H200
Payments	in Arrears		

	Model	Ann. Hours	Qty	Sale Price	Amount Financed	Payment	Balloon	Fixed Rate
New	420-07	500	1	172,387.87	172,887.87	See Amort. Schedule	101.00	4.990%

Special Conditions:
420-07

Serial Number - H8T06615, Model Year - 2025, Standard Environment;
Major Attachments-4x4, Air Conditioning, Backhoe Bucket, Cab, E-Stick Extendable, Tires; Blades/Buckets/Rippers-Thumb Hydraulic, Autoshift Transmission;
Manual Configuration and Work Tools:

Payment Structure – Asset
2 Annual payment(s) 92,917.49
1 Stub payment(s) 101.00

	Model	Physical Damage Insurance	Payment w/Insurance
New	420-07	667.86	Amort. Sch.

The estimate for Physical Damage insurance is provided through Caterpillar Insurance Company and is not an offer to contract for insurance. Physical Damage insurance protects your equipment from losses resulting from collision, overturn, fire, theft, vandalism, flood, earthquake, and more. This is only a brief description of the program. The actual policy will govern.

CONDITIONS

Insurance: The customer must provide evidence of physical damage and liability insurance in an amount and from an insurance carrier satisfactory to CFSC. CFSC must be named on the policies, as loss payee and additional insured, as applicable, and a certificate of insurance, in form and substance acceptable to CFSC, must be provided to CFSC.

Taxes: All taxes are the responsibility of the customer and may or may not be included in the above payment amount.

Equipment: The equipment cannot be delivered until all documents are executed by CFSC. All equipment must reside in the United States at all times.

Approval: This proposal is subject to, among other things, final pricing, credit approval and document approval by CFSC.

The terms and conditions outlined herein are not all-inclusive and are based upon information provided to date. This proposal may be withdrawn or modified by Lessor at anytime. This proposal does not represent an offer or commitment by CFSC to enter into a transaction or to provide financing and does not create any obligation for CFSC. A commitment to enter into the transaction described herein may only be extended by CFSC after this transaction has been approved by all appropriate credit and other authorities within CFSC.

Caterpillar Financial Services Corporation
2120 West End Avenue, Nashville, TN 37203
(615)-341-1000

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Category:	Personnel	**Policy #**2026-02
Title:	Board Procedures for Form 700 Compliance	

1. PURPOSE

The Board of Directors shall ensure compliance with the Political Reform Act by establishing procedures to identify all designated filers, monitor filing deadlines, verify timely submission of Statements of Economic Interests (Form 700), and report compliance to the Board annually. The General Manager or designated Filing Officer shall maintain records of all required filings, provide required notices and reminders, follow up on delinquent filings, and ensure that all statements are maintained and disclosed in accordance with applicable law and FPPC regulations.

2. SCOPE

This Policy applies to:

- All members of the Board of Directors;
- The General Manager; and
- All other designated employees as defined in the District's Conflict of Interest Code (District Code Chapter 3) who are subject to filing a Statement of Economic Interests (Form 700).

1. 3. Annual Review of Filers
    - Annually review and approve the agency's Conflict of Interest Code and the list of designated positions required to file Form 700.
    - Verify that all newly created or modified positions are evaluated for filing requirements.
2. Designation of a Filing Officer
    - Designate the General Manager, Board Secretary, or another responsible employee as the Filing Officer.
    - Assign responsibility for maintaining records, distributing forms, monitoring deadlines, and retaining filings.
3. Maintain a Current Filer Roster
    - Maintain an up-to-date list of all officials and employees required to file, including:
        - Board members
        - Designated employees
        - Consultants required by the Conflict of Interest Code
4. Provide Timely Notifications
    - Notify all required filers of filing deadlines:
        - Assuming Office

        - Annual Statements
        - Leaving Office
    - Send reminder notices before each deadline.
5. Track Compliance
    - Maintain a tracking log documenting:
        - Date forms were distributed
        - Due date
        - Date received
        - Whether the filing was complete
        - Any amendments submitted
6. Follow Up on Delinquent Filers
    - Promptly notify individuals who fail to file by the deadline.
    - Document all reminder notices.
    - Refer unresolved delinquencies to the FPPC when required by law.
7. Board Reporting
    - At least annually, provide the Board with a compliance report identifying:
        - Number of required filers
        - Number of statements received
        - Outstanding or delinquent filings
        - Corrective actions taken
8. Records Management
    - Maintain Form 700 filings as public records in accordance with state law.
    - Retain records for the period required by the FPPC and make them available for public inspection upon request.
9. Training
    - Ensure that newly elected and appointed officials receive information regarding Form 700 filing requirements and applicable ethics laws.
    - Encourage periodic ethics training for designated employees and board members.
10. Annual Internal Review
    - Conduct an annual review of filing procedures to identify deficiencies and implement improvements.

Approved by Rancho Murieta Community Services District Board of Directors	Adopted 06/15/2026

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Category:	Personnel	**Policy #**2026-02
Title:	Board Procedures for Form 700 Compliance	

1. PURPOSE

The Board of Directors shall ensure compliance with the Political Reform Act by establishing procedures to identify all designated filers, monitor filing deadlines, verify timely submission of Statements of Economic Interests (Form 700), and report compliance to the Board annually. The General Manager or designated Filing Officer shall maintain records of all required filings, provide required notices and reminders, follow up on delinquent filings, and ensure that all statements are maintained and disclosed in accordance with applicable law and FPPC regulations.

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    - Annually review and approve the agency's Conflict of Interest Code and the list of designated positions required to file Form 700.
    - Verify that all newly created or modified positions are evaluated for filing requirements.
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3. Maintain a Current Filer Roster
    - Maintain an up-to-date list of all officials and employees required to file, including:
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        - Consultants required by the Conflict of Interest Code
4. Provide Timely Notifications
    - Notify all required filers of filing deadlines:
        - Assuming Office

        - Annual Statements
        - Leaving Office
    - Send reminder notices before each deadline.
5. Track Compliance
    - Maintain a tracking log documenting:
        - Date forms were distributed
        - Due date
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    - Promptly notify individuals who fail to file by the deadline.
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    - Ensure that newly elected and appointed officials receive information regarding Form 700 filing requirements and applicable ethics laws.
    - Encourage periodic ethics training for designated employees and board members.
10. Annual Internal Review
    - Conduct an annual review of filing procedures to identify deficiencies and implement improvements.

Approved by Rancho Murieta Community Services District Board of Directors	Adopted 06/15/2026

MEMORANDUM

VIA ELECTRONIC MAIL

TO: Honorable Members of the Board of Directors
Rancho Murieta Community Services District

CC: Amelia Wilder, Interim General Manager

FROM: Patrick L. Enright, District Counsel

DATE: September 16, 2026

SUBJECT: Second Reading and Adoption — Ordinance No. O2026-03 Repealing and Replacing District Code Chapter 3 (Conflict of Interest Code)

RECOMMENDED ACTION

1. By motion, adopt Ordinance No. O2026-03 at its second reading, repealing District Code Chapter 3 (Conflict of Interest Code) in its entirety and replacing it with the updated Conflict of Interest Code set forth in Exhibit A to the Ordinance, effective thirty (30) days after adoption or upon Sacramento County Board of Supervisors approval or expiration of the County review period without objection, whichever is later.
2. Direct the District Secretary to publish Ordinance No. O2026-03 in a newspaper of general circulation within fifteen (15) days of adoption, as required by applicable law.
3. Direct the District Secretary to notify all designated employees of their filing obligations under the new Conflict of Interest Code within ten (10) days of the Ordinance's effective date, and direct General Counsel to confirm and communicate the effective date to the District Secretary upon expiration of the County review period or receipt of County approval.

BACKGROUND

At its special Board meeting on August 26, 2026, the Board of Directors introduced Ordinance No. O2026-03 at its first reading as Consent Calendar Item 6.I, adopted unanimously as part of the consent calendar. The Ordinance repeals the District's existing Conflict of Interest Code (District Code Chapter 3, most recently amended by Ordinance No. O2023-02) in its entirety and replaces it with a new, updated Conflict of Interest Code set forth in Exhibit A to the Ordinance. Following introduction, the District Secretary submitted the Ordinance and the proposed new Chapter 3 to the Sacramento County Board of Supervisors for review and approval pursuant to Government Code Section 87303, which designates the Sacramento County Board of Supervisors as the code reviewing body for the District.

This Staff Report presents the Ordinance for final adoption at its second reading. A full discussion of the substance of the new Conflict of Interest Code is set forth in the Staff Report dated August 26, 2026, which is incorporated herein by reference and provided as a reference attachment. This report focuses on the status of the Sacramento County review, the legal authority for adoption regardless of whether County review is complete, and the actions required at this meeting.

DISCUSSION

A. Status of Sacramento County Review and Effect on Adoption

Under Government Code Section 87303, a local agency's conflict of interest code and any amendments must be submitted to the code reviewing body for review and approval. For this District, the code reviewing body is the Sacramento County Board of Supervisors. The County has 60 days from submission to act. If the County takes no action within that period, the proposed code is deemed approved by operation of law.

The status of the County's review as of the date of this report is set forth in the table below. Highlighted rows reflect contingency scenarios that may apply depending on the status of the County review at the time of the September 16 meeting:

Date	Action / Status
August 26, 2026	Ordinance No. O2026-03 introduced at first reading as Consent Calendar Item 6.I; unanimously adopted by the Board as part of the consent calendar. County submission directed.

Date	Action / Status
September 18, 2026	District Secretary submitted Ordinance No. O2026-03 and Exhibit A to the Sacramento County Clerk of the Board of Supervisors
60 days after submission	Deadline for County action under Gov. Code § 87303. If the County takes no action by this date, the new Chapter 3 is deemed approved by operation of law. County review period expires on approximately November 16, 2026.
September 16, 2026	Second reading and adoption — this meeting. Board may adopt regardless of whether County review is complete. See discussion below.
If County review is not yet complete as of September 16	*New Chapter 3 will take effect upon the later of: (a) October 16, 2026 (30 days post-adoption); or (b) County approval or expiration of the 60-day review period without objection — whichever is later. General Counsel will confirm and communicate the effective date to the District Secretary.*
If County requests modifications	*General Counsel and GM are authorized under Section 6 of the Ordinance to make non-substantive conforming changes to obtain County approval, subject to Board ratification at the next regular meeting. Substantive changes would require a new Board action.*
October 16, 2026 (or later if County review period extends beyond that date)	Anticipated effective date: new Chapter 3 and repeal of prior Chapter 3 take effect concurrently. District will not be without an operative Conflict of Interest Code at any time.

Authority to Adopt Regardless of County Review Status. The Board may adopt Ordinance No. O2026-03 today regardless of whether the Sacramento County Board of Supervisors has completed its review. Adoption and effectiveness are separate events under the Ordinance. Section 6 of the Ordinance expressly provides that the new Chapter 3 takes effect upon the later of: (a) thirty (30) days after final adoption; or (b) County approval or expiration of the 60-day County review period without objection — whichever occurs later. Adopting the Ordinance on September 16 satisfies the Grand Jury's Recommendation R7 deadline of September 30, 2026, and starts the post-adoption clock regardless of when County review concludes.

If County Review Is Not Yet Complete. If the County has not acted by September 16, the new Chapter 3 will become effective automatically upon the later of October 16, 2026 (30 days post-adoption) or expiration of the 60-day County review period without objection. General Counsel will monitor the County review period and notify the District Secretary in writing of the confirmed effective date so that the District Secretary can issue timely notice to all designated employees.

If County Requests Modifications. If the County requests modifications to the proposed new Chapter 3 as a condition of approval, Section 6 of the Ordinance authorizes the General Manager and District legal counsel to make non-substantive conforming changes to obtain County approval, subject to ratification by the Board of Directors at the next regular meeting. Any modification that is substantive in nature — such as a change to the designated positions list or disclosure categories — would require a new Board action rather than administrative ratification. General Counsel will advise the Board if any County-requested modification is substantive.

Concurrent Repeal and Replacement — No Gap in Coverage. Under Sections 2 and 4 of the Ordinance, the repeal of the prior Chapter 3 and the effectiveness of the new Chapter 3 occur simultaneously. The District will not be without an operative Conflict of Interest Code at any time during the transition from the prior Code to the new Code.

B. Grand Jury Response — Finding F7 and Recommendation R7

The 2025-2026 Sacramento County Grand Jury, in its report titled "Rancho Murieta Community Services District: Still a Work in Progress" (June 24, 2026), found that the District's Conflict of Interest Code was not updated and recommended the District update it by September 30, 2026 (Finding F7, Recommendation R7). Adoption of Ordinance No. O2026-03 at today's meeting — September 16, 2026 — satisfies Recommendation R7 prior to the Grand Jury's September 30 deadline. The District's formal written response to the Grand Jury report, due September 24, 2026 under Penal Code Section 933, will reflect this adoption.

C. Key Changes in the New Conflict of Interest Code

The following is a summary of the principal changes from the prior Chapter 3. For a full discussion, refer to the August 26, 2026 Staff Report attached hereto:

- Updated designated filer positions: Director of Finance and Administration added; IT Manager added; obsolete positions (Director of Administration, Accounting Manager) removed. Director of Operations, Chief Plant Operator, Utilities Supervisor, Security Supervisor, and District Secretary/Clerk of the Board retained.
- Statutory filers identified in new Section 2: Board members, General Manager/District Treasurer, and General Counsel are listed as statutory filers under Government Code §

87200, filing directly with the Sacramento County Clerk of the Board of Supervisors (as filing officer), independent of the Conflict of Interest Code.

- Electronic filing: Designated employees file their Statements of Economic Interests (Form 700) through the County of Sacramento's electronic filing system, as required by the County Clerk of the Board of Supervisors as filing officer, consistent with FPPC Regulation 18115.
- Consultant provision revised: General Manager makes written, case-by-case determinations for each consultant engagement rather than a blanket Category 1 designation.
- Formal recusal procedure added: Section 9 establishes a four-step recusal process — announce the conflict, recuse from discussion and vote, leave the meeting room, and ensure the recusal is noted in the minutes — responsive to Grand Jury Finding F8.
- Gift thresholds clarified: Section 11 distinguishes the $50 cumulative reporting threshold (Gov. Code § 87207, not inflation-adjusted) from the $630 acceptance limit (subject to FPPC adjustment).
- Biennial review codified: Section 14 codifies the District's obligation under Government Code § 87306.5 to submit a proposed amendment or statement of no change to the Sacramento County Board of Supervisors by October 1 of each odd-numbered year. The next required review is October 1, 2027.

D. Initial Filing Obligations Under the New Code

Upon the effective date of the new Chapter 3, all persons holding designated positions listed in the new Code must file an initial Statement of Economic Interests (Form 700) with the Sacramento County Clerk of the Board of Supervisors through the County's electronic filing system within thirty (30) days, unless they have filed a current annual or assuming office statement within the preceding twelve (12) months covering substantially equivalent disclosure obligations. The District Secretary is directed to issue notice of filing obligations to all designated employees within ten (10) days of the effective date.

Because the effective date depends on the County review period, General Counsel will notify the District Secretary in writing of the confirmed effective date so that the notice to designated employees is issued on time.

FISCAL IMPACT

Minimal. The cost of publishing Ordinance No. O2026-03 in a newspaper of general circulation is estimated at less than $200. Staff time for notification of designated employees is absorbable within existing workload. No additional budget appropriation is required.

ENVIRONMENTAL REVIEW

Adoption of the updated Conflict of Interest Code is an organizational and administrative activity of government that will not result in direct or indirect physical changes to the environment. This action is not subject to the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(1).

LEGAL AUTHORITY

Government Code Section 87300 (authority to adopt Conflict of Interest Code); Government Code Section 87303 (submission to and approval by Sacramento County Board of Supervisors as code reviewing body; deemed approval after 60 days without action); Government Code Section 87306.5 (biennial review obligation); Government Code Section 87200 (statutory filer obligations); FPPC Regulation 18115 (County Clerk as filing officer for designated employees); Penal Code Section 933 (Grand Jury response deadline).

ATTACHMENTS

- Attachment 1: Ordinance No. O2026-03 (with Exhibit A — District Code Chapter 3, Conflict of Interest Code)
- Attachment 2: Sacramento County Board of Supervisors Review Response.

STAFF REPORT

TO: **BOARD OF DIRECTORS**
RANCHO MURIETA COMMUNITY SERVICES DISTRICT

FROM: **Patrick Enright, District Counsel**

MEETING DATE: **August 26, 2026**

SUBJECT: **First Reading — Introduction of Ordinance No. O2026-03 Repealing and Replacing District Code Chapter 3 (Conflict of Interest Code); Direction to Submit to Sacramento County Board of Supervisors for Review**

RECOMMENDED ACTION

1. By motion, introduce Ordinance No. O2026-03 at its first reading, repealing District Code Chapter 3 (Conflict of Interest Code) in its entirety and replacing it with an updated Conflict of Interest Code as set forth in Exhibit A to the Ordinance, with final adoption scheduled for the September 16, 2026, regular Board meeting.
2. Direct the District Secretary to submit Ordinance No. O2026-03 and the proposed new District Code Chapter 3 (Exhibit A) to the Sacramento County Board of Supervisors for review and approval pursuant to Government Code Section 87303 within ten (10) days of this meeting.

BACKGROUND

The Political Reform Act of 1974 (Government Code Sections 81000 et seq.) requires every local public agency to adopt and maintain a Conflict of Interest Code identifying designated employees who must file annual Statements of Economic Interests (Form 700) disclosing financial interests that could be affected by their official decisions. Under Government Code Section 87303, a local agency's conflict of interest code — and any amendments to it — must be submitted to the code reviewing body for approval. For the District, the code reviewing body is the Sacramento County Board of Supervisors.

The District adopted its current Conflict of Interest Code as Chapter 3 of the District Code, most recently amended by Ordinance No. O2023-02, adopted February 15, 2023. Since that amendment, the District's organizational structure has changed in ways not reflected in the current Chapter 3. Most significantly, the position of Director of Administration has been retitled to Director of Finance and Administration, and the position of Accounting Manager has been eliminated. The current Chapter 3 continues to list both obsolete positions as designated filers while omitting the Director of Finance and Administration and other current positions, creating uncertainty about who is required to file Form 700.

In June 2026, the Sacramento County Grand Jury released its report titled "Rancho Murieta Community Services District: Still a Work in Progress" (June 24, 2026). The Grand Jury found that the District's Conflict of Interest Code is not updated, resulting in confusion over Form 700 filing obligations (Finding F7), and recommended the District update the Code by September 30, 2026 (Recommendation R7).

This Staff Report presents for the Board's consideration Ordinance No. O2026-03 for introduction at its first reading, which repeals and replaces Chapter 3 in its entirety. The Board previously adopted Board Policy No. 2026-04 (Ethics and Fiscal Training Policy) addressing Grand Jury Finding F10 and Recommendation R10.

DISCUSSION

A. Updated Conflict of Interest Code — Ordinance No. O2026-03 (First Reading)

Need for Update. The proposed ordinance repeals the current Chapter 3 in its entirety and replaces it with a new, streamlined Conflict of Interest Code written specifically for the District's current organizational structure. The current Chapter 3 incorporates lengthy regulatory text applicable only to state officers and employees that has no application to this District. The proposed Chapter 3 eliminates that extraneous language and is organized for clarity and ease of use by Board members and staff.

Updated Designated Positions. The proposed Code updates the designated filer list to accurately reflect the District's current positions:

- Removed: Director of Administration (position no longer exists)
- Removed: Accounting Manager (position no longer exists)
- Added: Director of Finance and Administration (current title for the finance/administration function)
- Added: IT Manager (position with procurement authority over technology systems and services)
- Retained: Director of Operations, Chief Plant Operator, Utilities Supervisor, Security Supervisor, District Secretary/Clerk of the Board
- Consultants (District Engineer, IT Consulting Firm): subject to General Manager written determination per Section 5 of the new Code

Statutory Filers. A new Section 2 identifies statutory filers — Board members, the General Manager/District Treasurer, and General Counsel — who file Form 700 directly with the Sacramento County Board of Supervisors and the District Secretary under Government Code Section 87200, independent of the Conflict of Interest Code. General Counsel has been reclassified from designated to statutory filer status consistent with Government Code Section 87200, which includes the attorney for a local government agency.

Concurrent Repeal and Replacement — No Gap in Coverage. Sections 2 and 4 of the Ordinance are expressly coordinated so that the repeal of the prior Chapter 3 and the effectiveness of the new Chapter 3 occur simultaneously, ensuring the District is never without an operative Conflict of Interest Code during the transition.

Recusal Procedure. Section 9 of the new Code establishes a clear, four-step recusal procedure directly responsive to Grand Jury Finding F8: announce the conflict, recuse from discussion and vote, leave the meeting room, and ensure the recusal is noted in the minutes.

Gift Reporting and Limits. Section 11 clarifies both the $50 cumulative reporting threshold (Government Code Section 87206, not inflation-adjusted) and the current $630 acceptance limit (subject to periodic FPPC adjustment). Distinguishing these two thresholds addresses a common source of confusion among Board members and staff.

Biennial Review. Section 14 codifies the District's obligation under Government Code Section 87306.5 to review the Code biennially in odd-numbered years and submit a proposed amendment or statement of no change to the Sacramento County Board of Supervisors by October 1. The next required review will be October 1, 2027.

Savings Provisions. Section 3 of the Ordinance preserves all Form 700 filing obligations that accrued under the prior Chapter 3. Repeal of the old Code does not extinguish any unfiled Form 700 obligation, and any pending enforcement action is unaffected.

B. Sacramento County Review and Anticipated Timeline

Under Government Code Section 87303, the District's conflict of interest code and any amendments must be submitted to the Sacramento County Board of Supervisors as the code reviewing body for review and approval. The District Secretary is directed to submit the introduced Ordinance and Exhibit A within ten (10) days of this meeting. The anticipated timeline is as follows:

Date	Action	Effect
August 26, 2026	Board introduces Ordinance O2026-03 at first reading; District Secretary submits to Sacramento County for review	County review period begins
September 16, 2026	Board adopts Ordinance O2026-03 at second reading (final adoption)	30-day post-adoption effective date period begins; publication required within 15 days
~September 22, 2026	Grand Jury 90-day response deadline	District response reflects adoption of updated Code on September 16
~October 16, 2026	Ordinance effective date (30 days post-adoption)	New Chapter 3 and repeal of prior Chapter 3 take effect concurrently

While the Ordinance's 30-day effective date falls after the Grand Jury's September 22 deadline, the District's Grand Jury response can accurately represent that: (1) the Board introduced the updated Conflict of Interest Code on July 15 and submitted it to Sacramento County for review; and (2) the Board formally adopted the Code on September 16 — before the Grand Jury's September 30 deadline — with an effective date of October 16 pending the County review period. This is a complete and accurate response to Recommendation R7.

FISCAL IMPACT

Minimal. Associated costs include:

- Publication of Ordinance No. O2026-03 following final adoption on September 16, 2026 — estimated less than $200.
- Staff time for the District Secretary to submit documents to Sacramento County and notify designated employees of filing obligations under the new Code — absorbable within existing staff workload.

No additional budget appropriation is required.

ENVIRONMENTAL REVIEW

This action is not subject to the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(1). Adoption of an updated Conflict of Interest Code is an organizational and administrative activity that will not result in direct or indirect physical changes to the environment.

LEGAL AUTHORITY

Government Code Section 87300 (authority to adopt Conflict of Interest Code); Government Code Section 87303 (submission to code reviewing body — Sacramento County Board of Supervisors); Government Code Section 87306.5 (biennial review obligation); Government Code Section 61100 et seq. (Community Services District Law — single-reading authority).

ATTACHMENTS

- Attachment 1: Ordinance No. O2026-03 (with Exhibit A — Proposed District Code Chapter 3, Conflict of Interest Code)

ORDINANCE NO. O2026-03

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT REPEALING AND REPLACING DISTRICT CODE CHAPTER 3 (CONFLICT OF INTEREST CODE)

The Board of Directors of the Rancho Murieta Community Services District hereby ordains as follows:

SECTION 1. FINDINGS AND PURPOSE

The Board of Directors finds and declares as follows:

(a) Government Code Section 87300 requires each local public agency to adopt and maintain a Conflict of Interest Code pursuant to the Political Reform Act of 1974 (Government Code Sections 81000 et seq.) ("Act").

(b) The District previously adopted a Conflict of Interest Code as District Code Chapter 3, most recently amended by Ordinance No. O2023-02, adopted February 15, 2023.

(c) The District's organizational structure has changed since the last amendment to Chapter 3, including the elimination of the positions of Director of Administration and Accounting Manager, the creation of the position of Director of Finance and Administration, and other position changes, resulting in the current Chapter 3 no longer accurately reflecting the District's designated filer positions as required by the Act.

(d) The 2025-2026 Sacramento County Grand Jury, in its report titled "Rancho Murieta Community Services District: Still a Work in Progress" (June 24, 2026), found that the District's Conflict of Interest ordinance is not updated, resulting in confusion over who must complete Form 700 filings, and recommended that the District update its Conflict of Interest Code by September 24, 2026 to accurately reflect those positions for which a Form 700 is required.

(e) The Board of Directors has determined that it is in the best interests of the District and its ratepayers to repeal the existing Chapter 3 in its entirety and replace it with a new, streamlined Conflict of Interest Code that accurately reflects current District positions, clarifies the status of statutory filers, incorporates a formal recusal procedure, and establishes a biennial review obligation consistent with Government Code Section 87306.5.

(f) Government Code Section 82011(b) provides that the code reviewing body for a local government agency, other than a city agency, with jurisdiction wholly within a county is the board of supervisors of that county. The District's jurisdiction is wholly within the County of Sacramento. The code reviewing body for the District's Conflict of Interest Code is therefore the Sacramento County Board of Supervisors, and an amended Code of the District shall be submitted to that body for approval pursuant to Government Code Sections 87303 and 87306.

(g) This Ordinance was introduced at a special meeting of the Board of Directors held on August 26, 2026.

SECTION 2. REPEAL OF EXISTING CHAPTER 3

District Code Chapter 3 (Conflict of Interest Code), as originally adopted and as amended by Ordinance No. O2023-02, is hereby repealed in its entirety. The repeal shall become effective concurrently with, and not before, the effective date of the new Chapter 3 adopted pursuant to Section 4 of this Ordinance. This provision is intended to ensure that the District is not without an operative Conflict of Interest Code at any time during the transition from the prior Code to the new Code.

SECTION 3. SAVINGS PROVISIONS

The repeal of the prior Chapter 3 shall not affect any of the following:

(a) Any obligation to file a Statement of Economic Interests (Form 700) that accrued under the prior Chapter 3, including any initial, annual, or leaving office statement that was due but not yet filed as of the effective date of this Ordinance. Such obligations remain in full force and effect and are enforceable.

(b) Any enforcement action, investigation, or proceeding pending or initiated under the prior Chapter 3 or under the Political Reform Act based on conduct occurring prior to the effective date of this Ordinance.

(c) Any civil, administrative, or criminal liability arising from a violation of the prior Chapter 3 or any provision of the Political Reform Act.

SECTION 4. ADOPTION OF NEW CHAPTER 3

The proposed District Code Chapter 3 (Conflict of Interest Code) is hereby adopted in its entirety in the form attached hereto as Exhibit A and incorporated by reference herein. The new Chapter 3 shall take effect upon the later of: (a) thirty (30) days after final adoption of this Ordinance at its second reading; or (b) approval of the new Chapter 3 by the Sacramento County Board of Supervisors, as the District's code reviewing body, pursuant to Government Code Sections 87303 and 87306. The repeal of the prior Chapter 3 under Section 2 and the effectiveness of the new Chapter 3 under this Section shall occur simultaneously, so that the District shall have an operative Conflict of Interest Code at all times.

SECTION 5. INITIAL FILING OBLIGATIONS UNDER NEW CODE

All persons holding designated positions listed in the new Chapter 3 on the effective date of this Ordinance shall file an initial Statement of Economic Interests within thirty (30) days after the effective date, unless such persons have filed a current annual or assuming office statement under the prior Chapter 3 within the preceding twelve (12) months that covers substantially equivalent disclosure obligations, in which case no new initial statement is required until the next annual filing deadline.

The District Secretary shall notify all designated employees of their filing obligations within ten (10) days of the effective date of this Ordinance.

SECTION 6. SUBMISSION TO CODE REVIEWING BODY

Upon adoption of this Ordinance, the District Secretary is directed to submit this Ordinance and the new Chapter 3 (Exhibit A) to the Sacramento County Board of Supervisors, as the District's code reviewing body under Government Code Section 82011(b), for approval pursuant to Government Code Sections 87303 and 87306.

If the code reviewing body requires modifications to the new Chapter 3 as a condition of approval, the General Manager and District legal counsel shall present those modifications to the Board of Directors for approval at the next available regular meeting. Nothing in this Section authorizes any person to amend the Conflict of Interest Code without Board approval.

SECTION 7. CEQA

The Board of Directors finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(1) as it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment.

SECTION 8. SEVERABILITY

If any section, subsection, clause, or provision of this Ordinance or the new Chapter 3 is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity of any other section, subsection, clause, or provision, all of which shall remain in full force and effect.

SECTION 9. EFFECTIVE DATE AND PUBLICATION

This Ordinance shall take effect upon the later of: (a) thirty (30) days after final adoption at its second reading or (b) approval of the new Chapter 3 by the Sacramento County Board of Supervisors, as the District's code reviewing body, pursuant to Government Code Sections 87303 and 87306. The District Secretary is directed to publish this Ordinance once in a newspaper of general circulation published within or near the District within fifteen (15) days after final adoption, as required by applicable law.

INTRODUCED by the Board of Directors of the Rancho Murieta Community Services District at a special meeting on the 26th day of August, 2026.

____

Board President

ATTEST:

____

District Secretary

APPROVED AS TO FORM:

____

District Legal Counsel

PASSED AND ADOPTED by the Board of Directors of the Rancho Murieta Community Services District at a regular meeting on the 16th day of September, 2026, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Board President

ATTEST:

____
District Secretary

APPROVED AS TO FORM:

____
District Legal Counsel

EXHIBIT A

DISTRICT CODE CHAPTER 3

CONFLICT OF INTEREST CODE

(Adopted by Ordinance No. O2026-03)

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
DISTRICT CODE
CHAPTER 3

CONFLICT OF INTEREST CODE
Amended [DATE], 2026
By Ordinance No. O2026-03

Government Code Section 87300 requires each local public agency to adopt and promulgate a conflict of interest code pursuant to the Political Reform Act (Gov. Code § 81000, et seq.) for the purpose of ensuring that designated officials disclose economic interests that might be foreseeably affected by the making or participation in the making of agency decisions. This Conflict of Interest Code incorporates by reference the terms of Title 2, Section 18730 of the California Code of Regulations and any amendments thereto duly adopted the by Fair Political Practices Commission. The statements of economic interest required by this Conflict of Interest Code shall be filed as provided in Section 6 of this Code.

SECTION 1. PURPOSE AND AUTHORITY

This Conflict of Interest Code is adopted by the Board of Directors of the Rancho Murieta Community Services District ("District") pursuant to Government Code Section 87300 and the California Political Reform Act of 1974, as amended (Government Code Sections 81000 et seq.) ("Act"). The purpose of this Code is to require designated employees to disclose material financial interests that could be foreseeably affected by their official actions, and to disqualify such employees from participating in decisions in which they have a disqualifying financial interest. This Code is in addition to, and does not replace, other provisions of the Act or other laws pertaining to conflicts of interest.

SECTION 2. STATUTORY FILERS — FOR INFORMATION ONLY

District officials who manage public investments, as defined by 2 California Code of Regulations Section 18700.3(b)(1), are not subject to the District’s Code, but must file disclosure statements under Government Code Section 87200. (Regs. § 18730(b)(3)). The following officials are considered "statutory filers" under Government Code Section 87200 and these positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments:[1]

Position	Authority
Members of the Board of Directors	Gov. Code § 87200
General Manager / District Treasurer	Gov. Code § 87200

[1] Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

SECTION 3. DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES

The officers and employees listed in the table below are designated as persons who make or participate in the making of decisions that may have a material effect on financial interests. Persons holding designated positions shall disclose interests and investments in accordance with the corresponding disclosure categories set forth in Section 4 of this Code. All designated employees shall file their Statements of Economic Interests (Form 700) as provided in Section 6 of this Code.

Designated Position	Disclosure Category
Members of the Board of Directors	1
General Manager / District Treasurer	1
General Counsel	1
Director of Finance and Administration	1
Director of Operations	1
Chief Plant Operator	1
Utilities Supervisor	1
Security Supervisor	1
IT Manager	1
District Secretary/Clerk of the Board	1
District Engineer (Consultant)	See Section 5
IT Consulting Firm (Consultant)	See Section 5

The positions of Members of the Board of Directors and General Manager/District Treasurer are designated in this Section 3 only to the extent those positions are not statutory filers under Government Code section 87200. A public official who holds a position specified in section 87200 is not required to file a statement under the conflict of interest code of an agency having the same or a smaller jurisdiction.

If a position title changes, the incumbent shall continue to be treated as a designated employee and shall file Form 700 under the broadest applicable disclosure category until the Code is amended to reflect the new title.

If the District creates a new position that requires disclosure under this Code without simultaneously amending the Code, the person appointed to that position shall file a Form 700 assuming office statement and thereafter file annual Form 700 disclosure statements using the broadest disclosure category until the Code is amended.

SECTION 4. DISCLOSURE CATEGORIES

The disclosure categories applicable to designated positions are defined as follows:

Category 1 — Full Disclosure: All persons in this disclosure category shall disclose all interests in real property located within two (2) miles of the boundaries of the District, as well as all investments, business positions, and sources of income, including gifts, loans, and travel payments, from all sources, as required by the Act and applicable FPPC regulations.

Category 2 — Investments and Income (No Real Property): All persons in this disclosure category shall disclose all investments, business positions, and sources of income, including gifts, loans, and travel payments, from all sources, but shall not be required to disclose interests in real property.

Category 3 — Contracting Interests: All persons in this disclosure category shall disclose all investments, business positions, and income, including gifts, loans, and travel payments, in or from sources that provide goods, equipment, or services, including training or consulting services, of the type utilized by the District.

SECTION 5. CONSULTANTS

For purposes of this Code, "consultant" means an individual who, pursuant to a contract with the District, either: (a) makes a governmental decision as described in California Code of Regulations, Title 2, Section 18701(a)(2)(i); or (b) serves in a staff capacity with the District and participates in making a governmental decision as described in California Code of Regulations, Title 2, Section 18702.2, or performs the same or substantially all of the same duties that would otherwise be performed by a designated employee.

A consultant who works on a single project or a limited range of projects for the District is not deemed a consultant subject to the filing requirements of this Code unless the engagement extends over a substantial period of time, generally more than one (1) year.

The General Manager shall determine in writing, on a case-by-case basis for each engagement, whether a consultant must be treated as a designated employee for purposes of this Code. Consultants so designated shall disclose pursuant to the broadest applicable disclosure category, subject to the following:

The General Manager may, in the written determination, reduce the disclosure category of a consultant if the General Manager determines that the consultant: (a) will not make or participate in making governmental decisions; (b) will not use their position to influence governmental decisions; and (c) has no independent governmental decision-making authority. The written determination shall describe the consultant's duties and specify the extent of applicable disclosure requirements.

The General Manager's written determination is a public record and shall be retained for public inspection in the same manner and location as this Code, as required by Government Code Section 81008.

The following consultants are currently designated and are subject to a written General Manager determination specifying their applicable disclosure category:

- District Engineer
- IT Consulting Firm

SECTION 6. STATEMENTS OF ECONOMIC INTERESTS — PLACE OF FILING

The Sacramento County Board of Supervisors is the code reviewing body for this Code pursuant to Government Code section 82011(b). The County of Sacramento Clerk of the Board of Supervisors serves as the filing officer and receives the original Statement of Economic Interests, and the District Secretary serves as the District's filing official, acting as liaison between the filing officer and the District's filers, consistent with FPPC Regulation 18115. All designated employees, including consultants designated under Section 5, shall file their Statements of Economic Interests (Form 700) with the County of Sacramento Clerk of the Board of Supervisors filing officer, in the manner prescribed by the County of Sacramento, which currently requires electronic filing through the County's electronic disclosure system. The District Secretary shall maintain the District's list of designated positions and filers with the County, shall notify filers of applicable filing deadlines, and shall retain a copy of each statement filed.

Statements of Economic Interests are public records and shall be available for public inspection and copying during normal business hours at the District's principal office, as required by Government Code Section 81008. Copies retained by the District shall be available during normal business hours at the District's principal office, and requests for original statements may be directed to the County of Sacramento as filing officer.

SECTION 7. STATEMENTS OF ECONOMIC INTERESTS — TIME OF FILING

Designated employees shall file Statements of Economic Interests as follows:

(A) Initial Statements. All designated employees holding a designated position on the effective date of this Code, or on the effective date of any amendment adding their position, shall file an initial statement within thirty (30) days after the effective date of this Code or such amendment.

(B) Assuming Office Statements. All persons assuming a designated position after the effective date of this Code shall file a statement within thirty (30) days after assuming the designated position.

(C) Annual Statements. All designated employees shall file annual statements no later than April 1 of each year, covering the prior calendar year.

(D) Leaving Office Statements. All persons leaving a designated position shall file a leaving office statement within thirty (30) days after leaving the position, covering the period since the closing date of the last statement filed.

SECTION 8. CONTENTS OF STATEMENTS OF ECONOMIC INTERESTS

Statements of Economic Interests shall be made on forms prescribed by the FPPC and shall contain the information required by the Act and applicable FPPC regulations for the filer's assigned disclosure category, including:

- Interests in real property (Category 1 filers only): nature of interest, address or precise location, and fair market value rang;
- Investments: name and description of business entity, nature of investment, and fair market value range;
- Business positions: name, address, and description of business entity, and the filer's position;

- Income and loans: name and address of source, description of business activity, and value range;
- Gifts: name, address, and description of donor; description and value of gift; and date received.

SECTION 9. DISQUALIFICATION AND RECUSAL PROCEDURE

No designated employee shall make, participate in making, or in any way use their official position to influence the making of any governmental decision in which the employee knows or has reason to know they have a disqualifying financial interest. A disqualifying financial interest exists when it is reasonably foreseeable that the governmental decision will have a material financial effect, distinguishable from its effect on the public generally, on the designated employee, a member of their immediate family, or on:

- Any business entity in which the designated employee has a direct or indirect investment worth $2,000 or more;
- Any real property in which the designated employee has a direct or indirect interest worth $2,000 or more;
- Any source of income (other than gifts and commercial loans on terms available to the general public) aggregating $500 or more in value received by, or promised to, the designated employee within twelve (12) months prior to the time the decision is made;
- Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or
- Any donor of, or intermediary or agent for a donor of, a gift or gifts aggregating $630 or more provided to, received by, or promised to the designated employee within twelve (12) months prior to the time the decision is made.

When a designated employee determines they have a disqualifying financial interest in a matter, they shall promptly take all of the following steps:

1. Announce the potential conflict publicly before any discussion of the matter begins, identifying the nature of the interest without disclosing unnecessary personal financial detail;
2. Recuse themselves from any and all discussion, deliberation, and vote on the matter;
3. Leave the meeting room during any deliberations on the matter and not return until the matter has been concluded; and
4. Ensure the recusal is noted in the minutes of the meeting.

A designated employee who is uncertain whether a financial interest requires recusal should consult with District legal counsel or request advice from the FPPC prior to the meeting at which the matter will be considered.

SECTION 10. LEGALLY REQUIRED PARTICIPATION

No designated employee shall be prevented from making or participating in the making of any decision to the extent their participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make their participation legally required for purposes of this Section.

SECTION 11. GIFTS — REPORTING THRESHOLD AND ACCEPTANCE LIMIT

No designated employee shall accept gifts with a total value exceeding the applicable annual gift limit established by the FPPC (currently $630 per calendar year from a single source, subject to periodic FPPC adjustment) if the designated employee would be required to report receipt of income or gifts from that source on their Statement of Economic Interests. Gift limitations and reporting requirements are governed by the Act and applicable FPPC regulations, which are incorporated by reference.

Designated employees are reminded that gifts aggregating $50 or more from a single source during a reporting period must be disclosed on the Statement of Economic Interests, regardless of whether the total remains below the acceptance limit. This $50 reporting threshold is established by Government Code Section 87206 and is not subject to inflation adjustment. The reporting obligation is cumulative — all gifts from a single source during the reporting period are aggregated for purposes of determining whether the $50 threshold is met.

SECTION 12. ASSISTANCE OF THE FPPC AND DISTRICT COUNSEL

Any designated employee who is uncertain about their duties or obligations under this Code may request assistance from the FPPC pursuant to Government Code Section 83114 and FPPC Regulations 18329 and 18329.5, or may consult the District's legal counsel. Nothing in this Section requires District legal counsel to issue any formal or informal opinion.

SECTION 13. VIOLATIONS

This Code has the force and effect of law. Designated employees who violate any provision of this Code are subject to the administrative, civil, and criminal sanctions provided in the Political Reform Act, Government Code Sections 81000 through 91014. A decision in relation to which a violation of the disqualification provisions of this Code or of Government Code Sections 87100 or 87450 has occurred may be set aside as void pursuant to Government Code Section 91003.

SECTION 14. REVIEW AND AMENDMENT

This Code shall be reviewed biennially by the General Manager and District legal counsel, as required by Government Code Section 87306.5. In each even-numbered year, and no later than October 1, the District shall submit to the Sacramento County Board of Supervisors, as the District’s code reviewing body, either a proposed amendment to this Code or a written statement that no amendment is necessary. The review shall assess whether designated positions accurately reflect the District's current organizational structure and whether disclosure categories remain appropriate given the duties of each designated position.

Nothing in this Section limits the District's authority to amend this Code at any time outside the biennial review cycle. Proposed amendments to this Code shall be submitted to the code reviewing body for approval pursuant to Government Code Sections 87303 and 87306 following adoption by the Board of Directors.

Authority: Government Code Sections 82011, 83112, 87200, 87300, 87303, 87306, 87306.5, 87500. Reference: Government Code Sections 87100, 87103(e), 87200, 87206, 87300–87302, 87450, 89501, 89502, 89503; California Code of Regulations, Title 2, Section 18730.

Rancho Murieta Community Services District

October 2026

Board/Committee Meeting Schedule

October 1, 2025

Security	**9:00 a.m.**
Communications	**10:00 a.m.**

October 6, 2025

Personnel	**9:00 a.m.**

October 7, 2025

Improvements	**10:00 a.m.**

October 8, 2025

Finance	**10:00 a.m.**

October 21, 2025

Regular Board Meeting	**5:00 p.m.**

All meetings will be held in person at the District Office: 15160 Jackson Rd.

MEMORANDUM

Date: September 16, 2026
To: Board of Directors
From: Amelia Wilder, Interim General Manager
Re: General Manager's Report

GRAND JURY REPORT
The District received a report from the Grand Jury June 24, 2026. Staff and Legal Counsel have prepared our response which is due September 24, 2026. This report has been included for Board approval later in this packet.

MOU NEGOTIATIONS PROGRESS
Staff have started the process of MOU negotiations with OE3 union. Corey Carskadon and I will begin the process, and continue to assist the new General Manager as needed to complete the negotiations prior to our deadline of December 31, 2026.

GENERAL MANAGER RECRUITMENT
General Manager recruitment is progressing as planned. The final contract is on tonight's agenda for Board review and approval. Once approved, it will be presented to our candidate for signature. We have an anticipated start date of October 19, 2026.

LAGO GATE
Staff have determined the cause of the malfunction with the Lago Gate. The wires that were causing the failures has been replaced with a wireless system. The gate is currently functioning, and we are hopeful this will be a permanent solution.

BOARD ROOM AND WEBSITE UPGRADES
Staff have found an affordable solution to bring the Board room into compliance with ADA standards. We have the equipment ordered and hope to have it installed as soon as possible.

CYBER SECURITY
Cyber Security protection has been installed and is currently being tested. This will assist in our efforts to protect the District from cyber threats.

RESILIENCE PLAN
The District is planning to help Sacramento County with the facilitation of their Resilience Plan, which will study possible scenarios to evacuate residents in case of a fire. Gate personnel will be asked to assist with traffic guidance and emergency vehicle access in case of an emergency. Staff will work with the union to add these duties to gate personnel job descriptions.

MEMORANDUM

Date: September 10, 2026

To: Finance Committee/Board of Directors

From: Cecilia Min, Director of Finance and Administration

Subject: Audit and Finance Report

Audit 24/25

Preparation for FY25 started at the end of July 2026.

- Noted all payments on payroll benefits and ACHs were not available in the banking module, had to reimport all these transactions so that we can work on bank reconciliations.
- Had staffing changes and PTO schedules since last reporting from August 24, 2026, which slow down progress.

TASK	Projects	ASSIGNED TO	PROGRESS
Reconstruction of accounting - March to June	**Audit 24/25**	RH	90%
Bank Reconciliations	**Audit 24/25**	RH	70%
CFD Bond Audit	**Audit 24/25**	RH	80%
Interim Audit Preparation	**Audit 24/25**	RH	0%
Balance Sheet Reconciliation	**Audit 24/25**	RH	0%
Audit Workpaper Preparation	**Audit 24/25**	RH	0%
Review Balance Sheet Reconciliation + Audit Preparation	**Audit 24/25**	RH	0%
Audit Field Work	**Audit 24/25**	RH	0%
Financial Statement preparation & Partner Review	**Audit 24/25**	RH	0%
Review First Draft of Financial Statement	**Audit 23/24**	RH	0%

Balance Sheet Reconciliation

Tasks	FY25	FY25 - Reviewed	Notes
Bank Reconciliations: 1000	☐	☐	
Bank Reconciliations: 1001	☐	☐	
Bank Reconciliations: 1002	☐	☐	
Bank Reconciliations: 1008 & 1009	☐	☐	Started 80%
Bank Reconciliations: 1009	☐	☐	Started
Investment&Interest Income	☐	☐	
Tyler AR	☐	☐	
Tyler Revenue/customers overpayment	☐	☐	
Tyler Installment Plan	☐	☐	
Property Tax Receivable and Revenue	☐	☐	
Prepaids	☐	☐	
Interfund Loans	☐	☐	
Tyler credit balances	☐	☐	
Due to/From Reconciliation	☐	☐	
Admin Allocation/Due to From	☐	☐	
AP aging	☑	☐	
Accrued Expenses	☑	☐	
Search for Unrecorded Liabilities	☑	☐	
Fixed Assets	☐	☐	Started 10%
Repairs and Mainteance Review	☑	☐	
Deeded Transactions	☐	☐	
Restricted Cash	☐	☐	
Pension	☐	☐	
OPEB liability	☐	☐	
Notes Receivable	☐	☐	
Developer deposits	☐	☐	
Capital Leases	☐	☐	
Unearned revenue	☐	☐	
Property Loss Reimbursement/Rebates	☐	☐	
Payroll Expenses	☐	☐	
Misc income 3500	☐	☐	
Accrued Payroll	☐	☐	
GASB 101	☐	☐	
Compensation Absences	☐	☐	
Net Asset Rolled Forward	☐	☐	
Revenue: Reserve	☐	☐	
Insurance	☐	☐	
Income/Expenses Analysis	☐	☐	
Budget vs. Actual Analysis	☐	☐	
Calwaste and related surcharge in Fd 499	☐	☐	
Legal	☐	☐	
Bond Audit	☑	☐	
Due From CFD Bond	☐	☐	
Reclass to G&A	☐	☐	
Revenue per customers analysis	☐	☐	
Revenue Flux year after year	☐	☐	

Audit 25/26

Audit preparation for FY26 started mid-August 2026

- Bank Reconciliation started and around 30% completed

FY 2027 Financials

Period: July 2026

Statement of Revenue and Expenses - Preliminary
July 2026
Commentary

These financial results are preliminary and subject to change pending the completion of bank reconciliations and balance sheet account reconciliations. Due to the ongoing completion of prior-year audits, these reconciliations will be finalized in the coming months.

This statement represents the first month of Fiscal Year 2026/27. Assuming revenue and expenses are distributed evenly throughout the fiscal year, year-to-date revenue and expenses would be expected to represent approximately **8%** (the target) of the annual budget at this point. However, the FY 2026/27 budget was not developed with revenue and expenses evenly distributed across all months. Therefore, in addition to reviewing performance against the annual budget, we will also evaluate the current month's budget-to-actual results.

Rancho Murieta Community Services District
Statement of Revenue and Expenses
Budget vs. Actual
For the One Month Ending, July 31, 2026

	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
Operation					
Total Operating Revenue	867,440	944,619	(77,179)	12,353,040	7.02%
Expenses					
Total Operating Expenses	457,248	745,105	(287,857)	8,740,303	5.23%
Total General and Administrative Expenses	274,121	292,308	(18,187)	3,610,594	7.59%
Total Expenses	731,370	1,037,413	(306,044)	12,350,897	5.92%
Operation Income (Loss)	136,071	(92,794)	241,702	2,143	6349.56%
Less: Property Taxes Revenue	0	0	0	1,017,851	0.00%
Operation Result after Property Taxes Revenue	136,071	(92,794)	241,702	1,019,994	13.34%
Non-Operation Activities					
Reserve Contribution					
Total Reserve Revenue	321,583	163,571	158,012	1,962,852	16.38%
Developer Income/Expenses	5,558	0	5,558	0	0.00%
Other					
Total Other Income	735	(8,333)	9,068	(99,992)	(0.74%)
Net Income (Loss)	463,947	62,444	414,340	2,882,854	16.09%

Overall

As of July 2026, the District's preliminary financial results reflect net operating income of $136,071. Including reserve revenues from developers and residents, the District ended the period with a positive net financial position of $464K.

Financials by Fund

Rancho Murieta Community Services District
Statement of Revenue and Expenses by Fund
Budget vs. Actual
For the One Month Ending, July 31, 2026

	Water	Wastewater	Drainage	Solid Waste	Security	Total
Operation						
Total Operating Revenue	385,729	188,402	20,701	138,834	133,771	867,440
Expenses						
Total Operating Expenses	142,830	92,724	11,149	132,826	77,720	457,248
Total General and Administrative Expenses	134,698	87,090	11,156	10,966	30,214	274,121
Total Expenses	277,528	179,814	22,305	143,792	107,934	731,370
Operation Income (Loss)	108,201	8,588	(1,604)	(4,958)	25,837	136,071
Less: Property Taxes Revenue	0	0	0	0	0	0
Operation Result after Property Taxes Revenue	108,201	8,588	(1,604)	(4,958)	25,837	136,071
Non-Operation Activities						
Reserve Contribution						
Total Reserve Revenue	205,933	97,228	2,327	1,330	14,763	321,583
Developer Income/Expenses	3,309	2,249	0	0	0	5,558
Other						
Total Other Income	360	235	29	29	81	735
Net Income (Loss)	317,803	108,300	752	(3,599)	40,681	463,947

The **Water Fund** reported an operating income of $108K, primarily due to lower repairs and maintenance, chemical, and salary & benefits expenses. The **Wastewater Fund** generated operating income of $8,5K. The **Drainage Fund** incurred an operating loss of $1.6K, which is consistent with the budgeted July result of $2K.

The **Solid Waste Fund** reported operating loss of $4.9K, while the Security Fund generated operating income of $25.8K, primarily driven by slightly lower salary and benefit costs.

Detailed Analysis

Operation

***Operating Revenue* – was at 7% which is below the target rate.**

Residential Fees – was at 6.84% and an unfavorable variance of $92,460 the budget was prepared with the increase rates to be effective July 1, 2026. However, the effective rates did not go into effect until July 25, 2026.

***Operating Expenses* – total Operating expenses was at 5% and a favorable variance of $287K**

Salaries and Wages were at 5.62% below target, resulting in a favorable variance of $65K. This variance is primarily due to several vacant positions across divisions.

- Utility department - Director of Operations and mechanic maintenance positions remain vacant, along with two additional open positions.
- Security Department – Staffing levels remained consistent with the FY27 budget, with two Patrol Officers budgeted and maintained on payroll.

Benefits were 3.9% below target, resulting in a favorable variance of $**32K**. This variance is primarily due to the reclassification of OPEB (Other Post-Employment Benefits) expenses, which were originally budgeted within Benefits but are now being recorded under OPEB within General and Administrative Expenses. This reclassification allows for clearer reporting and tracking of benefit expenses paid to retirees.

License & Permits expenses were 10.85% above target; however, this resulted in a favorable variance of $55K. Most License & Permits invoices were budgeted in July but were received later than anticipated, shifting the related expenses to future periods.

Utilities expenses were 4.17% under target, resulting in a favorable variance of $24K. This variance is primarily due to a credit issued by SMUD following the consolidation of our payment portal for utility invoices across all locations. We are still reviewing the invoice details and working with SMUD to reconcile the account and determine the actual balance.

***General and Administrative Expenses*– total expenses were at 7.59% which is slightly below the target and a favorable variance of $18K.**

Salaries and Wages – Personnel costs were 4.15%, below the 8% target resulting in a favorable variance of $45K, due to vacancies in the General Manager and Accounts Payable positions. Temporary staffing costs for Accounts Payable and District Secretary functions were recorded under Accounting and Consulting Expenses.

Benefits, Taxes & Pension were 2.95% of the annual budget, well below target, resulting in a favorable variance of $23K. The variance was primarily due to OPEB costs that were originally budgeted in this line item but were later recorded under OPEB Expenses, consistent with the auditors' recommendation to report all OPEB-related costs in that category. OPEB expenses will be adjusted further once the actuarial valuation is completed.

OPEB – were at 12.23% above target, resulting in an unfavorable variance of $19K. This is primarily due to the reclassification mentioned above – Benefits, Taxes & Pension.

Utilities expenses were 3.16% under target, resulting in a favorable variance of $9K. This variance is primarily due to credits issued by SMUD following the consolidation of our payment portal for utility invoices across all locations. We are continuing to review invoice details and reconcile the account with SMUD to verify the accuracy of the credits and determine the final account balance.

Legal Fees – were 17.5% of the annual budget, exceeding the target and resulting in an unfavorable variance of $12K. Costs were primarily driven by legal services related to the Developer activities and human resources matters.

Consulting Fees – was at 34.81% of annual budget, exceeding the target and resulting in an unfavorable variance of $10.9K. This line consists of temporary hiring of the District Secretary function, which was budgeted in the Salaries and Wages.

HR recruitment fees – were 21% of the annual budget, exceeding the target and resulting in an unfavorable variance of $8.3K. Costs were primarily driven by GM search fee of $9K budgeted in August instead of July.

Accounting and Audit Fees – was at 21% of annual budget, exceeding the target and resulting in an unfavorable variance of $9K. This line item consists of temporary hiring of the Accounts Payable function, which was budgeted in the Salaries and Wages line. In addition, Great Plain consultant's help was used in July.

Total Expenses **were below target at 5.9%, generating a favorable variance of $306K. This variance reflects delayed spending and budget savings realized across multiple expense accounts.**

Operating income was $136K, reflecting favorable operating results.

Non Operating Revenue (Expenses)

Reserve Contribution

Water Cap Replacement Reserve was at 6.93% and an unfavorable variance of $20K. The budget was prepared with the increase rates to be effective July 1, 2026. However, the effective rates did not go into effect until July 25, 2026.

Water Capital Improvement, Water Augmentation Fees and Security Impact Fees of $189K were collected from River Canyon Properties LLC and Richmond American. These were unbudgeted items.

Inspection Revenue was also received from the entities above. These are unbudgeted items.

Rancho Murieta Community Services District
Statement of Revenue and Expenses by Fund
Budget vs. Actual
For the One Month Ending, July 31, 2026

	Water	Wastewater	Drainage	Solid Waste	Security	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
Operation										
Operating Revenue										
Residential Fees	$337,408	$163,669	$17,423	$137,346	$112,963	$768,810	$861,270	($92,460)	$11,238,600	6.84%
Commercial Fees	40,160	17,825	2,552	0	18,825	79,362	65,253	14,109	897,288	8.84%
Late Fees & Penalties	2,889	2,258	150	1,159	535	6,991	11,299	(4,308)	135,588	5.16%
Other Sales	743	0	0	0	0	743	0	743	0	0.00%
Interest Income	4,529	4,650	576	329	988	11,073	6,797	4,276	81,564	13.58%
Total Operating Revenue	**385,729**	**188,402**	**20,701**	**138,834**	**133,771**	**867,440**	**944,619**	**(77,179)**	**12,353,040**	**7.02%**
Expenses										
Operating Expenses										
Salaries and Wages	54,403	24,999	7,582	0	54,882	141,865	207,472	(65,607)	2,523,190	5.62%
Benefits, Taxes & Pension	11,897	4,666	1,426	0	12,627	30,616	63,241	(32,625)	784,658	3.90%
Workers Compensation	4,468	2,051	640	0	6,119	13,278	14,932	(1,654)	179,148	7.41%
Capacity Purchase	0	0	0	0	0	0	0	0	0	0.00%
Chemical	26,674	11,353	0	0	0	38,028	43,347	(5,319)	591,520	6.43%
Regulatory - Inspections	1,107	1,107	0	0	0	2,214	0	2,214	127,136	1.74%
Regulatory - Lab Testing	50	532	0	0	0	582	5,161	(4,579)	63,136	0.92%
Tools & Supplies	10,345	150	0	0	0	10,495	22,333	(11,838)	305,504	3.44%
Repairs & Maintenance	9,379	16,965	0	0	466	26,810	73,810	(47,000)	1,052,766	2.55%
Uniform and Clothings	1,154	285	0	0	0	1,439	2,466	(1,027)	18,315	7.86%
Training and Seminars	100	0	0	0	394	494	10,250	(9,756)	141,500	0.35%
Small Equipment	0	0	0	0	0	0	0	0	40,000	0.00%
License & Permits	9,442	5,265	0	0	0	14,707	69,921	(55,214)	135,600	10.85%
Contractual Services	560	0	0	132,826	0	133,386	146,683	(13,297)	1,747,094	7.63%
Rental/Lease expenses	0	0	1,501	0	0	1,501	6,417	(4,916)	187,004	0.80%
Travel and Mileage	1,504	1,504	0	0	228	3,236	325	2,911	33,900	9.55%
Software License/Support	2,850	3,300	0	0	1,295	7,445	1,800	5,645	16,200	45.96%
HR & Recruitment	734	0	0	0	0	734	8,575	(7,841)	17,500	4.19%
Memberships & Subscriptions	0	3,790	0	0	0	3,790	4,000	(210)	24,250	15.63%
Miscellaneous	0	0	0	0	232	232	334	(102)	2,000	11.60%
Utilities	11,881	10,472	0	0	320	22,673	46,542	(23,869)	543,934	4.17%
Telecommunications	5,152	5,152	0	0	393	10,697	16,123	(5,426)	193,476	5.53%
Office Supplies	0	1,133	0	0	764	1,896	1,373	523	12,472	15.20%
Bad Debts	0	0	0	0	0	0	0	0	0	0.00%
Fines and Penalties	0	0	0	0	0	0	0	0	0	0.00%
Miscellaneous Expenses	0	0	0	0	0	0	0	0	0	0.00%
Depreciation - Water	0	0	0	0	0	0	0	0	0	0.00%
Gain/Loss on Asset Disposition	(8,870)	0	0	0	0	(8,870)	0	(8,870)	0	0.00%
Interest Expense	0	0	0	0	0	0	0	0	0	0.00%
Total Operating Expenses	**142,830**	**92,724**	**11,149**	**132,826**	**77,720**	**457,248**	**745,105**	**(287,857)**	**8,740,303**	**5.23%**

	Water	Wastewater	Drainage	Solid Waste	Security	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
General and Administrative Expenses										
Salaries & Wages	24,106	16,445	1,841	1,993	5,429	49,815	95,171	(45,356)	1,200,828	4.15%
Benefits, Taxes & Pension	6,541	4,252	538	533	1,468	13,332	36,110	(22,777)	452,100	2.95%
OPEB	30,593	19,979	2,497	2,497	6,868	62,434	42,544	19,890	510,528	12.23%
Worker's Comp Insurance	2,244	898	286	163	490	4,081	7,105	(3,024)	85,260	4.79%
Insurance	26,099	10,440	3,322	1,898	5,694	47,454	44,232	3,222	530,780	8.94%
Community Communications	3,160	2,063	258	258	709	6,448	10,813	(4,365)	48,255	13.36%
Repairs and Maintenance	72	31	9	5	16	133	5,543	(5,410)	63,034	0.21%
Rental/Lease expenses	0	0	0	0	0	0	0	0	0	0.00%
Telecommunications	608	397	50	50	136	1,240	1,554	(314)	18,648	6.65%
Software License/Support	9,868	6,445	806	806	2,215	20,139	10,660	9,479	169,920	11.85%
Utilities	1,979	1,293	162	162	444	4,040	13,114	(9,074)	127,942	3.16%
Membership and Subscriptions	10	6	1	1	2	20	833	(813)	10,000	0.20%
Training and Seminars	(40)	67	(20)	0	(7)	0	0	0	6,700	0.00%
Legal Fees	12,375	4,950	1,575	900	2,700	22,500	10,934	11,566	131,208	17.15%
Consulting Fees	5,356	3,498	437	437	1,202	10,931	0	10,931	31,400	34.81%
HR and Recruitment Fees	6,052	3,952	494	494	1,359	12,350	4,000	8,350	58,000	21.29%
Accounting and Audit Fees	2,319	10,165	(1,371)	494	736	12,342	2,500	9,842	40,000	30.86%
Travel and Mileage	490	320	40	40	110	999	488	511	5,856	17.06%
Office supplies	322	227	23	27	73	671	3,425	(2,754)	41,100	1.63%
Postage	2,068	1,351	169	169	464	4,221	1,396	2,825	16,752	25.20%
Bank Analysis Fees	332	217	27	27	74	677	636	41	14,026	4.82%
Board and Committee Meetings	86	56	7	7	19	175	1,000	(825)	45,257	0.39%
Fines and Penalties	9	6	1	1	2	19	0	19	0	0.00%
Employee events	49	32	4	4	11	99	250	(151)	3,000	3.31%
Small Equipments	0	0	0	0	0	0	0	0	0	0.00%
Miscellaneous	0	0	0	0	0	0	0	0	0	0.00%
Rental/Lease expenses	0	0	0	0	0	0	0	0	0	0.00%
Depreciation	0	0	0	0	0	0	0	0	0	0.00%
Gain/Loss on Assets Disposal	0	0	0	0	0	0	0	0	0	0.00%
Total General and Administrative Expenses	**134,698**	**87,090**	**11,156**	**10,966**	**30,214**	**274,121**	**292,308**	**(18,187)**	**3,610,594**	**7.59%**
Total Expenses	**277,528**	**179,814**	**22,305**	**143,792**	**107,934**	**731,370**	**1,037,413**	**(306,044)**	**12,350,897**	**5.92%**
Operation Income (Loss)	**108,201**	**8,588**	**(1,604)**	**(4,958)**	**25,837**	**136,071**	**(92,794)**	**241,702**	**2,143**	**6349.56%**
Less: Property Taxes Revenue	0	0	0	0	0	0	0	0	1,017,851	0.00%
Operation Result after Property Taxes Revenue	**108,201**	**8,588**	**(1,604)**	**(4,958)**	**25,837**	**136,071**	**(92,794)**	**241,702**	**1,019,994**	**13.34%**

Non-Operation Activities

Reserve Contribution

	Water	Wastewater	Drainage	Solid Waste	Security	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
Water Capital Impr Fees	30,755	42,826	0	0	1,173	74,755	0	74,755	0	0.00%
Water Augmentation Fees	105,563	0	0	0	0	105,563	0	105,563	0	0.00%
Water Cap Replacement Reserve	51,330	47,088	0	0	0	98,418	118,629	(20,114)	1,423,548	6.93%
Debt Service Fees	0	0	0	0	0	0	0	0	0	0.00%
Security Impact Fees	0	0	0	0	9,600	9,600	0	9,600	0	0.00%
Interest and Investment Earnings (Restr.)	18,285	7,314	2,327	1,330	3,990	33,246	44,942	(11,696)	539,304	6.16%
Total Reserve Revenue	**205,933**	**97,228**	**2,327**	**1,330**	**14,763**	**321,583**	**163,571**	**158,012**	**1,962,852**	**16.38%**

	Water	Wastewater	Drainage	Solid Waste	Security	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
Developer Activities										
Developer Revenue	0	0	0	0	0	0	0	0	0	0.00%
Inspection Revenue	9,359	2,249	0	0	0	11,608	0	11,608	0	0.00%
Contribution - Donated Infrastructure	0	0	0	0	0	0	0	0	0	0.00%
Salary and Admin Expense	0	0	0	0	0	0	0	0	0	0.00%
Consulting Expenses: Developer	0	0	0	0	0	0	0	0	0	0.00%
Consulting Expenses: FSA	6,050	0	0	0	0	6,050	0	6,050	0	0.00%
Developer Income/Expenses	**3,309**	**2,249**	**0**	**0**	**0**	**5,558**	**0**	**5,558**	**0**	**0.00%**
Other										
Other Income	360	235	29	29	81	735	0	735	0	0.00%
Grant Revenue	0	0	0	0	0	0	0	0	0	0.00%
CIA Ditch Service Charges	0	0	0	0	0	0	0	0	0	0.00%
Consulting:Water Studies	0	0	0	0	0	0	8,333	(8,333)	99,992	0.00%
CIA Ditch Maintenance & Operations	0	0	0	0	0	0	0	0	0	0.00%
Salary and Admin Expenses	0	0	0	0	0	0	0	0	0	0.00%
Investment FMV adjustment	0	0	0	0	0	0	0	0	0	0.00%
Total Other Income	**360**	**235**	**29**	**29**	**81**	**735**	**(8,333)**	**9,068**	**(99,992)**	**(0.74%)**
Net Income (Loss)	**317,803**	**108,300**	**752**	**(3,599)**	**40,681**	**463,947**	**62,444**	**414,340**	**2,882,854**	**16.09%**

Cash & Investment Balances
Period: Jan 2026 – July 2026

Summary of the Cash and Investment – July 2026

The District's total cash and investment balance at the end of July 2026 was approximately **$12.6 million**, compared to **$12.6 million** at the end of July 2025.

The **Banner account** serves as the District's operating account and is considered **unrestricted**. The **CAMP** and **CA Class** investment accounts are considered **restricted**. As of July 2026, unrestricted funds totaled approximately **$2.1 million**, while restricted funds were approximately **$10.5 million**.

Under the District's **Operating Fund and Reserve Fund Policy**, the target reserve level should have sufficient cash to fund approximately **six months of District operating expenditures**. Based on the Budget FY27, the six-month operating reserve requirement is estimated to be approximately **$6 million**.

To maintain the Banner account balance at the target reserve level of approximately $6 million, it may be appropriate to transfer approximately **$3.6 million** from the restricted investment accounts to the unrestricted Banner account. This transfer would reduce restricted balances to approximately **$6.9 million**. The final transfer amount will not be known until the annual audits are completed and year-end balances are finalized.

Even after such a transfer, restricted balances of approximately **$6.9 million** would be low relative to the District's **net fixed assets of approximately $31 million (**amount based on FY 24 audit), particularly given the ongoing cost of maintaining and replacing capital infrastructure.

Additionally, **interest rates have declined compared to 2025**, which may impact future investment earnings.

Banner Money Market Balances Variance from Prior Year

Banner bank balances averaged approximately **$2.3 million in 2026**. The higher balances in 2025 declined from **$4.6 million in April to $2.5 million in July**, primarily due to **$1.6 million in expenditures for the WTP Chlorine-to-NaOCl Replacement Project**. The project was partially funded by **SB 170 funds received in FY 2022**, which have now been fully expended. As a result, July 2025 balances aligned with the average monthly balances observed in 2026.

Rancho Murieta CSD
Cash and Investments

2026

	1/31/2026	2/28/2026	3/31/2026	4/30/2026	5/31/2026	6/30/2026	7/31/2026		
	Balance	**Balance**	**Balance**	**Balance**	**Balance**	**Balance**	**Balance**		
Banner - Money Market	$ 2,134,765	$ 2,479,942	$ 2,432,417	$ 2,102,076	$ 2,267,085	$ 2,417,856	$ 2,138,624		
CAMP	$ 758,417	$ 760,644	$ 763,096	$ 765,096	$ 767,911	$ 770,289	$ 772,763		
CA Class	$ 9,574,909	$ 9,602,397	$ 9,632,533	$ 9,661,762	$ 9,692,105	$ 9,721,573	$ 9,752,345		
Total	$ 12,468,091	$ 12,842,983	$ 12,828,046	$ 12,528,934	$ 12,727,102	$ 12,909,717	$ 12,663,733		
								Transfer	Adjusted Bal.
Unrestricted	$ 2,134,765	$ 2,479,942	$ 2,432,417	$ 2,102,076	$ 2,267,085	$ 2,417,856	$ 2,138,624	3,582,144	6,000,000
Restricted	$ 10,333,326	$ 10,363,041	$ 10,395,629	$ 10,426,858	$ 10,460,016	$ 10,491,862	$ 10,525,108	(3,582,144)	6,942,964
	$ 12,468,091	$ 12,842,983	$ 12,828,046	$ 12,528,934	$ 12,727,102	$ 12,909,717	$ 12,663,733		12,942,964
Average Yield									
Banner - Money Market	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%	3.820%		
CAMP	3.912%	3.513%	3.855%	3.137%	4.399%	3.705%	3.842%		
CA Class	3.843%	3.435%	3.754%	3.630%	3.757%	3.637%	3.786%		

2025

	1/31/2025	2/28/2025	3/31/2025	4/30/2025	5/31/2025	6/30/2025	7/31/2025
	Balance	**Balance**	**Balance**	**Balance**	**Balance**	**Balance**	**Balance**
Banner - Money Market	5,314,166	5,221,702	5,221,702	5,026,342	4,665,077	3,631,354	2,476,659
CAMP	726,574	729,089	731,856	734,533	737,292	739,961	742,734
CA Class	9,179,431	9,210,513	9,244,894	9,278,278	9,312,577	9,345,839	9,380,320
Total	15,220,171	15,161,304	15,198,452	15,039,153	14,714,946	13,717,155	12,599,712
Unrestricted	5,314,166	5,221,702	5,221,702	5,026,342	4,665,077	3,631,354	2,476,659
Restricted	9,906,006	9,939,602	9,976,751	10,012,811	10,049,869	10,085,800	10,123,054
	15,220,171	15,161,304	15,198,452	15,039,153	14,714,946	13,717,155	12,599,712
Average Yield							
Banner - Money Market		4.600%	4.590%	4.590%	4.590%	4.590%	4.590%
CAMP		4.139%	4.537%	4.372%	4.491%	4.329%	4.479%
CA Class		4.050%	4.463%	4.318%	4.420%	4.271%	4.411%

MEMORANDUM

Date: August 25th, 2026
To: Board of Directors
From: Branden Arino, Security Supervisor
Subject: Security Department Update – August 2026

Operations Update

The Security Department continues to prioritize staffing stability, operational readiness, and proactive community engagement. Key updates are as follows:

- All full-time Security Department positions are currently filled.
- Current staffing levels:
  - 7 Full-Time Gate Officers
  - 6 Part-Time Gate Officers
  - 2 Full-Time Patrol Officers
  - 15 Total Employees (including 4 probationary employees)
- Lago Inbound Gate: A&D Gates has identified a potential solution to the ongoing Lago inbound gate issue. The proposed repair involves installing a transceiver at the barrier gate operator and a second transceiver at the control panel. This solution would eliminate the need to replace the faulty underground wiring believed to be causing the malfunction. A&D Gates is currently ordering the necessary equipment; an estimated completion date has not yet been provided.
- Gate Connectivity and Operational Continuity: Cellular-enabled iPads have been deployed at both the North and South Gates. These devices reduce the gates' reliance on Wi-Fi connectivity during an internet service interruption. In the event of an internet provider outage, gate personnel will be able to continue utilizing the ABDI gate entry system and maintain normal visitor entry procedures through cellular connectivity.
- ABDI Gate Entry System Upgrade: ABDI provided the District with a proposal to upgrade the existing gate entry system while maintaining its current functionality. The proposed upgrade would add AI-assisted License Plate Recognition (LPR) capabilities at the visitor entrances of both the North and South Gates. The LPR system would automatically capture and populate vehicle license plate information during the entry process, improving guest and vendor processing times while strengthening entry accountability and recordkeeping. Additional features and benefits included in the proposed upgrade will be presented in a separate report.

Rancho Murieta Association (RMA) Coordination

The Security Department continues to work closely with Rancho Murieta Association (RMA) leadership to strengthen rule enforcement, improve compliance efforts, and enhance overall community safety. Current collaborative efforts include:

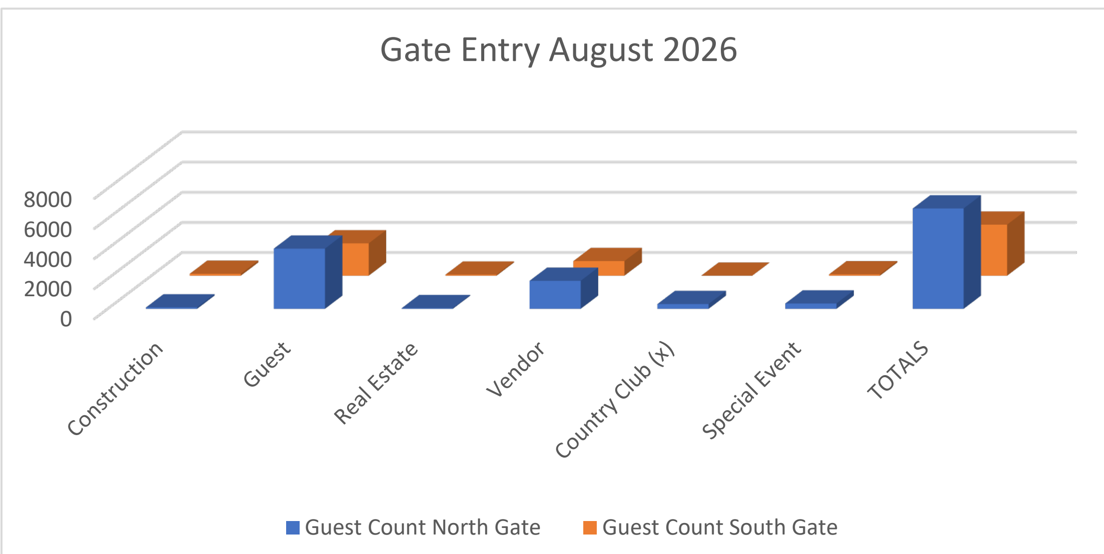
- Ongoing enforcement of non-architectural RMA rules in coordination with RMA Compliance (see Violation Summary Report). Continued attendance and active participation in RMA Compliance Committee meetings to improve communication and coordination between agencies.

Gate Entries by Type

8/1/2026 - 8/25/2026

Pass Type	Guest Count North Gate	Guest Count South Gate	Count by Pass Type
Construction	92	123	215
Guest	4,004	2,149	6,153
Real Estate	45	65	110
Vendor	1,862	968	2,830
Country Club (x)	317	0	317
Special Event	352	87	439
TOTALS	**6,672**	**3,392**	**10,064**

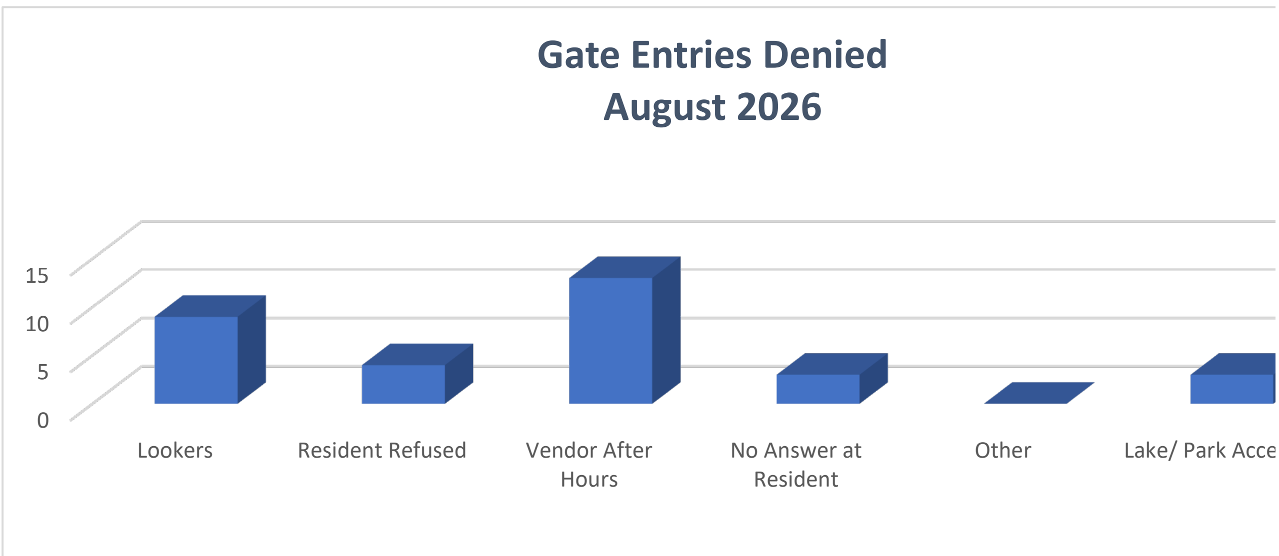
Prior Month Totals:	7,171	4,009	11,180



Gate Entries Denied
August 1st - 25th

	Lookers	Resident Refused	Vendor After Hours	No Answer at Resident	Other	Lake/ Park Access
All Gates	9	4	13	3	0	3

Prior Month Totals:	3	1	32	0	1	4



Rancho Murieta Association
Violation Item Summary Report -- 2026
Violations Written by RMCSD Security

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Violation Item Summary Report	CSD	CSD	CSD	CSD	CSD	CSD	CSD	CSD	CSD	CSD	CSD	CSD	CSD
Motor Vehicle Violations:													
Carring Passengers			1			1							2
Motorcycle													0
No drivers license													0
Speeding			1		2								3
Speeding - twice speed limit													0
Stop signs	1		2	1	3	1		1					9
Bus stop signs													0
Use of streets						1							1
Parking:													
Driveway parking													0
Guest parking													0
Overnight street parking	1	2	6	12	5	2	1	2					31
Unauthorized Vehicle (24 hr pass)						1	1						2
No Parking Areas	1	1	1	2	5	4	3	1					18
Accumulation/dumping of debris						1							1
Boat Usage													0
Barbeques, open fires, bonfires						6							6
Carrying passengers/overloaded cart													0
Chickens													0
Commercial vehicle lettering													0
Construction overnight parking													0
Discharge of firearm													0
Dwelling exterior alterations													0
Failure to identify						1							1
Golf Cart Decals													0
Guest w/o resident in comm areas						1	1	1					3
Home business activities													0
Interference CSD Officer													0
Noxious activities													0
Open garage doors													0
Park hours / curfew	2	1	1	4	5	6	2	2					23
Pets - off leash / teathered / noise													0
Property maintenance													0
Sign rules													0
Sports equip/trampoline/basketball													0
Storage of building materials													0
Stored vehicles		1											1
Trash containers													0
Unlawful Activities													0
Use of common areas & facilities													0
Use of Fireworks													0
Vandalism													0
Vehicle repair or maintenance													0
Working days & hours								1					1
Total Violations Written by CSD	**5**	**5**	**12**	**19**	**20**	**25**	**8**	**8**	**0**	**0**	**0**	**0**	**102**
RMCSD Violations not Processed	2	4	2	3	1	0	0	0					12

Rancho Murieta CSD Security

15160 Jackson Rd

Rancho Murieta, CA 95662

Cases - Breakdown by Type

ABANDONED DISABLED VEH	1
ALARM	3
ANIMAL COMPLAINT	9
ASSIST OTHER AGENCY	1
CITATION	4
ESCORT	1
EXTRA PATROL	139
FIRE	1
FOLLOW UP	2
IRRIGATION DAMAGE	1
JUVENILE DELIQUENCY	2
LOST/FOUND PROPERTY	3
MISCELLANEOUS	3
MISSING PERSON	1
PETTY THEFT	1
REFUSED ENTRY	32
RESIDENT COMPLAINT	15
RMA RULE VIOLATION	16
SPEEDING COMPLAINT	3
SUSPICIOUS PERSON	1
SUSPICIOUS VEHICLE	1
TRESPASSING	7
VANDALISM	1
VEHICLE ACCIDENT	6
WATER LEAK	7

WELFARE CHECK	4
Total	**265**

August 2026 Incidents of Note

August 9, 2026 – 7:28 PM | Trespassing / Vandalism
Location: Residence Hill – Model Home
Security received a report of an unknown male trespassing at a model home. The subject was contacted by a representative and directed to leave the property. A subsequent inspection revealed dark shoe markings on a second-floor wall near the stairs. No structural damage was reported; however, the estimated repair cost was approximately **$800**. Patrol conducted an area search but was unable to locate the subject.

August 11, 2026 – 11:24 AM | Missing / Disoriented Elderly Resident
Location: South Gate / Murieta South
An elderly resident approached Security at the South Gate and reported being lost. Security determined that the resident had traveled by golf cart from the North Community to the South Community using Jackson Highway. The resident appeared confused and was believed to be experiencing possible memory-related issues. Security obtained the resident's information, safely escorted the individual to their residence, and attempted to notify the listed emergency contact.

August 12, 2026 – 4:30 PM | Dog Attack / Animal Bite
Location: Brisa Lane Area / Neighborhood Common Area
Security received a report of a dog attack that had occurred earlier in the day involving a loose dog and a resident accompanied by a six-year-old child. During a subsequent encounter near the reported dog's residence, the dog reportedly charged again and bit the adult victim on the lower leg, breaking the skin and causing minor bleeding. The victim reported striking the dog several times to stop the attack before the animal retreated into a residence. The victim declined medical treatment and notified Sacramento County Animal Control. Patrol contacted the dog's owner, confirmed ownership, and forwarded the complaint for additional review and enforcement.

Chief Plant Operator - Staff Report

Date: September 16, 2026
To: Board of Directors
From: Travis Bohannon, Chief Plant Operator
Subject: September 2026 Operations Report

WATER:

Water Treatment Facility

August 2026 Drinking Water Production Data (in gallons)

	Plant 1	Plant 2
Totals	26,830,000	40,267,000

Water Consumption

As of August 31, 2026, the total potable water production for 2026 is 315.68 million gallons or 969.14 acre-ft.

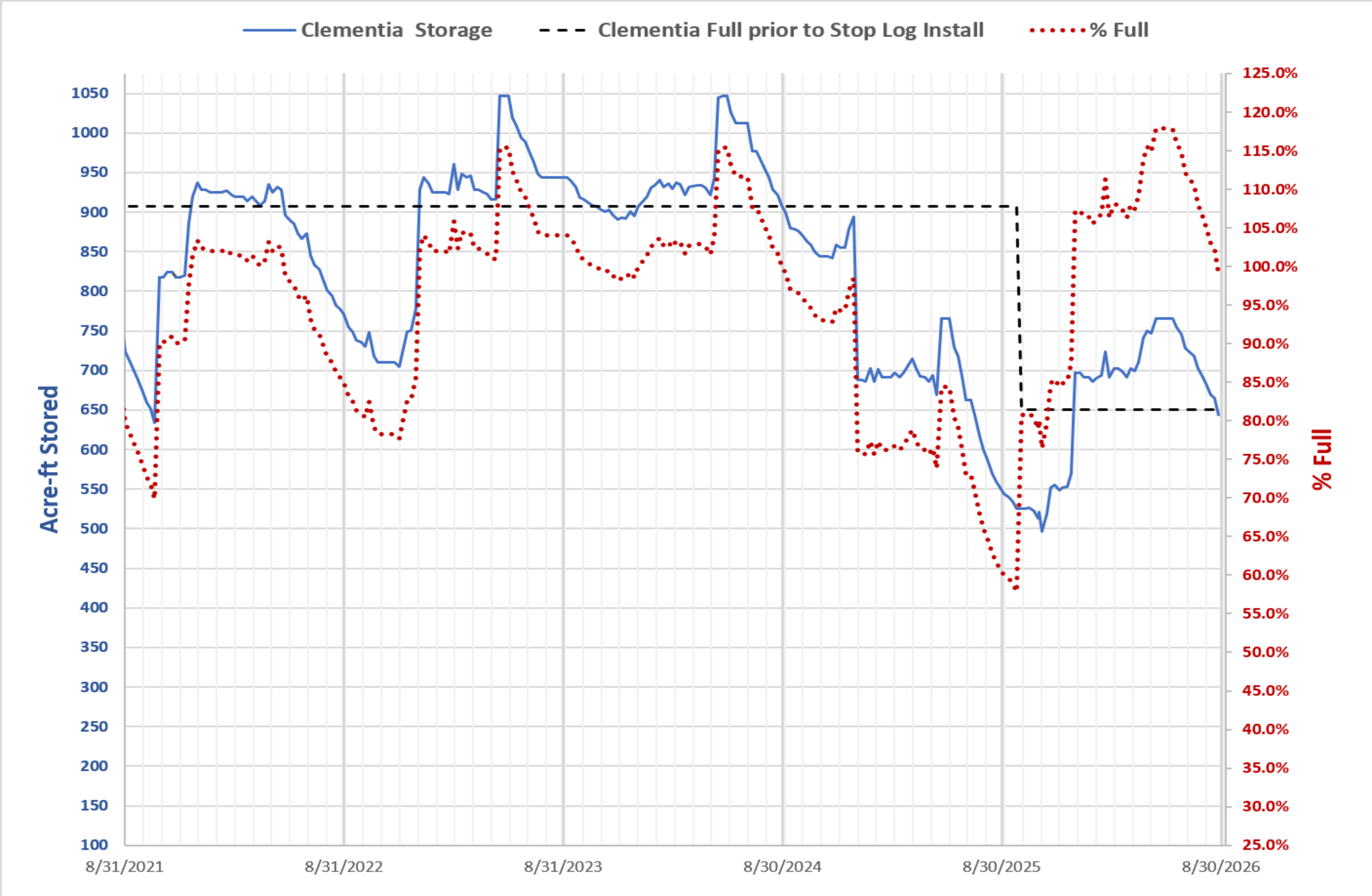
Both plants are currently in operation. We are currently producing about 2.3 MGD to meet daily demand.

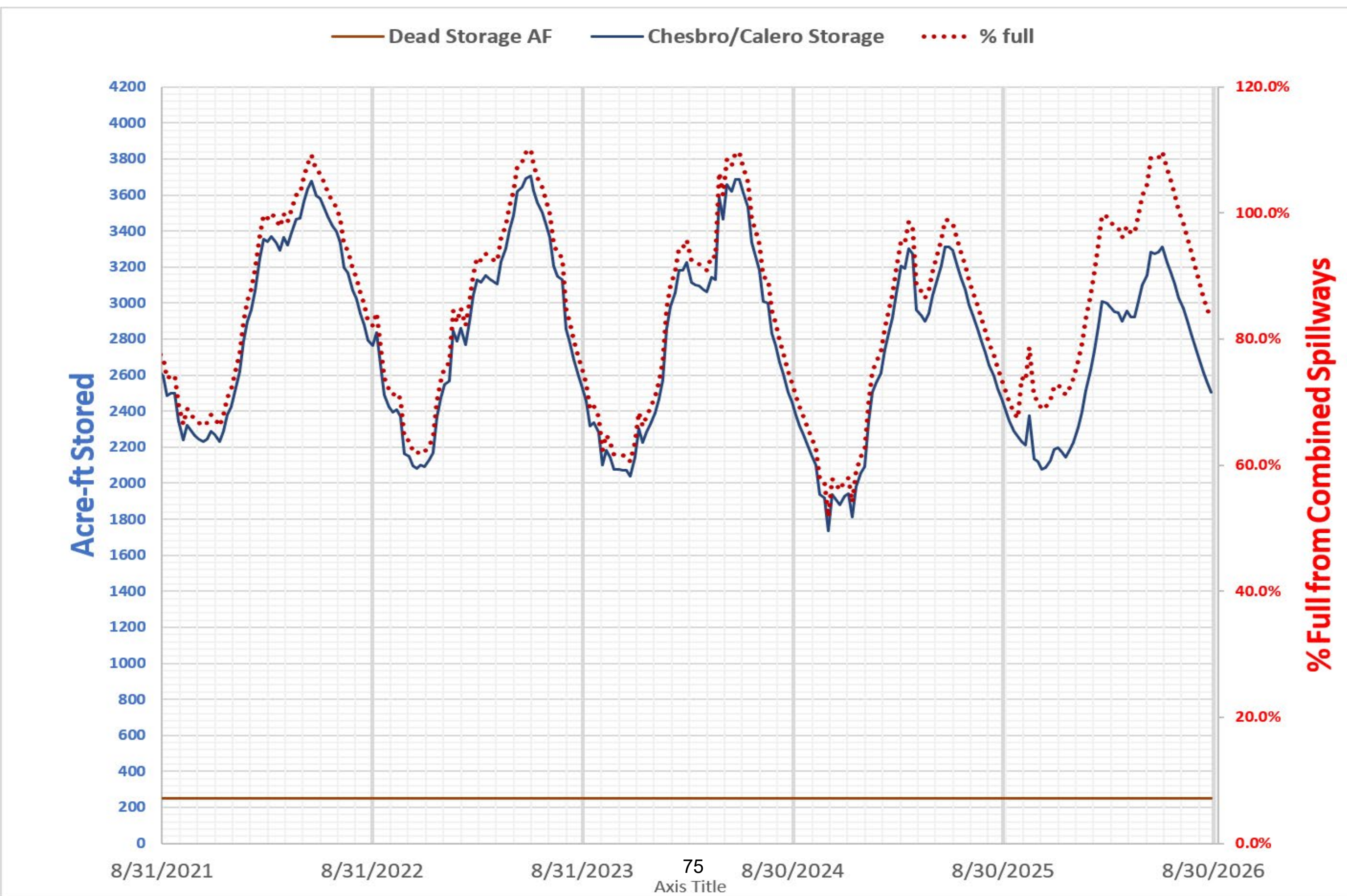
Raw Water Storage & Delivery

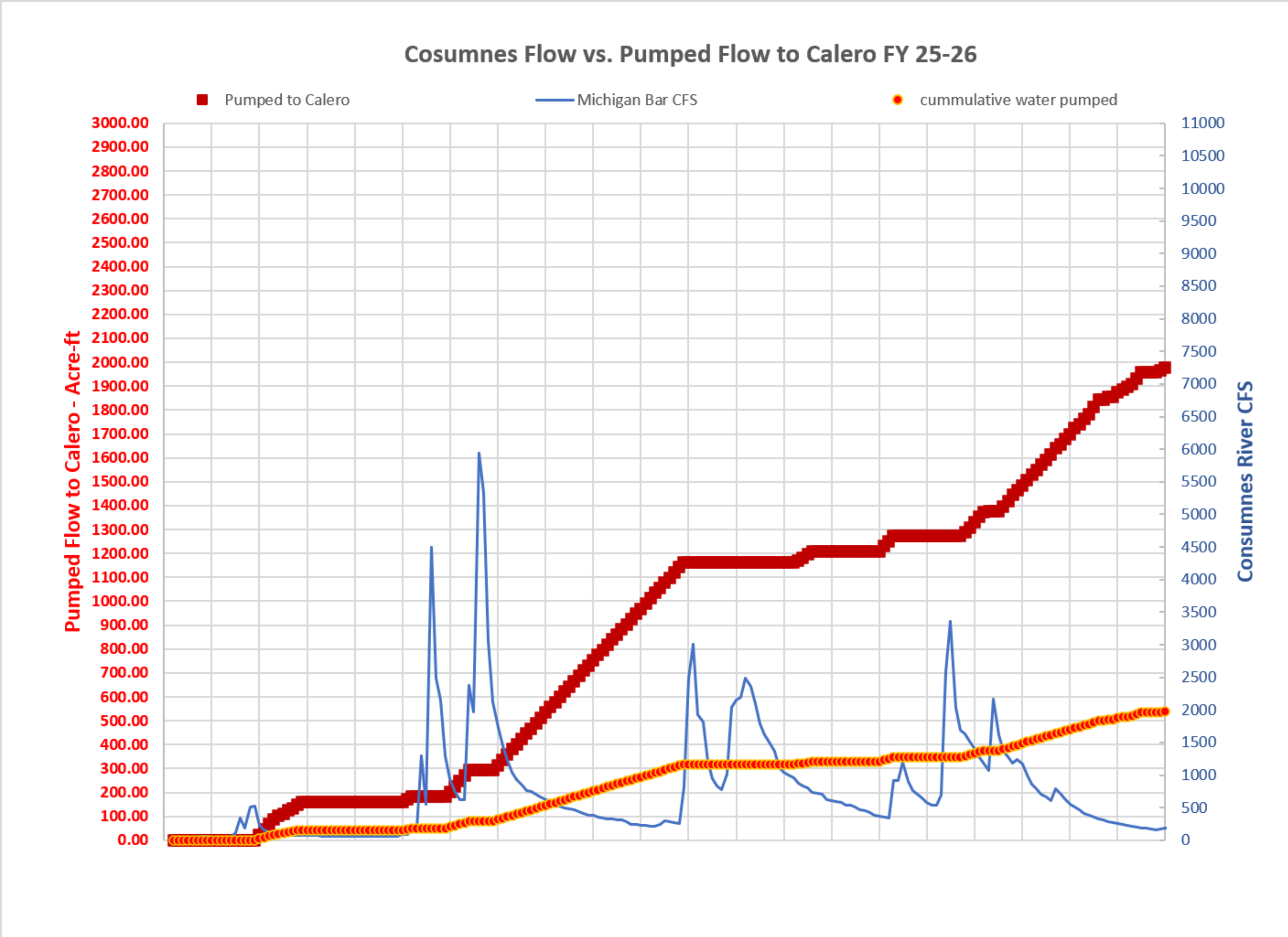
Granlees Pump Station: Total water pumped from Granlees this pumping season as of May 31, is 655.97 MG or 2013.8 AF. Pumping season has ended and all 3 lakes were filled to capacity this year. **Hooray!!!!!!**

Table 1. Current water and wastewater storage as of August, 2026

	acre-ft	**acre-ft full**	**MGal**	**MG at Full**	**%full**
Clementia Storage	643.5	649.9	209.6	211.7	99%
Chesbro Storage	842.0	948.8	274.3	309.1	88.7%
Calero Storage	1664.5	2069.0	542.3	674.1	80.4%
Total Raw Water Available for Potable Treatment	**2506.5**	**3017.8**	**816.6**	**983.2**	**83.0%**
Total of all Raw Water Reservoirs	**3150.0**	**3667.7**	**1026.2**	**1194.9**	85.9%
Wastewater Storage Reservoir available for production	292.8	781.4	95.4	254.6	37.5%


Clementia Storage
Clementia Full prior to Stop Log Install
% Full
Acre-ft Stored
% Full
1050
1000
950
900
850
800
750
700
650
600
550
500
450
400
350
300
250
200
150
100
125.0%
120.0%
115.0%
110.0%
105.0%
100.0%
95.0%
90.0%
85.0%
80.0%
75.0%
70.0%
65.0%
60.0%
55.0%
50.0%
45.0%
40.0%
35.0%
30.0%
25.0%
8/31/2021
8/31/2022
8/31/2023
8/30/2024
8/30/2025
8/30/2026


Dead Storage AF
Chesbro/Calero Storage
% full
Acre-ft Stored
% Full from Combined Spillways
4200
4000
3800
3600
3400
3200
3000
2800
2600
2400
2200
2000
1800
1600
1400
1200
1000
800
600
400
200
0
120.0%
100.0%
80.0%
60.0%
40.0%
20.0%
0.0%
8/31/2021
8/31/2022
8/31/2023
8/30/2024
8/30/2025
8/30/2026
Axis Title



Capital Improvement Plan Tracker FY26/27

Project Description	Budgeted Amount of Project	Total Current Cost of Project	Project Status
Water Projects			
Rebuild Granlees 125hp pumps	$40,000.00	$0.00	0.00%
Replace 2003 Truck 814	$50,000.00	$0.00	0.00%
Replace Membranes for 2 trains	$824,920.00	$247,476.00	30.00%
WTP SCADA Servers to the cloud	$40,000.00	$0.00	0.00%
Smart Meter/Endpoint Replacements	$200,000.00	$198,485.34	99.24%
Mechanic Work Truck	$75,000.00	$72,326.61	96.44%
Totals	**$1,229,920.00**	**$518,287.95**	**42.14%**
Waste Water Projects			
Sewer / Vactor Truck Lease	$141,000.00	$0.00	0.00%
Replace 2003 Truck 216	$60,000.00	$51,739.30	86.23%
Totals	**$201,000.00**	**$51,739.30**	**25.74%**

WASTEWATER:

Wastewater Facility

The wastewater facility is now online and producing reclaim water for the golf course. We are currently producing about 2.0 MGD. The average daily inflow to the plant for the month of July 2026 was .370 MGD.

UTILITY REPORT:

Utilities activities August 2026							
	Reported Issues	Water Leak or Sewer Overflow	Repair or Installed New	Maintenance	District Responsibility	Homeowner Responsibility	Notes
Water Distribution	3	30	3		23	7	
Water Meter Issues				Replace 38 meter and endpoint			
Sewer Collections							
Drainage System				6 Day weed control removed toolies for zone 2-F-G Cleaned Chesbro drain			
Miscellaneous, USA North Work orders Front Office				9 USA marked			
Distribution Flushing & Valve Excercising				18 hydrants flushed and 2 blow off flushed			

Current Projects:

Clementia Spillway Culvert Repair: This project has been started, and staff will continue the repair as time permits.

Taste and Odor Issues: Once again the annual taste and odor issues are back. We are currently feeding powder activated carbon into plant 2 to help mitigate the issue.

Development Updates on Number of Connections The number of water connections is **2877.**

Riverview-140 total lots

Residences East and West- 198 total lots.

Information Technology Manager's Report to the Board of Directors
September 16, 2026

PROJECT UPDATES

New Board Room Conference/AV System
We received approval from the board to purchase the equipment, which is currently en route to us. We will be installing and testing over the next several weeks.

Network Failover for Greenfield ISP
We are researching the implementation of a secondary failover network in the Admin building to keep our Internet connection active when Greenfield service goes down. This will prevent the gates from going offline and other service interruptions during an outage. The same system could also be installed at the water plant to keep it online during outages. Dedicated cellular service is now being investigated.

Cybersecurity Training
Cybersecurity training is continuing for all staff. New lessons roll out at the beginning of each month. Staff are expected to complete the training on their own schedule over the course of the month. Random phishing tests will be administered.

Surveillance Systems Upgrades
Our vendor Watchdogs Surveillance is currently installing the second phase of our planned enhancements.

Updating, Inventorying and Disposal of Equipment
Equipment inventories are being updated, and support agreements are being refreshed. Equipment that has aged out of service is being sent to e-waste

Task	Priority	Target
IN PROGRESS:		
Cybersecurity Training for Staff	High	Ongoing
Network Failover for Greenfield ISP	High	ASAP
Purchase new surveillance hardware and update systems	High	Ongoing

Hardware and software support for all RMCSD staff	High	Ongoing
PCI Compliancy Audit for credit card processing	High	Ongoing
Ensure compliance with GSRMA computer standards	High	Ongoing
Disaster Recovery Plan creation	High	Q3
Business Continuity Plan creation	High	Q3
Cybersecurity Incident Response Plan creation	High	Q3
Documentation of the RMCSD computing environment. Network, application and database mapping	High	TBD
Update the IT asset inventory database	High	TBD
Update of the web site to meet new ADA and DOJ requirements	High	TBD
Evaluate moving the RMCSD computing environment to the Microsoft Azure cloud. Implement if desired	Medium	TBD
Update the on-premises virtualization server	Medium	TBD
COMPLETED:		
New Desktop and Laptop Rollouts. Windows 11	High	Completed
Replacement of NanoBeam and AirFiber systems	High	Completed
Access Point Update	High	Completed
Conference Bar and Teams Rooms Installation	High	Completed
VAB-1 Network Installation for SCADA	High	Completed
Access Point for boardroom upgraded	High	Completed
Power improvements to server closet	High	Completed
GSRMA Cybersecurity Audit Questionnaire	High	Completed
CodeRED to HQE SiRcom Conversion	High	Completed
Update all mobile phones to iPhones	High	Completed
Draft RMCSD Internet Security Policy Created	High	Completed
Reconstruction of MFP/Copier/Scanner networking and user authentication	High	Completed
Implementation of Mosyle MDM for iPhone Management	High	Completed
SCADA Networking Integration	High	Completed
Credit Card Kiosk Installation	High	Completed

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
15160 Jackson Road • P.O. Box 1050 • Rancho Murieta, California 95683
(916) 354-3700

September 16, 2026

Hon. Lawrence G. Brown
Presiding Judge
Superior Court of California, County of Sacramento
720 Ninth Street
Sacramento, California 95814

Re: **Response of the Board of Directors of the Rancho Murieta Community Services District to the 2025–2026 Sacramento County Grand Jury Report, *"Rancho Murieta Community Services District: Still a Work in Progress"* (June 24, 2026)**

Dear Presiding Judge Brown:

On behalf of the Board of Directors of the Rancho Murieta Community Services District (the "District"), I submit the following response to the above-referenced Report of the 2025–2026 Sacramento County Grand Jury. This response is submitted pursuant to Penal Code sections 933, subdivision (c), and 933.05.

The Board considered the Report and this response at its regular meeting of September 16, 2026, an agendized public meeting, and approved this response by a vote of [___].

The Grand Jury requested a response as to all findings and recommendations. This response addresses each of Findings F1 through F12 and each of Recommendations R1 through R12, in the form required by Penal Code section 933.05.

A number of the matters identified in the Report were already under active correction when the Report was issued, and others have been completed since. Where work remains, the Board has said so and has given the dates it expects to complete it. The Board is grateful for the Grand Jury's attention to the District and for the care reflected in the Report.

Respectfully submitted,

____

John Merchant, President
Board of Directors
Rancho Murieta Community Services District

cc: Clerk of the Board, Rancho Murieta Community Services District

Clerk of the Superior Court, County of Sacramento
2025–2026 Sacramento County Grand Jury

RESPONSE OF THE BOARD OF DIRECTORS
RANCHO MURIETA COMMUNITY SERVICES DISTRICT
TO THE 2025–2026 SACRAMENTO COUNTY GRAND JURY REPORT
"RANCHO MURIETA COMMUNITY SERVICES DISTRICT: STILL A WORK IN PROGRESS"
(June 24, 2026)

Submitted pursuant to Penal Code sections 933 and 933.05

INTRODUCTION

Penal Code section 933.05, subdivision (a), requires that, as to each finding, the responding entity indicate either that it agrees with the finding, or that it disagrees wholly or partially, specifying the portion disputed and explaining its reasons. Subdivision (b) requires that, as to each recommendation, the responding entity report that the recommendation has been implemented; has not yet been implemented but will be, with a timeframe; requires further analysis, with scope and a timeframe not exceeding six months from publication of the Report; or will not be implemented because it is not warranted or reasonable, with an explanation. This response follows that structure.

FINDING F1.

> *The Grand Jury finds the District operated an accounting system without standardized procedures that did not meet California's legal requirements for public financial reporting, which as a result, allowed multiple legally required financial audits to become overdue.*

The Board of Directors agrees with Finding F1.

The District did not maintain standardized written accounting procedures adequate to support timely preparation of annual financial statements, and annual audits became overdue as a result.

The District has since taken the following corrective action. Several modules within the District's existing Microsoft Dynamics GP (Great Plains) accounting system were reinstalled and implemented, including the bank reconciliation module, the fixed allocation module, and the interfund self-balancing module. Those modules were installed in the fall of 2026 and are now fully operational and integrated into the District's daily financial activity. The District also implemented Tyler accounting software and undertook a comprehensive redesign of its chart of accounts, reducing more than 2,000 account codes to approximately 100 and eliminating the prior practice of recording expenses to "99 accounts" for later manual redistribution among funds at year end.

The District has also strengthened its accounting processes so that balance sheet accounts and bank reconciliations are reviewed and reconciled on a timely and complete basis, and so that supporting documentation and audit-ready account reconciliations are prepared in advance of audit fieldwork. District staff now present current financial statements to the Board monthly.

The District has completed two audit cycles using these modules and procedures. Many of the deficiencies previously identified have been addressed as a result, as described in the response to Finding F3 below.

RECOMMENDATION R1.

> *The Grand Jury recommends the Board require staff to complete updated accounting procedure manuals reflecting current software systems and processes, with General Manager approval, no later than December 31, 2026.*

The recommendation has not yet been implemented, but will be implemented.

The District began compiling written accounting procedure manuals covering both the accounting software system and the District's accounting processes in September 2026. Approximately seventy percent of the manuals are complete.

The manuals are expected to be completed by December 31, 2026. The District's incoming General Manager assumes office on October 19, 2026 and will review and approve the manuals within the timeframe recommended by the Grand Jury.

FINDING F2.

> *The Grand Jury finds as of May 2026, the District has deferred the FY 2022-23, FY 2023-24 and FY 2024-25 audits, and will be deferring the FY 2025-26 audits, extending a pattern of delinquent financial reporting that began in FY 2020-21, which is a violation of state law.*

The Board of Directors agrees with Finding F2.

As of May 2026, the audits identified in Finding F2 had not been completed. Government Code section 26909, subdivision (a)(2)(B), requires that the report of a special district's annual audit be filed within twelve months of the end of the fiscal year under examination. The District was not in compliance with that requirement.

The Board reports the following developments since the Report period. The FY 2022-23 and FY 2023-24 audits of the District and of Community Facilities District No. 2014-1 were completed in August 2026. The Board received, reviewed and filed the audited financial statements, together with the auditors' presentation, at its meeting of August 26, 2026. The completed FY 2021-22, FY 2022-23 and FY 2023-24 audit reports were submitted to the Chief of Audits, Auditor-Controller Division, County of Sacramento, and receipt was confirmed by the County on August 27, 2026.

The Board further reports that the FY 2024-25 audit is now overdue under section 26909. Preparation is in progress and the District projects completion in December 2026 or January 2027, depending on the auditors' availability. The FY 2025-26 audit is not yet overdue — the twelve-month period under section 26909 runs to July 2027 — and the District projects completion in March 2027.

Audit status as of September 2026:

Fiscal Year	Status	Projected completion
FY 2022-23	Complete. Received and filed by the Board August 26, 2026; filed with the County Auditor-Controller, receipt confirmed August 27, 2026.	Complete
FY 2023-24	Complete. Received and filed by the Board August 26, 2026; filed with the County Auditor-Controller, receipt confirmed August 27, 2026.	Complete
FY 2024-25	Overdue under Government Code section 26909(a)(2)(B). Preparation in progress.	December 2026 – January 2027
FY 2025-26	Not yet due; twelve-month period runs to July 2027. Preparation in progress.	March 2027

RECOMMENDATION R2.

> *The Grand Jury recommends the District finalize the FY 2022-23 and FY 2023-24 financial statements and submit them to the Board for review of the audited findings from those statements by September 30, 2026. The Grand Jury further recommends the District finalize the FY 2024-25 and FY 2025-26 financial statements and the Board consider the audited findings from those statements by December 31, 2026.*

The recommendation has been implemented in part; the remainder has not yet been implemented but will be implemented.

As to the first part of the recommendation, it has been implemented. The FY 2022-23 and FY 2023-24 financial statements were finalized and audited, and the Board received, reviewed and filed the audited findings at a special meeting on August 26, 2026, at which the auditors presented their reports — ahead of the September 30, 2026 date recommended by the Grand Jury.

As to the second part, the recommendation has not yet been implemented and will not be implemented within the timeframe the Grand Jury recommends. The Board reports the following timeframe instead. The District projects that the FY 2024-25 audit will be completed in

December 2026 or January 2027, and that the Board will consider the audited findings at its first regular meeting following completion. The District projects that the FY 2025-26 audit will be completed in March 2027, and that the Board will consider those audited findings at its first regular meeting following completion.

These projections are the District's own. They depend on the District's completion of audit preparation and on the auditors' availability, and the District is not able to obtain a fixed written schedule from its auditors in advance of that preparation. The Board reports these dates rather than adopt a date it does not expect to meet.

FINDING F3.

> *The Grand Jury finds there is no evidence the District fully remediated the material weaknesses and significant deficiencies identified in the FY 2019-20 audit following its transition to the current accounting software, thereby risking the continuance of a pattern of unqualified audits.*

The Board of Directors disagrees partially with Finding F3.

The Board agrees that remediation of the FY 2019-20 findings is not complete, and agrees that no written status report identifying which findings had been resolved and which remained open had been presented to the Board. The Grand Jury was correct to identify that gap, and the Board has closed it, as described in the response to Recommendation R3.

The Board disagrees with Finding F3 to the extent it finds there is "no evidence" of remediation. There is substantial documented evidence of remediation, and it is reflected in the District's subsequent audit reports. The FY 2019-20 audit reported seven material weaknesses and four significant deficiencies. The FY 2023-24 audit, received by the Board on August 26, 2026, reports three material weaknesses and identifies no significant deficiencies.

Material weaknesses reported in the FY 2019-20 audit:

Finding	Subject	Status per FY 2023-24 audit
2020-001	Year-end closing procedures	Open — carried forward as Finding 2021-001 and 2020-001
2020-002	Developer-constructed infrastructure	Open — carried forward as Finding 2021-002 and 2020-002
FS 2019-001	Reliance on external auditor to prepare financial records	Merged into Finding 2020-001 in the FY 2019-20 report; addressed through retention of qualified accounting staff
FS 2019-002	Lack of segregation of duties	Not reported in the FY 2023-24 audit
FS 2019-004	Lack of review	Not reported in the FY 2023-24 audit

Finding	Subject	Status per FY 2023-24 audit
FS 2019-005	Bond funds and expenditures were tracked in an incorrect ledger	Not reported in the FY 2023-24 audit
FS 2019-007	No self-balancing set of accounts by fund	Not reported in the FY 2023-24 audit

Significant deficiencies reported in the FY 2019-20 audit:

Finding	Subject	Status per FY 2023-24 audit
FS 2019-008	Accrued payroll benefit liabilities	Not reported in the FY 2023-24 audit
FS 2019-009	Bank reconciliations	Not reported in the FY 2023-24 audit
FS 2019-011	Inactive customer accounts with credit balances	Not reported in the FY 2023-24 audit
FS 2019-013	Prepaid expense reconciliation	Not reported in the FY 2023-24 audit

The corrective measures underlying these changes are summarized in the response to Recommendation R3. Three material weaknesses remain open, and the Board does not represent otherwise.

RECOMMENDATION R3.

> *The Grand Jury recommends the Board direct staff to deliver a written remediation status report by September 30, 2026 identifying which prior audit findings and material weaknesses the District resolved and which remain open.*

The recommendation has been implemented.

On September 16, 2026, the Director of Finance and Administration delivered to the Board a written remediation status report identifying each material weakness and significant deficiency reported in the FY 2019-20 audit, the corrective action taken as to each, and the current status of each. The Board received and filed that report. A copy is attached to this response as Exhibit A. The Board had previously been briefed on the status of the FY 2021-22 schedule of findings at its meeting of May 27, 2026.

The report identifies the following corrective action.

Accrued payroll benefit liabilities (FS 2019-008). The District completed reconciliations for each accrued payroll benefit liability account and implemented procedures to ensure those balance sheet accounts agree to supporting documentation.

Bank reconciliations (FS 2019-009). The District reinstalled and activated the bank reconciliation module previously disabled within its accounting system, resumed use of system-generated reconciliations, and instituted review of completed reconciliations by a qualified accounting professional.

Inactive customer credit balances (FS 2019-011). The District implemented a new utility billing system, staffed accounts receivable with a new team, and now requires an additional level of system approval for refunds.

Prepaid expense reconciliation (FS 2019-013). The District implemented a balance sheet reconciliation process as part of month-end and year-end close, under which prepaid and other balance sheet accounts are reconciled to supporting documents and allocated to the proper fund based on the transaction.

Self-balancing accounts by fund (FS 2019-007). The District implemented the Interfund Management module within Microsoft Dynamics GP in the fall of 2026, which records and balances interfund transactions automatically through due to and due from entries, and implemented the Fixed Allocation module to allocate administrative expenses across funds at the time transactions are recorded. The District also redesigned its chart of accounts as described in the response to Finding F1.

Bond funds and expenditures were tracked in an incorrect ledger (FS 2019-005) All direct collections and expenditures relating to Community Facilities District No. 2014-1 are now handled by the CFD's appointed fiscal agent, with property tax collections deposited directly to the fiscal agent's accounts, and shared costs recorded as amounts due from the CFD.

Accounting staffing and segregation of duties (FS 2019-001, FS 2019-002, FS 2019-004). The District retained a Director of Finance and Administration in the summer of 2025 and has established an accounting team with financial reporting expertise. Transaction processing responsibilities are segregated among accounts payable, office technician and utility billing personnel, and reviewed by accounting staff and reconciled to supporting documentation to ensure accuracy and completeness. Vendor invoices are approved by the respective department heads; and disbursements are subject to two-tier approval with dual signatures at established thresholds.

The report also identifies the following three material weaknesses reported in the FY 2023-24 audit, which remain open:

Finding	Subject	Status and expected resolution
2022-001	Timely record keeping	Open. Expected to continue to be reported until the District's prior-year audits are brought current.

Finding	Subject	Status and expected resolution
2021-001 (and 2020-001)	Year-end closing procedures	Open. Expected to continue to be reported until the District's prior-year audits are brought current.
2021-002 (and 2020-002)	Developer-constructed infrastructure	Open. Donated infrastructure and related depreciation were recorded for FY 2022-23 and FY 2023-24. The District expects to complete identification and valuation of all developer-donated infrastructure in the FY 2025-26 audit.

At the August 26, 2026 meeting the auditors noted a significant improvement in the number of audit adjustments and that account analyses were completed before the start of audit fieldwork.

FINDING F4.

> *The Grand Jury acknowledges the hiring of a qualified Director of Finance and Administration enabled the District to make great strides towards closing the books on a series of long overdue audits as well as to establish effective accounting processes.*

The Board of Directors agrees with Finding F4.

The Board agrees, and appreciates the Grand Jury's recognition. The District retained its Director of Finance and Administration as a temporary employee in May 2025, and in September 2025 appointed her to the position on a permanent basis. The FY 2020-21 audit was completed before her tenure. Under her direction the District completed the FY 2021-22, which the Board received August 20, 2025. The District completed the FY 2022-23 and FY 2023-24 audits, which the Board received on August 26, 2026, and established the accounting processes described in the responses to Findings F1 and F3.

FINDING F5.

> *The Grand Jury finds the District continues to suffer from the impact of high upper management staff turnover to the detriment of its effective operation. The Grand Jury further finds, however, the recent retention of HRtoGO Outsourcing and Consulting Service to assist in establishing and implementing proper human resources procedures, may improve the handling of personnel matters and potentially reduce future employment litigation as well as prevention of high staff turnover.*

The Board of Directors agrees with Finding F5.

The Board agrees that the District has experienced significant turnover in upper management positions, and agrees that the retention of HRtoGO Outsourcing and Consulting Service is expected to improve the handling of personnel matters.

The Board notes the following as context. Several key positions have been held with substantial continuity: the Chief Plant Operator, now also serving as Interim Director of Operations, has been with the District since 2002; the District Secretary, now also serving as Interim General Manager, since 2019; the District's Accountant since 2023; and the Information Technology Manager since 2023. The District has appointed a permanent Director of Finance and Administration and a permanent General Manager, and has engaged HRtoGO to establish consistent human resources practices, including recordkeeping for hiring, evaluation, and compliance training.

FINDING F6.

> *The Grand Jury finds the Board did not initiate the process of hiring a General Manager for ten months, and instead appointed an interim general manager who lacked the qualifications and experience to run a public utility district, impeding the District's ability to operate effectively.*

The Board of Directors disagrees partially with Finding F6.

The Board agrees that it did not contract with a recruitment agency for the General Manager position until March 2026, approximately ten months after the former General Manager's departure, and that the delay was longer than it should have been.

The Board disagrees with the portion of Finding F6 finding that the appointment of an Interim General Manager impeded the District's ability to operate effectively. The Report itself reaches the opposite conclusion in its Discussion section, where the Grand Jury commends the District for "[p]romptly filling the general manager position with an interim general manager and ad hoc committee for additional support[, which] allowed operations to move forward." The Board shares that latter assessment. The Interim General Manager maintained continuity of District operations, including water and wastewater service, during an extended vacancy, and did so while continuing to assist with Interim District Secretary with her duties.

RECOMMENDATION R6.

> *The Grand Jury recommends the Board adhere to the schedule outlined by its recruitment agency for the hiring of a new General Manager who possesses the qualifications and experience to run this special district, and ensure the position is filled no later than September 30, 2026.*

The recommendation has not yet been implemented, but will be implemented.

The Board completed its recruitment and approved an employment agreement for a permanent General Manager at its meeting of September 16, 2026, in advance of the September 30, 2026 date recommended by the Grand Jury. The appointee currently serves as a City Manager and possesses special district and public agency management experience. The appointee will assume the duties of General Manager on October 19, 2026. The start date reflects the appointee's transition from his/her current position and was not within the District's control.

The Board expects the position to be filled and the appointee in service as of October 19, 2026.

FINDING F7.

The Grand Jury finds the District's ordinance regarding conflicts of interest is not updated, resulting in confusion over who must complete the Form 700s.

The Board of Directors agrees with Finding F7.

The District's Conflict of Interest Code, codified at District Code Chapter 3 and last amended by Ordinance No. O2023-02, listed designated positions that no longer correspond to the District's organizational structure. The District no longer has an Accounting Manager position, and the position formerly designated as Director of Administration is now the Director of Finance and Administration. The Code had not been updated to reflect those changes.

RECOMMENDATION R7.

The Grand Jury recommends the District Board update the District's Conflict of Interest Code by September 30, 2026 to accurately reflect those positions for which a Form 700 is required.

The recommendation has been implemented as to all actions within the District's control; final effectiveness is governed by statute and is pending.

The Board introduced Ordinance No. O2026-03, repealing and replacing District Code Chapter 3 (Conflict of Interest Code), on August 26, 2026, and adopted the Ordinance at its meeting of September 16, 2026. The new Chapter 3 identifies the District's current designated positions, clarifies the status of statutory filers under Government Code section 87200, incorporates a recusal procedure, and codifies the biennial review obligation of Government Code section 87306.5.

Under Government Code sections 82011, subdivision (b), and 87303, the code reviewing body for the District is the Sacramento County Board of Supervisors, and no conflict of interest code is effective until approved by the code reviewing body. The District submitted the new Chapter 3 to the Sacramento County Board of Supervisors on September 17, 2026. Section 87303 affords the code reviewing body ninety days to act. The new Chapter 3 will take effect upon that approval.

The District has completed every action within its own authority in advance of the date recommended by the Grand Jury. The remaining step rests with the code reviewing body.

FINDING F8.

The Grand Jury finds a Board member did not recuse, but in fact voted on the water moratorium issue despite a possible financial interest in the outcome of the vote, thereby *creating at least the perception of a financial conflict of interest which could lead to mistrust by the residents.*

The Board of Directors disagrees partially with Finding F8.

The Board agrees that on September 17, 2025 a member of the Board participated in the Board's consideration of an agenda item concerning a moratorium on new water service connections, and voted, without recusing. The Board further agrees that members of the public requested during public comment on that item that a Board member recuse.

The Board disagrees with the portion of Finding F8 stating that the member "voted on the water moratorium issue," to the extent it conveys that the Board voted on whether to impose a moratorium. It did not. As reflected in the approved minutes of the September 17, 2025 regular meeting, the motion before the Board was to continue the process with multiple public hearings — that is, to commence the noticed public hearing process required before a water shortage emergency may be declared under Water Code section 350 et seq. The Board acknowledges that the agenda item bore the title "Approve Initiation of Water Moratorium," and that this title did not accurately describe the procedural action taken. The Board has directed staff to ensure that future agenda item descriptions accurately describe the action proposed.

No moratorium was imposed. At the Board's special meeting of February 10, 2026, following a noticed public hearing, a motion to adopt Resolution No. R2026-03 declaring a water shortage emergency under Water Code section 350 failed for lack of a second, and the Board took no action.

The Board further disagrees with Finding F8 to the extent it conveys that recusal was legally required. A sworn complaint concerning the September 17, 2025 vote was submitted to the Fair Political Practices Commission, the agency with jurisdiction to enforce the Political Reform Act. On November 21, 2025, the Commission's Enforcement Division advised that it would not pursue an enforcement action, stating that there was "insufficient evidence that the Rancho Murieta Community Services District's decision on September 17, 2025 to initiate a water moratorium, prior to implementation of a water moratorium, would have a reasonably foreseeable financial effect on [the member's] real property." (FPPC Complaint No. COM-09182025-03137.) The Board does not offer the Commission's determination as an adjudication that no conflict of interest existed; a decision not to pursue enforcement is not a determination on the merits. The Board offers it because the Commission reviewed the specific decision identified in Finding F8 and found the evidence of a reasonably foreseeable financial effect insufficient.

The Board agrees with the Grand Jury that maintaining the confidence of District residents requires Board members to avoid the appearance of impropriety, and that the concern underlying Finding F8 is legitimate irrespective of the Commission's enforcement decision. The Board addresses that concern in its responses to Recommendations R8a and R8b.

RECOMMENDATION R8a.

> *The Grand Jury recommends that by September 30, 2026 the Board implement procedures to verify that all required filers of Statements of Economic Interest timely file their Form 700's.*

The recommendation has been implemented.

On September 16, 2026, the Board adopted Policy No. P2026-02, Board Procedures for Form Compliance. The Policy assigns to the District Secretary, as filing officer, the responsibility to maintain a current roster of all designated filers and statutory filers; to issue written notice of filing obligations not less than forty-five days before each annual deadline; to log each statement upon receipt and review it for facial completeness; to issue written delinquency notices; to escalate unfiled statements to the General Manager, District General Counsel and the Board President; and to report annually to the Board on filing compliance. A copy is attached to this response as Exhibit B.

RECOMMENDATION R8b.

> *The Grand Jury recommends the Board establish a process to ensure Board members and staff are adequately trained on their ethical obligations so they can determine whether recusal from participating in any discussion in which the Board member or staff may have an appearance of possible impropriety or actual conflict of interest in the agenda matter being discussed is appropriate.*

The recommendation has been implemented.

The Board identified and acted on this concern before the Report issued. When a recusal concern was raised during public comment at the Board's meeting of September 17, 2025, the Board committed on the record to address the matter at its next meeting. It did so. On October 15, 2025, under agenda Item 10, "Conflicts and Bias," the Board received training in open session from District General Counsel on conflicts of interest and disqualification, covering the prohibition of Government Code section 87100, the distinction between legislative and adjudicatory decisions, and the common-law impartial decisionmaker doctrine, including when recusal is and is not required.

On July 14, 2026, the Board adopted Policy No. P2026-04, Ethics and Fiscal Training Policy, superseding Policy No. 2005-06. The Policy establishes recurring training obligations under Government Code sections 53234 through 53235.2 (AB 1234) and sections 53238 through 53238.4 (SB 827), assigns tracking and notice responsibilities to the District Secretary, requires submission of certificates of completion within thirty days, and requires annual reporting of compliance status to the Board.

Following the general District election of November 3, 2026, all members of the Board will receive Ralph M. Brown Act and governance training, and all members will be offered board leadership training through the California Special Districts Association.

FINDING F9.

> *The Grand Jury finds required Form 700s have not all been filed and are not readily accessible to the public, making it difficult to determine actual or potential financial conflicts of interest.*

The Board of Directors disagrees partially with Finding F9.

The Board agrees that the District's Statements of Economic Interests were not readily accessible to the public, and that the Grand Jury was required to make repeated requests to obtain copies. That should not have occurred.

The Board disagrees with the portion of Finding F9 finding that required Statements of Economic Interests "have not all been filed." As of September 10, 2026, all Statements of Economic Interests, with the exception of the Security Supervisor, required to be filed with the District for the 2025 reporting period have been received and are on file with the District Secretary.

RECOMMENDATION R9.

> *The Grand Jury recommends the Board provide easy public access to the filed Form 700's by September 30, 2026, including through the Rancho Murieta website to facilitate public access.*

The recommendation has been implemented.

The District has established a dedicated Statements of Economic Interests page on its website at www.ranchomurietacsd.com, on which the District posts the Form 700 filings of its Board members and designated filers, together with instructions for requesting copies of any statement. The District will make any statement available for inspection and copying within two business days of a request.

FINDING F10.

> *The Grand Jury finds there is no apparent procedure to ensure Board members and relevant District staff receive statutorily-required ethics and fiscal training in a timely manner, which has resulted in weakness in its governance.*

The Board of Directors agrees with Finding F10.

At the time of the Report, the District's governing ethics policy was Policy No. 2005-06, adopted November 16, 2005. That policy predated both the fiscal training requirements of Senate Bill 827 and the 2026 amendments shortening the initial ethics training window, and it did not establish a procedure for tracking, verifying or reporting training compliance.

RECOMMENDATION R10.

> *The Grand Jury recommends the Board establish a formal procedure to comply with statutorily-required ethics and fiscal training, such as for elected officials and personnel by December 31, 2026.*

The recommendation has been implemented.

On July 14, 2026, in advance of the September 30, 2026 date recommended by the Grand Jury, the Board adopted Policy No. P2026-04, Ethics and Fiscal Training Policy, superseding Policy No. 2005-06. The Policy applies to all members of the Board, the General Manager, and all designated employees under the District's Conflict of Interest Code. It sets the initial and biennial deadlines for AB 1234 ethics training and SB 827 fiscal training; identifies approved providers; requires certificates of completion to be submitted to the District Secretary within thirty days; requires the District Secretary to maintain training records for five years, to give written notice of upcoming deadlines, to track receipt of certificates, and to report compliance status to the Board annually; and requires biennial review of the Policy by the General Manager and District General Counsel.

All Board members and designated employees subject to current AB 1234 ethics training obligations have been provided access to the required training, and the District Secretary will confirm completion of all outstanding ethics training by December 31, 2026. Fiscal training under Senate Bill 827 is not required of Board members who assumed office before January 1, 2026 until January 1, 2028; members assuming office thereafter must complete the training within six months. A copy of Policy No. P2026-04 is attached to this response as Exhibit C.

RECOMMENDATION R11.

> *The Grand Jury recommends the Board direct staff to determine the cost of delivering reclaimed water to the Country Club and report to the Board in a Discussion item by September 30, 2026 the lost revenue from not charging that cost to the private club.*

The recommendation has been implemented.

On August 26, 2026, in advance of the date recommended by the Grand Jury, the Board took up as Discussion Item 10.B a review of the 1988 Agreement for Availability and Use of Reclaimed Wastewater with the Rancho Murieta Country Club. A representative of the Country Club was present. Staff presented the District's analysis of the Agreement and of the District's obligations under its waste discharge requirements. The Board considered a proposed extension of the Agreement, declined to act on it at that meeting, and directed staff to confer with the Country Club and return to the Board. The cost for delivery is minimal as the pipe was installed in 1984 and is gravity feed to Bass Lake.

FINDING F12.

> *The Grand Jury finds the schedule for repayment of the District's loan to the Rancho Murieta Country Club does not fully disclose the amount of interest the Country Club is obligated to pay under the loan agreement due to changes in the interest rate during the repayment period.*

The Board of Directors disagrees partially with Finding F12.

The Board agrees that the amortization schedule prepared by the District at the outset of the loan reflected payments computed at the two percent contract rate and did not display the amount of the contingent final interest adjustment.

The Board disagrees with Finding F12 to the extent it conveys that the Country Club's obligation was undisclosed. Section 2.4 of the loan agreement, to which both parties agreed, expressly provides that the final interest rate would be based on the actual rate earned by District funds on deposit with the Local Agency Investment Fund during the five-year repayment period, but not less than two percent, and that at the conclusion of the repayment period the District would calculate the final interest amount and true up the final payment. Section 2.4 does not require the adjustment to be calculated during the life of the loan; the recalculation occurs upon completion of the five-year repayment period. The obligation was stated in the operative agreement to which both parties assented. What could not be stated in advance was the amount, because it depended on Local Agency Investment Fund rates over the ensuing five years.

The recalculated interest schedule is attached to this response as Exhibit D.

RECOMMENDATION R12.

> *The Grand Jury recommends the Board direct staff report to the Board by September 30, 2026 the total interest owed by the Country Club under the loan agreement.*

The recommendation has been implemented.

On August 26, 2026, in advance of the date recommended by the Grand Jury, staff reported to the Board on the Rancho Murieta Country Club loan and the final interest reconciliation. Applying the actual monthly Local Agency Investment Fund rates over the five-year repayment period, subject to the two percent floor, the District calculated an additional interest amount of $2,838.38 above the interest paid at the contract rate. The Country Club paid that amount, and the final loan payment was made on July 17, 2026. The loan has been repaid in full and the matter is closed.

CONCLUSION

The Board of Directors appreciates the Grand Jury's review of the District. Several of the matters identified in the Report were already the subject of corrective action when the Report issued, and the Board has used the Report as an occasion to complete that work and to address the remainder. Where the Board has been unable to adopt the timeframe the Grand Jury recommended, it has said so and given the dates it expects to meet. The Board welcomes further inquiry from the Grand Jury or from the Court.

Dated: September 17, 2026

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

By: ________________________________
John Merchant, President
Board of Directors

Attest: _____________________________
Dyanne Fleet
Interim District Secretary/Clerk of the Board

Exhibit A

R3. The Grand Jury recommends the Board direct staff to deliver a written remediation status report by September 30, 2026 identifying which prior audit findings and material weaknesses the RMCSD resolved, and which remain open. (F3)

As presented by the auditors at the August 26, 2026 Board meeting, the FY24 audit reported **no** significant deficiencies, reflecting progress in the RMCSD's internal control environment. However, the recent audit identified three material weaknesses that continue to require management attention and remediation.

Material Weaknesses Reported in FY24

The following material weaknesses were reported:

1. 2022-001: Timely Record Keeping
2. 2020-001: Year-End Closing Procedures
3. 2020-02: Developer-Constructed Infrastructure

Of these findings, **Timely Record Keeping (2022-001)** and **Year-End Closing Procedures (2020-001)** remain open and are expected to continue appearing in future audit reports until the RMCSD demonstrates timely completion of financial reporting and audit. 2020-02: Developer-Constructed Infrastructure will be completed during the FY 2026 audit.

F3. The Grand Jury finds there is no evidence the RMCSD fully remediated the material weaknesses and significant deficiencies identified in the FY 2019–20 audit following its transition to the current accounting software, thereby risking the continuance of a pattern of unqualified audits. (R3)

Prior to the start of the audit for FY 23 and FY 24, per the May 27 board meeting packet page 185 to 192, the Board was informed of the status of FY22 audit schedule of findings of material weaknesses and significant deficiencies. May+27,+2026+Board+Packet.pdf

The following are detailed reports on each significant deficiency and material weakness identified as of the completion of audits FY 23 and FY24.

Significant deficiencies

Per the FY 19-20 audit report- page 47 and 48 (reference RMCSD AFS 2022). These were identified as significant deficiencies.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

FS 2019-008: During our testing of accrued payroll benefit liabilities, we noted that many of the accounts did not agree to the underlying support. We also noted that many of the payroll benefit liability accounts had debit balances, which is a negative balance for a liability account.

Recommendation: We recommend the District reconcile the accrued payroll benefit liability accounts to the underlying documentation and verify that the liability accounts are being allocated to the funds based on direct allocations or by the approved allocation formula.

Current Status: The issue still exists. The District has multiple payroll liability and receivable accounts with immaterial balances that have not changed in the past year. The District needs to write off the balances for accounts if they are not needed or cannot be supported.

District Response: Management will review entries to determine the ability to support the balances and will remove balances that are unsupported. The District anticipates this correction in FY 2020-21.

FS 2019-009: During our review of bank reconciliations, we noted instances where the reconciliations were not performed in a timely manner after month-end and also instances where the reconciliations were not initialed by a reviewer other than the person preparing the bank reconciliation.

Recommendation: We recommend preparing the bank reconciliations in a timely manner after month-end and that a staff member, who is not part of the cash collection, cash receipting or has check signing authority, review, date and initial the bank reconciliations.

Current Status: This issue still exists to some extent. In the fiscal year 2019/20 audit, the District provided bank reconciliations for June 30, 2020 that were generated from the accounting system; however, the book balance did not agree to the general ledger balances. The District was able to prepare manual bank reconciliations with immaterial differences. We recommend the District determine if the system-generated reconciliations can be relied upon in the future.

District Response: The District has lacked key personnel to complete the monthly bank reconciliations in a timely manner. The District is currently recruiting for personnel and has been utilizing an outside consultant to assist with the monthly reconciliations and will transfer the knowledge when key personnel are onboarded. This issue should be considered resolved for the FY 2020-21 audit.

FS 2019-010: Similar issue was not noted in fiscal year 2019/20.

FS 2019-011: During our testing of accounts receivables we noted the District had numerous non-active customer accounts with credit balances. The total of the non-active customer credit balances was $18,774. We also noted this condition in the prior audit. These accounts use the code OFFC in the platinum billing system.

Recommendation: The District should determine their legal responsibility for returning the funds to customers for these credit balance accounts prior to the board approving them to be written off. The District should also run the credit balance report as of June 30, the financial statement reporting date.

Current Status: These credit balances still exist at June 30, 2020.

District Response: The District has utilized an external consultant to maintain and manage the utility accounts due to lack of key personnel to manage the customer accounts appropriately. The District is currently recruiting for personnel that will manage and maintain customer accounts and will develop procedures to prevent receivables and determine the course of action to either return the funds or request approval from the Board to write-off the outstanding balances.

FS 2019-012: This item has been addressed.

FS 2019-013: During our testing of prepaid expense, we noted the general ledger balances were not reconciled to the underlying support. We noted $14,579 recorded as prepaid workers compensation, whereas our expected balance was zero, as the District made all the required 2018/19 fiscal year contributions in the 2018/19 fiscal year. It appears that after the November 2018 allocations were made to prepaid workers compensation from the water and security funds, resulting in a negative $5,631 prepaid workers compensation balance in the water fund.

We also noted the prepaid expense balances, all funds 1260-99, carried over from the prior fiscal year totaling $19,779, were not reversed in the current fiscal year resulting in an overstatement of prepaid expense and an understatement of expense.

Recommendation: We recommend the District reconcile the prepaid expense accounts to the underlying supporting documentation as part of year-end procedures and true-up these accounts. We recommend the District review how the prepaid expense allocations are coded between funds and credit each fund its equitable share.

Current Status: Prepaid balances at June 30, 2020 included prior year balances that had not been reversed during fiscal year 2019/20, causing the prepaids to be overstated. The District should consider maintaining a spread sheet that tracks prepaid balances, and the amount that should be recognized each month to ensure balances are not overstated.

District Response: The District recognizes the need to ensure accuracy within the prepaid expense allocations and subsequent journal entries. The District is currently recruiting for key personnel and will develop appropriate procedures to reconcile the prepaid expenses and plan to implement a new ERP system in FY 2020-21 to assist with the proper coding.

Overall Status

Per the FY 2024 audit report (see attached RMCSD AFS 2024 page 46 or 47), **all significant deficiencies were resolved. No significant deficiencies were reported.**

Status of each significant deficiency noted in FY19/20 audit.

FS 2019-008 – Accrued payroll benefit liabilities were not properly reconciled and did not agree to the underlying supporting documentation. This issue was initially identified during the FY19 audit and continued to be reported in the FY20 audit.

RMCSD has completed reconciliations for each accrued payroll benefit liability account and has implemented procedures to ensure these balance sheet accounts agree to supporting documentation. Thus, this significant deficiency is resolved.

FS 2019-009 – Bank reconciliation is not performed timely and properly reviewed. Auditors recommend that system-generated reconciliations be relied upon in the future. This issue was initially identified during the FY19 audit and continued to be reported in the FY20 audit.

RMCSD has reinstalled and activated the bank reconciliation module that was previously disabled within the existing accounting system of Great Plain. Management has resumed the use of this functionality to perform and document bank reconciliations, enhancing the accuracy of cash account reporting and related internal controls. In addition, completed bank reconciliations are now reviewed by a qualified accounting professional to ensure accuracy and appropriate oversight. Based on the results of the FY2024 audit, this significant deficiency has been remediated and is considered resolved.

FS 2019-011 – Numerous inactive customer accounts-maintained credit balances totaling $18,774 within the Platinum utility billing system. This issue was noted in prior audits. The auditors recommended that RMCSD actively review these accounts and process refunds or otherwise resolve outstanding credit balances in a timely manner.

RMCSD implemented a new utility billing system and hired a new team to manage accounts receivable. The credit balance report for inactive customers appears to show negative balances aged less than 30 days. Additionally, all refunds now require an additional level of approval within the system. This deficiency is resolved FY 23 and FY 24 audits.

FS 2019-013 – Prepaid accounts were not reconciled to the supporting documents. Prepaid activities were allocated to each fund using 99 accounts in FY 18/99 and they were not adjusted.

RMCSD installed a new balance sheet reconciliation process as part of the month end or year end process whereby all balance sheet accounts including prepaid will be reconciled to supporting documents and allocate to the proper fund based on the transaction. Thus, this significant deficiency is also resolved.

Material Weaknesses

Per the FY 19-20 audit report, it was reported that year-end closing procedures need to be improved.

FOR THE YEAR ENDED JUNE 30, 2020

MATERIAL WEAKNESSES IN INTERNAL CONTROL

Current Year Findings

Finding 2020-001: Year-End Closing Procedures

Condition: The audit was delayed because of delays in producing closing entries, trial balances, schedules, reconciliations, account analyses, and other financial reports needed by management and the auditors, which resulted in numerous adjustments. The large number of adjustments identified during the course of the audit indicate that the District does not have the internal controls in place to prevent or detect misstatements on a timely basis.

We believe that the year-end closing process could proceed more quickly and smoothly by developing a logical order for closing procedures. The required closing procedures should be documented in a checklist that indicates who will perform each procedure and when completion of each procedure is due and is accomplished. The District needs to ensure that all balance sheet accounts are reviewed and reconciled to supporting schedules and are reviewed and approved prior to the beginning of the audit.

Recommendation: We recommend that the District streamline accounting processes to create timely, accurate financial reporting. A closing procedures checklist would ensure account balances are reviewed and corrected prior to the start of the audit. The review function should include monitoring compliance with District policy and generally accepted accounting principles. Procedures should be in place to prepare the required reconciliations at year-end and post entries needed to close the books prior to the start of the audit.

District's response: The District agrees with the condition stated in the finding. The District has had high turnover in key Accounting positions and difficulties in onboarding new staff. At the time of the audit, the District was not able to locate any documented procedures identifying considerations in the year-end closing process. The District will document all processes required to complete the year-end close and monitor account balances prior to the start of the audit. All accounting staff will be trained on new processes and will be informed of any revisions. We anticipate these measures to be implemented prior to close of FY 2020-21.

As noted in the FY24 audit report, the current status remains as described below. In addition, with the establishment of a new and highly qualified accounting team, RMCSD has significantly improved the quality of its financial reporting process, reducing the number of audit adjustments from approximately 40 in FY22 to just 4 in FY24. According to the auditors, this audit comment will continue to appear in the audit report until all prior-year audits have been completed and brought current. Nevertheless, RMCSD has received positive recognition from the auditors for the substantial efforts undertaken and the improvements implemented during the FY23 and FY24 audit processes.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS (Continued)

FOR THE YEAR ENDED JUNE 30, 2024

Current Status: The District has now retained qualified staff to ensure that all the balance sheets are reviewed and reconciled and approved prior to the beginning of the audit. A streamlined accounting process which includes routine reconciliation according to the District policy and generally accepted accounting principles is substantially installed.

Per the FY 19-20 audit report, it was reported that **Developer constructed infrastructure needs to be recorded and thus misstated the capital assets.**

Finding 2020-002: Developer-constructed infrastructure

Condition: Developer-constructed infrastructure that is deeded to the District does not appear to have been recorded as capital assets in the District's general ledger.

Criteria: A complete and accurate capital asset listing, including developer-constructed assets, needs to be maintained.

Cause: It appears certain policies and procedures related to developer-donated infrastructure have not been put into place.

Effect: This situation creates a misstatement of the capital assets.

Recommendation: We recommend the District evaluate the extent of developer-donated infrastructure received and estimate and record the amount of developer-donated assets and related depreciation in its general ledger and capital asset listing.

District's response: The District is currently reviewing and maintaining a list of capital assets that include the developer donated assets. The District agrees that the developer donated assets were not originally included in the capital assets list and proper policies and procedures are being developed to ensure an accurate accounting for all capital assets and depreciation in the future. We anticipate these measures to be implemented prior to the audit for FY 2020-21.

Per the 2024 audit report, RMCSD has begun evaluating developer-donated infrastructure assets and has recorded the value of identified developer-contributed assets, along with the related depreciation, in both the general ledger and the fixed asset subledger for fiscal years 2023 and 2024. The RMCSD anticipates completing the identification and evaluation of all developer-donated infrastructure and making any necessary adjustments to the accounting records in subsequent fiscal years. This effort will help ensure the completeness and accuracy of the RMCSD's capital asset records and related financial reporting.

Per the FY 19-20 audit report, it was reported the RMCSD did not have the **proper accounting team** to produce accurate accounting records, internal controls or prepare audit financial statements.

FS 2019-001: During the fiscal year ended June 30, 2019, the District relied on the external auditor to ensure its financial statements were in accordance with GAAP. In addition, the District relied on the external auditor to ensure that all necessary disclosures were included in the notes to the financial statements. The District does not employ a staff member with the necessary knowledge and training to prepare governmental financial statements. In accordance with AU-C 265 external auditors cannot be part of any entity's internal controls over preparation of the financial statements and are prohibited from auditing their own work, which would impair their independence. We noted the District retained an outside accounting consultant to assist with internal controls and some year-end close assistance.

Recommendation: We recommend the District accounting staff reconcile the general ledger to the underlying support as part of year-end closing procedures prior to the audit, or utilize the outside accountant to verify the accuracy of what is provided to the auditor.

Current Status: This issue still exists. See current year finding 2020-0001.

District Response: The District agrees with the condition stated in the finding. The District has had high turnover in key accounting positions and difficulties in onboarding new staff. Staff identified key deficiencies in the job descriptions of Accounting classifications and will be correcting them in FY 2020-21. The District also recognizes that proper processes for general ledger year-end reconciliation will be implemented to ensure financial statements are accurate prior to the start of the audit. The District is currently recruiting for key personnel and anticipate implementing proper general ledger closing procedures prior to the FY 2020-21 audit.

Per the FY2024 audit report, this material weakness has been fully resolved.

During the audit presentation at the August 26, 2026 Board meeting, the auditors acknowledged the RMCSD's progress, noting "significant improvements in the number of audit adjustments" and that "account analyses were completed prior to the start of audit fieldwork." These observations reflect the effectiveness of the corrective actions implemented by management/Board and demonstrate the RMCSD's strengthened financial reporting processes and internal control environment.

The Board has appropriately allocated resources to further strengthen the accounting function by ensuring that the Accounting Department is staffed with qualified professionals at all levels, from Accounts Payable personnel to the head of the department. In the prior 10 years, the accounting function lacked sufficient financial reporting expertise at the leadership level, which contributed to reporting deficiencies. The establishment of a new accounting team and the hiring of a qualified Finance Director have significantly enhanced the RMCSD's financial reporting capabilities, internal controls, and overall accountability.

As a result, the RMCSD has substantially improved the accuracy and timeliness of its financial reporting, reduced the number of audit adjustments, and demonstrated its ability to prepare key account analyses before the commencement of audit fieldwork. These improvements provide strong evidence that the conditions that gave rise to the material weakness have been effectively addressed and are no longer present.

Per the FY 19-20 audit report, the lack of segregation of duties has not been mitigated.

FS 2019-002: During the current fiscal year audit, we noted the District had a lack of segregation of duties, as one person was capable of handling all aspects of processing certain transactions from beginning to end. A lack of segregation of duties increases the risk of potential errors or irregularities; however, due to a limited number of personnel and staff turnover that occurred during the fiscal year under audit, an adequate segregation of duties was not possible without incurring additional costs.

Recommendation: The District should attempt to segregate accounting functions to the greatest extent possible. The Board of Directors also plays a more vital oversight role in reviewing and authorizing accounting records such as cash disbursements, cash receipts, cash transfers, account write-offs, payroll, journal entries and monthly bank reconciliations. The District has hired an outside consultant to review the current segregation of incompatible duties, which will assist the District in correcting weaknesses.

Current Status: The District has mitigated these segregation of duties issues with reviews performed by the General Manager.

As noted in the FY2024 audit report, the lack of segregation of duties has been fully addressed and was no longer identified as a finding in the most recently issued audit report.

Since the hiring of the new Finance Director, transaction processing responsibilities have been appropriately segregated among Accounts Payable, Office Technician, and Utility Billing personnel. Financial transactions are reviewed by accounting staff and reconciled to supporting documentation to ensure accuracy, completeness, and compliance with established procedures. Vendor invoices are properly approved by the appropriate respective department heads, and related disbursements are subject to a two-tier approval process, including dual signatures in accordance with established spending thresholds.

These improvements have significantly strengthened the RMCSD's internal control environment by enhancing segregation of duties, independent review, and management oversight of financial transactions. As a result, the risk of errors, fraud, or irregularities occurring and remaining undetected has been substantially reduced.

RMCSD remains committed to maintaining and continuously enhancing its system of internal controls to safeguard RMCSD assets, ensure the integrity and reliability of its financial reporting processes, and promote compliance with applicable policies, procedures, and regulatory requirements.

Per the FY 19-20 audit report, it was reported that accounting records were prepared by accounting staff with inadequate skill, knowledge and experience.

FS 2019-004: During our review of the general ledger, we noted after November 2018 that there were many instances of journal entries being posted and reversed and then reposted. Per review of the journal entries we noted that no accounting personnel were reviewing and approving the journal entries that were being prepared and posted by accounting staff and the outside consultants. The lack of review and authorization increases the risk of material misstatements in the financial statements.

Recommendation: In order to reduce the risk of material misstatements we recommend implementing internal controls where journal entries are reviewed and approved, prior to posting the entry by an accounting staff member with adequate skill, knowledge, and experience.

Current Status: Several instances of this were noted in the current year audit as well, including the accrued payroll journal entry that had to be reversed during the audit as this journal entry was recorded twice. The review of journal entries should be documented by the reviewer's initials and date of review and this documentation should be retained based on the District's retention policy.

District Response: The District has had high turnover in key positions, creating the lack of segregation of duties. The District has hired part time temporary staff to allow for internal controls. The District recognizes that the lack of key personnel and accurate alignment of job duties created silos in which certain journal entries were not reviewed prior to posting. Staff have completed an assessment and have realigned the workflow to include segregation of duties when completing journal entries. The District is currently recruiting for key personnel prior to the FY 2020-21 audit and have implemented proper segregation of duties within existing staffing levels.

Per the FY2024 audit report, this issue has been resolved. RMCSD retained a qualified Director of Finance in the summer of 2025 and has since established a highly experienced accounting team with extensive knowledge of financial reporting in accordance with Generally Accepted Accounting Principles (GAAP).

Over the past 12 months, the RMCSD has successfully completed three years of outstanding audits. During this period, numerous accounting processes and procedures were implemented to strengthen financial management and internal controls. In addition, key account reconciliations were completed and reviewed by the Director of Finance to ensure accuracy and compliance with applicable accounting standards.

These improvements have significantly enhanced the RMCSD's financial reporting function, strengthened internal controls, and improved the reliability and timeliness of financial information. The successful completion of the outstanding audits and the implementation of comprehensive review and reconciliation procedures demonstrate that the conditions that gave rise to this issue have been effectively addressed.

Per the FY 19-20 audit report, it was reported that funding and expenditures relative to the CFD were collected and disbursed by RMCSD instead of CFD. RMCSD needs to ensure that funding needs to be handled from the proper fund.

FS 2019-005: During our testing of due to and due from other funds we noted that the District did not transfer the assessments collected on behalf of CFD 2014-1 from the District checking account to the CFD accounts. The District collected $404,659 on behalf of CFD 2014-1 and then transferred $129,155 to the CFD 2014-1 trustee in order to pay the interest portion of the semi-annual debt payment. This left $275,504 in the District checking account as of June 30, 2019 that belongs to CFD 2014-1.

Recommendation: We noted the District transferred the funds from the Community Services District to the Community Facility District 2014-1 on July 31, 2019. For future collections, we recommend transferring the funds from the District account to the CFD 2014-1 in a timely manner after collection. We also recommend the District review the CFD 2014-1 debt covenants and discuss with the trustee where the assessment proceeds are legally required to be held after collection.

Current Status: The District recorded the revenue properly in the CFD fund in the current year, but the debt service payment was paid from the general fund instead of the CFD, creating a payable in the CFD fund. The District needs to ensure debt payments are made from the proper fund.

District Response: The District has had high turnover in key positions and have been unable to keep up with the day-to-day operations with limited staffing levels. Management has taken steps to ensure that as activities arise, they are properly documented to provide training for onboarding of staff. The District recognizes the need for timely transfers and will implement transfer schedules to ensure timely collections. The District is currently implementing proper CFD Assessment procedures prior to the FY 2020-21 audit.

RMCSD has taken significant corrective actions to address this issue since the FY 19-20 audits. All direct collections and expenditures related to the Community Facilities RMCSD (CFD) are now handled exclusively by the CFD's appointed fiscal agent, a national banking institution. Property tax collections are deposited directly into the bank accounts maintained by the fiscal agent, ensuring that CFD resources are accounted for within the appropriate fund.

In addition, Accounts Payable staff have been trained in the proper processing of CFD-related transactions to ensure compliance with established accounting procedures. Indirect/shared costs, such as audit fees and other administrative expenses initially paid by RMCSD, are appropriately recorded as amounts due from the CFD and reimbursed accordingly. These transactions are properly tracked and reconciled within the RMCSD's accounting records.

As a result of the corrective actions implemented, the RMCSD has strengthened its fund accounting practices and ensured that CFD revenues and expenditures are recorded in the appropriate fund. Furthermore, no audit adjustments related to this issue were proposed during the most recent CFD audit, demonstrating the effectiveness of the corrective measures that have been implemented.

Per the FY 19-20 audit report, it was reported that the RMCSD was not maintaining a self-balancing set of accounts by fund. The cause of this condition is that Great Plain is not specifically designed to be a fund accounting program.

FS 2019-007: During our review of the general ledger we noted the District was not maintaining a self-balancing set of accounts by fund during the 2018/19 fiscal year. The District recorded a journal entry at year-end to balance the funds. Proper accounting controls would require the individual funds to be self-balancing. The cause of this condition is that the Great Plains accounting program is not specifically designed to be a fund accounting program. The prior administration established procedures to make the system function like a fund accounting program, however the method is very complex and with the turnover that occurred during the 2018/19 fiscal year, the accounting entries required to keep the funds in balance were not being maintained. This is a condition that could lead to a qualified opinion in the auditor's report if it is not corrected.

Recommendation: We recommend the District consider purchasing accounting software that is designed for fund accounting.

Current Status: This issue still exists. The District should consider setting up their accounting system on a fund basis to ensure the funds remain in balance when recording journal entries.

District Response: The District recognizes the limitation in the current financial system and is working to set up the correct accounts to ensure proper fund accounting. The District is looking into implementing a new ERP system that is specifically designed for governmental fund accounting. The District anticipates the new ERP implementation for the FY 2021-22.

RMCSD has taken significant corrective actions to address this material weakness and strengthen its fund accounting processes. Rather than replacing its existing accounting system, the RMCSD implemented the Interfund Management module within Microsoft Dynamics GP (formerly Great Plains), a widely used and established accounting platform that has been successfully utilized across a broad range of industries for more than 30 years.

The Interfund Management module was fully implemented in Fall 2026. This module is designed for organizations that maintain multiple funds and automatically records and balances interfund transactions through the creation of appropriate due to/due from entries. As a result, transactions involving multiple funds are systematically tracked and balanced, helping ensure the accuracy of fund-level financial reporting and reducing the risk of manual errors.

To support the implementation of this enhanced functionality, the RMCSD also undertook a comprehensive redesign of its Chart of Accounts (COA), which is the structured framework used to classify and report financial transactions. The previous account structure contained more than 2,000 account codes and relied on coding conventions (the 99 accounts) that complicated financial reporting and interfund accounting. The revised Chart of Accounts has been streamlined to approximately 100 accounts and aligned with common industry best practices.

The implementation of the Interfund Management module and the redesign of the Chart of Accounts have significantly improved the RMCSD's ability to accurately record, monitor, and report interfund activity. Cash receipts, expenditures, and interfund transfers are now automatically balanced at the fund level, providing greater transparency, consistency, and accountability in financial reporting.

Additionally, the new accounting team implemented the Fixed Allocation module in Microsoft Dynamics GP (Great Plains) to automate the allocation of administrative expenses across funds. When a transaction is posted to an allocation account, the system automatically distributes the expense to designated accounts based on predefined allocation methodologies. This functionality works in conjunction with the Interfund Management module, ensuring that expenses are allocated to the appropriate funds at the time transactions are recorded while maintaining self-balancing entries at each fund level.

Under the previous accounting team's process, expenses were initially recorded using “99 accounts” and manually redistributed among funds through Excel-based calculations at year-end. This approach is not commonly considered a leading practice because it delays the recognition of fund-level expenses and relies heavily on manual processes. The current automated allocation methodology provides more timely, accurate, and transparent financial reporting and is more consistent with generally accepted accounting practices and industry standards for fund accounting.

These improvements have modernized the RMCSD's accounting operations, strengthened internal controls over interfund transactions, and aligned financial processes with standard governmental accounting practices. As a result, management believes the conditions that contributed to this material weakness have been effectively addressed.

EXHIBIT B

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Category:	Personnel	**Policy #**2026-02
Title:	Board Procedures for Form 700 Compliance	

1. PURPOSE

The Board of Directors shall ensure compliance with the Political Reform Act by establishing procedures to identify all designated filers, monitor filing deadlines, verify timely submission of Statements of Economic Interests (Form 700), and report compliance to the Board annually. The General Manager or designated Filing Officer shall maintain records of all required filings, provide required notices and reminders, follow up on delinquent filings, and ensure that all statements are maintained and disclosed in accordance with applicable law and FPPC regulations.

2. SCOPE

This Policy applies to:

- All members of the Board of Directors;
- The General Manager; and
- All other designated employees as defined in the District's Conflict of Interest Code (District Code Chapter 3) who are subject to filing a Statement of Economic Interests (Form 700).

1. 3. Annual Review of Filers
    - Annually review and approve the agency's Conflict of Interest Code and the list of designated positions required to file Form 700.
    - Verify that all newly created or modified positions are evaluated for filing requirements.
2. Designation of a Filing Officer
    - Designate the General Manager, Board Secretary, or another responsible employee as the Filing Officer.
    - Assign responsibility for maintaining records, distributing forms, monitoring deadlines, and retaining filings.
3. Maintain a Current Filer Roster
    - Maintain an up-to-date list of all officials and employees required to file, including:
        - Board members
        - Designated employees
        - Consultants required by the Conflict of Interest Code
4. Provide Timely Notifications
    - Notify all required filers of filing deadlines:
        - Assuming Office

        - Annual Statements
        - Leaving Office
    - Send reminder notices before each deadline.
5. Track Compliance
    - Maintain a tracking log documenting:
        - Date forms were distributed
        - Due date
        - Date received
        - Whether the filing was complete
        - Any amendments submitted
6. Follow Up on Delinquent Filers
    - Promptly notify individuals who fail to file by the deadline.
    - Document all reminder notices.
    - Refer unresolved delinquencies to the FPPC when required by law.
7. Board Reporting
    - At least annually, provide the Board with a compliance report identifying:
        - Number of required filers
        - Number of statements received
        - Outstanding or delinquent filings
        - Corrective actions taken
8. Records Management
    - Maintain Form 700 filings as public records in accordance with state law.
    - Retain records for the period required by the FPPC and make them available for public inspection upon request.
9. Training
    - Ensure that newly elected and appointed officials receive information regarding Form 700 filing requirements and applicable ethics laws.
    - Encourage periodic ethics training for designated employees and board members.
10. Annual Internal Review
    - Conduct an annual review of filing procedures to identify deficiencies and implement improvements.

Approved by Rancho Murieta Community Services District Board of Directors	Adopted 06/15/2026

EXHIBIT C

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Category:	Personnel	**Policy #**	2026-04
Title:	Ethics and Fiscal Training Policy		

1. PURPOSE

This Policy establishes the District's procedures for ensuring that Board members and designated employees comply with the mandatory ethics training requirements of Assembly Bill 1234 (Government Code Sections 53234–53235.2) and the mandatory fiscal training requirements of Senate Bill 827 (Government Code Sections 53238–53238.4). Compliance with these training requirements is essential to sound governance, demonstrates the Board's commitment to transparency and fiscal accountability, and reduces the District's exposure to legal risk.

2. SUPERSESSION OF PRIOR POLICY

This Policy supersedes and replaces in its entirety Policy No. 2005-06 (Ethics Policy for Board of Directors), adopted by the Board of Directors on November 16, 2005. Policy No. 2005-06 is hereby repealed effective upon adoption of this Policy.

The substantive ethics and conduct obligations of Board members — including responsibilities of public office, fair and equal treatment, proper use of District property, use of confidential information, conflicts of interest, soliciting political contributions, the revolving door policy, and whistleblower protections — continue to govern Board member conduct as set forth in Chapter 10 of the Board of Directors Guidelines for Conducting Board Business and in the District's Conflict of Interest Code (District Code Chapter 3). This Policy does not supersede or modify those documents.

3. SCOPE

This Policy applies to:

- All members of the Board of Directors;
- The General Manager; and
- All other designated employees as defined in the District's Conflict of Interest Code (District Code Chapter 3) who are subject to training requirements under Government Code Section 53235.

4. REQUIRED TRAINING PROGRAMS

4.1 AB 1234 — Ethics Training (Gov. Code §§ 53234–53235.2). All covered officials must complete at least two (2) hours of ethics training that covers ethical principles, conflicts of interest, personal financial gain issues, gift restrictions and reporting, travel limitations, and transparency laws including the Ralph M. Brown Act and the California Public Records Act.

4.2 SB 827 — Fiscal Training (Gov. Code §§ 53238–53238.4). All covered officials must complete at least two (2) hours of fiscal training covering the proper oversight of public agency finances, including debt management, capital financing, appropriate investing, and auditing for fiscal compliance.

5. TRAINING DEADLINES

The following schedule governs initial and ongoing training obligations:

Training Program	Who Must Complete	Initial Deadline	Renewal
AB 1234 Ethics	Board Members, General Manager, designated employees	Within 6 months of assuming office	Every 2 years
SB 827 Fiscal	Board Members, General Manager, designated employees	Within 6 months of assuming office (for those assuming office in 2026 or later); by January 1, 2028 (for those in office prior to 2026)	Every 2 years

Note: Officials who assumed office prior to 2026 had until one year after assuming office to complete initial AB 1234 ethics training under prior law. Starting in 2026, the initial training window for new officials is shortened to six (6) months for both AB 1234 and SB 827.

6. APPROVED TRAINING PROVIDERS

Training must be obtained from a provider that offers programs meeting the content requirements of Government Code Sections 53235 and 53238. Approved sources include, but are not limited to:

- The Fair Political Practices Commission (FPPC) — online ethics training at www.fppc.ca.gov;
- The California Special Districts Association (CSDA) — ethics and governance training programs;
- The Special District Leadership Foundation (SDLF) — Special District Leadership Academy and related programs;
- The League of California Cities or California State Association of Counties (for joint training programs); and
- Other providers offering programs that satisfy the statutory content requirements, as approved by the General Manager or District legal counsel.

7. CERTIFICATES OF COMPLETION

Each official who completes a required training program shall obtain a certificate of participation or completion from the training provider and submit it to the District Secretary within thirty (30) days of completing the training. The District Secretary shall maintain training records for a minimum of five (5) years. Training records are public records subject to disclosure under the California Public Records Act (Gov. Code § 7920 et seq.).

8. TRACKING AND COMPLIANCE

The District Secretary, in coordination with the General Manager, shall be responsible for:

- Maintaining a current list of all officials subject to this Policy and their training deadlines;

- Providing written notice to each covered official of their training deadlines no later than ninety (90) days before the applicable deadline;
- Tracking receipt of certificates of completion and following up with officials who have not submitted certificates by the applicable deadline;
- Reporting training compliance status to the Board of Directors annually as part of the Board's organizational meeting agenda; and
- Notifying the General Manager and District legal counsel of any officials who have not completed required training within the applicable deadline.

9. COSTS

Reasonable costs of required training, including registration fees and related travel expenses consistent with the District's travel policy, shall be reimbursable as a District expense upon submission of receipts and a completed expense report. Board members and employees are encouraged to seek out no-cost training options, including the FPPC's online ethics training, where these satisfy the statutory requirements.

10. CONSEQUENCES OF NONCOMPLIANCE

While Government Code Sections 53235 and 53238 do not impose direct fines or penalties for failure to complete required training, noncompliance creates significant risks to the District including:

- Erosion of public trust and confidence in the Board's governance;
- Increased risk of inadvertent violations of conflict of interest, Brown Act, or public finance laws that adequate training would have prevented; and
- Adverse findings in future Grand Jury or State Controller reviews.

The Board of Directors expects all covered officials to complete required training on time. The General Manager shall include compliance with this Policy as a component of performance expectations for covered employees.

11. RELATIONSHIP TO CONFLICT OF INTEREST CODE AND BOARD GUIDELINES

This Policy is adopted independently of the District's Conflict of Interest Code (District Code Chapter 3) and the Board of Directors Guidelines for Conducting Board Business and does not modify or supersede any provision of those documents. Training completed pursuant to this Policy that covers conflict of interest topics complements but does not replace the disclosure and disqualification obligations established by Chapter 3 and the Political Reform Act.

12. POLICY REVIEW

The General Manager and District legal counsel shall review this Policy biennially and recommend any amendments necessary to reflect changes in applicable law. The Board of Directors reserves the right to amend this Policy at any time. The next scheduled review of this Policy shall be no later than July 2028.

Approved by Rancho Murieta Community Services District Board of Directors	Adopted July 14, 2026

EXHIBIT D

RMCC North Pump Repair Loan Amortization Schedule

Enter Values

Loan amount	$114,513.95
Annual interest rate	2%
Loan period in years	5
Number of payments per year	12
Start date of loan	7/25/2021
Optional extra payments	$0.00

Loan Summary

Scheduled payment	$2,007.17
Scheduled number of payments	60
Actual number of payments	60
Total early payments	
Total interest	$8,754.81
Lender name	Rancho Murieta Community Services District

https://www

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest	Revised Interest Rate
1	7/25/2021	$114,513.95	$2,007.17	$0.00	$2,007.17	$1,816.32	$190.86	$112,697.63	$190.86	2.000%
2	8/25/2021	$112,697.63	$2,007.17	$0.00	$2,007.17	$1,819.34	$187.83	$110,878.29	$378.69	2.000%
3	9/25/2021	$110,878.29	$2,007.17	$0.00	$2,007.17	$1,822.38	$184.80	$109,055.91	$563.48	2.000%
4	10/25/2021	$109,055.91	$2,007.17	$0.00	$2,007.17	$1,825.41	$181.76	$107,230.50	$745.24	2.000%
5	11/25/2021	$107,230.50	$2,007.17	$0.00	$2,007.17	$1,828.46	$178.72	$105,402.05	$923.96	2.000%
6	12/25/2021	$105,402.05	$2,007.17	$0.00	$2,007.17	$1,831.50	$175.67	$103,570.54	$1,099.63	2.000%
7	1/25/2022	$103,570.54	$2,007.17	$0.00	$2,007.17	$1,834.56	$172.62	$101,735.99	$1,272.25	2.000%
8	2/25/2022	$101,735.99	$2,007.17	$0.00	$2,007.17	$1,837.61	$169.56	$99,898.37	$1,441.81	2.000%
9	3/25/2022	$99,898.37	$2,007.17	$0.00	$2,007.17	$1,840.68	$166.50	$98,057.70	$1,608.31	2.000%
10	4/25/2022	$98,057.70	$2,007.17	$0.00	$2,007.17	$1,843.74	$163.43	$96,213.95	$1,771.73	2.000%
11	5/25/2022	$96,213.95	$2,007.17	$0.00	$2,007.17	$1,846.82	$160.36	$94,367.14	$1,932.09	2.000%
12	6/25/2022	$94,367.14	$2,007.17	$0.00	$2,007.17	$1,849.89	$157.28	$92,517.24	$2,089.37	2.000%
13	7/25/2022	$92,517.24	$2,007.17	$0.00	$2,007.17	$1,852.98	$154.20	$90,664.27	$2,243.57	2.000%
14	8/25/2022	$90,664.27	$2,007.17	$0.00	$2,007.17	$1,856.07	$151.11	$88,808.20	$2,394.67	2.000%
15	9/25/2022	$88,808.20	$2,007.17	$0.00	$2,007.17	$1,859.16	$148.01	$86,949.04	$2,542.69	2.000%
16	10/25/2022	$86,949.04	$2,007.17	$0.00	$2,007.17	$1,862.26	$144.92	$85,086.78	$2,687.60	2.000%
17	11/25/2022	$85,086.78	$2,007.17	$0.00	$2,007.17	$1,864.87	$142.31	$83,221.92	$2,829.91	2.007%
18	12/25/2022	$83,221.92	$2,007.17	$0.00	$2,007.17	$1,856.47	$150.70	$81,365.45	$2,980.61	2.173%
19	1/25/2023	$81,365.45	$2,007.17	$0.00	$2,007.17	$1,842.75	$164.43	$79,522.70	$3,145.04	2.425%
20	2/25/2023	$79,522.70	$2,007.17	$0.00	$2,007.17	$1,833.28	$173.89	$77,689.41	$3,318.93	2.624%
21	3/25/2023	$77,689.41	$2,007.17	$0.00	$2,007.17	$1,823.89	$183.28	$75,865.52	$3,502.21	2.831%
22	4/25/2023	$75,865.52	$2,007.17	$0.00	$2,007.17	$1,825.73	$181.45	$74,039.80	$3,683.65	2.870%
23	5/25/2023	$74,039.80	$2,007.17	$0.00	$2,007.17	$1,822.51	$184.67	$72,217.29	$3,868.32	2.993%
24	6/25/2023	$72,217.29	$2,007.17	$0.00	$2,007.17	$1,816.58	$190.59	$70,400.71	$4,058.91	3.167%
25	7/25/2023	$70,400.71	$2,007.17	$0.00	$2,007.17	$1,813.28	$193.90	$68,587.43	$4,252.81	3.305%
26	8/25/2023	$68,587.43	$2,007.17	$0.00	$2,007.17	$1,810.90	$196.27	$66,776.53	$4,449.08	3.434%
27	9/25/2023	$66,776.53	$2,007.17	$0.00	$2,007.17	$1,810.52	$196.66	$64,966.02	$4,645.74	3.534%
28	10/25/2023	$64,966.02	$2,007.17	$0.00	$2,007.17	$1,808.49	$198.69	$63,157.53	$4,844.43	3.670%
29	11/25/2023	$63,157.53	$2,007.17	$0.00	$2,007.17	$1,804.91	$202.26	$61,352.62	$5,046.69	3.843%
30	12/25/2023	$61,352.62	$2,007.17	$0.00	$2,007.17	$1,806.29	$200.88	$59,546.33	$5,247.57	3.929%
31	1/25/2024	$59,546.33	$2,007.17	$0.00	$2,007.17	$1,808.09	$199.08	$57,738.24	$5,446.65	4.012%
32	2/25/2024	$57,738.24	$2,007.17	$0.00	$2,007.17	$1,808.84	$198.33	$55,929.40	$5,644.98	4.122%
33	3/25/2024	$55,929.40	$2,007.17	$0.00	$2,007.17	$1,809.93	$197.24	$54,119.47	$5,842.23	4.232%
34	4/25/2024	$54,119.47	$2,007.17	$0.00	$2,007.17	$1,814.51	$192.67	$52,304.96	$6,034.89	4.272%
35	5/25/2024	$52,304.96	$2,007.17	$0.00	$2,007.17	$1,818.35	$188.82	$50,486.61	$6,223.71	4.332%
36	6/25/2024	$50,486.61	$2,007.17	$0.00	$2,007.17	$1,818.69	$188.48	$48,667.92	$6,412.20	4.480%
37	7/25/2024	$48,667.92	$2,007.17	$0.00	$2,007.17	$1,824.02	$183.15	$46,843.90	$6,595.35	4.516%
38	8/25/2024	$46,843.90	$2,007.17	$0.00	$2,007.17	$1,828.42	$178.75	$45,015.47	$6,774.10	4.579%
39	9/25/2024	$45,015.47	$2,007.17	$0.00	$2,007.17	$1,835.55	$171.62	$43,179.92	$6,945.72	4.575%
40	10/25/2024	$43,179.92	$2,007.17	$0.00	$2,007.17	$1,844.60	$162.57	$41,335.32	$7,108.29	4.518%
41	11/25/2024	$41,335.32	$2,007.17	$0.00	$2,007.17	$1,852.96	$154.22	$39,482.36	$7,262.51	4.477%
42	12/25/2024	$39,482.36	$2,007.17	$0.00	$2,007.17	$1,861.29	$145.89	$37,621.08	$7,408.40	4.434%
43	1/25/2025	$37,621.08	$2,007.17	$0.00	$2,007.17	$1,870.30	$136.88	$35,750.78	$7,545.27	4.366%
44	2/25/2025	$35,750.78	$2,007.17	$0.00	$2,007.17	$1,878.08	$129.09	$33,872.70	$7,674.36	4.333%
45	3/25/2025	$33,872.70	$2,007.17	$0.00	$2,007.17	$1,885.43	$121.74	$31,987.27	$7,796.11	4.313%
46	4/25/2025	$31,987.27	$2,007.17	$0.00	$2,007.17	$1,893.06	$114.11	$30,094.21	$7,910.22	4.281%
47	5/25/2025	$30,094.21	$2,007.17	$0.00	$2,007.17	$1,900.04	$107.14	$28,194.17	$8,017.36	4.272%
48	6/25/2025	$28,194.17	$2,007.17	$0.00	$2,007.17	$1,906.87	$100.30	$26,287.30	$8,117.66	4.269%
49	7/25/2025	$26,287.30	$2,007.17	$0.00	$2,007.17	$1,913.90	$93.28	$24,373.41	$8,210.93	4.258%
50	8/25/2025	$24,373.41	$2,007.17	$0.00	$2,007.17	$1,920.83	$86.34	$22,452.58	$8,297.28	4.251%
51	9/25/2025	$22,452.58	$2,007.17	$0.00	$2,007.17	$1,928.36	$78.81	$20,524.21	$8,376.09	4.212%
52	10/25/2025	$20,524.21	$2,007.17	$0.00	$2,007.17	$1,936.19	$70.98	$18,588.02	$8,447.07	4.150%
53	11/25/2025	$18,588.02	$2,007.17	$0.00	$2,007.17	$1,943.73	$63.45	$16,644.29	$8,510.51	4.096%
54	12/25/2025	$16,644.29	$2,007.17	$0.00	$2,007.17	$1,951.35	$55.83	$14,692.95	$8,566.34	4.025%
55	1/25/2026	$14,692.95	$2,007.17	$0.00	$2,007.17	$1,959.04	$48.13	$12,733.90	$8,614.47	3.931%
56	2/25/2026	$12,733.90	$2,007.17	$0.00	$2,007.17	$1,966.10	$41.08	$10,767.81	$8,655.55	3.871%
57	3/25/2026	$10,767.81	$2,007.17	$0.00	$2,007.17	$1,972.84	$34.33	$8,794.97	$8,689.88	3.826%
58	4/25/2026	$8,794.97	$2,007.17	$0.00	$2,007.17	$1,979.24	$27.93	$6,815.73	$8,717.81	3.811%
59	5/25/2026	$6,815.73	$2,007.17	$0.00	$2,007.17	$1,985.53	$21.64	$4,830.19	$8,739.45	3.810%
60	6/25/2026	$4,830.19	$2,007.17	$0.00	$2,007.17	$1,991.81	$15.36	$2,838.38	$8,754.81	3.816%
								Recalculated with LAIF Rates	$8,754.81	
								Per Original Schedule	5,916.43	
								Total Projected Increase in Interest	$2,838.38	Additional Payment

Patrick L. Enright

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MEMORANDUM

VIA ELECTRONIC MAIL

TO: Honorable Members of the Board of Directors
Rancho Murieta Community Services District

CC: Amelia Wilder, Interim General Manager

FROM: Patrick L. Enright

DATE: September 16, 2026

SUBJECT: Consideration and Possible Approval of Employment Agreement for General Manager

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Recommendation

Staff recommends that the Board of Directors adopt a motion to: (1) approve the Employment Agreement between the District and "Candidate" for the position of General Manager, in the form attached as Attachment A; and (2) authorize the Board President to execute the Agreement on behalf of the District.

Background

Following the Board's recruitment process for General Manager, conducted with the assistance of Peckham & McKenney, the Board selected "the Candidate" as its choice for the position. District Counsel has since negotiated the terms of a proposed employment agreement with "the Candidate" and his/her counsel, culminating in the final agreement attached to this report.

This item was not considered at the Board's August 26, 2026 special meeting. Government Code section 54956(b) prohibits a legislative body from calling a special meeting to consider the salary, salary schedule, or compensation paid in the form of fringe benefits of a local agency executive (as defined in Government Code section 3511.1(d)). Because "Candidate" position is held by an employment contract, she qualifies as a "local agency executive" under that definition, and this item is accordingly being brought to the Board's regular meeting on September 16, 2026.

Summary of Key Terms

- Position / Term: General Manager; four-year term commencing October 19, 2026 ("Effective Date").

- Base Salary: $225,000 annually, with an automatic adjustment each July 1 (beginning July 1, 2027) tied to the percentage change in the CPI-U for the San Francisco-Oakland-Hayward, CA area, floored at 3% and capped at 4.5%, in addition to any separate discretionary adjustment the Board may approve.
- Other Benefits: $100/month cellphone allowance; one-time $5,000 relocation allowance; vacation leave accrued at the District's 5-year-of-service rate; and the same health, retirement, and other benefits provided to other District Executive Management employees.
- Administrative Leave: 80 hours annually (initial grant on the Effective Date, not prorated; 80 hours thereafter each July 1).
- Investigatory Administrative Leave: The Board may place Employee on paid investigatory administrative leave during a pending investigation. Such leave does not reduce Employee's accrued vacation, sick leave, administrative leave, or other leave balances, and is capped at 90 days, extendable by the Board in 30-day increments upon a good-faith finding that more time is needed to complete the investigation.
- Termination / Severance: At-will employment. Six months' severance if terminated without cause (subject to the caps in Government Code sections 53260-53264); no severance if terminated for cause as defined in the Agreement. Reimbursement obligations apply under Government Code sections 53243-53243.4 if Employee is convicted of a crime involving abuse of office.
- Indemnification: Standard defense and indemnification for acts within the scope of Employee's duties, as otherwise limited by law.

Fiscal Impact

The annual base salary and benefits described above will be funded through the District's General Fund.

Brown Act Compliance

This item has been placed on the agenda for the Board's regular meeting of September 16, 2026, with a brief general description, consistent with Government Code section 54954.2(a)(1). As noted above, because this item involves the compensation of a local agency executive, Government Code section 54956(b) required that it be considered at a regular meeting rather than a special meeting. The proposed Agreement accompanies this staff report and, consistent with Government Code section 54957.5, is being made available for public inspection with the agenda packet.

Before the Board takes final action on this item, Government Code section 54953(d)(3)(A) requires that a summary of the recommendation regarding Employee's compensation be orally reported during the open meeting. The summary below is provided for that purpose and should be read into the record by the presiding officer or presenting staff member before the Board's vote. Any vote on this item must be taken openly and not by secret ballot, and the vote or abstention of each Board member present must be publicly reported, consistent with Government Code section 54953(d)(1) and (2).

Oral Summary of Compensation Recommendation

(To be read into the record before final action, per Government Code section 54953(d)(3)(A))

“Before the Board takes action on this item, I want to summarize the compensation recommendation for the proposed General Manager, "Candidate". The proposed agreement provides for an annual base salary of $225,000, with an automatic annual salary adjustment each July 1 tied to a regional Consumer Price Index, of not less than 3% nor more than 4.5%. "Candidate" would also receive a $100 monthly cellphone allowance, a one-time $5,000 relocation allowance, 80 hours of administrative leave annually, and the same health, retirement, and other benefits provided to other District Executive Management employees. In the event of termination without cause, the agreement provides for severance of six months’ base salary, subject to the limitations of Government Code sections 53260 through 53264.”

Recommended Motion

“I move to approve the Employment Agreement between the Rancho Murieta Community Services District and "Candidate" for the position of General Manager, and to authorize the Board President to execute the Agreement on behalf of the District.”

Attachment

Employment Agreement between Rancho Murieta Community Services District and "Candidate" (General Manager) dated September 16, 2026.

EMPLOYMENT AGREEMENT
BETWEEN RANCHO MURIETA COMMUNITY SERVICES DISTRICT
AND MARTI BROWN

THIS EMPLOYMENT AGREEMENT ("Agreement"), is entered into as of September 16, 2026, by and between the Rancho Murieta Community Services District, hereinafter referred to as the "District," and "Candidate", hereinafter referred to as "Employee."

RECITALS

WHEREAS, District desires to retain the services of Employee in the position of General Manager, and Employee desires to be employed as General Manager of the District;

WHEREAS, Employee has the requisite skills, experience, training, education, and expertise to serve as General Manager;

WHEREAS, District and Employee desire to establish specific terms and conditions relating to compensation and benefits, and related matters.

NOW, THEREFORE, in consideration of the mutual covenants set forth below, the parties agree as follows:

1. Employment. Under the terms and conditions of this Agreement, the District employs Employee as its General Manager, and Employee accepts such employment.

2. Term. This Agreement shall commence on October 19, 2026 ("Effective Date") and shall continue for a term of four (4) years from the Effective Date ("Term"), unless earlier terminated as provided in this Agreement.

3. Duties and Hours.

A. Employee shall perform the duties established for the General Manager by State law, in the District Code and Ordinances, the General Manager job description, the directions of the Board of Directors, or as otherwise provided by law, ordinance, or regulation. Employee shall report to, and take direction from, the Board of Directors acting as a body at a duly noticed meeting, and not from individual members of the Board. These duties shall include, without limitation, implementing Board-approved policies and procedures; directing the work of the District's professional, technical, and clerical personnel; overseeing training for new employees and existing staff in relation to new rules, regulations, and procedures; negotiating and working with the labor union; administering the Board-approved annual budget; and overseeing agendas and meeting schedules of the Board of Directors and its committees. As General Manager, Employee may propose any item, policy recommendations, or measures to the Board that Employee determines to be in the best interests of the District.

B. Employee shall devote the time necessary to perform the duties of General Manager adequately. The parties expect that a minimum of forty (40) hours per week, during normal business hours and additional time outside normal business hours, will be required to satisfy this requirement. Employee shall be allowed reasonable flexibility in setting her own office hours, provided that the schedule of such hours provides adequate availability to the Board of Directors and District staff during normal business hours and for the performance of District business.

C. Employee shall devote her full energies, abilities, and productive time to the performance of this Agreement, and use her best efforts to promote the District's interests. Employee shall not engage in any activity, consulting service, or enterprise, for compensation or otherwise, that is actually or potentially in conflict with, or inimical to, her duties and responsibilities to the District.

D. Employee is expected to perform her duties primarily in person at the District's offices. Employee may work remotely at times when attending meetings or appointments outside the District or otherwise conducting District business away from the District's offices, but the general expectation is that Employee will be present at the District's offices on most working days.

4. Evaluation of Performance. The Board of Directors shall evaluate the performance of Employee. The timing, process, and procedure for the evaluation, including who shall conduct it, shall be within the Board's sole and complete discretion. Employee shall not be entitled to the same evaluation process, procedure, or format applicable to other District employees under the Personnel Manual or otherwise.

Upon completion of each evaluation, the District may, at its sole discretion, award Employee a performance bonus based upon her performance and accomplishment of the District's goals and objectives.

In addition to any performance bonus, at the District's sole discretion, salary adjustments may be given to Employee at or around the time of the evaluation by the District. Any such salary adjustment will be memorialized as an amendment to this Agreement and, if not already provided for there, on the District's publicly-available pay schedule.

5. Base Salary.

A. Commencing on the Effective Date, Employee's salary shall be Two Hundred Twenty-Five Thousand Dollars ($225,000) per year, subject to normal payroll withholdings and deductions.

B. Employee's salary shall be payable in installments at the same time as other employees of the District. Employee's salary reflects the salary for similar positions in a comparable employment market and takes into account the special expertise, experience, and job duties of Employee. Employee acknowledges that she is classified as an exempt employee under the Fair Labor Standards Act and is not eligible for overtime pay. Employee further acknowledges that the salary provided under this Agreement is compensation for all hours worked.

C. Commencing July 1, 2027, and on July 1 of each year thereafter during the Term, Employee's Base Salary shall be automatically increased by a percentage equal to the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), San Francisco-Oakland-Hayward, CA, All Items, or its successor index, as published by the U.S. Bureau of Labor Statistics, measured over the most recent twelve (12)-month period for which data has been published as of May 1 of that year; provided, however, that in no event shall such increase be less than three percent (3%) nor more than four and one-half percent (4.5%). This automatic increase is separate from, and does not limit, any discretionary salary adjustment the Board may approve under Section 4. Each automatic increase under this subsection shall be memorialized on the District's publicly-available pay schedule.

6. Vacation Leave. Employee shall accrue paid vacation leave at the rate applicable under the District's Personnel Manual to a regular full-time District employee with five (5) years of continuous service, notwithstanding Employee's actual length of service with the District, as such accrual schedule may be amended by the District from time to time.

7. Other Benefits.

A. Cellphone allowance in the amount of $100 per month. The allowance covers all business-related cellphone expenses for the Employee. The payment will not be reported to the California Public Employees' Retirement System (CalPERS) as compensation for pension calculation purposes. Employee shall forego this allowance if Employee receives a cell phone issued and paid by the District.

B. With prior Board of Directors approval, Employee shall receive reimbursement of actual and reasonable fees and costs for publication, subscriptions, journals, members in job-appropriate professional organizations, and attendance at job-appropriate professional and continuing education conferences.

C. Employee shall receive the same benefits, including leave accruals and cash out provisions, holidays and other benefits on the same terms and conditions as provided to other Executive Management employees. Other employee benefits (including sick leave; retirement system membership and employer and employee contributions; deferred compensation investment opportunities; employee and dependent coverage on health, dental and other group insurance programs) as provided for regular fulltime District employees under the District Personnel Manual (as the same may be amended by District from time to time) and other applicable employment and benefit policies, but not including overtime or compensatory time off benefits.

8. Relocation Allowance. District shall provide Employee a one-time relocation allowance of five thousand dollars ($5,000).

9. Cooperation Regarding Medical Leave and Accommodations.

Employee shall promptly notify District's designated human resources consultant whenever Employee becomes aware of a medical condition or circumstance that may affect the ability to perform the essential functions of the position, require a reasonable accommodation, or qualify Employee for protected leave or other employment-related benefits or protections under applicable law. Employee shall timely provide all medical certifications, recertifications, fitness-for-duty certifications, and other documentation reasonably requested by District or its designated human resources consultant and shall cooperate in the interactive process and any leave administration process required by law. Employee acknowledges that timely communication and submission of required documentation are necessary to enable District to evaluate eligibility for leave, accommodations, and other benefits, and to ensure compliance with applicable federal and state employment laws. Nothing in this section is intended to diminish or waive any rights afforded to Employee under applicable law.

10. Administrative Leave. Employee shall receive an initial grant of eighty (80) hours of administrative leave on the Effective Date, which grant shall not be prorated. Thereafter, Employee shall receive eighty (80) hours of administrative leave on July 1 of each year during the Term of her employment. Unused administrative leave may not be carried over to a subsequent grant period. Unused administrative leave has no cash value and shall not be paid out at any time. Administrative leave shall otherwise be provided in accordance with the District's Personnel Manual. Employee shall provide the Board President with five (5) days' notice before such leave shall be taken.

11. Placement on Investigatory Administrative Leave by the Board.

A. The Board may, at its sole discretion by a majority of its members, place the Employee on investigatory administrative leave during the pendency of an investigation involving alleged misconduct, violations of District policy, violations of law, or any other matter the Board, in its sole discretion, deems necessary. Placement on investigatory administrative leave under this section is an administrative action and is not, by itself, disciplinary or a determination that the Employee engaged in any misconduct. Investigatory administrative leave under this section is separate and distinct from the Administrative Leave benefit provided to Employee under Section 10.

B. Investigatory administrative leave imposed pursuant to this section shall be paid leave and shall be separate from, and shall not reduce, Employee’s accrued vacation, sick leave, Section 10 administrative leave, compensatory time, or other accrued leave balances. During any period of investigatory administrative leave, Employee shall continue to receive her regular Base Salary and all other contractual benefits under this Agreement, unless otherwise required by applicable law.

C. Except as the Board and Employee may otherwise agree, investigatory administrative leave under this section shall not exceed ninety (90) days from the date Employee is first placed on such leave. The Board may extend this period for one or more additional periods not to exceed thirty (30) days each, upon a good-faith determination by the Board that additional time is reasonably necessary to complete the investigation.

D. Employee shall in good faith cooperate with the District and any investigator retained by the District during any investigation, whether or not the Employee is placed on investigatory administrative leave.

12. Termination.

A. Termination by District. Employee is employed in an at-will status at the pleasure of the Board of Directors. The District may terminate this Agreement and the employment relationship at any time with or without cause, and with or without prior notice.

B. Termination on Resignation. Employee may terminate the Agreement by giving District at least ninety (90) days prior written notice. District may accelerate the effective date of resignation to any date after the receipt of written notice or, upon request, may reduce the notice period, at its discretion.

13. Severance. District shall pay Employee for all services through the effective date of termination. Employee shall have no right to any additional compensation or payment, except as provided below and except for any accrued and vested benefits.

A. If District terminates this Agreement (thereby terminating Employee's Employment) without cause, District shall pay Employee a lump sum severance benefit equal to six (6) months of the applicable base salary at the time of termination; provided, however, if the Agreement is terminated within six (6) months of the Agreement's expiration date, the severance amount shall be prorated based on the months left in the Term.

B. If District terminates this Agreement (thereby terminating Employee's Employment) with cause, Employee shall not be entitled to any severance. As used in this Agreement, "with cause" shall mean termination due to:

i. A conviction, plea bargain, judgment or adverse determination by any court, the State Attorney General, a grand jury, or the California Fair Political Practices Commission involving any felony, intentional tort, crime of moral turpitude or violation of any statute or law constituting misconduct in office, misuse of public funds or conflict of interest;

ii. Conviction of a felony;

iii. Conviction of a misdemeanor arising out of Employee's duties under this Agreement and involving a willful or intentional violation of law;

iv. Willful abandonment of duties;

v. A pattern of repeated, willful, and intentional failure to carry out materially significant and legally constituted policy decisions of the Board made by the Board as a body or persistent and willful violation of properly established rules and procedures;

vi. A material breach of this Agreement or the District's Employee Handbook; and

vii. Any other action or inaction by Employee that materially and substantially harms District's interests, materially and substantially impedes or disrupts the performance of District, or that is detrimental to employee safety or public safety.

C. Any other term of this Agreement, notwithstanding the maximum severance that Employee may receive under this Agreement, shall not exceed the limitations provided in Government Code Sections 53260-53264, or other applicable law. Further, in the event Employee is convicted of a crime involving an abuse of office or position, Employee shall reimburse the District for any paid leave or cash settlement (including severance), as provided by Government Code Sections 53243-53243.4.

D. Upon any allegation that the Employee has engaged in conduct that would result in her termination "with cause" as defined in subsection (B) above, Employee is entitled to address and attempt to rebut those allegations before the District in closed session prior to District making any final determination regarding the veracity of those allegations. In the event the District, in its discretion, still finds merit to the allegations and terminates, the Employee shall not be entitled to any severance and will be owed no further compensation. Nothing in this subsection is intended to limit any right Employee may have under Government Code § 54957(b)(2) to elect, upon the statutorily required notice, to have specific complaints or charges against her heard in open rather than closed session.

E. In the event the District terminates the Employee for any reason or no reason, the District and the Employee agree that no member of the Board, the District Management staff, nor the Employee, shall make any written, oral or electronic statement to any member of the public, the press, or any District employee concerning the Employee's termination except in the form of a joint press release or statement, the content of which is mutually agreeable to the District and the Employee. The joint press release or statement shall not contain any text or information that is disparaging to either party. Either party may verbally repeat the substance of the joint press release or statement in response to any inquiry.

14. Defense and Indemnification. Except as otherwise provided, limited, or required by law, the District shall defend, hold harmless, and indemnify Employee against any tort, professional liability claim, or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties for the position specified in this Agreement. The District may, in its sole discretion, compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon when, in the judgment of the District, such is the most advisable course of action, but in any event, will defend and indemnify Employee. This provision shall survive any termination or resignation of the Employee or expiration of this Agreement. This paragraph is not intended to provide any rights in excess of those rights provided by law.

15. Notices. Any notice to the District under this Agreement shall be given in writing to the District, either by personal service or by registered or certified mail, postage prepaid, addressed to the District's President of the Board of Directors at the District's then principal place of business. A courtesy copy shall be given to the General Counsel in a like manner. Any such notice to Employee shall be given in a like manner and, if mailed, shall be addressed to Employee at her home address then shown in the District's files. For the purpose of determining compliance with any time limit in this Agreement, a notice shall be deemed to have been duly given (a) on the date of delivery, if served personally on the party to whom notice is to be given, or (b) on the third calendar day after mailing, if mailed to the party to whom the notice is to be given in the manner provided in this section.

16. General Provisions.

A. Entire Agreement. The text hereof shall constitute the entire Agreement between the parties and shall supersede all prior agreements and understandings between the parties. No subsequent alteration, amendment, change, or addition to this Agreement shall be binding upon the parties unless reduced to writing and signed by an authorized representative of the Board of Directors and Employee. The foregoing notwithstanding, Employee acknowledges that her employment is subject to the District's generally applicable policies adopted in response to requirements such as those involving equal employment opportunity, sexual and other legally prohibited harassment and violence in the workplace.

B. Attorney's Fees. Except as provided elsewhere in this Agreement, if any legal action or proceeding is brought to enforce or interpret this Agreement, the prevailing Party, as determined by the court, shall be entitled to recover from the other Party all reasonable costs and attorney's fees, including such fees and costs as may be incurred in enforcing any judgment or order entered in any such action. Nothing in this subsection shall be read to prevent the Parties from agreeing to some alternative method of dispute resolution. If such a method is agreed to, any final determination shall include an award of attorney's fees and costs by the presiding officer.

C. Successors and Assigns. This Agreement is personal to Employee. Employee may not transfer or assign the Agreement or any part of it. Subject to this restriction on transfer and assignment, this Agreement will bind, and inure to the benefit of, the successors, assigns, heirs and legal representatives of the parties.

D. Severability. If any provision or any portion of this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement shall not be affected and shall remain in full force and effect.

E. Integration. This Agreement contains the entire Agreement between the Parties and supersedes all prior oral and written agreements, understandings, commitments, and practices between the Parties concerning Employee's employment with District. Each Party to this Agreement acknowledges that no representations, inducements, promises, or agreements, oral or written, have been made by any Party, or anyone acting on behalf of any Party, that are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding on either Party. The foregoing notwithstanding, Employee acknowledges that, except as expressly provided in this Agreement, Employee is subject to District's general personnel policies and procedures, including those stated in District's Personnel Manual.

F. Governing Law and Venue. Except as otherwise required by law, this Agreement will be interpreted, governed by, and construed under the laws of the State of California. The County of Sacramento will be venue for any state court litigation and the Eastern District of California will be venue for any federal court litigation concerning the enforcement or construction of this Agreement.

G. Employee's Independent Review. Employee acknowledges that she has had the opportunity to consult legal counsel and has conducted an independent review of the financial and legal effects of this Agreement. Employee acknowledges that she has made an independent judgment concerning the financial and legal effects of this Agreement and has not relied upon any representation of District, its officers, agents, or employees, other than those expressly set forth in this Agreement.

TO EFFECTUATE THIS AGREEMENT, the President of the Rancho Murieta Community Services District, pursuant to authority granted to him by the Board of Directors, hereby signs this Agreement on behalf of the District, as Employer, and "Candidate", as Employee, hereby signs this Agreement, both parties agreeing to the terms and provisions set forth herein.

APPROVED AND AUTHORIZED:

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

By:________________________________

John Merchant
President

Date: September ____, 2026

APPROVED AS TO FORM:

____
Patrick Enright
General Counsel

ACCEPTED AND AGREED TO:

____
Marti Brown
Employee

Date: September ____, 2026