

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Board of Directors Meeting

MINUTES

October 16, 2013

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, Roberta Belton, 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. Directors Betty Ferraro and Paul Gumbinger were absent.

2. ADOPT AGENDA

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

3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES

None.

4. BOARD ADJOURNED TO CLOSED SESSION AT 4:03 P.M. TO DISCUSS THE FOLLOWING ITEMS:

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

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

Conference with Legal Counsel – Anticipated Litigation. Significant Exposure to Litigation Pursuant to 54956.9(b): (Two (2) Potential Cases).

Director Gumbinger arrived at 4:08 p.m.

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

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

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

Conference with Legal Counsel – Anticipated Litigation. Significant Exposure to Litigation Pursuant to 54956.9(b): (Two (2) Potential Cases). Nothing to report.

7. COMMENTS FROM THE PUBLIC

Ted Hart asked how much Rancho Murieta Association (RMA) is over budget for the new North Gate. Ed Crouse stated he does not want to get into specifics but that the original plan was 25% over but the design has since been modified to bring the cost down. President Pasek stated that RMA wants the District to contribute \$200,000 towards the new gate. Director Belton asked when the design was going to be put out for public comment. Director Gumbinger stated that will happen once the design has been finalized.

Director Martel stated that the response letter Ed Crouse sent to RMA regarding the request for \$200,000 is Ed's opinion and not his.

Mo Chaudhry commented on the 30% Design Report. Mr. Chaudhry stated the District should check into being exempt from paying sales tax since the District is a government agency and suggested staff look into other SCADA systems.

Mr. Chaudhry also stated that he has some books and a video on re-organizing agencies and offered to let the Board and staff borrow them before the next budget is approved.

8. CONSENT CALENDAR

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

9. STAFF REPORTS

Under Agenda Item 9 c, Director Belton commented on the increase in crime in the community.

Under Agenda Item 9 d, President Pasek asked about the follow up letter being sent to California Department of Public Health (CDPH). Paul Siebensohn stated that he is in the process of writing the letter.

10. CORRESPONDENCE

No comments.

11. PRESENTATION OF THE 2012-13 FINAL AUDIT, BY LARRY BAIN, CPA

Larry Bain, CPA, gave a brief summary of the 2012-13 Audit Report. Mr. Bain stated it was a clean opinion. A question and answer period followed.

Director Martel commented on his meeting with Mr. Bain and Darlene prior to the Board meeting to answer the list of questions he had. Director Martel stated the meeting went well and he has a better understanding. There are five (5) questions outstanding and those responses will be provided to him in writing.

President Pasek stated he had already requested Darlene give a presentation on the budget process to the Board in the near future.

President Pasek asked about the refunding of any monies from the early pay off of the Mello Roos. Darlene stated that will be decided once all facilities have been completed. Director Martel asked if there will be a final reconciliation of the funds collected and spent after the Mello Roos has been paid off. Mr. Bain stated that the reconciliations are done annually. Darlene stated she has a spread sheet that has that information.

Director Belton left at 5:44 p.m.

12. ADOPT RECYCLED WATER STANDARDS

Ed Crouse gave a brief summary of the recommendation to adopt the Recycled Water Standards prepared by Kevin Kennedy, AECOM. Ed stated that the standards are for new development to use in planning and constructing their recycled water systems.

Motion/Gumbinger to adopt the Recycled Water Standards prepared by Kevin Kennedy, AECOM.
Second/Martel. Ayes: Pasek, Gumbinger and Martel. Noes: None. Absent: Belton and Ferraro.

13. REPORT BACK ON FINANCING AND SERVICES AGREEMENT

Ed Crouse gave a brief update on the Financing and Services Agreement. PCCP has provided the additional legal fee deposit funds last week. The Special Board Meeting for the Financing and Services Agreement (FSA) is scheduled for October 25, 2013 at 9:00 a.m.

Staff is completing revisions requested by the Board as well as clarifications related to the water treatment plant construction the District initiated.

Cosumnes River Land will have a separate FSA which will include the Murieta Gardens project and the remaining lands.

14. REPORT BACK ON WATER TREATMENT PLANT EXPANSION FINANCING ALTERNATIVES

Darlene Gillum gave a brief update on the Water Treatment Plant (WTP) Expansion Project financing alternatives. US Bank has a "Non-revolver" financing product which allows the District to draw funds as needed against a pre-approved maximum loan amount during the construction. Once completed, the remaining open balance would be termed out. Interest and payments would be based on the total amount drawn. The interest rate quoted is lower than the interest rate on the CSDA Finance Corp Lease Buy-back product; however, it is a variable rate versus a fixed rate on the Lease Buy-back. Also, US Bank is only willing to offer a 7 year term versus the 20 year term offered by CSDA Finance Corporation.

Staff is still working with the Wells Fargo representative to obtain information on their line of credit program.

A full comparison of financing alternatives will be presented at the November Finance Committee and brought to the Board at the November meeting, which will allow all Directors to be involved in the selection of the financing product for the WTP expansion.

15. APPROVE GEOTECHNICAL ENGINEERING STUDY PROPOSAL

Paul Siebensohn gave a brief summary of the recommendation to approve the proposal from Youngdahl Consulting Group, Inc. for Geotechnical Engineering Study for the Water Treatment Plant Expansion Project.

Motion/Gumbinger to approve the proposal from Youngdahl Consulting Group, Inc. for Geotechnical Engineering Study for the Water Treatment Plant Expansion Project, in an amount not to exceed \$2,600. Funding to come from Water Replacement Reserves. **Second/Martel. Ayes: Pasek, Gumbinger and Martel. Noes: None. Absent: Belton and Ferraro.**

16. NOMINATIONS FOR SELECTION OF DISTRICT COMMISSIONER AND SELECTION OF ALTERNATE DISTRICT COMMISSIONER FOR THE LOCAL AGENCY FORMATION COMMISSION (LAFCo)

President Pasek recommended Gay Jones for District Commissioner. By consensus, the Board agreed.

17. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES

Director Gumbinger will be attending the CSDA Special District Leadership Academy in November 2013.

18. MEETING DATES/TIMES

No changes.

19. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

Director Martel stated he will be sending out a letter in the future sharing his personal opinion/views regarding the District and the Board of Directors.

Director Gumbinger asked how the security fees the developers pay will be used. Darlene stated that it is outlined in the FSA, once it is approved. Director Martel stated he has some suggestions on how to run the Security Department and commented on how Security only reports crimes but does not solve any.

Director Martel commented on his being pulled over by a Game Warden and felt that they should not be allowed to enforce the vehicle code.

President Pasek asked about the status of the surveillance plan. Ed stated that the surveillance camera plan is going to Joint Security Committee, Security Committee, and then the Board in November.

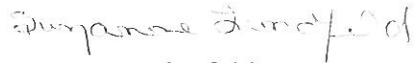
Ed Crouse stated that at the October 8, 2013 Presidents meeting, items discussed included: North Gate update, RMCC membership update, new signage, recycled water standards, water conservation, and RMA having some water audits done.

Director Martel asked about the delinquency accounts. Darlene stated that Elk Grove Bilby paid in full to the District and that the remaining delinquencies were sent to the County for collection and the County will be paying the District.

20. ADJOURNMENT

Motion/Gumbinger to adjourn at 6:22 p.m. **Second/Martel. Ayes: Pasek, Gumbinger, and Martel. Noes: None. Absent: Belton and Ferraro.**

Respectfully submitted,



Suzanne Lindenfeld
District Secretary