



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 Jackson Road, Rancho Murieta, CA 95683

Office - 916-354-3700 * Fax - 916-354-2082

FINANCE COMMITTEE

(Directors John Merchant and Bill Gere)

Regular Meeting

October 8, 2026, at 10:00 a.m.

All persons present at District meetings will place their cellular devices in silent and/or vibrate mode (no ringing of any kind). During meetings, these devices will be used only for emergency purposes and, if used, the party called/calling will exit the meeting room for conversation. Other electronic and internet enabled devices are to be used in the "silent" mode. Under no circumstances will recording devices or problems associated with them be permitted to interrupt or delay District meetings.

AGENDA

1. Call to Order

2. Comments from the Public

If you wish to speak during Comments from the Public, on items not on the agenda, or would like to comment regarding an item appearing on the meeting agenda, please complete a public comment card and submit to the Board Secretary prior to Public Comments.

3. **Information Item** Audit Preparation Status for FY25 and FY26

4. **Information Item** Financials Update - July to August 2026 (FY27)

5. **Information Item** Proposed Adjustment of Water and Sewer Connection Fees and New Fire Flow Availability Letter Fee

6. Director and Staff Comments/Suggestions

7. Adjournment

"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 the Americans with Disabilities Act 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 teleconference 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 District Office. The date and time of this posting is October 2, 2026 at 3:00 p.m.

MEMORANDUM

Date: October 4, 2026
To: Finance Committee/Board of Directors
From: Cecilia Min, Director of Finance and Administration
Subject: Audit and Finance Report

Audit 24/25

The reconstruction of the District's accounting records is taking longer than originally anticipated due to the extent of transactions requiring review and re-entry. During the reconstruction process, it was determined that missing transactions were not limited to the previously identified March through June period but affected all months within the fiscal year.

Further investigation revealed that the bank reconciliation module had been disabled during the audit period, resulting in numerous transactions not being captured within the bank reconciliation system. As a result, significant reconstruction efforts have been necessary to restore complete and accurate accounting records.

Key activities completed and in progress include:

- Payroll and payroll benefit transactions previously identified as missing from the bank reconciliation module have now been entered and reconciled to the bank for all twelve months.
- Certain check disbursement transactions were identified in the bank module and bank statements but were not recorded in the general ledger. These transactions are being reviewed and corrected as part of the reconstruction process.
- Miscellaneous deposits, including developer deposits, refund checks, and RMCC loan payments, were not reflected in the bank reconciliation module and have required manual re-entry.
- Utility cash receipt transactions for all twelve months were missing from the bank reconciliation module and have required manual re-entry to ensure complete and accurate reporting.

These corrective actions are necessary prerequisites to completing the monthly bank reconciliations.

TASK	Projects	ASSIGNED TO	PROGRESS
Reconstruction of accounting	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	10%
Audit Workpaper Preparation	Audit 24/25	RH	5%
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	5%
Review First Draft of Financial Statement	Audit 23/24	RH	0%

Balance Sheet Reconciliation

<u>Tasks</u>	<u>FY25</u>	<u>FY25 - Reviewed</u>	<u>Notes</u>
Bank Reconciliations: 1000	☐	☐	
Bank Reconciliations: 1001	☐	☐	
Bank Reconciliations: 1002	☐	☐	
Bank Reconciliations: 1008 & 1009	☐	☐	Started 80%
Bank Reconciliations: 1009	☐	☐	Started 20%
Investment&Interest Income	☒	☒	
Tyler AR	☒	☐	
Tyler Revenue/customers overpayment	☐	☐	
Tyler Installment Plan	☒	☐	
Property Tax Receivable and Revenue	☒	☒	
Prepays	☐	☐	
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 85%
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	☐	☐	Started 15%
Net Asset Rolled Forward	☐	☐	
Revenue: Reserve	☐	☐	
Insurance	☐	☐	
Income/Expenses Analysis	☐	☐	
Reclass to G&A	☐	☐	
Budget vs. Actual Analysis	☐	☐	
Calwaste and related surcharge in Fd 499	☐	☐	
Legal	☐	☐	
Bond Audit	☒	☐	
Due From CFD Bond	☐	☐	
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 – no significant process made this month. Staff were pulled to focus on Audit 24/25

FY 2027 Financials

July - Aug 2026

Statement of Revenue and Expenses - Preliminary
July to August 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 two months 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 **16%** (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 variance.

Rancho Murieta Community Services District Statement of Revenue and Expenses Budget vs. Actual For the Two Months Ending Monday, August 31, 2026					
	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
Operation					
Total Operating Revenue	1,997,910	2,172,237	(174,327)	12,353,040	16.17%
Expenses					
Total Operating Expenses	1,057,256	1,520,464	(463,207)	8,740,303	12.10%
General and Administrative Expenses					
Total General and Administrative Expenses	530,759	591,293	(60,534)	3,610,594	14.70%
Total Expenses	1,588,015	2,111,757	(523,741)	12,350,897	12.86%
Operation Income (Loss)	409,894	60,480	349,414	2,143	19132.58%
Less: Property Taxes Revenue	0	0	0	1,017,851	0.00%
Operation Result after Property Taxes Revenue	409,894	60,480	349,414	1,019,994	40.19%
Non-Operation Activities					
Reserve Contribution					
Total Reserve Revenue	510,065	327,142	182,923	1,962,852	25.99%
Developer Activities					
Developer Income/Expenses	(7,010)	0	(7,010)	0	0.00%
Other					
Total Other Income	248	(16,666)	16,914	(99,992)	(0.25%)
Net Income (Loss)	913,197	370,956	542,240	2,882,854	31.68%

Overall

As of August 2026, the District's preliminary financial results reflect net operating income of \$409K. Including non operation activities: reserve revenues from developers and residents, the District ended the period with a positive net financial position of \$913K.

Rancho Murieta Community Services District Statement of Revenue and Expenses Budget vs. Actual For the Two Months Ending Monday, August 31, 2026						
	Water	Wastewater	Drainage	Solid Waste	Security	Total
Operation						
Total Operating Revenue	909,435	484,914	42,135	291,100	270,328	1,997,910
Expenses						
Total Operating Expenses	338,887	275,372	25,996	253,065	163,940	1,057,256
General and Administrative Expenses						
Total General and Administrative Expenses	256,327	176,084	19,358	21,230	57,759	530,759
Total Expenses	595,214	451,456	45,354	274,295	221,699	1,588,015
Operation Income (Loss)	314,221	33,458	(3,219)	16,805	48,629	409,894
Less: Property Taxes Revenue	0	0	0	0	0	0
Operation Result after Property Taxes Revenue	314,221	33,458	(3,219)	16,805	48,629	409,894
Non-Operation Activities						
Reserve Contribution						
Total Reserve Revenue	310,663	173,118	4,674	2,671	18,937	510,065
Developer Activities						
Developer Income/Expenses	(9,580)	2,570	0	0	0	(7,010)
Other						
Total Other Income	(482)	409	85	61	175	248
Net Income (Loss)	614,822	209,555	1,540	19,537	67,741	913,197

Financials by Fund

The **Water Fund** reported an operating income of \$314K, primarily due to lower repairs and maintenance, chemical, and salary & benefits expenses. The **Wastewater Fund** generated operating income of \$33K. The **Drainage Fund** incurred an operating loss of \$3.2K due to lower revenue generated year to date. The **Solid Waste Fund** generated operating income of \$16.8K, while the Security Fund generated operating income of \$48.6K, primarily driven by slightly lower salary and benefit costs in both operation and administration.

Detailed Analysis

Operation

Operating Revenue – Was at 16% of budget, meeting the target for the period.

Residential Fees – Revenue was 15.74% of the annual budget and in line with the year-to-date target, with an unfavorable variance of approximately \$216,045. The variance is attributable to the following factors:

- **July:** The budget assumed the approved rate increase would become effective on July 1, 2026. However, the new rates did not take effect until July 25, 2026. As a result, residential revenue generated during the first 24 days of the month was lower than budgeted, contributing approximately **\$93,000** to the unfavorable variance.
- **August:** The budgeted revenue was not distributed evenly across the fiscal year, with a higher allocation assigned to August based on historical consumption patterns. Actual water consumption for August was lower than budgeted. Although commercial water usage exceeded budget projections, the increase was not sufficient to offset the lower overall consumption and higher budget allocation for the month, resulting in an unfavorable variance of approximately **\$100,000**.

Operating Expenses – total Operating expenses were at 12% and a favorable variance of \$464K

Salaries and Wages were at 11.9% below target, resulting in a favorable variance of \$114K. 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 at 8% which is below target, resulting in a favorable variance of \$62K. 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.

Chemicals were at 23% of budget, exceeding the target and resulting in an unfavorable variance of \$49,000. The variance was primarily due to four large chemical purchases made in August, while the budget was spread evenly throughout the year.

License & Permits expenses were 10.85% below target; however, this resulted in a favorable variance of \$67K. Most License & Permits invoices were budgeted for July but received later than anticipated, shifting the related expenses to future periods.

Software License/Support expenses were 79.07% of budget, resulting in an unfavorable variance of \$11,000. The variance was primarily due to \$5K of unbudgeted software costs - ERIS underground mapping software

General and Administrative Expenses— total expenses were at 14.7% which is slightly below the target and a favorable variance of \$60.5K.

Salaries and Wages – Personnel costs were 9.10%, resulting in a favorable variance of \$81K, 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 7.34% of the annual budget, well below target, resulting in a favorable variance of \$39K. 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 24.46 % above target, resulting in an unfavorable variance of \$39.8K. This is primarily due to the reclassification mentioned above – Benefits, Taxes & Pension.

Software License/Support expenses were at 21.4% of budget, resulting in an unfavorable variance of \$15,000. The variance was largely due to the following:

- Cybersecurity program costs \$6K, which was not budgeted but approved by the Board in August
- Civil complaint program \$1k unbudgeted item

Consulting Fees – was at 58.96%, exceeding the target and resulting in an unfavorable variance of \$12K. This line consists of temporary hiring of the District Secretary function, which was budgeted in the Salaries and Wages.

HR Recruitment Fees - were at 27% of the annual budget, resulting in an unfavorable variance of \$5,200. The variance was primarily due to \$9,000 in General Manager recruitment search fees incurred earlier than budgeted, as these costs were budgeted to be spread over the August through November periods.

Accounting and Audit Fees – was at 44% of the annual budget, exceeding the target and resulting in an unfavorable variance of \$6.8K. This line item consists of temporary hiring of the Accounts Payable function, which was budgeted in the Salaries and Wages line. In addition, Great Plains consultant's help was used in both July and August.

Total Expenses - were below target at 12.86%, generating a favorable variance of \$523K. This variance reflects primarily driven but lower salaries/benefits, license permit and utilities, and repairs and maintenance costs than budgeted.

Operating income was \$410K, reflecting favorable operating results.

Non-Operating Revenue (Expenses)

Reserve Contribution

Water Capital Improvement, Water Augmentation Fees and Security Impact Fees of \$213K were received from River Canyon Properties LLC, Richmond American and LGI Homes. 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
Budget vs. Actual
For the Two Months Ending Monday, August 31, 2026

Operation

Operating Revenue

	Water	Wastewater	Drainage	Solid Waste	Security	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
Residential Fees	\$790,623	\$427,824	\$35,532	\$287,553	\$227,554	\$1,769,085	\$1,985,130	(\$216,045)	\$11,238,600	15.74%
Commercial Fees	100,947	45,971	5,155	0	38,015	190,088	150,915	39,173	897,288	21.18%
Late Fees & Penalties	7,648	4,789	337	2,912	1,324	17,010	22,598	(5,588)	135,588	12.55%
Other Sales	1,487	0	0	0	0	1,487	0	1,487	0	0.00%
Investment Earnings	0	0	0	0	0	0	0	0	0	0.00%
Interest Income	8,730	6,330	1,111	635	1,905	18,710	13,594	5,116	81,564	22.94%
Water- Admin Charges -	0	0	0	0	0	0	0	0	0	0.00%
Other Fees	0	0	0	0	1,530	1,530	0	1,530	0	0.00%
Total Operating Revenue	909,435	484,914	42,135	291,100	270,328	1,997,910	2,172,237	(174,327)	12,353,040	16.17%

Expenses

Operating Expenses

Salaries and Wages	114,112	59,124	14,562	0	112,684	300,482	414,945	(114,463)	2,523,190	11.91%
Benefits, Taxes & Pension	31,066	8,500	3,384	0	21,129	64,078	126,478	(62,400)	784,658	8.17%
Workers Compensation	8,936	4,102	1,281	0	12,237	26,556	29,862	(3,306)	179,148	14.82%
Capacity Purchase	0	0	0	0	0	0	0	0	0	0.00%
Chemical	50,335	86,073	0	0	0	136,408	86,695	49,713	591,520	23.06%
Regulatory - Inspections	2,045	2,045	0	0	0	4,090	19,912	(15,822)	127,136	3.22%
Regulatory - Lab Testing	2,425	3,054	0	0	0	5,479	10,322	(4,843)	63,136	8.68%
Tools & Supplies	22,091	1,113	1,335	0	0	24,539	53,916	(29,377)	305,504	8.03%
Repairs & Maintenance	32,864	60,055	2,333	0	6,144	101,395	178,302	(76,907)	1,052,766	9.63%
Uniform and Clothings	2,552	285	0	0	1,984	4,822	4,932	(110)	18,315	26.33%
Training and Seminars	334	0	0	0	479	813	20,500	(19,687)	141,500	0.57%
Small Equipment	4,393	0	1,600	0	0	5,993	10,000	(4,007)	40,000	14.98%
License & Permits	9,442	5,265	0	0	0	14,707	82,320	(67,613)	135,600	10.85%
Contractual Services	16,745	0	0	253,065	0	269,810	289,475	(19,665)	1,747,094	15.44%
Rental/Lease expenses	4,198	0	1,501	0	0	5,698	36,584	(30,886)	187,004	3.05%
Travel and Mileage	3,394	3,244	0	0	378	7,016	650	6,366	33,900	20.70%
Software License/Support	6,919	3,300	0	0	2,590	12,809	1,800	11,009	16,200	79.07%
HR & Recruitment	872	138	0	0	0	1,010	8,575	(7,565)	17,500	5.77%
Memberships & Subscriptions	0	4,069	0	0	0	4,069	17,750	(13,681)	24,250	16.78%
Miscellaneous	0	0	0	0	232	232	334	(102)	2,000	11.60%
Utilities	24,391	22,873	0	0	1,650	48,914	92,620	(43,706)	543,934	8.99%
Telecommunications	10,416	10,416	0	0	2,864	23,695	32,246	(8,551)	193,476	12.25%
Office Supplies	157	1,716	0	0	1,569	3,442	2,246	1,196	12,472	27.60%
Bad Debts	0	0	0	0	0	0	0	0	0	0.00%
Fines and Penalties	70	0	0	0	0	70	0	70	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	338,887	275,372	25,996	253,065	163,940	1,057,256	1,520,464	(463,207)	8,740,303	12.10%

Rancho Murieta Community Services District
Statement of Revenue and Expenses
Budget vs. Actual
For the Two Months Ending Monday, August 31, 2026

	Water	Wastewater	Drainage	Solid Waste	Security	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
General and Administrative Expenses										
Salaries & Wages	53,244	35,474	4,220	4,371	11,970	109,280	190,342	(81,062)	1,200,828	9.10%
Benefits, Taxes & Pension	16,271	10,607	1,332	1,328	3,652	33,189	72,219	(39,030)	452,100	7.34%
OPEB	61,196	39,964	4,996	4,996	13,738	124,889	85,088	39,801	510,528	24.46%
Worker's Comp Insurance	4,244	2,204	449	326	939	8,161	14,210	(6,049)	85,260	9.57%
Insurance	49,352	25,625	5,220	3,796	10,914	94,907	88,464	6,443	530,780	17.88%
Community Communications	4,759	3,108	388	388	1,068	9,712	13,309	(3,597)	48,255	20.13%
Repairs and Maintenance	2,566	1,382	262	199	569	4,977	11,761	(6,784)	63,034	7.90%
Rental/Lease expenses	0	0	0	0	0	0	0	0	0	0.00%
Telecommunications	946	618	77	77	212	1,930	3,108	(1,178)	18,648	10.35%
Software License/Support	17,852	11,583	1,471	1,455	4,006	36,367	21,320	15,047	169,920	21.40%
Utilities	11,034	7,206	901	901	2,477	22,519	25,649	(3,130)	127,942	17.60%
Membership and Subscriptions	210	137	17	17	47	429	1,666	(1,237)	10,000	4.29%
Training and Seminars	71	140	(11)	9	18	228	0	228	6,700	3.40%
Legal Fees	8,651	5,649	706	706	1,942	17,654	21,868	(4,214)	131,208	13.46%
Consulting Fees	9,072	5,924	741	741	2,036	18,514	6,400	12,114	31,400	58.96%
HR and Recruitment Fees	7,894	4,689	729	628	1,761	15,700	10,500	5,200	58,000	27.07%
Accounting and Audit Fees	1,875	17,129	(2,715)	713	817	17,819	11,000	6,819	40,000	44.55%
Travel and Mileage	863	563	70	70	194	1,761	976	785	5,856	30.06%
Office supplies	699	472	54	58	157	1,440	6,850	(5,410)	41,100	3.50%
Postage	2,068	1,351	169	169	464	4,221	2,792	1,429	16,752	25.20%
Bank Analysis Fees	641	419	52	52	144	1,308	1,271	37	14,026	9.33%
Board and Committee Meetings	132	86	11	11	30	270	2,000	(1,730)	45,257	0.60%
Fines and Penalties	16	10	1	1	4	32	0	32	0	0.00%
Employee events	49	32	4	4	11	99	500	(401)	3,000	3.31%
Small Equipments	2,622	1,712	214	214	589	5,351	0	5,351	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	256,327	176,084	19,358	21,230	57,759	530,759	591,293	(60,534)	3,610,594	14.70%
Total Expenses	595,214	451,456	45,354	274,295	221,699	1,588,015	2,111,757	(523,741)	12,350,897	12.86%
Operation Income (Loss)	314,221	33,458	(3,219)	16,805	48,629	409,894	60,480	349,414	2,143	19132.58%
Less: Property Taxes Revenue	0	0	0	0	0	0	0	0	1,017,851	0.00%
Operation Result after Property Taxes Revenue	314,221	33,458	(3,219)	16,805	48,629	409,894	60,480	349,414	1,019,994	40.19%
Other Non-Operation Activities										
Reserve Contribution										
Water Capital Impr Fees	34,709	48,332	0	0	1,324	84,366	0	84,366	0	0.00%
Water Augmentation Fees	119,136	0	0	0	0	119,136	0	119,136	0	0.00%

Rancho Murieta Community Services District
Statement of Revenue and Expenses
Budget vs. Actual
For the Two Months Ending Monday, August 31, 2026

	Water	Wastewater	Drainage	Solid Waste	Security	Total	YTD Budget	Over(Under)	Annual Budget	% of Budget
Water Cap Replacement Reserve	120,247	110,095	0	0	0	230,342	237,258	(6,916)	1,423,548	16.18%
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.)	36,571	14,691	4,674	2,671	8,013	66,621	89,884	(23,263)	539,304	12.35%
Total Reserve Revenue	310,663	173,118	4,674	2,671	18,937	510,065	327,142	182,923	1,962,852	25.99%
Developer Activities										
Developer Revenue	0	0	0	0	0	0	0	0	0	0.00%
Inspection Revenue	10,696	2,570	0	0	0	13,266	0	13,266	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	20,276	0	0	0	0	20,276	0	20,276	0	0.00%
Developer Income/Expenses	(9,580)	2,570	0	0	0	(7,010)	0	(7,010)	0	0.00%
Other										
Other Income	793	409	85	61	175	1,523	0	1,523	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	1,275	0	0	0	0	1,275	16,666	(15,391)	99,992	1.28%
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 Grant Income	(482)	409	85	61	175	248	(16,666)	16,914	(99,992)	(0.25%)
Net Income (Loss)	614,822	209,555	1,540	19,537	67,741	913,197	370,956	542,240	2,882,854	31.68%

RANCHO MURIETA CSD - NEW
Statement of Revenue and Expenses - Monthly
Summary of All Units
For the One Month Ending Monday, August 31, 2026

	<u>July</u>	<u>August</u>	<u>Total</u>
Operation			
Operating Revenue			
Residential Fees	\$768,810	\$1,000,275	\$1,769,085
Commercial Fees	79,362	110,725	190,088
Late Fees & Penalties	6,991	10,019	17,010
Other Sales	743	743	1,487
Interest Income	11,073	7,637	18,710
Other Fees	460	1,070	1,530
Total Operating Revenue	867,439	1,130,469	1,997,910
Expenses			
Operating Expenses			
Salaries and Wages	141,865	158,617	300,482
Benefits, Taxes & Pension	30,616	33,462	64,078
Workers Compensation	13,278	13,278	26,556
Chemical	38,028	98,380	136,408
Regulatory - Inspections	2,214	1,876	4,090
Regulatory - Lab Testing	582	4,897	5,479
Tools & Supplies	10,495	14,044	24,539
Repairs & Maintenance	26,810	74,585	101,395
Uniform and Clothings	1,439	3,383	4,822
Training and Seminars	494	319	813
Small Equipment	0	5,993	5,993
License & Permits	14,707	0	14,707
Contractual Services	133,386	136,424	269,810
Rental/Lease expenses	1,501	4,198	5,698
Travel and Mileage	3,236	3,780	7,016
Software License/Support	7,445	5,364	12,809
HR & Recruitment	734	276	1,010
Memberships & Subscriptions	3,790	279	4,069
Miscellaneous	232	0	232
Utilities	23,172	25,742	48,914
Telecommunications	10,697	12,998	23,695
Office Supplies	1,896	1,546	3,442
Fines and Penalties	0	70	70
Gain/Loss on Asset Disposition	(8,870)	0	(8,870)
Total Operating Expenses	457,747	599,511	1,057,256
General and Administrative Expenses			
Salaries & Wages	49,815	59,465	109,280

RANCHO MURIETA CSD - NEW
Statement of Revenue and Expenses - Monthly
Summary of All Units
For the One Month Ending Monday, August 31, 2026

	July	August	Total
Benefits, Taxes & Pension	13,332	19,857	33,189
OPEB	62,434	62,454	124,889
Worker's Comp Insurance	4,081	4,081	8,161
Insurance	47,454	47,454	94,907
Community Communications	6,448	3,263	9,712
Repairs and Maintenance	133	4,844	4,977
Telecommunications	1,240	690	1,930
Software License/Support	20,139	16,228	36,367
Utilities	4,040	18,480	22,519
Membership and Subscriptions	20	409	429
Training and Seminars	0	228	228
Legal Fees	0	17,654	17,654
Consulting Fees	10,931	7,582	18,514
HR and Recruitment Fees	12,350	3,350	15,700
Accounting and Audit Fees	12,342	5,477	17,819
Travel and Mileage	999	762	1,761
Office supplies	671	769	1,440
Postage	4,221	0	4,221
Bank Analysis Fees	677	632	1,308
Board and Committee Meetings	175	95	270
Fines and Penalties	19	14	32
Employee events	99	0	99
Small Equipments	0	5,351	5,351
Total General and Administrative Expenses	251,620	279,139	530,759
Total Expenses	709,367	878,650	1,588,015
Operation Income (Loss)	158,072	251,819	409,894
Operation Result after Property Taxes Revenue	158,072	251,819	409,894

Other Non-Operation Activities

Reserve Contribution

Water Capital Impr Fees	74,755	9,611	84,366
Water Augmentation Fees	105,563	13,572	119,136
Water Cap Replacement Reserve	98,615	131,727	230,342
Security Impact Fees	9,600	0	9,600
Interest and Investment Earnings (Restr.)	33,050	33,571	66,621

RANCHO MURIETA CSD - NEW
Statement of Revenue and Expenses - Monthly
Summary of All Units
For the One Month Ending Monday, August 31, 2026

	July	August	Total
Total Reserve Revenue	321,583	188,481	510,065
Developer Activities			
Inspection Revenue	11,608	1,658	13,266
Consulting Expenses: FSA	6,050	14,226	20,276
Developer Income/Expenses	5,558	(12,568)	(7,010)
Other			
Other Income	735	788	1,523
Consulting:Water Studies	0	1,275	1,275
Total Other Income Grant Income	735	(487)	248
Net Income (Loss)	485,948	427,245	913,197

Cash & Investment Balances
Jan 2026 – Aug 2026

Summary of the Cash and Investment – Aug 2026

The District's total cash and investment balance at the end of August 2026 was approximately **\$13.0 million**, which remained consistent with the balance reported at the end of August 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 Aug 2026, unrestricted funds totaled approximately **\$2.5 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	8/31/2026	
	Balance	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	\$ 2,484,723	
CAMP	\$ 758,417	\$ 760,644	\$ 763,096	\$ 765,096	\$ 767,911	\$ 770,289	\$ 772,763	\$ 775,254	
CA Class	\$ 9,574,909	\$ 9,602,397	\$ 9,632,533	\$ 9,661,762	\$ 9,692,105	\$ 9,721,573	\$ 9,752,345	\$ 9,783,386	
Total	\$ 12,468,091	\$ 12,842,983	\$ 12,828,046	\$ 12,528,934	\$ 12,727,102	\$ 12,909,717	\$ 12,663,733	\$ 13,043,363	

Unrestricted	\$ 2,134,765	\$ 2,479,942	\$ 2,432,417	\$ 2,102,076	\$ 2,267,085	\$ 2,417,856	\$ 2,138,624	\$ 2,484,723	Transfer	Adjusted Bal.
Restricted	\$ 10,333,326	\$ 10,363,041	\$ 10,395,629	\$ 10,426,858	\$ 10,460,016	\$ 10,491,862	\$ 10,525,108	\$ 10,558,640	3,582,144	6,000,000
	\$ 12,468,091	\$ 12,842,983	\$ 12,828,046	\$ 12,528,934	\$ 12,727,102	\$ 12,909,717	\$ 12,663,733	\$ 13,043,363	(3,582,144)	6,942,964
										12,942,964

Average Yield

Banner - Money Market	3.820%	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%	3.855%
CA Class	3.843%	3.435%	3.754%	3.630%	3.757%	3.637%	3.786%	3.807%

2025									
	1/31/2025	2/28/2025	3/31/2025	4/30/2025	5/31/2025	6/30/2025	7/31/2025	8/31/2025	
	Balance	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	2,919,042.39	
CAMP	726,574	729,089	731,856	734,533	737,292	739,961	742,734	745,511.78	
CA Class	9,179,431	9,210,513	9,244,894	9,278,278	9,312,577	9,345,839	9,380,320	9,414,781	
Total	15,220,171	15,161,304	15,198,452	15,039,153	14,714,946	13,717,155	12,599,712	13,079,335	

Unrestricted	5,314,166	5,221,702	5,221,702	5,026,342	4,665,077	3,631,354	2,476,659	2,919,042
Restricted	9,906,006	9,939,602	9,976,751	10,012,811	10,049,869	10,085,800	10,123,054	10,160,293
	15,220,171	15,161,304	15,198,452	15,039,153	14,714,946	13,717,155	12,599,712	13,079,335

Average Yield

Banner - Money Market	4.600%	4.590%	4.590%	4.590%	4.590%	4.590%	4.590%	4.590%
CAMP	4.139%	4.537%	4.372%	4.491%	4.329%	4.479%	4.471%	4.471%
CA Class	4.050%	4.463%	4.318%	4.420%	4.271%	4.411%	4.392%	4.392%

NOTICE OF PUBLIC HEARING

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

PROPOSED ADJUSTMENT OF WATER AND SEWER CONNECTION SERVICE FEES AND NEW FIRE FLOW AVAILABILITY LETTER FEE

NOTICE IS HEREBY GIVEN that the Board of Directors of the Rancho Murieta Community Services District will hold a public hearing at its regular meeting on Wednesday, October 21, 2026, at 5:00, at 15160 Jackson Road, Rancho Murieta, CA 95683, to consider a resolution adjusting — increasing or decreasing — the District's water meter installation fee, water connection inspection fee, and sewer lateral inspection fee, and adopting a new fee for a fire flow availability letter, which requires a test of water pressure and flow at the site to confirm that enough flow is available for fire protection. The amount of each fee will be based on the District's cost of providing the service and will be stated in the staff report and cost study for the hearing.

Monthly water and sewer service rates are not affected, and the District's capital improvement fees and water supply augmentation fee are not part of this proposal. Each fee is limited to the District's estimated reasonable cost of providing the service (Gov. Code, §§ 66013, 66016, 66018; § 61115; Cal. Const., art. XIII C, § 1(e)). Data showing the cost of these services and the revenue sources anticipated to provide them, and the proposed fee amounts, will be available beginning October 11, 2026, at the District office and at <https://www.ranchomurietacsd.com/>.

Anyone may comment at the hearing or in writing to the District Secretary at P.O. Box 1050, Rancho Murieta, CA 95683 or dfleet@rmscd.com before the hearing. Questions: 916-354-3700.

Dyanne Fleet, Interim District Secretary