

# RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Board of Directors Meeting

MINUTES

November 20, 2013

3:00 p.m. Closed Session \* 5:00 p.m. Open Session

## **1. CALL TO ORDER/ROLL CALL**

President Gerald Pasek called the regular meeting of the Board of Directors of Rancho Murieta Community Services District to order at 3:00 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Gerald Pasek, Roberta Belton, Betty Ferraro, Paul Gumbinger and Michael Martel. Also present were Edward R. Crouse, General Manager; Darlene Gillum, Assistant General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary.

## **2. ADOPT AGENDA**

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

## **3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES**

None.

## **4. BOARD ADJOURNED TO CLOSED SESSION AT 3:01 P.M. TO DISCUSS THE FOLLOWING ITEMS:**

*Under Government Code section 54956.8: Conference with Real Property Negotiators - Real Property APN 128-0080-067; APN 128-0080-068; APN 128-0080-069; APN 128-0080-076; and APN 128-0100-029. Real Property Agency Negotiator: Edward R. Crouse, General Manager. Negotiating Party: CSGF Rancho Murieta, LLC, BBC Murieta Land, LLC, Murieta Retreats, LLC, PCCP CSGF RB PORTFOLIO, LLC. Under Negotiation: Price and Terms.*

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

*Conference with Legal Counsel – Anticipated Litigation. Initiation of litigation pursuant to Government Code Section 54956.9(c): (One Potential Case).*

*Conference with Legal Counsel – Anticipated Litigation. Significant Exposure to Litigation Pursuant to 54956.9(b): (Three (3) Potential Cases).*

*Under Government Code 54957: Public Employee Performance Review: Title: General Manager.*

*Under Government Code 54957.6: Conference with Labor Negotiator. Agency Designated Representative: Gerald Pasek. Unrepresented Employee: District General Manager.*

**5/6. BOARD RECONVENED TO OPEN SESSION AT 5:02 P.M. AND REPORTED THE FOLLOWING:**

*Under Government Code section 54956.8: Conference with Real Property Negotiators - Real Property APN 128-0080-067; APN 128-0080-068; APN 128-0080-069; APN 128-0080-076; and APN 128-0100-029. Real Property Agency Negotiator: Edward R. Crouse, General Manager. Negotiating Party: CSGF Rancho Murieta, LLC, BBC Murieta Land, LLC, Murieta Retreats, LLC, PCCP CSGF RB PORTFOLIO, LLC. Under Negotiation: Price and Terms. Nothing to report.*

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

*Conference with Legal Counsel – Anticipated Litigation. Initiation of litigation pursuant to Government Code Section 54956.9(c): (One Potential Case). Nothing to report.*

*Conference with Legal Counsel – Anticipated Litigation. Significant Exposure to Litigation Pursuant to 54956.9(b): (Three (3) Potential Cases). Nothing to report.*

*Under Government Code 54957: Public Employee Performance Review: Title: General Manager. Nothing to report.*

*Under Government Code 54957.6: Conference with Labor Negotiator. Agency Designated Representative: Gerald Pasek. Unrepresented Employee: District General Manager. Nothing to report.*

**7. COMMENTS FROM THE PUBLIC**

None.

**8. CONSENT CALENDAR**

**Motion/Belton** to adopt the consent calendar with one change to the Finance Committee minutes regarding Director Belton’s comment on Districts advertising on Starbucks cup sleeves.  
**Second/Gumbinger. Roll Call Vote: Ayes: Pasek, Belton, Ferraro, Gumbinger, and Martel. Noes: None.**

**9. STAFF REPORTS**

Under Agenda Item 9 a, Director Martel asked about the airport hangar expansion project. Ed Crouse stated that the owner is planning to add 2 hangars. District staff is reviewing the plans. In reviewing the plans, staff discovered an illegal service connection from a fire hydrant line to an unmetered service to a small vegetable garden. Staff will be separating the fire service so there is a master fire flow meter so any water used off the fire service can be tracked. Also, a master domestic service so there will be only one meter for that site but all the domestic services will be tied to that one meter so that any water used on that parcel will be metered. As to the current illegal connection, staff has notified the owner that we intend to pursue back charges for the water used.

Director Martel commented on the advertisement the airport has on Ranchomurieta.com, stating that he has water and air available and he believes the construction took place 2 years ago. Director Martel feels the District should fine the airport since this violation was premeditated. Director Martel stated that the airport is now advertising dumping services. Ed stated he is not aware of any permitting for the airport to offer dumping services. Staff will check into this issue.

Under Agenda Item 9 d, Director Gumbinger asked about the water infiltration in the Main Lift North Project. Paul Siebensohn stated that the water infiltration was found in the bottom of all three (3) wells. The wells are being sealed to prevent future water infiltration.

Under Agenda Item 9 a, Director Ferraro stated that she is disappointed in the end product of the 360 Degree Performance Evaluation. President Pasek and Director Belton agreed. Ed Crouse stated that staff will be presenting an improvement plan based off the survey results at the next Personnel Committee meeting.

Under Agenda Item 9 b, Director Belton commented on the Water Treatment Plant Project spreadsheet and would like it to be a separate document as the project progresses. President Pasek agreed and asked that it be a separate accounting item. Director Ferraro asked that the spread sheet show the beginning balance and ending balance by month.

Under Agenda Item 9 d, Director Belton asked about the SMUD permitting fee. Paul Siebensohn stated that it is for SMUD engineers to review the project. Ed Crouse stated that there will more than likely be additional charges from SMUD.

#### **10. CORRESPONDENCE**

No comments.

#### **11. ADOPT THE DRAFT TITLE 22 ENGINEERING REPORT**

Ed Crouse gave a brief summary of the recommendation to adopt the Draft Title 22 Engineering Report.

John Sullivan commented that on page 9, Section 2.1 General, the 0.51 should be 0.44. President Pasek requested staff verify the number.

**Motion/Gumbinger** to adopt the Draft Title 22 Engineering Report prepared by Kevin Kennedy, AECOM. **Second/Belton. Ayes: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

#### **12. APPROVE SACRAMENTO AIR QUALITY MANAGEMENT DISTRICT GENERATOR PERMIT FEE**

Paul Siebensohn gave a brief summary of the recommendation to approve up to \$5,618 to the Sacramento Air Quality Management District for permit fees for a standby diesel generator.

**Motion/Gumbinger** to approve up to \$5,618 to the Sacramento Air Quality Management District for permit fees for a standby diesel generator, funding to come from Water Replacement Reserves. This is part of the Water Treatment Plant Expansion Project. **Second/Ferraro. Ayes: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

**13. APPROVE SACRAMENTO MUNICIPAL UTILITY DISTRICT NEW SERVICES COMMITMENT APPLICATION FEE**

Paul Siebensohn gave a brief summary of the recommendation to approve \$5,000 to Sacramento Municipal Utilities District (SMUD) for a new service commitment.

**Motion/Gumbinger** to approve \$5,000 to Sacramento Municipal Utilities District (SMUD) for a new service commitment. Funding to come from Water Replacement Reserves. This is part of the Water Treatment Plant Expansion Project. **Second/Belton. Ayes: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

**14. DISCUSS THE DISTRICT PROVIDING FUNDING FOR THE NEW NORTH GATE PROJECT**

Ed Crouse gave a brief update on the discussions between the District and Rancho Murieta Association (RMA) regarding funding for the New North Gate Project. Given recent discussions with the RMA North Gate Committee and John Sullivan and his development team on their vision of the new North Gate design concepts, our discussions were put on hold until a new plan is developed and construction costs are estimated.

President Pasek suggested the District develop a policy on what electronic support to the gates the District should provide. Director Gumbinger suggested the District do the initial purchase but all maintenance be the responsibility of RMA.

John Merchant asked what the dispute is about. Director Belton stated that the money is the issue.

Director Martel commented that he feels the District needs to look short term and long term. With more people, there will be an increase in crime.

**15. APPROVE FINAL SECURITY SURVEILLANCE CAMERA PLAN**

Chief Remson gave a brief summary of the Draft Security Surveillance Camera Plan. The District will be providing cameras only for District owned property and facilities. Each separate entity would be responsible for acquiring, operating, and maintaining their individual surveillance camera systems that would be compatible with the District's viewing system.

Director Ferraro asked if Van Vleck Ranch and individual home owners can link into the District's system. Chief Remson stated yes.

Ed Crouse stated the three (3) functions of the camera plan: 1) documentation; 2) have monitoring done off-site and the monitoring company can notify Security who will then have the ability to pull up and view; 3) and cameras are a visual deterrent. RMA agrees to cameras in the parks but none on the streets.

Director Martel requested that this item be deferred so the plan can be expanded to include specs and consideration for future development. Director Ferraro suggested the District hold a workshop for the community to advise them of what is going on. By consensus, this item is deferred.

## **16. REPORT BACK ON FINANCING AND SERVICES AGREEMENT**

Ed Crouse gave a brief update on the Financing and Services Agreement (FSA). In late October Jon Hobbs prepared language revisions suggested by the Board which were forwarded to Les Hock for the group's review. The 670 Group disagreed with the suggested language. We are working on resolving their concerns.

## **17. DISCUSS WATER TREATMENT PLANT EXPANSION FINANCING ALTERNATIVES**

Darlene gave a summary of the four (4) options for consideration and staff's recommendation to authorize District staff to enter into negotiations with US Bank for a loan of up to \$3,000,000 for a 7 year term, principal payment amortized over 15 years and a balloon payment of \$1,600,000 at the end of the loan term.

Since the total actual cost of the project is yet to be determined and based on recommendation from the Finance Committee: 1) the principal loan amount used in this comparison has been selected at \$3,000,000; and 2) while it is expected that some portion of available reserves will be used toward payment of the debt incurred by the District, that amount is not being considered in this analysis. Once the final cost is determined, the Board will have the opportunity to approve the best use and the amount of reserves to be used.

John Merchant asked if the Board considered bonds to pay for this project. Darlene stated it was discussed but due to the cost and amount of time it takes, the Board didn't not want to pursue using bonds. Director Merchant suggested staff look into private placement. President Pasek stated that the Board did discuss that but decided against it.

**Motion/Gumbinger** to authorize District staff to enter into negotiations with US Bank for a loan of up to \$3,000,000 for a 7 year term, principal payment amortized over 15 years and a balloon payment of \$1,600,000 at the end of the loan term. **Second/Pasek. Ayes: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

## **18. APPROVE TRANSFERS TO RESERVE FUNDS**

Darlene Gillum gave a brief summary of the recommendation to transfer \$50,000 of Working Capital to Capital Replacement Reserves for the Drainage Fund and the Security Fund. And approve the transfer of \$38,380 of Working Capital to Admin Replacement Reserves.

Director Martel commented on his feeling that the District should be refunding some of the rates collected or the money should be put towards the Water Treatment Plant Project.

John Sullivan commented on his feeling that what was owed to us on June 30<sup>th</sup> has long been collected and all that money is now sitting in a bank account and stated that if anybody wants to argue that with him, they will do it after the meeting.

Director Gumbinger stated that at the recent training he went to, it is suggested districts keep 3 to 6 months of working capital on hand.

Director Martel suggested that if this recommendation does not pass, he would like to motion to put all the reserves in a different type of fund that could possibly be used as much as possible into the water treatment plant.

**Motion/Belton** to approve the transfer of \$50,000 of Working Capital to Capital Replacement Reserves for the Drainage Fund and the Security Fund. And approve the transfer of \$38,380 of Working Capital to Admin Replacement Reserves allocated by fund as indicated: Water - \$14, 930; Sewer - \$11,399; Drainage - \$2,341; Solid Waste - \$1,919; and Security – \$7,791. **Second/Ferraro. Ayes: Pasek, Belton, Ferraro, Gumbinger. Noes: Martel.**

**19. ADOPT RESOLUTION 2013-04, PREQUALIFICATION OF BIDDERS ON PUBLIC WORKS CONTRACTS; PROVIDE DIRECTION CONCERNING PREQUALIFICATION ON WATER TREATMENT PLANT EXPANSION PROJECT**

Ed Crouse gave a brief summary of the recommendation to adopt Resolution 2013-04, prequalification of bidders on public works contracts. California Public Contract Code section 20682 requires competitive bidding by the District for public works projects exceeding a cost of \$25,000. California Public Contract Code section 20101 authorizes the District to adopt a system of prequalification of bidders on particular public works projects. With such a system in place, only those bidders prequalified would be eligible to bid.

**Motion/Gumbinger** to adopt Resolution 2013-04, authorizing prequalification of prospective bidders for public works projects. **Second/Ferraro. Roll Call Vote: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

**Motion/Gumbinger** to provide direction to staff to use the prequalification procedures on the proposed Water Treatment Plant Expansion Project, at the discretion of the District General Manager in consultation with Roebbelen CMS and legal counsel. **Second/Belton. Roll Call Vote: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

**20. DISCUSS NON-DIRECTOR PARTICIPATION ON DISTRICT COMMITTEES**

Director Gumbinger commented on his suggestion to have a resident assigned to each of the District's committees to give more input on decisions regarding the District.

John Merchant commented on how efficient the District runs and when needed, develops ad hoc committees to address items of interest in which residents are invited to be a member.

Director Martel commented on how he feels that the District does not communicate with the community and that management staff manipulate recommendations to the Board.

Jonathan Hobbs, District's General Counsel, stated that any resident appointed to a District Committee falls under the Brown Act.

President Pasek asked staff to look into what all is required of the District to be able to appoint a resident to the District's standing committees.

Director Ferraro suggested the District survey the community to see who is interested and request residents submit an application to be on a committee.

Director Martel requested to see the policy showing the District's authority to negotiate with violators without bringing the item to the Board for approval. Ed stated that he would.

**21. DISCUSS USE OF DISTRICT LETTERHEAD FOR DIRECTOR'S PERSONAL OPINIONS/COMMENTS**

Ed Crouse gave a brief summary of the request from Director Martel to use District letterhead to convey his personal opinion to the public regarding actions of the Board and District staff, when it differs from the Board's decision.

Director Martel stated that he was satisfied with the response and will not pursue the matter.

**22. APPROVE CONTROLLER JOB DESCRIPTION**

Darlene Gillum gave a brief summary of the District Controller job description. The duties of the District Controller are to assume a combination of the hands-on day to day accounting and budget activities performed by the Director of Administration and the Accounting Assistant I/II positions. The Assistant General Manager will continue to perform the high level duties of the Director of Administration while the day to day accounting responsibilities will be handed down to the District Controller.

President Pasek suggested the Board approve the job description but staff hold off on filling the position.

**Motion/Martel** to approve the District Controller job description. **Second/Belton. Roll Call Vote: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

**23. APPROVE ACCOUNTING AND HUMAN RESOURCES SPECIALIST JOB DESCRIPTION**

Darlene Gillum gave a brief summary of the Accounting and Human Resources Specialist job description.

**Motion/Ferraro** to approve the Accounting and Human Resources Specialist job description. **Second/Gumbinger. Roll Call Vote: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

**24. APPROVE REVISED JOB DESCRIPTIONS**

Darlene Gillum gave a brief summary of the recommended job description revisions.

**Motion/Gumbinger** to approve revisions to the Director of Administration, Accounting Assistant I & II and Office Assistant I & II Job descriptions. **Second/Ferraro. Roll Call Vote: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

**25. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES**

No discussion.

## **26. MEETING DATES/TIMES**

Director Gumbinger requested that the Personnel Committee meeting be changed. Staff will reschedule.

## **27. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF**

Darlene Gillum stated that she is unable to find anything that would make the District tax exempt as suggested by resident Mo Chaudhry. President Pasek stated he spoke with Mr. Chaudhry and Mr. Chaudhry is checking with his sources.

Darlene stated that the responses to Director Martel's audit questions have been provided to all the Directors, Ranchomurieta.com, River Valley Times, and are posted on our website.

Chief Remson stated that the new Patrol Office started.

Paul Siebensohn stated he will continue to provide updates on the Main Lift North Project.

Director Martel thanked Darlene Gillum and Larry Bain for the responses to his questions.

Director Martel requested that an ad hoc committee be developed to help Security develop a global view, plan, and strategies. He would like the committee to begin in January and should run for about 6 months. President Pasek directed Director Martel to bring an outline to the Board for review and approval in January 2014.

Director Gumbinger gave a brief summary of his California Special Districts Association Leadership Academy training and certification he received. There was over 20 hours of training. Director Gumbinger will be getting with Ed Crouse and Darlene Gillum to discuss some of the information he received. Director Gumbinger requested the Board look at updating the District's mission statement.

Director Belton suggested that the Security ad hoc committee Director Martel wants should look in to RMA adopting the vehicle code inside the gates.

Director Ferraro wished everyone a happy holiday.

Ed Crouse stated that there is a Water Treatment Plant Expansion Project meeting Thursday morning.

## **28. ADJOURNMENT**

**Motion/Ferraro to adjourn at 7:45 p.m. Second/Belton. Ayes: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

Respectfully submitted,

Suzanne Lindenfeld  
District Secretary