



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 JACKSON ROAD
RANCHO MURIETA, CA 95683
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AGENDA

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

REGULAR BOARD OF DIRECTORS MEETINGS ARE HELD
3rd Wednesday of Each Month

REGULAR BOARD MEETING

March 19, 2014

Closed Session 4:00 p.m. * Open Session 5:00 p.m.

RMCS D Administration Building – Board Room

15160 Jackson Road

Rancho Murieta, CA 95683

BOARD MEMBERS

Gerald Pasek	President
Roberta Belton	Vice President
Betty Ferraro	Director
Paul Gumbinger	Director
Michael Martel	Director

STAFF

Edward R. Crouse	General Manager
Darlene Gillum	Assistant General Manager
Greg Remson	Security Chief
Paul Siebensohn	Director of Field Operations
Suzanne Lindenfeld	District Secretary

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING
March 19, 2014

Closed Session 4:00 p.m. - Open Session 5:00 p.m.

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

AGENDA

	RUNNING TIME
1. CALL TO ORDER - Determination of Quorum - President Pasek (Roll Call)	4:00
2. ADOPT AGENDA (<i>Motion</i>)	4:05
3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES (<i>5 min.</i>)	4:10
4. CLOSED SESSION	4:15
<i>Under Government Code section 54956.8: Conference with Real Property Negotiators – Real Property APN 128-0080-067 and APN 128-0100-029. Real Property Agency Negotiator: Darlene Gillum, Assistant General Manager. Negotiating Party: Cosumnes River Land, LLC and Rancho Murieta Properties, LLC. Under Negotiation: Price and Terms.</i>	
<i>Under Government Code 54957: Public Employee Appointment: Title: District General Counsel.</i>	
<i>Under Government Code 54957: Public Employee Employment: Title: General Manager.</i>	
5. OPEN SESSION	5:00
<i>The Board will discuss items on this agenda, and may take action on those items, including informational items and continued items. The Board may also discuss other items that do not appear on this agenda, but will not act on those items unless action is urgent, and a resolution is passed by a two-thirds (2/3) vote declaring that the need for action arose after posting of this agenda.</i>	
<i>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.</i>	








- 6. REPORT ACTION FROM CLOSED SESSION** 5:05
- 7. COMMENTS FROM THE PUBLIC** 5:10
Members of the public may comment on any item of interest within the subject matter jurisdiction of the District and any item specifically agendized. Members of the public wishing to address a specific agendized 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 agendized item, as a courtesy, please state your name and address, and reserve your comments to no more than 3 minutes so that others may be allowed to speak.*
- 8. CONSENT CALENDAR (Motion) (Roll Call Vote) (5 min.)** 5:15
All the following items in Agenda Item 8 will be approved as one item if they are not excluded from the motion adopting the consent calendar.
- a. Approval of Board Meeting Minutes**
 - 1. February 19, 2014 Regular Board Meeting
 - 2. March 7, 2014 Special Board Meeting
 - b. Committee Meeting Minutes (Receive and File)**
 - 1. February 27, 2014 Improvements Committee Meeting
 - 2. March 7, 2014 Security Committee Meeting
 - 3. March 10, 2014 Finance Committee Meeting
 - c. Approval of Bills Paid Listing**
- 9. STAFF REPORTS (Receive and File) (5 min.)** 5:20
- a.** General Manager’s Report
 - b.** Administration/Financial Report
 - c.** Security Report
 - d.** Water/Wastewater/Drainage Report
- 10. CORRESPONDENCE (5 min.)** 5:25
- 11. RECEIVE DROUGHT UPDATE (Discussion/Action) (5 min.)** 5:30
- 12. RECEIVE WATER TREATMENT PLANT EXPANSION PROJECT UPDATE (Discussion/Action) (10 min.)** 5:35
- 13. APPROVE HDR PROPOSAL FOR ENGINEERING SERVICES DURING CONSTRUCTION (Discussion/Action) (Motion) (10 min.)** 5:45
- 14. RECEIVE FIELD OPERATIONS ANNUAL REPORT – PRESENTATION BY PAUL SIEBENSOHN, DIRECTOR OF FIELD OPERATIONS (Discussion/Action) (15 min.)** 5:55

15. **APPROVE PAYMENT OF ADDITIONAL COSTS FOR MAIN LIFT NORTH PROJECT** 6:10
- a. Invoice from Bay Area Coating Consultant Services, Inc.
(Discussion/Action) **(Motion)** (5 min.)
 - b. Invoice from Prodigy Electric (Discussion/Action) **(Motion)** (5 min.)
16. **APPROVE CHEMICAL PURCHASE CONTRACTS** (Discussion/Action) **(Motion)** (5 min.) 6:20
17. **PRESENT 2014/2015 DRAFT BUDGET** (Discussion/Action) (30 min.) 6:25
- a. Presentation of 2014/2015 Draft Budget
 - b. Authorize Staff to Mail Proposed Rate Increase and Notice of Hearing
 - c. Schedule Budget Hearing for May 21, 2014
18. **RECEIVE OPEB ACTUARIAL STUDY** (Discussion/Action) (5 min.) 6:55
19. **REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES** 7:00
(Discussion/Action) **(Motion)** (5 min.)
20. **REVIEW MEETING DATES/TIMES FOR THE FOLLOWING:** (5 min.) 7:05

Next Regular Board Meeting: April 16, 2014

Special Board Meeting: March 31, 2014 @ 9:30 a.m.

Committee Meeting Schedule:

 Security	March 28, 2014 at 9:30 a.m.
 Personnel	April 2, 2014 at 9:00 a.m.
 Improvements	April 3, 2014 at 8:30 a.m.
 Finance	April 3, 2014 at 9:30 a.m.
 Communications	April 4, 2014 at 9:00 a.m.
 Joint Security -	T.B.A.
 Parks -	T.B.A.

21. **COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF** 7:10
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.
22. **ADJOURNMENT** **(Motion)** 7:15

"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 72 hours prior to a regular 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."

Note: This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of this posting is March 14, 2014. Posting locations are: 1) District Office; 2) Plaza Foods; 3) Rancho Murieta Association; 4) Murieta Village Association.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Board of Directors Meeting

MINUTES

February 19, 2014

4:00 p.m. Closed Session * 5:00 p.m. Open Session

1. CALL TO ORDER/ROLL CALL

President Gerald Pasek called the regular meeting of the Board of Directors of Rancho Murieta Community Services District to order at 4:00 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Gerald Pasek, Betty Ferraro, Paul Gumbinger and Michael Martel. Also present were Edward R. Crouse, General Manager; Darlene Gillum, Assistant General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary. Director Belton was absent.

2. ADOPT AGENDA

President Pasek suggested Agenda Item 11 and 17 be moved up to follow Agenda Item 25. **Motion/Gumbinger** to adopt the agenda with the suggested changes. **Second/Ferraro. Ayes: Pasek, Ferraro, Gumbinger, and Martel. Noes: None. Absent: Belton**

3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES

None.

4. BOARD ADJOURNED TO CLOSED SESSION AT 4:02 P.M. TO DISCUSS THE FOLLOWING ITEMS:

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

Under Government Code 54957: Public Employee Appointment: Title: District General Counsel.

Under Government Code 54957: Public Employee Employment: Title: General Manager.

Director Belton arrived at 4:08 p.m.

5/6. BOARD RECONVENED TO OPEN SESSION AT 5:05 P.M. AND REPORTED THE FOLLOWING:

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

Under Government Code 54957: Public Employee Appointment: Title: District General Counsel. Nothing to report.

Under Government Code 54957: Public Employee Employment: Title: General Manager. Nothing to report.

7. COMMENTS FROM THE PUBLIC

Brad Sample, Magna Court, commented on his concerns regarding the problems with the pumps on February 9, 2014. Director Martel stated he had the same concern and Paul Siebensohn addressed the issue.

8. CONSENT CALENDAR

Motion/Gumbinger to adopt the consent calendar. **Second/Belton. Roll Call Vote: Ayes: Pasek, Belton, Ferraro, Gumbinger, and Martel. Noes: None.**

9. STAFF REPORTS

Under Agenda Item 9 d, Director Pasek commented on the graph not accurately showing the water level last year.

10. CORRESPONDENCE

Director Belton stated Adam Dubey feels the tiered pricing should be by person not by lot size.

12. APPROVE HDR PROPOSAL FOR ENGINEERING SERVICES DURING CONSTRUCTION (TAKEN OUT OF ORDER)

Ed Crouse stated he met with both HDR and Roebbelen Construction to review the proposal. Roebbelen will be the first point of contact for any Requests for Information and shop drawing submittals and will be on site to provide daily management oversight. HDR will visit periodically to observe, not for inspection or management.

Director Gumbinger stated that he feels the proposal is excess and should be around \$150,000. By consensus, the Board agreed to table this item and have staff go back to negotiate a lower price.

13. RECEIVE DROUGHT UPDATE

Paul Siebensohn gave a brief drought update. The reservoirs are currently at 77% of capacity. Director Pasek asked about the status of the Temporary Emergency Urgency Change. Paul stated that it was filed last Thursday and staff should be hearing back within 2 weeks.

Director Ferraro commented on her concern and the concern of others that Rancho Murieta Association (RMA) is taking water from Laguna Joaquin and trucking it over to water the Escuela fields. Paul Siebensohn stated that he will contact RMA.

Director Martel asked if RMA was doing anything to reduce their water use. Ed stated that they are by reducing irrigation to the townhomes, postponing the La Crosse field, reducing water use inside the RMA building, Stonehouse Park and Riverview Park, and cutting the hours of the spray park.

14. TIMED ITEM - PUBLIC HEARING TO ADOPT RESOLUTION 2014-04, A RESOLUTION ADOPTING A MITIGATED NEGATIVE DECLARATION FOR THE WATER TREATMENT PLANT EXPANSION PROJECT AND APPROVING THE PROJECT

Ed Crouse gave a brief summary of the recommendation to adopt Resolution 2014-04. Only two (2) comment letters were received; one (1) from the Regional Board and one (1) from Caltrans, of which neither required changes to the project or IS/MND..

President Pasek opened the hearing at 5:54 p.m. and asked for public comments. No comments.

President Pasek closed the hearing at 5:55 p.m.

Motion/Gumbinger to adopt Resolution 2014-04, a Resolution Adopting a Mitigated Negative Declaration for the Water Treatment Plant Expansion Project and Approving the Project, authorize the filing of a Notice of Determination under the California Environmental Quality Act (CEQA), and approve the Project. **Second/Martel. Roll Call Vote: Ayes: Pasek, Belton, Ferraro, Gumbinger, and Martel. Noes: None.**

15. ADOPT RESOLUTION 2014-03 DECLARING THE DISTRICT'S OFFICIAL INTENT TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF TAX EXEMPT SECURITIES

Darlene Gillum gave a brief summary of the recommendation to adopt Resolution 2014-03. In order for the District to be able to repay itself for Water Treatment Plant 1 Expansion expenditures by issuing tax exempt securities, the District must have a Resolution of Intent to Reimburse from Proceeds of Tax Exempt Securities adopted prior to expending funds that may be repaid. This resolution does not commit the District to issue any tax exempt securities.

Motion/Martel to adopt Resolution 2014-03, a Resolution declaring the official intent to reimburse expenditures from the proceeds of tax exempt securities. **Second/Gumbinger. Roll Call Vote: Ayes: Pasek, Belton, Ferraro, Gumbinger, and Martel. Noes: None.**

16. APPROVE DISTRICT'S PROP 218 NOTIFICATION REGARDING TIERED PRICING

Darlene Gillum gave a brief summary of the recommendation to approve the Prop 218 Notice for the tiered pricing. This does not commit the District to enforcing tiered pricing but does allow for the District to go forward if the Board elects to proceed with tiered pricing. The earliest the tiered pricing rates would be in effect would be the May 25, 2014 billing statements.

Adam Dubey commented on his feeling that the one size fits all tiered pricing structure is not fair and suggested a flat rate increase be charged to all customers.

Motion/Belton to approve the proposed tiered rate and drought surcharge pricing for implementation through the Prop 218 for implementation, effective with the May 25, 2014 billing cycle. **Second/Ferraro. Roll Call Vote: Ayes: Pasek, Belton, Ferraro, and Gumbinger. Noes: Martel.**

18. APPROVE TITLE 22 ENGINEERING REPORT AND REPORT OF WASTE DISCHARGE, AECOM CONTRACT AMENDMENT 1 (TAKEN OUT OF ORDER)

Ed Crouse gave a brief summary of the recommendation to approve the Contract Amendment 1. With AECOM having successfully submitted the Title 22 Engineering Report and Report of Waste Discharge (ROWD) on schedule and below budget, AECOM recommends using the remaining budget, for Regional Water Quality Control Board (Regional Board), California Department of Public Health (CDPH) and CV-SALTS permit negotiations and Rancho Murieta Country Club (RMCC) outreach.

Motion/Gumbinger to Approve Title 22 Engineering Report and Report of Waste Discharge, Amendment 1, allocating the remaining fee for Title 22 Engineering Report and Report of Waste Discharge to permit negotiations and Rancho Murieta Country Club outreach, in an amount not to exceed \$35,120. Funding to come from the approved existing budget from Sewer Replacement Reserves. **Second/Belton. Ayes: Pasek, Belton, Ferraro, Gumbinger, and Martel. Noes: None.**

19. APPROVE PROPOSAL FOR MASTER RECLAMATION PERMIT CEQA

Ed Crouse gave a brief summary of the recommendation to approve the proposal for the Master Reclamation Permit CEQA.

Motion/Gumbinger to approve the proposal from AECOM for CEQA compliance for the new Master Reclamation Permit, in an amount not to exceed \$88,258.00. Funding to come from Sewer Replacement Reserves. **Second/Martel. Ayes: Pasek, Belton, Ferraro, Gumbinger, and Martel. Noes: None.**

20. APPROVE PROPOSAL FOR UPDATING DISTRICT STANDARD CONSTRUCTION SPECIFICATIONS

Ed Crouse gave a brief summary of the recommendation to approve the proposal to update the District's Standard Construction Specifications, dated May 1, 1993, to reflect Sacramento County's most current standards as well as other requirements recommended by District staff.

Motion/Gumbinger to approve the proposal from AECOM for updating the District's Standard Construction Specifications (May 1, 1993) in an amount not to exceed \$61,930. Funding to come from Water, Sewer and Drainage Operating Budgets. **Second/Belton. Ayes: Pasek, Belton, Ferraro, Gumbinger, and Martel. Noes: None.**

21. APPROVE PROPOSAL FOR QUARTERLY AND ANNUAL GROUNDWATER MONITORING REPORTS AND SERVICES

Paul Siebensohn gave a brief summary of the recommendation to approve the proposal for quarterly and annual groundwater monitoring reports and services.

Motion/Gumbinger to approve the proposal from The Westmark Group for quarterly and annual groundwater monitoring reports and services in an amount not to exceed \$14,850.00. Funding to come from the Sewer Operating Budget. **Second/Ferraro. Ayes: Pasek, Belton, Ferraro, Gumbinger, Martel. Noes: None.**

Director Belton left at 6:52 p.m.

22. APPROVE PROPOSAL FROM DUNN ENVIRONMENTAL, INC., FOR PRODUCTION WELL CONSTRUCTION PLANS AND SPECIFICATIONS

Paul Siebensohn gave a brief summary of the recommendation to approve the proposal for well production and construction plans and specifications.

Motion/Gumbinger to approve the proposal from Dunn Environmental, Inc., for production well construction, in an amount not to exceed \$135,507. Funding to come from Water Supply

Augmentation Reserves. **Second/Ferraro. Ayes: Pasek, Ferraro, Gumbinger, Martel. Noes: None. Absent: Belton.**

The Board took a break at 6:56 p.m. and returned at 7:03 p.m.

23. APPROVE THE PROPOSED CASH FOR GRASS REBATE PROGRAM

Ed Crouse gave a brief summary of the recommendation to approve the Cash for Grass Rebate Program but to delay implementation. After a discussion, the Board, by consensus, agreed to table this item.

Director Martel asked that staff contact RMA to review and comment on the program.

24. ADOPT RESOLUTION 2014-02, CALLING THE GENERAL DISTRICT ELECTION

Suzanne Lindenfeld gave a brief summary of the recommendation to adopt Resolution 2014-02.

Motion/Martel to adopt Resolution 2014-02, a resolution calling the General District Election for the purpose of electing three (3) Directors to the Rancho Murieta Community Services District's Board of Directors. **Second/Ferraro. ROLL CALL VOTE: Ayes: Pasek, Ferraro, Gumbinger and Martel. Noes: None. Absent: Belton.**

25. APPROVE ADDITIONAL COSTS FOR MAIN LIFT NORTH PROJECT

a. Additional Inspection Costs - Bay Area Coating Consultant Services, Inc.

Paul Siebensohn gave a brief summary of the recommendation to approve payment of the additional inspection fees for the Main Lift North Project.

Motion/Ferraro to approve payment of the invoices from Bay Area Coating Consultant Services, Inc., for additional inspection costs for Main Lift North Project, in an amount not to exceed \$12,530. Funding to come from Sewer Replacement Reserves, CIP #12-04-2. **Second/Martel. Ayes: Pasek, Ferraro, Gumbinger and Martel. Noes: None. Absent: Belton.**

b. Additional Repair Costs - Sholl Construction Company, Inc.

Paul Siebensohn gave a brief summary of the recommendation to approve payment of the additional repair costs for the Main Lift North Project.

Motion/Gumbinger to approve payment of invoice from Sholl Construction Company, Inc. for additional repair costs for the Main Lift North Project, in an amount not to exceed \$4,689. Funding to come from Sewer Replacement Reserves, CIP#12-04-2. **Second/Ferraro. Ayes: Pasek, Ferraro, Gumbinger and Martel. Noes: None. Absent: Belton.**

11. RECEIVE WATER TREATMENT PLANT EXPANSION PROJECT UPDATE

Ed Crouse gave a brief update on the Water Treatment Plant Project. The Initial Study/Mitigated Negative Declaration (IS/MND) was sent to the state Clearinghouse in early January. Only two (2) form letter type responses were received of which neither required any changes to the project or IS/MND.

The project bid opening was extended to February 21, 2014, to allow the contractors more time to bid. A Special Board meeting is scheduled for February 28 to award contracts.

Final compilation of the GE contract documents is complete and waiting for signatures, following award of the trade contracts.

17. SECURITY DEPARTMENT ANNUAL REPORT - PRESENTATION BY GREG REMSON, SECURITY CHIEF

Chief Remson gave his annual presentation of the Security Department for 2013. The items covered in the presentation include: gate operations, patrol operations, calls for service, patrol time, and the James L. Noller Safety Center. A question and answer period followed.

26. RECEIVE UPDATE ON AIRPORT PROPERTIES

Ed Crouse gave a brief update on the airport properties. They are still pursuing building permits from Sacramento County for the hangar project. Staff completed a review of the onsite utility plan and approved it in January. Staff has determined the costs for unauthorized water and sewer use. After reviewing the water and sewer codes, it was determined the misdemeanor fines are beyond the District's authority to assess. Jonathan Hobbs, District General Counsel, stated that to file misdemeanor charges it must go through the District Attorney's Office.

It was also discovered that the airport is exempt from the water supply augmentation fee, since it was in use at the time the fee was enacted. Staff will track their water use over time to see if they exceed their estimated allocation when the augmentation fee was enacted.

President Pasek requested staff review the District Codes and include changes in the fees and charges with the budget process.

27. RECEIVE UPDATE ON REPLACEMENT RESERVE STUDY

Ed Crouse gave a brief report back on the research for having a replacement reserve study completed for the District. Costs can be \$75, 000 or more, based on the District's infrastructure. President Pasek directed staff to proceed with the Request for Proposal.

28. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES

Director Gumbinger submitted the certificates he received from the California Special Districts Association How to be an Effective Board Member conference in January, 2014. Director Gumbinger suggested the District look at reviewing and updating the District's mission statement and the strategic plan.

29. MEETING DATES/TIMES

The Improvements Committee meeting is changed to February 27, 2014 to accommodate President Pasek's schedule.

Director Gumbinger stated he will miss the March 19, 2014 Board meeting.

The Board will be holding a Special Board meeting on March 28, 2014 to conduct interviews for the District's new general counsel.

30. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

Darlene Gillum stated that staff attended the RMCC Golf Expo. Staff will be holding a drought fair on April 12, 2014 from 9:00 a.m. to 11:00 a.m. at RMA.

Chief Remson stated that RMA will be holding a town hall meeting on Thursday regarding the new North Gate.

Director Martel asked about the status of the Mello-Roos. Darlene Gillum stated that she received a notice from the County stating that they had made an error in the balance remaining in the Mello-Roos. There is only \$35,000.

Director Gumbinger thanked Paul Siebensohn for getting the fire hydrant painted correctly.

President Pasek stated that RMCC has stated that there is too much salt in the reclaimed water and asked Paul Siebensohn to talk to them regarding this issue.

Ed Crouse gave a brief summary of the items discussed at the last President's meeting: the new North Gate, update on the Stage 2 water mandates, diversion update, and RMCC's upcoming events.

Ed thanked Darlene Gillum, Chief Remson and Travis Bohannon for attending the RMCC Golf Expo.

31. ADJOURNMENT

Motion/Gumbinger to adjourn at 8:18 p.m. **Second/Ferraro. Ayes: Pasek, Ferraro, Gumbinger, Martel. Noes: None. Absent: Belton.**

Respectfully submitted,

Suzanne Lindenfeld
District Secretary

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Board of Directors Special Meeting

MINUTES

March 7, 2014

10:30 a.m. Open Session

1. CALL TO ORDER/ROLL CALL

Director Ferraro called the Special meeting of the Board of Directors of Rancho Murieta Community Services District to order at 10:30 a.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Betty Ferraro, Paul Gumbinger and Michael Martel. Also present were Edward R. Crouse, General Manager; Darlene Gillum, Assistant General Manager; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary. President Gerald Pasek and Director Belton were absent.

2. ADOPT AGENDA

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

3. COMMENTS FROM THE PUBLIC

None.

4. WATER TREATMENT PLANT EXPANSION PROJECT

a. Review Water Treatment Plant Expansion Project Bid Results

Darlene Gillum gave a brief summary of the bids received. Director Ferraro asked about the proposal from HDR that was presented to the Board in February. Ed Crouse stated that a new proposal has been received and will go to the Board for review and approval at the March Board meeting.

Director Martel asked why not all the prequalified contractors bid on the job. Darlene Gillum stated that there is another, bigger RFP out with the same timeline that some of the contractors decided to bid on instead.

Director Martel commented on his concern with the cost increase from what was estimated. Director Gumbinger stated that HDR was off on their estimates, Roebbelen's estimate was quite close to what the bids came in at.

b. Adopt Resolution 2014-05, Consenting to Withdrawal of Bid Due to Bidder Mistake and Rejecting All Bids for Sitework for Water Treatment Plant Expansion Project and Direct Re-Bidding

Motion/Gumbinger to Adopt Resolution 2014-05, consenting to withdrawal of bid due to bidder mistake and rejecting all bids for sitework for Water Treatment Plant Expansion Project and direct re-bidding. **Second/Martel. Roll Call Vote. Ayes: Ferraro, Gumbinger, and Martel. Noes: None. Absent: Pasek and Belton**

5. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

Director Gumbinger stated he will not be at the March 19, 2014 Regular Board meeting.

Director Martel stated he will not be at the March 19, 2014 Regular Board meeting.

Darlene Gillum stated that there are just a few items left on the FSA negotiations with Cosumnes Land. Jonathan Hobbs, District Legal Counsel, stated he is waiting to hear back from their attorney regarding indemnity.

Director Ferraro asked about the water levels in the reservoirs. Paul Siebensohn stated that all reservoirs are 100% full. Director Gumbinger stated that even though the reservoirs are full, the drought is not over and everyone still needs to conserve.

Ed Crouse stated that four (4) responses to the RFP for District Legal Counsel were received. Staff is coordinating with the Directors a date for interviewing the candidates.

6. ADJOURNMENT

Motion/Gumbinger to adjourn at 11:18 a.m. **Second/Martel. Ayes: Ferraro, Gumbinger, Martel. Noes: None. Absent: Pasek and Belton.**

Respectfully submitted,

Suzanne Lindenfeld
District Secretary

MEMORANDUM

Date: February 27, 2014
To: Board of Directors
From: Improvements Committee Staff
Subject: February 27, 2014 Committee Meeting Minutes

CALL TO ORDER

Director Pasek called the meeting to order at 8:30 a.m. Present were Directors Pasek and Gumbinger. Present from District staff were Edward Crouse, General Manager; Darlene Gillum, Assistant General Manager; Paul Siebensohn, Director of Field Operations.

COMMENTS FROM THE PUBLIC

None.

UPDATES

Main Lift North Rehabilitation Project

Paul Siebensohn stated the pump station is back online and cost issues are being reviewed for reconciliation with the General Contractor.

Augmentation Well

Paul Siebensohn stated that the thirty percent (30%) design drawings are complete. Staff is also working out the Right of Entry (ROE) agreements and negotiating permanent easements. CEQA documentation for the project will be released as soon as the ROEs are finalized.

WATER TREATMENT PLANT EXPANSION PROJECT

Bid and Award

Ten (10) bids were received for the various bid divisions. Rock Morgan withdrew their site work bid on Tuesday citing a clerical error of over \$50,000. As a result, staff is recommending the Board reject all sitework bids and rebid the site work package.

APPROVE CHEMICAL PURCHASE CONTRACTS

Paul Siebensohn gave a brief summary of the recommendation to approve the chemical purchase contracts. **This item will be on the District's March 19, 2014 Regular Board meeting agenda.**

DROUGHT UPDATE

Future Forecasts

Rain in the valley and snow in the mountains is forecast to begin on Wednesday and go through the weekend. Forecasts vary, of course, ranging from 1.5-6 inches of rain and 1-4 feet of new snow. Either way, we will gladly take what we can get.

River Flows and Diversions

We continue to pump to Calero although the river flow is dropping. But with the storms coming in, flows are expected to rise dramatically which will allow our pumping to continue.

Stage 2 Declaration

Our mid-cycle meter reads show about a 7% reduction from January.

Enforcement activities are slowing although the warm weather this past weekend caused a spike in water on the wrong day notices.

Drought Web Page

The drought page is up. We are also working on tracking the contacts to the site to see what information is getting the most hits to help us gauge what is relevant and interesting to the residents as well as what messages need to be tweaked.

Education and Outreach

Staff has been trained in responding to resident questions using our FAQs. These FAQs are updated as necessary as new questions come in.

Staff attended Rancho Murieta Country Club's (RMCC) Golf Expo on February 18, 2014. Director Pasek and Paul Siebensohn attended the monthly Fishing Club meeting. Directors Pasek and Ferraro attended the February Garden Club meeting.

Director Ferraro and Paul Siebensohn will be attending the March 26, 2014 Women's Club meeting.

DIRECTORS' & STAFF COMMENTS/SUGGESTIONS

None.

ADJOURNMENT

The meeting was adjourned at 9:07 a.m.

MEMORANDUM

Date: March 7, 2014
To: Board of Directors
From: Security Committee Staff
Subject: March 7, 2014 Security Committee Meeting

1. CALL TO ORDER

Director Martel called the meeting to order at 9:30 a.m. Present was Director Martel. Present from District staff were Edward R. Crouse, General Manager; Darlene Gillum, Assistant General Manager; Greg Remson, Security Chief; and Suzanne Lindenfeld, District Secretary. Director Belton was absent.

2. COMMENTS FROM THE PUBLIC

None.

3. MONTHLY UPDATES

Operations

Ed Crouse, Darlene Gillum, Travis Bohannon and I attended the Golf Expo at the Country Club. We provided information and handouts on the drought, water conservation, and the new North Gate.

A Gate Officer has turned in her resignation notice.

Incidents of Note

Chief Remson gave a brief overview of the incidents of note for the month of February 2014.

RMA Citations/Admonishments

Chief Remson reported on the following Rancho Murieta Association (RMA) rule violation citations for the month of February, which included 31 driveway parking, 9 overnight street parking and 8 basketball stands. RMA rule violation admonishments and/or complaints for the month of February included 36 loose/off leash dogs, 16 open garage doors and 7 barking dogs.

Rancho Murieta Association Compliance/Grievance/Safety Committee Meeting

The February 3, 2014 meeting consisted of one (1) appearance regarding loose dogs and one (1) letter regarding parking. The next meeting is scheduled for March 3, 2014.

Joint Security Committee Meeting

The next Joint Security Committee Meeting has not been scheduled.

New North Gate

A Town Hall Meeting was held at the Rancho Murieta Association (RMA) office on February 20, 2014. The meeting room was filled to standing room only capacity. RMA General Manager, Greg Vorster, along with Sam Somers, Sr. and Martin Pohll of the New North Gate Committee, provided

information and answered questions about the proposed gate. Questions included funding, the left turn onto Lago Drive, and the large ornamental gates.

4. SECURITY AD HOC COMMITTEE

Director Martel commented on the District deciding where to put surveillance cameras that would be of the most value and increase patrol time in areas needed and to put a policy in place so the cameras do not violate anyone's right to privacy. Director Martel would like to meet prior to going to the Security conference to decide a timeline and goals for the Committee.

5. DIRECTOR & STAFF COMMENTS

Director Martel commented on his feeling that the Security Department will need more funding with full build out and on the giving residents the ability to see who comes in and out of the gates under their address.

6. ADJOURNMENT

The meeting adjourned at 10:08 a.m.

DRAFT

MEMORANDUM

Date: March 11, 2014
To: Board of Directors
From: Finance Committee Staff
Subject: March 10, 2014 Finance Committee Meeting

1. CALL TO ORDER

Director Belton called the meeting to order at 9:31 a.m. Present was Director Belton. Present from District staff were Edward Crouse, General Manager; Darlene Gillum, Assistant General Manager; and Paul Siebensohn, Director of Field Operations. Director Pasek was absent.

Director Belton commented that she invited Director Martel to attend the Finance Committee meeting since Director Pasek would be absent. Director Martel was not able to.

2. COMMENTS FROM THE PUBLIC

None.

3. UPDATES

No comments.

4. WATER TREATMENT PLANT EXPANSION FINANCING UPDATE

Darlene Gillum stated that staff is still in the process of talking with Cosumnes River Land on their Financing and Services Agreement. Staff is still moving ahead with doing the \$1.5 million internal financing of reserves and \$1.5 million internal borrowing.

Karen Muldoon asked about the Term Sheet that Cosumnes River Land signed which has an expiration date of February 1, 2014. Director Belton commented on her concern with proceeding with the WTP Expansion Project without the signatures. Darlene stated that staff will not proceed until financing is in place. A discussion followed.

Ed Crouse commented on the delay in approving the GE Membrane contract can delay the completion of the WTP.

5. OPEB ACTUARIAL STUDY

Darlene Gillum gave a brief summary of the draft OPEB Actuarial Study. This report provides an estimate of the District's postemployment medical benefits liability attributable to past service rendered by employees and retirees, impacts of GASB 45 accounting rules and a twenty-year (20) projection of the pay-as-you-go cost to provide benefits, as of July 1, 2013. A discussion followed.

6. REVIEW DRAFT BUDGET

Darlene Gillum gave a brief summary of the draft 2014-2015 budget. The preliminary assumptions used include the following expenses: wages as provided for in the MOU, non-represented increase "wage pool", PERS employer contribution, medical increase, increase in OPEB contribution, SMUD power cost increase, solid waste increase of 1.7%, Sacramento County surcharge increase of 1.7%, and increases in chemicals. Employer Paid Member Contribution (EPMC) towards employee retirement is reduced to 3%, effective January 1, 2015.

Revenues used include: property tax revenue reduction, no new growth in 2014-15, water usage projected at 15% conservation savings, advance debt service and related reserve charge for VVR permanent irrigation fields has been removed, and advance debt service and related reserve charge for the WTP Expansion Project is revised to flat fee of \$6.00.

The unknowns at this time include actual solid waste contract adjustment, chemical pricing, liability, property and Worker's Compensation rate, and SMUD surcharge.

Director Belton requested staff to look into collecting a monthly amount in Security to set aside for reserves.

Worst case scenario rate increase notices need to go out by April 1, 2014.

7. DIRECTORS' & STAFF COMMENTS/SUGGESTIONS

Director Belton asked if usage went down in February. Darlene stated that yes from January to February all potable usage went down about 28%.

8. ADJOURNMENT

The meeting was adjourned at 10:04 a.m.

MEMORANDUM

Date: March 16, 2014
 To: Board of Directors
 From: Darlene Gillum, Assistant General Manager
 Subject: Bills Paid Listing

Enclosed is the Bills Paid Listing Report for **February 2014**. 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 major expense items (excluding payroll related items) are listed *in order as they appear* on the Bills Paid Listing Report:

Vendor	Project/Purpose	Amount	Funding
A Leap Ahead IT	Monthly IT Support, Server Hard Drive Upgrades (4)	\$5,148.18	Operating Expense
California Waste Recovery Systems	Solid Waste Contract	\$45,348.01	Operating Expense
Carrillo Enterprises	Crush Rock and Sand, Equipment Rental	\$5,213.60	Operating Expense
Groeniger & Company	Valves (2), Supplies	\$7,658.78	Operating Expense
HDR Engineering, Inc	WTP1 Expansion Design WTP1 CEQA Services	\$100,054.14 <u>\$4,259.02</u> \$104,313.16	Reserve Expenditure/LOC Reimbursement
Kronick, Moskovitz, Tiedemann & Girard	Legal Consulting	\$11,115.97	Operating Expense
Peckham & McKenney	GM Recruitment Services	\$6,166.67	Operating Expense
Prodigy Electric	New Breaker Emergency Installation	\$14,238.75	Operating Expense
AECOM	Title 22 Engineering Report	\$24,620.22	Reserve Expenditure
AM Conservation Group, Inc.	Water Conservation Supplies	\$5,480.00	Operating Expense
Atkins North America	Augmentation Well CEQA	\$18,635.00	Reserve Expenditure
Bay Area Coating Consultant Services, Inc.	MLN Rehab Project	\$10,890.00	Reserve Expenditure
SMUD	Monthly Electric	\$21,074.14	Operating Expense

Rancho Murieta Community Services District
Bills Paid Listing for February 2014

Ck Number	Date	Vendor	Amount	Purpose
CM27652	2/3/2014	California Public Employees' Retirement Sys	\$37,406.01	Payroll
CM27653	2/3/2014	Guardian Life Insurance	\$5,059.60	Payroll
CM27654	2/3/2014	Vision Service Plan (CA)	\$497.92	Payroll
EFT	2/3/2014	EFTPS	\$9,540.27	Bi-Weekly Payroll Taxes
CM27655	2/12/2014	State of California	\$850.00	Temp Urgency Petition
CM27656	2/12/2014	State Water Resources Control Board	\$2,907.40	Temp Urgency Petition
CM27657	2/14/2014	A Leap Ahead IT	\$5,148.18	Monthly IT Support, Server Hard Drives (4)
CM27658	2/14/2014	Accounting & Association Software Group	\$833.75	Year End Support
CM27659	2/14/2014	Action Cleaning Systems	\$48.96	Supplies
CM27660	2/14/2014	American Express	\$443.69	Monthly Bill
CM27661	2/14/2014	American Family Life Assurance Co.	\$540.25	Payroll
CM27662	2/14/2014	Apple One Employment Services	\$1,757.95	Temp Services
CM27663	2/14/2014	Aramark Uniform Services	\$360.83	Uniform Service - Water
CM27664	2/14/2014	California Special Districts Association	\$501.00	Training
CM27665	2/14/2014	California Waste Recovery Systems	\$45,348.01	Solid Waste Monthly Contract
CM27666	2/14/2014	CWEA	\$77.00	Certification Renewal
CM27667	2/14/2014	Carrillo Enterprises	\$5,213.60	Rock & Sand, Equipment Rental
CM27668	2/14/2014	Clement Communications	\$271.07	Safety Newsletter Subscription
CM27669	2/14/2014	Capital One Commercial	\$307.72	Monthly Supplies
CM27670	2/14/2014	County of Sacramento	\$705.12	Sheriff's Off Duty Program
CM27671	2/14/2014	Employment Development Department	\$3,071.72	Payroll
CM27672	2/14/2014	Evoqua Water Technologies	\$1,434.68	WWRP Tertiary Filters
CM27673	2/14/2014	FedEx Kinko's	\$2,173.50	Banners
CM27674	2/14/2014	Folsom Lake Fleet Services	\$53.39	Vehicle Maintenance #520
CM27675	2/14/2014	Franchise Tax Board	\$75.00	Payroll
CM27676	2/14/2014	Galls/Quartermaster	\$207.36	Flashlights
CM27677	2/14/2014	Groeniger & Company	\$7,658.78	Valves (2), Supplies
CM27678	2/14/2014	HDR Engineering, Inc	\$104,313.16	WTP1 Design, CEQA Services
CM27679	2/14/2014	Home Depot Credit Services	\$789.14	Supplies
CM27680	2/14/2014	Kirby's Pump & Mechanical Inc.	\$1,995.00	WTP2 Block Bearings
CM27681	2/14/2014	KMCreative	\$1,700.00	Web Site Support
CM27682	2/14/2014	Kronick Moskovitz Tiedemann & Girard	\$11,115.97	Legal Services
CM27683	2/14/2014	Legal Shield	\$116.32	Payroll
CM27684	2/14/2014	Manco	\$1,578.08	Maintenance & Repair Supplies
CM27685	2/14/2014	McMaster-Carr Supply Co.	\$761.78	Maintenance & Repair Supplies
CM27686	2/14/2014	N.J McCutchen, Inc.,	\$765.72	Maintenance & Repair Supplies
CM27687	2/14/2014	National Analytical Laboratories, Inc.	\$625.00	WTP1 Asbestos and Lead Inspection
CM27688	2/14/2014	Nationwide Retirement Solution	\$1,663.23	Payroll
CM27689	2/14/2014	OCT Water Quality Academy	\$160.00	Training
CM27690	2/14/2014	Operating Engineers Local Union No. 3	\$542.88	Payroll
CM27691	2/14/2014	P. E. R. S.	\$13,245.56	Payroll

Rancho Murieta Community Services District
Bills Paid Listing for February 2014

Ck Number	Date	Vendor	Amount	Purpose
CM27692	2/14/2014	Peckham & McKenney	\$6,166.67	GM Recruitment Services
CM27693	2/14/2014	PERS Long Term Care Program	\$53.12	Payroll
CM27694	2/14/2014	Prodigy Electric	\$1,845.00	Electrician Services
CM27695	2/14/2014	Quincy Compressor LLC	\$1,470.14	Annual Air Compressor Service and Maintenance
CM27696	2/14/2014	Rancho Murieta Ace Hardware	\$332.03	Supplies
CM27697	2/14/2014	Sierra Office Supplies	\$523.80	Water Conservation Tags
CM27698	2/14/2014	Spartan Race, Inc.	\$762.88	Hydrant Deposit Refund
CM27699	2/14/2014	Sprint	\$671.23	Monthly Cell Phone
CM27700	2/14/2014	TASC	\$111.15	Payroll
CM27701	2/14/2014	TelePacific Communications	\$514.11	Monthly Phone Bill
CM27702	2/14/2014	U.S. Bank Corp. Payment System	\$4,285.22	Monthly Gasoline
CM27703	2/14/2014	U.S. HealthWorks Medical Group, PC	\$312.00	Annual PFT Exams
CM27704	2/14/2014	W.W. Grainger Inc.	\$2,173.98	Maintenance & Repair Supplies
EFT	2/18/2014	EFTPS	\$10,716.05	Bi-Weekly Payroll Taxes
CM27705	2/19/2014	Koff & Associates, Inc.	\$1,100.00	Personnel
CM27706	2/19/2014	Prodigy Electric	\$14,238.75	New Breaker Emergency Installation
CM27707	2/21/2014	County of Sacramento	\$2,207.25	WTP1 MND Notice Filing Fee
EFT	2/26/2014	US Postmaster	\$1,500.00	Postage
CM27775	2/28/2014	Action Cleaning Systems	\$1,172.00	Monthly Cleaning Service
CM27776	2/28/2014	AECOM Technical Services, Inc.	\$24,620.22	Title 22 Engineering Report
CM27777	2/28/2014	AM Conservation Group, Inc.	\$5,480.00	Water Conservation Supplies
CM27778	2/28/2014	American Family Life Assurance Co.	\$540.25	Payroll
CM27779	2/28/2014	Apple One Employment Services	\$862.80	Temp Services
CM27780	2/28/2014	Applications By Design, Inc.	\$125.00	Security Data Backup
CM27781	2/28/2014	Aramark Uniform Services	\$981.28	Uniform Service - Water
CM27782	2/28/2014	ASR - Sacramento Uniform	\$597.16	Security Uniforms
CM27783	2/28/2014	AT&T	\$882.20	Monthly Phone Bill
CM27784	2/28/2014	Atkins North America, Inc.	\$18,635.00	Augmentation Well CEQA
CM27785	2/28/2014	Bay Area Coating Consultant Services, Inc.,	\$10,890.00	MLN Rehab
CM27786	2/28/2014	Lisa Beauchamp	\$200.00	Toilet Rebate
CM27787	2/28/2014	Donald Buzdon	\$100.00	Toilet Rebate
CM27788	2/28/2014	Karl Byers	\$100.00	Toilet Rebate
CM27789	2/28/2014	California Laboratory Services	\$1,556.24	Monthly Lab Tests
CM27790	2/28/2014	Caltronics Business Systems	\$1,967.08	Monthly Maintenance and Supplies
CM27791	2/28/2014	CDW Government Inc.	\$4,113.71	Security Toughbook, Monitors, Cables
CM27792	2/28/2014	Don Christensen	\$100.00	Toilet Rebate
CM27793	2/28/2014	Cummins Pacific LLC	\$1,085.16	MLN Generator Service
CM27794	2/28/2014	Bobby Davis	\$200.00	Toilet Rebate
CM27795	2/28/2014	Clifford Dunton	\$100.00	Water Pressure Valve Rebate
CM27796	2/28/2014	Employment Development Department	\$2,938.11	Payroll
CM27797	2/28/2014	Express Office Products, Inc.	\$1,109.36	Office Supplies

Rancho Murieta Community Services District
Bills Paid Listing for February 2014

Ck Number	Date	Vendor	Amount	Purpose
CM27798	2/28/2014	FedEx Kinko's	\$262.03	Banners
CM27799	2/28/2014	Folsom Lake Fleet Services	\$168.09	Vehicle Maintenance #221, #217, #517
CM27800	2/28/2014	Ford Motor Credit Company LLC	\$234.78	Patrol Vehicle Lease
CM27801	2/28/2014	Franchise Tax Board	\$125.00	Payroll
CM27802	2/28/2014	Darryl Freed	\$100.00	Toilet Rebate
CM27803	2/28/2014	David Girsch	\$100.00	Toilet Rebate
CM27804	2/28/2014	Greenshades Software, Inc.,	\$573.75	Annual Renewal
CM27805	2/28/2014	Groeniger & Company	\$649.11	Maintenance & Repair Supplies
CM27806	2/28/2014	Hach Company	\$548.79	Clean & Inspect Turbidimeter
CM27807	2/28/2014	Helen Hansen	\$100.00	Toilet Rebate
CM27808	2/28/2014	Ted Hart	\$300.00	Toilet Rebate
CM27809	2/28/2014	HDS White Cap Const Supply	\$148.14	Maintenance & Repair Supplies
CM27810	2/28/2014	Howe It's Done	\$277.56	Board Meeting Dinner
CM27811	2/28/2014	J B Bostick Company	\$4,900.00	Multiple Street Repairs
CM27812	2/28/2014	Janak & Scurfield Inc.,	\$150.00	WWRP Tarp Repair
CM27813	2/28/2014	David Kjome	\$100.00	Toilet Rebate
CM27814	2/28/2014	Konecranes Inc.	\$395.00	Quarterly Crane Inspection
CM27815	2/28/2014	Kristen Kraus	\$818.25	Refund Credit Balance
CM27816	2/28/2014	KWA Safety & Hazmat Consultants, Inc.	\$820.00	Respiratory Protection Training
CM27817	2/28/2014	Legal Shield	\$116.32	Payroll
CM27818	2/28/2014	McMaster-Carr Supply Co.	\$324.95	Maintenance & Repair Supplies
CM27819	2/28/2014	Metal Samples Company	\$73.32	Coupon Analysis
CM27820	2/28/2014	David Monti	\$50.00	Drip System Rebate
CM27821	2/28/2014	Nationwide Retirement Solution	\$1,663.23	Payroll
CM27822	2/28/2014	Operating Engineers Local Union No. 3	\$542.88	Payroll
CM27823	2/28/2014	P. E. R. S.	\$14,409.11	Payroll
CM27824	2/28/2014	PERS Long Term Care Program	\$53.12	Payroll
CM27825	2/28/2014	Public Agency Retirement Services	\$300.00	OPEB Trust Admin Fees
CM27826	2/28/2014	Rancho Murieta Association	\$292.47	Landscaping/Cable/Internet
CM27827	2/28/2014	James Reed Jr	\$200.00	Toilet Rebate
CM27828	2/28/2014	S. M. U. D.	\$21,074.14	Monthly Electric
CM27829	2/28/2014	Marty Sakai	\$100.00	Toilet Rebate
CM27830	2/28/2014	Lincoln Snyder	\$200.00	Toilet Rebate
CM27831	2/28/2014	TASC	\$62.50	Payroll
CM27832	2/28/2014	TASC	\$111.15	Payroll
CM27833	2/28/2014	Charles Telfer	\$200.00	Toilet Rebate
CM27834	2/28/2014	The Westmark Group, Inc.	\$1,552.50	Ground Water Monitoring
CM27835	2/28/2014	U.S. HealthWorks Medical Group, PC	\$177.00	Annual PFT Exams
CM27836	2/28/2014	UPS	\$64.61	Shipping
CM27837	2/28/2014	USA Blue Book	\$2,495.60	Autodialer
CM27838	2/28/2014	Jackie Vanbuskirk	\$200.00	Toilet Rebate

**Rancho Murieta Community Services District
Bills Paid Listing for February 2014**

Ck Number	Date	Vendor	Amount	Purpose
		CFD#1 Bank of America Checking		
CM2713	2/14/2014	CoreLogic Solutions, LLC.	\$165.00	CFD#1 Admin Fees
CM2714	2/28/2014	Rancho Murieta CSD	\$338,583.63	Sac County Tax Dispersement
		TOTAL	\$338,748.63	
		EL DORADO PAYROLL		
Payroll (El Dorado)				
Checks: # CM11147 to CM11161 and Direct Deposits: DD07006 to DD07067			\$ 114,917.63	Payroll
EFT	2/28/2014	National Payment Corp	\$138.38	Payroll
		TOTAL	\$115,056.01	

MEMORANDUM

Date: March 12, 2014
To: Board of Directors
From: Edward R. Crouse, General Manager
Subject: General Manager's Report

The following are highlights since our last Board Meeting.

EMPLOYEE RELATIONS

We received four RFPs for District counsel, all from local firms. We sent out an acknowledgement of receipt letter and revised the review and interview schedule. Interviews and selection are scheduled for March 31, 2014 from 9:00-11:30

Phil McKenney reports that the advertisements are hitting big time and the direct mailing will be arriving in mailboxes soon. To date, 60 applications have been received. Of those 60, a number show promise.

FINANCE/IT

Darlene continues to work with managers on their budget and revenue projections. Along with that effort, Darlene is including Tiered Pricing as part of the budget package to allow it to move through the Prop. 218 process.

SECURITY

Chief Remson continues his efforts with Rancho Murieta Association (RMA) on the new North Gate. Chief Remson presented his current approach to District supplied equipment for the North Gate to the Security committee. This week, Director Gumbinger and Chief Remson toured the South Gate for a "lessons learned" review of what works and what does not work and how to address those issues in the new North Gate.

Greg held Gate Officer interviews and has several candidates to consider for the one opening as well as a bench for future openings.

WATER

With Plant 2 continuing off-line for winter maintenance, Plant 1 production for February was at 0.7 mgd, which is the same as reported in January.

As noted in our drought update, the reservoirs are essentially full, up to the spillway. We will continue to divert at a lower pumping rate to fill up to the top of the flashboards.

WASTEWATER

Similar to last month, flows to the plant continue to average 0.36 million gallons, which is extremely low for this time of year.

Paul will be working with Rich at the Rancho Murieta Country Club (RMCC) to balance river diversions to ensure late season recycled water availability.

DRAINAGE

Very little work is being undertaken now given the lack of rain and warmer weather. On the other side, the crews may be assigned weed removal earlier this year because of the drought.

SOLID WASTE

Nothing new to report on the collection side. We continue to receive compliments on the California Waste Recovery Systems (CWRS) staff.

ENGINEERING

Augmentation Well

We are nearing completion of the plans and should be ready to bid shortly. The IS/MND was completed and sent to the State Clearinghouse for public review.

Paul continues to work with the landowners on Rights of Entry and a long-term easement agreement.

Hotel Water Service Agreement

Staff and negotiating Directors continue landowner dialogue session on a bi-weekly schedule.

670 Financing and Services Agreement

We have all landowner signatures now and are waiting for release of past due legal fees, signing funds and transfer of the Van Vleck Ranch easement.

Airport Hanger Expansion Project

Nothing new to report.

Murieta Gardens Hotel Site and Street Improvement Plans

Nothing new to report on the plans review.

The Draft Supplemental EIR is out for public review and comment. Staff will be reviewing the water, sewer, and drainage sections and will provide comments as appropriate. We understand the Draft Supplemental EIR will be presented at the Planning Commission in April, then go to the Board sometime in May.

CONSERVATION

Staff has been holding weekly drought action meetings. We are making progress on many fronts. Please see the drought update memo in the packet for more information.

MEMORANDUM

Date: March 16, 2014
 To: Board of Directors
 From: Darlene Gillum, Assistant General Manager
 Subject: Administration/Financial Reports

Enclosed is a combined financial summary report for **February 2014**. Following are highlights from various internal financial reports. Please feel free to call me before the Board meeting regarding any questions you may have relating to these reports.

This information is provided to the Board to assist in answering possible questions regarding under or over-budget items. In addition, other informational items of interest are included.

Water Consumption - Listed below are year-to-date water consumption numbers using weighted averages:

12 month rolling % increase		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Residences	0.0	2,513	2,513	2,513	2,513	2,513	2,513	2,513	2,513				
Weighted average		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cubic Feet	1,926	3074	2996	2932	2114	1633	942	1,011	706				
Gallons per day	480	766	747	731	527	407	235	252	176				
Planning Usage GPD	583												

Lock-Offs - For the month of February, there were 16 lock-offs.

Aging Report – Delinquent accounts total \$57,727.55 which is 12.1% of the total accounts receivable balance of \$475,604. Past due receivables, as a percent of total receivables, have remained relatively flat since January.

Summary of Reserve Accounts as of February 28, 2014 – The District’s reserve accounts have increased \$686,927, year to date, since July 1, 2013. The increase is due to the reserve amounts collected in the Water and Sewer base rates, approved fund balance transfers, Letter of Credit reimbursement and interest earned. The District has expended \$907,409 of reserves since the beginning of the fiscal year, which started July 1, 2013. The total amount of reserves held by the District as of February 28, 2014 is \$8,559,450. Please see the Reserve Fund Balances table below for information by specific reserve account.

Reserve Fund Balances

<i>Reserve Descriptions</i>	<i>Fiscal Yr Beg Balance July 1, 2013</i>	<i>YTD Collected & Interest Earned</i>	<i>YTD Spent</i>	<i>Period End Balance Feb 28, 2014</i>
Water Capital Replacement (200-2505)	2,682,621	178,687	(318,721)	2,542,587
Sewer Capital Replacement (250-2505)	2,869,146	193,247	(494,510)	2,567,883
Drainage Capital Replacement (260-2505)	26,834	50,014	(18,922)	57,926
Security Capital Replacement (500-2505)	51,315	50,031	(0)	101,346
Admin Capital Replacement (xxx-2505-99)	0	38,380	0	38,380
Sewer Capital Improvement Connection (250-2500)	4,008	3	(0)	4,011
Capital Improvement (xxx-2510)	392,601	282	(0)	392,883
Water Supply Augmentation (200-2511)	2,448,725	1,558	(75,256)	2,375,027
Water Debt Service Reserves (200-2512)	139,260	105,402	(0)	244,662
Sewer Debt Service Reserves (250-2512)	163,116	69,320	(0)	232,436
Rate Stabilization (200/250/500-2515)	2,306	3	(0)	2,309
Total Reserves	8,779,932	686,927	(907,409)	8,559,450

PARS GASB 45 Trust - The PARS GASB 45 Trust, which is the investment trust established to fund Other Post Employment Benefits, had the following returns:

Period ended January 31, 2014		
1-Month	3-Months	1-Year
-1.75%	.67%	9.82%

Financial Summary Report (year to date through February 28, 2014)

Revenues:

Water Charges, year-to-date, are **above** budget \$40,315 or **3.3%**

Sewer Charges, year-to-date, are **below** budget \$338 or **(0.0%)**

Drainage Charges, year-to-date, are **below** budget \$325 or **(0.3%)**

Security Charges, year-to-date, are **above** budget \$6 or **(0.0%)**

Solid Waste Charges, year-to-date, are **above** budget \$121 or **(0.0%)**

Total Revenues, which includes other income, property taxes and interest income year-to-date, are **above** budget **\$64,171 or 1.7%** (due to \$23,729 of late charges, project reimbursements, reconnect and transfer fees, and \$40,315 in Water Charges exceeding budget projections). Year to date residential Water usage has exceeded budget projections by 7.7%, a 1.1% reduction since January, and year to date commercial Water usage is has exceeded budget projections by 1.6%, a .2% reduction since January.

Expenses: Year-to-date total operating expenses are below budget \$116,828 or 3.2%. Year-to-date operational reserve expenditures total \$18,922. Operational reserve expenditures cover projects funded from reserves which are also recorded as operational expenses through the income statement as required by Generally Accepted Accounting Principles (GAAP).

Water Expenses, year-to-date, are **above budget \$32,486 or 3.3%, prior to reserve expenditures**. Wages are over budget due to the combined effect of the open Utility Worker position, which is now filled, and the actual allocation variance between Water, Sewer and Drainage. Employer Costs are over budget due to the combination of the open Utility Worker position, Medical Opt Out contingency under-run and the variance between the actual allocation of labor charges between Water, Sewer and Drainage and the projected budget allocations. Power, Chemicals, Taste & Odor Chemicals, Water Meters, Lab Test, and Permits are the largest areas running below budget. Maintenance and Repair, Equipment Rental and Other Direct Costs (due primarily to the actual to budget timing of Dam Inspection costs) are the largest areas running over budget. Year-to-date \$0 of expenses have been incurred from reserves expenditures.

Sewer Expenses, year-to-date, are **below budget by \$101,0801 or (15.3%), prior to reserve expenditures**. Wages are under budget due to the combined effect of the open Utility Worker position, which is now filled, and the actual allocation variance between Water, Sewer and Drainage. Employer Costs are under budget due to the combination of the open Utility Worker position, Medical Opt Out contingency under-run and the variance between the actual allocation of labor charges between Water, Sewer and Drainage and the projected budget allocations. Other areas running below budget are Power, Maintenance & Repair, Training/Safety, Equipment Rental and Other Direct Costs (which includes Hazardous Waste Removal, Vehicle Maintenance, Legal and Consulting). Areas running over budget are Chemicals and permits. Year-to-date \$0 of expenses have been incurred from reserves expenditures.

Drainage Expenses, year-to-date, are **below budget by \$31,476 or (33.0%)**. All areas are running below budget with Wages, Power, Equipment Rental and Other Direct Costs (which includes Consulting and Drainage Flood Work) being the largest areas of under-run. Year-to-date \$18,922 of expenses have been incurred from reserves expenditures.

Security Expenses, year-to-date, are **below budget by \$33,424 or (4.6%)**. Areas running over budget are Equipment Repairs and Vehicle Maintenance. Wages and Employer Costs are running under budget due to the open Patrol Officer position, which is now filled, and a Patrol Officer who was out on a Workers' Comp injury. Areas running below budget are Vehicle Fuel and Other (which includes Telephones, Barcodes, and Vehicle Lease).

Solid Waste Expenses, year-to-date, are **below budget by \$10,853 or (2.7%)**. The under-run is related to the Household Hazardous Waste Event budget of 50% of the bi-annual collection event. The budget is planned to collect 50% of the cost of the event every year while the event is planned to be held bi-annually.

General Expenses, year-to-date, are **above budget by \$27,518 or 3.6%**. The largest areas running over budget are Insurance (due to the increase in our appraised property value), Office Supplies (related to the purchase of the new billing statement stock), IT Systems Maintenance, Community Communications (related to website updates/upgrades) and Other (which includes Director Expense Reimbursement, Temp Clerical, Copy Machine Maintenance, and Consulting (related to the 360 Degree Evaluation Survey and GM Recruitment). Areas running below budget are Wages (which is due to the vacant Accounting Assistant position), Employer Costs, Director Meetings, and Postage.

Net Income: Year-to-date unadjusted net income, before depreciation, is \$298,660. Net income/(Loss) adjusted for estimated depreciation expense of \$726,415 is (\$427,755).

The YTD expected net operating income before depreciation, per the 2013-2014 budget, is \$136,583 (which is related to a timing issue between receipt of income and planned expenditure; the year-end expected net operating income is (\$128)). The actual net operating income is \$180,999 higher than the budget expectation due to revenue running \$64,171 over budget and total operating expenses running under budget \$116,828.

Rancho Murieta Community Services District
Summary Budget Performance Report
YTD THROUGH FEBRUARY 2014

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE	
							Amount	%
REVENUES								
Water Charges	31.7%	\$1,775,230	32.2%	\$1,206,603	\$1,246,918	32.7%	\$40,315	3.3%
Sewer Charges	22.1%	1,237,740	22.0%	824,888	824,550	21.6%	(338)	0.0%
Drainage Charges	3.2%	180,430	3.2%	120,280	119,955	3.1%	(325)	(0.3%)
Security Charges	21.2%	1,185,510	21.1%	790,336	790,342	20.7%	6	0.0%
Solid Waste Charges	11.1%	621,072	11.0%	414,048	414,169	10.9%	121	0.0%
Other Income	1.7%	92,550	1.6%	60,598	85,069	2.2%	24,471	40.4%
Interest Earnings	0.0%	1,140	0.0%	602	523	0.0%	(79)	(13.1%)
Property Taxes	9.0%	502,800	8.9%	335,200	335,200	8.8%		0.0%
Total Revenues	100.0%	5,596,472	100.0%	3,752,555	3,816,726	100.0%	64,171	1.7%
OPERATING EXPENSES								
Water/Sewer/Drainage								
Wages	14.5%	809,730	14.6%	528,700	519,784	14.9%	(8,916)	(1.7%)
Employer Costs	6.9%	385,450	7.1%	255,052	251,206	7.2%	(3,846)	(1.5%)
Power	5.8%	325,510	5.5%	200,496	187,912	5.4%	(12,584)	(6.3%)
Chemicals	4.3%	240,200	3.9%	141,855	109,062	3.1%	(32,793)	(23.1%)
Maint & Repair	6.2%	345,470	5.7%	207,220	212,368	6.1%	5,148	2.5%
Meters/Boxes	1.0%	54,000	0.9%	31,750	24,132	0.7%	(7,618)	(24.0%)
Lab Tests	1.3%	74,250	1.2%	43,750	41,716	1.2%	(2,034)	(4.6%)
Permits	1.1%	64,300	1.4%	52,300	43,737	1.2%	(8,563)	(16.4%)
Training/Safety	0.4%	21,700	0.4%	13,495	13,077	0.4%	(418)	(3.1%)
Equipment Rental	0.8%	43,500	0.8%	30,200	23,882	0.7%	(6,318)	(20.9%)
Other	7.0%	394,010	6.2%	223,969	201,842	5.8%	(22,127)	(9.9%)
Subtotal Water/Sewer/Drainage	49.3%	2,758,120	47.8%	1,728,787	1,628,718	46.5%	(100,069)	(5.8%)
Security								
Wages	11.2%	625,100	11.4%	410,800	406,990	11.6%	(3,810)	(0.9%)
Employer Costs	6.7%	374,700	6.9%	248,450	221,169	6.3%	(27,281)	(11.0%)
Off Duty Sheriff Patrol	0.1%	6,000	0.1%	4,000	3,762	0.1%	(238)	(6.0%)
Other	1.7%	94,700	1.7%	60,818	58,723	1.7%	(2,095)	(3.4%)
Subtotal Security	19.7%	1,100,500	20.0%	724,068	690,644	19.7%	(33,424)	(4.6%)
Solid Waste								
CWRS Contract	9.7%	543,000	10.0%	362,000	363,177	10.4%	1,177	0.3%
Sacramento County Admin Fee	0.6%	34,680	0.6%	23,120	23,090	0.7%	(30)	(0.1%)
HHW Event	0.2%	12,000	0.3%	12,000		0.0%	(12,000)	(100.0%)
Subtotal Solid Waste	10.5%	589,680	11.0%	397,120	386,267	11.0%	(10,853)	(2.7%)
General / Admin								
Wages	9.5%	534,200	9.7%	352,502	341,556	9.8%	(10,946)	(3.1%)
Employer Costs	5.2%	292,300	5.4%	193,951	174,951	5.0%	(19,000)	(9.8%)
Insurance	0.8%	45,000	0.8%	30,008	43,073	1.2%	13,065	43.5%
Legal	0.4%	25,000	0.4%	16,000	18,389	0.5%	2,389	14.9%
Office Supplies	0.3%	19,200	0.4%	12,800	16,460	0.5%	3,660	28.6%
Director Meetings	0.3%	18,000	0.3%	12,016	9,700	0.3%	(2,316)	(19.3%)
Telephones	0.1%	4,620	0.1%	3,072	3,091	0.1%	19	0.6%
Information Systems	1.4%	79,000	1.6%	59,134	62,171	1.8%	3,037	5.1%
Community Communications	0.1%	5,900	0.1%	3,600	4,986	0.1%	1,386	38.5%
Postage	0.4%	21,780	0.4%	14,520	12,839	0.4%	(1,681)	(11.6%)
Janitorial/Landscape Maint	0.3%	16,800	0.3%	11,200	12,529	0.4%	1,329	11.9%
Other	1.5%	86,500	1.6%	57,194	93,770	2.7%	36,576	64.0%
Subtotal General / Admin	20.5%	1,148,300	21.2%	765,997	793,515	22.7%	27,518	3.6%
Total Operating Expenses	100.0%	5,596,600	100.0%	3,615,972	3,499,144	100.0%	(116,828)	(3.2%)
Operating Income (Loss)	100.0%	(128)	100.0%	136,583	317,582	100.0%	180,999	132.5%
Non-Operating Expenses								
Drainage Reserve Expenditure	0.0%		0.0%		18,922	100.0%	18,922	0.0%
Total Non-Operating Expenses	0.0%		0.0%		18,922	100.0%	18,922	0.0%
Net Income (Loss)	100.0%	(128)	100.0%	136,583	298,660	100.0%	162,077	118.7%

Rancho Murieta Community Services District
Budget Performance Report by FUND
YTD THROUGH FEBRUARY 2014

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE Amount %	
WATER								
REVENUES								
Water Charges	98.7%	\$1,775,230	98.7%	\$1,206,603	\$1,246,918	98.3%	\$40,315	3.3%
Interest Earnings	0.0%	80	0.0%	50	60	0.0%	10	20.0%
Other Income	1.3%	23,830	1.3%	15,888	20,915	1.6%	5,027	31.6%
Total Water Revenues	100.0%	1,799,140	100.0%	1,222,541	1,267,893	100.0%	45,352	3.7%
EXPENSES (excluding depreciation)								
Wages	28.2%	437,250	29.3%	285,498	320,703	31.9%	35,205	12.3%
Employer Costs	13.4%	208,130	14.2%	137,728	152,390	15.2%	14,662	10.6%
Power	10.7%	166,050	9.8%	95,341	89,775	8.9%	(5,566)	(5.8%)
Chemicals	8.0%	124,500	8.1%	79,195	70,239	7.0%	(8,956)	(11.3%)
T&O - Chemicals/Treatment	3.3%	51,000	3.3%	31,900	11,686	1.2%	(20,214)	(63.4%)
Maint & Repair	10.4%	161,070	10.4%	101,220	127,111	12.6%	25,891	25.6%
Meters/Boxes	3.5%	54,000	3.3%	31,750	24,132	2.4%	(7,618)	(24.0%)
Lab Tests	2.3%	36,000	2.1%	20,000	18,179	1.8%	(1,821)	(9.1%)
Permits	2.1%	32,000	2.1%	20,000	9,584	1.0%	(10,416)	(52.1%)
Training/Safety	0.5%	7,500	0.5%	4,875	6,439	0.6%	1,564	32.1%
Equipment Rental	1.5%	23,000	1.5%	15,000	19,869	2.0%	4,869	32.5%
Other Direct Costs	16.2%	251,070	15.5%	150,571	155,457	15.5%	4,886	3.2%
Operational Expenses	100.0%	1,551,570	100.0%	973,078	1,005,564	100.0%	32,486	3.3%
Water Income (Loss)	16.0%	247,570	25.6%	249,463	262,329	26.1%	12,866	5.2%
38.9% Net Admin Alloc	16.0%	247,570	17.0%	165,619	172,528	17.2%	6,909	4.2%
Total Net Income (Loss)	0.0%		8.6%	83,844	89,801	8.9%	5,957	7.1%
SEWER								
REVENUES								
Sewer Charges	98.7%	1,237,740	98.7%	824,888	824,550	98.5%	(338)	0.0%
Interest Earnings	0.0%	140	0.0%	84	70	0.0%	(14)	(16.7%)
Other Income	1.3%	15,990	1.3%	10,656	12,876	1.5%	2,220	20.8%
Total Sewer Revenues	100.0%	1,253,870	100.0%	835,628	837,496	100.0%	1,868	0.2%
EXPENSES (excluding depreciation)								
Wages	29.7%	315,800	31.2%	206,193	169,937	30.4%	(36,256)	(17.6%)
Employer Costs	14.1%	150,330	15.1%	99,470	84,459	15.1%	(15,011)	(15.1%)
Power	13.5%	143,960	14.4%	94,935	90,768	16.2%	(4,167)	(4.4%)
Chemicals	6.6%	70,300	4.9%	32,660	36,297	6.5%	3,637	11.1%
Maint & Repair	16.2%	172,500	14.8%	98,000	80,165	14.3%	(17,835)	(18.2%)
Lab Tests	3.6%	38,250	3.6%	23,750	23,537	4.2%	(213)	(0.9%)
Permits	2.6%	27,300	4.1%	27,300	29,289	5.2%	1,989	7.3%
Training/Safety	1.3%	14,200	1.3%	8,620	6,638	1.2%	(1,982)	(23.0%)
Equipment Rental	1.5%	16,000	1.7%	11,200	2,602	0.5%	(8,598)	(76.8%)
Other Direct Costs	10.9%	116,240	8.8%	58,073	35,429	6.3%	(22,644)	(39.0%)
Operational Expenses	100.0%	1,064,880	100.0%	660,201	559,121	100.0%	(101,080)	(15.3%)
Sewer Income (Loss)	17.7%	188,990	26.6%	175,427	278,375	49.8%	102,948	58.7%
29.7% Net Admin Alloc	17.8%	189,020	19.2%	126,654	131,724	23.6%	5,070	4.0%
Total Net Income (Loss)	0.0%	(30)	7.4%	48,773	146,651	26.2%	97,878	200.7%
DRAINAGE								
REVENUES								
Drainage Charges	100.0%	180,430	100.0%	120,280	119,955	100.0%	(325)	(0.3%)
Interest Earnings	0.0%	30	0.0%	16	30	0.0%	14	87.5%
Total Drainage Revenues	100.0%	180,460	100.0%	120,296	119,985	100.0%	(311)	(0.3%)
EXPENSES (excluding depreciation)								
Wages	40.0%	56,680	38.7%	37,009	29,144	45.5%	(7,865)	(21.3%)
Employer Costs	19.1%	26,990	18.7%	17,854	14,357	22.4%	(3,497)	(19.6%)
Power	10.9%	15,500	10.7%	10,220	7,369	11.5%	(2,851)	(27.9%)
Chemicals	3.8%	5,400	3.8%	3,600	1,418	2.2%	(2,182)	(60.6%)
Maint & Repair	8.4%	11,900	8.4%	8,000	5,092	8.0%	(2,908)	(36.4%)
Permits	3.5%	5,000	5.2%	5,000	4,864	7.6%	(136)	(2.7%)
Equipment Rental	3.2%	4,500	4.2%	4,000	1,411	2.2%	(2,589)	(64.7%)
Other Direct Costs	11.1%	15,700	10.3%	9,825	377	0.6%	(9,448)	(96.2%)
Operational Expenses	100.0%	141,670	100.0%	95,508	64,032	100.0%	(31,476)	(33.0%)
Drainage Income (Loss)	27.4%	38,790	26.0%	24,788	55,953	87.4%	31,165	125.7%
6.1% Net Admin Alloc	27.4%	38,820	27.2%	25,964	27,055	42.3%	1,091	4.2%
Reserve Expenditures	0.0%		0.0%		18,922	29.6%	18,922	0.0%
Total Net Income (Loss)	0.0%	(30)	-1.2%	(1,176)	9,976	15.6%	11,152	(948.3%)
SECURITY								
REVENUES								
Security Charges	96.4%	1,185,510	96.4%	790,336	790,342	95.6%	6	0.0%
Interest Earnings	0.0%	410	0.0%	212	161	0.0%	(51)	(24.1%)
Other Income	3.6%	43,730	3.6%	29,238	36,582	4.4%	7,344	25.1%
Total Security Revenues	100.0%	1,229,650	100.0%	819,786	827,085	100.0%	7,299	0.9%

Rancho Murieta Community Services District
Budget Performance Report by FUND
YTD THROUGH FEBRUARY 2014

	% of	Annual	% of	YTD	YTD	% of	YTD VARIANCE	
	Total	Budget	Total	Budget	Actuals	Total	Amount	%
EXPENSES (excluding depreciation)								
Wages	56.8%	\$625,100	56.7%	\$410,800	\$406,990	58.9%	(\$3,810)	(0.9%)
Employer Costs	34.0%	374,700	34.3%	248,450	221,169	32.0%	(27,281)	(11.0%)
Equipment Repairs	0.4%	4,400	0.4%	2,936	7,043	1.0%	4,107	139.9%
Vehicle Maintenance	0.6%	6,700	0.6%	4,450	8,098	1.2%	3,648	82.0%
Vehicle Fuel	1.9%	20,560	1.9%	13,740	12,210	1.8%	(1,530)	(11.1%)
Off Duty Sheriff Patrol	0.5%	6,000	0.6%	4,000	3,762	0.5%	(238)	(6.0%)
Other	5.7%	63,040	5.5%	39,692	31,372	4.5%	(8,320)	(21.0%)
Operational Expenses	100.0%	1,100,500	100.0%	724,068	690,644	100.0%	(33,424)	(4.6%)
Security Income (Loss)	11.7%	129,150	13.2%	95,718	136,441	19.8%	40,723	42.5%
20.3% Net Admin Alloc	11.7%	129,190	11.9%	86,408	90,034	13.0%	3,626	4.2%
Total Net Income (Loss)	0.0%	(40)	1.3%	9,310	46,407	6.7%	37,097	398.5%
SOLID WASTE REVENUES								
Solid Waste Charges	99.9%	621,072	100.0%	414,048	414,169	100.0%	121	0.0%
Interest Earnings	0.1%	400	0.0%	200	99	0.0%	(101)	(50.5%)
Total Solid Waste Revenues	100.0%	621,472	100.0%	414,248	414,268	100.0%	20	0.0%
EXPENSES (excluding depreciation)								
CWRS Contract	92.1%	543,000	91.2%	362,000	363,177	94.0%	1,177	0.3%
Sacramento County Admin Fee	5.9%	34,680	5.8%	23,120	23,090	6.0%	(30)	(0.1%)
HHW Event	2.0%	12,000	3.0%	12,000		0.0%	(12,000)	(100.0%)
Operational Expenses	100.0%	589,680	100.0%	397,120	386,267	100.0%	(10,853)	(2.7%)
Solid Waste Income (Loss)	5.4%	31,792	4.3%	17,128	28,001	7.2%	10,873	63.5%
5.0% Net Admin Alloc	5.4%	31,820	5.4%	21,296	22,176	5.7%	880	4.1%
Total Net Income (Loss)	0.0%	(28)	-1.0%	(4,168)	5,825	1.5%	9,993	(239.8%)
OVERALL NET INCOME(LOSS)	100.0%	(128)	100.0%	136,583	298,660	100.0%	162,077	118.7%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

INVESTMENT REPORT

CASH BALANCE AS OF FEBRUARY 28, 2014

INSTITUTION	YIELD	BALANCE
CSD FUNDS		
<i>EL DORADO SAVINGS BANK</i>		
SAVINGS	0.03%	\$ 481,642.69
CHECKING	0.02%	\$ 63,533.96
PAYROLL	0.02%	\$ 2,074.80
<i>AMERICAN WEST BANK</i>		
EFT	0.05%	\$ 10,911.74
<i>LOCAL AGENCY INVESTMENT FUND (LAIF)</i>		
UNRESTRICTED		\$ -
RESTRICTED RESERVES	0.24%	\$ 5,689,832.47
<i>CALIFORNIA ASSET MGMT (CAMP)</i>		
OPERATION ACCOUNT	0.07%	\$ 3,596,578.61
<i>UNION BANK</i>		
PARS GASB45 TRUST (balance as of 1/31/14)		\$ 525,390.25
TOTAL		\$ 10,369,964.52

BOND FUNDS

COMMUNITY FACILITIES DISTRICT NO. 1 (CFD)

<i>BANK OF AMERICA</i>		
CHECKING	N/A	\$ 27,388.55
<i>CALIFORNIA ASSET MGMT (CAMP)</i>		
SPECIAL TAX	0.07%	\$ 8,302.20
<i>US BANK</i>		
SPECIAL TAX REFUND	0.00%	\$ -
BOND RESERVE FUND/ SPECIAL TAX FUND	0.00%	\$ -
TOTAL		\$ 35,690.75
TOTAL ALL FUNDS		\$ 10,405,655.27

The investments comply with the CSD adopted investment policy.

PREPARED BY: Darlene Gillum
Assistant General Manager

MEMORANDUM

Date: March 12, 2014
To: Board of Directors
From: Greg Remson, Security Chief
Subject: Security Report for the Month of February 2014

OPERATIONS

Ed Crouse, Darlene Gillum, Travis Bohannon and I attended the Golf Expo at the Country Club. We provided information and handouts on the drought, water conservation, and the new North Gate.

A Gate Officer turned in her resignation notice. Her husband has received a transfer out of state which is too good to pass up. We wish her the best.

Sergeant Bieg and I held interviews for the upcoming vacant Gate Officer position. We are going over the information and should make a job offer this week.

INCIDENTS OF NOTE

February 3, Monday, reported at 10:08 a.m. Vandalism. A resident on Pera Drive discovered tire tracks in his front yard. The damage occurred overnight.

February 5, Wednesday, reported at 7:50 p.m. at the Country Store. Theft. The victim left their bicycle next to the propane tanks and went inside the store. When he returned the bicycle was gone. The bicycle was not locked.

February 6, Thursday, reported at 2:45 p.m. on Lobo Drive. Residential burglary. Forced entry, property and vehicle were taken overnight. Sacramento Sheriff's Department (SSD) responded for a report and scene processing. Vehicle and property was later recovered in Rancho Cordova. The suspect was arrested. Additional property as recovered from an unreported burglary on Via Sereno.

February 7, Friday, reported at 8:50 a.m. at the Murieta Village Mini-Storage. Burglary. Forced entry into a locked boat. A radio and fishing gear were taken.

February 9, Sunday, reported at 9:40 a.m. on Camino Del Lago. Vandalism. A vehicle that was parked in the driveway was "keyed".

February 10, Monday, reported at 11:26 a.m. on Seguridad Drive. Theft of a purse and a backpack from a vehicle. Occurred overnight.

February 18, Tuesday, reported at 8:12 a.m. on De La Cruz Drive. Vandalism to three (3) driveway lights.

February 20, Thursday, reported at 8:06 a.m. at RMA maintenance. Theft of firewood.

During the month of February, District Security Patrol Officers also responded to complaints of loud music, parties and disturbances.

RANCHO MURIETA ASSOCIATION COMPLIANCE/GRIEVANCE/SAFETY COMMITTEE MEETING

The meeting was held on February 3, 2014 at the Rancho Murieta Association (RMA) office. There was one (1) appearance regarding a loose dog and one (1) letter regarding parking. The next meeting is scheduled for March 3, 2014.

NEW NORTH GATE

A Town Hall Meeting was held at the Rancho Murieta Association (RMA) building on February 20, 2014. The meeting room was filled to standing room only capacity. RMA General Manager, Greg Vorster, along with Sam Somers, Sr. and Martin Pohll of the New North Gate Committee, provided information and answered questions about the proposed gate. Questions included funding, the left turn onto Lago Drive, and the large ornamental gates.

MEMORANDUM

Date: March 12, 2014
To: Board of Directors
From: Paul Siebensohn, Director of Field Operations
Subject: Water/Wastewater/Drainage Report

The following is District Field Operations information and projects staff has worked on since the last Board meeting.

WATER

Water production flow has stayed low at 0.58 million gallons per day (MGD) due to recent rains and water conservation. Plant #2 is offline for winter maintenance and power conservation. Total potable water production for February 2014 was approximately 18.435 million gallons (MG), or 56.6 acre-feet. Based off of production versus number of connections, the average usage per customer connection was 243 gallons per day (gpd) during the month of February 2014.

As the Stage 2 drought declaration went into effect as of February 1, Security staff and Field Operations staff have been tracking and tagging water waste violators. Security has provided photos and lists of water waste to Utility staff, which have followed up with hanging door tags on the violators' doors. So far, there have been thirty seven (37) violators in group A (north community) and fifteen (15) in group B (south community) tagged.

Maintenance focused on making repairs to Plant #2 filter under drains. These under drains consist of fused polymer beads manufactured onto reinforced plastic channels through which the water is filtered, which the sand and anthracite filtration media sit. Some of the filter cells had minor sand leakage showing that the under drains needed to be resealed. Staff received a vendor quote of \$56,199 to complete this work. Staff then took it upon themselves to complete the work. So far, staff has kept the repair cost below \$3,000 and anticipates the overall repair to total under \$10,000.



Photos of filter work being completed by staff.

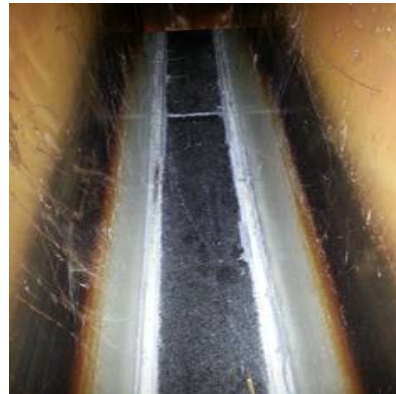
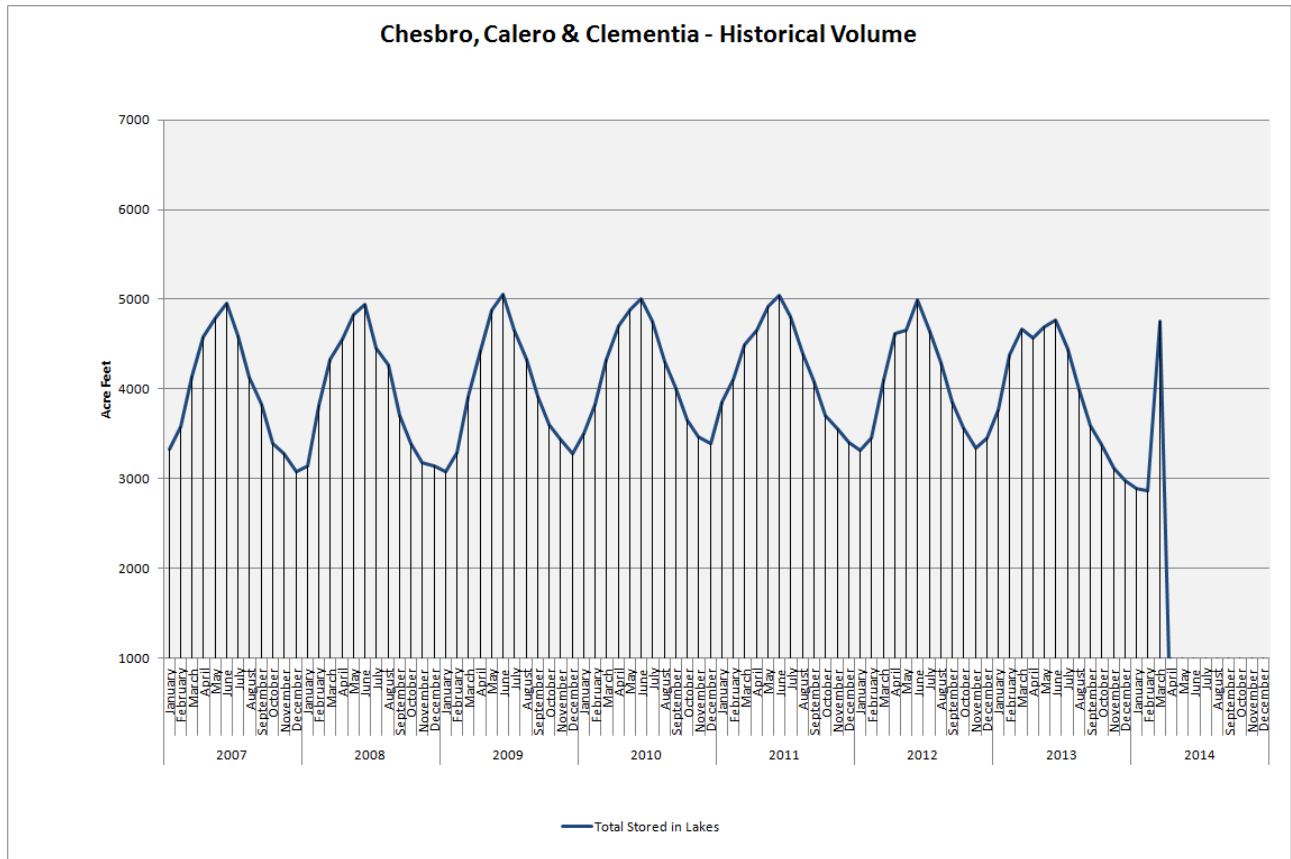


Photo of top of filter under drain sealed by staff.

Water Source of Supply

On March 5, 2014, the combined raw water storage for Calero, Chesbro, and Clementia Reservoirs measured approximately 1,551 MG (4,760 acre-feet). For Calero and Chesbro alone, the storage measured 1,241 MG (3,790.8 acre-feet). For reference, an average year’s demand has been 581 MG (1802 acre-feet). In February 2014, 6.51” of rain was received, more than all of 2013’s total rainfall of 6.16”. Since that time, staff has pumped river water to fill our reservoirs as quickly as possible, (see graph below) as the drought outlook showed that the drought could be persisting or even intensifying.



Despite the recent rains, long term forecasts continue to show we will be in a persistent extreme drought, see Drought Monitor for CA below. The District continues to be in a Stage 2 – Water Warning mandatory goal of 20% water cutbacks from all of its potable water users due to the Governor’s drought declaration, poor outlook of long-term forecasting, a condition of the Temporary Urgency Permit we filed, and the District’s goal of meeting its 20% cutback goal by the year 2020 (20/2020).

From the Department of Water Resources:

Driest Year on Record?

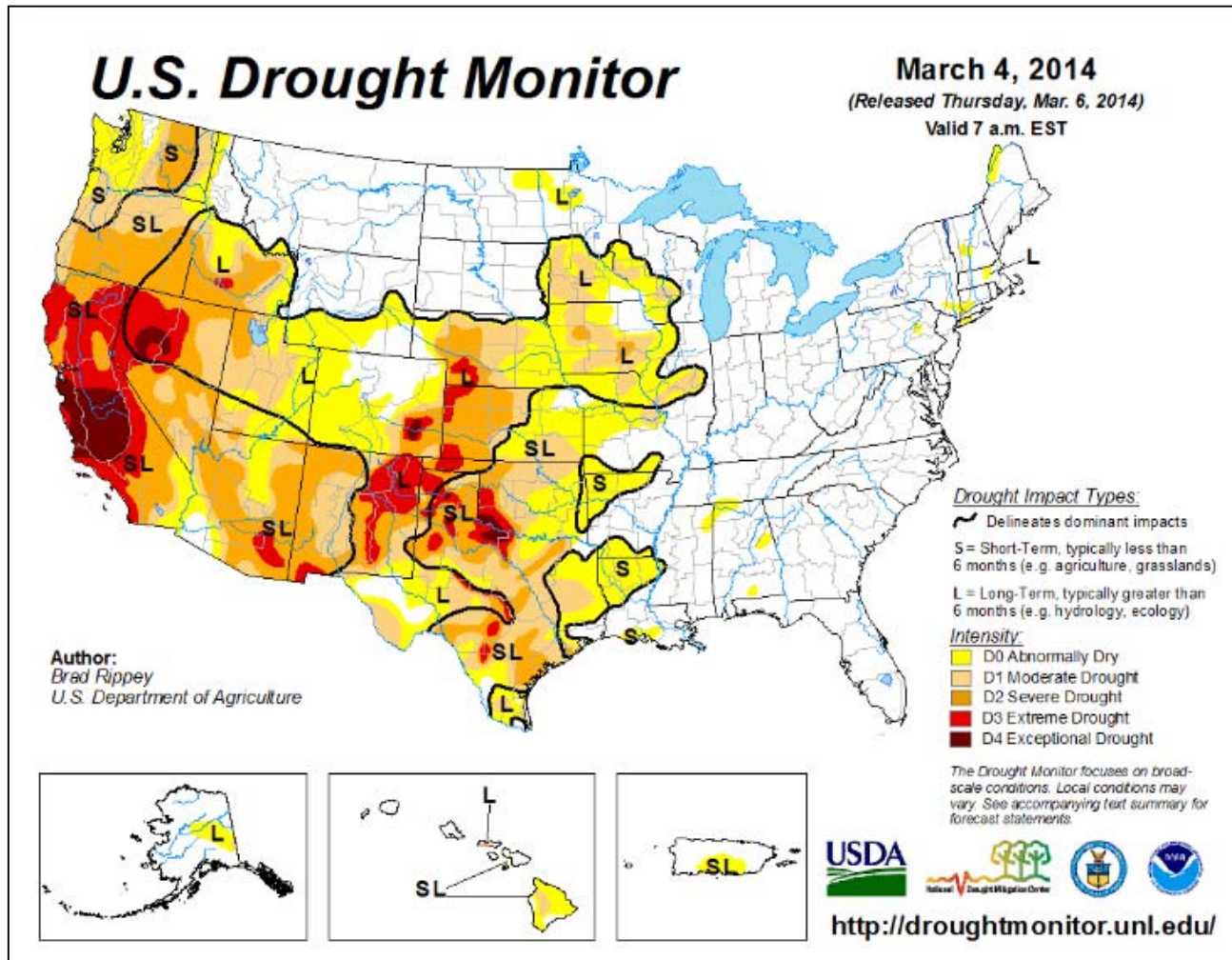
Calendar year 2013 closed as the driest year in recorded history for many areas of California, and current conditions suggest no change in sight for 2014.

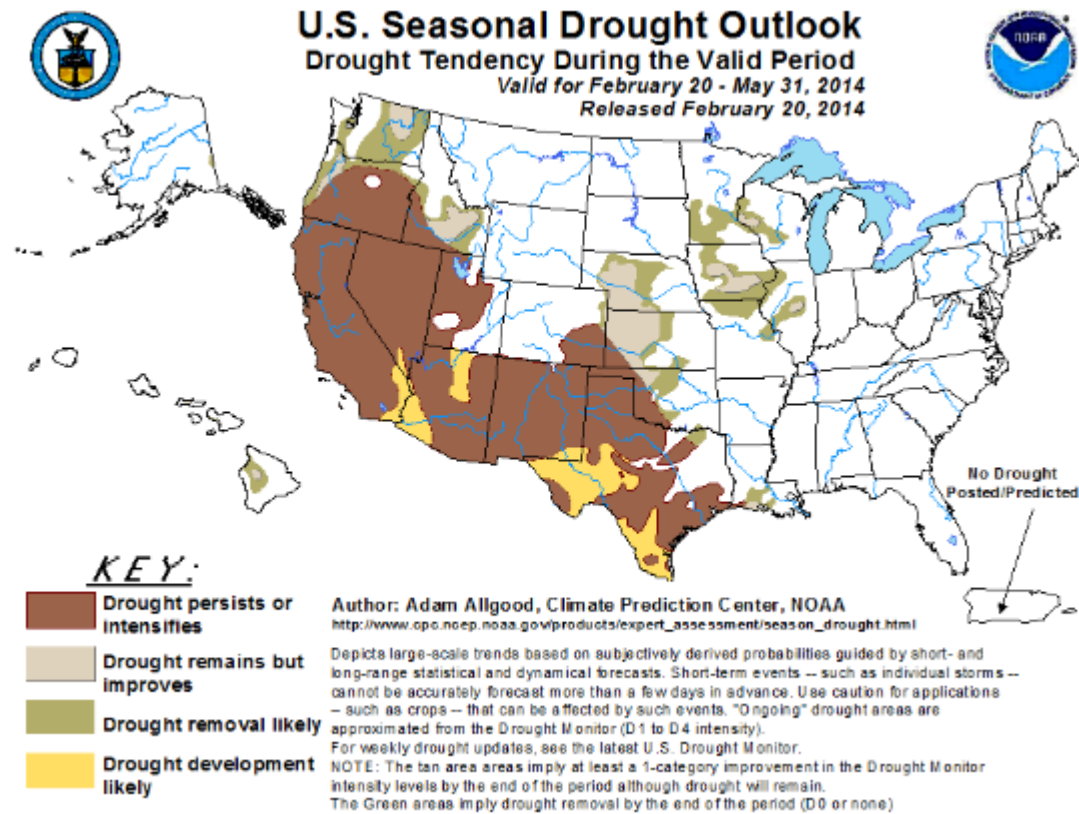
On February 17, Gov. Edmund G. Brown, Jr. declared a drought state of emergency and directed state officials to take all necessary actions in response.

The proclamation is available here: <http://www.gov.ca.gov/news.php?id=18368>.

Governor Brown has called on all Californians to voluntarily reduce their water usage by 20 percent and the [Save Our Water](#) campaign has announced four new public service announcements that encourage residents to conserve. Last December, the Governor formed a Drought Task Force to review expected water allocations and California's preparedness for water scarcity. In May 2013, Governor Brown issued an Executive Order to direct state water officials to expedite the review and processing of voluntary transfers of water.

For more information on drought, see <http://www.water.ca.gov/waterconditions/droughtinfo.cfm>





The filing for a Temporary Urgency – Petition for Change to the State Water Resources Control Board – Division of Water Rights (DWR) for our main appropriative right, permit 16762, was received and approved. However, as a condition, it is posted for a 30 day protest period. One protest was received so far with a contention that visible flow at the McConnell gauging station still be required as a condition of our Urgency Petition. This Petition was pursued and filed when the District reservoirs were very low and no rain was in sight. Due to recent rains, keeping this condition of our permit should no longer impact us. Recent storms have allowed the District to begin diversions from the Cosumnes River (river) to storage in our reservoirs. We are currently full to all of our spillways. At this point, we will only pump when the river is clear to maintain and top off our reservoir storage levels.

Staff has periodically flushed the Granlees intake structure to ensure that it is clear of debris to maintain pumping. I have also contacted two vendors regarding self cleaning screening systems for our raw water intake screens. I have not heard back from either of them yet but will follow up shortly.

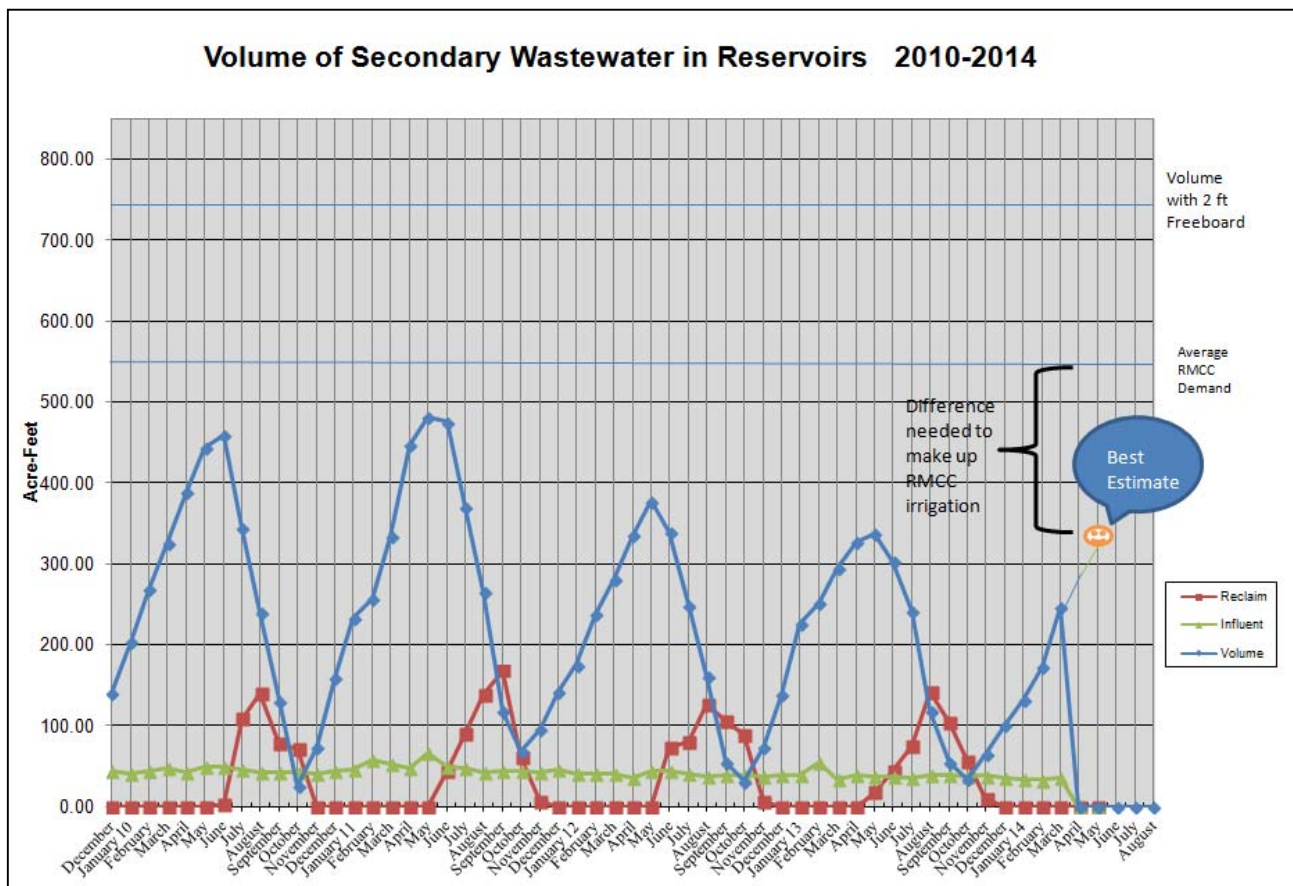


Photo of what the intake screens look like.

WASTEWATER TREATMENT, COLLECTION AND RECLAMATION

Influent wastewater flow averaged 0.36 million gallons a day, for a total of 11.53 MG, (35.4 acre-feet) for the month of February. Secondary storage measured 80.2 MG (246.21 acre-feet) on March 5, 2014. As part of regular collection system maintenance, sewer line jetting in the North and South community has resumed to ensure the sewer pipe flows are unobstructed. As a result, approximately 30,363 feet of sewer collection system line was jetted this past month.

I met with Rancho Murieta Country Club (RMCC) to discuss how the drought may affect the availability of recycled water for golf course irrigation. I provided a similar graph below and discussed that the water we receive through the sewer system has been and may continue to be less than in the past, due to low rainfall intrusion and infiltration (I&I) into the sewer collection system as well as water conservation. As in the past, they intend to make up the estimated shortfall of irrigation water with river water while it is available in the river, spring-summer.



DRAINAGE / CIA DITCH

The CIA has been shut down due to recent rainfall and high river flows. Utility staff removed a tree that fell down during a recent storm in drainage ditch zone 3 (f) near Terreno Drive. Staff also continues to inspect construction before, during, and after rains to ensure that the Best Management Practices (BMP) for storm water pollution control is being implemented.

WATER METERING AND UTILITY STAFF WORK

Staff completed all of the necessary water meter maintenance which included replacement of eighteen (18) water meters and seven (7) MXUs. Utility staff received eight (8) calls for leak investigations, and repaired two (2) that were District service line water leaks. Also completed were four (4) underground service alerts (USA), and forty (40) Utility Star service orders. Roadsides along the Wastewater Reclamation Plant and secondary storage reservoirs were treated with herbicide.

OTHER PROJECTS

Murieta Gardens

The grading work has been on hold this past month due to rain.

Well Project

The project is continuing to move forward expeditiously. The CEQA documentation for the project was submitted to the State Clearinghouse and the thirty percent (30%) set of project drawings are complete and under review. We have met with property owner representatives and received the signed Right of Entry Agreements for access for the project.

Water Plant Phase 3

Bids were received February 21, 2014 for five (5) bid divisions, painting, sitework, mechanical, electrical, and fire protection. The bid division for Sitework was rejected by the Board at a Special Board meeting on March 7, 2014. This bid division will be broke into three (3) separate bid packages for paving, sitework, and fencing and then re-advertised for bids.

Recycled Water For Future Use:

Staff is working with AECOM on the CEQA documentation for the Report of Waste Discharge Report for the future use of recycled water in the District. The goal is to have an administrative draft completed by the end of March and out by mid May.

Update of District Standard Construction Specifications

We have provided our general conditions, standard contract documents, and standard construction drawings to AECOM, along with several requested changes to be implemented for the update of the Standards. We are also in contact with Sacramento County, which will be providing updated drawings that we may use as well.

MEMORANDUM

Date: March 12, 2014
To: Board of Directors
From: Edward R. Crouse, General Manager
Subject: Receive Drought Update

RECOMMENDED ACTION

No action – receive update.

FUTURE FORECASTS

Both NOAA and USGS continue their long range forecasts of continued extremely dry conditions through the spring. However, our water shed area in the Sierras is not identified as critically dry.

RIVER FLOWS AND DIVERSIONS

All reservoirs are full to their spillways. River flows have stayed above 70 cfs since early February and we believe they will stay that way until the end of our diversion season.

We have cut back on diversions recently since our reservoirs are at the spillway and also since the recent rains muddied the waters. Once we start again, we will likely use the smaller pumps to help with reducing our power bill, although it will do nothing to reduce the demand surcharge.

STAGE 2 DECLARATION

We just completed our mid-period March meter reads. Usage was about 525,000 gpd for the first two (2) weeks of March, which is about a 3.4% reduction from February demands. Usage in February was down 28% from January 2014 levels, which was a really good conservation response by residents and commercial customers. However, a comparison of YTD 2014 to YTD 2013, January – February, reflects that 2014 usage is 11.6% higher than 2013 year to date.

Despite the recent rain, the District is still in a Stage 2 water warning, requesting a targeted cutback in overall use of 20%. The good news is that the rain has allowed the District to begin diverting water from the Cosumnes River to storage, at a rate of over 20 million gallons per day and our reservoirs are full to their spillways. However, we are continuing our declaration of Stage 2 because long term forecasting has the drought outlook as “persisting or intensifying” and may extend into next year, it is a condition of the Temporary Urgency Permit we filed that we cut back 20%, and the Governor’s drought declaration is continuing to call for a cutback of 20% throughout the State.

DROUGHT WEB PAGE

We have updated the information on our web page to reflect current conditions. It has not gone unnoticed as the State Water Resources Control Board noted our reservoirs are nearly full, in regard to our filing for a Temporary Urgency Change to our Master Water Right.

EDUCATION & OUTREACH

Suzanne is working on a March direct mailing postcard for an update on our current drought conditions and recommendations. She will also work with cable Paul on getting the message on Channel 5.

Paul and Betty are scheduled for a presentation at the Women's Club on March 26, 2014.



Technical Memorandum

Prepared for: Ed Crouse, General Manager
Rancho Murieta Community Services District (District)

Subject: **Update on Dry Year Demand and Supply Status**

Date: March 14, 2014

From: Lisa Maddaus, P.E.
Maddaus Water Management, Inc.

1. SUMMARY OF CURRENT SUPPLY

Rancho Murieta, along with the rest of California, is still experiencing deficit rainfall conditions despite recent storms. Fortunately, the District was able to start and maintain pumping through the past several weeks to alleviate the near term risk of having a serious supply shortfall in 2014. Currently, existing storage for the reservoirs is at spillway capacity as of March 12, 2014.

Figure 1 presents the current situation with a deficit and lowest storage levels in January 2014 (based on the record from 2000-2013) due to a dry 2013. Also shown in Figure 1 is the benefit of pumping that was possible during February and early March 2014 to fill the reservoirs.

Persistent dry conditions are forecasted to continue throughout water year 2014. These dry conditions may exceed unprecedented dry conditions of 2013, which was the driest calendar year for the Sacramento Region in more than a 150-year record. If dry conditions continue, then above average evaporation from the reservoirs and demand for irrigation will also occur.

The challenge now is for the Rancho Murieta customers to work individually and together with the District to do their part to preserve available water storage leading into the summer and fall 2014 and looking beyond to carry as much storage as possible into 2015.

2. SUMMARY OF CURRENT DEMAND RESPONSE

Based on historically low rainfall coupled with high evaporation rates from the previous year leading to exceptionally low reservoir storage levels, on January 17, 2014, the District declared a Stage 2 "Water Warning" requesting an 11-25% cutback in water use, targeting 20% reduction overall to take effect as of February 1st. The demand response due to customer awareness and response coupled with the benefit of the recent storms that allowed for irrigation systems to remain off has resulted in the requested demand reduction to be achieved as of mid-March, as presented in Figure 2. The goal for the coming months is to maintain at least a 20-25% cutback in demand.

Figure 1. Actual, Historical, and Drought Stage Storage (Gallons)

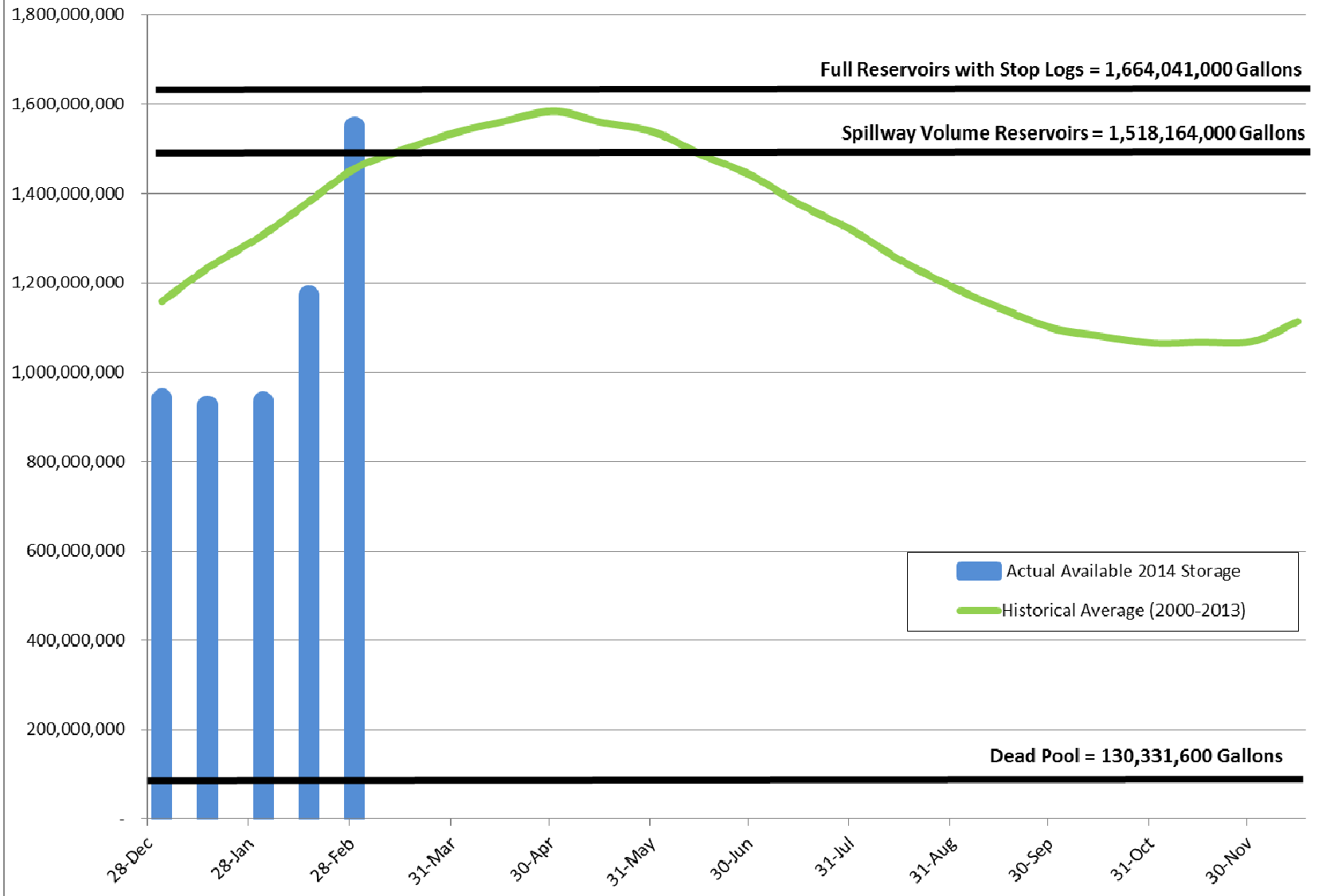
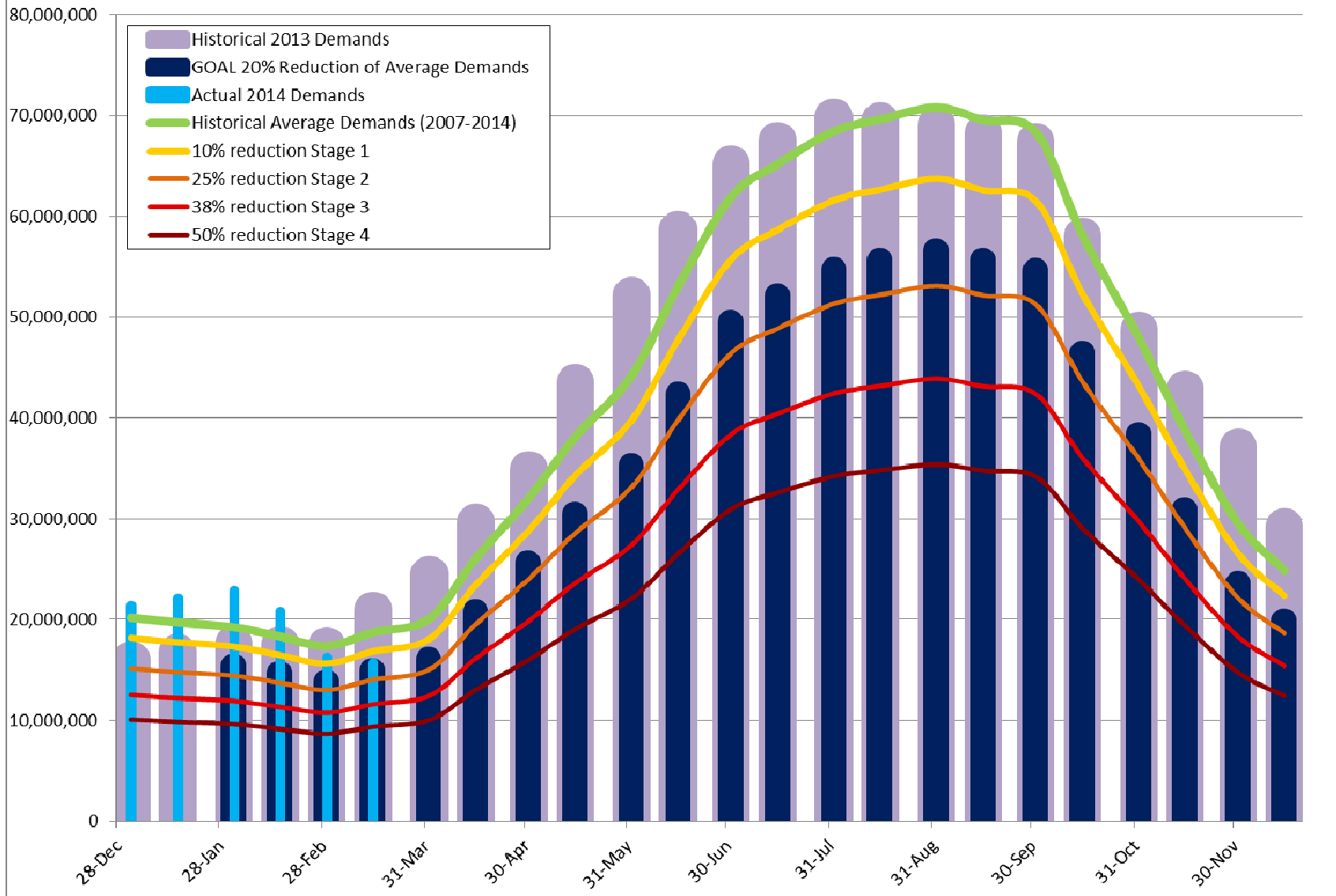


Figure 2. Actual, Historical, and Drought Stage Demands (Gallons)



MEMORANDUM

Date: March 11, 2014
To: Board of Directors
From: Darlene Gillum, Assistant General Manager
Paul Siebensohn, Director of Field Operations
Subject: Receive Water Treatment Plant Expansion Project Update

RECOMMENDED ACTION

Receive update. No action required.

CEQA IS/MND

The Initial Study/Mitigated Negative Declaration (IS/MND) was approved last month and filed with Sacramento County and a copy sent to the State Clearing House. No further action required.

BID AND AWARD

Division 10 of the original Water Treatment Plant Expansion bid scope has been divided into Site Work and Fencing. These bid packages are being advertised March 13 in the Daily Pacific Builder; mandatory pre-job walkthrough March 18; and bid opening March 27, 2014.

ENGINEERING SERVICES

HDR submitted a second revision to their scope and fee as directed by the Board last month. Their proposal is on this month's Board agenda for approval.

GE CONTRACT

Final compilation of the contract documents is complete and waiting for signatures, following award of the trade contracts.

GE contract award is being delayed due to the lack of full funding commitments. Already there is a month delay which will push their delivery out until October, which in turn will likely delay plant start-up and completion beyond the scheduled mid May 2015 completion date.

PROJECT SCHEDULE

Bids are still valid until late April, although the GE contract is the long lead critical path item. Based on the current delays in awarding the contracts, the plant completion will likely be delayed.

Water Treatment Plant 1 (WTP1) Expansion and Upgrade Project

The table below is a summary of expenditures, through February 2014, related to the WTP1 Expansion and Upgrade project:

WTP1 Expansion and Upgrade Project	Approved Amount	RMCS D	R&B Letter of Credit	Developer	Total Expended to Date
WTP Design (HDR)	\$239,982.00		\$239,982.00		\$239,982.00
Construction Manager at Risk (Roebbelen)	\$49,049.00	\$26,309.00			\$26,309.00
SMUD Application	\$5,000.00	\$5,000.00			\$5,000.00
CEQA (HDR)	\$46,292.00		\$47,788.89		\$47,788.89
Geotechnical Study (Youngdahl)	\$2,600.00	\$2,600.00			\$2,600.00
Legal		\$2,373.00			\$2,373.00
CSD Personnel		\$19,974.50			\$19,974.50
Miscellaneous (bid advertising, asbestos testing, etc.)		\$708.95			\$708.95
Total	<u>\$342,923.00</u>	<u>\$56,965.45</u>	<u>\$287,770.89</u>	<u>\$0.00</u>	<u>\$344,736.34</u>

Letter of Credit (LOC) Balance as of December 31, 2013:

Beginning Balance:	\$ 4,136,099.12
- LOC expenditures thru 2/28/14	<u>(\$287,770.89)</u>
LOC Remaining Balance	<u><u>\$ 3,848,328.23</u></u>

Letter of Credit (LOC) Demands Tracking:

Demands made thru 3/14/14	\$287,770.89
LOC Reimbursement Received thru 12/31/13	<u>(\$36,531.84)</u>
Reimbursement Outstanding	<u><u>\$251,239.05</u></u>

MEMORANDUM

Date: March 14, 2014
To: Board of Directors
From: Edward R. Crouse, General Manager
Subject: Approve Proposal from HDR for Engineering Services During Construction

RECOMMENDED ACTION

Approve the proposal from HDR for engineering services during construction of the Water Treatment Plant Expansion Project, in an amount not to exceed \$167,565. Funding to come from Water Replacement Reserves.

BACKGROUND

The attached proposal is for HDR to provide engineering services during construction of the Water Treatment Plant Expansion Project, as directed by the Board last month to keep the services during construction to \$150,000.

The proposal includes bidding assistance in an amount of \$17,379 and engineering service during construction in an amount of \$150,186.

EXHIBIT A SCOPE OF SERVICES

Rancho Murieta Community Services District Water Treatment Plant Expansion - Bid Period and Construction Engineering Services

This scope of work was developed based on construction of a Water Treatment Plant Expansion project, which will include demolishing the Plant 1 sedimentation basins filters and constructing in their place a 6 mgd membrane treatment system with an initial capacity of 3.5 mgd.

TASK 1 - PROJECT MANAGEMENT

This task includes the following management activities required to efficiently provide HDR's scope of services and meet the District's goals:

- Prepare invoices and progress reports on a monthly basis.
- Coordinate with the Construction Manager at Risk (CMAR), schedule staff, and coordinate the quality assurance effort.

TASK 2 - BIDDING AND CONSTRUCTOR SELECTION ASSISTANCE

Subtask 2.1 - Prebid Meeting

HDR will attend up to three prebid meetings for the various design packages advertised for bidding by the CMAR. HDR will describe the design and be prepared to answer questions during the meeting. This subtask assumes the CMAR will organize and run the meetings and provide staff as needed to convey the District's construction bidding requirements and policies.

Subtask 2.2 - Bidding Services

HDR will provide assistance during the bidding period, which includes responding to written and faxed questions by the bidders, issuing addenda to the contract documents for distribution to plan and specification holders, assisting the CMAR and the District with evaluating and reviewing the bids for conformation with the contract documents, and providing input in the awarding of the contract. This subtask assumes that the CMAR will receive and forward questions from bidders and will prepare, negotiate, and execute the construction agreement with the selected bidder(s). A four- to six-week bid period is assumed. After contract award(s), a conformed set of bid documents will be prepared.

***Deliverables:** Written clarification of contractor questions, up to four addenda to the bid sets, and one unbound original reproducible set and PDF of conformed set of drawings.*

TASK 3 - ENGINEERING SERVICES DURING CONSTRUCTION

Subtask 3.1 - Site Visits / Progress Meetings

- Attend progress meetings twice per month during active construction periods to provide design input on construction and submittal review issues and concurrently provide on-site observation. Up to 10 construction progress meetings have been budgeted.
- Make site visits to observe construction progress, verify design intent, and assist in field decision-making and problem resolution.
- Provide additional field visits to the construction site upon request to observe the work in progress and advise the District of appropriate comments and/or concerns.
- Up to two site visits have been budgeted.

Subtask 3.2 - Submittal Review

- Review shop drawing submittal schedule provided by the contractor. Notify contractor of acceptance or rejection of schedule noting deficiencies and indicating contractor action required.
- Distribute copies of approved schedule to design team members responsible for shop drawing reviews.
- Receive, log, and distribute submittals received from CMAR to appropriate design team members for review.
- HDR Engineering will not be responsible for consultation or other services relating to construction means and methods, or construction site safety.
- Reviews shall be performed by the Engineer that designed the project element or an acceptable substitute. Budget is based upon 110 submittals, including resubmittals, and 3.5 engineering hours, 0.5 project manager hours, and 1 clerical hour per submittal. We understand that the CMAR will review submittals other than structural, mechanical, electrical, and process.

Subtask 3.3 - Request for Information/Request for Clarification (RFI/RFC) Review and Response

- Review RFIs and RFCs, and provide response options and recommendations in a timely manner, including expedited reviews for time sensitive RFIs/RFCs.
- Prepare design clarifications as required to clarify design intent.
- Budget is based upon 40 RFIs/RFCs and 3.5 engineering hours, 0.5 project manager hours, 0.5 clerical hours, and 0.5 CAD hours per RFI/RFC.

Subtask 3.4 - Proposed Contract Modifications (PCMs) and Change Order Assistance

- Prepare PCM for design changes, including design calculations, drawings, justification, and cost estimates.
- Budget is based upon up to two PCMs and supporting documentation, at an average of 8 engineering hours, 2 project manager hours, 6 CAD hours, and 2 clerical hours per PCM.
- Assist the City in reviewing proposed change orders for conformance with the design intent and verification of proposed cost. Budget is based upon review of up to two change order requests at an average of 2 project manager hours and engineering hours per review.

Subtask 3.5 - Final Punch List

- Participate in a site visit to develop items for the punch list (three participants from HDR). Prepare and provide items for incorporation into the final punch list maintained by the Construction Manager.
- Review progress completion on punch list items and conduct site visit to observe completed work and develop final punch list (one participant from HDR).

ASSUMPTIONS

A brief summary of the assumptions upon which the scope of work is based follows:

- The existing water treatment plant will be expanded to meet an ultimate demand of 6 mgd. The initial project will be sized for 3.5 mgd with provisions made for easily expanding to 6 mgd in the future by adding membrane equipment.
- The expansion will replace the existing 1.5 mgd capacity of Plant 1, which requires decommissioning due to age and directives from regulators.
- Construction management, including inspections and testing, will be performed by the CMAR. CMAR will be responsible for processing payment requests, document management, dispute resolution, progress meetings, inspection, testing supervision, and final closeout.
- The contractor is responsible for completing the project within the time allowed in the contract (13 months) or be subject to liquidated damages. A project extending beyond the originally specified contract time may result in added costs for HDR services.
- Startup assistance is not included in our scope, but can be provided upon request at added cost.
- Preparation of as-built drawings is not included in our scope, but can be provided upon request at added cost.
- The number of meetings, RFIs, submittals, and PCMs listed in our scope of work above is lower than the typical numbers HDR has seen in other similar projects. HDR will provide

monthly progress reports tracking work actually performed. In the event, the engineering costs are projected to exceed the available engineering budget due to higher numbers of meetings, RFIs, submittals and/or other unforeseen efforts, we will inform the District as soon as possible that an amendment will be needed. Based on the terms of the time and material contract, HDR will stop work once the budget limits have been reached.

- The contractor is responsible for their means and methods of constructing the project subject to the contract documents, applicable laws and codes, construction site safety, and coordination of work between trades.

EXHIBIT B - ESTIMATED WORK EFFORT AND COST

Rancho Murieta Community Services District

Water Treatment Plant Expansion - Engineering Services During Bid Construction

Task No.	Task Description	Principal/ QA/QC	Project Manager	Civil/ Process	Struct Engr	Mech Engr	Elect Engr	CADD Tech	Admin/ Clerical	Total HDR Labor Hours	Total HDR Labor (\$)	Total HDR Expenses (\$)	Total Cost (\$)
Task 1 - Project Management													
1.1	Project Management	2	20						36	58	\$8,706	\$ 435	\$ 9,141
	Subtotal Task 1	2	20	-	-	-	-	-	36	58	8,706	\$ 435	\$ 9,141
Task 2 - Bidding and Constructor Selection Assistance													
2.1	Prebid Meeting		4	4						8	\$1,525	\$ 76	\$ 1,601
2.2	Bidding Services (up to 4 addenda)	2	12	32	4	4	8	32	10	104	\$15,027	\$ 751	\$ 15,778
	Subtotal Task 2	2	16	36	4	4	8	32	10	112	16,551	\$ 828	\$ 17,379
Task 3 - Engineering Services during Construction													
3.1	Site Visits (2)/Progress Meetings (up to 10)		8	20	8	4	8		2	50	\$8,146	\$ 407	\$ 8,553
3.2	Submittals (up to 110)		55	165	88	44	88		110	550	\$82,060	\$ 4,103	\$ 86,162
3.3	RFI/RFC Review and Response (up to 40)		20	60	32	16	32	20	20	200	\$30,412	\$ 1,521	\$ 31,933
3.4	PCM (up to 2) and Change Order Assistance (up to 2)		4	6	4	2	4	12	2	34	\$5,061	\$ 253	\$ 5,314
3.4	Change Order Review Assistance (up to 2)		4	12						16	\$2,577	\$ 129	\$ 2,706
3.5	Final Punch List (one site visit)		6	8	6	6	8		2	36	\$6,056	\$ 320	\$ 6,376
	Subtotal Task 3	-	97	271	138	72	140	32	136	886	134,312	\$ 6,733	\$ 141,045
TOTALS		4	133	307	142	76	148	64	182	1,056	\$159,569	\$7,995	\$167,565

FIELD OPERATIONS

YEAR IN REVIEW

PRESENTATION BY

PAUL SIEBENSOHN



MEMORANDUM

Date: March 11, 2014
To: Board of Directors
From: Paul Siebensohn, Director of Field Operations
Subject: Approve Additional Inspection Costs for Main Lift North Project

RECOMMENDED ACTION

Approve payment of the invoice from Bay Area Coating Consultant Services, Inc., for additional inspection costs for Main Lift North Project, in an amount not to exceed \$640.00. Funding to come from Sewer Replacement Reserves, CIP #12-04-2.

Approve payment of the invoice from Prodigy Electric in an amount not to exceed \$1,640. Funding to come from Sewer Replacement Reserves, CIP #12-04-2.

BACKGROUND

This final invoice was submitted late by the Bay Area Coating Consultant Services, Inc., (BACC) inspector and therefore missed during the final billing period and not included in last month's request. The BACC Invoice is attached.

For this rehabilitation project, the engineering specifications required that all surface preparation, concrete rehabilitation and coating application be inspected by a NACE International Level III Certified Coatings Inspector in the field as needed. The purpose being to ensure that all specification requirements and painting industry standards are adhered to and to ensure a long life of the coating system. Due to project delays, additional inspection costs were incurred.

The Prodigy Electric invoice is to cover costs for electrical panel servicing, connecting an alarm and minor changes requested by staff, which were outside the rehabilitation work. The Prodigy Electric invoice is attached.

BAY AREA COATING CONSULTANT SERVICES. INC.

INVOICE

Date: February 26, 2014

CLIENT: Rancho Murieta
 P.O. Box 1050
 Rancho Murieta, CA 95683



PROJECT ENGINEER: Mr. Paul Siebensohn
 PROJECT: Rancho Murieta
 CONTRACT:
 PO NUMBER:
 INVOICE NUMBER: E04076
 PAYMENT PERIOD: 1/29/14 through 2/26/14

Budget: \$6,40 DIRECT COST Balance: (\$13,170.00)

DATE	SERVICE	HOURS	OT HOURS	Double
1/29/2014	David H. Inspection	8.0	0.0	0.0
TOTAL HOURS		8.0	0.0	0.0
HOURLY RATE		\$80.00	\$127.50	\$180.00
DIRECT COST		\$640.00	\$0.00	\$0.00

TRAVEL

HOTEL

TOTAL AMOUNT DUE \$640.00

RECEIVED
 RANCHO MURIETA
 COMM. SERV. DIST.
 2014 FEB 27 A 11: 22



Invoice

Please Remit To This Address: **Prodigy Electric**
PO Box 141
Lincoln, CA 95648

Bill To: Rancho Murieta CSD
15160 Jackson Road
Rancho Murieta, CA


Invoice #	40054
Date	2/20/2014
Total Due:	\$1,164.00
Terms	Net 30
P.O. No.	c19894

Billing/Service: 916.997.0798

CA License # 872833

Job Description

MLN work

Description	Quantity	Rate	Amount
install relays for grinders alarms to dialer. install lights, repair conduit, clean up unused pipes, repair high water float. 	1	1,164.00	1,164.00

Total Due: \$1,164.00

MEMORANDUM

Date: March 12, 2014
To: Board of Directors
From: Improvements Committee Staff
Subject: Approve Chemical Purchase Contracts

RECOMMENDED ACTION

Approve chemical purchase contracts as follows:

NTU Technologies Inc. for Protek 301, price not to exceed \$1.02/lb delivered; Liquid Aluminum Sulphate, price not to exceed \$0.159/lb delivered; Pro Pac 9890, price not to exceed \$1.39/lb delivered; Memclear, price not to exceed \$1.15/lb delivered.

Sterling Technologies Inc. for SWT 2000, pricing at \$0.58/lb delivered 600 lb. drum, \$0.50/lb delivered 3,000lb tote.

Sierra Chemical Co., at \$580/ton of chlorine gas delivered.

UNIVAR to supply Sodium Hydroxide 50% at \$3.79/gal delivered price, Sodium Hydroxide 30% at \$3.39/gal delivered and Potassium Permanganate at \$210.50/pail plus delivery.

Sierra Chemical Company, West Sacramento, powdered activated carbon (PAC) at \$2.89/lb plus freight.

Funding to come from the applicable Water and Sewer Operating Budgets.

BACKGROUND

The District uses bulk chemicals to treat its potable and non potable water. Annually, staff obtains contract pricing of these chemicals to aid in budget determinations, with a price not to exceed a certain level so that these chemicals do not have to come to the Board for individual purchases.

The chemicals are used in various aspects of treatment, such as to coagulate particles for filtration, aid in coagulation, prevent corrosion in the pipes, disinfection of water supplies and to improve overall water quality. These chemicals all meet regulatory standards for use in potable water treatment.

NTU Technologies Inc., provides coagulants and anticorrosion inhibitor, was able to keep their costs from the previous year the same for all of their products; Protek 301, price not to exceed \$1.02/lb delivered; Liquid Aluminum Sulphate, price not to exceed \$0.159/lb delivered; Pro Pac 9890, price not to exceed \$1.39/lb delivered. The contract pricing will last to June 20, 2015.

Sterling Technologies Inc., supplies an Aluminum Chlorohydrate (ACH) coagulant that may be used for the future membranes at the Water Treatment Plant expansion of Plant #1. Contract pricing will last through end of 2014.

Sierra Chemical Co., supplies chlorine gas one-ton cylinders, used for disinfection of water, raised their cost from \$0.28/ lb to 0.29/lb delivered, raising the price from \$560 to \$580/ton delivered. This is approximately a 3.6% increase from last year's pricing. No contract price held.

UNIVAR held their costs for Sodium Hydroxide 50% at \$3.79/gal delivered and for the cost of Potassium Permanganate at \$210.50/pail delivered, the same as last year. However, their prices are subject to change, with applicable delivery charges for Potassium Permanganate.

Sierra Chemical Company, West Sacramento supplies the District Powdered Activated Carbon type Hydrodarco B, for adsorption in taste and odor control use in the water treatment process. They cannot commit to an annual cost but report that their cost is fairly stable. Their cost is the same as it was last year as well.

The Improvements Committee recommends approval.

Sierra Chemical Co.
 2302 Larkin Circle
 Sparks, Nevada 89431-6587
 P.O. Box 50730
 Sparks, Nevada 89435-0730
 Telephone (775) 358-0888
 Toll Free (800) 777-8965



PRICE QUOTATION

TO: Rancho Murietta CSD
 Paul Siebensohn
 PO Box 1050
 Rancho Murietta, CA 95683

DELIVER TO:

MILEAGE:

Customer No. 401488
 401487

WE ARE PLEASED TO QUOTE AS FOLLOWS:

YOUR INQUIRY		ESTIMATED SHIPPING DATE		TERMS		F.O.B.		DATE
Paul		As Needed		Net 30 Days		Delivered		1/28/2014
ITEM NO.	DESCRIPTION	PRODUCT CODE	UNIT QTY	UNIT	UNIT PRICE	AMOUNT		
1	Chlorine	28154-300	2,000	POUND	\$ 0.29	\$580.00		
2	Deposit:Ton Tank		each	each	\$ 1,000.00	\$ 1,000.00		
	Fuel Surcharge - Per delivery				\$ 25.00			
	Regulatory Compliance Fee				\$ 7.50			

ABOVE PRICES ARE GOOD
 THRU or AS MARKET CHANGES
 DICTATE: 12/31/2014
 EFFECTIVE: 2/15/2014

Comments:
 Thank you for your interest in Sierra Chemical Co. and for the opportunity to quote.
 For further information on our products and services, contact Jerry Eykelbosh of
 Sierra Chemical Co., A Carus Company, at 775-240-9236.
 jerryeykelbosh@sierrachemsales.com
 Currency quoted as US Dollars.
 To place an order, call 775-358-0888 or e-mail orders@sierrachem.com.



P. O. Box 55048, Sherman Oaks, CA 91413
Orders: (800) 342-6733 Fax: (818) 788-8809

Quote

Prepared For

Rancho Murieta CSD

Paul Siebensohn

15160 Jackson Road

Rancho Murieta, CA 95683

psiebensohn@rmcsd.com

Prepared By

Freddie Vaziri

NTU Technologies, Inc.

P. O. Box 55048, Sherman Oaks, CA 91413
Orders: (800) 342-6733 Fax: (818) 788-8809
Email freddie@ntutechnologies.com

Date Prepared

January 23, 2014



P. O. Box 55048, Sherman Oaks, CA 91413
Orders: (800) 342-6733 Fax: (818) 788-8809

Quote

Rancho Murieta CSD

Paul Siebensohn

January 23, 2014

PRICE QUOTE

Price list effective July 1, 2014 through June 20, 2015

PRODUCT	PACKAGING	PRICE	QUANTITY	AVAILABILITY
Liquid Aluminum Sulfate	Bulk Tanker Truck	\$0.119/lb/del not to exceed \$0.159/lb/del	4,500 gallons (Full Truck Load)	ARO 5 – 10 business days
Protek 301 Zinc Orthophosphate	Bulk Tanker Truck	\$0.86/lb/del not to exceed \$1.02/lb/del	1000 gallons minimum	ARO 5 – 10 business days
Pro Pac 9890	55-gallon drums (550 lbs net each)	\$1.16/lb/del not to exceed \$1.39/lb/del	6 drums	ARO 5 – 10 business days
Memclear	55-gallon drums (600 lbs net each)	\$0.95/lb/del not to exceed \$1.15/lb/del	1 drum minimum	ARO 5 – 10 business days
Memclear	275-gallon totes (3000 lbs net each)	\$0.95/lb/del not to exceed \$1.15/lb/del	1 tote minimum	ARO 5 – 10 business days

PLEASE NOTE: We are not taxing products for potable or reclaimed water because the finished product is resold to the end user.

A handwritten signature in black ink, appearing to be "P. Siebensohn", written in a cursive style.

This quote supersedes any and all prior quotes



Administrative Address		Delivery Address	
Rancho Murieta Community Service District P.O. Box 1050 Rancho Murieta, CA 95683		Rancho Murieta Community Service District 15160 Jackson Rd. Rancho Murieta, CA 95683	
Attention:	David Hermann	Ship to #:	916-354-3700
Phone:	916-354-3700	Email:	dhermann@rmcsd.com
Fax:	916-354-3736		

Sterling Water Technologies P. O. Box 602, Columbia, TN 38402-0602 Phone-931-540-1334 Fax-931-540 1338	
--	--

Product Description	Product #	Package Description	Container Deposit	Quantity per Delivery				
SWT-2000 (ACH)		3,000# net tote		1	\$0.50/#	Delivered		
SWT-2000 (ACH)		600# net drum		2	\$0.58/#	Delivered		

Designated Carrier:	Common Carrier	Expiration Date	12/31/2014
Shipping Location:	Modesto, CA		

Sterling Water Technologies
Environmental Services Group

Bruce W. Bingham

Bruce W. Bingham
Chemical Application Specialist

Pricing is subject to change without notice unless a Purchase Order is issued or contract entered into.
A returnable container handling fee is deducted from container deposits when refunded.
Orders for packaged goods and mini-bulk are subject to the current Fuel/Reg/Security surcharge.
Third Party and bulk shipments have incorporated this surcharge into the quoted price.
Containers on MEMO basis carry a value which may be charged if not returned within sixty (60) days from date of shipment
F.O.B. Delivered unless otherwise specified. CWT = 100 lbs.

MEMORANDUM

Date: March 14, 2014
To: Board of Directors
From: Darlene J. Gillum, Assistant General Manager
Subject: Review Draft 2014-15 Budget - Projected Worst Case Budget and 2014- 15 Drought Tiered Pricing Structure

RECOMMENDED ACTION

Authorize staff to mail the Prop 218 proposed worst case rate increase, including tiered pricing structure, and Notice of Hearing by April 1, 2014.

Authorize staff to include the collection of Security Replacement Reserves by increasing the monthly Security Tax rates to the maximum allowable rate and include these rates in the Prop 218 rate increase notice.

BACKGROUND

Staff presented the 2014-15 worst case budget projection to the Finance Committee on March 10, 2014. During that meeting, the Finance Committee asked staff to consider collecting a monthly amount in Security for setting aside a reserve for the replacement and repair of Security capital assets by bringing the Security rates up the maximum allowable rate. The annual amount that would be collected for reserves would be \$41,468 in the 2014-15 fiscal year. A revised Sample Bill is attached for review to show the impact of collecting the Security Reserve fee.

As a reminder, the authorization of mailing the Prop 218 notice based on this worst case budget does not adopt these rates for implementation on July 1, 2014. The final rates adopted for the 2014-15 fiscal year can be lower than the rates noticed in compliance with Prop 218 but cannot be higher.

BUDGET OVERVIEW

Staff has worked on developing the worst case budget during January and February. The District uses a blended zero-based budgeting approach where Department Managers evaluate their budget needs using a 5-yr historical trend of budget and actual costs in addition to including known increases and decreases due to changing costs and District needs.

This projected worst case budget incorporates the 2014 -15 fiscal expense impacts of the Stage 2 – Water Warning drought declaration into the Water operating expenses; thereby incorporating the impact in the proposed rate increase. This impact is estimated at approximately \$130,000 and accounts for approximately 6.5% of the total Water rate increase. This portion of the rate increase will be eliminated in the subsequent budget year. The drought-related fiscal impacts incurred in

2013-14 are not included in this projection. The worst case budget does not project the implementation of tiered pricing at this time.

The goal is to have the first draft of the “worst case scenario” budget presented to the Board at the March Board meeting. Rate increase notices, if required, must be provided 45 days in advance of the budget hearing, which is currently planned for the May Board meeting. This worst case budget is recommended to be the base for the rate increase notice that is required to be mailed on or around April 1, 2014. Subsequent to the rate increase notice, staff will continue to run down all budget unknowns.

A Sample Bill-Worst Case and draft budget summaries for each fund are attached to assist in review of this draft of the 2014-2015 budget.

RMCS D 2014-2015 Budget Assumptions & Unknowns

Following are the assumptions used in developing this draft 2014-2015 budget.

REVENUES

1. **Admin** – Property tax reduction of \$8,520 based on projections provided by Sacramento County. The county continues to provide monthly updates to the property tax estimates.
2. **All Funds** – No new development growth in 2014-15.
3. **Water, Sewer and Security** – Late charges are estimated at 1.5% of total service charges.
4. **Water** – Water usage projected at 15% conservation savings from 2013 usage as a result of the Stage 2 – Water Warning declaration.
5. **Sewer** – The advance debt service and related reserve charge for the VVR Permanent Irrigation Fields has been removed from the Sewer rates with the expectation that the District will be successful in obtaining the Master Reclamation Permit for wastewater disposal/reuse eliminating the need to convert the VVR Irrigation Fields to a permanent condition.
6. **Water** – The advance debt service and related reserve charge for the Water Treatment Plant Expansion Project (“WTP1”) is revised to a flat fee of \$6.00 (previously the prefunding was split between a portion in the Water base charge and the Water usage charge for an average charge of \$4.75). This amount continues to be collected as a debt prefunding until the WTP1 project begins and the District incurs debt (either from internal borrowing or private placement borrowing) requiring repayment; which is not expected to occur until 2015. This increase of WTP1 advance debt service collection of \$1.25 is 1% of the total increase to average residential monthly bill.

EXPENSES – Assumptions made in all department budgets

1. Wages
 - a. Represented employees wages are adjusted for step increases (if applicable) in review month.
 - b. Non-represented wages have 4% increase built in to create the “wage pool” that is allocated through the Pay for Performance Plan. This is not meant to imply that every non-represented employee will receive a 4% salary increase.
2. Employer Costs
 - a. The Employer Contribution rate for PERS New Members (2%@62 plan) is 6.25%.
 - b. The Employer Contribution rate for PERS Classic Members (2%@55 plan) is 13.322% (last year’s was 12.608%), for an increase of 5.7%.
 - c. Employer Paid Member Contribution (EPMC) is reduced to 3% effective January 1, 2015 for represented and unrepresented employees that are Classic Members (means employees will contribute 4% to PERS). Represented employees that are New Members receive 0% EPMC effective January 1, 2015; they must begin paying the full Member Contribution of 6.25% when the current MOU expires. Unrepresented employees that have been hired on as New Members are required to pay the full Member Contribution since the PEPRA implementation on January 1, 2013.
 - d. Medical premiums are projected to increase 7% on January 1, 2015.
 - e. The District contribution of the full Annual Required Contribution (ARC) to the OPEB Trust is increasing \$36,000 to \$189,000. This increase is based on the new OPEB Actuarial Report.
 - f. SMUD Power cost – 2.5% increase in SMUD base rate.

General Fund – projection is an increase of \$84,500 or 7.4%

1. Liability and Property Insurance Premiums – no increase in rate; however, the total premium has increased \$20,000 due to the increase in coverage limits, which resulted from the facilities appraisal completed in 2012. Reflects premium credit for participation in GSRMA’s Loss Prevention Incentive Program.
2. Election cost – added \$5,000 for District election in November 2014.
3. Office Supplies – increase of \$3,600 due to printing of monthly Pipeline.
4. IT Maintenance – replacement of one (1) workstation and one (1) laptop.
5. Copy Machine Maintenance – increase of \$8,650 to 13/14 budget however 12/13 actual cost was \$15,700 and 13/14 projected cost is \$18,267. Increase is related to more in-house printing of monthly Pipeline (double-sided, color).

Security – projection is an increase of \$17,660 or 1.6%

1. Security Patrol - IT Maintenance plans for replacing the Patrol2 laptop and adds one new Toughbook.
2. Budget reductions taken in Telephones, Power, Patrol Employer Costs, Safety Center, and It support (total reduction of \$23,090).

Water – projection is an increase of \$237,010 or 13.2%

1. Water SOS power includes an increase of \$60,000 for the SMUD demand surcharge that is expected due to running of the three (3) 500 hp pumps.
2. Water General - Conservation budget includes \$70,000 increase for drought related outreach activities.
3. Water General - consulting includes \$30,000 for 50% of a quarter time Engineer for general engineering services.
4. Water General - IT Maintenance Three (3) workstations replaced (50/50 with Sewer).

Sewer – projection is an increase of \$66,560 of 5.3%

1. Sewer General - consulting includes \$30,000 for 50% of a quarter time Engineer for general engineering services.
2. Sewer General - IT Maintenance Three (3) workstations replaced (50/50 with Water).
3. Budget reductions taken in Power, ST&D Supplies, Off-site Sludge Removal, Vehicle Fuel, Training and Safety, and IT support (total reduction of \$11,160).

Drainage – projection is an increase of \$2,940 or 1.6%

1. Improvements – reduced \$3,630 to keep within 2% maximum rate increase.

Solid Waste – projection is an increase of \$14,070 or 2.3%

1. 1.7% estimated worst case increase for California Waste Recovery Services.
2. 1.7% estimated worst case increase for Sacramento County surcharge fee.

UNKNOWNNS

Staff is in the process of tracking down the following unknowns, which will be incorporated into later drafts:

1. Actual Solid Waste contract adjustment
2. Chemicals pricing
3. Liability, Property and Workers Comp premium rate adjustment (if any)
4. SMUD drought surcharge

DROUGHT TIERED PRICING OVERVIEW

Staff is recommending that the drought tiered pricing structure become part of the annual budget and rate setting process. Incorporating the drought tiered pricing structure in the annual rate increase notice (i.e., the Prop 218 notice) will ensure the District is prepared in the event drought related tiered pricing is deemed necessary at anytime during the fiscal year. Preparing for this ahead of time will save the District time and money if it became necessary to implement the tiered pricing structure.

Including this pricing structure in the Prop 218 notice will not implement the drought tiered pricing – implementation will require future Board action and will provide at least 30 days advance notice to allow residents and commercial customers to adjust their usage behaviors before they are subject to the tiered pricing.

For residential customers the tiers, or blocks of usage, are billed incrementally. Meaning that the first 800 cf of usage for a residential customer is billed at the Block 1 rate, the next 1,700 cf of usage is billed at the Block 2 rate, and all usage above 2,500 cf is billed at the Block 3 rate. The rate model estimates that the proposed tiered rates at each stage of drought will generate the “Total Conservation Savings” indicated in the table below.

The Commercial drought tiers are based on seasonal tiers: Winter, the six months from October through March, and Summer, the six months from April through September. All commercial usage is billed at the winter or summer rate during those time periods.

Commercial Irrigation usage is set at the Residential Block 3 rate for all stages of drought declaration because it is strictly outside use, which is the same type of usage for residential Block 3.

	Rate Per Cubic Foot				
	Normal	Stage 1	Stage 2	Stage 3	Stage 4
Rate - Residential					
Block 1 – 0 to 800	\$0.0151	\$0.0151	\$0.0197	\$0.0318	\$0.0680
Block 2 – 801 to 2,500	\$0.0206	\$0.0206	\$0.0268	\$0.0433	\$0.0928
Block 3 – Over 2,500	\$0.0241	\$0.0241	\$0.0313	\$0.0505	\$1.1083
Impact to Avg Bill (1,500 cf) (with conservation target achieved)	\$2.08	\$2.08	\$10.04	\$17.77	\$20.70
% Surcharge	0.0%	0.0%	30.0%	110.0%	350.0%
Total Conservation Savings	0.0%	9.3%	18.6%	47.7%	74.2%
Rate - Commercial					
Winter (Oct thru March)	\$0.0157	\$0.0157	\$0.0204	\$0.0330	\$0.0707
Summer (April thru Sept)	\$0.0205	\$0.0205	\$0.0266	\$0.0430	\$0.0922
Impact to Avg Bill (with conservation target achieved)					
Winter Avg (5,000 cf)	(\$3.55)	(\$2.96)	\$20.60	\$66.74	\$217.54
Summer Avg (10,000 cf)	\$41.88	\$37.69	\$72.34	\$133.63	\$265.64
% Surcharge	0.0%	0.0%	30.0%	110.0%	350.0%
Total Conservation Savings	0.0%	10.0%	23.3%	40.0%	51.6%
Rate – Commercial Irrigation					
All Consumption	\$0.0241	\$0.0241	\$0.0313	\$0.0505	\$1.1083
Impact to Avg Bill (10,000 cf) (with conservation target achieved)	\$77.57	\$69.82	\$112.31	\$171.10	\$229.90
% Surcharge	0.0%	0.0%	30.0%	110.0%	350.0%
Total Conservation Savings	0.00%	10.00%	25.0%	50.0%	75.0%



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Worst Case Bill Impact
2014-15 Proposed Budget**

March 7, 2014

Average Monthly Customer Bill

Residential Metered Lot

		Current Monthly Rates July 1, 2013	Proposed Rates	Change	
Water					
Average Usage in CF		1663			
	Current	Proposed			
Residential Usage					
Usage Charge per CF	\$ 0.0140	\$0.0163	\$ 23.29	\$ 27.11	\$ 3.83
Debt Service Prefunding	\$ 0.0012	\$ -	\$ 2.00	\$ -	\$ (2.00)
Residential Base					
Residential Base			\$ 28.53	\$ 33.22	\$ 4.69
Debt Service Prefunding			\$ 2.25	\$ -	\$ (2.25)
Reserve Contribution			\$ 6.39	\$ 6.39	\$ -
Debt Service Prefunding			\$ -	\$ 6.00	\$ 6.00
Water Total			\$ 62.45	\$ 72.72	\$ 10.27
					16.44%
Sewer					
Residential Base			\$ 37.59	\$ 39.36	\$ 1.77
Debt Service Prefunding - Perm Irrig Fields			\$ 3.15	\$ -	\$ (3.15)
Reserve Contribution			\$ 6.81	\$ 6.31	\$ (0.50)
CDO Reimbursement			\$ 1.92	\$ 1.92	\$ -
Sewer Total			\$ 49.47	\$ 47.59	\$ (1.88)
					-3.80%
Solid Waste (avg. 64 Gallon Container)			\$ 20.30	\$ 20.76	\$ 0.46
Security Tax (Maximum Tax Ceiling \$26.93)			\$ 25.55	\$ 26.03	\$ 0.48
Drainage Tax (Maximum Tax Ceiling \$4.73)			\$ 4.64	\$ 4.73	\$ 0.09
			\$ 162.41	\$ 171.83	\$ 9.42
					5.80%

*** Assumptions**

- District is successful in obtaining the Master Reclamation Permit for Wastewater Disposal
- 15% conservation in water consumption
- Drought fiscal impacts included

Murieta Village Lot

		Current Monthly Rates July 1, 2013	Proposed Rates	Change	
Water					
Average Usage in CF		440			
	Current	Proposed			
Residential Usage					
Usage Charge per CF	\$ 0.0140	\$0.0163	\$ 6.16	\$ 7.18	\$ 1.01
Debt Service Prefunding	\$ 0.0012	\$ -	\$ 0.53	\$ -	\$ (0.53)
Residential Base					
Residential Base			\$ 28.53	\$ 33.22	\$ 4.69
Debt Service Prefunding			\$ 2.25	\$ -	\$ (2.25)
Reserve Contribution			\$ 6.39	\$ 6.39	\$ -
Debt Service Prefunding			\$ -	\$ 6.00	\$ 6.00
Water Total			\$ 43.86	\$ 52.79	\$ 8.92
					20.35%
Sewer					
Residential Base			\$ 37.59	\$ 39.36	\$ 1.77
Debt Service Prefunding - Perm Irrig Fields			\$ 3.15	\$ -	\$ (3.15)
Reserve Contribution			\$ 6.81	\$ 6.31	\$ (0.50)
CDO Reimbursement			\$ 1.92	\$ 1.92	\$ -
Sewer Total			\$ 49.47	\$ 47.59	\$ (1.88)
					-3.80%
Solid Waste (avg. 64 Gallon Container)			\$ 20.30	\$ 20.76	\$ 0.46
Security Tax (Maximum Tax Ceiling \$6.49)			\$ 6.15	\$ 6.26	\$ 0.11
Drainage Tax (Maximum Tax Ceiling \$3.16)			\$ 3.16	\$ 3.16	\$ -
			\$ 122.94	\$ 130.56	\$ 7.61
					6.19%

*** Assumptions**

- District is successful in obtaining the Master Reclamation Permit for Wastewater Disposal
- 15% conservation in water consumption
- Drought fiscal impacts included

Vacant or Unmetered Lot

		Current Monthly Rates July 1, 2013	Proposed Rates	Change	
Security Tax (Maximum Tax Ceiling \$21.54)			20.04	20.42	0.38
* Water Standby \$10.00 PER YEAR			0.83	0.83	0.00
* Sewer Standby \$10.00 PER YEAR			0.83	0.83	0.00
Drainage Tax (Maximum Tax Ceiling \$4.73)			4.64	4.73	0.09
			\$26.34	\$26.81	\$0.47
					1.78%

* This fee is billed annually at \$10.00 and is shown as a monthly rate for comparison purposes only.



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY COMBINED FUNDS

	<i>Actual</i> 2011-12	<i>Adopted</i> <i>Budget</i> 2012-13	<i>Projected</i> 2012-13	<i>%</i> <i>Variance</i> 2012-13	<i>Adopted</i> <i>Budget</i> 2013-2014	<i>% Change</i> <i>Budget</i> 2012-13
Revenues:						
Service Charges	5,044,611	4,999,982	5,042,564	0.9%	5,311,020	6.2%
Property Taxes	491,365	502,800	502,800	0.0	494,280	-1.7%
Interest Earnings	1,546	660	636	-3.6	670	1.5%
Other Charges / Reimbursements	148,451	93,030	120,618	29.7	128,000	37.6%
Total Revenues:	5,685,972	5,596,471	5,666,618	1.3%	5,933,970	6.0%
Expenditures:						
Total Operating Expenses:	5,279,677	5,596,601	5,608,440	0.2%	5,933,970	6.0%
<i>Initial Overage (Deficit)</i>	406,296	(130)	58,178	-44854.0	(0)	-99.9
<i>Trans from Misc Reserves</i>	0	0	0	0.0	0	0.0
<i>Trans from Rate Stab. Fund</i>	0	0	0	0.0	0	0.0
<i>Transfer from Fund Balance</i>	0	0	0	0.0	0	0.0
Net Income (Loss)	406,296	(130)	58,178	-44854.0	(0)	-99.9
<i>Rate Transfers to Repl Reserves</i>	417,000	450,450	472,123	4.8	497,544	10.5
<i>Add'l Transfers to Repl Reserves</i>	0	0	0	0.0	0	0.0
Depreciation	1,115,662	1,117,665	1,106,771	-1.0%	1,125,288	1.7%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - SECURITY FUND

	<i>Actual</i> 2012-13	<i>Adopted</i> Budget 2013-14	<i>Projected</i> 2013-14	<i>%</i> Variance 2013-14	<i>Proposed</i> Budget 2014-15	<i>% Change</i> Projected 2013-14	<i>% Change</i> Budget 2012-13
Revenues:							
Residential Special Taxes	1,001,675	1,016,930	1,016,975	0.0%	1,020,470	0.3%	0.3%
Commercial Special Taxes	165,900	168,580	168,580	0.0	169,100	0.3	0.3%
Late Charges	36,121	27,480	32,334	17.7	39,840	23.2	45.0%
Title Transfer Fees	6,200	3,000	5,350	78.3	5,100	-4.7	70.0%
Bar Code Income	7,880	7,000	7,437	6.2	7,800	4.9	11.4%
Fines, Enforcement	2,100	2,100	2,100	0.0	2,100	0.0	0.0%
Special Events Permits	0	0	0	0.0	0	0.0	0%
Interest Income	794	410	361	-11.8	400	10.7	-2.4%
Misc	1,652	4,150	4,150	0.0	4,150	0.0	0.0%
Operating Revenues	1,222,323	1,229,650	1,237,286	0.6%	1,248,960	0.9%	1.6%

Expenditures:

Security Gates	12-13 Actual	13-14 Budget	Projected	Variance	14-15 Budget	Variance	Variance
Wages	277,630	284,700	286,582	0.7%	289,200	0.9%	1.6%
Employers Costs	163,998	187,400	184,097	-1.8	194,700	5.8	3.9%
Information Systems Maint	4,457	2,800	2,360	-15.7	2,800	18.6	0.0%
Equipment Repairs	4,831	3,300	7,973	141.6	3,300	-58.6	0.0%
Bar Codes	5,777	5,000	4,600	-8.0	5,000	8.7	0.0%
Telephones	5,680	5,000	3,642	-27.2	3,100	-14.9	-38.0%
Building Maint	3,157	3,200	3,170	-0.9	3,250	2.5	1.6%
Power	2,408	2,820	2,409	-14.6	2,600	7.9	-7.8%
Uniforms	1,795	2,400	2,720	13.3	2,400	-11.8	0.0%
Supplies	0	200	282	41.2	200	-29.2	0.0%
Training/Safety	0	600	250	-58.3	600	140.0	0.0%
Other	4,972	3,200	3,363	5.1	3,200	-4.9	0.0%
Subtotals	474,705	500,620	501,449	0.2%	510,350	1.8%	1.9%

Security Patrol	12-13 Actual	13-14 Budget	Projected	Variance	14-15 Budget	Variance	Variance
Wages	229,563	253,100	239,173	-5.5%	260,300	8.8%	2.8%
Employers Costs	123,134	153,700	134,134	-12.7	135,200	0.8	-12.0%
Vehicle Fuel	17,943	20,560	19,044	-7.4	20,550	7.9	0.0%
Off Duty Sheriff Patrol	8,689	6,000	5,557	-7.4	6,000	8.0	0.0%
Vehicle Maint.	9,450	6,700	10,835	61.7	6,700	-38.2	0.0%
Vehicle Lease	534	5,970	3,171	-46.9	5,970	88.3	0.0%
Information Systems Maint	143	3,800	3,800	0.0	5,000	31.6	31.6%
Training/Safety	1,891	1,500	2,082	38.8	1,500	-27.9	0.0%
Safety Center	2,133	2,400	2,119	-11.7	1,920	-9.4	-20.0%
Uniforms	1,054	2,400	1,716	-28.5	2,400	39.9	0.0%
Telephones	3,461	3,270	2,236	-31.6	2,250	0.6	-31.2%
Equipment Repairs	135	1,100	885	-19.6	1,100	24.4	0.0%
Supplies	95	300	169	-43.7	300	77.5	0.0%
Other	1,268	2,000	1,084	-45.8	2,000	84.5	0.0%
Subtotals	399,491	462,800	426,004	-8.0%	451,190	5.9%	-2.5%

BUDGET SUMMARY - SECURITY FUND

	<i>Actual</i> 2012-13	<i>Adopted</i> Budget 2013-14	<i>Projected</i> 2013-14	<i>%</i> Variance 2013-14	<i>Proposed</i> Budget 2014-15	<i>% Change</i> Projected 2013-14	<i>% Change</i> Budget 2012-13
Security Administration							
Wages	86,939	87,300	87,461	0.2%	89,000	1.8%	1.9%
Employers Costs	34,075	33,600	32,356	-3.7	36,200	11.9	7.7%
Legal/Consulting	6,641	3,500	3,015	-13.9	3,500	16.1	0.0%
Supplies	7,354	5,000	5,412	8.2	5,000	-7.6	0.0%
Telephones	446	480	424	-11.7	430	1.4	-10.4%
Information System Maint	10,905	3,000	3,208	6.9	2,240	-30.2	-25.3%
Training/Safety	2,306	1,200	730	-39.2	1,200	64.5	0.0%
Travel/Meetings	276	800	686	-14.3	800	16.6	0.0%
Uniforms	0	400	190	-52.5	400	110.5	0.0%
Bad Debts	0	600	250	-58.3	600	140.0	0.0%
Equipment Maint	0	600	3,883	547.2	600	-84.5	0.0%
Other	2,199	600	1,747	191.2	600	-65.7	0.0%
Subtotals	151,139	137,080	139,361	1.7%	140,570	0.9%	2.5%
Operating Expenses	1,025,335	1,100,500	1,066,815	-3.1%	1,102,110	3.3%	0.1%
General Fund Net Allocation	119,646	129,190	129,360	0.1	146,850	13.5	13.7%
Total Expenses	1,144,981	1,229,690	1,196,175	-2.7%	1,248,960	4.4%	1.6%
Initial Overage(Deficit)	77,342	(40)	41,111	-102357.5%	0	-100.0%	-100.8%
<i>Transfer from Misc Reserves</i>	0	0	0		0		
<i>Transfer from Rate Stab Resr</i>	0	0	0		0		
Net Income (Loss)	77,342	(40)	41,111	-102357.5%	0	-100.0%	-100.8%
Depreciation	37,562	38,014	33,379	-12.2%	33,468	0.3%	-12.0%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - WATER FUND

March 7, 2014

	<i>Actual</i> 2012-13	<i>Adopted</i> Budget 2013-14	<i>Projected</i> 2013-14	<i>%</i> Variance 2013-14	<i>Proposed</i> Budget 2014-15	<i>% Change</i> Projected 2013-14	<i>% Change</i> Budget 2013-14
Revenues:							
Residential Sales	1,643,608	1,589,840	1,635,535	2.9%	1,809,440	10.6%	13.8%
Commercial Sales	183,167	176,640	174,060	-1.5	186,500	7.1	5.6%
Other Sales	13,430	8,410	8,413	0.0	8,410	0.0	0.0%
Availability Fees	340	340	340	0.0	340	0.0	0.0%
Late Charges	18,061	12,480	15,642	25.3	19,920	27.3	59.6%
Telephone Line Contracts	5,370	5,350	5,419	1.3	5,460	0.8	2.1%
Meter Installation Fees	400	0	0	0.0	0	0.0	0.0%
Interest Income	304	80	95	19.1	80	-16.0	0.0%
Inspection Fees	127	0	0	0.0	0	0.0	0.0%
Project Reimbursement	0	0	0	0.0	0	0.0	0.0%
Other	11,529	6,000	7,677	27.9	6,000	-21.8	0.0%
Operating Revenues	1,876,334	1,799,140	1,847,181	2.7%	2,036,150	10.2%	13.2%

Expenditures:

Water Source of Supply	12-13 Actual	13-14 Budget	Projected	Variance	14-15 Budget	Variance	Variance
Wages	14,197	10,530	9,627	-8.6%	10,650	10.6%	1.1%
Employers Costs	7,939	4,990	6,238	25.0	5,540	-11.2	11.0%
Power	55,494	47,000	119,327	153.9	110,500	-7.4	135.1%
Dam Inspection	35,856	37,000	35,708	-3.5	38,150	6.8	3.1%
Chemicals - Routine	3,947	6,500	2,560	-60.6	6,500	153.9	0.0%
Chemicals - Taste & Odor	6,304	40,000	39,708	-0.7	40,000	0.7	0.0%
Maint/Repairs	13,642	10,000	10,222	2.2	10,000	-2.2	0.0%
Equipment Rental	6,611	3,000	3,000	0.0	3,000	0.0	0.0%
Supplies	592	600	475	-20.8	600	26.3	0.0%
Other	0	250	250	0.0	250	0.0	0.0%
Subtotals	144,583	159,870	227,114	42.1%	225,190	-0.8%	40.9%

Water Treatment	12-13 Actual	13-14 Budget	Projected	Variance	14-15 Budget	Variance	Variance
Wages	113,794	121,460	151,923	25.1%	122,810	-19.2%	1.1%
Employers Costs	52,255	57,590	69,860	21.3	63,890	-8.5	10.9%
Power	82,592	82,570	83,238	0.8	85,500	2.7	3.5%
Chemicals	101,163	118,000	121,081	2.6	118,000	-2.5	0.0%
Maint/Repairs	70,675	45,070	53,191	18.0	45,070	-15.3	0.0%
Lab Tests	12,629	36,000	35,851	-0.4	36,000	0.4	0.0%
Equipment Rental	3,905	8,000	4,979	-37.8	8,000	60.7	0.0%
Taste & Odor Treatment	11,000	11,000	16,079	46.2	11,000	-31.6	0.0%
Supplies	0	500	500	0.0	500	0.0	0.0%
Other	0	500	500	0.0	500	0.0	0.0%
Subtotals	448,014	480,690	537,202	11.8%	491,270	-8.6%	2.2%

Water Transmission & Distr	12-13 Actual	13-14 Budget	Projected	Variance	14-15 Budget	Variance	Variance
Wages	193,393	194,330	197,450	1.6%	196,490	-0.5%	1.1%
Employers Costs	87,944	92,140	94,636	2.7	102,220	8.0	10.9%
Maint/Repairs	53,741	48,000	48,260	0.5	48,000	-0.5	0.0%
Meters/Box/Valve	35,867	54,000	41,585	-23.0	54,000	29.9	0.0%
Power	41,629	36,480	37,769	3.5	38,700	2.5	6.1%
Equipment Rental	20,363	12,000	16,024	33.5	19,000	18.6	58.3%
Post Repair Road Paving	30,637	24,000	23,125	0.0	24,000	3.8	0.0%
Supplies	6,229	4,000	3,302	-17.5	4,000	21.1	0.0%
Other	12,511	8,200	6,018	-26.6	8,200	36.3	0.0%
Subtotals	482,315	473,150	468,168	-1.1%	494,610	5.6%	4.5%

BUDGET SUMMARY - WATER FUND

March 7, 2014

	<i>Actual</i> 2012-13	<i>Adopted</i> Budget 2013-14	<i>Projected</i> 2013-14	<i>%</i> Variance 2013-14	<i>Proposed</i> Budget 2014-15	<i>% Change</i> Projected 2013-14	<i>% Change</i> Budget 2013-14
Water Administration	12-13 Actual	13-14 Budget	Projected	Variance	14-15 Budget	Variance	Variance
Wages	102,748	110,930	100,419	-9.5%	112,170	11.7%	1.1%
Employers Costs	41,687	53,410	46,706	-12.6	59,850	28.1	12.1%
Permits	16,395	32,000	24,084	-24.7	32,000	32.9	0.0%
Equipment Maint	13,643	8,000	8,116	1.5	8,000	-1.4	0.0%
Legal/Consulting	42,816	30,500	32,989	8.2	60,500	83.4	98.4%
Vehicle Fuel	17,740	18,860	17,688	-6.2	18,860	6.6	0.0%
Training/Safety	9,123	7,500	8,243	9.9	7,500	-9.0	0.0%
Regional Water Authority	4,606	11,410	9,446	-17.2	11,420	20.9	0.1%
Central Ground Water Authority	3,000	6,000	3,000	-50.0	6,000	100.0	0.0%
South Area Water Council	3,000	6,000	3,000	-50.0	6,000	100.0	0.0%
Supplies	4,475	5,500	5,746	4.5	5,500	-4.3	0.0%
Telephones	8,228	7,680	7,131	-7.1	7,080	-0.7	-7.8%
Information Systems Maint	6,915	7,200	3,932	-45.4	6,660	69.4	-7.5%
Vehicle Maint.	20,198	21,300	17,364	-18.5	21,300	22.7	0.0%
Tools	9,146	4,000	8,518	112.9	4,000	-53.0	0.0%
CIA Ditch Operations	265	3,500	1,450	-58.6	3,500	141.4	0.0%
Uniforms	3,115	3,000	3,503	16.8	3,000	-14.4	0.0%
Conservation	23,966	38,000	58,567	54.1	108,000	84.4	184.2%
Travel/Meetings	1,254	2,500	1,738	-30.5	1,800	3.5	-28.0%
Memberships	2,392	2,390	3,497	46.3	2,390	-31.7	0.0%
Bad Debts	0	500	500	0.0	500	0.0	0.0%
Building Maint	1,625	1,680	1,640	-2.4	1,650	0.6	-1.8%
Nonroutine Maint/Repair	38,133	50,000	63,393	26.8	50,000	-21.1	0.0%
Other	10,663	6,000	4,374	-27.1	6,000	37.2	0.0%
Subtotals	385,133	437,860	435,046	-0.6%	543,680	25.0%	24.2%
Operating Expenses	1,460,044	1,551,570	1,667,531	7.5%	1,754,750	5.2%	13.1%
Reserve Expenditures	59,269	0	0		0		
General Fund Net Alloc	229,272	247,570	247,888	0.1	281,400	13.5	13.7%
Total Expenses	1,748,584	1,799,140	1,915,418	6.5%	2,036,150	6.3%	13.2%
Initial Overage(Deficit)	127,750	(0)	(68,238)	#####	0	-100.0%	-100.0%
<i>Transfer from Fund Balance</i>	0	0	0		0		
<i>Transfer from Rate Stab Resr</i>	0	0	0		0		
Net Income (Loss)	127,750	(0)	(68,238)		0		
Depreciation	482,246	484,062	482,203	-0.4%	492,000		

Replacement Reserves and Debt Service Summary

Debt Service Prefunding Collected
 Debt Service Repl Rsrv Collected
 Water Reserves Collected

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - SEWER FUND

March 7, 2014

	<i>Actual</i> 2012-13	<i>Adopted</i> Budget 2013-14	<i>Projected</i> 2013-14	<i>%</i> Variance 2013-14	<i>Proposed</i> Budget 2014-15	<i>% Change</i> Projected 2013-14	<i>% Change</i> Budget 2013-14
Revenues:							
Residential Service	1,126,635	1,120,630	1,121,338	0.1%	1,175,620	4.8%	4.9%
Commercial Service	117,046	116,700	115,667	-0.9	122,190	5.6	4.7%
Availability Fees	410	410	410	0.0	400	-2.4	-2.4%
Late Charges	18,061	13,800	16,192	17.3	19,920	23.0	44.3%
Interest Income	320	140	135	-3.9	140	4.1	0.0%
Project Reimbursement	2,184	2,190	2,190	0.0	2,190	0.0	0.0%
Inspection Fees	127	0	0	0.0	0	0.0	0.0%
Other	3,059	0	3,059	0.0	0	-100.0	0.0%
Operating Revenues	1,267,841	1,253,870	1,258,990	0.4%	1,320,460	4.9%	5.3%

Expenditures:

Sewer Collection	12-13 Actual	13-14 Budget	Projected	Variance	14-15 Budget	Variance	Variance
Wages	85,610	113,360	104,860	-7.5%	114,620	9.3%	1.1%
Employers Costs	41,364	53,750	50,516	-6.0	59,630	18.0	10.9%
Power	14,207	17,450	14,649	-16.1	15,020	2.5	-13.9%
Maint/Repairs	58,625	40,000	42,582	6.5	40,000	-6.1	0.0%
Equipment Rental	15,608	6,000	3,706	-38.2	6,000	61.9	0.0%
Supplies	4,811	3,300	2,975	-9.8	3,300	10.9	0.0%
Other	2,205	1,000	1,000	0.0	1,000	0.0	0.0%
Subtotals	222,430	234,860	220,288	-6.2%	239,570	8.8%	2.0%

Sewer Treatment & Disposal	12-13 Actual	13-14 Budget	Projected	Variance	14-15 Budget	Variance	Variance
Wages	165,679	153,850	135,703	-11.8%	155,560	14.6%	1.1%
Employers Costs	75,598	72,950	67,135	-8.0	80,920	20.5	10.9%
Power	140,385	126,510	122,899	-2.9	126,000	2.5	-0.4%
Maint/Repairs	109,378	75,000	58,047	-22.6	75,000	29.2	0.0%
Chemicals	52,541	70,300	73,937	5.2	70,300	-4.9	0.0%
Lab Tests	39,039	38,250	38,256	0.0	38,250	0.0	0.0%
Supplies	903	1,800	750	-58.3	900	20.0	-50.0%
Equipment Rental	16,185	10,000	9,046	-9.5	10,000	10.5	0.0%
Sludge Removal Off Site	11,634	9,000	7,325	-18.6	7,000	-4.4	-22.2%
Subtotals	611,342	557,660	513,098	-8.0%	563,930	9.9%	1.1%

BUDGET SUMMARY - SEWER FUND

March 7, 2014

	<i>Actual</i> 2012-13	<i>Adopted</i> Budget 2013-14	<i>Projected</i> 2013-14	<i>%</i> Variance 2013-14	<i>Proposed</i> Budget 2014-15	<i>% Change</i> Projected 2013-14	<i>% Change</i> Budget 2013-14
Sewer Administration							
Wages	45,719	48,590	47,515	-2.2%	49,120	3.4%	1.1%
Employers Costs	16,560	23,630	21,444	-9.3	26,150	21.9	10.7%
Equipment Maint	16,474	17,500	23,736	35.6	17,500	-26.3	0.0%
Vehicle Fuel	11,297	13,970	15,046	7.7	12,280	-18.4	-12.1%
Permits	28,098	27,300	29,289	7.3	28,600	-2.4	4.8%
Legal/Consulting	16,081	50,000	46,450	-7.1	80,000	72.2	60.0%
Training/Safety	12,263	14,200	11,823	-16.7	12,200	3.2	-14.1%
Supplies	4,941	4,200	4,639	10.5	4,200	-9.5	0.0%
Information Systems Maint	4,693	6,000	4,102	-31.6	5,010	22.1	-16.5%
Vehicle Maint.	567	6,000	4,790	-20.2	6,000	25.2	0.0%
Tools	65	4,200	5,281	25.7	4,200	-20.5	0.0%
Telephones	7,772	6,240	6,080	-2.6	6,300	3.6	1.0%
Uniforms	3,115	3,400	3,642	7.1	3,400	-6.7	0.0%
Travel/Meetings	1,421	2,000	1,588	-20.6	2,000	25.9	0.0%
Building Maint	1,625	1,630	1,600	-1.8	1,650	3.1	1.2%
Copier Maintenance	0	500	500	0.0	500	0.0	0.0%
Memberships	992	400	402	0.5	400	-0.5	0.0%
Bad Debts	0	600	300	-50.0	600	100.0	0.0%
Sewer General Fine	0	0	0	0.0	0	0.0	0.0%
Nonroutine Maint/Repair	18,389	40,000	39,483	-1.3	40,000	1.3	0.0%
Other	2,209	2,000	2,303	15.1	2,000	-13.1	0.0%
Subtotals	192,281	272,360	270,014	-0.9%	302,110	11.9%	10.9%
Operating Expenses	1,026,052	1,064,880	1,003,400	-5.8%	1,105,610	10.2%	3.8%
Reserve Expenditures	29,631	0	29,631		0		
General Fund Net Allocation	175,048	189,020	189,261	0.1	214,850	13.5	13.7%
Total Expenses	1,230,731	1,253,900	1,222,292	-2.5%	1,320,460	8.0%	5.3%
Initial Overage(Deficit)	37,110	(30)	36,698	-123098.5%	0	-100.0%	-100.4%
<i>Transfer from Misc Reserve:</i>	0	0	0		0		
<i>Transfer from Rate Stab Res</i>	0	0	0		0		
Net Income (Loss)	37,110	(30)	36,698		0		
Depreciation	595,854	595,589	591,188	-0.7	599,820	1.5	0.7

Replacement Reserves and Debt Service Summary

Debt Service Prefunding Collected
 Debt Service Repl Rsrv Collected
 Sewer Reserves Collected

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - DRAINAGE FUND

March 7, 2014

	<i>Actual</i> 2012-13	<i>Adopted</i> Budget 2013-14	<i>Projected</i> 2013-14	<i>%</i> Variance 2013-14	<i>Proposed</i> Budget 2014-15	<i>% Change</i> Projected 2013-14	<i>% Change</i> Budget 2013-14
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Revenues:

Residential Special Taxes	147,780	151,200	150,938	-0.2%	153,570	1.7%	1.6%
Commercial Special Taxes	28,630	29,230	29,216	0.0	29,810	2.0	2.0%
Interest Income	128	30	45	50.0	50	11.1	66.7%
Inspection Fees	0	0	0	0.0	0	0.0	0.0%
Other	(694)	0	0	0.0	0	0.0	0.0%
Operating Revenues	175,844	180,460	180,199	-0.1%	183,430	1.8%	1.6%

Expenditures:

	12-13 Actual	13-14 Budget	Projected	Variance	14-15 Budget	Variance	Variance
Wages	46,034	56,680	50,461	-11.0	57,310	13.6	1.1%
Employers Costs	21,375	26,990	24,218	-10.3	29,930	23.6	10.9%
MS4 Permit	4,852	5,000	4,864	-2.7	5,000	2.8	0.0%
Power	14,990	15,500	12,862	-17.0	13,190	2.6	-14.9%
Chemicals	1,838	5,400	3,668	-32.1	5,400	47.2	0.0%
Maint/Repairs	3,676	11,900	9,992	-16.0	11,900	19.1	0.0%
Equipment Rental	3,267	4,500	1,911	-57.5	4,500	135.5	0.0%
Improvements	0	12,000	11,000	-8.3	8,370	-23.9	-30.3%
Legal/Consulting	0	2,000	1,000	-50.0	2,000	100.0	0.0%
Uniforms	0	200	200	0.0	200	0.0	0.0%
Tools	0	400	443	10.8	400	-9.7	0.0%
Bad Debts	0	0	0	0.0	0	0.0	0.0%
Other	2,302	1,100	600	-45.5	1,100	83.5	0.0%
Subtotals	98,335	141,670	121,218	-14.4%	139,300	14.9%	-1.7%
Operating Expenses	98,335	141,670	121,218	-14.4%	139,300	14.9%	-1.7%
Reserve Expenditures	23,289	0	0		0		
General Fund Net Allocation	35,953	38,820	38,872	0.1	44,130	13.5	13.7%
Total Expenses	157,577	180,490	160,089	-11.3%	183,430	14.6%	1.6%
Net Income (Loss)	18,267	(30)	20,109	-67866.2%	0	-100.0%	-101.5%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - SOLID WASTE FUND

March 7, 2014

	<i>Actual</i> 2012-13	<i>Adopted</i> <i>Budget</i> 2013-14	<i>Projected</i> 2013-14	<i>%</i> <i>Variance</i> 2013-14	<i>Proposed</i> <i>Budget</i> 2014-15	<i>% Change</i> <i>Projected</i> 2012-13	<i>% Change</i> <i>Budget</i> 2012-13
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Revenues:

Solid Waste Charges	615,991	621,072	621,093	0.0%	635,170	2.3%	2.3%
Other	459	400	300	-25.0	400	33.3%	0.0%
Operating Revenues	616,449	621,472	621,393	0.0	635,570	2.3%	2.3%

Expenditures:

	<i>12-13 Actual</i>	<i>13-14 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>14-15 Budget</i>	<i>Variance</i>	<i>Variance</i>
CWRS Contract	535,189	543,000	544,012	0.2%	552,120	1.5%	1.7%
Sac. County Admin. Fee	33,212	34,680	34,653	-0.1	35,280	1.8%	1.7%
Consulting/Legal	1,407	0	0	0.0	0	0.0%	0.0%
HHW Event	23,568	12,000	12,000	0.0	12,000	0.0%	0.0%
Bad Debts	0	0	0	0.0	0	0.0%	0.0%
Total Expenses	593,376	589,680	590,665	0.2	599,400	1.5%	1.6%
Operating Expenses	593,376	589,680	590,665	0.2	599,400	1.5%	1.6%
General Fund Net Allocation	29,469	31,820	31,862	0.1	36,170	13.5%	13.7%
Total Expenses	622,845	621,500	622,527	0.2	635,570	2.1%	2.3%
Net Income (Loss)	(6,396)	(28)	(1,134)	3949.8	0	0.0%	-100.0%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - GENERAL FUND

March 7, 2014

	<i>Actual</i> 2012-13	<i>Adopted</i> Budget 2013-14	<i>Projected</i> 2013-14	% Variance 2013-14	<i>Proposed</i> Budget 2014-15	% Change Projected 2013-14	% Change Budget 2013-14
Revenues:							
Property Taxes	491,365	502,800	502,800	0.0%	494,280	-1.7%	-1.7%
Title Transfer Fees	11,950	6,000	10,750	79.2	12,000	11.6	100.0%
Project Reimbursement	12,868	0	4,948	0.0	0	-100.0	0.0%
Interest	3,281	80	133	66.8	120	-10.1	50.0%
CIA Ditch Admin Service Charges	0	1,800	1,800	0.0	1,800	0.0	0.0%
Other	7,717	1,200	1,138	-5.2	1,200	5.5	0.0%
Total Operating Revenues	527,181	511,880	521,569	1.9%	509,400	-2.3%	-0.5%

Expenditures:

	12-13 Actual	13-14 Budget	Projected	Variance	14-15 Budget	Variance	Variance
Wages	516,933	534,200	500,974	-6.2%	552,700	10.3%	3.5%
Director Meeting Stipends	14,500	18,000	15,700	-12.8	18,000	14.6	0.0%
Employers Costs	266,689	292,300	275,541	-5.7	316,400	14.8	8.2%
Liability Insurance	44,913	45,000	64,609	43.6	64,610	0.0	43.6%
Information Systems Maintenance	48,825	79,000	79,702	0.9	79,400	-0.4	0.5%
Community Communications	2,735	5,900	7,283	23.4	5,900	-19.0	0.0%
Legal	20,589	25,000	23,508	-6.0	25,000	6.3	0.0%
Office Supplies	23,971	19,200	23,490	22.3	22,800	-2.9	18.8%
Building/Grounds Maintenance	40,061	16,800	17,617	4.9	17,820	1.2	6.1%
Postage	19,810	21,780	20,596	-5.4	22,200	7.8	1.9%
Telephones	4,931	4,620	4,662	0.9	4,800	3.0	3.9%
Contingency	0	11,000	11,000	0.0	11,000	0.0	0.0%
Audit	15,100	13,500	14,300	5.9	14,300	0.0	5.9%
Consulting	1,050	3,600	6,765	87.9	3,600	-46.8	0.0%
Memberships	8,829	9,890	9,495	-4.0	9,860	3.8	-0.3%
Training/Safety	8,743	6,000	5,421	-9.7	6,000	10.7	0.0%
Power	7,738	8,670	8,348	-3.7	8,460	1.3	-2.4%
Meetings	9,539	8,000	8,672	8.4	9,000	3.8	12.5%
Director Expense Reimbursement	5,746	5,200	6,567	26.3	6,600	0.5	26.9%
Equipment Maint	1,590	2,000	2,090	4.5	2,000	-4.3	0.0%
Election Costs	4,327	0	0	0.0	5,000	0.0	100.0%
Mail Machine Lease	2,798	2,840	2,814	-0.9	2,800	-0.5	-1.4%
Copy Machine Maintenance	15,711	9,600	18,267	90.3	18,250	-0.1	90.1%
Clerical Services	7,418	0	23,794	0.0	0	-100.0	0.0%
Other	20,687	3,000	6,461	115.4	6,300	-2.5	110.0%
Total Operating Expenses	1,116,569	1,148,300	1,158,812	0.9%	1,232,800	6.4%	7.4%

Overage(Deficit)	(589,388)	(636,420)	(637,243)	0.1%	(723,400)	13.5%	13.7%
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RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Worst Case Bill Impact - With Security Reserve
2014-15 Proposed Budget

March 14, 2014

Average Monthly Customer Bill

Residential Metered Lot

		Current Monthly Rates July 1, 2013	Proposed Rates	Change	
Water					
Average Usage in CF		1663			
	Current	Proposed			
Residential Usage					
Usage Charge per CF	\$ 0.0140	\$0.0163	\$ 23.29	\$ 27.11	\$ 3.83
Debt Service Prefunding	\$ 0.0012	\$ -	\$ 2.00	\$ -	\$ (2.00)
Residential Base					
Residential Base			\$ 28.53	\$ 33.22	\$ 4.69
Debt Service Prefunding			\$ 2.25	\$ -	\$ (2.25)
Reserve Contribution			\$ 6.39	\$ 6.39	\$ -
Debt Service Prefunding			\$ -	\$ 6.00	\$ 6.00
Water Total			\$ 62.45	\$ 72.72	\$ 10.27
					16.44%
Sewer					
Residential Base			\$ 37.59	\$ 39.36	\$ 1.77
Debt Service Prefunding - Perm Irrig Fields			\$ 3.15	\$ -	\$ (3.15)
Reserve Contribution			\$ 6.81	\$ 6.31	\$ (0.50)
CDO Reimbursement			\$ 1.92	\$ 1.92	\$ -
Sewer Total			\$ 49.47	\$ 47.59	\$ (1.88)
					-3.80%
Solid Waste (avg. 64 Gallon Container)			\$ 20.30	\$ 20.76	\$ 0.46
Security Tax (Maximum Tax Ceiling \$26.93)			\$ 25.55	\$ 26.93	\$ 1.38
Drainage Tax (Maximum Tax Ceiling \$4.73)			\$ 4.64	\$ 4.73	\$ 0.09
			\$ 162.41	\$ 172.73	\$ 10.32
					6.35%

*** Assumptions**

- District is successful in obtaining the Master Reclamation Permit for Wastewater Disposal
- 15% conservation in water consumption
- Drought fiscal impacts included

Murieta Village Lot

		Current Monthly Rates July 1, 2013	Proposed Rates	Change	
Water					
Average Usage in CF		440			
	Current	Proposed			
Residential Usage					
Usage Charge per CF	\$ 0.0140	\$0.0163	\$ 6.16	\$ 7.18	\$ 1.01
Debt Service Prefunding	\$ 0.0012	\$ -	\$ 0.53	\$ -	\$ (0.53)
Residential Base					
Residential Base			\$ 28.53	\$ 33.22	\$ 4.69
Debt Service Prefunding			\$ 2.25	\$ -	\$ (2.25)
Reserve Contribution			\$ 6.39	\$ 6.39	\$ -
Debt Service Prefunding			\$ -	\$ 6.00	\$ 6.00
Water Total			\$ 43.86	\$ 52.79	\$ 8.92
					20.35%
Sewer					
Residential Base			\$ 37.59	\$ 39.36	\$ 1.77
Debt Service Prefunding - Perm Irrig Fields			\$ 3.15	\$ -	\$ (3.15)
Reserve Contribution			\$ 6.81	\$ 6.31	\$ (0.50)
CDO Reimbursement			\$ 1.92	\$ 1.92	\$ -
Sewer Total			\$ 49.47	\$ 47.59	\$ (1.88)
					-3.80%
Solid Waste (avg. 64 Gallon Container)			\$ 20.30	\$ 20.76	\$ 0.46
Security Tax (Maximum Tax Ceiling \$6.49)			\$ 6.15	\$ 6.49	\$ 0.34
Drainage Tax (Maximum Tax Ceiling \$3.16)			\$ 3.16	\$ 3.16	\$ -
			\$ 122.94	\$ 130.79	\$ 7.84
					6.38%

*** Assumptions**

- District is successful in obtaining the Master Reclamation Permit for Wastewater Disposal
- 15% conservation in water consumption
- Drought fiscal impacts included

Vacant or Unmetered Lot

		Current Monthly Rates July 1, 2013	Proposed Rates	Change	
Security Tax (Maximum Tax Ceiling \$21.54)			20.04	21.54	1.50
* Water Standby \$10.00 PER YEAR			0.83	0.83	0.00
* Sewer Standby \$10.00 PER YEAR			0.83	0.83	0.00
Drainage Tax (Maximum Tax Ceiling \$4.73)			4.64	4.73	0.09
			\$26.34	\$27.93	\$1.59
					6.04%

* This fee is billed annually at \$10.00 and is shown as a monthly rate for comparison purposes only.

MEMORANDUM

Date: March 11, 2014
To: Board of Directors
From: Darlene Gillum, Assistant General Manager
Subject: Receive OPEB Actuarial Study

RECOMMENDED ACTION

No action - receive and file.

BACKGROUND

In July 2004 the Governmental Accounting Standards Board issued **Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions**. This statement requires governmental entities to account for postemployment benefits on an accrual basis. The District adopted GASB 45 during its 2009/10 fiscal year and elected to amortize its Unfunded Actuarial Accrued Liability (UAAL) over a closed 30-year period. The District has joined the PARS GASB 45 Program Trust and has indicated that it intends to contribute each year's Annual Required Contribution (ARC) by continuing pay-as-you-go funding of retiree costs and contributing the difference between those costs and the ARC to the Trust.

This actuarial valuation report provides an estimate of the District's postemployment medical benefits liability attributable to past service rendered by employees and retirees, impacts of GASB 45 accounting rules and a twenty-year (20) projection of the pay-as-you-go cost to provide benefits, as of July 1, 2013.

Section I contains the introduction and accounting requirements. **Section II** contains valuation results for the current plan and an alternate plan design that is under consideration. **Section III** describes the plans and presents a demographic summary. **Section IV** lists the actuarial assumptions used to complete the valuation. **Section V** contains a Glossary of several of the terms used in this report.

The Finance Committee has reviewed the actuarial study and makes no recommendation.

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**RANCHO MURIETA
COMMUNITY SERVICES DISTRICT**

Actuarial Valuation of
Postemployment Medical Benefits
Valuation Date: January 1, 2014
(with results rolled back to July 1, 2013)

DRAFT

January 22, 2014

Ms. Darlene J. Gillum
Director of Administration
Rancho Murieta Community Services District
15160 Jackson Road
Rancho Murieta, CA 95683

Dear Ms. Gillum:

Re: Actuarial Valuation of Postemployment Medical Plans

The Nicolay Consulting Group is pleased to present the results of the July 1, 2013 actuarial valuation of the Rancho Murieta Community Services District postemployment medical program. In preparing this report we relied on employee data and plan information provided by the District. On the basis of that information, this report has been prepared in accordance with generally accepted actuarial principles and methods. It is our opinion that the actuarial assumptions used are reasonably related to the actual experience of the plan and to anticipated future experience.

The financial projections presented in this report are intended for the District's internal use in evaluating the potential cost of the retiree medical program. Because future events frequently do not occur as expected, it should be recognized that there are usually differences between anticipated and actual results. These differences may be material, especially if there are significant changes in the employee or retiree population. Consequently, we can express no assurance that the projected values will occur. We recommend that the District obtain an updated actuarial valuation on a periodic basis. Questions about the report should be directed to Dennis Daugherty at (800) 998-7675 x221.

I, the undersigned, meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Sincerely,

Nicolay Consulting Group

Dennis Daugherty, F.S.A.
Member, American Academy of Actuaries

DRAFT

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Actuarial Valuation of
Postemployment Medical Benefits
Valuation Date: January 1, 2014
(with results rolled back to July 1, 2013)

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SECTION I

Introduction

The Rancho Murieta Community Services District provides postemployment medical benefits to retirees who satisfy certain eligibility requirements. This report provides a July 1, 2013 estimate of the District's postemployment medical benefits liability attributable to past service rendered by employees and retirees, illustrations of the impact of GASB 45 accounting rules and twenty-year projections of the pay-as-you-go cost to provide the benefits. **Section II** contains valuation results for the current plan and an alternate plan design that is under consideration. **Section III** describes the plans and presents a demographic summary. **Section IV** lists the actuarial assumptions used to complete the valuation. **Section V** contains a Glossary of several of the terms used in this report.

Accounting Requirements

In July 2004 the Governmental Accounting Standards Board issued **Statement 45**, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement requires governmental entities to account for postemployment benefits on an accrual basis. We understand that the District adopted GASB 45 during its 2009/10 fiscal year and elected to amortize its Unfunded Actuarial Accrued Liability (UAAL) over a closed 30-year period.

The District has joined the PARS GASB 45 Program Trust and has indicated that it intends to contribute each year's Annual Required Contribution (ARC) by continuing pay-as-you-go funding of retiree costs and contributing the difference between those costs and the ARC to the Trust.

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SECTION II

Valuation Results

GASB 45 requires employers to recognize postemployment healthcare expense systematically over periods approximating employees' years of service. The Actuarial Accrued Liability represents the estimated present value of future benefits that are associated with past service rendered by employees and retirees. The UAAL is the excess of the Actuarial Accrued Liability (AAL) over the Actuarial Value of Assets.

Table 2-1 contains estimates of the present value of the cost of postemployment medical benefits attributable to current retirees and employees who are expected to receive the benefit. The estimates are based on the Entry Age Normal actuarial cost method. The estimates are based on a 7.00% discount rate. Valuation results are presented for two benefit scenarios; the current plan and an alternate scenario which requires a minimum of 10 yrs of PERS service, 5 of which must be with the agency from which the employee retires. Under the alternate scenario employees who retire with 10 years of service would receive a 50% benefit. The benefit percentage increases by 5% for each additional year of service reaching 100% with 20 or more years of service. Under this scenario the District's maximum contribution would not exceed the State of California 100/90 Annuitant Contribution.

Table 2-1		
Present Value of Future Postemployment Medical Benefits Attributable to Past Service		
As of July 1, 2013		
Entry Age Normal Actuarial Cost Method		
7.00% discount rate		
	Current Plan	Alternate Vesting Schedule
Actives	\$1,610,267	\$1,680,373
Retirees and Spouses	<u>\$624,793</u>	<u>\$624,793</u>
Total Actuarial Accrued Liability	\$2,235,060	\$2,305,166
Actuarial Value of Assets	<u>\$491,540</u>	<u>\$491,540</u>
Unfunded Actuarial Accrued Liability	\$1,743,520	\$1,813,626

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Projected Health Benefit Costs

Table 2-2 contains a twenty-year projection of the District's pay-as-you-go cost to provide postemployment medical benefits to the current group of retirees and active employees.

	Current Plan	Alternate Vesting Schedule
2013/14	\$55,142	\$55,142
2014/15	\$65,817	\$61,100
2015/16	\$79,091	\$71,119
2016/17	\$95,402	\$83,144
2017/18	\$114,739	\$97,715
2018/19	\$133,138	\$112,849
2019/20	\$148,317	\$124,850
2020/21	\$167,085	\$140,392
2021/22	\$185,771	\$159,330
2022/23	\$200,607	\$176,739
2023/24	\$216,729	\$195,740
2024/25	\$235,185	\$217,995
2025/26	\$255,156	\$242,983
2026/27	\$278,127	\$269,951
2027/28	\$293,963	\$288,253
2028/29	\$300,105	\$298,906
2029/30	\$315,193	\$318,935
2030/31	\$325,623	\$335,369
2031/32	\$330,862	\$349,618
2032/33	\$345,456	\$370,891

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GASB 45 Benefit Costs

The following Tables provide information that may be used in the preparation of the District's June 30, 2014 financial statement.

Under the Entry Age Normal Actuarial Cost Method the Actuarial Present Value of each employee's Projected Benefits are allocated on a level basis over the earnings or service of the employee between their hire date and their assumed retirement. The portion of the Actuarial Present Value allocated to a valuation year is called the Normal Cost.

The Annual Required Contribution (ARC) consists of the Normal Cost plus the portion of the Unfunded Actuarial Accrued Liability that is to be amortized in the current year. The Normal Cost is the portion of the actuarial present value of future benefits that is allocated to the current year. Another interpretation is that the Normal Cost is the present value of future benefits that are "earned" by employees for service rendered during the current year. This valuation is based on the Entry Age Normal Cost method of calculation and an attribution period that runs from date of hire until the expected retirement date.

Table 2-3		
Present Value of Future Postemployment Medical Benefits Attributable to Past Service		
As of July 1, 2013		
Entry Age Normal Actuarial Cost Method		
7.00% discount rate		
	Current Plan	Alternate Vesting Schedule
Total Actuarial Accrued Liability	\$2,235,060	\$2,305,166
Actuarial Value of Assets	<u>\$491,540</u>	<u>\$491,540</u>
Unfunded Actuarial Accrued Liability	\$1,743,520	\$1,813,626
Level percent of pay Amortization Factor (based on a 7.00% discount rate and a 3.25% annual increase in payroll)		
Annual Level Percent of Pay Amortization of Unfunded AAL	\$108,159	\$112,508
Normal Cost (based on Entry Age Normal Cost Method)	<u>\$143,312</u>	<u>\$135,483</u>
Annual Required Contribution (ARC)	\$251,471	\$247,991
Interest on the Net OPEB Obligation	\$2,962	\$2,962
Adjustment to the ARC	<u>(\$2,625)</u>	<u>(\$2,625)</u>
Annual OPEB Cost	\$251,808	\$248,328

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Table 2-4a presents a five-year projection under the assumptions that the **District contributes the full Annual Required Contribution** by continuing direct pay-as-you go funding of retiree premium costs and contributing the remaining ARC to the Trust. We assumed the Trust contributions will occur at mid-year. We assumed the discount rate remains 7.00% and the Normal Cost component of the ARC increases by 5.00% per year throughout the five year period.

Table 2-4a
Rancho Murieta Community Services District
Five-year Projection of Annual OPEB Cost and Net OPEB Obligation
Based on a 7.00% discount rate the Entry Age Normal Actuarial Cost Method and
assuming full ARC funding

	2013/14	2014/15	2016/17	2017/18	2018/19
Actuarial Accrued Liability (AAL)	\$2,235,060	\$2,477,787	\$2,733,628	\$3,001,172	\$3,278,471
Actuarial Value of Assets at beginning of year	\$491,540	\$839,316	\$1,093,341	\$1,362,109	\$1,643,958
Unfunded Actuarial Accrued Liability (UAAL)	\$1,743,520	\$1,638,471	\$1,640,287	\$1,639,063	\$1,634,513
Remaining Amortization Period	26	25	24	23	22
Normal Cost	\$143,312	\$150,478	\$158,002	\$165,902	\$174,197
Amortization of UAAL	<u>\$108,159</u>	<u>\$104,116</u>	<u>\$106,929</u>	<u>\$109,798</u>	<u>\$112,709</u>
Annual Required Contribution (ARC)	\$251,471	\$254,594	\$264,931	\$275,700	\$286,906
Annual Required Contribution (ARC)	\$251,471	\$254,594	\$264,931	\$275,700	\$286,906
Interest on net OPEB Obligation	\$2,962	\$2,986	\$3,005	\$3,019	\$3,028
Adjustment to ARC	<u>(\$2,625)</u>	<u>(\$2,710)</u>	<u>(\$2,798)</u>	<u>(\$2,889)</u>	<u>(\$2,983)</u>
Annual OPEB Cost	\$251,808	\$254,870	\$265,138	\$275,830	\$286,951
District contributions	<u>(\$251,471)</u>	<u>(\$254,594)</u>	<u>(\$264,931)</u>	<u>(\$275,700)</u>	<u>(\$286,906)</u>
Increase in net OPEB Obligation	\$337	\$276	\$207	\$130	\$45
Net OPEB Obligation - Beginning of Year	\$42,313	\$42,650	\$42,926	\$43,133	\$43,263
Net OPEB Obligation - End of Year	\$42,650	\$42,926	\$43,133	\$43,263	\$43,308
Projected pay-as-you-go Cost	\$55,142	\$65,817	\$79,091	\$95,402	\$114,739

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Table 2-4b presents a five-year projection assuming the Alternate Vesting Schedule is adopted and the **District contributes the full Annual Required Contribution** by continuing direct pay-as-you go funding of retiree premium costs and contributing the remaining ARC to the Trust. We assumed that the Trust contributions will occur at mid-year, the Trust earns 7.00% per year, the discount rate remains 7.00% and the Normal Cost component of the ARC increases by 5.00% per year throughout the five year period.

Table 2-4b					
Rancho Murieta Community Services District					
ALTERNATE VESTING SCHEDULE					
Five-year Projection of Annual OPEB Cost and Net OPEB Obligation					
Based on a 7.00% discount rate the Entry Age Normal Actuarial Cost Method and assuming full ARC funding					
	2013/14	2014/15	2016/17	2017/18	2018/19
Actuarial Accrued Liability (AAL)	\$2,305,166	\$2,544,971	\$2,802,174	\$3,074,130	\$3,360,153
Actuarial Value of Assets at beginning of year	\$491,540	\$835,716	\$1,090,517	\$1,363,217	\$1,653,427
Unfunded Actuarial Accrued Liability (UAAL)	\$1,813,626	\$1,709,255	\$1,711,657	\$1,710,913	\$1,706,726
Remaining Amortization Period	26	25	24	23	22
Normal Cost	\$135,483	\$142,257	\$149,370	\$156,839	\$164,681
Amortization of UAAL	<u>\$112,508</u>	<u>\$108,614</u>	<u>\$111,581</u>	<u>\$114,611</u>	<u>\$117,689</u>
Annual Required Contribution (ARC)	\$247,991	\$250,871	\$260,951	\$271,450	\$282,370
Annual Required Contribution (ARC)	\$247,991	\$250,871	\$260,951	\$271,450	\$282,370
Interest on net OPEB Obligation	\$2,962	\$2,986	\$3,005	\$3,019	\$3,028
Adjustment to ARC	<u>(\$2,625)</u>	<u>(\$2,710)</u>	<u>(\$2,798)</u>	<u>(\$2,889)</u>	<u>(\$2,983)</u>
Annual OPEB Cost	\$248,328	\$251,147	\$261,158	\$271,580	\$282,415
District contributions	<u>(\$247,991)</u>	<u>(\$250,871)</u>	<u>(\$260,951)</u>	<u>(\$271,450)</u>	<u>(\$282,370)</u>
Increase in net OPEB Obligation	\$337	\$276	\$207	\$130	\$45
Net OPEB Obligation - Beginning of Year	\$42,313	\$42,650	\$42,926	\$43,133	\$43,263
Net OPEB Obligation - End of Year	\$42,650	\$42,926	\$43,133	\$43,263	\$43,308
Projected pay-as-you-go Cost	\$55,142	\$61,100	\$71,119	\$83,144	\$97,715

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SECTION III **Plan Description and Demographic Summary**

Eligibility Requirements and Plan Description

District employees who retire at age 50 or older who qualify for a CalPERS pension are eligible for lifetime medical benefits under the CalPERS medical program. Benefits are also provided to spouses and surviving spouses of participating retirees.

Retirees who participate in the CalPERS medical program receive a benefit equal to the lesser of the premium rate for their chosen plan or the District's monthly cap. Different caps are in place for represented and unrepresented employees.

The District is considering modifying its eligibility requirements to the following:

Employees must have 10 or more years of PERS service. Eligible retirees who retire with 10 years of service receive a monthly benefit equal to the lesser of 50% of the amount established each year as the State of California State Annuitant 100/90 Contribution and the premium rate for the plan they elect. Employees who retire with 11 years of service receive the lesser of 55% of the amount established each year as the State of California State Annuitant 100/90 Contribution and the premium rate for the plan they elect. The percentage increases by 5% for each year of service up to 20 years of service. Employees who retire with 20 or more years of service receive the lesser of 100% of the amount established each year as the State of California State Annuitant 100/90 Contribution and the premium rate for the plan they elect.

We assumed that if this change is adopted it will apply to all current and future employees but will not apply to current retirees.

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Demographic Data

Tables 3-1 and 3-2 contain summaries of the demographic information provided by the District. These employees and retirees were included in the valuation

Table 3-1

Full-Time Active Employees Age and Service Table
as of January 2014

<u>Age</u>	<u>Years of Service</u>						<u>Total</u>
	<u><5</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25+</u>	
20 - 24	2	0	0	0	0	0	2
25 - 29	1	1	0	0	0	0	2
30 - 34	1	1	1	0	0	0	3
35 - 39	1	0	0	0	0	0	1
40 - 44	2	2	1	0	0	0	5
45 - 49	2	1	0	0	0	0	3
50 - 54	1	2	4	2	0	0	9
55 - 59	2	1	0	1	0	1	5
60 - 64	0	2	0	1	0	0	3
65 - 69	1	0	0	0	0	0	1
70 and Older	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	11	10	6	4	0	1	32*

* includes 22 represented employees and 10 unrepresented employees

Table 3-2

Participating Retirees
as of January 2014

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Younger than 50	0	0	0
50-54	0	0	0
55-59	0	1	1
60-64	0	0	0
65-69	0	3	3
70-74	2	1	3
75-79	1	1	2
80+	<u>1</u>	<u>2</u>	<u>3</u>
Total	4	8	12*

* includes 7 represented retirees and 5 unrepresented retirees

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SECTION IV

Actuarial Method and Assumptions

In order to project the District's liabilities into the future, a number of economic, demographic, and baseline cost assumptions are necessary. For this valuation, we have used assumptions consistent with those specified in the "OPEB Assumption Model" released by the CalPERS Health Benefits Committee.

Actuarial Cost Method

The valuation was completed using the Entry Age Normal Cost Method. An Actuarial Cost Method is a procedure for allocating the actuarial present value of benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability. The Entry Age Normal cost method allocates the present value of future benefits on a level basis over the earnings or service (in this case earnings) of each employee individual between the hire date and assumed retirement age. The portion of the present value of future benefits allocated to a valuation year is called the Normal Cost. The portion allocated to all prior years is called the Actuarial Accrued Liability.

Valuation Date

The valuation date is January 1, 2014. This date is the starting point from which current health premium costs are increased according to the assumed annual rates of health care cost trend. The District census is projected from the valuation date to the date of the final benefit payment for each employee and retiree on the census. After calculating future costs for the projected retiree and dependent population, all liabilities are discounted back to the valuation date to obtain the present value of future costs. Finally, the valuation results were "rolled back" (slight downward adjustment) actuarially to July 1, 2013 in order to coincide with the start of the District's fiscal year.

Economic Assumptions

Discount Rate

A discount rate is required to calculate the present value of future benefit payments which are used to determine financial statement expense. This valuation is based on a 7.00% discount rate under the assumptions that the District's annual contributions to its Trust equal the ARC and that over the long run the Trust anticipates earning 7.00% per year on the District's investment.

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Health Care Trend

The rate of increase in per capita health care costs is commonly referred to as the *health care trend* rate. Based on recent rate increases and our assessment of likely future CalPERS rate increases, we developed the following annual healthcare trend rates for use in the valuation. These rates assume that there will not be any significant changes in the CalPERS medical plan designs.

<u>Calendar Year Beginning January 1</u>	<u>Estimated Increase</u>
2014	7.3%
2015	7.0%
2016	6.7%
2017	6.4%
2018	6.1%
2019	5.8%
2020	5.5%
2021	5.2%
2022 & thereafter	5.0%

Increase in Employer Cap

In this valuation we assumed that the caps for both Unrepresented and Represented employees will increase by the annual rates shown in Table 4-1.

Payroll Increases

In this valuation we assumed a 3.25% annual rate of increase in payroll. This rate is a component of the Entry Age Normal Actuarial Cost Method and is used in the calculation of the amortization component of the Annual Required Contribution and in calculation of the Normal Cost.

Amortization Methodology

GASB 45 allows amortization of the Unfunded Actuarial Accrued Liability based on a level dollar approach or as a level percentage of covered payroll. This valuation is based on a closed, 30-year amortization of the Unfunded Actuarial Accrued Liability as a level percentage of payroll; increasing each year as earnings are assumed to increase. 4 years of amortization have occurred; 26 years remain.

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Baseline Cost

Estimates of retiree health benefit obligations are normally based on current year costs. We refer to this as the *baseline cost*. The components of baseline cost, such as average per capita cost, and the current plan population are projected into the future to estimate the cost of future benefits.

The District participates in the CalPERS medical program. 2014 calendar year CalPERS Sacramento area premium rates are shown in Table 4-2a.

	<u>Basic</u>	<u>Medicare</u>
Blue Shield Access+	\$734.87	\$298.21
Blue Shield Net Value	\$618.39	\$298.21
Kaiser	\$681.59	\$294.97
PERS Choice	\$665.99	\$307.23
PERS Select	\$637.85	\$307.23
PERS Care	\$694.26	\$327.36

CalPERS has indicated that its medical program is a “community rated” plan as described in GASB 45. Essentially, this means that all participating employers located in the same region pay the same premium rates even though older employees and early retirees generally have higher medical costs than younger employees. If CalPERS changes its present practice and at a future date decides to modify the premium structure so that it charges more on average for non-Medicare retirees than for active employees, then higher costs would need to be allocated to retirees, and this could result in a substantial increase in the District’s Actuarial Accrued Liability and Annual Required Contribution. This potential increase could also occur if there is ever a ruling that CalPERS should not be treated as a community rated plan.

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The District's 2014 caps are shown in Table 4-2b. In this valuation we assumed that all retirees will utilize 100% of the monthly cap.

Plan	Younger than Age 65			Age 65 or Older		
	EE	EE+1	EE+2 or more	EE	EE+1	EE+2 or more
Represented	\$494.71	\$989.42	\$1,286.25	\$238.57	\$477.14	\$715.71
Unrepresented	\$618.39	\$1,236.78	\$1,607.81	\$298.21	\$596.42	

If the District adopted the Alternate Vesting Schedule its 2014 monthly caps would be:

Plan	Younger than Age 65			Age 65 or Older		
	EE	EE+1	EE+2 or more	EE	EE+1	EE+2 or more
All Employees	\$642.00	\$1,218.00	\$1,559.00	\$642.00	\$1,218.00	\$1,559.00

Administrative Expenses

We did not include the CalPERS administrative charge or any other internal administrative expenses in this valuation.

Plan Assets

The District established a Trust intends to make annual contributions equal to its ARC. As of June 30, 2013 the Trust balance was \$491,540.

The District has elected a Balanced Moderately Aggressive Index Plus investment strategy. The District expects a long term rate of return on the Trust of 7.00%.

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Demographic Assumptions

In estimating this obligation, a number of demographic assumptions are needed. These assumptions are the same as those used in the most recent California PERS pension valuations.

Withdrawal

This valuation is based on withdrawal rates used in the most recent California PERS Public Agency Miscellaneous retirement plan valuations. Selected rates are shown below.

<u>Service</u>	----- Entry Age -----						
	20	25	30	35	40	45	50
0	0.17420	0.16740	0.16060	0.15370	0.14680	0.14000	0.13320
1	0.15450	0.14770	0.14090	0.13390	0.12710	0.12030	0.11350
2	0.13480	0.12800	0.12120	0.11420	0.10740	0.10060	0.09380
3	0.11510	0.10830	0.10150	0.09450	0.08770	0.08090	0.07410
4	0.09540	0.08860	0.08180	0.07480	0.06800	0.06120	0.05430
5	0.08680	0.07900	0.07110	0.06320	0.05540	0.01160	0.00970
6	0.08290	0.07510	0.06700	0.05920	0.05140	0.01030	0.00840
7	0.07900	0.07100	0.06310	0.05520	0.04710	0.00900	0.00720
8	0.07490	0.06700	0.05910	0.05100	0.04300	0.00770	0.00600
9	0.07100	0.06290	0.05480	0.04690	0.03890	0.00660	0.00490
10	0.06680	0.05870	0.05070	0.04270	0.00710	0.00550	0.00380
15	0.05030	0.04240	0.03470	0.00320	0.00230	0.00140	0.00040
20	0.03700	0.02900	0.00210	0.00130	0.00050	0.00010	0.00010
25	0.02290	0.00110	0.00050	0.00010	0.00010	0.00010	0.00010
30	0.00050	0.00010	0.00010	0.00010	0.00010	0.00010	0.00010
35	0.00010	0.00010	0.00010	0.00010	0.00010	0.00010	0.00000

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Retirement Rates

We used the retirement rates in Table 4-4. These rates match Service Retirement rates used in the most recent California PERS Public Agency Miscellaneous 2%@55 pension valuation.

Table 4-4							
Annual Rates of Retirement							
<u>Age</u>	----- Years of Service -----						
	5	10	15	20	25	30	35
50	0.0150	0.0200	0.0240	0.0290	0.0330	0.0390	0.0440
51	0.0130	0.0160	0.0200	0.0240	0.0270	0.0330	0.0370
52	0.0140	0.0180	0.0220	0.0270	0.0300	0.0360	0.0400
53	0.0170	0.0220	0.0270	0.0320	0.0370	0.0430	0.0490
54	0.0270	0.0340	0.0410	0.0490	0.0560	0.0670	0.0760
55	0.0500	0.0640	0.0780	0.0940	0.1070	0.1270	0.1430
56	0.0450	0.0570	0.0690	0.0830	0.0950	0.1130	0.1270
57	0.0480	0.0610	0.0740	0.0900	0.1020	0.1220	0.1370
58	0.0520	0.0660	0.0800	0.0970	0.1100	0.1310	0.1480
59	0.0600	0.0760	0.0920	0.1110	0.1270	0.1510	0.1690
60	0.0720	0.0920	0.1120	0.1340	0.1530	0.1820	0.2050
61	0.0890	0.1130	0.1370	0.1650	0.1880	0.2240	0.2520
62	0.1280	0.1620	0.1970	0.2370	0.2700	0.3220	0.3620
63	0.1290	0.1640	0.1990	0.2390	0.2730	0.3250	0.3660
64	0.1160	0.1480	0.1800	0.2160	0.2470	0.2940	0.3300
65	0.1740	0.2210	0.2690	0.3230	0.3690	0.4390	0.4940
66	0.1350	0.1710	0.2080	0.2500	0.2850	0.3400	0.3820
67	0.1330	0.1690	0.2060	0.2470	0.2820	0.3360	0.3780
68	0.1180	0.1500	0.1820	0.2190	0.2500	0.2970	0.3340
69	0.1160	0.1470	0.1790	0.2150	0.2460	0.2930	0.3290
70	0.1380	0.1760	0.2140	0.2570	0.2930	0.3490	0.3930
71	0.0940	0.1200	0.1450	0.1750	0.2000	0.2380	0.2670
72	0.1040	0.1320	0.1600	0.1920	0.2200	0.2610	0.2940
73	0.0830	0.1060	0.1290	0.1550	0.1770	0.2110	0.2370
74	0.0640	0.0820	0.1000	0.1200	0.1370	0.1630	0.1830
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

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Mortality

The mortality rates used in this valuation are those used in the most recent California PERS pension valuations. These rates provide a starting point for the projection of future mortality rates. The mortality rates for each future year were determined based on a generational mortality projection using Projection Scale AA. This scale consists of a set of Annual Mortality improvement factors as a function of age and sex. The resulting projected mortality rates were applied to each employee and retiree.

Table 4-5
Sample Mortality Rates
(prior to the application of Projection Scale AA)

<u>Age</u>	<u>Active Employees</u>		<u>Retired Employees</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
55	0.260%	0.176%	0.474%	0.243%
60	0.395%	0.266%	0.720%	0.431%
65	0.608%	0.419%	1.069%	0.775%
70	0.914%	0.649%	1.675%	1.244%
75			3.080%	2.070%
80			5.270%	3.749%
85			9.775%	7.005%
90			16.747%	12.404%

Health Plan Participation

We assumed that 100% of future retirees will enroll in a CalPERS medical program. We assumed that single employees will remain single and married employees will remain married and that their spouses will participate in the postemployment healthcare program. Female spouses are assumed to be 3 years younger than males.

Medicare Coverage

We assumed that all current and future retirees will be eligible for Medicare when they reach age 65.

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SECTION V

Glossary

- Accrual Accounting – A method of matching the cost of an employee's service, including long term obligations such as OPEB, to that employee's period of active service.
- Actuarial Accrued Liability (AAL) – The Actuarial Present Value of all postemployment benefits attributable to past service. Note: the AAL is sometimes referred to as the Past Service Liability.
- Actuarial Cost Method – A procedure for allocating the actuarial present value of benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.
- Actuarial Present Value – The value of an amount or series of amounts payable or receivable at various times. Each such amount or series of amounts is:
 - a. adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, Social Security, marital status, etc.)
 - b. multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned, and
 - c. discounted according to an assumed rate (or rates) of return to reflect the time value of money
- Actuarial Valuation – The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets and related Actuarial Present Values.
- Actuarial Value of Assets – The value of cash, investments and other property belonging to a plan. These are amounts that may be applied to fund the Actuarial Accrued Liability. Note: assets must be segregated and placed in a Trust in order to be considered OPEB assets
- Amortization Payment – That portion of the Annual OPEB cost which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

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In the year that Statement 45 becomes effective an employer is allowed to commence amortization of the Unfunded Actuarial Accrued Liability, over a period not to exceed 30 years.

- Annual Other Postemployment Benefit Cost (OPEB) cost - An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan. The annual OPEB cost is the amount that must be calculated and reported as an expense.

When an employer has no net OPEB obligation (e.g., in the year of implementation) the annual OPEB cost is equal to the Annual Required Contribution (ARC).

In subsequent years the Annual OPEB cost will include:

- the ARC (equal to the Normal Cost plus one year's amortization of the Unfunded Actuarial Accrued Liability);
 - one year's interest on the net OPEB obligation at the beginning of the year using the valuation discount rate; and
 - an adjustment to the ARC. This adjustment is intended to provide a reasonable approximation of that portion of the ARC that consists of interest associated with past contribution deficiencies. GASB Statement No. 45 specifies that this adjustment should be equal to an amortization of the discounted present value of the net OPEB obligation at the beginning of the year. The amortization should be calculated using the same amortization method and period used in determining the ARC for that year. If the net OPEB obligation is positive the adjustment should be deducted from the ARC.
 - Note: As long as the net OPEB obligation is zero, there will not be any interest charge or adjustment to the ARC. However, if an employer does not contribute the full amount of the ARC, a net OPEB obligation will emerge.
- Annual required contributions of the employer (ARC) - The employer's periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters.
 - Defined benefit OPEB plan - An OPEB plan having terms that specify the *benefits* to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an amount based on one or more factors, such as age, years of service, and compensation), or as a type or level of coverage (for example, prescription drugs or a percentage of healthcare insurance premiums).

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- Defined contribution plan - A pension or OPEB plan having terms that (a) provide an individual account for each plan member and (b) specify how contributions to an active plan member's account are to be determined, rather than the income or other benefits the member or his beneficiaries are to receive at or after separation from employment. Those benefits will depend only on the amounts contributed to the member's account, earnings on investments of those contributions, and forfeitures of contributions made for other members that may be allocated to the member's account. For example, an employer may contribute a specified amount to each active member's postemployment healthcare account each month. At or after separation from employment, the balance of the account may be used by the member or on the member's behalf for the purchase of health insurance or other healthcare benefits.
- Employer's contributions - Contributions made in relation to the annual required contributions of the employer (ARC). An employer has made a contribution in relation to the ARC if the employer has (a) made payments of benefits directly to or on behalf of a retiree or beneficiary, (b) made premium payments to an insurer, or (c) irrevocably transferred assets to a trust, or an equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator.
- Entry Age Normal Actuarial Cost Method – An actuarial cost method under which the Actuarial Present Value of the Projected Benefits of each individual included in the valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion allocated to prior years of service is called the Actuarial Accrued Liability.
- Healthcare cost trend rate - The rate of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.
- Investment return assumption (discount rate) - The rate used to adjust a series of future payments to reflect the time value of money.
- Net OPEB obligation - The cumulative difference since the effective date of GASB Statement 45 between annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt.

Most employers will have no net OPEB obligation at the beginning of the year in which Statement 45 is implemented.

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If an employer contributes the annual OPEB cost to the plan each year, and there are no actuarial or investment gains or losses then the net OPEB Obligation will remain zero.

- Normal Cost - That portion of the Actuarial Present Value of benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method. Another interpretation is that the Normal Cost is the present value of future benefits that are “earned” by employees for service rendered during the current year.
- OPEB assets - The amount recognized by an employer for contributions to an OPEB plan greater than OPEB expenses.
- OPEB expense - The amount recognized by an employer in each accounting period for contributions to an OPEB plan on the accrual basis of accounting.
- Other postemployment benefits (OPEB) - Postemployment benefits other than pension benefits. Other postemployment benefits (OPEB) include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, except benefits defined as special termination benefits.
- Plan assets - Resources, usually in the form of stocks, bonds, and other classes of investments, that have been segregated and restricted in a trust, or in an equivalent arrangement, in which (a) employer contributions to the plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer(s) or plan administrator, for the payment of benefits in accordance with the terms of the plan.
- Present Value – See Actuarial Present Value.
- Projected Unit Credit Cost Method – An actuarial cost method under which the projected benefits of each individual included in an Actuarial Valuation are separately calculated and allocated to each year service by a consistent formula.
- Substantive plan - The terms of an OPEB plan as understood by the employer(s) and plan members.
- Unfunded Actuarial Accrued Liability (UAAL) – The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.
- Valuation date – The date as of which the Postemployment benefit obligation is determined.

CONFERENCE/EDUCATION SCHEDULE

Date: March 12, 2014
To: Board of Directors
From: Suzanne Lindenfeld, District Secretary
Subject: Review Upcoming Conference/Education Opportunities

This report is prepared in order to notify Directors of upcoming educational opportunities. Directors interested in attending specific events or conferences should contact me to confirm attendance for reservation purposes. The Board will discuss any requests from Board members desiring to attend upcoming conferences and approve those requests as deemed appropriate.

Board members must provide brief reports on meetings that they have attended at the District's expense. (AB 1234).

The upcoming conferences/educational opportunities include the following:

CALIFORNIA SPECIAL DISTRICT ASSOCIATION (CSDA)

2014 Special District Legislative Days	May 20, 2014	Sacramento
General Manager Leadership Summit	Olympic Valley	June 22, 2014

GOLDEN STATE RISK MANAGEMENT ASSOCIATION (GSRMA)

No Information Currently Available on Upcoming Conferences.

SPECIAL DISTRICT AND LOCAL GOVERNMENT INSTITUTE (SDI)

No Information Currently Available on Upcoming Conferences.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

2014 Spring Conference	May 6 – 9, 2014	Monterey
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WATEREUSE ASSOCIATION

2014 WaterReuse Annual Conference	March 16 - 18, 2014	Newport Beach
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AMERICAN WATER WORKS ASSOCIATION (AWWA)

No Information Currently Available on Upcoming Conferences.

ISC WEST

2014 ISC West Public Security
And Safety Expo

March 31 – April 4, 2014

Las Vegas

CALIFORNIA RURAL WATER ASSOCIATION

No Information Currently Available on Upcoming Conferences.