

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Regular Board of Directors Meeting

MINUTES

April 17, 2013

5:00 p.m. Open Session

1. CALL TO ORDER/ROLL CALL

President Gerald Pasek called the regular meeting of the Board of Directors of Rancho Murieta Community Services District to order at 5:00 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Gerald Pasek, Betty Ferraro, and Michael Martel. Also present were Darlene Gillum, Director of Administration; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary. Directors Belton and Gumbinger were absent.

2. ADOPT AGENDA

Motion/Ferraro to adopt the agenda. **Second/Martel. Ayes: Pasek, Ferraro, and Martel. Noes: None. Absent: Belton and Gumbinger.**

3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES

None.

4. COMMENTS FROM THE PUBLIC

Ted Hart, lot 825 commented asked about the status of the Will Serve Letters and Water Plant 3. Darlene Gillum stated that the District will address those items at the April 26, 2013 Board workshop. President Pasek stated that the workshop will decide how the District will proceed with the water plant and the will serve letter will be addressed thereafter.

5. CONSENT CALENDAR

Motion/Martel to adopt the consent calendar. **Second/Ferraro. ROLL CALL VOTE: Ayes: Pasek, Ferraro, and Martel. Noes: None. Absent: Belton and Gumbinger.**

9. STAFF REPORTS

No comments.

John Sullivan stated that at the Improvements Committee meeting, he asked that the District not refer to the Financing and Services Agreement (FSA) as having anything to do with Rancho Murieta 670, LLC. The General Manager's report continued to refer to Rancho Murieta 670, LLC in the terms of the FSA. Mr. Hock, PCCP, and Reynen & Bardis, and/or Gary Parker do not represent Rancho Murieta 670, LLC. Mr. Sullivan also voiced his concerns regarding the FSA and that Rancho Murieta 670 LLC is not in agreement with the terms of the FSA.

Director Martel stated that he had asked for all notes relating to the negotiations that Ed Crouse and Jonathan Hobbs are doing independent of the Board.

President Pasek stated that he recalls that the statement was made that Les Hock represents those other than the Gardens. Mr. Sullivan stated that is incorrect, Mr. Hock only represents PCCP at this point.

Director Ferraro stated that she has requested the District get in writing who Les Hock represents. Mr. Sullivan stated that the majority of interest in Rancho Murieta 670, LLC will not sign the FSA or be party to it and that they no longer choose to have Les Hock or Gary Parker have any involvement in negotiations on their behalf.

Mr. Sullivan stated that the non-Mello Roos money that was used to pay for infrastructure built for the non-Mello Roos property is roughly \$2.5 million dollars, not \$12.9 million.

7. CORRESPONDENCE

No comments.

8. RECEIVE UPDATE ON PUBLIC COMMENTS WATER USAGE FACTOR REVIEW

President Pasek stated that he received only one (1) comment from John Sullivan and he forwarded that on.

9. ADOPT DISTRICT POLICY 2013-02, RECORDING OF COMMITTEE MEETINGS

Darlene Gillum gave a brief summary of Policy 2013-02. The Communications & Technology Committee recommended the Board decide on how long the recordings are kept. By consensus, the Board agreed the recordings should be kept for no less than one (1) year after the approval of the Committee meeting minutes.

President Pasek stated that the reason he wanted them recorded and the recording held for a year is because the minutes do not reflect the actual conversation that took place.

Motion/Ferraro to adopt District Policy 2013-02, Recording of the District Committee meetings, with the change that the recordings are kept for one year after the approval of the Committee meeting minutes. **Second/Martel. ROLL CALL VOTE: Ayes: Pasek, Ferraro, and Martel. Noes: None. Absent: Belton and Gumbinger.**

Director Martel stated that he feels it is important for the Board meetings to be videotaped. President Pasek suggested the item be brought up at the end, under Director Comments.

10. APPROVE PROPOSAL FOR 360 EVALUATION OF MANAGEMENT AND SUPERVISORY STAFF

Darlene Gillum gave a brief summary of the recommendation to approve the proposal for a 360 performance evaluation. The total process will take approximately four (4) months. Darlene stated that Katie, from Koff and Associates, will be at the May Personnel Committee meeting to answer questions.

President Pasek stated that the purpose of the reviews is to help improve performance of the management staff. Darlene added that it will also give them a view point of how other staff see them. President Pasek suggested these evaluations be done every three (3) years.

Director Martel asked what will happen with the report once it is completed. President Pasek stated that the study will tell management what training or counseling is needed to help improve the employee's performance.

Director Martel stated that the District needs to be careful how these are used, as they can be used to go after an employee that someone has an issue with. Darlene stated that the report given to the Board will be a summary report, not the individual ratings.

Motion/Ferraro to approve the proposal from Koff & Associates for a 360 performance evaluation of unrepresented management, in an amount not to exceed \$6,500. Funding to come from Administration Operating Budget. **Second/Martel. Ayes: Pasek, Ferraro, and Martel. Noes: None. Absent: Belton and Gumbinger.**

11. APPROVE PROPOSAL FOR ADDITIONAL DESIGN SERVICES FOR MAIN LIFT NORTH SEWER PUMPING STATION WET WELL REHABILITATION PROJECT

Paul Siebensohn gave a brief summary of the recommendation to approve the proposal for additional design services for Main Lift North Sewer Pump Station Wet Well Rehabilitation Project.

Motion/Martel to approve the proposal from HDR for additional design services for Main Lift North Sewer Pump Station Wet Well Rehabilitation Project, in an amount not to exceed \$20,879, funding to come from Sewer Replacement Reserves. **Second/Ferraro. Ayes: Pasek, Ferraro, and Martel. Noes: None. Absent: Belton and Gumbinger.**

12. RECEIVE INFORMATION ON RANCHO MURIETA SOUTH WATER ENTITLEMENTS

President Pasek stated that discussion of this item will be deferred to the May Board meeting.

John Sullivan provided another copy of and commented on the recorded assignments of water and sewer services from Rancho Murieta Properties which is a transfer of 600 will serve letters evidencing Winncrest and FN Projects right to make water available to 600 lots and 300 sewer will serves for the right to hook up sewer to 300 lots. Mr. Sullivan also provided a copy of a document that has to do with 110 will serves for Unit 6 for the right to hook up 110 lots under the Acquisition and Services Agreement. These documents were recorded in 1989 and 1990.

Mr. Sullivan stated that the assignment given to Ed was to be provided with a detail of all the properties in Rancho Murieta that have water and all the properties that do not have water. The other question was what happened to the 50 that were granted by the letter that was written while the General Manager was on sabbatical. Water has been taken from properties and given to properties without Board authorization.

President Pasek stated that some mistakes were made in a couple of areas but now what is our corrective action. Part of the corrective action can be to add the capacity.

Mr. Sullivan stated the Board needs to pass a resolution that says the Board needs to build the capacity that is long past due. And that you do it for the best price, as rapidly as possible to mitigate

whatever mistakes might have been made. Secondly, the Board needs to rescind the policy because the public health department says you got 500,000 gallons of unused capacity.

Mr. Sullivan stated the Water Augmentation Agreement and the Parks Agreement were signed on February 19, 1991. The Mello Roos got shrunk down to \$12,925,000 on February 19, 1991. At that time, the 1.5 million capacity was agreed to between the developers for 1,300 units. This amount is about 30% bigger than what is necessary but other properties will pay that money to the District under reimbursement and it will get paid out to the person who has the money.

President Pasek stated that at the April 26, 2013 Workshop, Jonathan Hobbs, District Legal Counsel, will be providing a written assessment of what the letter of credit can be used for and to what extent. President Pasek requested that Mr. Sullivan have Richard Brandt attend the workshop.

Director Martel commented on his concern that the District never collected the \$900,000 owed for the water capacity given to R&B but the District raised rates over the last 10 years. Director Martel stated he believes an independent group, somebody that has some authority, needs to come in and take a look at and re-coup the money that the District is owed for the hook ups that the District cannot show any documents showing how they gave them except a letter from Greg Hall. Director Martel stated his view is that water rights were taken away from one property and assigned to another property. If the District cannot reconcile in writing or verbally, then he is going to get somebody else to reconcile, and if the District is owed money, which Ed admits is over \$300,000, but Director Martel believes it is over \$900,000.

Director Martel continued to comment that the expansion is something separate from the money owed to rate payers because we have raised rates for 10 years. There has been poor management; there is no documentation in fiscal stuff, no documentation in any minutes, and no documentation anywhere in the District. Director Martel stated it is not by accident that he asked that we record the minutes, we record the executive session, we look at the FSA minutes, we look at the stuff so we can determine who said what to who and who promised what to what.

John Sullivan stated that he will be happy to once again provide the District with the information of where every gallon of water that currently exists in the District belongs. President Pasek directed Mr. Sullivan to give the information to Darlene Gillum.

13. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES

Director Ferraro stated that she would like to attend the CSDA Annual Conference if no other Director wants to attend. President Pasek directed Director Ferraro to check with the other Directors and then make the arrangements. Director Martel stated he is not interested in attending.

14. MEETING DATES/TIMES

No changes.

President Pasek stated the Special Board meeting on April 26, 2013 is a workshop. It begins at 2:00 p.m. and goes until we are through discussing it.

Director Ferraro stated the Joint Security Committee meeting has been changed to April 16, 2013 at 9:00 a.m. at the Rancho Murieta Association building.

15. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

Chief Remson stated that the PTF gate is being opened every day. RMA has put up some boundary signs along the fence line. President Pasek stated that RMA sent out guidelines to the residents. The pump track is being worked on. There were several attempted car thefts on Carreta and Lago; all on unlocked vehicles. Some were rifled through but nothing taken. One resident found a suspect in his car trying to take out the radio. The suspect took off.

President Pasek stated the south side of the Pedestrian Bridge would be an ideal place for a picnic table and a little park.

The ISC West Conference was good. Items looked at included: various cameras, fence alarms, laser beams, license plate readers, gate operators and intercoms. Chief Remson will have various vendors come out to see what it is the District is looking for and have them submit their proposals.

President Pasek asked about the status of the person who broke in to the two-story house. Chief Remson stated he believes the suspect is still in jail. Director Martel stated that Chief Remson should have the CLETS program.

Paul Siebensohn stated that the backfilling the siphon vault extension located at the north end of Lake Chesbro has been completed. The stop logs have been put in place and topping off of the reservoirs should be completed by May 31, 2013.

President Pasek stated that he had Paul Siebensohn visit a water plant and Paul will give a report at the April 26, 2013 workshop.

Director Martel commented on the 50 hook ups given to R&B in 2004 and stated that he will reach out to someone from the outside to look at the difference of opinion that we have on some items. If there comes a point where he is not in the majority of the Board then he will remove himself from most conversations in closed session and request somebody come in after the April 26, 2013 meeting. Director Martel just wanted to let the public know that he is going to reach out to somebody on the outside to take a look at the difference of opinion over the \$900,000 or \$300,000 if we can't resolve it. Director Martel stated he has started working on a draft and will share it with President Pasek.

President Pasek stated that he has asked that the April 26, 2013 workshop meeting be held like we hold our Board Goal Workshop. Some of Mr. Sullivan's representatives will be able to sit at the table for whatever is being discussed.

John Sullivan stated that regarding the design build proposal, he has heard back from his legal counsel who believes that it is a stretch but has not gotten an answer from Jon Hobbs. President Pasek stated that is what will be discussed since what Mr. Sullivan proposed to do, even under a competitive bid, is more than likely what is going to be done and that the technical aspects of that

proposal will be discussed at the April 26, 2013 Special Board meeting. Mr. Sullivan stated that he extended a P.O. to HDR to keep working through till April 26, 2013 so they do not fall behind. HDR, GE, and the rest of his team are planning to be at the meeting.

Director Ferraro stated that the residents need to give their opinion due to the fact that it is their dollars that will be put forth. President Pasek stated that RanchoMurieta.com has had several discussions on this and River Valley Times is going to have an article by Marcia Courson is going to write on the Water Plant also and discuss April 26.

Ted Hart asked if the District is going to send out a general mailing. President Pasek stated no. President Pasek stated there is no need to panic the residents until it gets much clearer on how it is going to go.

Director Martel commented on the dump truck the District returned and wanted the Board to know why staff traded it in instead of offering it to Rancho Murieta Association (RMA) first as was discussed by the Board. Paul Siebensohn stated that the dump truck was not traded in; it was returned since it did not meet the new California Air Resources Board restrictions. The vehicle that the Board suggested be offered to RMA is the mechanic's vehicle – a different vehicle. That vehicle is still being used by staff.

16. ADJOURNMENT

Motion/Martel to adjourn at 6:25 p.m. Second/Ferraro. Ayes: Pasek, Ferraro, and Martel. Noes: None. Absent: Belton and Gumbinger.

Respectfully submitted,


Suzanne Lindenfeld
District Secretary