



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 JACKSON ROAD
RANCHO MURIETA, CALIFORNIA 95683
916-354-3700
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AGENDA

*“Your Independent Local Government Agency Providing
Water, Wastewater, Drainage, Security, and Solid Waste Services”*

REGULAR BOARD MEETING

May 19, 2021

Call to Order Open Session 5:00 p.m.

This meeting will be held remotely in accordance with Governor Newsom Executive Order N-29-20.
See instructions on page two.

BOARD MEMBERS

Tim Maybee	President
Randy Jenco	Vice President
Linda Butler	Director
John Merchant	Director
Martin Pohll	Director

STAFF

Tom Hennig	General Manager
Paula O’Keefe	Director of Administration
Richard Shanahan	District General Counsel
Amelia Wilder	District Secretary
Tina Talamantes	Interim Security Supervisor
Ron Greenfield	Acting Director of Field Operations
Michelle Ammond	Interim Controller

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

May 19, 2021

REGULAR BOARD MEETING

Call to Order Open Session 5:00 p.m.

This meeting will be held via ZOOM video conference only pursuant to Governor Newsom Executive Order N-29-20. You can join the conference by (1) logging on to <https://us02web.zoom.us/j/84571859332>, entering Meeting ID no. 845 7185 9332, and using the audio on your computer, or (2) dialing into 1-669-900-9128 and entering the meeting code 845 7185 9332. Those wishing to join with audio only can simply call the telephone number above and enter the code. Participants wishing to join the call anonymously have the option of dialing *67 from their phone. **PLEASE NOTE – MOBILE DEVICE USERS MAY NEED TO INSTALL AN APP PRIOR TO USE AND MAC AND PC DESKTOP AND LAPTOP USES WILL REQUIRE YOU TO RUN A ZOOM INSTALLER APPLICATION – PLEASE FOLLOW DIRECTIONS AS PROVIDED BY ZOOM. IT IS RECOMMENDED YOU ATTEMPT TO LOGIN AT LEAST 5 MINUTES BEFORE THE START OF THE MEETING.**

AGENDA

ESTIMATED RUNNING TIME 5:00

1. CALL TO ORDER - Determination of Quorum –President Maybee **(Roll Call)**

2. CONSIDER ADOPTION OF AGENDA **(Motion)**

The Board will discuss items on this agenda, and may take action on those items, including informational items and continued items. No action or discussion will be undertaken on any item not appearing on the agenda, except that (1) directors or staff may briefly respond to statements made or questions posed during public comments on non-agenda items, (2) directors or staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities, (3) a director may request staff to report back to the Board at a subsequent meeting concerning any matter or request staff to place a matter on a future Board meeting agenda, and (4) the Board may add an item to the agenda by a two-thirds vote determining that there is a need to take immediate action and that the need for action came to the District's attention after posting the agenda.

*The running times listed on this agenda are only estimates and may be discussed earlier or later than shown. At the discretion of the Board, an item may be moved on the agenda and or taken out of order. **TIMED ITEMS** as specifically noted, such as Hearings or Formal Presentations of community-wide interest, will not be taken up earlier than listed.*

3. CONSENT CALENDAR **(Motion) (Roll Call Vote)** (5 min.) 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. April 21, 2021 Regular Board Meeting Minutes
2. May 11, 2021 Special Improvements Committee Meeting Minutes
3. May 11, 2021 Special Personnel Committee Meeting Minutes
4. May 13, 2021 Special Communications and Technology Committee Meeting Minutes
5. May 13, 2021 Special Security Committee Meeting Minutes

6. *May 14, 2021 Special Finance Committee Meeting Minutes*

B. Approval of Bills Paid Listing

4. STAFF REPORTS (Receive and File)

A. General Manager's Report

B. Administration/Financial Report

C. Security Report

D. Utilities Report

5. REVIEW DISTRICT MEETING DATES/TIMES FOR JUNE 2021

A. Personnel – June 1, 2021 at 7:30 a.m.

B. Improvements – June 1, 2021 at 8:00 a.m.

C. Finance – June 3, 2021 at 10:00 a.m.

D. Communications – June 3, 2021 at 8:30 a.m.

E. Special Board Meeting – Reserves – June 3, 2021 at 2:00 p.m.

F. Security – June 3, 2021 at 10:00 a.m.

G. Regular Board Meeting – June 16, 2021- Open Session at 5:00 p.m.

6. CORRESPONDENCE

7. COMMENTS FROM THE PUBLIC

Members of the public may comment on any item of interest within the subject matter jurisdiction of the District and any item specifically agendaized. Members of the public wishing to address a specific agendaized item are encouraged to offer their public comment during consideration of that item. With certain exceptions, the Board may not discuss or take action on items that are not on the agenda.

If you wish to address the Board at this time or at the time of an agendaized item, as a courtesy, please state your name and address. Speakers presenting individual opinions shall have 3 minutes to speak. Speakers presenting opinions of groups or organizations shall have 5 minutes per group.

8. RECEIVE AND FILE THE 2019-2020 ANNUAL RANCHO MURIETA COMMUNITY SERVICES DISTRICT AUDIT REPORT AND THE COMMUNITY FACILITIES DISTRICT #2014-1 AUDIT REPORT

(Receive and File) (10 min.)

9. REVIEW COMMUNITY FACILITIES DISTRICT 2014-1 BOND ACCOUNTING ADJUSTMENT RECOMMENDATIONS (Discussion/Action) (Motion) **(Roll Call Vote)**

10. DISCUSS FINANCIAL RESERVE STUDY AND RESERVE SPECIAL BOARD MEETING (Discussion)

11. DISCUSS STATUS AND TIMING FOR RESUMING IN-PERSON BOARD AND COMMITTEE MEETINGS (Discussion/Action) (Motion) **(Roll Call Vote)**

12. RESOLUTION R2021-01 APPROVING THE PROPOSED BUDGET FOR FISCAL YEAR 2021-22, INCLUDING CAPITAL PROJECTS (20 min.) (Discussion/Action) (Motion) **(Roll Call Vote)** (Time is approximate but will not be conducted before 6:00 p.m.)

- A. Presentation by Staff
- B. Public Comment on the Fiscal Year 2021-22 Budget, Including Capital Projects
- C. Board Discussion of Resolution R2021-01, a Resolution Approving the Proposed Budget for Fiscal Year 2021-22, Including Capital Projects

13. PUBLIC HEARING TO INTRODUCE ORDINANCE O2021-01 INCREASING WATER, SEWER AND SOLID WASTE SERVICE CHARGES AND STORM DRAINAGE AND SECURITY SPECIAL TAXES (10 min.)

- A. Presentation by Staff
- B. The Board President will open the Public Hearing for public comment on Ordinance O2021-01, Amending Chapter 14 of the District Code, Relating to Water service charges; Amending Chapter 15 of the District Code Relating to Sewer service charges; Amending Chapter 16 and Chapter 16A of the District Code Relating to Drainage Tax; Amending Chapter 21 of the District Code Relating to Security tax; and Amending Chapter 31 of the District Code Relating to Solid Waste Collection and Disposal service charges
- C. The Board President will close the Public Hearing on Ordinance O2021-01
- D. Board Discussion/Introduction of Ordinance O2021-01. (Discussion/Action) (Motion) **(Roll Call Vote)**

14. REVIEW SECURITY SERVICES OPINION POLL TIMELINE (Discussion/Action)

15. CONSIDER APPROVAL OF VARIOUS JOB REVISIONS/SPECIFICATIONS (Discussion/Action) (Motion) **(Roll Call Vote)**

- A. Office Assistant I/II to Office Technician
- B. Accounting Assistant I/II to Accounting Technician
- C. Eliminating Controller Position and Replacing it with Accountant
- D. Eliminating Accounting Supervisor Position and Replacing it with Accounting Manager
- E. Revision of Director of Field Operations

16. DISCUSS WATER DELIVERY OPTIONS TO RANCHO MURIETA COUNTRY CLUB (Discussion/Action)

17. CONSIDER APPROVAL OF BID FROM M-3 CONSTRUCTION FOR EMERGENCY REPAIRS TO THE RIGHT BACK DRYING BED FOR A TOTAL OF \$64,532 CIP 21-10-1 (Discussion/Action) (Motion) **(Roll Call Vote)**

18. DIRECTOR COMMENTS/SUGGESTIONS

In accordance with Government Code 54954.2(a), directors and staff may make brief announcements or brief reports of their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda.

19. 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 the Americans with Disabilities Act and Executive Order No. N-29-20, 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 awilder@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. The date of this posting is May 14, 2021. Posting locations are: 1) District Office; 2) Rancho Murieta Post Office; 3) Rancho Murieta Association; 4) Murieta Village Association.



RANCHO MURIETA COMMUNITY SERVICES DISTRICT REGULAR BOARD MEETING MINUTES

April 21, 2021

Call to Order Closed Session 4:00 p.m./Open Session 5:00 p.m.

1. CALL TO ORDER/ROLL CALL

President Maybee called the Regular Board Meeting of the Board of Directors of Rancho Murieta Community Services District to order at 4:00 p.m. via ZOOM conference per Governor Newsom's Executive Order N-29-20. Director's present were Tim Maybee, Randy Jenco, Linda Butler, John Merchant, and Martin Pohll. Also present was Tom Hennig, General Manager; Paula O'Keefe, Director of Administration; Paul Siebensohn, Director of Field Operations; Tina Talamantes, Interim Security Supervisor; Richard Shanahan, District General Counsel; and Amelia Wilder, District Secretary.

2. CONSIDER ADOPTION OF AGENDA

Motion/Maybee to adopt the agenda with one change, moving Item # 14, Review Utility Department's Annual Report to Item #10. Second/Jenco. Roll Call Vote: Ayes: Maybee, Jenco, Merchant, Butler, Pohll. Noes: None. Absent: None. Abstain: None.

3. BOARD ADJOURNED TO CLOSED SESSION AT 4:01 p.m. TO DISCUSS THE FOLLOWING ITEMS:

Conference with Legal Counsel – Anticipated Litigation (Gov. Code, § 54956.9(d)(2)) – Significant Exposure to Litigation: 1 case, claim by William McCarver

4. BOARD RECONVENED TO OPEN SESSION AT 5:00 p.m.

Motion/Maybee to dismiss the claim. Second/Butler. Roll Call Vote: Ayes: Maybee, Jenco, Merchant, Butler, Pohll. Noes: None. Absent: None. Abstain: None.

5. CONSENT CALENDAR

Motion/Maybee to adopt the consent calendar. Second/Pohll. Roll Call Vote: Ayes: Maybee, Jenco, Merchant, Butler, Pohll. Noes: None. Absent: None. Abstain: None.

6. STAFF REPORTS

Under Agenda Item 6A, Tom Hennig, General Manager, gave a summary of activities during the previous month, including an update on the current COVID-19 situation noting that Sacramento County has continued to place Sacramento County on the red tier, but we have not received clearance to hold a meeting in person. District Utility Workers are now eligible to receive the vaccine.

RMA is treating Laguna Joaquin for midge flies and they will soon be installing additional air diffusers/bubblers. He held a meeting with Murieta Village and discussed the timing of the potential road work to coincide with pipe replacements. There was a discussion about whether the sewer and water pipes would be replaced. Director Merchant suggested this item be discussed at the Improvements Committee to determine if we repair the lines what the cost would be versus replacing them.

He continued with an update on the Drought situation, stating that we are confident the water supply coming down the Cosumnes will maintain sufficient flow to fill our three reservoirs this year. In his update on the

Sloughhouse Resource Conservation District (SRCD) and Sacramento Central Groundwater Authority (SCGA) Meetings, both agencies are discussing their options for charging local agencies and groundwater users. He will continue to monitor the conversations as they take place.

He discussed the Security Opinion Poll, noting that the District is planning to have a Town Hall meeting which will allow public input.

We are waiting for the Reserve Study to be complete, the last one was done in 2015.

He continued with a staffing update, stating staff recently received public records requests which had added to the overtaxed staff's workload. We have hired a Director of Administration, Paula O'Keefe. We continue to recruit for Accounting Supervisor, Controller, Security Supervisor, Gate and Patrol Officer.

He finished by informing the Board that Paul Siebensohn will be leaving the District April 30, 2021.

Under Agenda Item 7B, Paula O'Keefe, updated the Board on the status of the District's finances. There was a discussion about the delinquent accounts and adding them to the tax roll at the end of the fiscal year.

Under Agenda Item 7C, Interim Security Supervisor Tina Talamantes updated the Board on the Security Report, noting that we are continuing to use PDF Security, and actively recruiting permanent employees. She is looking at hiring additional Security during peak summer hours.

She met with Sacramento County Sheriff's Department (SSD) to discuss issuing citations in the Commercial areas. This matter is under review with our legal counsel. Once this review is complete, we will begin with Community Education. Ms. Talamantes is working with SSD to coordinate a Community Event.

The District has received two AED's and Staff who has not previously received training are being signed up for it. License Plate Reader cameras are being installed in the Outbound #2 lane/bike lane at the North gate and they are being repaired at the South gate.

Under Agenda Item 6D, Paul Siebensohn, Director of Field Operations, gave a summary of the utility update noting that water plant #1 is offline to allow staff to perform winter maintenance. The CIA Ditch was cleaned by its owners, and they removed the pathway bridge, which was on private property, and not within the purview of the District. The Sodium Hypochlorite Conversion Project is almost complete with some additional telemetry wiring work that needs to be completed.

Below are the Development Updates (developments not listed have had no updates since the last Board Meeting):

The Retreats East & North

The project reports that K Hovnanian Builders is still in due-diligence period and anticipates being closed by June of this year. The project submitted improvement plans on February 19 requesting that they be re-approved and signed off by Coastland Engineering, along with Sac Metro Fire Department and Sacramento County. Coastland responded that the previous review has expired, signature date of 6/9/17, and needs to be reviewed. District staff has requested past due and additional deposit funding before being able to continue work.

Rancho Murieta North – Development Project

On April 12, Tom, and I, representing RMCS D, Joe Domenichelli our new District engineer, and developers of the Rancho North project, John Sullivan, Cindy Moreno, and their engineer Mike Robertson, met to discuss this development and their other developments. They noted they want their past submittals for water, sewer, and drainage reviewed as soon as possible so they may continue towards submitting their EIR. Initial drainage review was already submitted by Coastland to the project and the project acknowledged this.

The project reports that the Traffic study is now complete, and the Green House Gas study will be completed this week. They are waiting for CSD comments on studies to complete all submittals to the County, however we do not have enough deposit funding currently to continue review. Tom Hennig is requesting additional deposit funding and noted that D&A will be taking over review.

We met internally with Coastland, directors Pohl and Merchant, and new District engineering firm D&A to discuss the status of the project's review. Coastland reported they had reviewed the drainage study and had provided comments back to the project 12/11/2012 with no response received back yet. Sacramento County had also provided a comment letter to the project on 3/16/20. Their reviews of the Water and Sewer studies are not complete as the District had put a hold on the project. Former General Manager Mark Martin had provided a letter to Mr. Sullivan on 2/10/20 noting that the projects review was on hold with the County and therefore on hold with the District. I recently reached out to Sacramento County planning and they noted that this project is still registered as being on hold with them at this time.

MG - Murieta Marketplace

No update.

MG – Legacy Villas & Suites (lot 7)

No update.

The Murieta Gardens I & II – Infrastructure

No update.

MG - Murieta Marketplace

No update. The drainage basin which is a part of this project remains active as a stormwater best management practice for the development site keeping it active.

MG – Lot 9 (Taco Bell)

The project reported that they should be submitting to RMCS D soon. At that point when the project proceeds, we will direct the new owner to submit a project application packet and deposit for review of this project. Last update: The developer reports this project has been approved by CPAC and design review updates have been submitted to Sacramento County. At that point when the project proceeds, we will direct the new owner to submit a project application packet and deposit for review of this project.

MG -Lot 10 (PDF Office)

Paul provided information to the project owner, Paul Frank, that the Civil plans are now approved with signatures pending the project engineer submitting mylars to Coastland Engineering and that Coastland's contract with the District is expiring on April 21st of this year.

MG – Lot 11 (Circle K Convenience/Carwash/Subway)

The project plans are approved, and the project anticipates beginning on April 1, but has not provided any communications confirming this. I have reached out the project owner requesting notification of a start date to be prepared for District inspections related to our services.

Other Development Projects:

Riverview

Coastland submitted comments on the 3rd submittal of the grading plans. Coastland is continuing review of Riverview's three phased plan packages, including Water, Sewer and Storm Drain studies. Below is a status of all three packages that are being processed. Coastland understands that Phase 2 submittal is being prepared, but it has not been submitted for review.

- Phase 1A: Coastland/CSD returned comment letter and redlines to Developer on February 3.
- Phase 1B: Coastland/CSD returned comment letter and redlines to Developer on December 21, 2020.
- Grading: Coastland/CSD returned comment letter and redlines to Developer on February 23.

Murieta Business Park

No update.

Planned Projects:

The Residences of Murieta Hills East

We have met with Bob Keil, the owner/developer of the East portion of this project who is interested in proceeding with it possible very soon. Both maps (PLNP2017-00151, Residences of Murieta Hills West Vesting Tentative Subdivision Map and PLNP2017-00183, Residencies of Murieta Hills East Vesting Tentative Subdivision Map) are currently active with Sacramento County, and were extended on February 27, 2018 by the County Board to allow a 5-year extension from the date of approval. New expiration date for these maps are February 27, 2023. Conditions for both projects can be viewed: <http://www2.agendonet.saccounty.net/BoardOfSupervisors/Meetings/ViewMeeting?id=3572&doctype=1>

7. REVIEW DISTRICT MEETING DATES/TIMES FOR FEBRUARY 2021

Director Maybee informed the Board that the Committee meetings times and dates will change for the month of May, and updates will be posted on the website.

8. CORRESPONDENCE

None.

9. COMMENTS FROM THE PUBLIC

None.

10. REVIEW UTILITY DEPARTMENT'S ANNUAL REPORT

Mr. Siebensohn gave the Board a detailed presentation reviewing Field Operations in 2020. He reviewed the facilities, projects completed, water production, water quality, wastewater, recycled water, drainage, and the amount of electricity used by his department, which included a detailed chart of projected SMUD costs if the District needed to run the 500 HP pumps to fill the reservoirs. He also discussed unfunded mandates.

11. REVIEW FISCAL YEAR 2021-22 PROP 218 QUESTIONS RECEIVED IN PROTEST LETTERS

Tom Hennig began his presentation by informing the audience that this year's rate increase will be one of the higher ones that District has had, due to the need to fund our reserve accounts. We are waiting for the reserve study to be finalized. He continued by reading the common questions we have received so far concerning the Prop 218 Notice. We will update the FAQs on the website when we have more questions.

12. REVIEW SECURITY OPINION POLL TIMELINE

Ms. Talamantes reviewed the history of the Security Department, reminding audience members that Measure J provided funding for the Security Department in 1998, when it was passed by the voters. The cost of security services has outpaced the 2% maximum increase of the special tax. The District is working with True North Consulting, and Ms. Talamantes went over the timeline below:

1. Contract awarded to True North Research February 17, 2021
2. Townhall meeting with the community at the RMCC Ballroom from 6-8 pm mid-May 2021
3. Stakeholder working groups/meetings June 2021
4. Survey questions to be finalized and presented to BOD July 2021
5. Conduct polling activities August/September 2021
6. Present polling results to Finance Committee October/November 2021
7. Presentation to the Board November/December 2021
8. Possible voter referendum in June 2022

Mr. Hennig added that if the poll shows an increase will likely pass, there will be a voter education and outreach program from December 2021 until June 2022.

13. REPORT ON THE RANCHO MURIETA ASSOCIATION'S STRATEGIC PLANNING AD HOC COMMITTEE

Director Jenco, who is a member of the Ad Hoc Committee, reported that the Committee is working with all groups in the Community.

14. CONSIDER APPROVAL OF CONTRACT WITH REDWOOD PAINTING CO. FOR RESURFACING AND PAINTING EAST AND WEST DISSOLVED AIR FLOTATION (DAF) TANKS

Mr. Siebensohn brought forward the contract with Redwood Painting Co. that had been heard by the Improvements Committee on April 6, 2021. Redwood Painting Co. met the requirements of the bid packet and had the lowest cost. **Motion/ Maybee to approve the contract with Redwood Painting, Co. to resurface and paint the East and West DAF tanks for a cost not to exceed \$99,112. Second/Merchant. Roll Call Vote: Ayes: Maybee, Jenco, Merchant, Butler, Pohl. Noes: None. Absent: None. Abstain: None.**

15. CONSIDER APPROVAL OF REVISIONS TO RANCHO MURIETA COUNTRY CLUB LOAN AGREEMENT FOR RECLAIMED WATER PUMP REPAIR

Director Maybee announced that because three of the Board Members are also members of the Country Club to resolve a potential conflict of interest when this item was originally approved at the January 20, 2021 Board Meeting, only Directors Jenco, Butler and Merchant would be allowed to speak about and vote on this item. Mr. Hennig continued with a reminder that this agreement is very important because the District needs a place to dispose of its non-potable water, at the Golf Course. The Golf Course asked to change the language of the Agreement to add, "the ability to lease equipment, and maintain and use a bank line of credit as appropriate to operate and maintain its golf courses and related structures and facilities". **Motion/Jenco to approve the language added to the Golf Course Loan Agreement. Second/Butler. Roll Call Vote: Ayes: Jenco, Merchant, Butler. Noes: None. Absent: None. Abstain: None.**

16. DIRECTOR COMMENTS/SUGGESTIONS

Director Pohll would like to continue with the project of scoping the water system at Murieta Village.

Director Merchant mentioned that he had run some numbers in conjunction with the Pipeline article he wrote concerning the rate increase. In 2009, the Prop 218 Notice had a 20.5% increase. The Board at the time was cleaning up from the spill they had in 2006. This was the highest increase we have had. In 2016 there was a 1% decrease. The problem is not in how much we charge, but the systematic way we approach it. Since 2011, the increase equals 3%. He thinks we would be better off if we had a slow and steady increase.

Director Maybee echoed the rest of the Board in their praise of Paul Siebensohn, and the work he has done for the District.

17. ADJOURNMENT

Motion/Maybee to adjourn at 7:36 p.m. Second/Butler. Ayes: Maybee, Jenco, Butler, Merchant, Pohll. Noes: None. Absent: None. Abstain: None.

Respectfully submitted,

Amelia Wilder
District Secretary

MEMORANDUM

Date: May 13, 2021
To: Board of Directors
From: Improvements Committee Staff
Subject: May 11, 2021 Special Improvements Committee Meeting Minutes

1. CALL TO ORDER

Director Jenco called the meeting to order at 8:00 a.m. via ZOOM video conference pursuant to Governor Newsom's Executive Order N-29-20. Present was Director Jenco. Present from District staff were Tom Hennig, General Manager; Paula O'Keefe, Director of Administration; Ron Greenfield, Acting Director of Field Operations; Tina Talamantes, Interim Security Supervisor; Michelle Ammond, Interim Controller; and Amelia Wilder, District Secretary.

2. PUBLIC COMMENT

None.

3. MONTHLY UPDATES

Tom Hennig, General Manager, introduced Ron Greenfield, Acting Director of Field Operations, who gave a brief overview of the project updates. He began with an update on the Sodium Hypochlorite Conversion, stating that it should be complete by the end of May. He continued by discussing the resurfacing and painting work that is being done to the East and West Dissolved Air Flootation (DAF) tanks, noting the sandblasting is complete. He finished by informing the Committee that all but one of the fire hydrants have been replaced. He continued with the Development Update, which included:

DEVELOPMENT PROJECTS

The Retreats East & North

No update from last month. The project reports that K-Hovnanian is still in due-diligence period. They have requested that Coastland sign off on plans that had expired and have now been resubmitted. District staff has requested past due and additional deposit funding before being able to continue work.

Rancho Murieta North – Development Project

The project provided deposit funds to allow continued review of the project's water and sewer plans. Drainage plans had already been through a first review with comments and plan mark-ups provided back to the project.

MG - Murieta Marketplace

No update.

MG – Legacy Villas & Suites (lot 7)

No update.

The Murieta Gardens I & II – Infrastructure

No update.

MG - Murieta Marketplace

No update. The drainage basin which is a part of this project remains active as a stormwater best management practice for the development site keeping it active.

MG – Lot 9 (Taco Bell)

No update.

MG -Lot 10 (PDF Office)

No update.

MG – Lot 11 (Circle K Convenience/Carwash/Subway)

No update.

Other Development Projects:

Riverview

Coastland is continuing it's review of Riverview's three phased plan packages, including Water, Sewer and storm Drain studies. Below is the status of all three packages that are being processed. Coastland understands that Phase 2 submittal is being prepared, but it has not been submitted for review.

- Phase 1A: Coastland/CSD returned comment letter and redlines to Developer on February 3.
- Phase 1B: Coastland/CSD returned comment letter and redlines to Developer on December 21, 2020.
- Grading: Coastland/CSD returned additional comments via letter and redlines to Developer on April 14, 2021.

Murieta Business Park

No update.

The Retreats East and North

No update. Continued review is pending the project submitting deposit funding. Last update: The project had submitted improvement plans on February 19, 2021 requesting that they be re-approved and signed off by Coastland Engineering, along with Sac Metro Fire Department and Sacramento County. Coastland responded that the previous review has expired, signature date of June 9, 2017, and needs to be reviewed.

Planned Projects:

The Residences East

Tom Hennig, and Joe Domenichelli our District Engineer, met with Bob Keil to discuss this project. Mr. Keil is interested in moving forward with the original plans for this project. Mr. Keil plans to submit a developer application packet and deposit.

Conditions for both East & West projects can be viewed:

<http://www2.agendanet.saccounty.net/BoardOfSupervisors/Meetings/ViewMeeting?id=3572&doctype=1>

4. WATER PLANT DRYING BED EMERGENCY REPAIRS

Mr. Greenfield gave a brief description of the situation with the back right drying bed located at the water treatment plant. This drying bed was constructed around 1974 and is in need of immediate repairs. District Staff received a bid from M-3 Construction for \$64,532, and Mr. Hennig approved this project due to the urgent nature of the repair, and the fact that this drying bed is necessary to filter all the backwash water from both plants during the summer months. This work should be completed by the end of the week.

Resident Jim Crowder asked about the frequency of inspections of these facilities, and Mr. Greenfield let him know that they are inspected annually when the dry sludge is removed from them.

Mr. Hennig informed the Committee that over the next three years we plan to rehab the other three drying beds.

The Committee recommended this item be moved to the Board. ***This item will be on the May 19, 2021 Board Meeting Agenda.***

5. DISCUSS BASIN 5

Mr. Greenfield discussed Basin 5 (Lost Lake) and it's role in stormwater control. The Basin has an aeration system operated by the District, and fountains operated by RMA. The fountains were offline last year and new fountains have been ordered.

6. REVIEW CAPITAL PROJECTS

Mr. Hennig reviewed the process for adding Capital Improvements Projects that are approved. There are currently several on the list that we cannot complete at this time, so we are going to cancel all of the ones that we can't get done this year and only approve the ones we can complete in the next fiscal year. We will hold a Special Board meeting the first week of June to discuss the reserves. He then spoke about Agenda Item #8, Murieta Village Pipe Replacement Capital Project, and stated that he has been in contact with the Village Manager to see when they would like that to do that work.

7. DISCUSS OPTIONS FOR USING ASPHALT GRINDINGS

Mr. Hennig informed the committee that he spoke with Rod Hart at RMA and was told that the RMA will have asphalt grindings this summer. We would like to use these on the dirt roads to eliminate dust. He insured the Committee that we make sure there are no drainage issues so it won't affect the water. There was a discussion around this. Director Jenco asked Staff to put together a plan where they want to put the grindings.

8. DISCUSS MURIETA VILLAGE PIPE REPLACEMENT CAPITAL PROJECT

This was discussed in Item # 6.

9. DIRECTOR AND STAFF COMMENTS/SUGGESTIONS

Mr. Hennig stated that while we miss Paul Siebensohn, we are glad Ron Greenfield is here.

Director Jenco added that Mr. Siebensohn left the District in a good place and was diligent with his documentation.

10. ADJOURNMENT

Director Jenco adjourned the meeting at 8:42 a.m.

MEMORANDUM

Date: May 12, 2021
To: Board of Directors
From: Personnel Committee Staff
Subject: May 11, 2021 Special Personnel Committee Meeting Minutes

1. CALL TO ORDER

Director Jenco called the meeting to order at 10:00 a.m via ZOOM video conference pursuant to Governor Newsom's Executive Order N-29-20. Present was Director Jenco. Present from District staff were Tom Hennig, General Manager; Paula O'Keefe, Director of Administration; Ron Greenfield, Acting Director of Field Operations; Tina Talamantes, Interim Security Chief; Michelle Ammond, Interim Controller, and Amelia Wilder, District Secretary.

2. COMMENTS FROM THE PUBLIC

Amelia Wilder, District Secretary, informed the Committee that Director Maybee will not be present at today's meeting.

3. REVIEW RECOMMENDED CHANGES WITH THE FINANCE DIVISION RETITLE AND RECLASSIFICATION OF JOB SPECIFICATIONS

Paula O'Keefe, Director of Administration, discussed the reclassification of positions in the Accounting Department. The Office Assistant I and II were combined to become an Office Technician and the Accounting Assistant I & II were combined to become the Accounting Technician. The Accounting Supervisor was revised to become the Accountant and the Controller was revised to become the Accounting Manager. These changes are more representative of similar positions that are available in other government organizations and will hopefully bring a better pool of candidates. The Committee recommended these changes be moved to the Board. ***This item will be on the May 19, 2021 Board Meeting Agenda.***

4. REVIEW UPDATING DIRECTOR OF FIELD OPERATIONS JOB SPECIFICATION – INCLUDING UPDATED CERTIFICATIONS AND REGULATORY REQUIREMENTS

Paula O'Keefe presented the Committee with an updated job specification for the Director of Field Operations. The Committee recommended these changes move to the Board. ***This item will be on the May 19, 2021 Board Meeting Agenda.***

5. DIRECTOR AND STAFF COMMENTS

Director Jenco and Mr. Hennig thanked Ms. O'Keefe for her efforts on the reclassification and updating of job specifications.

6. Adjournment

The meeting was adjourned at 10:42 a.m.

MEMORANDUM

Date: May 13, 2021
To: Board of Directors
From: Communication & Technology Committee Staff
Subject: May 13, 2021, Special Communication & Technology Committee Meeting Minutes

1. CALL TO ORDER

Director Butler called the meeting to order at 8:30 a.m via ZOOM video conference pursuant to Governor Newsom's Executive Order N-29-20. Present were Director Butler and Director Merchant. Present from District staff were Tom Hennig, General Manager; Paula O'Keefe, Director of Administration; Ron Greenfield, Acting Director of Field Operations; Tina Talamantes, Interim Security Supervisor; Michelle Ammond, Interim Controller; and Amelia Wilder, District Secretary.

2. COMMENTS FROM THE PUBLIC

None.

3. MONTHLY WEBSITE AND SOCIAL MEDIA UPDATE

Amelia Wilder, District Secretary, gave an update of the statistics related to the number of visits per page to Facebook and RMCSD.com.

Director Butler asked if we were posting on Next Door.

Tom Hennig, General Manager, said that we had posted a few times.

Director Butler asked for a report of what we had posted be prepared for the next meeting.

4. KEEPING TRACK OF CURRENT ISSUES REPORT

Mr. Hennig updated the Committee on the current status of the issues on the report, noting that many of the items will be resolved when the District implements the Enterprise Resource Planning (ERP) system. We are looking at issuing an RFP to solicit bids for this system.

Director Merchant asked if any other CSD's were using this system and hoped that Staff could contact them for reviews.

5. DISCUSS FINAL DISPOSITION FOR ISSUANCE OF COUNTY CITATIONS

Tina Talamantes, Interim Security Supervisor advised the Committee that she received an opinion from the District's Legal Counsel stating we are only allowed to issue County citations on District property. This will be helpful for trespassing violations.

6. IT YEAR IN REVIEW

Mr. Hennig informed the Committee that the District is resolving bandwidth issues due to the installation of surveillance cameras. We are updating the Surveillance Camera Policy and should have it finished by the June Committee Security meeting.

7. DISCUSS CYBER SECURITY STATUS

Mr. Hennig informed the Committee that the District is working with WECybr as our project manager to protect the District from Cyber Threats.

8. REVIEW STATUS FOR LIVE BOARD AND COMMITTEE MEETINGS

Amelia Wilder, District Secretary, discussed the current Sacramento County Guidelines, including Indoor gatherings which are prohibited at this time. Some outdoor gatherings are allowed as long as everyone attending the outdoor gathering strictly complies with all the requirements designed to reduce risk and keep everyone who attends as safe as possible. The General Manager and the Directors commented that they would like to have Board meetings live and Committee meetings on ZOOM.

9. DISCUSS MEETING APRIL 14, 2021 WITH ANNUAL DEER CREEK LAW ENFORCEMENT/EMS

Ms. Talamantes informed the Committee that while she was not able to attend the meeting, she let the Committee know that the following topics were discussed at the meeting:

- The risk of wildfires
- Ongoing patrol by law enforcement
- Ongoing patrol by fish and game to catch poachers
- Possible closure of Latrobe Rd.

10. RMA EMERGENCY PREPAREDNESS PLAN

Director Butler introduced the Emergency Preparedness Plan and discussed the work that had been done by the RMA. There will be more work on this with to determine CSD's potential involvement.

11. DIRECTOR AND STAFF COMMENTS

Director Merchant asked Staff to prepare a list of key employees for the next meeting which includes:

- The licenses they possess
- Contacts at State organizations that we work with

Ms. Talamantes added that we will be attending the RMA Fire Safe Council quarterly meetings.

12. Adjournment

The meeting was adjourned at 9:22 a.m.

MEMORANDUM

Date: May 17, 2021
To: Board of Directors
From: Security Committee Staff
Subject: May 13, 2021 Special Security Committee Meeting Minutes

1. CALL TO ORDER

Director Maybee called the meeting to order at 1:00 p.m. via ZOOM video conference pursuant to Governor Newsom's Executive Order N-29-20. Present was Director Maybee. Present from District staff were, Tom Hennig, General Manager; Paula O'Keefe, Director of Administration; Ron Greenfield, Acting Director of Field Operations; Tina Talamantes, Interim Security Supervisor; Michelle Ammond, Interim Controller; and Amelia Wilder, District Secretary.

2. COMMENTS FROM THE PUBLIC

Resident Richard Gehrs asked about the status of the Surveillance Camera Policy. Tina Talamantes, Interim Security Supervisor, let him know that it will be presented at the next Security Committee meeting.

3. MONTHLY UPDATES

Tina Talamantes, Interim Security Chief, began with the Operations Updates, noting that Gate Officer Fernando Solis resigned, and we have hired a new Gate Officer, Paul Anderson. She informed the Committee that we will continue to use PDF until new Officers can be hired. We continue to recruit for Security Supervisor, Gate and Patrol Officers. She noted that we are looking at adding extra patrol for special summer events like the 4th of July. We have a Sherriff hire back that is working on Friday nights. We have Saturday nights available, but no one has signed up. She discussed the traffic back up at the Country Club and discussed ways to get people through the gates faster during events.

She continued by updating the Committee on the License Plate Readers that are being installed at the gates.

4. DISCUSS BOARD ROOM MAXIMUM OCCUPANCY

Ms. Talamantes reported that the Fire Inspector came to the District and calculated the occupancy load for the Board room which is:

- 69 for table and chairs
- 109 for chairs only
- 208 for standing only

5. UPDATE ON SECURITY SUPERVISOR RECRUITMENT

Ms. Talamantes updated the Committee on the status of Security Supervisor recruitment, letting them know that we received approximately thirty applicants and five were qualified. These applicants have received phone interviews and will be scheduled for in person interviews.

6. DISCUSS FINAL DISPOSITION FOR ISSUANCE OF COUNTY CITATIONS

Ms. Talamantes advised the Committee that she received an opinion from the District's Legal Counsel stating we are only allowed to issue County citations on District property. This will be helpful for trespassing violations.

7. SECURITY SERVICE OPINION SURVEY SCHEDULE

Ms. Talamantes shared the following schedule with the Committee:

1. Contract awarded to True North Research February 17, 2021
2. Townhall meeting with the community at the RMCC Ballroom from 6-8 pm planned originally for mid-May 2021 – MOVED TO JUNE 22, 2021
3. Stakeholder working groups/meetings July 2021
4. Survey questions to be finalized and presented to BOD August 2021
5. Conduct polling activities September 2021
6. Present polling results to Finance Committee November 2021
7. Presentation to the Board November 2021
8. Potential referendum voter education and outreach program March/June 2022
9. Possible voter referendum in June 2022

8. UPDATE CONTRACT SECURITY SERVICES RFP

Ms. Talamantes informed the Committee that we only received one proposal and it was not complete so we decided to extend the timeline to receive proposals until May 18.

9. DISCUSS LETTER OF SUPPORT FOR THE RANCHO MURIETA FIRE SAFE COUNCIL

Tom Hennig, General Manager, reported that RMA has created a Fire Safe Council, and they are applying for two grants. They have asked the District to write letters supporting these grants. Director Maybee authorized Staff to send the letters that were prepared.

10. DIRECTOR & STAFF COMMENTS

Director Maybee asked that Security Staff give the annual Security Report in August or September.

6. ADJOURNMENT

The meeting adjourned at 1:45 a.m.

3A6. May 14, 2021 Special Finance Committee Meeting
Minutes - Pending

MEMORANDUM

Date: May 19, 2021
To: Board of Directors
From: Paula O’Keefe, Director of Administration
Subject: Bills Paid Listing

Enclosed is the Bills Paid Listing Report for April 2021. Please feel free to call me before the Board meeting regarding any questions you may have relating to this report. This information is provided to the Board to assist in answering possible questions regarding large expenditures.

The following are major expense items for April:

Vendor	Purpose	Amount	Funding
GSRMA	Worker's Comp/Liab 4th Qtr	\$82,898.98	200 - Water - \$30,871.92 250 - Sewer - \$20,557.28 260 - Drainage - \$3,464.10 400 - Solid Waste - \$1,644.26 500 - Security Fund - \$26,361.42
State of California	Annual Dam Fee FY 21/22	\$55,937.00	200 - Water
Rancho Murieta Country Club	Loan for Pump	\$55,150.51	250 - Sewer
California Waste Recovery Systems	Solid Waste Monthly Contract	\$54,709.74	400 - Solid Waste
California Public Employees' Retirement Sys	Payroll-Medical	\$43,143.72	100 - Administration - \$11,492.65 200 - Water - \$12,618.35 500 - Security - \$19,032.72
N.J McCutchen, Inc.,	SSTL Saturation Tank	\$29,255.00	250 - Sewer
S. M. U. D.	Utilities	\$24,570.09	200 - Water - \$19,883.03 250 - Sewer - \$3,796.93 260 - Drainage - \$692.04 500 - Security Fund - \$198.09
Pape Machinery	Backhoe Rental/Repair	\$16,582.22	200 - Water - \$4,712.64 250 - Sewer - \$11,869.58
Domino Solar LTD	Solar WWTP & WTP February 2021	\$11,844.46	200 - Water - \$3,397.16 250 - Sewer - \$8,447.30
APS Environmental	Removal of Sludge WWRP Ponds	\$11,182.50	250 - Sewer
USA Blue Book	Repairs & Maintenance Supplies	\$10,388.18	200 - Water - \$7,719.76 250 - Sewer - \$2,668.42

REVIEWED BY:  District Treasurer

Bills Paid Listing as of April 30, 2021

Date	Vendor	Amount	Purpose
4/2/2021	ABS Direct	\$1,100.00	Postage for Apr 2021 Statement
4/2/2021	American Family Life Assurance Co.	\$640.72	Payroll-AFLAC
4/2/2021	California Waste Recovery Systems	\$54,709.74	Solid Waste Monthly Contract
4/2/2021	Chrysler Capital	\$156.80	Patrol Vehicle Lease Payment
4/2/2021	CIT	\$493.33	Copier Lease
4/2/2021	Guardian Life Insurance	\$4,630.89	Payroll-Dental/Life
4/2/2021	Legal Shield	\$11.95	Payroll-Legal
4/2/2021	Operating Engineers Local Union No. 3	\$319.88	Payroll-Union Due
4/2/2021	Vision Service Plan (CA)	\$450.60	Payroll-Vision
4/6/2021	California Public Employees' Retirement Sys	\$43,143.72	Payroll-Medical
4/6/2021	California Public Employees' Retirement Sys	\$267.91	Payroll-PERS Retirement Adj
4/16/2021	ABS Direct	\$3,982.69	Mar 2021 Statement Run
4/16/2021	Accountemps	\$6,524.60	Contract Staffing - Admin
4/16/2021	American Family Life Assurance Co.	\$546.13	Payroll-AFLAC
4/16/2021	Applications By Design, Inc.	\$1,085.00	Security Host Server
4/16/2021	Aramark Uniform & Career Apparel, LLC	\$259.20	Uniform
4/16/2021	AT&T	\$831.99	Cell Phone Bill
4/16/2021	AT&T	\$5,698.42	Telephone
4/16/2021	Bartkiewicz, Kronick & Shanahan	\$4,790.00	Legal
4/16/2021	Benjamin Rathjen, Jr.	\$300.00	Rebate
4/16/2021	California Laboratory Services	\$2,263.60	Lab Testing
4/16/2021	Corelogic Solutions, LLC	\$212.18	CFD
4/16/2021	County of Sacramento	\$601.00	Recruitment
4/16/2021	CWEA	\$91.00	Lab Analyst Renewal
4/16/2021	Action Cleaning	\$1,445.00	Janitorial Services
4/16/2021	Galls/Quartermaster	\$336.75	Uniform
4/16/2021	Greenfield Communications	\$448.99	Internet
4/16/2021	GSRMA	\$82,898.98	Worker's Comp/Liab 4th Qtr
4/16/2021	Lee's Automotive Repair Inc	\$195.00	Vehicle Maint
4/16/2021	Legal Shield	\$11.95	Payroll-Legal
4/16/2021	Noelle Modesto	\$200.00	Rebate
4/16/2021	Onsolve, LLC	\$5,325.00	Code RED Annual Renewal
4/16/2021	Operating Engineers Local Union No. 3	\$319.88	Payroll-Union Due
4/16/2021	Pape Machinery	\$16,582.22	Backhoe Rental/Repair
4/16/2021	PDF Tactical	\$4,490.19	Contract Staffing - Security
4/16/2021	Pitney Bowes	\$506.70	Postage
4/16/2021	Public Agency Retirement Services	\$527.24	Trust Admin Fees - Jan 2021
4/16/2021	Rancho Murieta Association	\$690.32	SMUD @ N Gate 1/13/21-
4/16/2021	Richard Sarmiento	\$100.00	Rebate
4/16/2021	Sierra Office Supplies	\$151.93	Office Supplies
4/16/2021	Sprint	\$189.95	Monthly Air Card Bill
4/16/2021	State of California	\$55,937.00	Annual Dam Fee FY 21/22
4/16/2021	Stratus Environmental, Inc	\$2,951.50	Nov 20 - Feb 21 Serv
4/16/2021	Streamline	\$300.00	Website Hosting
4/16/2021	Walker's Office Supplies, Inc	\$397.82	Office Supplies
4/16/2021	WECybr, LLC	\$1,500.00	Virtual CSO
4/30/2021	A Leap Ahead IT	\$4,957.94	IT Services
4/30/2021	Accountemps	\$4,635.90	Contract Staffing - Admin
4/30/2021	Accounting & Association Software Group	\$1,485.00	Accounting Software Consulting
4/30/2021	American Family Life Assurance Co.	\$546.13	Payroll-AFLAC
4/30/2021	APS Environmental	\$11,182.50	Removal of Sludge WWRP Ponds
4/30/2021	Aramark Uniform & Career Apparel, LLC	\$264.72	Uniform
4/30/2021	Arnolds For Awards	\$169.04	Nameplate
4/30/2021	Brower Mechanical, Inc	\$591.00	Maintenance
4/30/2021	Caltronics Business Systems	\$267.08	Copier - Warehouse

Bills Paid Listing as of April 30, 2021

Date	Vendor	Amount	Purpose
4/30/2021	Chemtrade Chemicals US LLC	\$3,954.15	Chemicals
4/30/2021	Cisco Air Systems, Inc	\$1,902.82	Air comp Care maint
4/30/2021	Clark Pest Control	\$723.66	Pest Control
4/30/2021	Coastland Civil Engineering	\$2,431.25	Engineering Services
4/30/2021	Concentra DBA Occupational Health Centers o	\$98.00	Recruitment
4/30/2021	County of Sacramento	\$601.00	Recruitment
4/30/2021	County of Sacramento	\$42.00	Recruitment
4/30/2021	Domino Solar LTD	\$11,844.46	Solar WWTP & WTP February 2021
4/30/2021	Ferguson Enterprises, Inc 1423	\$9,386.53	Maint/Rep Parts
4/30/2021	Hastie's Capitol Sand and Gravel Co.	\$571.44	Maint/Repair
4/30/2021	Herman Kramer	\$100.00	Rebate
4/30/2021	Home Depot Credit Services	\$146.11	Maint/Rep Parts
4/30/2021	Hopkins Technical Products, Inc	\$190.71	Supplies
4/30/2021	KWA Safety & Hazmat Consultants, Inc.	\$1,980.00	Training
4/30/2021	Legal Shield	\$11.95	Payroll-Legal
4/30/2021	N.J McCutchen, Inc.,	\$29,255.00	SSTL Saturation Tank
4/30/2021	Operating Engineers Local Union No. 3	\$319.88	Payroll-Union Due
4/30/2021	Pace Supply Corp	\$1,168.03	Maint/Rep Parts
4/30/2021	PDF Tactical	\$4,430.08	Contract Staffing - Security
4/30/2021	Pitney Bowes	\$26.10	Postage
4/30/2021	Porter Scott	\$480.00	Legal
4/30/2021	Rancho Murieta Ace Hardware	\$317.86	Repairs & Maintenance Supplies
4/30/2021	Rancho Murieta Country Club	\$55,150.51	Loan for Pump
4/30/2021	S. M. U. D.	\$24,570.09	Utilities
4/30/2021	Simplicity Software Technologies Inc.,	\$5,280.00	Legal
4/30/2021	State of California	\$32.00	Pre-employment Screening
4/30/2021	Teichert Aggregates	\$331.31	Maint WT
4/30/2021	U.S. Bank Corp. Payment System	\$9,235.88	Monthly Fuel and Other Office Supplies
4/30/2021	USA Blue Book	\$10,388.18	Repairs & Maintenance Supplies
4/30/2021	Walker's Office Supplies, Inc	\$107.73	Office Supplies
	Total	\$507,793.81	
	CFD 2014-1 Bank of America Checking		
4/19/2021	Corelogic Solutions, LLC	\$212.18	CFD 2014-1 Adm Cost Mar 2021
4/30/2021	NBS	\$1,750.75	CFD 2014-1 Fees
	Total	\$1,962.93	
	El Dorado Payroll		
	Payroll April 2021	\$183,328.49	
	Total	\$183,328.49	

Reviewed by:



District Treasurer

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
INVESTMENT REPORT**

<i>CASH BALANCE AS OF APRIL 30, 2021</i>	
INSTITUTION	BALANCE

CSD FUNDS

EL DORADO SAVINGS BANK		
SAVINGS	\$	1,044,937
CHECKING	\$	122,712
PAYROLL	\$	31,704
BANNER BANK		
EFT	\$	645,715
LOCAL AGENCY INVESTMENT FUND (LAIF)		
UNRESTRICTED	\$	166,154
RESTRICTED RESERVES	\$	8,141,557
CALIFORNIA ASSET MGMT (CAMP)		
OPERATION ACCOUNT	\$	640,260
US BANK		
PARS GASB75 TRUST	\$	2,573,065 *
	\$	12,321,167

BOND FUNDS

COMMUNITY FACILITIES DISTRICT NO. 2014-1 (CFD)

BANK OF AMERICA		
CHECKING	\$	128,710
WILMINGTON TRUST		
BOND SPECIAL TAX FUND	\$	186,559
BOND REDEMPTION ACCOUNT	\$	-
BOND ACQ & CONSTRUCTION	\$	17,551
BOND RESERVE FUND	\$	391,592
BOND SURPLUS	\$	16,801
BOND ADMIN EXPENSE	\$	22,005
BOND INTEREST	\$	-
	\$	763,218
	\$	13,084,385

**Investments comply with the CSD adopted investment policy.*

* Balance is for March 31, 2021

PREPARED BY: Michelle Ammond, Interim Accountant

REVIEWED BY:  District Treasurer

4A – GM Report - Pending

MEMORANDUM

Date: May 19, 2021
To: Board of Directors
From: Paula O'Keefe, Director of Administration
Subject: Administration / Finance Update

On May 14, 2021, the Finance Committee met and discussed the following items:

- Special Reserve Board Meeting Scheduled for June 3 at 2 pm
- Review of the 2014-1 CFD Bond
- Review of FY 2019-20 Audit
- Discussion of an RFP for a new Enterprise Resource Planning system that will encompass Financial, HR, Payroll and Utility Billing
- Review of FY 2021-22 Budget with new Capital Improvement Projects
- New Format for Monthly Financial Reporting
- Security Service Opinion Survey Updates

The following is the summary of the May 2021 monthly Board Financial Report. The following are highlights from various internal financial reports.

April Budget Updates

Monthly Budget to Actuals

After reviewing April's financials, it was found that no formal period closures had occurred since the beginning of the fiscal year. Not closing periods has the potential to impact monthly reporting if manual entries are completed incorrectly, or budget to actuals are reported publicly before all entries were completed for the prior month. Periods 1 through 9 have now been closed (July 2020 through March 2021). However, there are still outstanding entries for April that have not been booked in a timely manner due to staffing levels. To prevent incorrect information from being presented to the public, the month of April budget to actuals will not be presented at this Board hearing.

Staff is working diligently to identify all entries necessary to finalize the month of April and will implement new period closing procedures to ensure all entries are completed prior to reporting the monthly budget to actuals to the Board moving forward. We expect to have accurate financial reporting for the June Board hearing in a new, easier-to-read, and more transparent format.

Procurement and Contracts

During the April 21 Board Hearing, the Board approved a contract for Resurfacing and Repainting the East and West Dissolved Air Floatation (DAF) tanks (CIP# 21-09-02) for a total amount of \$99,112. The General Manager reviewed, approved, and executed the contract on April 24. Work commenced shortly after that and continues into the month of May.

Capital Improvement Projects

Staff are working to identify all capital improvement projects in progress for the current fiscal year and will have a year-to-date project cost analysis for the Special June Board hearing. This information will include total cost of projects, project completions for approval and acceptance and updated reserve information to assist the Board in providing direction for future Capital Improvement Plans.

Reserve Fund Purchases authorized by the General Manager

There were no purchases authorized by the General Manager in the month of April.

Reserve Funds Balance Sheet

Due to the timeliness of journal entries for April, the year-to-date totals for the reserve contributions remain the same for the May Board hearing. An extensive analysis of the District’s reserves, Capital Improvement Projects and reserve usage, retained revenues and the reserve policy is currently underway to determine the total amount of available reserves and the appropriate management and usage of funds. Staff will bring forward information to the Board for the June 3, Special Board hearing to discuss findings and provide recommendations to the Board for retained revenues, reserve policy changes, and Capital Improvement Project allocations and funding obligations.

It is important to note that the information included in the table below will change as a direct result of the Board’s recommendation at the June Special Hearing. Data representation will change based on updated information and Board direction.

<i>Reserve Descriptions</i>	<i>Account #</i>	<i>FY 2020-21 Beginning Balance July 1, 2020</i>	<i>YTD Total Revenues</i>	<i>YTD Total Expenditures</i>	<i>Year to Date Ending Balance April 30, 2021</i>
Water Capital Replacement	200-2505	1,790,096	215,980	63,454	1,942,622
Sewer Capital Replacement	250-2505	3,109,804	323,899	247,396	3,186,307
Drainage Capital Replacement	260-2505	12,409	147	82	12,474
Security Capital Replacement	500-2505	84,523	810	27,989	57,344
Admin Capital Replacement	xxx-2505-99	87,210	0	0	87,210
Sewer Capital Improvement Connection	250-2500	4,308	39	22	4,326
Capital Improvement	xxx-2510	745,286	55,735	2,995	798,027
Water Supply Augmentation	200-2511	1,436,292	113,785	6,318	1,543,759
WTP Construction Fund Reserve	200-2513	-782,858	143,796	151,569	-790,631
Security Impact Fee Reserves	500-2513	37,827	6,235	5,772	38,289
Total Reserves		6,524,898	860,426	505,597	6,879,727

Interfund Borrowing

The following are the updated totals for the repayment of the interfund borrowing as of April 30, 2021. Because the interfund loan from Drainage reserves to Security was paid in full in April of FY 2019-20, it will no longer be included in the monthly report.

<i>Inter-fund Borrowing</i>	<i>Fiscal Yr Beg Balance 7/1/2020</i>	<i>YTD Interest</i>	<i>YTD Repayment</i>	<i>Period End Balance 4-30-2021</i>
WTP Construction Loan from Sewer	714,876	3,186	117,440	609,171
WTP Construction Loan from WSA	238,298	1,062	39,147	203,063
<i>Total Inter-fund Borrowing</i>	953,174	4,249	156,587	812,234

Utility Billing

Issue Resolution

During the month of April, the Finance team encountered several technology-related issues regarding the preparation and mailing of utility bills causing the utility bills to be a few days late. The team provided notification to all residents via the District web page, Facebook page, and prerecorded notification for customers calling in. After several days of working with all vendors involved, the issue was resolved, and all utility bills, both electronic and by mail, were sent on April 30.

A few residents also reported issues with credit card payments, and staff was able to quickly resolve these issues. Those affected will not be assessed late fees in the next billing cycle.

The District is currently working with several residents to resolve outstanding payments to bring these accounts current and in good standing. There are many residents who are not current with their bills, and the District reminds all residents with past-due accounts that the District offers a payment plan to assist with bringing their accounts current. We encourage residents to work with the District to prevent additional late fee assessments.

Aging Report

The Board of Directors voted to begin charging late fees on all accounts that are delinquent as of the January 25, 2021 billing cycle and interest on the balance of past due accounts at the December 16, 2021 Board Meeting. There are a total of 65 accounts included in the attached aging report that is at least one month behind on payments. Aging is defined as delinquent 60 days and beyond.

The total amount due to the District for outstanding balances is \$51,829, which includes three accounts that have been past due prior to the end of 2019 in the amount of \$7,023. There are two commercial accounts that are past due in the amount of \$18,936.39. These accounts are past due as of November 2019 and March 2021, respectively.

Security Service Survey

At this time, there are no financial updates to the Security Service Opinion survey.

MEMORANDUM

Date: May 14, 2020
To: Board of Directors
From: Tina Talamantes, Interim Security Chief
Subject: Security Update Report for the Month of April

SUMMARY OF APRIL SECURITY COMMITTEE MEETING

The Security Committee met on May 13, 2021, and discussed the following:

- Security Service Opinion Survey Schedule: New timeline was established.
- SSD Hireback Update: SSD is authorized to work hireback for the District on Fridays/Saturdays; however, Saturdays have not been filled. Additional coverage for Saturdays could be provided by CSD patrol and/or Valor Security.
- Board Room Maximum Occupancy: 69 tables and chairs, 109 chairs only and 208 standing room only.
- Security Supervisor Recruitment: We are still currently recruiting for the Security Supervisor position. 1st round of interviews for qualifications verification was done. We will schedule 2nd interviews for end of May/June.
-

OPERATIONS UPDATES

The Department is currently working on the following projects:

- Additional Valor Security staff to support Security Gate & Patrol until vacancies are filled
- Recruitment for the Security Supervisor: 2nd round of interviews TBA for end of May/June 2021
- Continuing Recruitment for Gate and Patrol Officers: we have one Gate Officer vacancy to date. We have hired one (1) Gate Officer, Paul Anderson and one (1) Patrol Officer, Warlito Gabriel.
- County citations update: Per the attorney, our scope of authority covers citations can be issued on District owned properties when in the presence of the CSD officer.
- Summer Events Planning/Extra staffing: SSD is on hireback on Fridays until further notice; responds to District calls and provides patrol services; will utilize Valor Security as needed for extra patrol
- RFP for Contract Security Services: Received one (1) proposal which was missing several requested items; extended deadline – one (1) other proposal was received since deadline extended
- AEDs received – Policy being written for implementation of devices
- RMCC events: we are working with RMCC staff to set up a meeting to discuss upcoming events and how to alleviate traffic flow/backup at the gates

Rancho Murieta Association activity:

We continue to work with the RMA Leadership on a regular basis. Our focus is to improve our level of service and have positive contacts with residents. If there are incidents where there is a safety concern, they notify Security Dispatch to call the Sacramento Sheriff's Department. The following list is the current focus of our meetings.

- General non-architectural enforcement
- Stop Sign enforcement – enforcement missions conducted each week; other violations issued during regular patrol
- Speed enforcement –enforcement missions conducted each week during the daytime hours only; other violations issued during regular patrol

- LPR cameras at North and South gates: Watchdog Security will be installing LPR cameras for the outbound/exit #2 lane/bike lane at the North gate beginning the week of May 17; Repair of South gate LPR: we are awaiting response from Rod for the electrical/power work that needs to be done.
- Barcode readers: we are getting new bar code readers; PO approved
- RMA Compliance Meetings

Murieta Village activity:

- Regular patrol activity

Rancho Murieta Commercial Owners Association activity:

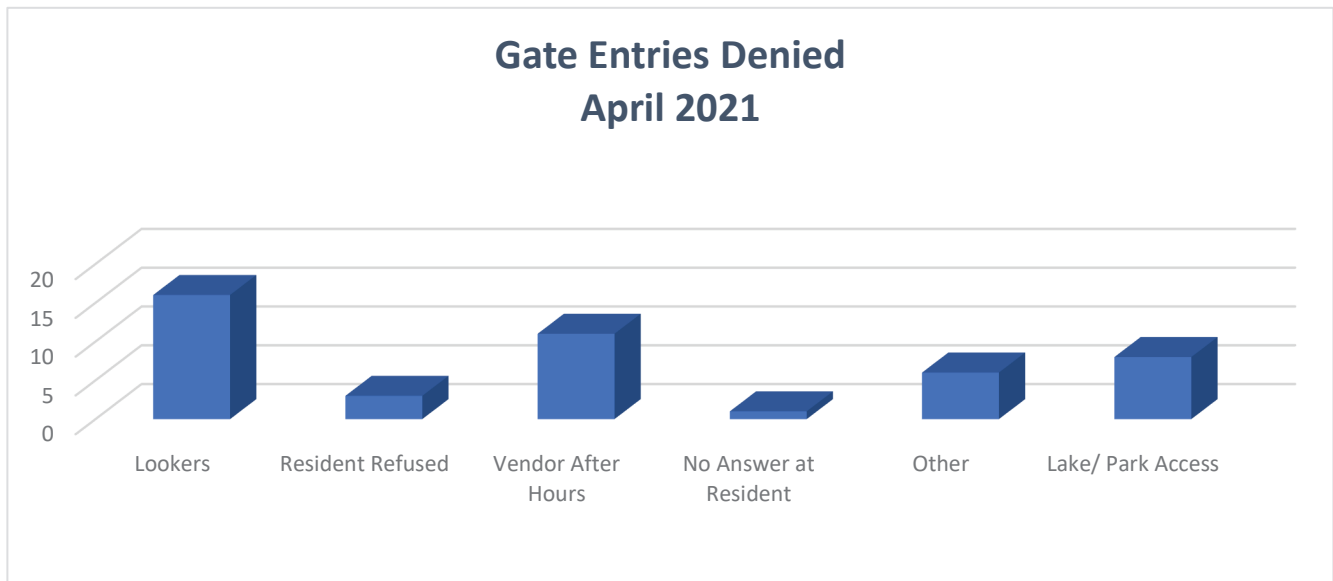
- Regular patrol activity

Gate Entries Denied

April 1-30, 2021

	Lookers	Resident Refused	Vendor After Hours	No Answer at Resident	Other	Lake/ Park Access	TOTAL
All Gates	16	3	11	1	6	8	45

Prior Month Totals: 14 1 9 1 3 0 28





Rancho Murieta CSD Security

15160 Jackson Rd
Rancho Murieta, CA 95662

Cases - Breakdown by Type

ABANDONED DISABLED VEH	3
ALARM	18
ANIMAL COMPLAINT	7
ASSIST OTHER AGENCY	5
BURGLARY	1
CITATION	10
DISTURBANCE	4
ESCORT	5
EXTRA PATROL	9
FIRE	3
FOLLOW UP	2
GUN SHOTS	4
INTOXICATED PERSON	3
IRRIGATION DAMAGE	1
JUVENILE DELIQUENCY	1
LOST/FOUND PROPERTY	4
MEDICAL AID	9
MISCELLANEOUS	16
MISSING PERSON	1
OPEN DOOR	8
PARKING	36
REFUSED ENTRY	45
RESIDENT COMPLAINT	33
RMA RULE VIOLATION	12

SAFETY ADVISAL	1
SPEEDING COMPLAINT	4
STOLEN/LOST PROPERTY	1
STOP SIGN VIOLATION	1
SUSPICIOUS ACTIVITY	8
SUSPICIOUS PERSON	7
SUSPICIOUS VEHICLE	14
TRAFFIC ENFORCEMENT	12
TRASH-PICK UP	1
TRESPASSING	14
VANDALISM	4
VEHICLE ACCIDENT	7
WATER LEAK	6
WELFARE CHECK	8
Total	328



INCIDENTS OF NOTE

APRIL 1-30, 2021

April 4, 2021: Gunshots

West of Calero Lake – Patrol responded to a report of gunshot in the area near Calero Lake. He also heard several gunshots and found it was coming from a neighboring property at Latrobe Road. Vehicles were parked in the area. We did not locate anyone on District or RMA property with a firearm.

April 10, 2021: Animal Call

6900 blk Pescado Circle – A resident's pit bull charged at a neighbor and jumped on her. No dog bite. No injuries. Patrol issued RMA citation. Sac County Animal Control responded for the complaint.

April 18, 2021: Vehicle Accident

RM Airport runway – At approximately 8:00 pm Patrol observed a black Tesla on the runway of the airport and accelerate at a high rate of speed. The vehicle attempted to stop at the end of the runway but continued to the unpaved runoff area. Major vehicle damage. Serious injuries to the passenger of the Tesla. Sac Metro Fire and CHP responded for the report.

April 28, 2021: Road Rage Incident

Jackson Road – A victim reports that a box van vehicle pulled in front of him, causing him to veer off the road. He passed the van and tapped his brakes. The alleged victim then pulled over to let the van pass him. The driver of the van also pulled over and assaulted the victim, and then left the scene. SSD and CHP responded for a report.

Patrol Coverage:

All shifts were covered during the month of April 2021.

MEMORANDUM

Date: May 13, 2021
To: Board of Directors
From: Ron Greenfield, Acting Director of Field Operations
Subject: Field Operations Monthly Update

Improvements Committee summary

At the May 11, 2021, Special Improvements Committee meeting, we reviewed:

Water Plant Drying Bed Emergency Repairs

Basin 5 – Lost Lake

Capital Projects

Asphalt Grindings

Murieta Village Pipe Replacement Capital Project

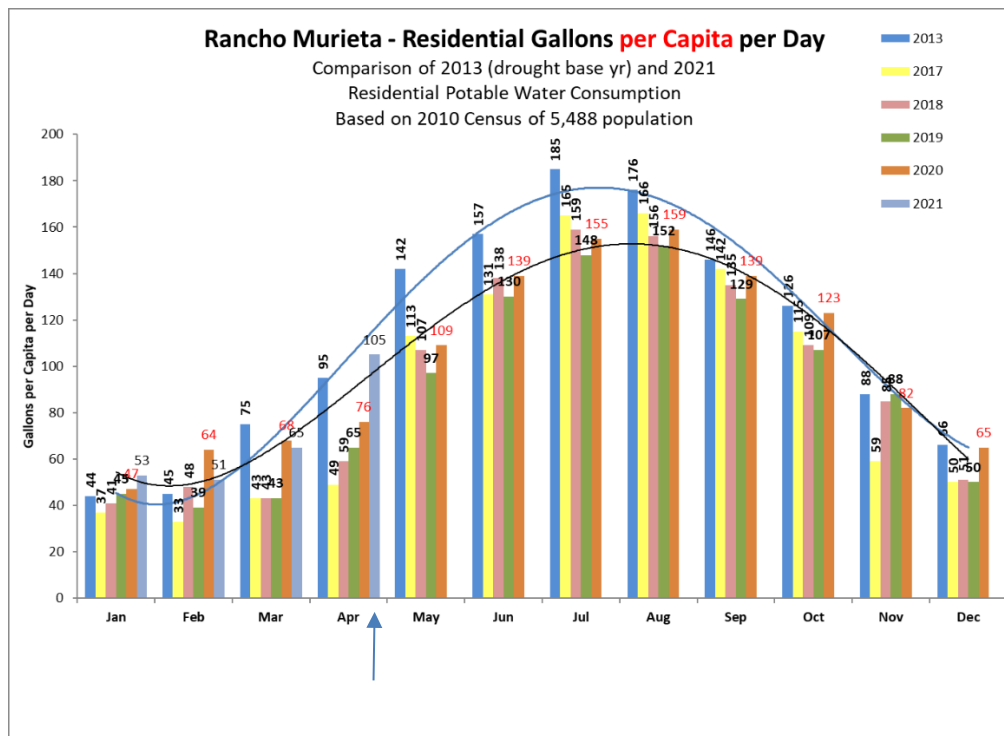
All Committee meeting information can be viewed at:

<https://www.ranchomurieta.com/2021-committee-meetings>

WATER TREATMENT

Plant #2 remains the lead plant used to meet daily demands producing a current average of 1.45 million gallons per day (MGD). Plant #1 was put online at the end of the month and produced an average of 900,000 gallons per day (GPD). The water plants produced 46.293 million gallons (MG), or 142 acre-feet (AF) of potable water in April. The production value per connection was 566 gallons per connection per day for April.

The water used was 18,083,902 gallons, 55.5 AF. This equates to 65 gallons of water used per capita per day vs 75 in 2013, a 13.3% decrease in use in the base comparison year of 2013 as shown in the updated graph below.



Below is the water use data provided from Administration, with last month's data outlined in red.

													Last FY	Last FY	Last FY Same Period	
12 month rolling % increase		2021	2021	2021	2021	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
		Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr		
Residences	Weighted Average	2,619	2,616	2,615	2,615	2,612	2,607	2,669	2,660	2,662	2,659	2,657	2,647	2,643		
Cubic Feet	1,740	1,394	727	687	711	970	1,650	2,016	2,518	2,802	2,565	2,502	1,668	1,054		
Gallons Per Day	435	348	181	171	177	242	411	503	628	699	648	624	386	263		
Same Period Last FY	435															

													Last FY	Last FY	Last FY Same Period	
YTD		2021	2021	2021	2021	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	
Totals		Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr		
Commercial	1,069,194	58,660	68,900	62,896	40,624	38,314	81,890	98,366	128,118	147,140	159,116	123,662	61,508	31,889		
Parks	413,822	30,662	742	1,219	1,239	6,662	21,818	38,398	55,279	80,900	75,722	72,521	28,660	1,821		
Raw Water	800,294	38,298	0	0	0	1,648	12,349	17,699	24,602	68,651	231,249	272,250	133,548	2,102		
CSD	36,204	2,912	2,426	1,532	1,336	854	1,917	2,683	3,008	3,686	4,095	5,218	6,537	2,274		
Totals	2,319,514	130,532	72,068	65,647	43,199	47,478	117,974	157,146	211,007	300,377	470,182	473,651	230,253	38,086		

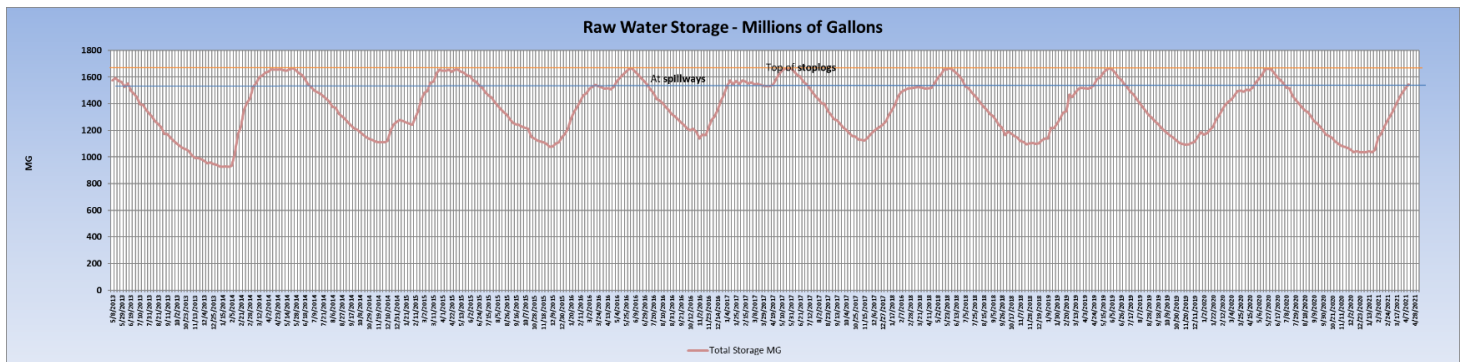
WATER SOURCE OF SUPPLY

On May 5, 2021, all raw water storage for Calero, Chesbro, and Clementia Reservoirs volume measured 1,638.14 million gallons (5027.61 acre-feet [AF]). Total volume of Calero and Chesbro is ,1297.03 MG (3,980.71 AF). The total usable volume of all three reservoirs accounting for dead storage in the reservoirs is 1,474.2 MG (4,524.51 AF). In April, only 0.02 inches of rain was received, and evaporation measured at 3.80 inches. Lakes are full now but pumping from the river continues to offset water coming out of Chesbro to the water plant.

Our current reservoir levels are as shown here:

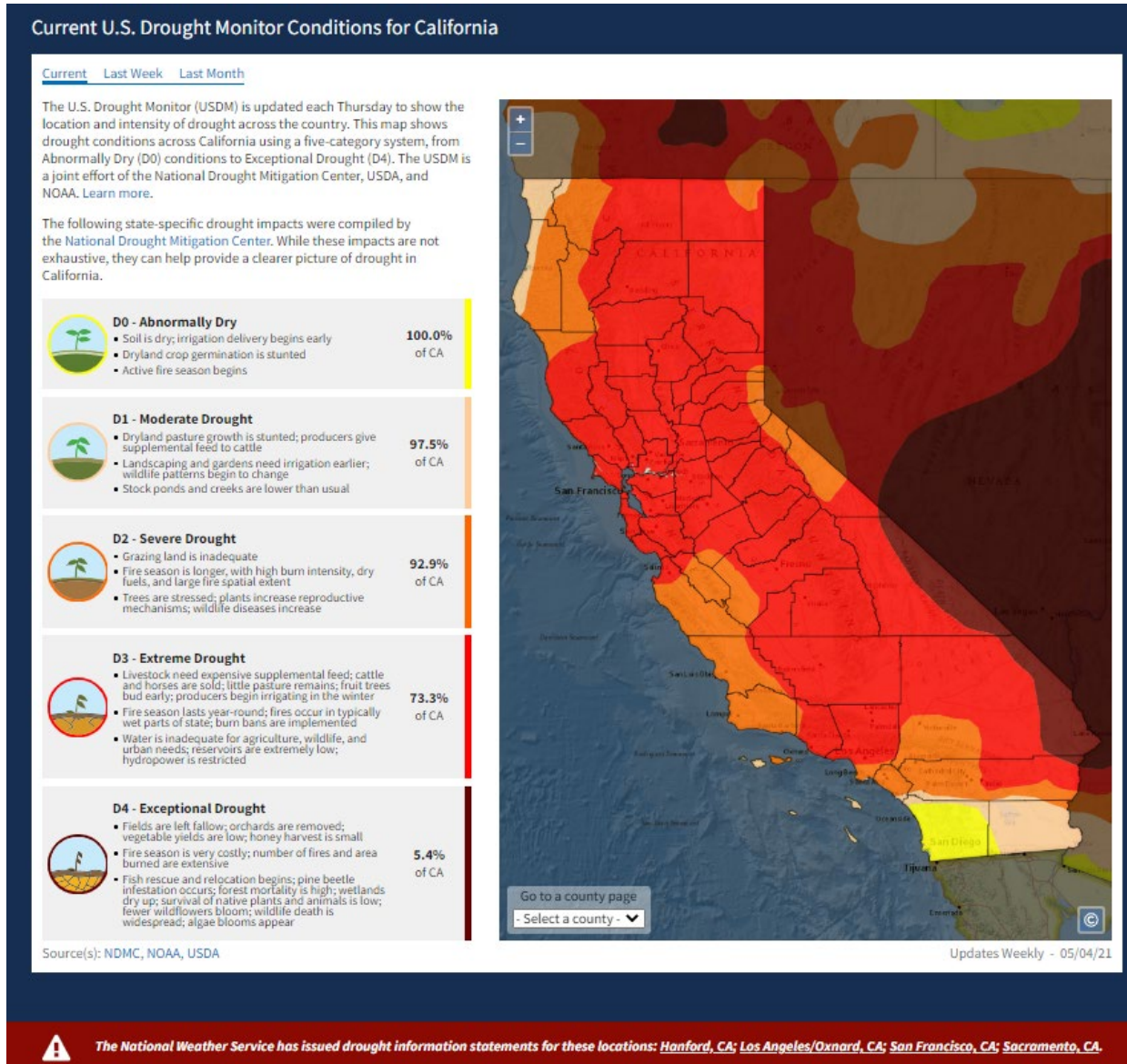
	WTP Flow Rate Setting MGD	Granitee Production MGD	Calero Elevation	Calero Ac-ft	Calero MG	Chesbro Elevation	Chesbro Ac-ft	Chesbro MG	Clementia Elevation	Clementia Ac-ft	Clementia MG	Spillway Raw Water % Full	Spillboards Raw Water % Full	Total Storage MG	Total Usable Volume MG	Total Usable Volume AF	Calero & Chesbro total MG	Cal - Ches Total Usable Volume MG	Cal - Ches Total Usable Volume AF	% full top of stop logs	% full to spillways	
Full Volume at Spillway	2.2	3.5	278.00	2622.50	854.487	260.70	1130.70	368.415	185.00	907.10	295.559	4660.3	1664.0	1518.461	4660.30	4524.51						
5/5/2021			279.64	2801.76	912.89	261.79	1178.95	384.14	187.01	1046.9	341.11	0.0	98.4	5027.61		4524.51	3980.71	-49.3634	3527.71	98.4435	107.708	

A graph of the raw water storage volumes is shown below. We have managed to pump 772 MG (237 AF) to storage so far this season.



WATER FORECAST:

Below are updated images of the current drought condition and outlook. Sacramento region is continuing to be noted as being in a Severe Drought stage. It may be a requirement to implement a higher drought stage beyond our current declaration of Normal. Here is the weblink to our Water Shortage Contingency Plan: <https://www.ranchomurieta.com/water-conservation> Staff has been directed to tag water wasters with our Water Conservation Notice tags.



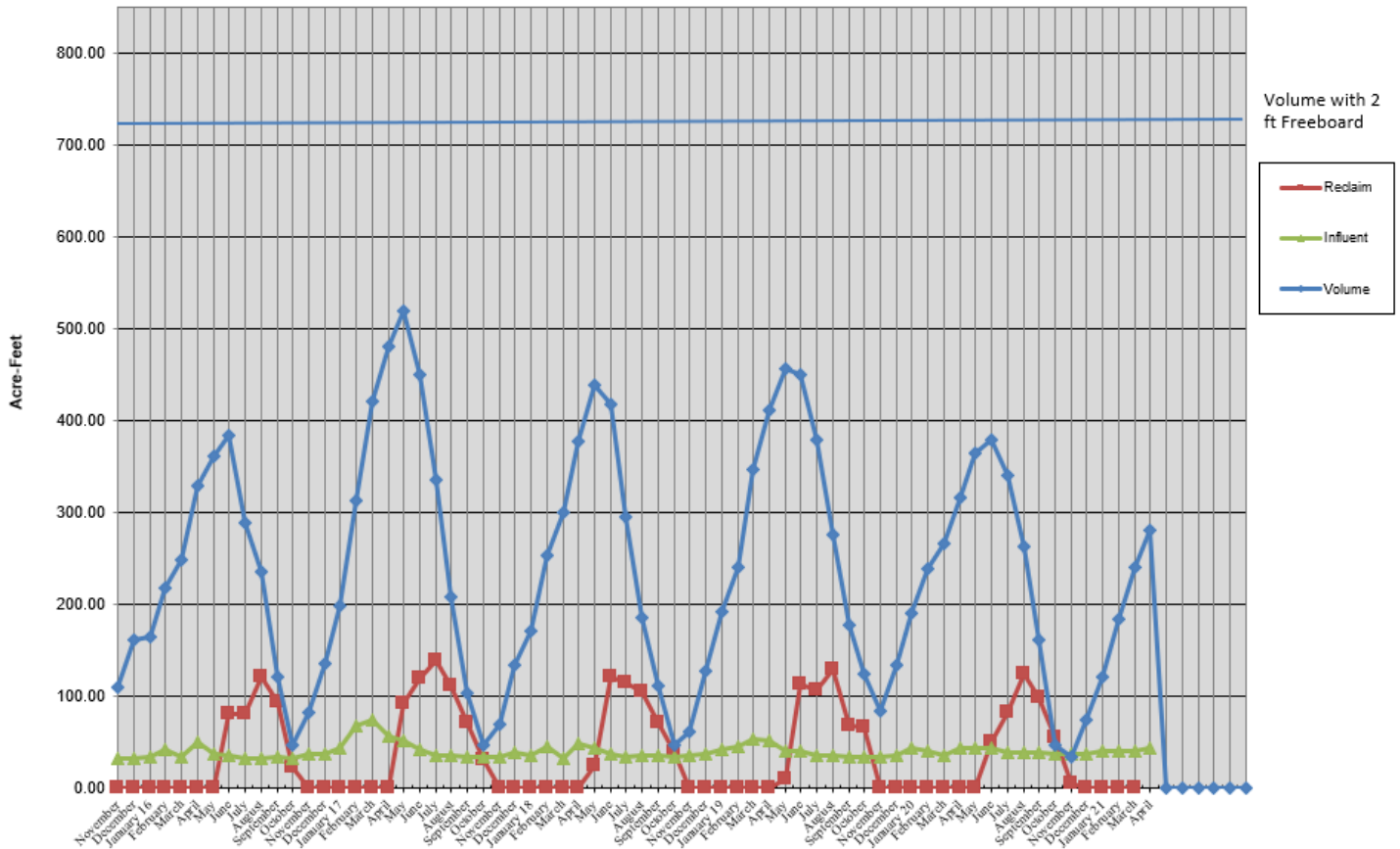
The drought outlook remains unchanged for our area.

WASTEWATER COLLECTION, TREATMENT, AND RECLAMATION

For April 2021, the influent wastewater flow averaged 433,266 gallons a day, for a total of 12.998 (39.88 AF). This is approximately 163 GPD per sewer connection. On April 13, 2020, secondary wastewater storage measured 93.22 MG (286.1 AF), of which 83.4 MG (271.2 AF) is usable for reclamation due to dead storage. This is a lower volume than in the past several years, most likely due to the disappointing amount of rain received. For the calendar year of 2012 only 12.04 inches and evaporation was 68.02 inches.

Below is a graph of the recent secondary wastewater storage volumes as of April 2020.

Volume of Secondary Wastewater in Reservoirs 2016-2021



SEWER COLLECTION

Utility staff had a call for one sewer issue in the month of April, which was determined to be the homeowner’s responsibility. With the permission of the homeowner, I had staff assist them in trying to clear their line. Roots in their private sewer lateral were removed, and the homeowner was going to dig up and repair their sewer lateral. No issues occurred in the District’s sewer collection system this past month.

DRAINAGE

With the little rainfall and previous work done in drainage, there were no issues of concern in the drainage system in April. Staff will be starting weed abatement in the month of May.

WATER METERING AND UTILITY STAFF WORK

In April zero (0) ¾ -inch meters and one (1) one-inch meter was replaced for maintenance. There was a computer glitch in the meter read program in April that didn’t allow the ability to print several reports that show meter malfunctions that would identify meters that were not working correctly and needed to be replaced. That is the reason for only one meter being replaced in the month of April. Also completed were fifteen (15) Underground Service Alert markings and eleven (11) utility star service orders for the administration department.

In April Utility staff repaired three (3) water service line leaks, the same as the month of March. All three leaks were in poly service lines that had poor backfill and rocks had caused the leak. They also had eight (8) homeowner calls for various water-related complaints this last month. Most of the complaints were for high water usage and they were found to be irrigation leaks that the homeowner needed to repair.

Fire Hydrant Replacement Project (CRP 20-06-1)

Utility staff is nearly completed with replacing the ten dry-barrel fire hydrants they outlined for replacement. Staff is currently replacing the hydrant at the corner of Puerto and Camino Del Lago Dr. This fire hydrant on Puerto has been completed. There is one more fire hydrant to do on Guadalupe Dr. to complete the list of ten fire hydrants to have been replaced this year.

General Update

Sloughhouse Resource Conservation District (SRCD) – GSP development

No Update.

Sodium Hypochlorite Conversion Project

Staff partially filled the two new hypochlorite tanks and tested out the pumping systems with the chemical pump vendor on-site to set the systems up. We discovered that additional telemetry wiring needs to be routed from the pump skids to the PLC for other alarm and control integration. The vendor also noted the need for additional backpressure valves to be installed as close to the chemical injection points as possible these were installed by staff. We are now waiting on the programmers that were directed to add the WIN-911 programming for alarms.

East & West Dissolved Air Floatation (DAF) Painting project

Redwood Painting Co. arrived May 3 and began setting up equipment to start work for the blasting off the old coating and rust in preparation for the new epoxy coating of the DAF's interiors and painting of the exteriors. At this time, they are working on the West DAF sandblasting the inside and then will paint the inside before moving to the east DAF.

DEVELOPMENT PROJECTS

The Retreats East & North

No update from last month. The project reports that K-Hovnanian is still in the due-diligence period. They have requested that Coastland sign off on plans that had expired and have now been resubmitted. District staff has requested past due and additional deposit funding before being able to continue work.

Rancho Murieta North – Development Project

The project provided deposit funds to allow continued review of the project's water and sewer plans. Drainage plans had already been through a first review with comments and plan mark-ups provided back to the project.

MG - Murieta Marketplace

No update.

MG – Legacy Villas & Suites (lot 7)

No update.

The Murieta Gardens I & II – Infrastructure

No update.

MG - Murieta Marketplace

No update. The drainage basin which is a part of this project, remains active as a stormwater best management practice for the development site keeping it active.

MG – Lot 9 (Taco Bell)

No update.

MG -Lot 10 (PDF Office)

No update.

MG – Lot 11 (Circle K Convenience/Carwash/Subway)

No update.

Other Development Projects:

Riverview

Coastland is closing out its review of Riverview’s drainage and grading plans. The Water, Sewer, and Storm Drain reviews will be completed by Domenichelli and Associates.

Murieta Business Park

No update.

The Retreats East and North

No update. Continued review is pending the project submitting deposit funding. Last update: The project had submitted improvement plans on February 19, 2021, requesting that they be re-approved and signed off by Coastland Engineering, along with Sac Metro Fire Department and Sacramento County. Coastland responded that the previous review has expired, signature date of June 9, 2017, and needs to be reviewed.

Planned Projects:

The Residences East

Tom Hennig, and Joe Domenichelli, our District Engineer, met with Bob Keil to discuss this project. Mr. Keil is interested in moving forward with the original plans for this project. Mr. Keil plans to submit a developer application packet and deposit. Conditions for both East & West projects can be viewed: <http://www2.agendonet.sacounty.net/BoardOfSupervisors/Meetings/ViewMeeting?id=3572&doctype=1>

Rancho Murieta Community Services District

June 2021

Board/Committee Meeting Schedule

June 1, 2021

Personnel 7:30 a.m.

Improvements 8:00 a.m.

June 3, 2021

Communications/Technology 8:30 a.m.

Security 1:00 p.m.

Finance Meeting 10:00 a.m.

Special Board Meeting – Reserves 2:00 p.m.

June 16, 2021

Regular Board Meeting - Open Session @ 5:00 p.m.



MEMORANDUM

Date: May 19, 2021
To: Board of Directors
From: Tom Hennig, Director of Administration
Subject: Receive and File FY 2019-20 Rancho Murieta Community Services District
Annual Audit Report

RECOMMENDED ACTION

No Action – Receive and File

BACKGROUND

Enclosed is the *draft* audit report related to the 2019-20 fiscal year. Ingrid Sheipline from Richardson & Company, LLP (District Auditor) will attend present the final audit and answer any questions of the Board of Directors.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Auditor Presentation of
June 30, 2020 Audit

Richardson & Company, LLP
Ingrid Sheipline

Reports Issued

- Financial Statements with Audit Opinion
- Report on Internal Control and Compliance
- Required Communications Letter
- Management Letter

Audit Results and Observations

- Unmodified (clean) opinion on financials
- Large number of adjustments during audit process
- Delays due to personnel changes and system limitations
- Internal control weaknesses and other areas for improvement noted

Financial Highlights

- Negative unrestricted net position of \$1.1 million
- Pension liability increased \$401,000
- OPEB liability increased \$596,000
- Net loss from operations of \$2.3 million
 - Water \$(1,162,000)
 - Sewer (1,306,000)
 - Solid Waste (116,000)
 - Drainage (14,000)
 - Security 252,000

Statement of Net Position

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>	<u>Change</u>
<u>Net Position</u>		<u>in thousands</u>	
Investment in Capital			
Assets	\$ 26,445	\$ 28,417	\$ (1,972)
Restricted	7,278		7,278
Unrestricted	(1,107)	5,168	(6,275)
Total Net Position	<u>\$ 32,616</u>	<u>\$ 33,585</u>	<u>\$ (969)</u>
Pension and OPEB			
Liabilities	<u>\$ 5,518</u>	<u>\$ 4,520</u>	<u>\$ 998</u>

Required Communications

- 47 adjustments during the audit process
- Indication of improvement needed to financial reporting process
- Not all account analyses completed prior to start of audit fieldwork
- Staffing changes contributed to delays
- Cumbersome accounting processes and systems also caused delays

Report on Internal Control

5 Material Weaknesses

- Improve year-end closing procedures
- Ensure developer-donated infrastructure is properly recorded
- 3 other findings from prior year to be resolved

5 Significant Deficiencies

- Findings from prior year to be resolved

Management Letter

- 12 areas where recommendations were made
 - Reserve policy
 - Procedures manual
 - Accounting system improvements for fund accounting and customer billing
 - Fraud reporting procedures
 - 7 other items

Questions

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
SUMMARY OF FISCAL YEAR 2019/20 AUDIT RESULTS

Reports issued

- Auditors opinion on the financial statements (District and CFD)
- Report on internal control and compliance
- Required communications letter
- Management letter with recommendations

Independent Auditor's Report (pages 1 to 2)

- Unmodified (clean) opinion

Highlights of financial statements

- Management discussion & analysis (pages 3 to 8)
- Statements of Net Position (pages 9 and 10)
 - Negative unrestricted net position of \$1.1 million
- Statements of Revenue/Expense (pages 11 and 12)
 - Revenue exceeded expenses in drainage and security funds
 - Expenses exceed revenue in water, sewer and solid waste funds
 - Includes depreciation, pension and OPEB entries not affecting cash
- Net position components, Note 6 (pages 28 and 29)
- Pension Plan, Note 7 (pages 29 to 33)
 - Pension liability of \$3,560,102, based on 2019 CalPERS valuation
 - Increased \$401,444
- OPEB Plan, Note 8 (pages 33 to 36)
 - OPEB liability of \$1,957,488 based on 2019 actuarial valuation
 - Increased \$596,368
 - Contributions to trust in fiscal year 2019/20 of \$292,596

Internal Control and Compliance report (pages 42 to 48)

- Material weaknesses in internal control noted
 - Year-end closing procedures need improvement
 - Developer-constructed infrastructure not recorded
 - Reliance on auditor for financial statement preparation
 - CFD activity to be recorded in proper fund
 - Fund accounting not maintained
- Significant deficiencies from prior audit not yet addressed
 - Review of journal entries to be documented
 - Payroll liability accounts to be reviewed and cleared out
 - Bank reconciliations to be reviewed and eventually performed in the system
 - Non-active customers with credit balances
 - Improvements in accounting for prepaids
- Complied with laws, contracts material to financials

Required communications letter

- Areas where estimates are used
- 47 Audit adjustments
- Indication of improvement needed to financial reporting process

Management letter

- Several areas for improvement identified

DRAFT

RANCHO MURIETA COMMUNITY FACILITIES
DISTRICT NO. 2014-1

Audited Financial Statements

June 30, 2020

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1

June 30, 2020

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Independent Auditor’s Report..... 1

BASIC FINANCIAL STATEMENTS

Statement of Net Assets and Governmental Funds Balance Sheet 3

Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances 4

Notes to the Basic Financial Statements 5

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rancho Murieta Community Facilities District No. 2014-1
Rancho Murieta, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Rancho Murieta Community Facilities District No. 2014-1 (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

_____, 2021

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

As of June 30, 2020

	General Fund	Adjustments (Note G)	Statement of Net Position
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 281,385		\$ 281,385
Assessments receivable	691,092		691,092
Restricted cash	391,762		391,762
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 1,364,239</u>	<u>-</u>	<u>1,364,239</u>
LIABILITIES			
Accounts payable	\$ 212		212
Due to Community Services District	127,589		127,589
Interest payable, due within one year		\$ 84,912	84,912
Special assessment debt, due within one year		135,000	135,000
Note payable, due after one year		5,565,000	5,565,000
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	127,801	5,784,912	5,912,713
DEFERRED INFLOWS			
Unavailable revenue	689,286	(689,286)	
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES/NET POSITION			
Fund balances:			
Nonspendable			
Unassigned	547,152	(5,095,626)	
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	547,152	(5,095,626)	
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,364,239</u>		
Net Position			
Restricted			391,762
Unrestricted			(4,940,236)
		<u> </u>	<u> </u>
TOTAL NET POSITION		<u>\$ -</u>	<u>\$ (4,548,474)</u>

The accompanying notes to component unit financial statements are an integral part of this statement.

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2020

	General Fund	Adjustments (Note H)	Statement of Activities
EXPENDITURES			
General government	\$ 15,145		\$ 15,145
Debt service:			
Principal payments	130,000	\$ (130,000)	
Interest expense	255,440	(1,192)	254,248
TOTAL EXPENDITURES	<u>400,585</u>	<u>(131,192)</u>	<u>269,393</u>
GENERAL REVENUES			
Taxes and assessments	80,261	347,176	427,437
Investment income	5,326		5,326
TOTAL GENERAL REVENUES	<u>85,587</u>	<u>347,176</u>	<u>432,763</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	(314,998)	478,368	163,370
FUND BALANCE/NET ASSETS			
Fund balance/net position, beginning of the year, as previously reported	862,150	(5,916,104)	(5,053,954)
Prior period adjustment		342,110	342,110
Net position, beginning of the year, as restated	<u>862,150</u>	<u>(5,573,994)</u>	<u>(4,711,844)</u>
	<u>\$ 547,152</u>	<u>\$ (5,095,626)</u>	<u>\$ (4,548,474)</u>

The accompanying notes to financial statements are an integral part of this statement.

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying summary of the more significant accounting policies of the Rancho Murieta Community Facilities District No. 2014-1 (the District) is presented to assist the reader in interpreting the financial statements and other data in this report. The accounting policies of the District conform in all material respects to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

Reporting Entity: The Rancho Murieta Community Services District, Community Facilities District No. 2014-1 (Rancho North/Murieta Gardens) was formed on September 5, 2014, by resolution of the Rancho Murieta Community Services District's Board of Directors for the sole purpose of acquiring and constructing water facilities that will benefit the inhabitants within the Rancho Murieta Community. In order to finance the expansion of water facilities, special tax bonds totalling \$5,960,000 were issued pursuant to the Mello-Roos Community Facilities Act of 1982.

During the 2016/17 fiscal year, the new water facility was paid for with CFD 2014-1 bond proceeds and transferred to the Rancho Murieta Community Services District. Additional construction costs were funded by developers under financing agreements and by the Rancho Murieta Community Services District.

Basis of Presentation—Government-wide Financial Statement: The government-wide financial statements (i.e., the statement of net assets and statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. The District has only governmental activities, which are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Tax increment revenue and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

Basis of Presentation – Fund Financial Statements: The accounts of the District are organized on the basis of funds. A fund is a separate self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. Separate financial statements are provided for governmental funds. The District has only a General Fund.

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property tax revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year end. All other revenue items are considered to be measurable and available only when cash is received by the government.

Governmental funds are used to account for the District's expendable financial resources and related liabilities. The District reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Budget and Budgetary Accounting: The CFD 2014-1 is not required to adopt an annual appropriated budget but does, however, adopt a budget for management purposes. Therefore, no budgetary comparison is required.

Restricted Assets: Cash held with fiscal agent, as well as certain resources set aside for special assessment debt repayment, are classified as restricted assets on the balance sheet because their use is limited by loan covenants.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB and the American Institute of Certified Public Accountants (AICPA), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Position/Fund Equity: The government-wide financial statements utilize a net assets presentation. Net assets consist of the following:

Restricted Net Position – This amount consists of amounts restricted from external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of “invested in capital assets, net of related debt” or “restricted net position.”

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE B – CASH AND INVESTMENTS

Cash and investments consisted of the following at June 30, 2020:

Deposits with financial institutions	\$ 146,191
Investments	<u>135,194</u>
Total Cash and Investments	<u><u>\$ 281,385</u></u>

Investments Authorized by the California Government Code and the District’s Investment Policy: The table below identifies the investment types that are authorized for the Rancho Murieta Community Services District Community Facilities District No. 2014-1. (District) by the California Government Code (or the District’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District’s investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Investment in One Issuer</u>
Investment pools authorized under CA			
Statutes governed by Government Code	N/A	None	\$40 million
U.S. Treasury Obligations	5 years	None	None
Bank Savings Accounts	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	180 days	20%	None
Negotiable Certificates of Deposit	180 days	20%	None
Re-Purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None

Investments Authorized by Debt Agreements: Investments held by trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District’s investment policy. The Table below identifies the investment types that are authorized for investments held by trustees. The table also identifies certain provisions of the debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE B – CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Investment pools authorized under CA			
Statutes governed by Government Code	N/A	None	\$40 million
U.S. Treasury Obligations	5 years	None	None
Bank Savings Accounts	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	180 days	20%	None
Negotiable Certificates of Deposit	180 days	20%	None
Re-Purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None
Money Market Accounts	N/A	None	None

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District’s investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity as of June 30, 2020:

Investment Type	Totals	Remaining Maturity (in Months)	
		12 Months or Less	13-48 Months
Treasury funds	\$ 135,194	\$ 135,194	
Totals	\$ 135,194	\$ 135,194	

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfil its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) California Government Code, the District’s investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End	
				AAA	Not Rated
Treasury funds	\$ 135,194	N/A		\$ 135,194	
Totals	\$ 135,194			\$ 135,194	

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE B – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk: The investment policy of the District limited the amount that can be invested in any one issuer to the amount stipulated by the California Government Code. As of June 30, 2020, there are no investments in any one issuer that represent 5% or more of total District investments.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2020 there were no CFD 2014-1 deposits with financial institutions in excess of federal depository insurance limits required to be held in collateralized accounts.

Fair Value Measurement: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs.

The District's investment in the money market mutual fund is considered Level 2 because the value is calculated using amortized cost of the securities held in the fund, not the market value.

NOTE C – SPECIAL TAX

The CFD 2014-1 started levying the special tax against property owners during the 2016/17 fiscal year. The special taxes are collected through the secured property tax rolls of the County of Sacramento. The special tax represents the amount to be assessed to the property owners to pay bond principle and interest. In the event property owners are delinquent in their payments, the CFD 2014-1 is required to initiate foreclosure proceedings within 150 days following the date of delinquency. CFD 2014-1 will refer pending delinquency cases to the CFD 2014-1's legal counsel for collection.

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE D – SPECIAL ASSESSMENT DEBT

The Rancho Murieta Community Services District adopted a resolution for the formation of Rancho Murieta Community Services District Community Facilities District No. 2014-1 (Rancho North/Murieta gardens) (“CFD No. 2014-1”). CFD No. 2014-1 was formed as part of a financing plan for public infrastructure Facilities and other governmental Facilities to support development of a hotel, commercial, residential and mixed use properties being developed on approximately 828 acres of land within the District boundaries of CFD No. 2014-1. On January 29, 2015 bonds in the amount of \$5,960,000 were issued to finance the costs of the Facilities and to finance costs associated with the issuance of bonds. During the 2014-15 fiscal year a special tax was approved by voters and has been authorized by the Board of Directors to be levied on lots and parcels within CFD No. 2014-1 commencing with the fiscal year 2016-17 fiscal year tax levy. Proceeds from the Special Tax will be used to repay the bonded indebtedness and associated costs and to pay directly for the acquisition or construction of authorized Facilities.

The bonds are due in annual payments of \$154,029 to \$391,560 through September 1, 2044, with interest at 4.4% per annum payable from revenues generated through ad valorem tax assessed by the CFD 2014-1 against properties located within the boundaries of the CFD 2014-1.

Long-term liabilities activity for the fiscal year ended June 30, 2019, was as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due Within</u> <u>One Year</u>
Special Assessment					
Debt Series 2014-1	\$ 5,830,000		\$ (130,000)	\$ 5,700,000	\$ 135,000
Total	<u>\$ 5,830,000</u>		<u>\$ (130,000)</u>	<u>\$ 5,700,000</u>	<u>\$ 135,000</u>

Debt service requirements to maturity are as follows:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$135,000	\$254,735	\$389,735
2022	140,000	250,685	390,685
2023	145,000	246,310	391,310
2024	150,000	241,525	391,525
2025	155,000	236,275	391,275
2026-2030	860,000	1,089,650	1,949,650
2031-2035	1,070,000	880,413	1,950,413
2036-2040	1,345,000	601,350	1,946,350
2041-2045	1,700,000	249,375	1,949,375
Totals	<u>\$ 5,700,000</u>	<u>\$ 4,050,318</u>	<u>\$ 9,750,318</u>

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE E – RESERVE FOR BOND SERVICE

By the terms of the bond indenture, \$392,831 of the proceeds from the bond issue were set aside for the purpose of paying any delinquent bond interest and principle payments. The balance held in reserve as of June 30, 2020 is \$398,040, which represents the initial deposit plus accrued interest.

NOTE F – NET POSITION DEFICIT

CFD 2014-1 governmental activities had an unrestricted net position (deficit) of \$4,711,844 at June 30, 2020. This is due to reporting the special assessment debt with no offsetting long-term special tax receivable in the statement of net position, as required under GASB Statement No. 6. The net position (deficit) is expected to be offset with special tax revenue used to pay the special assessment debt in future years.

NOTE G – RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

Amounts reported for governmental activities in the governmental funds balance sheet are being adjusted to arrive at the statement of net assets. The adjustments are as follows:

Total governmental fund balance	\$ 547,152
Special assessment debt and interest payable that is not due and payable in the funds balance sheet current period and, therefore is not reported in the governmental funds balance sheet	(5,784,912)
Certain receivables are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds	<u>689,286</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (4,548,474)</u>

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT NO. 2014-1

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE H – RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Amounts reported for governmental activities in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances are adjusted to arrive at the Statement of Activities for Government-wide presentation. The adjustments are as follows:

Net change in fund balance	\$ (314,998)
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long term liabilities.</p>	
Principal payments	130,000
<p>The change in accrued interest is recorded as a current liability in the statement of activity, however, interest expense is recorded when paid in the governmental funds</p>	
	1,192
<p>Some receivables are deferred in the governmental funds because the amounts do not represent current financial resources that are recognized under the accrual basis in the statement of activities</p>	
Deferral of revenue	<u>347,176</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 163,370</u></u>

NOTE I – CONTINGENCIES

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on customers, employees, and vendors, all of which are uncertain and cannot be predicted. At this point the extent to which COVID-19 may impact the financial condition or results of operations is uncertain and the accompanying financial statements include no adjustments relating to the effects of the pandemic.

NOTE J – RESTATEMENT

During the year ended June 30, 2020, the District determined that tax assessments totaling \$342,110 for the year ended June 30, 2019 had not been accrued. This correction was made as of June 30, 2020 and, as a result, the District's net position increased as of July 1, 2019 by \$342,110. The amount was not received within the availability period so this adjustment had no impact on the fund balance of the general fund.

DRAFT

**RANCHO MURIETA
COMMUNITY SERVICES DISTRICT**

Audited Financial Statements
and Compliance Report

June 30, 2020

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RANCHO MURIETA COMMUNITY SERVICES DISTRICT

June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rancho Murieta Community Services District
Rancho Murieta, California

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the fiduciary fund of the Rancho Murieta Community Services District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors
Rancho Murieta Community Services District

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2020 and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability and related ratios, schedule of contributions – pension plans, schedule of changes in the net OPEB liability and related ratios and schedule of contributions to the OPEB plan, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

_____, 2021

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2020

As management of the Rancho Murieta Community Services District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the District's financial statements which follow this section.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$32,615,886 (net position). Of this amount, \$7,277,876 is restricted for capital projects, leaving the District in an overall deficit of (\$1,107,061) in unrestricted funds.
- The District's total net position decreased by \$970,043 during the 2019-2020 fiscal year; unrestricted net position decreased by \$4,061,568. The decrease in unrestricted net position is attributed to the separation of funds restricted for capital projects, which were not separated in past years.

Overview of the Basic Financial Statements

This annual financial report consists of four parts: (1) Management's Discussion and Analysis; (2) the Basic Financial Statements; (3) Notes to Basic Financial Statements; and (4) optional Supplementary Information.

This discussion and analysis provides an introduction and brief description of the District's basic financial statements, which include:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

The *Statement of Net Position*, commonly referred to as the Balance Sheet, presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Net Position also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The *Statement of Revenues, Expenses and Changes in Net Position* reflects all of the current year's revenues and expenses. All of the current year's revenues and expenses are recorded using the accrual basis of accounting by recognizing revenues in the period they are earned and expenses in the period they are incurred without regard to the timing of the related cash flows. This statement measures the success of the District's operations over the past year and determines whether the District has recovered its costs through its rates, fees and other charges. The District's profitability and creditworthiness can also be determined from this statement.

The *Statement of Cash Flows* provides information about the District's cash receipts and cash payments during the reporting period as well as net changes in cash resulting from operations, non-capital financing, capital and related financing activities, and investing. The statement explains where cash came from and where cash was used and the change in the cash balance during the reporting period.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Continued)
June 30, 2020

The District's basic financial statements are organized by fund. **Fund Financial Statements** report on groupings of related funds that are used to maintain control over resources that have been segregated for specific activities or objectives. The accounts of the District are organized on the basis of funds, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of accounts that comprise the fund's assets, liabilities, fund equity, revenues, and expenses. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in these basic financial statements into two broad categories which, in aggregate, include two fund types as follows:

1. PROPRIETARY FUND TYPE

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and special taxes; and (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, managerial control, accountability, or other purposes. Revenues are fully accrued to include unbilled services at fiscal year-end. The District uses enterprise funds to account for the Water, Sewer, Drainage, Solid Waste and Security activities of the District.

2. FIDUCIARY FUND TYPE

Agency Funds

Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, and other governmental units and/or other funds. Since the resources of these funds are not available to support the District's own activities, they are not reflected in the government-wide financial statements.

Basic financial statements can be found on pages **9-17** of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages **18-38** of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the District, assets exceeded liabilities by \$32,615,886 (net position) at the close of the most recent fiscal year.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Continued)
June 30, 2020

Condensed Financial Information
Rancho Murieta Community Services District Net Position

	June 30, 2020	June 30, 2019
<u>Assets</u>		
Current and Other Assets	\$ 11,744,518	\$ 11,352,677
Capital Assets - net of accumulated depreciation	26,449,035	28,425,653
Total Assets	38,193,553	39,778,330
Deferred Outflow of Resources	1,917,545	915,857
<u>Liabilities</u>		
Current Liabilities	766,804	2,289,854
Long-term Liabilities	6,308,517	4,612,076
Total Liabilities	7,075,321	6,901,930
Deferred Inflow of Resources	419,891	206,328
<u>Net Position</u>		
Net Investment in Capital Assets	26,445,071	28,417,300
Restricted for Capital Projects	7,277,876	-
Unrestricted Net Position	(1,107,061)	5,168,629
Total Net Position	\$ 32,615,886	\$ 33,585,929

- The District's total net position decreased by \$970,043 during the current fiscal year. The net investment in capital assets decreased \$1,972,229 due mostly to an additional year of depreciation taken and also the write-off studies and other assets not meeting the criteria of a capital asset. Restricted net position increased to \$7,277,876 to segregate connection fees and customer service charges restricted for capital projects, which were included in unrestricted net position in the fiscal year 2018/19 financial statements. After considering the reclassification of restricted funds, unrestricted net position increased \$1,001,456.
- Restricted cash and investments, which are capital reserves designated for capital improvements and replacements, increased \$856,747 due to fees collected exceeding capital project expenditures during the fiscal year.
- The District's Net Pension Liability increased by \$401,444, primarily due to the District's share of the pension liability increasing.
- The District's Net OPEB Liability increased by \$596,368, or 43% due to actual benefit payments exceeding estimates made by the actuaries. This increase, along with the increase in the Net Pension Liability, caused the District's Total Noncurrent Liabilities to increase by \$977,812, or 22% during the current fiscal year.
- The District had two (2) inter-fund borrowings as of June 30, 2020. Each of these borrowings are being repaid through monthly installments and interest is calculated based on the earnings reported monthly by LAIF.
 - WTP#1 Borrowing from Sewer Capital Replacement Reserves - \$714,876
 - WTP#1 Borrowing from Water Augmentation Reserves - \$238,298
- By far the largest portion of the District's net position (81%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The District uses these capital assets to provide services to customers; consequently, these assets are not available for future spending.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Continued)
June 30, 2020

Enterprise-Type Activities – Water, Sewer, Drainage, Solid Waste and Security
Rancho Murieta Community Services District Changes in Net Position

	June 30, 2020	June 30, 2019
Revenues		
Operating revenues	\$ 6,462,222	\$ 5,856,581
Nonoperating revenues	877,753	2,099,788
Capital revenues	1,376,820	-
Total Revenues	8,716,795	7,956,369
Operating Expenses		
Water	1,211,210	796,591
Sewer	925,718	655,367
Drainage	142,638	127,097
Solid waste	672,942	627,353
Security	1,014,436	1,048,776
General and administration	3,927,830	2,663,069
Depreciation	1,538,107	1,464,192
Nonoperating expense	253,957	22,308
Total Expenses	9,686,838	7,404,753
Change in Net Position	(970,043)	551,616
Net Position, Beginning of Fiscal Year	33,585,929	33,034,313
Net Position, End of Fiscal Year	\$ 32,615,886	\$ 33,585,929

Key elements of the enterprise activities are as follows:

- Total operating revenues increased 10% year-over-year. Water operating revenues increased by \$475,326 or 22%. Sewer operating revenues increased by \$77,465 or 5%. Security operating revenues decreased (\$37,806) or -3%. Drainage operating revenues increased \$57,327 or 28%. Solid Waste revenues increased \$36,392 or 5%.
- Non-operating revenues decreased (\$344,277) or -58% due to largely the Prop 84 grant received in FY 2018-19, as well as the reclassification of service charges collected for capital projects being reported as capital revenues in fiscal year 2018/19.
- The Water Department collects, treats, and distributes potable drinking water to the Rancho Murieta community. Water operating expenses (excluding depreciation) increased \$414,619 or 52% primarily due clerical, temp and recruitment costs created by high turnover, legal consulting expenses and rising water treatment expenses
- The Sewer Department collects, treats, and disposes of Rancho Murieta community waste water. Sewer operating expenses (excluding depreciation) increased \$270,357, or 41% due to increased salary costs.
- The Drainage Department provides and maintains the drainage system for Rancho Murieta. Drainage operating expenses increased \$15,541, or 12% due to increases in wages and District administrative costs.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Continued)
June 30, 2020

- Solid Waste services are provided by contract through California Waste Recovery Services. Operating expenses for Solid Waste increased \$45,589, or 7%. This increase is the result of changes in billable services and increased maintenance and repairs expenses.
- The Security department provides gate and patrol services. Operating expenses for Gate services decreased (\$34,340) or -3%. This decreased is primarily related to less contract staffing needed compared with prior fiscal year and staffing vacancies.
- The Administration department covers the staff located in the District's administration building excluding the Director of Field Operations and the Security Chief. The Administration department is not a reporting entity for financial statement purposes and its activities, revenues, and costs are allocated to the Water, Sewer, Drainage, Solid Waste and Security funds on a prorated basis. Allocated, district-wide Administration costs are combined with individual department administration costs on the Statement of Revenues, Expenses, and Changes in Net Position and are shown as General and Administrative costs. District-wide General and Administrative costs increased \$1,264,761 or 47%. This increase is due to contract staffing and recruitment expenses during multiple vacancies, and legal and consulting expenses related to water rights.

Capital Assets

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Adjustments/ Deletions</u>	<u>June 30, 2020</u>
Depreciable Capital Assets				
Water Transmission	\$ 7,343,936	\$ 178,256	\$ 513,746	\$ 8,035,938
Water Treatment	23,453,494	-	(491,187)	22,962,307
Studies	890,586	-	(890,586)	-
Collection Facilities	5,118,047	65,225	(232,434)	4,950,838
Drainage Facilities	62,301	-	1,085	63,386
Sewer treatment and disposal	16,219,609	49,578	(299,746)	15,969,441
Lake Chesbro Protection	313,847	12,490	(66,391)	259,946
Waste Discharge	921,976	102,842	(373,202)	651,616
Buildings and improvements	802,360	-	(2,259)	800,101
Vehicles & Equipment	1,757,368	20,711	15,820	1,793,899
Total Depreciable Capital Assets	<u>56,883,524</u>	<u>429,102</u>	<u>(1,825,154)</u>	<u>55,487,472</u>
Less - Accumulated Depreciation	<u>(29,465,301)</u>	<u>(1,538,107)</u>	<u>1,066,486</u>	<u>(29,936,922)</u>
Net Depreciable Capital Assets	<u>27,418,223</u>	<u>(1,109,005)</u>	<u>(758,668)</u>	<u>25,550,550</u>
Non-Depreciable Capital Assets				
Construction in Progress	415,741	93,524	(202,471)	306,794
Land	591,690	-	-	591,690
Total Non-Depreciable Capital Assets	<u>1,007,431</u>	<u>93,524</u>	<u>(202,471)</u>	<u>898,484</u>
Net Capital Assets	<u>\$ 28,425,654</u>	<u>\$ (1,015,481)</u>	<u>\$ (961,139)</u>	<u>\$ 26,449,034</u>

Capital Assets. The District's investment in capital assets as of June 30, 2020 amounted to \$26,449,035 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, and equipment. The total decrease in the District's investment in capital assets for the current fiscal year was (7.0%).

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Continued)
June 30, 2020

Major capital asset events during the current fiscal year included the following:

- Three (3) new Effluent Pumps at Water Treatment Plant #1
- WWRP Chloring Gas to Bleach Conversion
- Replace 15' of Sewer Pipe
- Sobon Lane Recycle Water Line
- WWTP West DAF Electrical Panel Replacement
- Flygt Grinder Pump

Economic Factors and Next Year's Budget and Rates

The Board of Directors adopted the District's 2020-2021 annual budget on June 17, 2020 which provides for the District's operating and capital costs for the 2020-2021 fiscal year.

The District's rates for Water, Sewer, Drainage, Security and Solid Waste services are reviewed annually by staff and the Board of Directors. For fiscal year 2020-2021, the District increased rates by approximately 8.5% for Water services. Sewer service rates increased by 5.8% and Solid Waste rates went up 3.6%. Special tax rates for Security and Drainage each went up 2.0%. Overall, the average customer's monthly bill for 2020-2021 is projected to be \$9.54 higher than during the previous year.

New capital asset projects provided for in the fiscal year 2020-2021 budget include:

- WWRP Chlorinated Gas to Bleach Conversion
- Lagacy Lane Recycle Water Line
- Hydrostal Sewer Pumps
- Fire Hydrant Replacements
- Main Lift south Stormwater Pump Replacement

Development will continue to be a major focus for the District in the coming year(s). Rancho Murieta Properties, LLC originally submitted preliminary development plans to Sacramento County that included the proposed addition of eight residential villages and one commercial site. Within the eight residential villages, 827 single-family detached lots were planned on roughly 350 net developable acres. As of December 2018, the development (as shown on the Sacramento County planning website) included 795 single-family lots on roughly 338 acres and approximately 39 acres of general commercial property. These proposed development plans will continue to be revised and modified as the various projects move forward.

The District continues to manage and account for CFD 2014-1. This CFD (Community Facilities District) was formed at the request of the developers of the Murieta Inn & Spa and Rancho Murieta North Properties to finance their portion of the WTP#1 Expansion and Upgrade project. Under CFD 2014-1 tax exempt bonds were sold on January 29, 2015 and provided \$4,358,245 of bond revenue for the project. Bond maturities stretch from 2018 to 2044 and tax assessments are levied annually (through Sacramento County) for payment of interest and principle to bond investors.

Requests for Information

This financial report is designed to provide a general overview of the Rancho Murieta Community Services District's finances for all those with an interest in the District's financial operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Rancho Murieta Community Services District, General Manager, P.O. Box 1050, Rancho Murieta, CA 95683.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENTS OF NET POSITION
PROPRIETARY FUNDS

As of June 30, 2020

	Major Funds		
	Water	Sewer	Drainage
ASSETS			
Current Assets:			
Cash and investments	\$ 789,367	\$ 834,636	\$ 186,454
Accounts receivable	377,463	170,356	23,242
Assessments receivable	24,340	11,951	9,949
Due from other government	49,410		
Interest receivable	8,592	11,590	1,653
Prepaid expenses	69,379	24,541	4,192
Due from Community Facilities District (CFD)	49,453	37,981	7,801
Due from developers	12,941		
Total Current Assets	<u>1,380,945</u>	<u>1,091,055</u>	<u>233,291</u>
Capital Assets:			
Non-depreciable	54,359	844,125	
Depreciable, net	17,559,711	7,581,109	47,370
Total Capital Assets, Net	<u>17,614,070</u>	<u>8,425,234</u>	<u>47,370</u>
Other Assets:			
Cash and investments - restricted	3,670,783	3,199,944	337,881
Advances to other funds		714,876	
Total Other Assets	<u>3,670,783</u>	<u>3,914,820</u>	<u>337,881</u>
TOTAL ASSETS	<u>5,051,728</u>	<u>5,005,875</u>	<u>571,172</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow - pensions	351,708	268,528	55,152
Deferred outflow - OPEB	350,438	248,590	46,211
TOTAL DEFERRED OUTFLOWS	<u>702,146</u>	<u>517,118</u>	<u>101,363</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 5,753,874</u>	<u>\$ 5,522,993</u>	<u>\$ 672,535</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 73,303	\$ 118,572	\$ 4,806
Accrued payroll	31,192	12,066	3,167
Developer deposits	239,376	45	9
Customer deposits	15,964	12,188	2,503
Compensated absences	11,592	8,850	638
Capital lease liability - due within one year			
Total Current Liabilities	<u>371,427</u>	<u>151,721</u>	<u>11,123</u>
Noncurrent Liabilities:			
Compensated absences - due after one year	29,546	22,558	1,627
Capital lease liability - due after one year			
Advances from other funds	714,876		
Net pension liability	1,384,880	1,057,352	217,166
Net OPEB liability	676,899	480,172	89,261
Total Noncurrent Liabilities	<u>2,806,201</u>	<u>1,560,082</u>	<u>308,054</u>
TOTAL LIABILITIES	<u>3,177,628</u>	<u>1,711,803</u>	<u>319,177</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow - pensions	121,351	92,651	19,029
Deferred inflow - OPEB	37,323	26,476	4,922
TOTAL DEFERRED INFLOWS	<u>158,674</u>	<u>119,127</u>	<u>23,951</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>3,336,302</u>	<u>1,830,930</u>	<u>343,128</u>
NET POSITION			
Net investment in capital assets	17,614,070	8,425,234	47,370
Restricted for capital projects	3,683,154	3,216,387	340,310
Unrestricted	(1,265,582)	475,676	(10,903)
Total Net Position	<u>20,031,642</u>	<u>12,117,297</u>	<u>376,777</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 23,367,944</u>	<u>\$ 13,948,227</u>	<u>\$ 719,905</u>

The notes to the basic financial statements are an integral part of this statement.

Major Funds		
Solid Waste	Security	Total
\$ 328,549	\$ 14,905	\$ 2,153,911
62,010	147,642	780,713
374	475,854	522,468
		49,410
711	760	23,306
1,749	12,948	112,809
6,394	25,960	127,589
		12,941
<u>399,787</u>	<u>678,069</u>	<u>3,783,147</u>
		898,484
528	361,833	25,550,551
<u>528</u>	<u>361,833</u>	<u>26,449,035</u>
	37,887	7,246,495
		714,876
	<u>37,887</u>	<u>7,961,371</u>
<u>399,787</u>	<u>715,956</u>	<u>11,744,518</u>
45,207	183,538	904,133
12,972	355,201	1,013,412
<u>58,179</u>	<u>538,739</u>	<u>1,917,545</u>
<u>\$ 457,966</u>	<u>\$ 1,254,695</u>	<u>\$ 13,662,063</u>
\$ 144,969	\$ 41,756	\$ 383,406
1,341	24,482	72,248
8	30	239,468
2,052	8,331	41,038
523	7,344	28,947
	1,697	1,697
<u>148,893</u>	<u>83,640</u>	<u>766,804</u>
1,333	18,720	73,784
	2,267	2,267
		714,876
178,004	722,700	3,560,102
25,056	686,100	1,957,488
<u>204,393</u>	<u>1,429,787</u>	<u>6,308,517</u>
<u>353,286</u>	<u>1,513,427</u>	<u>7,075,321</u>
15,599	63,327	311,957
1,382	37,831	107,934
16,981	101,158	419,891
<u>370,267</u>	<u>1,614,585</u>	<u>7,495,212</u>
528	357,869	26,445,071
	38,025	7,277,876
87,699	(393,951)	(1,107,061)
<u>88,227</u>	<u>1,943</u>	<u>32,615,886</u>
<u>\$ 458,494</u>	<u>\$ 1,616,528</u>	<u>\$ 40,111,098</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended June 30, 2020

	Major Funds		
	Water	Sewer	Drainage
Operating Revenues			
Service charges	\$ 2,412,134	\$ 1,438,161	
Special taxes			\$ 205,722
Other charges	239,555	22,997	53,397
Total Operating Revenues	<u>2,651,689</u>	<u>1,461,158</u>	<u>259,119</u>
Operating Expenses			
Source of supply	176,005		
Treatment	598,483		
Transmission and distribution	436,722		
Sewer collection		320,999	
Sewer treatment and disposal		604,719	
Drainage			142,638
Gate services			
Patrol services			
Solid waste			
General and administrative	1,813,123	1,527,702	176,859
Depreciation	866,569	615,879	6,399
Total Operating Expenses	<u>3,890,902</u>	<u>3,069,299</u>	<u>325,896</u>
Net Income (Loss) from Operations	<u>(1,239,213)</u>	<u>(1,608,141)</u>	<u>(66,777)</u>
Nonoperating Revenue (Expenses):			
Taxes	277,084	211,553	43,450
Interest revenue	51,442	88,593	9,448
Loss on disposal of capital assets	(236,239)		
Interest expense	(17,140)		
Miscellaneous nonoperating revenue	1,800	1,458	
Total Nonoperating Revenue (Expenses)	<u>76,947</u>	<u>301,604</u>	<u>52,898</u>
Change in Net Position Before Capital Contributions	<u>(1,162,266)</u>	<u>(1,306,537)</u>	<u>(13,879)</u>
Capital Contributions			
Capital replacement reserve fees	263,954	230,796	
Debt reserve fee	188,221		
Security impact fee			
Water augmentation fees	321,911		
Capital improvement fees	127,209	98,428	19,578
Total Capital Contributions	<u>901,295</u>	<u>329,224</u>	<u>19,578</u>
Change in Net Position	<u>(260,971)</u>	<u>(977,313)</u>	<u>5,699</u>
Net position at beginning of year	<u>20,292,613</u>	<u>13,094,610</u>	<u>371,078</u>
Net Position, End of Year	<u>\$ 20,031,642</u>	<u>\$ 12,117,297</u>	<u>\$ 376,777</u>

The notes to the basic financial statements are an integral part of this statement.

Major Funds		
Solid Waste	Security	Total
\$ 717,433		\$ 4,567,728
	\$ 1,325,790	1,531,512
	47,033	362,982
<u>717,433</u>	<u>1,372,823</u>	<u>6,462,222</u>
		176,005
		598,483
		436,722
		320,999
		604,719
		142,638
	589,334	589,334
	425,102	425,102
672,942		672,942
200,388	209,758	3,927,830
139	49,121	1,538,107
<u>873,469</u>	<u>1,273,315</u>	<u>9,432,881</u>
<u>(156,036)</u>	<u>99,508</u>	<u>(2,970,659)</u>
35,615	144,597	712,299
4,108	4,432	158,023
		(236,239)
	(578)	(17,718)
	4,173	7,431
<u>39,723</u>	<u>152,624</u>	<u>623,796</u>
<u>(116,313)</u>	<u>252,132</u>	<u>(2,346,863)</u>
		494,750
		188,221
	45,150	45,150
		321,911
	81,573	326,788
	<u>126,723</u>	<u>1,376,820</u>
<u>(116,313)</u>	<u>378,855</u>	<u>(970,043)</u>
<u>204,540</u>	<u>(376,912)</u>	<u>33,585,929</u>
<u>\$ 88,227</u>	<u>\$ 1,943</u>	<u>\$ 32,615,886</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2020

	Major Funds		
	Water	Sewer	Drainage
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,860,561	\$ 1,479,093	\$ 260,436
Payments to employees	(378,021)	(1,540,626)	(241,182)
Payments to suppliers	(2,561,645)	(237,163)	(28,950)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(79,105)	(298,696)	(9,696)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Assessments received	277,490	211,831	37,948
Amounts received/ (paid) from other governments	155,277	(10,841)	(2,227)
Amounts received/ (paid) from other funds	(141,221)	141,221	17,531
Other amounts received	1,800	1,458	
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	293,346	343,669	53,252
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(298,728)	(243,246)	(1,805)
Water Augmentation fees received	321,911		
Debt reserve fee received	188,221		
Payments on capital lease			
Interest paid	(17,140)		
Capital fees received	391,163	329,224	19,578
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	585,427	85,978	17,773
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	57,729	95,861	10,486
NET CASH PROVIDED BY INVESTING ACTIVITIES	57,729	95,861	10,486
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year	3,602,753	3,807,768	452,520
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 4,460,150	\$ 4,034,580	\$ 524,335

Major Funds		
Solid Waste	Security	Total
\$ 718,039	\$ 1,576,866	\$ 6,894,995
(827,776)	(250,867)	(3,238,472)
<u>113,088</u>	<u>(1,371,997)</u>	<u>(4,086,667)</u>
<u>3,351</u>	<u>(45,998)</u>	<u>(430,144)</u>
35,881	(106,012)	457,138
(1,825)	(7,410)	132,974
		17,531
	<u>4,173</u>	<u>7,431</u>
<u>34,056</u>	<u>(109,249)</u>	<u>615,074</u>
(890)	(3,612)	(548,281)
		321,911
		188,221
	(4,390)	(4,390)
	<u>126,723</u>	<u>866,688</u>
<u>(890)</u>	<u>118,721</u>	<u>824,149</u>
<u>4,613</u>	<u>4,365</u>	<u>173,054</u>
<u>4,613</u>	<u>4,365</u>	<u>173,054</u>
41,130	(32,161)	1,164,993
<u>287,419</u>	<u>84,953</u>	<u>8,235,413</u>
<u>\$ 328,549</u>	<u>\$ 52,792</u>	<u>\$ 9,400,406</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENTS OF CASH FLOWS (CONTINUED)

For the Year Ended June 30, 2020

	Major Funds		
	Water	Sewer	Drainage
RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENT OF NET POSITION:			
Cash and investments	\$ 789,367	\$ 834,636	\$ 186,454
Cash and investments - restricted	3,670,783	3,199,944	337,881
TOTAL CASH AND CASH EQUIVALENTS	\$ 4,460,150	\$ 4,034,580	\$ 524,335
RECONCILIATION OF OPERATING LOSSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Net income (loss) from operations	\$ (1,239,213)	\$ (1,608,141)	\$ (66,777)
Adjustments to reconcile net loss from operations to net cash provided (used) by operating activities:			
Capital assets written off	362,299	377,987	2,599
Depreciation and amortization	866,569	615,879	6,399
Changes in operating assets and liabilities:			
Accounts receivable	29,175	15,174	750
Prepaid expenses	17,588	(2,082)	312
Due from developers	176,081		
Accounts payable	(609,746)	75,363	(11,689)
Accrued payroll	(13,451)	7,129	737
Deposits	73,688	2,747	564
Compensated absences	8,412	1,214	586
Net pension liability	351,999	296,116	75,026
Net OPEB liability	206,224	146,289	27,194
Deferred outflows	(399,248)	(295,616)	(60,041)
Deferred inflows	90,518	69,245	14,644
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	\$ (79,105)	\$ (298,696)	\$ (9,696)

The notes to the basic financial statements are an integral part of this statement.

Major Funds		
<u>Solid Waste</u>	<u>Security</u>	<u>2020</u>
\$ 328,549	\$ 14,905	\$ 2,153,911
	37,887	7,246,495
<u>\$ 328,549</u>	<u>\$ 52,792</u>	<u>\$ 9,400,406</u>
\$ (156,036)	\$ 99,508	\$ (2,970,659)
223	7,447	750,555
139	49,121	1,538,107
141	202,156	247,396
(30)	6,210	21,998
		176,081
43,279	15,401	(487,392)
(474)	(3,906)	(9,965)
463	1,876	79,338
480	4,018	14,710
140,100	(461,797)	401,444
7,634	209,027	596,368
(47,044)	(199,739)	(1,001,688)
14,476	24,680	213,563
<u>\$ 3,351</u>	<u>\$ (45,998)</u>	<u>\$ (430,144)</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

As of June 30, 2020

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 281,385
Assessments receivable	691,092
Restricted cash	<u>391,762</u>
Total Assets	<u><u>\$ 1,364,239</u></u>
Liabilities	
Accounts payable	\$ 212
Due to CSD	127,589
Accrued interest payable	84,912
Due to bondholders	5,700,000
Agency obligations	<u>(4,548,474)</u>
Total Liabilities	<u><u>\$ 1,364,239</u></u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies: The Rancho Murieta Community Services District (District) was formed in 1982, under California State Government Code 61600 and currently provides water, sewer, drainage, solid waste and security services throughout the Rancho Murieta Community. The District's financial and administrative functions are governed by a five-member Board of Directors elected by the voting population within the District.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Basis of Presentation: The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles followed by governmental entities in the United States of America.

The District's resources are allocated to and accounted for in these basic financial statements as five enterprise fund types of the proprietary fund group and one agency fund. The operation of a fund is accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, net position, revenues and expenses.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

Agency funds are used to account for assets held by the District in a fiduciary capacity for special assessment districts. The financial activities of these funds are excluded from the District-wide financial statements but are presented in separate Fiduciary Fund financial statements.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, net of related debt, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The Agency Funds do not involve the results of operations and do not use a measurement basis.

The District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received they are recorded as unearned revenues until earned.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

When both unrestricted and restricted resources are available for use, it is the District's policy to use unrestricted resources first, then restricted resources as they are needed.

Enterprise funds are accounted for on a flow of economic resources measurement focus, which means that all assets, deferred outflows, liabilities, and deferred inflows associated with the activity are included on the balance sheets. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds use the "economic resources" measurement focus and the accrual basis of accounting.

Major Funds: Major funds are defined as funds that have assets, liabilities, revenues, or expenditures/expenses equal to or greater than ten percent of their fund-type total or five percent of all fund-type totals. The District may also select other funds it believes should be presented as major funds. The District reports all of its proprietary funds as major funds.

The District reports on the following major proprietary funds:

Water – This fund accounts for the activities of providing water to the residents of the District.

Sewer – This fund accounts for the activities of collecting and treating wastewater of the residents in the District.

Drainage – This fund accounts for the activities of providing drainage to the residents of the District.

Solid Waste – This fund accounts for the activities of collecting solid waste of the residents of the District.

Security – This fund accounts for the activities of providing security to the residents of the District.

The District reports the following additional fund types:

Agency Fund – The Agency fund accounts for assets held by the District as an agent for community facility district 2014-1.

Budget and Budgeting: Budget integration is employed as a management control device. Budgets are formally adopted by the Board of Directors and take effect the following July 1. The budgets are a management tool and not a legal requirement.

Cash and Investments: For purposes of the statement of cash flows the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Amounts held in the State of California Local Agency Investment Fund (LAIF) and California Asset Management Program (CAMP) are considered to be cash and cash equivalents due to their highly liquid nature.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Cash and Investments: Certain capital expansion fees and capital replacement fees charged to customers are classified as restricted cash and investments because their use is legally restricted by the Water Code or District ordinance. Restricted cash and investments are not available for general operational expenses.

Property Taxes: Secured property taxes are levied on January 1 and are payable in two installments on November 1 and February 1, which become delinquent after December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. Sacramento County (County) bills and collects the property taxes and allocates a portion to the District. Property tax revenues are recognized in the fiscal year for which they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

The District is under the Teeter Plan and thus can receive 100% of the property tax apportionment each fiscal year, eliminating the need for an allowance for uncollectible tax. The County, in return, receives all penalties and interest. Under the Teeter Plan, the County remits property taxes to the District based on assessments, not on collections, according to the following schedule: 55 percent in December, 40 percent in April, and 5 percent at the end of the fiscal year.

Capital Assets: Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are recorded at fair value at the date of donation. The District's policy is to capitalize all capital assets with costs exceeding \$5,000, except for buildings, land improvements and infrastructure, which will be capitalized if it exceeds \$25,000. Repair, maintenance and minor replacements of capital assets are expensed.

Capital assets are depreciated using the straight line method, which means the costs of the capital asset is divided by its expected useful life in years and the result is charged to expense each year until the capital asset is fully depreciated. The District has assigned the useful lives listed below to capital assets:

Buildings	40 years
Improvements	20 – 50 years
Equipment	5 – 15 years

Compensated Absences: All earned vacation, which is payable upon termination or retirement, is accrued as compensated absences, in accordance with GASB Statement No. 16. Sick leave benefits are not vested to the employee.

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the District's OPEB plan (Plan), and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earning process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the District's pension and OPEB plans as described in Notes E and F.

Deferred Compensation Plan: The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributed to those amounts, are maintained in a trust. Participants have sole rights under the plan in an amount equal to the fair value of the deferred account for each participant.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Pronouncements: In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's), which is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The timing and pattern of recognition of the liability and corresponding deferred outflow of resources recorded is defined in this Statement. This Statement is effective for periods beginning the year ended December 31, 2020.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In June 2017, the GASB issued Statement No. 87, *Leases*. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement enhances disclosures about capital assets and the cost of borrowing for a reporting period and simplifies the accounting for interest cost incurred before the end of a construction period. Interest cost incurred before the end of a construction period will be recognized as an expense in the period the interest cost is incurred. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019.

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement provides temporary relief to governments due to the COVID-19 pandemic by postponing the effective dates of Statements and Implementation Guides that first become effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. Effective dates of the following Statements and Implementation Guides were postponed by one year: Statements No. 83, 84 and 88 to 93 as well as Implementation Guide No's 2018-1, 2019-1 and 2019-2. Effective dates for Statement No. 87 and Implementation Guide No. 2019-3 were postponed by 18 months. The requirements of this Statement are effective immediately. The implementation dates listed in the paragraphs above were adjusted as indicated in this paragraph.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This Statement is effective for the year ended June 30, 2023.

The District is currently analyzing the impact of the required implementation of these new statements.

NOTE 2 - CASH AND INVESTMENTS

The District's cash and investments consisted of the following at June 30, 2020:

Enterprise Funds:	
Cash and investments	\$ 2,153,911
Restricted cash and investments	7,246,495
Fiduciary Funds:	
Cash and investments	<u>673,147</u>
Total cash and investments	<u><u>\$ 10,073,553</u></u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 2 - CASH AND INVESTMENTS (Continued)

Cash and investments were classified under GASB Statement No. 40 as follows at June 30, 2020:

Cash on hand	\$ 250
Deposits with financial institutions	2,656,202
Investments	<u>7,417,101</u>
Total Cash	<u>\$ 10,073,553</u>

Investments Authorized by the California Government Code and the District's Investment Policy: The District's Investment Policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the District's Investment Policy where the District's Investment Policy is more restrictive. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of the debt agreement and not the provisions of the California Government Code or the District's Investment Policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Investment in One Issuer</u>
Investment pools authorized under CA Statutes governed by Government Code	N/A	None	\$40 million
U.S. Treasury Obligations	5 years	None	None
Bank Savings Account	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	270 days	20%	None
Negotiable Certificates of Deposit	2 years	20%	None
Re-purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None
Municipal Obligations	5 years	20%	None
Supranational debt	5 years	30%	None

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity or earliest call date as of June 30, 2020:

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investment Type	Total	Remaining Maturity	
		12 Months or Less	13 to 48 Months
Local Agency Investment Fund	\$ 6,250,789	\$ 6,250,789	
CAMP investment pool	639,356	639,356	
Money market mutual fund	526,956	526,956	
Total	<u>\$ 7,417,101</u>	<u>\$ 7,417,101</u>	

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of June 30, 2020 for each investment type.

Investment Type	Amount	Minimum Legal Rating	Ratings as of fiscal year end	
			AAAm	Not rated
Local Agency Investment Fund	\$ 6,250,789	N/A		\$ 6,250,789
CAMP investment pool	639,356	N/A	\$ 639,356	
Money market mutual fund	526,956	N/A	526,956	
Total investments	<u>\$ 7,417,101</u>		<u>\$ 1,166,312</u>	<u>\$ 6,250,789</u>

Concentration of Credit Risk: The investment policy of the District limited the amount that can be invested in any one issuer to the amount stipulated by the California Government Code. As of June 30, 2020, the District had no investments which represent more than 5% of its total investment in any one issuer (other than mutual funds and external investment pools).

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 2 - CASH AND INVESTMENTS (Continued)

At June 30, 2020, the carrying amount of the District's deposits were \$2,656,202 and the balances in financial institutions were \$2,751,904. Of the balance in financial institutions, \$644,871 was covered by federal depository insurance and \$2,107,033 was collateralized by securities pledged by the financial institution.

Investments in LAIF: LAIF is stated at net asset value. LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The total fair value amount invested by all public agencies in LAIF is \$101,607,078,218 and is managed by the State Treasurer. Of that amount, 96.63 percent is invested in non-derivative financial products and 3.37 percent in derivative financial products and structured financial instruments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

The fair value of the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The weighted average maturity of investments held by LAIF was 191 days at June 30, 2020.

Investments in CAMP: The District is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The District reports its investments in CAMP at the pool share, which approximates fair value. At June 30, 2020, these investments of the pool had a value of \$6,480,408,853 and an average maturity of 53 days.

Fair Value Measurement: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs.

The District's investment in the money market mutual fund is considered Level 2 because the value is calculated using amortized cost of the securities held in the fund, not the market value. The District's investment in LAIF and CAMP are considered uncatagorized.

NOTE 3 – ADVANCES BETWEEN FUNDS

In May 2014, the Sewer Fund advanced the Water Fund \$1,500,000 for the water treatment plant expansion. Principal payments of approximately \$11,800 plus interest at the current investment earnings rate, will be paid monthly through February 2026. Interest expense during the year ended June 30, 2020 was \$17,140 in the Water Fund. The interest rate on the loan at June 30, 2020 was 1.217%. As of June 30, 2020, \$714,876 was outstanding on this advance.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 4 – CAPITAL ASSETS

A. Capital assets activity

The activity in the capital assets for the year ended June 30, 2020 are summarized below:

	Balance at July 1, 2019	Additions	Deletions	Adjustments	Balance at June 30, 2020
Water Fund					
Capital Assets not being depreciated:					
Construction in progress	\$ 415,741	\$ 93,524		\$ (468,546)	\$ 40,719
Land	13,640				13,640
Total Capital Assets not being depreciated	429,381	93,524		(468,546)	54,359
Capital Assets being depreciated:					
Water transmission	7,343,936	178,256		513,746	8,035,938
Water treatment	23,453,494		\$ (244,870)	(246,317)	22,962,307
Studies	810,476			(810,476)	
Vehicles and equipment	589,924	11,995		6,924	608,843
Subtotal	32,197,830	190,251	(244,870)	(536,123)	31,607,088
Less: Accumulated Depreciation	(13,846,762)	(866,569)	8,631	657,323	(14,047,377)
Total Capital Assets being depreciated, net	18,351,068	(676,318)	(236,239)	121,200	17,559,711
Total Capital Assets, Net	\$ 18,780,449	\$ (582,794)	\$ (236,239)	\$ (347,346)	\$ 17,614,070
Sewer Fund					
Capital Assets not being depreciated:					
Construction in progress				\$ 266,075	\$ 266,075
Land	\$ 578,050				578,050
Total Capital Assets not being depreciated	578,050			266,075	844,125
Capital Assets being depreciated:					
Collection facilities	5,118,047	\$ 65,225		(232,434)	4,950,838
Pumping facility	117,662	10,434			128,096
Treatment plant/facilities	16,101,947	39,144		(299,746)	15,841,345
Studies	71,208			(71,208)	
Vehicles and equipment	645,207	7,826		5,284	658,317
Lake Chesbro Protection	313,847	12,490		(66,391)	259,946
Disposal Facilities	549,152				549,152
Discharge	372,824	102,842		(373,202)	102,464
Telemetry building	514,972				514,972
Subtotal	23,804,866	237,961		(1,037,697)	23,005,130
Less: Accumulated Depreciation	(15,207,062)	(615,879)		398,920	(15,424,021)
Total Capital Assets being depreciated, net	8,597,804	(377,918)		(638,777)	7,581,109
Total Capital Assets, Net	\$ 9,175,854	\$ (377,918)	\$ -	\$ (372,702)	\$ 8,425,234

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 4 – CAPITAL ASSETS (Continued)

	Balance at July 1, 2019	Additions	Deletions	Adjustments	Balance at June 30, 2020
<u>Drainage</u>					
Depreciable assets:					
Studies	\$ 1,786			\$ (1,786)	
Drainage facility	62,301			1,085	\$ 63,386
Subtotal	64,087				63,386
Less: Accumulated Depreciation	(9,524)	\$ (6,399)		(93)	(16,016)
Total Capital Assets, Net	<u>\$ 54,563</u>	<u>\$ (6,399)</u>		<u>\$ -</u>	<u>\$ 47,370</u>
<u>Solid Waste</u>					
Depreciable assets:					
Vehicles and equipment		\$ 890			\$ 890
Subtotal					
Less: Accumulated Depreciation		(139)		\$ (223)	(362)
Total Capital Assets, Net	<u>\$ -</u>	<u>\$ 751</u>		<u>\$ (223)</u>	<u>\$ 528</u>
<u>Security</u>					
Depreciable assets:					
Studies	\$ 7,116			\$ (7,116)	
Vehicles and equipment	522,237			3,612	\$ 525,849
Buildings and improvements	287,389			(2,259)	285,130
Subtotal	816,742			(5,763)	810,979
Less: Accumulated Depreciation	(401,953)	(49,121)		1,928	(449,146)
Total Capital Assets, Net	<u>\$ 414,789</u>	<u>\$ (49,121)</u>		<u>\$ (3,835)</u>	<u>\$ 361,833</u>

Depreciation expense is charged to the water and electric funds based on their usage of related assets. The amounts allocated were as follows:

Water	\$ 866,569
Sewer	615,879
Drainage	6,399
Solid waste	139
Security	49,121
	<u> </u>
Total Depreciation Expense	<u>\$ 1,538,107</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 5 – LONG-TERM LIABILITIES

The District’s debt issues and transactions are summarized below and discussed in detail thereafter.

	Balance at July 1, 2019	Additions	Retirements	Balance at June 30, 2020	Due within One Year
Compensated absences	\$ 88,021	\$ 14,710		\$ 102,731	\$ 28,947
Capital lease liability	8,354		\$ (4,390)	3,964	1,697
Net pension liability	3,158,658	401,444		3,560,102	
Net OPEB liability	1,361,120	596,368		1,957,488	
Total	\$ 4,616,153	\$ 1,012,522	\$ (4,390)	\$ 5,624,285	\$ 30,644

Capital Leases: On June 7, 2016, the District Board of Directors authorized the financing and purchase of a security vehicle. The cost of the vehicle was \$20,095 and the District took out a \$10,249 lease to finance a portion of the purchase. The District will make monthly payments of \$240 for four years with the interest rate set at 5.85%. The accumulated depreciation on the vehicle at June 30, 2020 totaled \$16,411.

On August 26, 2016, the District Board of Directors authorized the financing and purchase of a security vehicle. The cost of the vehicle was \$18,416 and the District took out a \$9,521 lease to finance a portion of the purchase. The District will make monthly payments of \$157 for four years with the interest rate set at 5.70%. The accumulated depreciation on the vehicle at June 30, 2020 totaled \$14,426.

NOTE 6 – NET POSITION

Net Position is the excess of all the District’s assets and deferred outflows over all its liabilities, and deferred inflows. Net Position is divided into three categories as follows:

Net investment in capital assets describes the portion of net position which is represented by the current net book value of the District’s capital assets, less the outstanding balance of any debt issued to finance these assets, excluding unspent proceeds.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter. These include connection fees restricted to capital expansion by Section 66013 of the Water Code and service charges received for use on capital projects consisting of the following:

	Water	Sewer	Drainage	Security
RESTRICTED:				
Capital replacements	\$ 1,796,308	\$ 3,152,811		
Water augmentation	1,886,846			
Capital improvements		63,576	\$ 340,310	
Security projects				\$ 38,025
TOTAL RESTRICTED				
NET POSITION	\$ 3,683,154	\$ 3,216,387	\$ 340,310	\$ 38,025

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 6 – NET POSITION (Continued)

The District’s Water Treatment Plant Construction Fund, which has a deficit balance of \$786,776 borrowed from the Water augmentation Fund to partially fund the water treatment plant project. The balance owed at June 30, 2020 is \$238,298. Monthly principal and interest payments of approximately \$4,000 are being made.

Unrestricted describes the portion of net position which is not restricted as to use.

Designations of unrestricted net position may be imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Board action. They are reported as part of the District’s unrestricted net position. The Board has designated a portion of the tax assessments for operations of the drainage and security fund.

Although the funds do not have sufficient unrestricted net position to cover all of the designated balances, the funds have sufficient cash balances.

The District’s unrestricted net position consists of the following at June 30, 2020:

	Water	Sewer	Drainage	Solid Waste	Security
DESIGNATED:					
Capital replacement charges			\$ 78,469		\$ 183,647
TOTAL DESIGNATED			78,469		183,647
UNDESIGNATED	\$ (1,265,582)	\$ 475,676	(89,372)	\$ 87,699	(577,598)
TOTAL UNRESTRICTED NET POSITION	\$ (1,265,582)	\$ 475,676	\$ (10,903)	\$ 87,699	\$ (393,951)

NOTE 7 – PENSION PLANS

Plan Description: All qualified permanent and probationary employees are eligible to participate in the District’s Miscellaneous Plan, a cost sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS) which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues a publicly available report that includes a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Optional Settlement 2 Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 7 – PENSION PLANS (Continued)

The Plans’ provisions and benefits in effect for the year ended June 30, 2020 is summarized as follows for each rate plan:

	Miscellaneous Plan (Prior to January 1, 2013)	Miscellaneous Plan (On or after January 1, 2013)
Hire date		
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.000%	6.250%
Required employer contribution rates	10.221%	6.985%

In addition to the contribution rates above, the District was required to make payments totaling \$220,197 toward its unfunded actuarial liability during the year ended June 30, 2020. The Miscellaneous Plan is closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The contributions paid to the Plan were \$393,756 for the year ended June 30, 2020.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2020, the District reported a net pension liability for its proportionate share of the Plan’s net pension liability of \$3,560,102.

The District’s net pension liability is measured as the proportionate share of the Plan’s net pension liability. The net pension liability is measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District’s proportionate share of the net pension liability for the Plan as of June 30 was as follows:

Proportion - June 30, 2019	0.08381%
Proportion - June 30, 2020	0.08890%
Change - Increase (Decrease)	0.00509%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 7 – PENSION PLANS (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: For the year ended June 30, 2020, the District recognized pension expense of \$771,588. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 393,756	
Differences between actual and expected experience	247,264	\$ (19,158)
Changes in assumptions	169,762	(60,179)
Differences between employer's contributions and proportionate share of contributions		(170,377)
Change in employer's proportion	93,351	
Net differences between projected and actual earnings on plan investments		(62,243)
Total	<u>\$ 904,133</u>	<u>\$ (311,957)</u>

The \$393,756 reported as deferred outflows of resources related to contributions subsequent to the measurement date of June 30, 2019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as net deferred inflows of resources related to pensions will be recognized as pension expense as follows as of June 30, 2020:

Year Ended June 30	
2021	\$ 220,793
2022	(56,971)
2023	22,023
2024	12,575
	<u>\$ 198,420</u>

Actuarial Assumptions: The total pension liability at the June 30, 2019 measurement dates was determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by entry age and service
Mortality - pre-retirement	Derived using CalPERS Membership Data

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 7 – PENSION PLANS (Continued)

The mortality table used was developed based in CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 7.15% in the June 30, 2019 valuation. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for the Plan as of the measurement dates of June 30. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%		(0.92)%
Total	100.0%		

(a) An expected inflation of 2.0% used for this period.

(b) An expected inflation of 2.92% used for this period.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 7 – PENSION PLANS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District’s proportionate share net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$ 5,546,768
Current Discount Rate	7.15%
Net Pension Liability	\$ 3,560,102
1% Increase	8.15%
Net Pension Liability	\$ 1,920,250

Pension Plan Fiduciary Net Position: Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At June 30, 2020, the District reported payables of \$13,656 for the outstanding amount of required contributions to the Plan.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description: The District’s other postemployment benefits (OPEB) healthcare plan (the Plan) provides medical benefits to employees that directly retire from the District and their eligible dependents, subject to a monthly limitation pursuant to Government Code Section 22892, as amended by AB 2544, under an agent multiple-employer defined benefit plan. Eligibility rules include retirement from the District at age 50 or later with five years of service for employees hired prior to January 1, 2016 and 10 years of service for employees hired after January 1, 2016. When the retiree and or spouse turn 65, benefits are reduced to include coverage provided by Medicare. Employees hired before January 1, 2016 are eligible for lifetime medical benefits under the CalPERS medical program up to a cap of \$271.54 to \$768.48 per month. Employees hired after January 1, 2016 must have 10 years of PERS service and are eligible for benefits at 50% of the cap of \$271.54 to \$768.18 per month, increasing 5% per year until reaching 100% after 20 years.

Contributions: The contribution requirements of the District are established and may be amended by the District’s Board of Director. Plan members are currently not required to contribute. The District participates in the Public Agency Retirement Services Trust (PARS), an irrevocable trust established to fund OPEB. The Trust is administrated by PARS, and is managed by an appointed board not under the control of the District’s Board of Directors. This Trust is not considered a component unit by the District and has been excluded from these financial statements. Pre-funding contributions made by the District are at the discretion of the Board of Directors.

For the year ended June 30, 2020, the District contributed \$112,500 to the Trust, paid \$135,894 of current retiree premiums and contributed \$44,202 in the form of an implied subsidy of retirement premiums.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Employees Covered by Benefit Terms: As of the June 30, 2019 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Inactive employees or beneficiaries currently receiving benefit payments	21
Active employees	<u>28</u>
Total	<u><u>49</u></u>

Net OPEB Liability: The District’s net OPEB liabilities were measured as of June 30, 2019, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions: The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.26%
Salary increases	3.25%
Discount rate	7.00%
Mortality rate	CalPERS 2017 mortality pre-retirement
Healthcare trend rate	Non-medicare 6.85% for 2021, decreasing to an ultimate rate of 5.0% in 2029, Medicare 5.0%

Retirement mortality information was derived from data collected during 1997 to 2015 CalPERS Experience Study dated December 2017. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Long-term Expected Rate of Return (2)
Global Equity	48.25%	5.65%
Fixed Income	45.0%	1.39%
Real Estate Investment Trusts	1.75%	5.06%
Cash	<u>5.0%</u>	0.00%
Total	<u><u>100.0%</u></u>	

(1) The table shows the target asset allocation in the PARS Moderate investment policy.

(2) JP Morgan arithmetic Long Term Capital Market Assumptions and expected inflation of 2.26%.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Discount Rate: The discount rates used to measure the net OPEB liabilities was 7.00%, which was the same discount rate used in the previous valuations. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plans' fiduciary net positions were projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments were applied to all periods of projected benefit payments to determine the net OPEB liabilities.

Changes in the Net OPEB Liability: Changes in the net OPEB liability were as follows during the year ended June 30, 2019:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2018	\$ 3,086,172	\$ 1,725,052	\$ 1,361,120
Changes in the year:			
Service cost	119,959		119,959
Interest	218,561		218,561
Differences between expected and actual experience	819,620		819,620
Changes in assumptions	(116,222)		(116,222)
Contributions - employer		352,020	(352,020)
Investment income		93,530	(93,530)
Benefit payments	(170,520)	(170,520)	
Net changes	<u>871,398</u>	<u>275,030</u>	<u>596,368</u>
Balance at June 30, 2019	<u>\$ 3,957,570</u>	<u>\$ 2,000,082</u>	<u>\$ 1,957,488</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)
Net OPEB liability	\$ 2,454,809	\$ 1,957,488	\$ 1,545,671

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

	Current Healthcare Cost		
	<u>1% Decrease</u>	<u>Trend Rates</u>	<u>1% Increase</u>
Net OPEB liability	\$ 1,510,456	\$ 1,957,488	\$ 2,501,743

OPEB Plan Fiduciary Net Position: Separately issued financial statements for PARS may be obtained from Public Agency Retirement Services, 4350 Von Karman Avenue, Newport Beach, CA 95660.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended December 31, 2020, the District recognized OPEB expense of \$298,970. At June 30, 2020, the District had deferred inflows related to the OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer contributions made subsequent to the measurement date	\$ 292,596	
Difference between projected and actual earnings	8,476	
Change in assumptions		\$ (101,010)
Difference between expected and actual experience	<u>712,340</u>	<u>(6,922)</u>
Total	<u>\$ 1,013,412</u>	<u>\$ (107,932)</u>

The amount reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over 5 years for investment earning differences and over the expected average remaining service lifetime of 7.64 years for other changes and differences as follows:

<u>Year Ended June 30</u>	
2021	\$ 87,448
2022	87,449
2023	96,598
2024	98,331
2024	92,068
Thereafter	<u>150,990</u>
	<u>\$ 612,884</u>

Payable to the OPEB Plan: At December 31, 2020, there was no payable for the outstanding amount of contributions to the Plan required for the year ended December 31, 2020.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 9 – SPECIAL ASSESSMENT DISTRICT

The District adopted a resolution for the formation of Rancho Murieta Community Services District Community Facilities District No. 2014-1 (Rancho North/Murieta Gardens) (“CFD No. 2014-1”). CFD No. 2014-1 was formed as part of a financing plan for public infrastructure Facilities and other governmental Facilities to support the development of a hotel and other commercial, residential and mixed use properties being developed on approximately 828 acres of land within the District boundaries of CFD No. 2014-1. On January 29, 2015 bonds in the amount of \$5,960,000 were issued to finance the costs of the Facilities and to finance costs associated with the issuance of bonds. During the 2014-2015 fiscal year, a special tax was approved by voters and has been authorized by the Board of Directors to be levied on lots and parcels within CFD No. 2014-1 commencing with the fiscal year 2016-17 tax levy. Proceeds from the Special Tax will be used to repay the bonded indebtedness and associated costs. The District is acting as an agent for the property owners and is not liable for repayment of the bonds.

The amount of special assessment debt at June 30, 2020, is:

Community Facilities District No. 2014-1	<u>\$ 5,700,000</u>
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NOTE 10 – INSURANCE

The District participates in the Golden State Risk Management Authority (GSRMA), a public entity risk pool of California water agencies, for general and auto liability, employee liability, property damage and workers compensation liability. GSRMA provides insurance through the pool up to a certain level, beyond which group-purchased commercial excess insurance is obtained.

The District pays an annual premium to GSRMA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the GSRMA. The District’s deductibles and maximum coverage are as follows:

Coverage	GSRMA	Commercial Insurance	Deductible
General and auto liability	\$ 250,000	\$ 25,000,000	None
Property damage	\$ 5,000-100,000	\$ 600,000,000	\$ 250 to 1,000
Employee	\$ 25,000	\$ 15,000,000	\$ 2,500
Workers compensation liability	\$ 300,000	Statutory	None

NOTE 11 – REVENUE LIMITATION IMPOSED BY CALIFORNIA PROPOSITION 218

Proposition 218, which was approved by the voters in November 1996 will regulate the District’s ability to impose, increase, and extend taxes and assessments. Any new, increased, or extended taxes and assessments subject to the provisions of Proposition 218 requires voter approval before it can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative process and may be rescinded in future years by the voters.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Grants: Amounts received or receivable from grant agencies are subject to audit and adjustment by the grantor. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Commitments: The District entered into a solid waste agreement with California Waste Recovery System in 2013 that lasts through October 31, 2025. The current charge for these services is \$53,000 per month. The District entered into an agreement with Coastland Engineering in 2020 for engineering services through April 21, 2021. The District pays approximately \$21,000 per month for these services.

Contingencies: On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on customers, employees, and vendors, all of which are uncertain and cannot be predicted. At this point the extent to which COVID-19 may impact the financial condition or results of operations is uncertain and the accompanying financial statements include no adjustments relating to the effects of the pandemic.

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REQUIRED SUPPLEMENTARY INFORMATION

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

For the Year Ended June 30, 2020

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY
 Last 10 Years**

	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.08890%	0.08381%	0.08399%	0.07992%	0.07967%	0.08554%
Proportionate share of the net pension liability	\$ 3,560,102	\$ 3,158,658	\$ 3,310,789	\$ 2,776,304	\$ 2,185,709	\$ 2,114,104
Covered payroll - measurement period	\$ 1,777,349	\$ 1,700,521	\$ 1,844,259	\$ 1,854,042	\$ 1,776,986	\$ 1,776,986
Proportionate share of the net pension liability as a percentage of covered payroll	200.30%	185.75%	179.52%	149.74%	123.00%	118.97%
Plan fiduciary net position as a percentage of the total pension liability	68.19%	75.68%	73.42%	78.44%	81.69%	79.18%

Notes to Schedule:

Reporting valuation date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Reporting measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Change in Benefit Terms:	None					

Changes in assumptions: The discount rate was changed from 7.5% (net of administrative expenses) to 7.65% in the June 30, 2015 actuarial valuation. The discount rate was changed to 7.15% in the June 30, 2018 actuarial valuation.

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN
 Last 10 Years**

	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 393,756	\$ 336,982	\$ 282,817	\$ 269,924	\$ 250,997	\$ 222,235
Contributions in relation to the actuarially determined contributions	(393,756)	(336,982)	(282,817)	(269,924)	(250,997)	(222,235)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll - fiscal year	\$ 2,011,198	\$ 1,777,349	\$ 1,700,521	\$ 1,844,259	\$ 1,854,042	\$ 1,776,986
Contributions as a percentage of covered payroll	19.58%	18.96%	16.63%	14.64%	13.54%	12.51%

Notes to Schedule:

Contribution valuation date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Methods and assumptions used to determine contribution rates:	Entry age normal cost method					
Amortization method	Level percentage of payroll, closed					
Remaining amortization period	Varies by rate plan, not more than 30 years					
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Inflation	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service					
Payroll growth	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return and discount rate	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age	50 to 67 years. Probabilities of retirement are based on the most recent CalPERS Experience Study.					
Mortality	Most recent CalPERS Experience Study					

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Future years will be added prospectively as they become available

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

For the Year Ended June 30, 2020

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last 10 Years

Measurement period	2020	2019	2018
Total OPEB liability			
Service cost	\$ 119,959	\$ 120,587	\$ 120,587
Interest	218,561	202,076	193,101
Differences between expected and actual experience	819,620	(9,086)	(13,414)
Changes in assumptions	(116,222)		
Benefit payments	(170,520)	(114,202)	(101,226)
Net change in total OPEB liability	871,398	199,375	199,048
Total OPEB liability - beginning	3,086,172	2,886,797	2,687,749
Total OPEB liability - ending (a)	<u>\$ 3,957,570</u>	<u>\$ 3,086,172</u>	<u>\$ 2,886,797</u>
Plan fiduciary net position			
Contributions - employer	\$ 352,020	\$ 328,402	\$ 189,009
Net investment income	93,530	121,097	127,890
Benefit payments	(170,520)	(114,202)	
Administrative expenses		(5,456)	(4,337)
Net change in plan fiduciary net position	275,030	329,841	312,562
Plan fiduciary net position - beginning	1,725,052	1,395,211	1,082,649
Plan fiduciary net position - ending (b)	<u>\$ 2,000,082</u>	<u>\$ 1,725,052</u>	<u>\$ 1,395,211</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 1,957,488</u>	<u>\$ 1,361,120</u>	<u>\$ 1,491,586</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>50.54%</u>	<u>55.90%</u>	<u>48.33%</u>
Covered - employee payroll - measurement period	<u>\$ 1,933,439</u>	<u>\$ 1,755,788</u>	<u>\$ 1,770,521</u>
Net OPEB liability as percentage of covered - employee payroll	<u>101.24%</u>	<u>77.52%</u>	<u>84.25%</u>
Notes to schedule:			
Valuation date	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2019	June 30, 2018	June 30, 2017

Benefit changes. None.

Changes in assumptions. In the June 30, 2019 valuation, the average per capita claims costs was updated to reflect 2019 and 2020 premiums. Also, actuarial assumptions were updated to reflect the 2017 CalPERS studies.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

For the Year Ended June 30, 2020

**SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
 Last 10 Years**

	2020	2019	2018
Actuarially or contractually determined contribution - employer fiscal year	\$ 278,685	\$ 298,011	\$ 286,184
Contributions in relation to the determined contributions	(292,596)	(352,020)	(328,402)
Contribution deficiency (excess)	<u>\$ (13,911)</u>	<u>\$ (54,009)</u>	<u>\$ (42,218)</u>
Covered - employee payroll - employer fiscal year	\$ 1,996,276	\$ 1,933,439	\$ 1,777,349
Contributions as a percentage of covered - employee payroll	14.66%	18.21%	18.70%

Notes to Schedule:

Valuation date June 30, 2019 June 30, 2017 June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-age normal cost method
Amortization method	Level percentage of earnings or service of the individual between entry age and assumed exit age.
Asset valuation method	Market value of assets
Inflation	2.26%
Healthcare cost trend rates	Pre 65: 2020: 6.85% in 2021 trending down to 5.00% in 2029; Post 65: 2020: 5.00% in all future years.
Salary increases	3.25% annual increases
Investment rate of return	7.00% 7.00% 7.00%
Retirement age	50-75 years. Probabilities of retirement are based on the 2017 CalPERS experience study.
Mortality	Based on 2017 CalPERS experience study.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

COMPLIANCE REPORT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Rancho Murieta Community Services District
Rancho Murieta, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the funds and the fiduciary fund of the Rancho Murieta Community Services District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated _____, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and schedule of prior year findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and schedule of prior year findings as items 2020-001, 2020-002, 2019-001, 2019-005, and 2019-007, to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and schedule of prior year findings as items 2019-004, 2019-008, 2019-009, 2019-011 and 2019-013 to be significant deficiencies.

To the Board of Directors
Rancho Murieta Community Services District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

_____, 2021

RANCHO MURIETA COMMUNITY SERVICE DISTRICT

SCHEDULE OF FINDINGS

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 analyzes, 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.

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.

RANCHO MURIETA COMMUNITY SERVICE DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2020

MATERIAL WEAKNESSES IN INTERNAL CONTROLS

Prior Year Findings

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 reconcile the general ledger to the underlying support as part of year-end closing procedures prior to the audit. We recommend the District accounting staff reconcile the general ledger to the underlying support 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.

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.

FS 2019-003: Similar issue was not noted in fiscal year 2019/20.

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.

RANCHO MURIETA COMMUNITY SERVICE DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2020

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.

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 Community Facility District 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.

FS 2019-006: Similar issue was not noted in fiscal year 2019/20.

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 not corrected.

RANCHO MURIETA COMMUNITY SERVICE DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2020

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.

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 \$18,773.77. We also noted this condition in the prior audit. These accounts use the code OFFC in the platinum billing system.

RANCHO MURIETA COMMUNITY SERVICE DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2020

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 \$14,578.56 recorded as prepaid workers compensation, whereas our expected balance was \$0, 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 \$5,630.88 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. We passed on creating a journal entry to correct this account.

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.

DRAFT



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MANAGEMENT LETTER

To the Board of Directors and Management
Rancho Murieta Community Service District
Rancho Murieta, California

In planning and performing our audit of the financial statements of Rancho Murieta Community Services District (the District) as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The list below summarizes our comments and suggestions regarding those matters. A separate report dated _____, 2021 contains our report on significant deficiencies or material weaknesses in the District's internal control. This letter does not affect our report dated _____, 2021, on the financial statements of the District.

Capital Assets

The following items were noted in the audit of capital assets:

- The capital asset listing included studies and other items that did not appear to meet the criteria for being recorded as a capital asset. Studies were removed during the audit process, but the District needs to review the capital asset list for other items that do not qualify as capital assets that would need to be written off.
- We recommend performing an inventory of capital assets and remove items from the capital asset list that are no longer in service.
- The District needs to ensure that the capital asset list is compared to the general ledger on a regular basis. During the audit, we noted the capital asset listing did not agree to the general ledger balance by \$70,768. The general ledger was adjusted to match the balance on the listing, as the cause of difference could not be determined.
- The District had difficulty working with the capital asset module within the accounting system, so the asset listing provided for the audit was downloaded from the accounting system into Excel. The District needs to evaluate whether the listing in the software can be updated and used going forward.
- We recalculated accumulated depreciation for a sample of assets and noted discrepancies. The District needs to determine whether the accounting system is calculating depreciation correctly.
- The District was unable to generate a list of capital assets by fund to compare the asset listing to the general ledger by fund. The District was also unable to generate a listing of capital assets by asset type to reconcile to the individual general ledger accounts.

- The District was unable to provide the accumulated depreciation amounts by asset type as required by government accounting principles for disclosure in the footnotes.

We recommend that the District review its capital asset system to determine whether it can account for its capital assets correctly.

Documentation of Review Procedures

To address a prior audit finding related to segregation of duties, the District implemented a review process whereby the General Manager would review journal entries, bank reconciliations, payroll and other types of supporting documents. However, there was no documentation maintained containing evidence of such reviews. We recommend that the General Manager and others reviewing accounting documents initial and date these documents, and that these approved documents be retained consistent with the District's retention policy.

Reserves and Reserve Policy

We reviewed the District's reserve policy and compared reserves established in the policy to reserve amounts recorded in the District's general ledger and noted inconsistencies. We recommend that the District review their reserve policy and update it as needed. The District should then ensure the balances established in the general ledger are consistent with the policy.

As part of the review of the reserve policy, the District needs to determine the implications and plan for addressing certain reserves in the general ledger that have a negative balance. These reserves with a negative balance include the following: Water Capital Improvement Fee Reserve, Water Treatment Plant Construction Fund Reserve and Security Capital Improvement Fee Reserve.

We also noted that as part of the budget process, the District approved transfers to property tax assessments to the Drainage and Security Funds, but these budgeted transfers were not reflected in the reserve accounts in the general ledger. The District needs to ensure that such transfers are properly reflected in the accounting system.

Procedure Manuals

The District's procedures manuals have not been updated since 2010, with many documents referring to specific employee by first name only rather than position title, contain usernames and passwords. The District needs to update the procedures manual with up-to-date procedures, reference positions rather than names, and exclude usernames and passwords. Having an updated procedure manual is needed to ensure proper internal control and continuity with turnover of positions.

Accounts Payable

The District was unable to generate a system-generated listing of accounts payable outstanding as of June 30, 2020. It appears that the District has not been entering invoices into the accounting system upon receipt, but only upon payment of the invoices. As a result, the District prepares manual journal entries to accrue payables at year-end. The District also did not prepare a listing of what makes up the accounts payable balance at June 30, 2020 and upon review during the audit, it was determined that certain amounts were incorrectly accrued. The District needs to ensure invoices are tracked within the accounting system and that the accounts payable listing be generated on a monthly basis and compared to the balance in the general ledger.

Billing System Integration

The District's billing system does not currently interface with the general ledger, resulting in the District preparing extensive spreadsheets each month to record the customer billings and payments in the general ledger. We recommend the District consider a new system that includes the billing system as a module within the general ledger system.

To verify the accuracy of the manual entries made in the accounting system to record the customer billing and payment activity, the District needs to compare, at least quarterly, the accounts receivable balance in the billing system to the general ledger. We performed this comparison during the audit and noted the balances did not match by a significant amount and were adjusted during the audit process.

General Fund Allocations

The District maintains a General Fund their accounting system, although for financial reporting purposes, this fund is not reported separately, but all balance sheet and income statement accounts are allocated to the other funds. This is a cumbersome process for financial reporting purposes, so we recommend the District evaluate the need for having a separate General Fund and determine whether transactions can be allocated initially to each fund, instead of recording them first in the General Fund and then allocating balance to other funds at year end. This re-allocation is performed outside of the accounting system, so the balances in the general ledger do not match the balances in the audited financial statements.

In previous years, the District set up a Department 99 code in the accounting system to allocate General Fund balance to all other funds. These allocation entries were not made in fiscal year 2019/20. However, various receivable and payable balances remained in these accounts from past years that were not adjusted or removed during fiscal year 2019/20. The District needs to write off or consolidate these balances in the Department 99 code accounts.

Investment Policy

The District last updated the investment policy in 2016. The government code requires that the investment policy be reviewed by the Board annually. The District needs to include the investment policy on the Board agenda on an annual basis for review to comply with the government code.

Developer Deposits

The District recorded expenses related to developer projects directly against the developer deposit liability account when paid instead of recording the expense in an expense general ledger account and then recognizing this same amount as revenue, reducing the deposit liability balance. The District adjusted for this during the audit process but needs to ensure that its accounting process are revised to ensure the transactions are recorded correctly throughout the year.

Anti-fraud and whistleblower policies

The District does not have either an anti-fraud policy or a whistleblower policy. The District should adopt an Anti-Retaliation/Whistle Blower Policy, including fraud reporting procedures, and include them in the Personnel Manual. These procedures should include a discussion of what types of activities constitute fraud or contracting improprieties, how an employee should report such suspected fraud or contracting improprieties and to whom or where an employee should report such activities, including reporting procedures if an employee's supervisor or a member of senior management is suspected of these activities.

Risk Assessment Process

We recommend that the District develop a risk assessment process to identify those risks within the District that could result in fraud or material misstatement of the financial statements, and then to implement internal controls to mitigate those identified risks. This risk assessment process should involve discussing potential risk areas with the Board and staff and then ensure controls or process are in place to mitigate those risks. This risk assessment process should be performed on a periodic basis and can be incorporated into existing Board and staff meetings by adding an item to the agenda to discuss these risks.

Inventory

The District maintains an inventory of meters and associated parts, as well as water and sewer pipe and fittings; however, these items are expensed as the items are purchased rather than being tracked these items through an inventory account and system. The District should evaluate whether the level of inventory maintained on-hand warrants tracking this inventory in the accounting system and through a maintenance management system.

* * * * *

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the examination. This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

_____, 2021

9 – CFD 2014-1 Bond Pending

MEMORANDUM

Date: May 19, 2021
To: Board of Directors
From: Paula O'Keefe, Director of Administration
Subject: Review of the Proposed FY 2021-22 Budget and Capital Projects

RECOMMENDED ACTION

Approve the FY 2021-22 Prop 218 Proposed Budget and introduce Resolution R2021-01, waive the full reading, and continue to the June 16, 2021 Board meeting for adoption.

BACKGROUND

Budgets for Special Districts in California must be approved by the Board of Directors before the beginning of each fiscal year. The process begins with a Proposition 218 Budget Hearing and ends with the Second Reading of the budget at a Board meeting in June. The District is required to submit the Prop 218 budget to the Residents and Commercial Businesses in Rancho Murieta at least forty-five days before the first reading of the budget at a May Board meeting.

For Fiscal Year 2021-22, the Prop 218 budget notification took place on April 1, 2021, at a Special Board meeting. The total proposed revenue budget is \$7,998,988, which is an increase of \$776,461, or 11% over the previous year. Because previous years' budgets did not include significant rate increases, the District needed to evaluate all residential and commercial rate usage and reserve contributions to determine the District's overall ability to fund capital improvement projects and increasing expenditures relating to salary increases, rising maintenance, and repairs costs, a significant increase in solid waste operations and increased costs associated with general liability, risk management, and PERS. The total proposed expenditure budget is \$7,741,032, which is an increase of \$565,284, or 7% over the previous fiscal year.

Administration

The Administration property tax allocations are used to subsidize Drainage and Security costs projected to be overspent at the end of the fiscal year, Security being the most significant subsidy for a total of \$452,516 and Drainage in the amount of \$82,107, to offset the deficit projected at the end of the fiscal year. Administration revenues are projected to be 5% higher than the previous year, primarily due to increased property taxes and the realignment of CIA Ditch service charges. Property tax allocations are increasing slightly based on the limited increase in the development of new homes and the increase in property assessment values as existing homes are sold.

Expenditures are projected to 8% higher than the previous year based on increased insurance and risk management costs, increased information technology costs, and additional professional services costs. 100% of Administration operations are allocated to other funds based on the Cost Allocation Plan (CAP). The CAP identifies the specific percentages of support for the enterprise funds. The CAP allocates all direct and indirect costs to each of these funds based on various criteria, including the area of benefit and level of support.

Water

The Water fund revenues are the most significant revenue source for the District. Water revenues are comprised of Residential and Commercial sales and other sources of revenue, including interest income, installation and inspection fees, and late charges. Based on the Prop 218 rate increases, the District projects a total of \$2,723,276, or a 9% increase over the prior year. While the total Prop 218 rate increase totals 17% for the Residential metered lots and 18.6% for both Murieta Gardens and Murieta Village residents, the increase is due to the reserve contributions increases are currently not represented in the FY 2021-22 Proposed Budget. The

District is currently undergoing a lengthy and detailed reserve study and balance analysis and will provide additional information at the June 3rd Special Board meeting. Reserve contributions for the FY 2021-22 budget will be included in the Final FY 2021-22, June 16th Board Meeting.

Water expenses are also projected to increase 9%. These increases are due to an increase in the Administration cost allocation, increased Dam inspection costs, professional services and salary increases. Also of note is the increase in an Inspection and Compliance Officer position and will cost the District approximately \$175,000 in salaries and benefits annually.

Sewer

Sewer revenues are projected to increase 16%, largely due to the Prop 218 rate increases. While the inspection fees appear to increase significantly, the actual increase is minimal and is based on the revenues typically received.

Expenditures are also expected to increase minimally by 2%. A significant reduction in CIA ditch consulting services and utility usage has allowed the fund to offset some of the increased costs in employee costs and maintenance and repairs.

Drainage

The Drainage fund revenues are subsidized by property tax revenues. This subsidy is necessary as the fund does not collect enough revenue to cover its full cost of operations, including the annual 2% CPI increased allowed through Measure K. Currently, the Drainage revenues are projected 1% less than the previous year, at \$214,916. Drainage revenues are comprised of residential and commercial sales and do not collect a reserve fee through the utility billing.

While revenues are projected to decrease, the expenditures are expected to increase 6%, or \$15,946, for a total of \$297,023. This amount also includes the Administration allocation of \$82,595. Drainage is expected to increase costs over the next few years due to deferred maintenance and aging infrastructure.

Solid Waste

The District contracts with California Waste Management and collects revenues to offset the cost of the contract with the vendor. At the time of the Prop 218 notification, the vendor had not supplied the District with the full cost of their rate increase. At the time of the initial Prop 218 notification, the rate increase was 30%, increasing the annual contract cost from \$673,947 in the previous year to \$878,876. However, after the Prop 218 notification was released, the vendor supplied the District with an updated contract cost, increasing the overall increase in the cost to the District to \$925,655, or 37% over the previous year. Because Prop 218 does not allow for increased expenses or revenues after the initial notification, the District will need to evaluate the impact of the deficit created by insufficient revenues collected against the cost of the contract.

Security

Security is also subsidized with the District's property tax allocations. This subsidy is necessary as the fund does not collect enough revenue to cover its full cost of operations, including the annual 2% CPI increased allowed through Measure J. This year's property tax allocation is decreased by \$12,096, or 3% based on a reduction in expenditures to prevent significant overages within operations.

Annual expenditures are expected to increase by 2% as expected based on increased salary costs.

SUMMARY

Based on the recommendation from the Finance Committee, staff is proposing the Prop 218 FY 2021-22 Proposed Budget to waive the first reading and continue to the June 16, 2021 Board meeting for adoption.

Budget Overview

A Sample Bill and draft budget summaries for each fund are attached to assist in reviewing this draft of the FY 2021-22 budget. The proposed budget results in a 17% increase, or \$31.78 per month, on the average monthly bill for a residential metered lot.

REVENUE ASSUMPTIONS USED IN THIS PROPOSED BUDGET

1. Sacramento County property tax allocation is projected to increase using the same appraisal values from 2020 to 2021 for home sales.
2. Water consumption is projected to increase slightly over the calendar year FY 2020-21 demands.
3. The State of California has declared a drought, affecting millions of water customers throughout the State.
4. Reserve contributions require necessary increases to cover increasing deferred maintenance costs, repairs, and aging infrastructure.
5. Water and Sewer rate increases total 17% for residential metered lots and 18.6% for Murieta Gardens and Village II residents.
6. Drainage and Security rates are increased by the legal maximum of 2%.

BUDGET EXPENSE ASSUMPTIONS

General Assumptions

1. Unrepresented salary increase pool of \$30,000.
2. Represented salary range increase estimated at 3.5 annually over three years as prescribed by the new MOU effective January 1, 2021. Staff not at the top range of pay scales potentially also receive a 5% annual increase based on performance objectives.
3. Health insurance premium increase of 10%.
4. Increase of 30% in Solid Waste contract.
5. Increased costs of professional services due to shifting cost from reserves to operational budgets.
6. Annual contribution to OPEB Trust budget for \$150,000.
7. 7% increase in GSRMA rates.
8. \$30,000 set aside for the college intern program.
9. \$250,000 Information Technology expenses.

Sample Bill

The attached Sample Bill shows the proposed rate as presented in the April 1, 2021, Special Board meeting.

Sample Bill – Proposed Impact on Average Residential Monthly Bill
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The estimated overall maximum increase is projected to be \$31.78 per month or 17% for an average residential customer with the proposed service charge increase and special tax adjustment beginning July 1, 2021.

Rancho Murieta Community Services District

Average Monthly Customer Bill			Current Monthly Rates	Proposed Monthly Rates	\$	%
<i>Residential Metered Lot</i>			July 1, 2020	July 1, 2021	Change	Change
Water	<i>Average Usage in CF</i>		1,426	1,426		
	Residential Base (excluding reserves)		\$37.97	\$38.73	\$0.76	2.0%
	Reserve Contribution		7.75	14.00	6.25	80.6%
	Total Residential Base		\$45.72	\$52.73	\$7.01	15.3%
old rate	Water Usage	\$.0191 per cubic foot	27.24			
new rate	Water Usage	\$.0230 per cubic foot		32.80	5.56	20.4%
	Total Water		\$72.96	\$85.53	\$12.57	17.2%
	WTP Debt Service Charge (interfund borrowing)		6.00	6.00	-	0.0%
	Sewer					
	Residential Base (excluding reserves)		42.77	49.01	6.24	14.6%
	Reserve Contribution		6.76	14.00	7.24	107.1%
	Total Residential Base		49.53	\$63.01	\$13.48	27.2%
	Solid Waste (avg. 64 Gallon Container)		22.81	27.82	5.01	22.0%
	Security Tax (Maximum Tax Ceiling \$30.93)		30.32	30.93	0.61	2.0%
	Drainage Tax (Maximum Tax Ceiling \$5.43)		5.32	5.43	0.11	2.0%
	Total RMCS D Bill		\$186.94	\$218.72	\$31.78	17.00%

Sample Bill – Proposed Impact on Average Murieta Village and Murieta Gardens II Monthly Bill

The estimated overall maximum increase is projected to be \$26.01 per month or 18.6% for an average Murieta Village customer with the proposed service charge increase and special tax adjustment beginning July 1, 2021.

Average Monthly Customer Bill			Current Monthly Rates	Proposed Monthly Rates	\$	%
<i>Murieta Village & Murieta Gardens II</i>			July 1, 2020	July 1, 2021	Change	Change
Water	<i>Average Usage in CF</i>		418	418		
	Residential Base		\$37.97	\$38.73	\$0.76	2.0%
	Reserve Contribution		7.75	14.00	6.25	80.6%
	Total Residential Base		\$45.72	\$52.73	\$7.01	15.3%
old rate	Water Usage	\$0.0191 per cubic foot	7.98			
new rate	Water Usage	\$0.0230 per cubic foot		9.61	1.63	20.4%
	Total Water		\$53.70	\$62.34	\$8.64	16.1%
	*WTP Debt Service Charge (interfund borrowing)		6.00	6.00	-	0.0%
	Sewer					
	Residential Base (excluding reserves)		42.77	49.01	6.24	14.6%
	Reserve Contribution		6.76	14.00	7.24	107.1%
	Total Residential Base		\$ 49.53	\$ 63.01	\$ 13.48	27.2%
	Solid Waste (avg. 38 Gallon Container)		19.73	23.40	3.67	18.6%
	Security Tax (Maximum Tax Ceiling \$7.46)		7.31	7.46	0.15	2.0%
	Drainage Tax (Maximum Tax Ceiling \$3.63)		3.56	3.63	0.07	2.0%
	Total RMCS Bill		\$ 139.83	\$ 165.84	\$ 26.01	18.60%

RESOLUTION NO. R2021-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT
APPROVING THE BUDGET FOR FISCAL YEAR 2021-22**

WHEREAS, District departments have submitted estimates of budget requirements for Fiscal Year 2021-22 and those estimates have been reviewed by the General Manager and Finance Committee; and

WHEREAS, the General Manager has submitted a proposed budget with the tabulations of the estimates together with proposed revisions to the Board of Directors; and

WHEREAS, the Board of Directors has reviewed and considered the proposed budget for Fiscal Year 2021-22; and

WHEREAS, a public presentation and hearing were conducted for the budget for the Fiscal Year 2021-22 on May 19, 2021 at 6:00 p.m. via ZOOM video conference only pursuant to Governor Newsom Executive Order N-29-20.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that (1) the proposed budget for Fiscal Year 2021-22, as submitted by the District General Manager and as reviewed by the Board of Directors is a proper financial program for the budget period and constitutes the budget for 2021-22; and (2) the District's 2021-22 Budget is hereby adopted in the form as presented at this meeting and ordered filed with the County Auditor of Sacramento County in accordance with Sections 53901 and 61110 of the Government Code.

INTRODUCED by the Board of Directors on the 19th day of May 2021.

PASSED AND ADOPTED by the Board of Directors of the Rancho Murieta Community Services District, Sacramento County, California, at a meeting held on the 16th day of June 2021, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

President of the Board
Rancho Murieta Community Services District

[SEAL]

Attest:

Amelia Wilder, District Secretary

MEMORANDUM

Date: May 14, 2021
To: Board of Directors
From: Tom Hennig, General Manager
Subject: Public Hearing – Introduce Ordinance O2021-01, Proposed Services Charge Increases and Special Tax Adjustments

RECOMMENDED ACTION

Introduce Ordinance O2021-01, an Ordinance of the Rancho Murieta Community Services District, amending Chapter 14 of the District Code relating to Water Service Charges; amending Chapter 15 of the District Code relating to Sewer Service Charges; amending Chapter 16 of the District Code relating to Drainage Service Charges; amending Chapter 16A of the District Code relating to Drainage Special Tax; amending Chapter 21 of the District Code relating to Security Special Tax; and amending Chapter 31 of the District Code relating to Solid Waste Collection and Disposal Service Charges, waive the full reading of the Ordinance and continue to the June 16, 2021 Board Meeting for adoption.

BACKGROUND

The purpose of this rate adjustment hearing is to receive community input on the rate adjustments as well as to receive Board direction addressing adjustments based on community input. To formally adopt new rates, various chapters of the District Code will be changed by adopting the attached Ordinance O2021-01.

Rate Adjustment Overview

The proposed rate increases are based on the projected budget for the 2021-22 fiscal year. The actual rate increases may be less than but in no case more than the proposed rates provided in this notice. The proposed budget for all services: water, sewer, drainage, security and solid waste will result in a 17.00% increase (approximately \$31.78 per month) for residents inside of the gates and 18.60% increase (approximately \$26.01 per month) for residents outside of the gates. The increase in rates is largely due to increase in reserve contributions and anticipation of increased water usage.

For the District, operational costs are anticipated to increase 7.0%, or \$565,284, for fiscal year 2021-22, compared to prior year's budget. This is largely due to increases in the items listed below:

- Wages and employer costs – 5.22%
- Medical premiums – 10%
- SMUD electric rates – 7.25%
- Solid waste contract rates – 30.7%
- Liability and Workers Comp Insurance – 7%
- Increases in infrastructure maintenance & repairs – 15.8%
- Adjust Raw Water Rate based on Rate Study – 300%
- Increase Information Technology to support cyber security - \$30,000

District Maintaining Focus on Cost Efficiency

The District remains committed to providing superior community services efficiently and professionally at a reasonable cost. The District is working diligently to identify cost savings where possible to reduce the rate increase impact on all residential and non-residential customers.

A summary of the proposed rate changes by Service Change and Special Tax area follows on the next page:

How will the rate changes impact my monthly bill?

WATER

The proposed 2021-22 monthly bill increase for an average consumption residential metered lot is projected to be \$7.01 or 15.3%.

	Current Rate 2020-21	Proposed 2021-22
Base Charge (w/o reserve contribution)	\$37.97	\$38.73
Reserve Contribution	\$7.75	\$14.00
Total Base Charge	\$45.72	\$52.73
Debt Service Charge (repay internal borrowing)	\$6.00	\$6.00
Potable Usage Charge (per cf)	\$0.0191	\$0.0230
Non-Potable Usage Charge (per cf)	TBD	TBD
Raw Water Usage Charge (per cf)	\$0.0011	\$0.0044
<ul style="list-style-type: none"> Non-residential customers are charged one base charge per month per meter plus the reserve contribution times their Water EDU (equivalent dwelling unit) value plus usage 		

SOLID WASTE

The proposed 2021-22 monthly bill increase for a 64 gallon container is projected to be \$6.31 for the container and \$0.70 for the Sacramento County Surcharge or 30.7%. This increase is due to operational cost increases per contract with California Waste Recovery Services and anticipated increases in Sacramento County's landfill surcharges.

	Current Rate 2020-21	Proposed 2021-22
38 gallon container (T38)	\$19.73	\$23.40
64 gallon container (T64)	\$21.51	\$27.82
96 gallon container (T96)	\$32.00	\$44.97
Extra Cart (38 gallon)	\$8.59	\$9.72
Extra Cart (64 gallon)	\$10.64	\$12.61
Extra Cart (96 gallon)	\$22.55	\$27.69
Extra Recycle Cart	\$6.84	\$6.91
Extra Yard Waste Cart	\$6.84	\$6.91
Yard Waste Exemption	(\$2.00)	(\$2.00)
Sac County Surcharge	\$1.30	\$2.00

SEWER

The proposed 2021-22 monthly bill increase for a residential metered lot is projected to be \$13.48 or 27.2%.

	Current Rate 2020-21	Proposed 2021-22
Base Charge (w/o reserve contribution)	\$42.77	\$49.01
Reserve Contribution	\$6.76	\$14.00
Total Base Charge	\$49.53	\$63.01
<ul style="list-style-type: none"> Non-residential customers are charged the base charge plus the reserve contribution times their Sewer EDU (equivalent dwelling unit) value 		

DRAINAGE

The proposed 2021-22 monthly bill increase for an average consumption residential metered lot is projected to be \$0.11 or 2.0%.

Developed Property	Current 2020-21	Proposed 2021-22	Max Rate 2021-22
Residential (per lot)			
Metered	\$5.32	\$5.43	\$5.43
Unmetered	\$5.32	\$5.43	\$5.43
The Villas	\$3.56	\$3.63	\$3.63
Murieta Village	\$3.56	\$3.63	\$3.63
Non-Residential (per acre)			
1 Retail	\$26.62	\$27.15	\$27.15
2 Industrial/Whse	\$28.29	\$28.86	\$28.86
3 Light Industrial	\$21.63	\$22.07	\$22.07
4 Office	\$24.96	\$25.46	\$25.46
5 Landscape (golf course/park sites)	\$4.99	\$5.09	\$5.09
6 Murieta Equestrian Center	\$1.93	\$1.97	\$1.97
7 RMCC (club house and parking)	\$0.000	\$0.000	\$0.000
8 Airport	\$2.22	\$2.27	\$2.27
9 Geyer Property	\$16.64	\$16.98	\$16.98
10 Hotel/Ext Stay	\$26.62	\$27.16	\$27.16
Undeveloped Property			
Residential & Non-Residential	\$3.14	\$3.21	\$3.21

SECURITY

The proposed 2021-22 monthly bill increase for a residential metered lot inside the RMA gates is projected to be \$0.61 or 2.0%.

Developed Property	Current 2020-21	Proposed 2021-22	Max Rate 2021-22
Residential (per lot)			
Inside Gates			
Metered	\$30.32	\$30.93	\$30.93
Unmetered	\$23.79	\$24.27	\$24.27
Outside Gates	\$7.31	\$7.46	\$7.46
Non-Residential (per Building square foot)			
1 Highway Retail	\$0.2734	\$0.2789	\$0.2789
2 Other Retail/Comm	\$0.0294	\$0.0300	\$0.0300
3 Industrial/Whse/Lt Industrial	\$0.0643	\$0.0656	\$0.0656
4 Office	\$0.0155	\$0.0158	\$0.0158
5 Institutional	\$0.0155	\$0.0158	\$0.0158
6 Public Utility	\$0.0490	\$0.0500	\$0.0500
7 Equestrian Center	\$0.0046	\$0.0047	\$0.0047
8 RMCC	\$0.0770	\$0.0785	\$0.0785
9 Airport	\$0.0196	\$0.0200	\$0.0200
10 Hotel/Ext Stay	\$0.0294	\$0.0300	\$0.0300
Undeveloped Property (per acre)			
Inside Gates	\$25.6524	\$26.1655	\$26.1655
Outside Gates	\$3.8226	\$3.8991	\$3.8991

ORDINANCE NO. O2021-01

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT, AMENDING CHAPTER 14 OF THE DISTRICT CODE, RELATING TO WATER SERVICE CHARGES; AMENDING CHAPTER 15 OF THE DISTRICT CODE RELATING TO SEWER SERVICE CHARGES; AMENDING CHAPTER 16A OF THE DISTRICT CODE RELATING TO DRAINAGE SPECIAL TAX; AMENDING CHAPTER 21 OF THE DISTRICT CODE RELATING TO SECURITY SPECIAL TAX; AND AMENDING CHAPTER 31 OF THE DISTRICT CODE RELATING TO SOLID WASTE COLLECTION AND DISPOSAL SERVICE CHARGES AND LEAF COLLECTION

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

SECTION 1. Purpose and Authority. The purposes of this ordinance are to (a) increase the District water, sewer and solid waste collection and disposal service charges in order to reflect and provide for operation, maintenance and other cost increases due to inflation, increased regulatory costs, increased costs of supplies, services, labor and benefits, and other factors, and (b) increase the District drainage special tax and security special tax to implement the voter-authorized annual adjustments. This ordinance is adopted pursuant to California Constitution articles XIII C, section 2, and XIII D, section 6, Government Code sections 61115, 61121 and 61123, District Ordinances Nos. 98-1 and 98-2, and other applicable law.

SECTION 2. Findings. The Board of Directors finds and determines as follows:

- (a) As calculated and demonstrated in the FY 2021-22 District budget, the increased service charges implemented by this ordinance have been fixed in amounts sufficient to pay the operating expenses of the District's water, sewer and solid waste operations, provide for and fund repairs and replacement of utility system works and equipment, provide for increased costs of regulatory compliance, fund financial reserves, and pay debt service and other costs.
- (b) The increased service charges are reasonably related to, and do not exceed, the District's cost of providing each of the services.
- (c) The revenues derived from the service charges do not exceed the funds required to provide the services and will not be used for any purpose other than the listed services.
- (d) The amount of the service charges imposed on each customer's parcel does not exceed the proportional cost of the particular service attributable to that parcel.
- (e) The District water, sewer and solid waste services are services that are actually used by and immediately available to the owner of each customer parcel.
- (f) No portion of these service charge increases are imposed for general governmental services.
- (g) As calculated and demonstrated in the FY 2021-22 District budget, the increased drainage and security special taxes implemented by this ordinance have been fixed in amounts as calculated and determined consistent with the annual tax adjustments as set forth in District Code chapters 16A and 21 and as authorized by the voters at the time of the approval of the special taxes.

- (h) The establishment, modification, structuring, restructuring and approval of the service charges and taxes as set forth in this ordinance are necessary and appropriate to continue to meet the District's costs for operation and maintenance, supplies and equipment, financial reserves, and capital replacement needs, and to maintain a satisfactory level of services within the District service area.
- (i) The District Board of Directors has conducted a duly noticed public hearing on the proposed service charge increases in accordance with California Constitution article XIII D, section 6, and the Board did not receive a majority protest against any of the proposed service charge increases.

SECTION 3. Service Charge and Tax Adjustments; District Code Amendments

- I) The Water Code, Chapter 14, Section 7.00 Rates and Charges is amended as follows:
Section 7.05 Rates for Metered Service.

- (a) General metered service shall be as follows:

MONTHLY CHARGES

Base Charge	\$ 38.73
Reserve Charge	<u>\$ 14.00</u>
Total Basic Service Charge	\$ 52.73/mo

Usage charge per cubic foot:

Basic volumetric rate per cubic foot	\$ 0.0230/cu. ft.
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- (b) Metered service to residential lots at Murieta Village shall be as follows:

MONTHLY CHARGES

Base Charge	\$ 38.73
Reserve Charge	<u>\$ 14.00</u>
Total Basic Service Charge	\$ 52.73/mo

Usage charge per cubic foot:

Basic volumetric rate per cubic foot	\$ 0.0230/cu. ft.
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- (c) Non-Residential metered service shall be as follows:

MONTHLY CHARGES

Basic Service Charge for non-residential shall be calculated on an EDU basis.

Monthly Charges

Basic Service Charge for non-residential metered service shall be calculated on number of meters and an EDU basis for each customer multiplied by the Basic Service Charge reflected in Section 7.05(a) above.

Usage charge per cubic foot:

Basic volumetric rate per cubic foot	\$ 0.0230/cu. ft.
Raw water usage charge per cubic foot	\$ 0.0044/cu. ft.

- II) The Sewer Code, Chapter 15, Section 7.00 Rates and Charges is amended as follows:

Section 7.03 Rates and Charges for Service. The monthly service charge for each premise receiving sewer service from the District shall be:

Residential or other premises, each unit	
Base rate	\$ 49.01 per month
Reserve contribution	<u>\$ 14.00 per month</u>
Total monthly service charge	\$ 63.01 per month

Murieta Village, per unit	
Base rate	\$ 49.01 per month
Reserve contribution	<u>\$ 14.00 per month</u>
Total monthly service charge	\$ 63.01 per month

Non-Residential

Monthly service charge for non-residential sewer service shall be calculated on an EDU basis for each customer multiplied by the residential service charge.

III) The Drainage Code, Chapter 16, Section 7.00 Rates and Charges is amended as follows:

Section 7.01 Rates and Charges: Drainage charges for operation and maintenance of the District's system shall be as set forth in Chapter 16A, Section 3.00.

The Drainage Code, Chapter 16A, Section 3.00 Drainage Tax, is amended as follows:

Section 3.00 Rates and Charges for Operation and Maintenance of the District's system shall be: Commencing July 1, 2021, property within the District shall be assessed a monthly drainage tax as follows. The maximum monthly tax rates shown reflect annual adjustments, per Section 5.00.

LAND USE		Monthly Special Tax Rates Fiscal Year 2021-22	Monthly Special Tax Rates Maximum Ceiling Rate Year 2021-22
DEVELOPED PROPERTY			
Residential			
-Metered Developed	Per Lot	\$ 5.43	5.43
-Unmetered Developed	Per Lot	\$ 5.43	5.43
-The Villas	Per Lot	\$ 3.63	3.63
-Murieta Village	Per Lot	\$ 3.63	3.63
Non-Residential			
-Retail	Per Acre	\$ 27.15	27.15
-Industrial/Warehouse	"	\$ 28.86	28.86
-Light Industrial	"	\$ 22.07	22.07
-Office	"	\$ 25.46	25.46
-Landscaped Areas (golf course & park site)	"	\$ 5.09	5.09
-Murieta Equestrian Center	"	\$ 1.97	1.97
-RMCC (club house & parking)	"	\$ 0.00	0.00
-Airport	"	\$ 2.27	2.27
-Geyer Property	"	\$ 16.98	16.98
-Hotel/Ext. Stay	"	\$ 27.16	27.16

UNDEVELOPED PROPERTY

Uses Drainage System

-Residential and Non-Residential Per Acre \$ 3.21 3.21

IV) 5.03 Security Tax

Property within the District shall be assessed a monthly security tax as follows. The maximum tax rates shown reflect annual adjustments, per Section 5.05:

<u>LAND USE</u>		<u>Monthly Special Tax Rates Fiscal Year 2021-2022</u>	<u>Monthly Special Tax Rates Maximum Ceiling Rate Year 2021-2022</u>
DEVELOPED PROPERTY			
Residential			
Inside Gates			
- Metered	Per Lot	\$ 30.93	30.93
- Unmetered	Per Lot	\$ 24.27	24.27
Outside Gate	Per Lot	\$ 7.46	7.46
Non-Residential			
- Highway Retail	Per Building Sq. Ft.	\$ 0.2789	0.2789
- Other Retail/Commercial	"	\$ 0.0300	0.0300
- Industrial/Warehouse/Lt Industrial	"	\$ 0.0656	0.0656
- Office	"	\$ 0.0158	0.0158
- Institutional	"	\$ 0.0158	0.0158
- Public Utility	"	\$ 0.0500	0.0500
- Equine Complex	"	\$ 0.0047	0.0047
- RMCC	"	\$ 0.0785	0.0785
- Airport	"	\$ 0.0200	0.0200
- Hotel/Ext. Stay	"	\$ 0.0300	0.0300
UNDEVELOPED PROPERTY			
- Inside Gates	Per Acre	\$ 26.1655	26.1655
- Outside Gates	Per Acre	\$ 3.8991	3.8991

V) The Solid Waste Collection and Disposal Code, Chapter 31, Section 4.0 Collection Rates, is amended as follows:

(1) Garbage Collection Services

38-gallon cart	\$ 23.40
64-gallon cart	\$ 27.82
96-gallon cart	\$ 44.97

(2) Additional Garbage Carts

38-gallon cart	\$ 9.72
64-gallon cart	\$ 12.61
96-gallon cart	\$ 27.69

(3) Additional Recycling Cart (in excess of 1 recycled cart)	
38-gallon cart	N/A
64-gallon cart	\$ 6.91
96-gallon cart	\$ 6.91
(4) Additional Green Waste Cart (in excess of 2 green waste carts)	
38-gallon cart	N/A
64-gallon cart	\$ 6.91
96-gallon cart	\$ 6.91
(5) Sacramento County Surcharge	\$ 2.00

SECTION 4. Superseder. This ordinance supersedes prior inconsistent District ordinances, resolutions, policies, rules, and regulations concerning the subject matter of this ordinance.

SECTION 5. Effective Date. This ordinance shall take effect on July 1, 2021.

SECTION 6. Severability. If any section or provision of this ordinance or the application of it to any person, transaction or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this ordinance that can be given effect without the invalid or unenforceable provision, and to this end the provisions of this ordinance are declared to be severable.

SECTION 7. Publication. The District Secretary is directed to publish this ordinance once in a newspaper of general circulation published in the District within 15 days after the adoption of the ordinance.

INTRODUCED by the Board of Directors on the 19th day of May 2021.

PASSED AND ADOPTED by the Board of Directors of the Rancho Murieta Community Services District, Sacramento County, California, at a meeting held on the 16th day of June 2021, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

President of the Board
Rancho Murieta Community Services District

[seal]

ATTEST:

Amelia Wilder, District Secretary

MEMORANDUM

Date: May 12, 2021
To: Board of Directors
From: Tina Talamantes, Interim Security Supervisor
Subject: Security Service Opinion Poll Timeline

Below is the updated Timeline:

1. Contract awarded to True North Research February 17, 2021
2. Townhall meeting with the community at the RMCC Ballroom from 6-8 pm planned originally for mid-May 2021 – MOVED TO JUNE 22, 2021
3. Stakeholder working groups/meetings July 2021
4. Survey questions to be finalized and presented to BOD August 2021
5. Conduct polling activities September 2021
6. Present polling results to Finance Committee November 2021
7. Presentation recommendations to the Board November 2021
8. Potential referendum voter education and outreach program March-June 2022
9. Possible voter referendum in June 2022

MEMORANDUM

Date: May 19, 2021
To: Board of Directors
From: Tom Hennig, General Manager
Subject: Organizational Realignment and Job Classification Changes

RECOMMENDED ACTION

District Staff recommends the Board of Directors approve the Administration Organization and Salary Realignment by adding two full-time equivalent positions, Accountant and Accounting Manager, updating the job descriptions, titles and salary schedules for the Office Assistant I/II and Accounting Assistant I/II, and eliminating the Controller and Accounting Supervisor positions and the job description update to the Director of Operations classification.

BACKGROUND

During the Personnel Committee meeting on April 6, 2021, the committee members discussed the potential reorganization of the Administration accounting and office classifications.

Rancho Murieta Community Services District has been plagued with high turnover and has been unable to fill key Accounting positions due to lack of qualified applicants, outdated and redundant job descriptions and uncompetitive salary schedules.

Currently, the District has three key accounting positions: Accounting Assistant I/II, Accounting Supervisor and Controller; two positions are currently vacant, Controller and Accounting Supervisor. While the positions have been posted in several different locations, the amount of applications has been nearly minimal. A tentative job offer was made in early March to fill the Accounting Supervisor position, however the candidate turned the offer down over compensation concerns. The District was hopeful that the extended recruitment would enable the District to hire an experienced governmental accountant, however, another suitable candidate was not identified through the recruitment process. Further, the Controller position has had one applicant since the initial posting on March 17, 2021.

To further compound the recruitment problem, it was evident that there is no potential for upward mobility within the current structure of the Administration department. Typically there is a pathway to promotion within the organizational structure, however, the District's current organizational structure only allows for potential promotion from Office Assistant to Accounting Assistant. Unfortunately, this Accounting Assistance is where the opportunity ends. It is a significant leap to promote from the Accounting Assistant to the Accounting Supervisor role in that there is a large gap between the knowledge, skills and abilities and educational requirements of an Accounting Assistant and the Accounting Supervisor.

After reviewing the scope of duties for both the Accounting Supervisor and Controller, there were several redundancies in the job descriptions regarding operational duties, with the exceptions of the Accounting Supervisor taking on the role of managing Personnel and HR functions and the Controller managing the Audit for the District.

The District is in dire need of restructuring our Administration department to reflect current market classifications and job descriptions, as well as salary adjustments, to become more competitive in the job market. Based on the compensation study completed in June of 2020, the Controller position was 3.2% below market and the Accounting Supervisor was 4% below market.

The highest priority of the Administration Division is to finalize the past due audit, completely reconcile the General Ledger (G/L) in preparation for a new Enterprise Resource Planning (ERP), create and maintain proper fund accounting and establish policies, procedures and reporting to ensure the systems are correctly maintained. The District's professional accounting team is integral to this process as the bandwidth of each of their positions is necessary to complete past-due work, ongoing activities and maintain it going forward. Because each position is critical to ensuring workload and goals are completed and internal controls are followed, the District continues to become more behind in day to day operating duties, with the current vacancies.

After reviewing market descriptions, the likelihood of hiring qualified candidates diminishes for several reasons: compensation not in line with current market trends, location of the District, and outdated job descriptions and minimum qualifications allowing more inexperienced applicants to apply.

While the District generally prefers to make pay grade adjustments during the negotiations cycle, in order for the District to hire a qualified candidate during this critical time, it is necessary to upgrade the salary schedule and job descriptions to a professional level. The total cost to the District is projected at \$9,630, based on the projections using the new Control Point salary range.

Additionally, prior to the departure of the Director of Field Operations, staff reviewed the job descriptions and certification requirements to ensure recruitment of the newly vacated position would be accurate. Paul Siebensohn provided input for job description and certification updates and staff reviewed and provided additional duties not originally included in the description. At this time, there is no discussion on adjustment to salary scale for this position.

Staff is requesting the following changes be made:

1. Office Assistant I/II job description is outdated and should outline more professionalized duties. Currently, the job descriptions for both the Office Assistant I and II are the same, with the exception of the "on the job training" for the I and "full working level" required of the II. It is the recommendation of staff that these two classifications be combined into a single classification of Office Technician and update the job description to reflect more current and professional duties as currently required by the District. Because there are different pay ranges set to reflect the distinction between the I and the II classifications, it is recommended to eliminate the salary range for Office Assistant I and use the Office Assistant II salary range for the single Office Technician position moving forward.
2. Accounting Assistant I/II job title and description is outdated and should reflect the professional and technical duties as required by the District. The job descriptions for both the Accounting Assistant I and II are the same, with the exception of the "trainee level" for the I and "full working level" required of the II. It is the recommendation of staff that these two classifications be combined into a single classification of Accounting Technician and update the job description to reflect more current and professional duties as currently required by the District. Because there are different pay ranges set to reflect the distinction between the Accounting Assistant I and Accounting Assistant II classifications, it is recommended to eliminate the salary range for Accounting Assistant I and use the Accounting Assistant II pay for the single Accounting Technician position moving forward.

3. Reclassification of the Accounting Supervisor to an Accountant. To address the lack of upward mobility, lack of internal controls, eliminate inappropriate duties and reduce top-heavy supervisory positions, staff is recommending the reclassification and downgrade of Accounting Supervisor to Accountant. The Accounting Supervisor minimum qualifications currently require an AA degree in Accounting (or other related field) and a minimum of four (4) years technical experience in governmental or private financial accounting, personnel and general office administration. The job description also requires significant experience in Human Resources administration, which includes the potential for managing disciplinary actions, worker's compensation claims and other personnel-related matters. These duties require significant years of training in Human Resources administration and law interpretation and are not appropriate for Accounting classifications. Although the District is small in size, the Human Resources administration activities should be included in a much higher classification, such as the Director of Administration and/or General Manager, to ensure confidentiality and impartiality in the HR processes, full understanding of Human Resources law, labor relations and risk management. Additionally, there are no requirements for existing supervisory experience further minimizing the ability of a potential candidate to be successful in this role.

Based on current District needs, staff recommends the downgrade of the Accounting Supervisor to Accountant to create an upward job path for existing employees, "right size" the Accounting series by creating the appropriate segregation of duties needed to prevent fraud and ensuring oversight and review to catch internal errors. Staff requests the Board approve updating the job description and new salary range to ensure the District's recruitment efforts reach appropriate, qualified candidates.

4. Reclassification of the Controller to an Accounting Manager. The District has spent a great deal of effort with minimal success in recruiting a Controller to manage the most complex day to day Accounting activities and audits. To create a balanced Accounting team, reclassifying the Controller position to an Accounting Manager is appropriate and in line with governmental standards and will ensure the District is competitive with other agencies, thus increasing the likelihood of generating a more qualified candidate pool.

The title "Controller" is typically used within the private sector. Although Controllers are tasked with performing similar complex accounting duties, many are unfamiliar with governmental accounting practices and applications. Further, even though the District is a governmental entity and recruits in mostly governmental job boards, the Controller classification title is unfamiliar to public sector employees, causing many qualified candidates to automatically screen themselves out without actually reviewing the job duties. This creates a candidate pool with no governmental experience, but potentially excellent private sector experience, that will have difficulty translating in the government realm. Further, the minimum qualifications for the Controller's education and experience are a Bachelor's degree in Accounting or related field with no requirement of experience. This also increases the likelihood of candidates who are looking for an entry level position that does not require experience, yet this particular position within the District performs highly complex accounting and auditing functions requiring existing technical skills.

Because of the complexity associated with the experience needed as an Accounting Manager, it is imperative to have working knowledge and experience in governmental fund accounting and auditing, with additional years of experience as a supervisor.

Replacing the Controller with an Accounting Manager will allow the District to compete with other agencies and increase the likelihood of a more qualified candidate pool. Based on current District needs, staff recommends the reclassification of the Controller to Accounting Manager to create an upward job path for existing employees, "right size" the Accounting series by adding the appropriate supervisory level. Staff

requests the Committee recommend the Board to approve updating the job description and new salary range to ensure the District's recruitment efforts reach appropriate, qualified candidates.

5. Using the Projections based on salary surveys in Attachment B, staff project a minimal increase in cost to the District, approximately \$10,000 when bringing staff in at the Control Point. There is the potential for salary savings as well if a qualified candidate is brought in lower than the Control Point.
6. Update the current job classification of the Director of Operations to correct certification requirements and updated job duties that more accurately represent the current day to day activities and responsibilities associated with the position. At this time there is no salary adjustments to the position, however in August staff will bring forward a salary survey for discussion.

SUMMARY

Staff have met with the Union steward regarding the job description and title changes for positions that are currently filled. At this time, the Union has no concerns with updating the existing positions based on feedback provided by the employees. These new positions will allow the District to align the accounting operations with current industry standard and best practices, provide succession planning and ensure the District is competitive in a tight job market. After discussion with the Personnel Committee on May 11, the Committee recommended moving the action for Board approval on May 19, 2021. Staff is expected to immediately start recruiting for the vacant positions with Board approval.

The Finance Committee recommends adoption.

Attachment A: Classification Minimum Qualifications

Attachment B: Salary Schedule

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

OFFICE TECHNICIAN

DEPARTMENT: ADMINISTRATION

FLSA OVERTIME STATUS: NON-EXEMPT

BARGAINING UNIT: OPERATING ENGINEERS LOCAL 3

APPROVED BY BOARD OF DIRECTORS – 05/19/2021

SUMMARY: To perform the duties of receptionist/customer service and to perform a wide variety of document preparation, data entry, entry level accounting and general office support involving extensive public contact work; to perform other related work as required.

SUPERVISION: Receives direct supervision from the Accounting Manager.

ESSENTIAL DUTIES AND RESPONSIBILITIES include the following. These are not to be construed as exclusive or all-inclusive. Other duties may be required and assigned.

- Serves as receptionist and customer service representative, greets the public and provides information on routine questions and directs complex technical questions or unusual requests to appropriate staff members; takes and relays messages;
- Performs a wide variety of routine office administrative duties to support District operations, including filing, preparing records and basic reports, accounts payable, cashiering duties, processing permits and licenses;
- Monitors and orders office and other related supplies; assists in preparing, processing, and tracking purchase requisitions for services and materials; receives vendor invoices; prepares request for payment for department head approval.
- Screens calls, visitors, and incoming mail; assists public at front counter and directs public to appropriate District staff; responds to complaints and requests for information; assists in interpreting and applying regulations, policies, procedures, systems, rules, and precedents in response to inquiries and complaints from the public; directs callers to appropriate District staff as necessary;
- Performs entry level cashiering duties; receives money and issues receipts; collects and prepares utility payments for deposit; enters information into utility billing system;

- Works with utility customers; monitors past due invoices and follows up on past due accounts;
- Maintains accurate and detailed records, verifies accuracy of information, researches discrepancies, and records information;
- Verifies and reviews forms and reports for completeness and conformance with established regulations and procedures; applies departmental and program policies and procedures in determining completeness of applications, records and files;
- Prepares, copies, collates, and distributes a variety of documents, including agendas, bid packages, contracts, informational packets, and specifications; ensures proper filing of copies in departmental or central files;
- Composes, types, formats, and proofreads a variety of routine reports, letters, documents, flyers, brochures, calendars, PowerPoint presentations and memoranda; types from rough drafts, verbal instructions; checks drafts for punctuation, spelling, and grammar; suggests corrections;
- Receives, opens, time stamps, sorts, and distributes incoming mail; prepares and distributes outgoing mail;
- Compiles information and data for administrative, statistical, and financial reports; checks data; prepares and assembles reports, manuals, articles, announcements, and other informational materials;
- Maintains and updates departmental record systems; enters and updates information with departmental activity, inventory files, and report summaries; retrieves information from computer application systems as required;
- May coordinate workshops and classes; assists with special event programs; assists in coordinating reservations, scheduling, and use of equipment and facilities.
- Performs other related duties as assigned.

DISTINGUISHING CHARACTERISTICS:

Office Technician is the full working level for office support employees. Incumbents in this class work under minimal supervision in any of the work areas specified in the definition above. They are expected to perform complex tasks. Incumbents will be assigned specific duties according to the District's needs and the individual's ability.

QUALIFICATION REQUIREMENTS:

Knowledgeable in receptionist and telephone techniques, basic accounting concepts, math, filing and recordkeeping procedures, standard office machines, equipment and

software. Proper use of English language, spelling, grammar and punctuation.

Ability to meet the public with courtesy and tact. Perform routine office assistance and office support work. Learn office methods, rules and policies. Understand and carry out oral and written directions. Maintain collaborative and cooperative working relationships with those contacted in the course of the work. Carry out directions independent of close supervision. Operate computer and related accounting and office support software.

EDUCATION AND/OR EXPERIENCE:

Any combination of training and experience providing the required knowledge and ability is qualifying. A typical way to obtain this knowledge and ability would be:

Minimum Education: Equivalent to the completion of the 12th grade;

AND

One (1) year of general office clerical experience.

LICENSE AND/OR CERTIFICATES:

Possession of the category of California Driver's license required by the State Department of Motor Vehicles to perform the essential duties of the position. Continued maintenance of a valid driver's license, insurability and compliance with established District vehicle operation standards are a condition of continuing employment.

PHYSICAL DEMANDS:

Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone.

Standing in and walking between work areas is frequently required. Finger dexterity is needed to access, enter and retrieve data using a computer keyboard or calculator and to operate standard office equipment. Positions in this classification frequently bend, stoop, kneel, and reach to perform assigned duties, as well as push and pull drawers open and closed to retrieve and file information. Employees must possess the ability to lift, carry, push and pull materials and objects up to 25 pounds with the use of proper equipment.

WORK ENVIRONMENT:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made on a case-by-case basis to enable individuals with disabilities to perform the essential functions.

Employees work in an office environment with controlled temperature conditions and no direct exposure to hazardous physical substances. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing departmental policies and procedures. The noise level in the work environment is usually quiet.

DRAFT

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

OFFICE TECHNICIAN ASSISTANT II

DEPARTMENT: ADMINISTRATION

FLSA OVERTIME STATUS: NON-EXEMPT

BARGAINING UNIT: OPERATING ENGINEERS LOCAL 3

APPROVED BY BOARD OF DIRECTORS – 01/21/09

REVISED 05/19/2021

SUMMARY: To perform the duties of receptionist/customer service and to perform a wide variety of document preparation, data entry, entry level accounting and general office support involving extensive public contact work; to perform other related work as required.

SUPERVISION: Receives direct supervision from the Accounting ~~Supervisor~~Manager.

ESSENTIAL DUTIES AND RESPONSIBILITIES include the following. -These are not to be construed as exclusive or all-inclusive. Other duties may be required and assigned.

- Serves as receptionist and customer service representative, greets the public and provides information on routine questions and directs complex technical questions or unusual requests to appropriate staff members; takes and relays messages;
- ~~performs a wide variety of office assistance and general office support work including document preparation, filing, answering the telephone and assisting the public;~~
• Performs a wide variety of routine office administrative duties to support District operations, including filing, preparing records and basic reports, accounts payable, cashiering duties, processing permits and licenses
- ~~performs kitchen duties as required;~~
- ~~types forms, memoranda, and miscellaneous correspondence;~~
- ~~sets up and maintains a variety of files; sorts and files documents and registers information;~~
- ~~collects, sorts, date stamps and distributes mail; prepares and sends out welcome letters/packets to new customers; orders and maintains adequate office supplies;~~
- ~~receives, prepares receipts, records and deposits funds;~~
- ~~assists accounting class staff with duties involving the receipt, balancing and posting of cash funds; and the gathering, assembling, tabulating, checking and filing of financial data;~~

- ~~• responsible for maintaining office equipment in working order and arranging training;~~
- ~~• assists accounting class staff with duties involving data entry of accounts payable, purchase orders and timesheet distribution information.~~
- ~~• performs the duties of other office support staff in a backup and fill-in capacity as needed.~~
- Monitors and orders office and other related supplies; assists in preparing, processing, and tracking purchase requisitions for services and materials; receives vendor invoices; prepares request for payment for department head approval.
- Screens calls, visitors, and incoming mail; assists public at front counter and directs public to appropriate District staff; responds to complaints and requests for information; assists in interpreting and applying regulations, policies, procedures, systems, rules, and precedents in response to inquiries and complaints from the public; directs callers to appropriate District staff as necessary;
- Performs entry level cashiering duties; receives money and issues receipts; collects and prepares utility payments for deposit; enters information into utility billing system;
- Works with utility customers; monitors past due invoices and follows up on past due accounts;
- Maintains accurate and detailed records, verifies accuracy of information, researches discrepancies, and records information;
- Verifies and reviews forms and reports for completeness and conformance with established regulations and procedures; applies departmental and program policies and procedures in determining completeness of applications, records and files;
- Prepares, copies, collates, and distributes a variety of documents, including agendas, bid packages, contracts, informational packets, and specifications; ensures proper filing of copies in departmental or central files;
- Composes, types, formats, and proofreads a variety of routine reports, letters, documents, flyers, brochures, calendars, PowerPoint presentations and memoranda; types from rough drafts, verbal instructions; checks drafts for punctuation, spelling, and grammar; suggests corrections;
- Receives, opens, time stamps, sorts, and distributes incoming; prepares and distributes outgoing mail;

- Compiles information and data for administrative, statistical, and financial reports; checks data; prepares and assembles reports, manuals, articles, announcements, and other informational materials;
- Maintains and updates departmental record systems; enters and updates information with departmental activity, inventory files, and report summaries; retrieves information from computer application systems as required;
- May coordinate workshops and classes; assists with special event programs; assists in coordinating reservations, scheduling, and use of equipment and facilities.
- Performs other related duties as assigned.

DISTINGUISHING CHARACTERISTICS:

~~This is the full working level in the Office Support series. Office Technician is the full working level for office support employees.~~ Incumbents in this class work under minimal supervision in any of the work areas specified in the definition above. They are expected to perform complex tasks. Incumbents will be assigned specific duties according to the District's needs and the individual's ability.

QUALIFICATION REQUIREMENTS:

Knowledgeable in receptionist and telephone techniques, basic accounting concepts, math, filing and recordkeeping procedures, standard office machines, equipment and software. Proper use of English language, spelling, grammar and punctuation.

Ability to meet the public with courtesy and tact. Perform routine office assistance and office support work. Learn office methods, rules and policies. Understand and carry out oral and written directions. Maintain cooperative working relationships with those contacted in the course of the work. Carry out directions independent of close supervision. Operate computer and related accounting and office support software.

EDUCATION AND/OR EXPERIENCE:

~~Any combination of training and experience providing the required knowledge and ability is qualifying. A typical way to obtain this knowledge and ability would be:~~

~~Minimum Education: High School diploma and/or equivalent.~~

~~**Office Assistant II:** One year of experience as an Office Assistant I; or~~

~~Two years of office support experience sufficient to demonstrate the ability to perform a variety of receptionist, customer service, basic accounting and general office support work in an independent manner.~~

~~Any combination of training and experience providing the required knowledge and ability is qualifying. A typical way to obtain this knowledge and ability would be:~~

~~Minimum Education: Equivalent to the completion of the 12th grade;~~

AND

One (1) year of general office clerical experience.

LICENSE AND/OR CERTIFICATES:

Possession of the category of California Driver's license required by the State Department of Motor Vehicles to perform the essential duties of the position. Continued maintenance of a valid driver's license, insurability, and compliance with established District vehicle operation standards are a condition of continuing employment.

PHYSICAL DEMANDS:

~~Ability to operate a variety of automated office machines; reasonable typing and writing skills; exert light physical effort in sedentary to light work involving sitting most of the time, but may involve walking or moving from one area to another or standing for brief periods of time.~~

~~Ability to exert negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.~~

~~The employee must occasionally lift and/or move up to 25 pounds.~~

~~Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone.~~

~~Standing in and walking between work areas is frequently required. Finger dexterity is needed to access, enter and retrieve data using a computer keyboard or calculator and to operate standard office equipment. Positions in this classification frequently bend, stoop, kneel, and reach to perform assigned duties, as well as push and pull drawers open and closed to retrieve and file information. Employees must possess the ability to lift, carry, push and pull materials and objects up to 25 pounds with the use of proper equipment.~~

WORK ENVIRONMENT:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made on a case-by-case basis to enable individuals with disabilities to perform the essential functions.

Employees work in an office environment with controlled temperature conditions and no direct exposure to hazardous physical substances. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing departmental policies and procedures. The noise level in the work environment is usually quiet.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

ACCOUNTING TECHNICIAN

DEPARTMENT: ADMINISTRATION

FLSA OVERTIME STATUS: NON-EXEMPT

BARGAINING UNIT: OPERATING ENGINEERS LOCAL 3

APPROVED BY BOARD OF DIRECTORS - 05/19/2021

SUMMARY: To perform professional accounting and financial recordkeeping work; to assist in the preparation of financial statements, documents, analyses and reports; to personally perform complex and detailed accounting work; and to perform other job-related work as required.

SUPERVISION: Receives direct supervision from the Accounting Manager.

ESSENTIAL DUTIES AND RESPONSIBILITIES include the following. These are not to be construed as exclusive or all-inclusive. Other duties may be required and assigned.

- Performs a variety of technical and specialized financial, personnel, budgetary and statistical recordkeeping work in District general ledger, accounts payable and receivables, water billing, payroll and budget activities, provides customer services in person and by telephone; performs cashiering duties as necessary;
- Responsible for accounts payable; sorts and distributes invoices from vendors; contacts vendors regarding invoices and payments; processes invoices; receives departmental approval; enters all pertinent information into the District's computer system; generates, prints and mails checks for payment; files and maintains copies of checks with invoice backups; creates various accounts payable reports; responsible for vendor database and 1099 processing;
- Processes utility customer requests; assists customers with questions regarding accounts and activity, answers questions and provides information to the public, investigates complaints and recommends corrective action as necessary to resolve complaints;
- Maintains miscellaneous accounts receivable, including adding new invoices, recording paid invoices, working with customers and monitoring past due invoices and following up on past due accounts;
- Prepares annual write-offs for the District;

- Prepares, reviews and maintains a variety of financial and statistical records involving cashiering, customer service and utility billing to include the receipt, balancing and posting of cash funds; gathers, assembles, tabulates, checks and files financial data;
- Coordinates collection procedures; establishes payment plans; works closely with Field Operations on accounts with service interruptions;
- Identifies and recommends ways to improve policies and procedures related to customer service;
- Provides general support to the Accountant and Accounting Manager and support in the absence of the Office Technician.

DISTINGUISHING CHARACTERISTICS:

This is the full working level in the Accounting Technician class series. Incumbents in this class work under minimal supervision in any of the work areas specified in the definition above. They are expected to perform all types of accounting support and professional accounting work related to the development and maintenance of District fiscal and accounting systems. Incumbents will be assigned specific duties according to the District's needs and the individual's ability.

QUALIFICATION REQUIREMENTS:

Knowledgeable in procedures, policies, rules and practices affecting the development, maintenance and control of fiscal and personnel recordkeeping systems. Practices of financial, personnel and statistical recordkeeping, including automated accounting and bookkeeping systems. Basic budget preparation procedures. Filing methods and procedures. Correct English usage, spelling, grammar and punctuation. Basic governmental accounting principles and procedures. Knowledge of modern office practices, procedures and equipment.

Ability to perform a variety of arithmetical calculations with speed and accuracy. Interpret and apply laws, regulations and policies. Maintain cooperative working relationships with those contacted in the course of the work. Carry out directions independent of close supervision. Operate computer and related accounting and office support software.

EDUCATION AND/OR EXPERIENCE:

Any combination of training and experience providing the required knowledge and ability is qualifying. A typical way to obtain this knowledge and ability would be:

Minimum Education: High School diploma and/or equivalent.

Two years of technical experience in financial, accounting, personnel or statistical recordkeeping activities,

OR

Possession of a four-year college degree with a major emphasis in accounting, business management, or a closely related field.

LICENSE AND/OR CERTIFICATES:

Possession of the category of California Driver's license required by the State Department of Motor Vehicles to perform the essential duties of the position. Continued maintenance of a valid driver's license, insurability, and compliance with established District vehicle operation standards are a condition of continuing employment.

PHYSICAL DEMANDS:

Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone.

Standing in and walking between work areas is frequently required. Finger dexterity is needed to access, enter and retrieve data using a computer keyboard or calculator and to operate standard office equipment. Positions in this classification frequently bend, stoop, kneel, and reach to perform assigned duties, as well as push and pull drawers open and closed to retrieve and file information. Employees must possess the ability to lift, carry, push and pull materials and objects up to 25 pounds with the use of proper equipment.

WORK ENVIRONMENT:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made on a case-by-case basis to enable individuals with disabilities to perform the essential functions.

Employees work in an office environment with controlled temperature conditions and no direct exposure to hazardous physical substances. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing departmental policies and procedures. The noise level in the work environment is usually quiet.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

ACCOUNTING ASSISTANT I TECHNICIAN

DEPARTMENT: ADMINISTRATION

FLSA OVERTIME STATUS: NON-EXEMPT

BARGAINING UNIT: OPERATING ENGINEERS LOCAL 3

APPROVED BY BOARD OF DIRECTORS – 02/16/05

REVISED 05/19/2021

SUMMARY: To perform professional accounting and financial recordkeeping work; to assist in the preparation of financial statements, documents, analyses and reports; to personally perform complex and detailed accounting work; and to perform other job-related work as required.

SUPERVISION: Receives direct supervision from the Accounting Manager/Supervisor.

ESSENTIAL DUTIES AND RESPONSIBILITIES include the following. These are not to be construed as exclusive or all-inclusive. Other duties may be required and assigned.

- Performs a variety of technical and specialized financial, personnel, budgetary and statistical recordkeeping work in District general ledger, accounts payable and receivables, water billing, payroll, and budget activities, provides customer services in person and by telephone; performs cashiering duties as necessary;
- ~~assists in the establishment of forms and procedures relating to financial recordkeeping methods;~~
- ~~gathers and organizes data to assist District management in the preparation of reports and recommendations; assists in the preparation of special financial, statistical, budgetary and analytical studies and reports;~~
- ~~performs duties involving the receipt, balancing and posting of cash funds; gathers, assembles, tabulates, checks and files financial data;~~
- ~~performs the duties of other office support staff in a backup and fill-in capacity as needed.~~
- Responsible for accounts payable; sorts and distributes invoices from vendors; contacts vendors regarding invoices and payments; processes invoices; receives departmental approval; enters all pertinent information into the District's computer system; generates, prints and mails checks for payment; files and maintains copies of checks with invoice backups; creates various accounts payable reports; responsible for vendor database and 1099 processing;

- Processes utility customer requests; assists customers with questions regarding accounts and activity, answers questions and provides information to the public, investigates complaints and recommends corrective action as necessary to resolve complaints;
- Maintains miscellaneous accounts receivable, including adding new invoices, recording paid invoices, working with customers and monitoring past due invoices and following up on past due accounts;
- Prepares annual write-offs for the District;
- Prepares, reviews and maintains a variety of financial and statistical records involving cashiering, customer service and utility billing to include the receipt, balancing and posting of cash funds; gathers, assembles, tabulates, checks and files financial data;
- Coordinates collection procedures; establish payment plans; works closely with Field Operations on accounts with service interruptions;
- Identifies and recommends ways to improve policies and procedures related to customer service;
- Provides general support to the Accountant and Accounting Manager and support in the absence of the Office Technician.

DISTINGUISHING CHARACTERISTICS:

This is the ~~trainee and first-full~~ working level in the Accounting Technician class series. Incumbents in this class work under minimal supervision in any of the work areas specified in the definition above. ~~They perform less complex tasks and receive on-the-job training in the performance of more complex duties. They are expected to perform all types of accounting support and professional accounting work related to the development and maintenance of District fiscal and accounting systems.~~ Incumbents will be assigned specific duties according to the District's needs and the individual's ability. ~~As an incumbent gains skill and performs more difficult work through experience and training and a desired level of proficiency is reached, promotion to a higher level classification can be reasonably expected.~~

QUALIFICATION REQUIREMENTS:

Knowledgeable in procedures, policies, rules and practices affecting the development, maintenance and control of fiscal and personnel recordkeeping systems. Practices of financial, personnel and statistical recordkeeping, including automated accounting and bookkeeping systems. Basic budget preparation procedures. Filing methods and procedures. Correct English usage, spelling, grammar and punctuation. Basic governmental accounting principles and procedures. Modern office practices, procedures and equipment.

Ability to perform a variety of arithmetical calculations with speed and accuracy. Interpret and apply laws, regulations and policies. Maintain cooperative working relationships with those contacted in the course of the work. Carry out directions independent of close supervision. Operate computer and related accounting and office support software.

EDUCATION AND/OR EXPERIENCE:

Any combination of training and experience providing the required knowledge and ability is qualifying. A typical way to obtain this knowledge and ability would be:

Minimum Education: High School diploma and/or equivalent.

Two years of technical experience in financial, accounting, personnel or statistical recordkeeping activities; *or*

Possession of a ~~two-year~~two-year college degree with a major emphasis in accounting, business management, or a closely related field (Two years of experience performing comparable duties to this position may be substituted for the college degree).

LICENSE AND/OR CERTIFICATES:

Possession of the category of California Driver's license required by the State Department of Motor Vehicles to perform the essential duties of the position. Continued maintenance of a valid driver's license, insurability, and compliance with established District vehicle operation standards are a condition of continuing employment.

PHYSICAL DEMANDS:

~~Ability to operate a variety of automated office machines; reasonable typing and writing skills; exert light physical effort in sedentary to light work involving sitting most of the time, but may involve walking or moving from one area to another or standing for brief periods of time.~~

~~Ability to exert negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects.~~

~~The employee must occasionally lift and/or move up to 25 pounds.~~

~~Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone.~~

~~Standing in and walking between work areas is frequently required. Finger dexterity is needed to access, enter and retrieve data using a computer keyboard or calculator and to operate standard office equipment. Positions in this classification frequently bend, stoop, kneel, and reach to perform assigned duties, as well as push and pull drawers open and closed to retrieve and file information. Employees must possess the ability to lift, carry, push and pull materials and objects up to 25 pounds with the use of proper equipment.~~

WORK ENVIRONMENT:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made on a case-by-case basis to enable individuals with disabilities to perform the essential functions.

Employees work in an office environment with controlled temperature conditions and no direct exposure to hazardous physical substances. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing departmental policies and procedures. The noise level in the work environment is usually quiet.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

ACCOUNTANT

DEPARTMENT: ADMINISTRATION

FLSA OVERTIME STATUS: NON-EXEMPT

BARGAINING UNIT: OPERATING ENGINEERS LOCAL 3

APPROVED BY BOARD OF DIRECTORS – 5/19/2021

SUMMARY:

Under general supervision, performs a wide variety of professional accounting, budgeting and fiscal duties, such as establishing and maintaining accounting records, participating in budget preparation and control, reviewing and analyzing accounting and financial transaction records, and preparing financial statements and reports.

SUPERVISION: Receives general supervision from the Accounting Manager.

ESSENTIAL DUTIES AND RESPONSIBILITIES include the following. These are not to be construed as exclusive or all-inclusive. Other duties may be required and assigned.

- Compiles, reconciles, analyzes and prepares a variety of financial statements, general and subsidiary ledgers, supporting schedules, and other financial and statistical reports; prepares work papers, financial statements, and various reports for federal and state agencies as well as for internal accounting.
- Responsible for accurately and timely preparing the District's payroll; maintains payroll information by collecting, calculating and entering data on the District's payroll system, spreadsheets and various platforms; coordinates with the Director of Administration on employee changes, new hires, changes in payroll status, pay, benefits, procedures and deadlines; updates payroll records by entering employee changes as requested; prepares and reconciles spreadsheets and reports by compiling summaries of earnings, taxes, deductions, leaves, disability coordination, and nontaxable wages; determines payroll liabilities; prepares and submits reports to the California Public Employees' Retirement System; resolves payroll discrepancies by collecting and analyzing information; serves as a resource to answer employee inquiries regarding payroll information; assists the Director of Administration in tracking and maintaining payroll information in compliance with FMLA/CFRA, FLSA, Workers' Compensation, Disability and other federal and state regulations; prepares and reconciles quarterly and annual federal and state tax filings and W-2s; maintains employee confidence and protects payroll operations by keeping information confidential.

- Performs general ledger accounting, reporting, and reconciliations; prepares monthly reconciliations of District checking accounts, investment and trust accounts, and accounts for developer security deposits; prepares general journal entries and reports based on reconciliations; tracks transactions and transfers; coordinates with other staff in preparation for the monthly, quarterly, and annual closing of the general ledger.
- Performs various cash management, investment, and reporting duties; prepares daily cash report; prepares monthly investment report; gathers and provides information on current and future cash receipts and disbursements; makes recommendations for cash and investment management; prepares bank and investment wire and transfer forms; reconciles bank and investment accounts; coordinates with banks on issues related to the District's accounts, bank transactions, and investment activities.
- Performs capital asset, depreciation and cost accounting; performs capital asset and construction in process (CIP) accounting including monthly journal entries for capital asset and construction in process adds and retirements/deletes; processes capital asset depreciation; prepares quarterly and annual capital asset, capital expense, and CIP reconciliations; and sets up completed CIP projects as capital assets when completed projects are accepted; processes all capital asset donations to the District; coordinates the annual physical inventory of a portion of the capital assets and reconciles the physical inventory to the general ledger and subsidiary ledgers; coordinates with auditors as necessary.
- Assists in budget preparation for assigned areas including debt service payments on bonded debt and capital leases, debt service administration expenses, capital asset depreciation for all applicable funds, and interest earning for all District funds; assists staff with budget preparation, reporting, forecasting and other budget duties.
- Assists in the preparation of the Annual Audit Financial Report, State Controller reports, and related year-end financial statements, schedules, notes and reports; ensures selected general ledger accounts and annual reports accurately reflect District's financial position at fiscal year-end; assists staff and District auditors with the pre-audit and audit.
- Assists the Accounting Manager by preparing special reports, completing special projects, and coordinating specialized transactions for the District with internal and external sources.
- Performs related duties as required.

QUALIFICATION REQUIREMENTS:

Knowledge of:

- Principles and practices of public agency financial management including general and governmental accounting, fund accounting, general ledger accounting, payroll, budgeting, auditing, and reporting functions as well as Generally Accepted Accounting Principles (GAAP) and Generally Accepted Auditing Standards (GAAS).

- Principles and practices of automated financial systems.
- Principles of governmental budget preparation and control.
- Revenues and expenditures of the District for cash flow projections.
- Principles and practices related to the processing of payroll information, computerized payroll systems, and maintenance of payroll records.
- Pertinent laws, rules, and regulations related to payroll.
- Debt financing and accounting.
- Public fund investing principles and practices.
- Principles and procedures of record keeping.
- Principles of business letter writing and report preparation.
- Office procedures, methods, and equipment including computers and applicable software applications such as word processing, spreadsheets, and databases.
- Pertinent federal, state, and local laws, codes, and regulations.

Ability to:

- Examine and verify financial documents, reports, and transactions.
- Prepare a variety of budgets, financial statements, reports, and analyses.
- Analyze, post, balance, and reconcile financial data, ledgers, and accounts.
- Analyze and draw conclusions from financial data.
- Interpret financial data and recognize accounts that need detailed investigation.
- Oversee and coordinate District payroll processing.
- Understand the organization and operation of the District and of outside agencies as necessary to assume assigned responsibilities.

- Understand, interpret, and apply general and specific administrative and departmental policies and procedures as well as applicable federal, state, and local policies, laws, and regulations.
- Participate in the preparation and administration of assigned budgets.
- Prepare clear and concise reports.
- Analyze complex issues, evaluate alternatives, and reach sound conclusions.
- Manage multiple projects simultaneously and be sensitive to changing priorities and deadlines.
- Plan and organize work to meet changing priorities and deadlines.
- Effectively represent the District to outside individuals and agencies to accomplish the goals and objectives of the District.
- Work collaboratively and cooperatively with other departments, District officials, and outside agencies.
- Exercise good judgment and maintain confidentiality in maintaining critical and sensitive information, records, and reports.
- Interpret, explain and apply laws, rules, regulations, and ordinances related to payroll.
- Respond tactfully, clearly, concisely and appropriately to inquiries from the public, District staff, or other agencies on sensitive issues in area of responsibility.
- Operate office equipment including computers and supporting word processing, spreadsheet, and database applications.
- Communicate clearly and concisely, both orally and in writing.
- Establish and maintain effective professional working relationships with those contacted in the course of work.

EDUCATION AND/OR EXPERIENCE:

The following combination of education and experience providing the required knowledge and abilities is qualifying:

Minimum Education: Bachelor's degree from an accredited college or university with major coursework in finance or accounting.

And;

Three (3) years of increasingly responsible experience in professional governmental accounting and personnel recordkeeping activities.

LICENSE AND/OR CERTIFICATES:

Possession of the category of California Driver's license required by the State Department of Motor Vehicles to perform the essential duties of the position. Continued maintenance of a valid driver's license, insurability, and compliance with established District vehicle operation standards are a condition of continuing employment.

OTHER SKILLS AND ABILITIES:

Knowledge of supervisory principles and practices; operation, administration, policies and procedures relating to government administration and finance; data management including word processing, spreadsheet and data-base principles.

PHYSICAL DEMANDS:

Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone.

Standing in and walking between work areas is frequently required. Finger dexterity is needed to access, enter, and retrieve data using a computer keyboard or calculator and to operate standard office equipment. Positions in this classification frequently bend, stoop, kneel, and reach to perform assigned duties, as well as push and pull drawers open and closed to retrieve and file information. Employees must possess the ability to lift, carry, push, and pull materials and objects up to 25 pounds with the use of proper equipment.

WORK ENVIRONMENT:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made on a case-by-case basis to enable individuals with disabilities to perform the essential functions.

Employees work in an office environment with controlled temperature conditions and no direct exposure to hazardous physical substances. Employees may interact with upset staff and/or public

and private representatives in interpreting and enforcing departmental policies and procedures. The noise level in the work environment is usually quiet.

DRAFT

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

ACCOUNTING MANAGER

DEPARTMENT: ADMINISTRATION

FLSA OVERTIME STATUS: EXEMPT

BARGAINING UNIT: N/A

APPROVED BY BOARD OF DIRECTORS – 05-19-2021

SUMMARY:

Assists in planning, directing, managing, and overseeing the activities and operations of the Administration Department including general accounting, grant accounting, budgeting, purchasing, utility billing, centralized cashiering, and treasury functions and services; coordinates assigned activities with other departments and outside agencies; provides highly responsible and complex administrative support to the Director of Administration. Under direction, supervises, assigns, reviews, and participates in the work of staff responsible for professional accounting and fiscal work; ensures work quality and adherence to established policies and procedures; and performs the more technical and complex tasks relative to the assigned area of responsibility.

SUPERVISION: Receives general supervision from the Director of Administration.

ESSENTIAL DUTIES AND RESPONSIBILITIES include the following. These are not to be construed as exclusive or all-inclusive. Other duties may be required and assigned.

- Oversee the accounting functions and ensure proper accounting treatment with Generally Accepted Accounting Principles (GAAP) according to the Government Accounting Standards Board (GASB);
- Establish and maintain financial policies to ensure proper accounting treatment and consistency;
- Develop and implement divisional goals, objectives, policies and procedures;
- Plan, organize, direct and coordinate accounting activities including financial reporting systems, audits, cash and investments, accounts payable/receivable, payroll, grants, capital assets, and bond financing and monitoring activities;
- Direct, oversee and participate in the development of the Administration work plan; assign work activities, projects and programs; monitor workflow; review and evaluate work products, methods and procedures;

- Assist in District budget development; assist in budget implementation; administer approved budget; participate in the forecast of additional funds needed for staffing, equipment, materials, supplies, and services for the District.
- Recommend the appointment of personnel; provide or coordinate staff training; conduct performance evaluations; implement discipline procedures as required; maintain discipline and high standards necessary for the efficient and professional operation of the department;
- Develop, monitor, and review complex financial calculations, reconciliations, and reports of the District's financial data;
- Ensure that internal controls are proper and operate efficiently and suggest improvements to internal controls as processes change;
- Oversee and manage the District's accounting operations including financial record keeping and reporting methods, control systems, and related internal and external audits; manage and coordinate the District's financial reporting, including the Annual Financial Report; coordinate the preparation and maintenance of the District's accounting structure including the chart of accounts;
- Manage the Administration division expectations for year-end close and complete all detailed schedules and information to ensure the external audit is completed accurately and on schedule;
- Review and analyze Community Facility District and District bond structures, including procedures for issuance and re-payment; determine future value/cost of money and indebtedness and make related recommendations; oversee bond activities and required disclosures; oversee cash management and support investment activities;
- Participate in and oversee District-wide enterprise resources planning system; manage and implement upgrades to the system. Participate in the implementation of new systems and collaborate on decisions regarding the integration and proper accounting treatment of transactions from secondary systems;
- Ensure the financial processes and procedures are efficient and effective and suggest improvements when necessary;
- Research and prepare technical and administrative reports; prepare written correspondence;
- Build and maintain positive working relationships with District employees and the public using principles of good customer service;

- Perform related duties as assigned.

QUALIFICATION REQUIREMENTS:

Knowledge of:

Principles and practices of public agency financial management including general and governmental accounting, fund accounting, general ledger accounting, payroll, budgeting, auditing, and reporting functions as well as Generally Accepted Accounting Principles (GAAP) and Generally Accepted Auditing Standards (GAAS).

- Principles and practices of automated financial systems.
- Principles of governmental budget preparation and control.
- Revenues and expenditures of the District for cash flow projections.
- Principles and practices related to the processing of payroll information, computerized payroll systems, and maintenance of payroll records.
- Pertinent laws, rules, and regulations related to payroll.
- Debt financing and accounting.
- Public fund investing principles and practices.
- Principles and procedures of record keeping.
- Principles of business letter writing and report preparation.
- Office procedures, methods, and equipment including computers and applicable software applications such as word processing, spreadsheets, and databases.
- Pertinent federal, state, and local laws, codes, and regulations.

Ability to:

- Assign, review, plan coordinate and guide the work of other employees: evaluate the work of employees and assist in the preparation of performance evaluations; promote staff development; train staff and analyze problems
- Examine and verify financial documents, reports, and transactions.

- Prepare a variety of budgets, financial statements, reports, and analyses.
- Analyze, post, balance, and reconcile financial data, ledgers, and accounts.
- Analyze and draw conclusions from financial data.
- Interpret financial data and recognize accounts that need detailed investigation.
- Oversee and coordinate District payroll processing.
- Understand the organization and operation of the District and of outside agencies as necessary to assume assigned responsibilities.
- Understand, interpret, and apply general and specific administrative and departmental policies and procedures as well as applicable federal, state, and local policies, laws, and regulations.
- Participate in the preparation and administration of assigned budgets.
- Prepare clear and concise reports.
- Analyze complex issues, evaluate alternatives, and reach sound conclusions.
- Manage multiple projects simultaneously and be sensitive to changing priorities and deadlines.
- Plan and organize work to meet changing priorities and deadlines.
- Effectively represent the District to outside individuals and agencies to accomplish the goals and objectives of the District.
- Work collaboratively and cooperatively with other departments, District officials, and outside agencies.
- Exercise good judgment and maintain confidentiality in maintaining critical and sensitive information, records, and reports.
- Interpret, explain and apply laws, rules, regulations, and ordinances related to payroll.
- Respond tactfully, clearly, concisely and appropriately to inquiries from the public, District staff, or other agencies on sensitive issues in area of responsibility.
- Operate office equipment including computers and supporting word processing,

spreadsheet, and database applications.

- Communicate clearly and concisely, both orally and in writing.
- Establish and maintain effective professional working relationships with those contacted in the course of work.

EDUCATION AND/OR EXPERIENCE:

The following combination of education and experience providing the required knowledge and abilities is qualifying:

Education

A Bachelor's degree from an accredited college or university with major course work in finance, accounting, public administration, business administration, or a related field. A Master's degree in Accounting or Business Administration or Public Policy and Administration is highly desirable.

Possession of an active Certified Public Accountant (CPA) license.

And

Three (3) years of administrative and supervisory responsibility.

LICENSE AND/OR CERTIFICATES: Possession of the category of California Driver's license required by the State Department of Motor Vehicles to perform the essential duties of the position. Continued maintenance of a valid driver's license, insurability, and compliance with established District vehicle operation standards are a condition of continuing employment.

PHYSICAL DEMANDS:

Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone.

Standing in and walking between work areas is frequently required. Finger dexterity is needed to access, enter, and retrieve data using a computer keyboard or calculator and to operate standard office equipment. Positions in this classification frequently bend, stoop, kneel, and reach to perform assigned duties, as well as push and pull drawers open and closed to retrieve and file information. Employees must possess the ability to lift, carry, push, and pull materials and objects up to 25 pounds with the use of proper equipment.

WORK ENVIRONMENT: The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made on a case-by-case basis to enable individuals with disabilities to

perform the essential functions.

Employees work in an office environment with controlled temperature conditions and no direct exposure to hazardous physical substances. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing departmental policies and procedures. The noise level in the work environment is usually quiet.

DRAFT

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

DIRECTOR OF OPERATIONS

DEPARTMENT: WATER/WASTEWATER/DRAINAGE

FLSA OVERTIME STATUS: EXEMPT

BARGAINING UNIT: N/A

APPROVED BY BOARD OF DIRECTORS – 05/21/2014 REVISED 05/19/2021

SUMMARY: With direction from the General Manager, plans, organizes and directs the District's Operations and Maintenance Department; establishes goals, objectives and measurement indicators for the department; establishes internal policies and procedures related to departmental activities; through subordinate managers and supervisors, directs the work of staff engaged in distribution maintenance and construction, water treatment and production, water quality, facility maintenance, environmental compliance, laboratory services, and ensures the effectiveness of departmental programs; provides responsible advice and counsel to the Board, General Manager, and District managers on a variety of issues; participates in the Executive Management team to develop District-wide policies and procedures and to advance the goals and mission of the District; provides highly responsible administrative staff assistance to the General Manager; represents the District to outside groups and organizations; serves as District liaison on various inter-agency coordination projects; and performs other related work as required.

SUPERVISION: Receives general supervision from the General Manager. Provides direct supervision over Chief Plant Operator and Utility Supervisor, and staff thereunder.

ESSENTIAL DUTIES AND RESPONSIBILITIES include the following. These are not to be construed as exclusive or all-inclusive. Other duties may be required and assigned.

- Plans, organizes, coordinates and directs a wide variety of water distribution and treatment, wastewater collection, treatment, and tertiary reclamation plant operations, reclaimed water distribution and management, storm water management (small MS4), flood control, levees and drainage, raw water deliveries and storage, including operation and maintenance of earth-filled dams, drainage systems, lakes and reservoirs, capital and operational construction and maintenance projects, functions of the District;
- Directs and participates in the development of goals, objectives, rules, policies and operating procedures for field operations, develops long range strategic and financial goals for the department;
- Coordinates preparation of the annual budget request for the Operations and Maintenance Department; reviews staffing, equipment, and supply needs based upon recent trends and planned activities; monitors expenditures after budget adoption to

ensure efficient operations; approves the requisition of materials, supplies, and equipment;

- Maintains water rights permits and oversees preparation of periodic reports to Federal, State, County and local agencies;
- Monitors potential impacting legislative and regulatory activities and coordinates with District's external representative(s) and other internal and external stakeholders as appropriate in order to protect the interests of the District;
- Studies and recommends technology, procedures, and practices to improve operational efficiency; evaluates alternatives for performing needed work; attends project review meetings to evaluate progress of ongoing construction or maintenance activities, coordinates and routinely inspects construction and maintenance work performed by contractors, prepares cost estimates and specifications for outside contract work including Capital Improvement Projects;
- Recommends selection of operations and maintenance consultants; oversees the coordination and management of consultants providing engineering and information technology services to the department;
- Establishes and oversees comprehensive programs for preventive maintenance, work safety, training and energy conservation;
- Attends Board of Directors and Board Committee meetings; prepares and presents staff reports and agenda items for consideration by the Board; serves as advisor to the General Manager and Board regarding operations and maintenance issues;
- Provides technical information, advice, and consultation to the District Board and General Manager on water, wastewater, recycled water, and drainage activities;
- Directs the preparation and prepares a variety of reports related to operations, functions, and activities;
- Visits District facilities and job sites to oversee work in progress and provide needed direction; responds to major emergencies during and after hours as needed; directs the investigation and correction of customer and operational complaints within areas of operations, responds to sensitive citizen inquiries and complaints concerning operations and activities;
- Ensures that long-term training objectives are established and implemented so that staff possess the depth of technical skills and knowledge necessary to maintain effective and efficient operations as well as for succession planning management;

- Serves on District or community committees as assigned.

QUALIFICATION REQUIREMENTS:

To perform this job successfully, an individual must be able to administer and manage the operations of the water, wastewater, and drainage functions and to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required.

Knowledge of the principles and methods of water distribution, water treatment, and wastewater treatment, collections, operations and maintenance. Knowledge of the principles of organization and management; principles of supervision, training, and effective personnel management; budgetary and job costing practices. Familiarity of safety programs and practices related to the control and use of hazardous materials and substances, confined space entry and related safety issues. Knowledge of energy conservation programs and practices. Familiarity and ability to comprehend and apply applicable Federal, State, county and local environmental regulations.

SUPERVISORY RESPONSIBILITIES:

Ability to assign, review, plan, coordinate and guide the work of other employees; recommend the transfer, promotion, salary increase, discipline or discharge of staff; evaluate the work of employees and prepare performance appraisals; promote staff development and motivation and to train staff; analyze problems that arise in the areas under supervision and recommend solutions; preparation procedures and processes for tracking and evaluating the budget through the year.

Ability to use independent judgment in fairly non-routine situations, such as, but not limited to: water leaks, calculating anticipated revenue and/or expenditures and ensuring adequate supervision of programs.

EDUCATION:

Bachelors of Science degree in civil/environmental engineering, public/business administration, chemistry, natural sciences or related field preferred.

Registration with the State of California as a Professional Engineer is highly desirable.

EXPERIENCE: Eight (8) years effective Water and Wastewater utility administration experience including supervision, budget preparation, personnel management, operations and maintenance analysis, and analytical report preparation including four (4) years in a supervisory or management capacity.

LICENSE AND/OR CERTIFICATES:

Possession of the category of a current California Driver's license required by the State Department of Motor Vehicles to perform the essential duties of the position. Continued maintenance of a valid driver's license, insurability, and compliance with established District vehicle operation standards are conditions of continuing employment.

Possession and maintenance of a Grade 4 Wastewater Plant Operator's Certificate of Competence issued by the California State Water Resources Control Board within 18 months of entering this position is required, and;

Possession and maintenance of a Grade 3 Water Treatment Operator's Certificate required by the California Department of Health Services within 18 months of entering this position is required.

RECOMMENDED CERTIFICATES:

Possession and maintenance of a Grade 1 Laboratory Certificate issued by either the CWEA or the AWWA.

Possession and maintenance of a Grade 1 Collection System Maintenance Certificate issued by either the CWEA or AWWA.

Possession of California Department of Pesticide Regulation – Qualified Applicator’s certification for aquatics, roadsides & right-of-ways, and sewer collection root control.

OTHER SKILLS AND ABILITIES:

Knowledge of supervisory principles and practices; Operation, administration, policies and procedures relating to governmental administration and finance; operate a computer at a skill level and with the degree of accuracy to meet job requirements; data management including word processing, spreadsheet and data base principles; Methods of preparing and monitoring annual budgets.

Ability to work with and communicate clearly with various Federal, State, County and local regulatory agencies, build and maintain a good working relationship with the applicable agencies.

PHYSICAL DEMANDS:

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job.

While performing the duties of this job, the employee is regularly required to sit, talk, and hear. The employee frequently is required to walk. The employee is occasionally required to stand; use hands to manipulate, handle, and feel objects, tools, and controls; reach with hands and arms; climb and balance; and taste and smell. The employee may be exposed to extreme dampness, heights and vibrations.

The employee must occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, and depth perception.

WORK ENVIRONMENT:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee may occasionally work near moving mechanical parts and in outside weather conditions and may occasionally be exposed to wet and/or humid conditions, toxic or caustic chemicals, biological hazards, vibration, and risk of electrical shock.

The noise level in the work environment is usually moderate.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

DIRECTOR OF ~~FIELD OPERATIONS~~

DEPARTMENT: WATER/WASTEWATER/DRAINAGE

FLSA OVERTIME STATUS:-
EXEMPT
BARGAINING UNIT: N/A

APPROVED BY BOARD OF DIRECTORS -- 05-21-2014
REVISED 05/19/2021

SUMMARY: ~~To plan, organize, coordinate and direct the operations and maintenance of water, wastewater and drainage functions of the District; to supervise, train and evaluate staff; to coordinate the construction and maintenance work of outside contractors.~~ With direction from the General Manager, plans, organizes and directs the District's Operations and Maintenance Department; establishes goals, objectives and measurement indicators for the department; establishes internal policies and procedures related to departmental activities; through subordinate managers and supervisors, directs the work of staff engaged in distribution maintenance and construction, water treatment and production, water quality, facility maintenance, environmental compliance, laboratory services, and ensures the effectiveness of departmental programs; provides responsible advice and counsel to the Board, General Manager, and District managers on a variety of issues; participates in the Executive Management team to develop District-wide policies and procedures and to advance the goals and mission of the District; provides highly responsible administrative staff assistance to the General Manager; represents the District to outside groups and organizations; serves as District liaison on various inter-agency coordination projects; and performs other related work as required.

SUPERVISION: Receives general supervision from the General Manager. Provides direct supervision over Chief Plant Operator and Utility Supervisor, and staff thereunder.

ESSENTIAL DUTIES AND RESPONSIBILITIES include the following. These are not to be construed as exclusive or all-inclusive. Other duties may be required and assigned.

- Plans, organizes, coordinates and directs a wide variety of water distribution and treatment, wastewater collection, systems and treatment, and tertiary reclamation plant operations, reclaimed water distribution and management, storm water management (small MS4), flood control, levees and drainage, raw water deliveries and ~~treated effluent~~ storage, including operation and maintenance of earth-filled dams, drainage systems, levees, lakes and reservoirs, capital and operational

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construction and maintenance projects, functions of the District;

- directs and participates in the development of goals, objectives, rules, policies and operating procedures for field operations, develops long range strategic and financial goals for the department;
- Coordinates preparation of the annual budget request for the Operations and Maintenance Department; reviews staffing, equipment, and supply needs based upon recent trends and planned activities; monitors expenditures after budget adoption to ensure efficient operations; approves the requisition of materials, supplies, and equipment prepares departmental budget requests and controls expenditures; coordinates the activities of the department with other District departments;
- Maintains water rights permits and oversees preparation of periodic reports to Federal, and State, County and local agencies;
- Monitors potential impacting legislative and regulatory activities and coordinates with District's external representative(s) and other internal and external stakeholders as appropriate in order to protect the interests of the District;
- Studies and recommends technology, procedures, and practices to improve operational efficiency; evaluates alternatives for performing needed work; attends project review meetings to evaluate progress of ongoing construction or maintenance activities, coordinates and routinely inspects construction and maintenance work performed by contractors, prepares cost estimates and specifications for outside contract work including Capital Improvement Projects;
- coordinates and routinely inspects construction and maintenance work performed by contractors;
- establishes and oversees comprehensive programs for preventive maintenance, work safety, training and energy conservation;
- Recommends selection of operations and maintenance consultants; oversees the coordination and management of consultants providing engineering and information technology services to the department;-
- Establishes and oversees comprehensive programs for preventive maintenance, work safety, training and energy conservation;

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- ~~approves the requisition of materials, supplies, and equipment;~~
- ~~attends meetings of the District Board of Directors; prepares detailed staff reports and makes presentations to the board~~ Attends Board of Directors and Board Committee meetings; prepares and presents staff reports and agenda items for consideration by the Board; serves as advisor to the General Manager and Board regarding operations and maintenance issues;
- ~~Provides technical information, advice, and consultation to the District Board and General Manager on water, wastewater, recycled water, and drainage activities of problems;~~
- ~~Directs the preparation and prepares a variety of reports related to operations, functions, and activities;~~
- ~~Visits District facilities and job sites to oversee work in progress and provide needed direction; responds to major emergencies during and after hours as needed; directs the investigation and correction of customer and operational complaints within areas of operations,~~ responds to sensitive citizen inquiries and complaints concerning operations and activities;
- ~~serves on District or community committees as assigned;~~
- ~~Ensures that long-term training objectives are established and implemented so that staff possess the depth of technical skills and knowledge necessary to maintain effective and efficient operations as well as for succession planning management; develops long range strategic and financial goals for the department,~~
- Serves on District or community committees as assigned.

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QUALIFICATION REQUIREMENTS:

To perform this job successfully, an individual must be able to administer and manage the operations of the water, wastewater, and drainage functions and to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required.

Knowledge of the principles and methods of water distribution, water treatment, and wastewater treatment, collections, operations and maintenance. Knowledge of the principles of organization and management; principles of supervision, training, and effective personnel management; budgetary and job costing practices. Familiarity of safety programs and practices related to the control and use of hazardous materials and substances, confined space entry and related safety issues. Knowledge of energy conservation programs and practices. Familiarity and ability to comprehend and apply applicable Federal, State, county and local environmental regulations.

SUPERVISORY RESPONSIBILITIES:

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Ability to assign, review, plan, coordinate and guide the work of other employees; recommend the transfer, promotion, salary increase, discipline or discharge of staff; evaluate the work of employees and prepare performance appraisals; promote staff development and motivation and to train staff; analyze problems that arise in the areas under supervision and recommend solutions; preparation procedures and processes for tracking and evaluating the budget through the year.

Ability to use independent judgment in fairly non-routine situations, such as, but not limited to: water leaks, calculating anticipated revenue and/or expenditures and ensuring adequate supervision of programs.

EDUCATION:

Bachelors of Science degree in civil/environmental engineering, public/business administration, chemistry, natural sciences or related field preferred.

Registration with the State of California as a Professional Engineer is highly desirable.

EXPERIENCE: ~~Eight~~~~Four~~ (4) years effective Water and Wastewater utility administration experience including supervision, budget preparation, personnel management, operations and maintenance analysis, and analytical report preparation including ~~four~~~~two~~ (42) years in a supervisory or management capacity.

LICENSE AND/OR CERTIFICATES:

Possession of the category of a current California Driver's license required by the State Department of Motor Vehicles to perform the essential duties of the position. Continued maintenance of a valid driver's license, insurability, and compliance with established District vehicle operation standards are conditions of continuing employment.

Possession and maintenance of a Grade ~~3~~4 Wastewater Plant Operator's Certificate of Competence issued by the California State Water Resources Control Board within 18 months of entering this position is required, and;

Possession and maintenance of a Grade 3 Water Treatment Operator's Certificate required by the California Department of Health Services within 18 months of entering this position is required.

RECOMMENDED CERTIFICATES:

Possession and maintenance of a Grade 1 Laboratory Certificate issued by either the CWEA or the AWWA.

Possession and maintenance of a Grade 1 Collection System Maintenance Certificate issued by either the CWEA or AWWA.

Possession of California Department of Pesticide Regulation – Qualified Applicator’s certification for aquatics, roadsides & right-of-ways, and sewer collection root control.

OTHER SKILLS AND ABILITIES:

Knowledge of supervisory principles and practices; Operation, administration, policies and procedures relating to governmental administration and finance; operate a computer at a skill level and with the degree of accuracy to meet job requirements; data management including word processing, spreadsheet and data base principles; Methods of preparing and monitoring annual budgets.

Ability to work with and communicate clearly with various Federal, State, County and local regulatory agencies, build and maintain a good working relationship with the applicable agencies.

PHYSICAL DEMANDS:

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job.

While performing the duties of this job, the employee is regularly required to sit, talk, and hear. The employee frequently is required to walk. The employee is occasionally required to stand; use hands to manipulate, handle, and feel objects, tools, and controls; reach with hands and arms; climb and balance; and taste and smell. The employee may be exposed to extreme dampness, heights and vibrations.

The employee must occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, and depth perception.

WORK ENVIRONMENT:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee may occasionally work near moving mechanical parts and in outside weather conditions and may occasionally be exposed to wet and/or humid conditions, toxic or caustic chemicals, biological hazards, vibration, and risk of electrical shock.

The noise level in the work environment is usually moderate.

Attachment B - Salary Schedule

CURRENT						
Classification	Range A	Range B	Range C	Control Point Range D	Range E	Range F
Accounting Supervisor	67,140	70,497	80,568	84,596	88,826	93,268
Controller	77,724	81,610	93,276	97,940	102,837	107,979
Accounting Assistant I	45,946	48,243	50,655	53,188	55,847	58,640
Office Assistant I	35,108	36,863	38,706	40,642	42,674	44,807
Total				286,339		315,689

PROPOSED						
Classification	Range A	Range B	Range C	Control Point Range D	Range E	Range F
Accountant	59,882	62,876	66,020	69,321	72,787	76,426
Accounting Manager	106,119	111,425	116,996	122,846	128,988	135,437
Accounting Technician	51,051	53,603	56,283	59,097	62,052	65,155
Office Technician	38,619	40,549	42,577	44,706	46,941	49,288
Total				295,970		326,306
Increase				9,630		10,617

16 – Water to RMCC Golf Course Pending

MEMO

Date: May 14, 2021
To: Board of Directors
From: Ron Greenfield, Acting Director of Field Operations
Subject: Emergency Water Treatment Plant Drying Bed Rehab

BACKGROUND

The “Back-Right” drying bed located at the water treatment plant was constructed around 1974, when Plant One was constructed. In 1989, plant two was built. There are no records indicating if the drying bed was rehabbed at that time.

The drying bed recently failed and would no longer filter the backwash water at the required rate for the upcoming summer months.

Utility staff investigated the problem and found several issues which required immediate attention. The primary issues are:

1. Filtration sand was packed and no longer allows for proper percolation
2. Gravel was packed with sludge which also prevented percolation
3. Drainpipes were cracked, and drain holes plugged

CURRENT SITUATION

Domenichelli and Associates, the Districts’ Engineering firm, came on-site to assess the issues and gave RMCS D recommendations for what to do in order to rehab the drying bed to return it to a functional condition. The recommended scope of work to be performed is.

1. Clean drying bed back to the asphalt base
2. Patch and repair all asphalt on the floor of the drying bed
3. Replace drainpipe
4. Replace gravel
5. Replace sand.

SUMMARY

Based on a request from the Chief Plant Operator, Domenichelli and Associates developed a plan sheet for the proposed solution. Due to the need for emergency repairs, District staff has received a bid for work to be completed by M3 Construction, Inc., in the amount of \$64,532. The work performed adheres to Domenichelli and Associates’ recommendations. The plan sheet from Domenichelli and Associates and the quote from M3 are included with this memo.

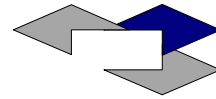
This was a five-day project and was started on May 6, 2021 and finished on May 12, 2021. The Improvements recommended ratification of this contract and payment.

ACTION REQUIRED

Board approval of contract with M3 Construction for the emergency repair. Funding to come from Water Treatment Plant Reserves.



M-3 CONSTRUCTION, INC.



Phone (209) 245-5254

CLN 323961

DIR 1000061036

May 5, 2021

Ron Greenfield
Utilities Supervisor
Rancho Murieta CSD
15160 Jackson Road
Rancho Murieta, CA 95683

Re: IFB for Southwest Solids Drying Bed Emergency Rehabilitation
Rancho Murieta Water Treatment Plant

Dear Mr. Greenfield,

Pursuant to your invitation and our subsequent site inspection on 4/29/21, our price to perform the following work scope in accordance with the plan and specifications is:

Labor	19,487.00
Equipment	10,935.00
Materials	<u>34,110.00</u>
Total	\$64,532.00

Work Scope:

1. Install temporary plug as needed to block water intrusion from the adjacent drying bed.
2. Remove and dispose of existing 4" terra cotta drain tiles.
3. Clean surfaces of existing drying bed, inspect substrate for damage, and perform *minimal* repairs as needed. Off-haul excavated material to stockpile at RMCSO WWTP.
4. Furnish, place, and compact new 9" layer of class II aggregate base.
5. Furnish and install new 4" C900 perforated drain laterals in fabric wrapped gravel envelope.
6. Furnish and place new 12" layer of Silica Products #20 filtration sand.

We anticipate this work will require 5 working days to complete.

Thank you for this opportunity. Please advise if we can be of further service.

Respectfully,

M-3 Construction, Inc.

Ray MacClanahan
President