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February 10, 2026

Via Electronic Mail Only

Rancho Murieta Community Services District
15160 Jackson Road
Rancho Murieta, CA 95683
awilder@rmcsd.com

Patrick Enright, District General Counsel
penright@rwglaw.com

Re: Rancho North Properties and Murieta Gardens Financing and Services Agreement

To the Board of Directors of the Rancho Murieta Community Services District and Mr. Enright:

We are writing on behalf of Rancho Murieta Properties, LLC (RMP) in connection with the public hearing the Rancho Murieta Community Services District's (RMCS D) Board of Directors (Board) scheduled on February 10, 2026, to consider declaring a water shortage emergency under Water Code section 350 (Section 350). RMP previously submitted a letter to the Board on August 20, 2024, in response to the Board discussing the possibility of imposing a moratorium on new water service connections under Section 350. The concerns expressed in that letter, namely that RMCS D will fail to meet its obligations under the Rancho North Properties and Murieta Gardens Financing and Services Agreement (Rancho North FSA), remain. Additionally, after reviewing the 428-page agenda packet provided to RMP at 5:39 p.m. on February 4, 2026 – four days before the hearing, two of which fell on a weekend – it is clear that RMCS D has fallen short of meeting the standard set forth by Section 350.

The Rancho North FSA collectively entitles RMP and other contracting owners to 1.5 million gallons per day of produced water capacity from RMCS D, in exchange for considerable financial contributions, ultimately exceeding \$5.7 million for improvements of the two water treatment plants, including bond expenditures. RMCS D is contractually obligated to provide RMP, and other contracting owners, water service for specifically identified developments, following compliance with the Rancho North FSA. As RMP has fully performed its obligations under the Rancho North FSA, RMP is legally entitled to a

guarantee of water service. Should RMCS D approve an emergency declaration and take action to impose a moratorium on new connections by which it fails to begin RMP's requisite Water Supply Assessment or take any other action to deprive RMP of its contractual water supply, such action will constitute a material breach of the Rancho North FSA and RMP will seek legal relief under the contract to the fullest extent authorized by law.

Moreover, RMP may also bring legal action based on RMCS D's compliance with the requirements of Section 350 *et seq.* Relief is available against any water distributor whose actions in declaring a water shortage emergency and instituting regulations or restrictions are arbitrary, capricious, fraudulent, or fail to comply with the procedure and notices required by law. (Wat. Code, § 358; *Swanson v. Marin Mun. Water Dist.* (1976) 56 Cal.App.3d 512, 517-518 (*Swanson*)). Distributors are warned against relying on Section 350 to effectively institute a "no growth" policy, which they have neither the power nor authority to impose, rather than in response to legitimate emergency conditions. (*Swanson, supra*, at p. 524.) The record does not support a declaration of a water shortage emergency. Instead, it demonstrates that RMCS D has been discussing the possibility of augmenting its water supplies for over a decade without taking action to do so, engaging in much handwringing and little action. Despite these years of discussion, RMCS D apparently plans to declare an emergency based on faulty evidence. This includes a *draft* Integrated Water Master Plan that RMCS D's Board has refused to finalize and adopt, and which relies on outdated information (e.g., overstated estimates of the number of units that RMP plans to construct with an inaccurate build out schedule), a groundwater analysis that concludes that groundwater could provide a viable source of supply during drought and emergencies, and an overwrought Work Group Report that was prepared by several laymen without any apparent engineering experience.

The Work Group Report implies that RMCS D's supposed emergency will be alleviated by the preparation by an Urban Water Management Plan (UWMP):

[T]he rigorous detail and analysis required of an UWMP will address the issues and questions that have been raised through [the Work Group Report]... The UWMP will help assure that CSD completes the comprehensive analysis (including fact based water supply 'solutions') to meet current needs as well as those for future development.

(Work Group Report, p. 7.) Yet, as the Work Group Report acknowledges, the requirement to prepare a UWMP will not be triggered until RMCS D has 3,000 connections – a threshold for which it was 80 connections short as of the date of the report. Unless the Board determines to "grandfather in" development that has received will serve letters, as is indicated as a possibility on page 39 of the agenda packet, any restrictions against new connections will prevent RMCS D from ever being required to prepare a UWMP. The Work Group Report therefore seems to conclude that the purported need for the emergency will be resolved by a condition that will never be satisfied if RMCS D halts new water connections.

Even if RMCS D did not have sufficient water to fulfill its contractual duties under the Rancho North FSA, which RMP does not concede and there is no evidence to support, RMCS D has a continuing obligation to exert every reasonable effort to augment its supplies – at which time any emergency declaration ends. (Wat. Code, § 355; *Swanson, supra*, at p. 524.) In the interest of maintaining a productive working relationship, RMP has been actively attempting to assist RMCS D in developing groundwater supplies over the last year, including facilitating land access for evaluating the availability of groundwater. RMP remains committed to continuing its collaborative efforts. Critically, RMCS D’s own consultants have already demonstrated that it will have sufficient water supplies for development based on reasonable actions to augment its supply. Failure to take those actions would be a violation of RMCS D’s affirmative duty under the Water Code and case law.

Given the serious deficiencies in the record purportedly supporting the emergency declaration, in addition to the legal consequences that would stem from any breach of the Rancho North FSA, RMP urges the Board to vote against Resolution No. 2026-03. Alternatively, RMP requests that the Board delay its vote on the matter until a later date in order to provide a meaningful opportunity to review and comment on the materials included in the agenda packet as they are now proposed to be used.

We trust that RMCS D will give these comments serious consideration.

Sincerely,



Somach Simmons & Dunn
Theresa C. Barfield
Ellen M. Moskal

cc: Tony Velez (tonyv@liveoaklegacy.com)

EMM:EJL