

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

**1112 I Street, Suite #100  
Sacramento, California 95814  
(916) 874-6458**

**March 4, 2020**

**TO:** Sacramento Local Agency Formation Commission

**FROM:** Donald J. Lockhart AICP, Executive Officer (916) 874-2937  
[Donald.Lockhart@SacLAFCo.org](mailto:Donald.Lockhart@SacLAFCo.org)

**RE:** **FINAL RANCHO MURIETA COMMUNITY SERVICES DISTRICT  
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE  
UPDATE (LAF#02-19 ) (CEQA EXEMPT)**

**RECOMMENDATION:**

1. Approve the CEQA Exemption as adequate and complete for this project;
2. Receive and File the FINAL Rancho Murieta Community Services District Municipal Service Review with Determinations and Sphere of Influence Update; and
3. Adopt Resolution LAF#2020-02-0304-02-19 Approving the Final Municipal Service with Determinations and Sphere of Influence Update.

**Applicant:**

Rancho Murieta Community Services District  
15160 Jackson Road, P.O. Box 1050  
Rancho Murieta, CA 95683  
Mark Martin, General Manager  
mmartin@RMCSO.com  
(916) 354-3700

**DISCUSSION:**

On February 4, 2020, your Commission reviewed and heard public testimony on the Draft Municipal Service Review for the Rancho Murieta Community Services District (RMCSO.) Your Commission requested further clarification of the efforts of RMCSO to provide recycled water, and to participate in preventative fire safety and related public information programs. The Final Municipal Services Review (MSR) has been augmented to more fully address these matters. The Draft has been posted on the Commission



website, and distributed to affected agencies and interested parties as directed. No further comments have been received to date.

This Final Municipal Service Review and Sphere of Influence Update is the result of collaboration with Rancho Murieta Community Services District management. Your staff recognizes the District for their ongoing responsiveness to keep your Commission and the public informed.

The Rancho Murieta Community Services District was formed on July 20, 1982. The District was established to provide a wide range of core community services for a largely private, gated residential community not otherwise fully served by the County. The RMCS D is organized, and operates under the California Community Services District Law (GC 61000, et-seq.) to provide public facilities and services that promote the public peace, health, safety, and welfare to satisfy the residents and property owners in California's diverse communities. The District provides potable water service, wastewater collection, treatment and reuse (purple pipe,) storm water retention/detention pumping, security, and garbage collection, recycling & green waste service.

The Final Municipal Services Review is attached for your information. Please note supporting documents have been previously provided, and may be reviewed @ <http://www.agendanet.saccounty.net/sirepub/mtgviewer.aspx?meetid=12764&doctype=AGENDA>

The Final MSR proposes your Commission make the following determinations:

1. Regarding growth in population expected for the District service area; the Commission determines that the District is capable of continuing to provide potable water service, wastewater collection, treatment and reuse (purple pipe,) storm water retention/detention pumping, security and garbage collection recycling & green waste. The District has adequate water supply to serve existing residents and the anticipated population growth within its service area. The District utilizes surface water to meet the demands of its customers. The service population demand is not expected to grow significantly. Water pressure, water quality, and water quantity meet federal and state requirements for safe drinking water and fire suppression.
2. Regarding Disadvantaged Unincorporated Communities, the Commission determines that the RMCS D currently provides adequate services and facilities throughout its service area regardless of income or any other social attributes. However, the District recognizes that continued water line replacement, water meters, and infrastructure replacement are required and necessary to sustain current levels of service and meet future demands. The District has established a rate structure and capital improvement program to facilitate a sustainable water and wastewater system.
3. Regarding the Financial Ability of RMCS D to plan, maintain and provide Facilities and Programs, the Commission determines that Rancho Murieta

Community Services District has sufficient rates to finance operations and maintenance costs, meet water and wastewater quality standards, and capital improvements as set forth in the District Master Plan. The District complies with the requirements of Proposition 218 to establish rates.

4. Regarding the financial ability of RMCS D to provide services, the Commission determines that Rancho Murieta Community Services District has sufficient rates to finance operations and maintenance costs, meet water quality standards, and capital improvements as set forth in the District Master Plan. The District complies with the requirements of Proposition 218 to establish rates.
5. Regarding the Status of and Opportunities for Innovation and Shared Facilities, the Commission determines that due to the rural setting of the RMCS D, there are not any other agencies in the vicinity to facilitate joint planning efforts for similar services, or impose service duplication. Regarding accountability for community service needs, including governmental structure and operational efficiencies; the Commission determines that RMCS D participates in several Joint Power Agreements as a Board Member in both the Regional Water Authority (RWA) and the Sacramento Central Groundwater Authority (SCGA) which facilitate cooperation and management of water resources, including groundwater. As warranted, the RMCS D also works cooperatively with Sacramento Metro Fire and the County Office of Emergency Services (OES) in the general geographic area.
6. Regarding Accountability for Community Service Needs, including Governmental Structure and Operational Efficiencies, the Commission determines that the District encourages public participation at its Board meetings and provides many different public education programs and outreach efforts to the community it serves. The District has a five-member Board. Directors are elected at large by the voters of the District.
7. Regarding Issues, Concerns and Opportunities, the Commission determines that the District is managed effectively and efficiently. The RMCS D may wish to consider making application to the Commission to reorganize and delete the recreation function, as it has not been exercised, and is unfunded.

### **RECOMMENDATION**

I respectfully recommend that your Commission:

1. Approve the CEQA Exemption as adequate and complete for this project;
2. Receive and File the FINAL Rancho Murieta Community Services District Municipal Service Review with Determinations and Sphere of Influence Update; and
3. Adopt Resolution LAFC Rancho Murieta Community Services District #2020-02-0304-02-19 Approving the Final Municipal Service Review with Determinations and Sphere of Influence Update.



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**FINAL**



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT  
MUNICIPAL SERVICES REVIEW**

**March 4, 2020**

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

**1112 I Street, Suite #100, Sacramento, California 95814**

**(916) 874-6458**

**[www.SacLAFCo.org](http://www.SacLAFCo.org)**

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**MUNICIPAL SERVICE REVIEW WORKSHEET**  
**AND QUESTIONNAIRE**

**DISTRICT PROFILE**

**Date:** March 4, 2020

**Agency Name:** Rancho Murieta Community Services District (RMCS D)

**Address:** 15160 Jackson Road, P.O. Box 1050, Rancho Murieta, CA 95683

**Website:** RMCS D.COM

**Telephone:** (v916) 354-3700                      **(FAX)** (916) 354-2082

**Administrator Name:** Mark Martin

**Title:** General Manager

**Name of Contact:** Mark Martin

**Contact's E-mail Address:** mmartin@RMCS D.com

**Agency's Principle Act:** Gov. Code 61000-61936

**Services Provided:** Water, wastewater collection, treatment and reuse, storm water, security, public recreation, and garbage collection recycling & green waste

**Latent Powers:** Road construction and maintenance; landscape maintenance; street lighting; fire protection; ambulance; library; airport maintenance; mosquito abatement; graffiti abatement; enforcement of covenants, conditions and restrictions; transportation services; telecommunications; television and hydroelectric facilities.

**Governing Body:** Board of Directors, Five (5) Members

**Total Number of Employees:** 38

**28 Represented**

**10 Unrepresented**

**Acreage/ sq. Miles within Agency:** 3,500 (Please see Exhibit 1 – *District Boundary*)

**Total Population within Agency:** 6,300 (5,488 2010 Census)

**Total Registered Voters within Agency:** 3,854 (2010 Census)

## INTRODUCTION

### Background Information

The Rancho Murieta Community Services District is an Independent Special District.

- **Mission:** The mission of Rancho Murieta Community Services District is to take a leadership role in responding to the needs of the residents. The District will deliver superior community services efficiently and professionally at a reasonable cost while responding to and sustaining the enhanced quality of life the community desires.
- **Setting:** The District provides essential services to an area of 3,500 acres (covering roughly five and a half square miles) located in the beautiful wooded hills of eastern Sacramento County. The community is a balanced blend of both custom and production homes, townhouses, mobile homes, and a thriving retail complex. In addition, a private airport, office building, fire station, hotel and equestrian center are located within the District.
- **Role of Security Function as it differs from Sacramento County Sheriff:** Pursuant to Section 61100(j) of the Government Code and authorization of the Local Agency Formation Commission, the District provides security services necessary to protect lives and property within the boundaries of the District. Gate Officers and Patrol Officers are responsible for protecting livings and property by seeking to prevent an incident or offense from occurring in the District. In situations where prevention of an incident or offense is not possible, the function of Gate Officers or Patrol Officers is to observe and report the incident to a law enforcement agency.

Unlike Sacramento County Sheriff, Gate Officers and Patrol Officers are not peace officers and, except in limited circumstance as authorized by the District Code, Chapter 21, are *not* responsible for any law enforcement activities, including but not limited to: chasing, apprehending or detaining suspected criminals; investigating criminal acts; or enforcing state or county laws, including traffic regulations.

- **RMCS D's relationship to Emergency Services Agencies:** RMCS D is not an all-risk emergency services agency tasked with primary emergency services responsibilities for the community. These responsibilities lie with Sacramento County Office of Emergency Services (OES), Sac Metro Fire, Sac County Sheriff, Cal Fire, CHP and Caltrans depending on the circumstance. Nonetheless, RMCS D does maintain a responsibility for emergency planning related to the protection and restoration of its critical infrastructure such as water and sewer services. RMCS D is expected to be responsive when equipment or other resources are requested



by emergency services agencies as part of an emergency event. However, with that understanding, Sacramento County OES has confirmed it would likely contract for outside resources before tapping RMCSO so that the District can better focus its resources on timely restoration of critical services. As part of RMCSO's Security role within community, the District has offered a letter of support for the local Rancho Murieta Homeowners Association Fire Safe Council's recent application for a Cal Fire grant to help the Council provide emergency preparedness education to the community.

The RMCSO website (RMCSO.com) also provides community links to

1. Sac Metro Fire Community Emergency Response Team (CERT) for volunteer training and certification in disaster preparedness and response;
2. Enrollment in the Sacramento OES Reverse 911 Emergency Alert System.

### **History**

The District was formed on July 20, 1982. The District was established to provide a wide range of key community services for a largely private, gated community not served by the County.

### **Services Provided**

Potable water supply collection, treatment, and distribution  
Wastewater collection, treatment, and reuse (purple pipe)  
Storm drainage collection, disposal and flood control  
Security Services (24/7)  
Solid waste collection, disposal and recycling (contract service out to private company).

### **Management and Staffing Structure**

#### **Management Structure**

Board of Directors

General Manager, District Secretary

Director of Administration, Security Chief, Director of Field Operations

Accounting Supervisor, Controller, Security Sergeant, Chief Plant Operator,  
Utilities Supervisor

#### **Employment Structure**

**The District employs: 38 full time positions**

In addition, the District employs on average 1 part-time, 1 temporary, 1 seasonal position.

(Please see Exhibit 2 - *Organizational Chart*)

- **The type and purpose of contracts and consultants.**

Engineering – general and special engineering services

Legal – legal counsel

IT – computer related services

- **Please feel free to mention any awards or recognition the agency has received.**

CWEA, Sacramento Area Section, Honorable Mention Award in the category of 2013 Plant of the year, less than 5 MGD.

ASCE Project of the Year 2015 for Water Treatment Plant Expansion

APWA Project of the Year in 2009 for Rio Oso Water Tank Rehabilitation.

California Special Districts Association Transparency Certificate of Excellence 2013, 2015, 2017.

- **Describe ongoing training and personnel policies.**

The District maintains a Personnel Manual that covers all District personnel policies, and a Memorandum of Understanding (MOU) covering union represented staff policies not covered in the personnel manual.

Please see Exhibit 3, *Personnel Manual* (updated November 2018) and Exhibit 4, *2018-2020 Memorandum of Understanding (MOU) governing training and personnel policies*.

As a general practice, the District conducts mandated trainings related to workplace harassment, ethics, Brown Act training, and safety directed to appropriate staff and the Board. More general employee development training is offered and varied depending on the job skills required for individual positions.

- **Are salaries and pay scales comparable/ competitive with regional and industry standards?**

Yes – salary surveys are done every 2-3 years

- **Is organization structure similar with like service providers?**

Yes

## Municipal Service Review Information and Determinations

### 1. Growth and Population Projections (This provides the public with a “snapshot” of your community.)

Projections of growth and population in this isolated area very dependent on sporadic growth based on demand. Right now, there has been only a small amount of growth in recent years, including around 66 single family homes (~2.5% total growth in residential units) in the last 5 years with 2/3 of that unit growth constructed or under construction within the last fiscal year 2018/2019. Population growth likely tracks the same as home growth. A new hotel opened in 2018 and the commercial area expanded with a mid-size grocery under construction in 2019 and expected to open in the first half of 2020.

#### **Type of Information to be provided:**

- **What is the current level of demand for services?**

Water: 1,710 AF per year of water across 2,695 water connections.

Wastewater: Current wastewater generation is approximately 523 AF across 2,591 connections. There are water connections for irrigation only that do not require wastewater service, hence the lower number of wastewater connections to water connections. The current wastewater treatment facility is sized to accommodate approximately 25% more demand before expansion is required.

Recycled Water: Recycled water average demand of 705 AF/yr, exceeds supply by a five-year average of 281 AF and is supplemented with surface water.

- **What is the projected demand for services?**

Water: Potable Water demand is projected to be at 3,659 acre-feet per year by the year 2030. Future use of recycled water is expected to offset potable demand by approximately 400 acre-feet. Forecasted demands are outlined in Exhibit 5 - *Integrated Water Master Plan Update 2010*, approved by the Board (October 21, 2010). This document evaluates the District’s comprehensive approach to storage of water, provision of water and water conservation efforts including 100% recycling of the District’s wastewater.

Sewer: Secondary treatment process of Wastewater is sized for full build, meeting current demands for treatment. Secondary wastewater storage and tertiary treatment will need improvements with future development. Future recycled

water demand and infrastructure needs are planned out in Exhibit 6 - *Recycled Water Program Preliminary Design Report* (dated June 2017).

Security and Drainage: As development occurs, services will be rendered to support the needs. Please see above discussion regarding RMCS D security services/authority vs. Sheriff services.

Costs for future infrastructure and operational needs are covered in the District's – Water Supply Augmentation and Capital Improvement fees for Water, Sewer, Drainage, and in Security Assessment Fees for Security. Fees are adjusted annually as needed.

- **Please provide growth rate and population projections.**

Please see above

- **Please provide any other information relevant to planning for future growth or changing demographics.**

Anecdotal evidence points to a transition to an overall younger population served by the District. The 2020 Census will help inform this assumption.

### **LAFCo MSR Determination**

Regarding growth in population expected for the District service area, the Commission determines that the District is capable of continuing to provide potable water service, wastewater collection, treatment and reuse (purple pipe,) storm water retention/detention pumping, security and garbage collection recycling & green waste. The District has adequate water supply to serve existing residents and the anticipated population growth within its service area. The District utilizes surface water to meet the demands of its customers. The service population demand is not expected to grow significantly. Water pressure, water quality, and water quantity meet federal and state requirements for safe drinking water and fire suppression. The RMCS D may wish to consider making application to the Commission to reorganize and delete the recreation function, as it has not been exercised, and is unfunded.

### **2. Disadvantaged Unincorporated Communities**

**Please note and discuss the location and characteristics of any disadvantaged unincorporated communities within or contiguous to the exiting or proposed Sphere of Influence.**

Rancho Murieta is not a Disadvantaged Unincorporated Community (DUC,) nor is it adjacent to such a designated community.

(GC Sec. 56033.5. "Disadvantaged unincorporated community" means inhabited territory, defined as an area with 12 or more registered voters, that constitutes all or a portion of a "disadvantaged community" as defined by Section 79505.5 of the Water Code.)

**LAFCo Determination**

Regarding Disadvantaged Unincorporated Communities, the Commission determines that the RMCS D currently provides adequate services and facilities throughout its service area regardless of income or any other social attributes. However, the District recognizes that continued water line replacement, water meters, and infrastructure replacement are required and necessary to sustain current levels of service and meet future demands. The District has established a rate structure and capital improvement program to facilitate a sustainable water and wastewater system.

**3. Facilities and Programs**

Please provide information regarding the present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

**A. Facilities**

**Summary of Facilities (Physical Plant)**

NAME	LOCATION	SIZE	AMENITIES/SPECIAL FEATURES	DESCRIPTION
RMCS D Admin. Bldg.	15160 Jackson Road, Rancho Murieta, CA 95683 "on same parcel as Wastewater Plant"	4,190 ft <sup>2</sup>	Board meeting room (Public and ADA accessible)	District main office and public meeting space. Year built: 1994
Wastewater Treatment & Reclamation Plant	15160 Jackson Road, Rancho Murieta, CA 95683	159 Acres		Gated facility that receives community wastewater and treats it through a facultative pond process to storage of secondary treated wastewater; processing and distribution of tertiary recycled water for reclamation use. Site has buildings for staffing and equipment.
James L. Noller Safety Center	"same as above - on same parcel as Wastewater Plant"	1,440 ft <sup>2</sup>		Modular office for District security officers; Office space is made available for County Sheriff and Highway patrol.

South Gate Security Office	15180 Murieta Parkway South	350 ft <sup>2</sup>	Processes calls for Security services as well as access control of South community.	South Gate Guard House, staffed 24/7.
Granlees Diversion & Pump station	Unimproved area south of Camino Del Lago Dr. on north side of Cosumnes River	200 ft <sup>2</sup>		River diversion and pumping station utilized to pump water to the District's raw water supply reservoirs; also used to divert water into an irrigation supply canal known as the Cosumnes Irrigation Association ditch.
Sewer Collection Stations	Throughout Rancho Murieta	varying		14 separate stations convey untreated sewage to wastewater treatment facility located at 15160 Jackson Rd. forced or gravity?
Main Lift South Sewer & Stormwater Pump Station	South course between holes 2 & 3	720 ft <sup>2</sup>		Station consists of five (5) above-ground pumps to pump storm-water from large collection well in interior of levee to Cosumnes River; In a separate wet well there are two (2) sewage pumps which pump untreated sewage to the wastewater treatment plant.
FAA Stormwater & Sewer Pumping station	East end of Cantova Way, Rancho Murieta			Pumps water from interior of levee 8068 to outside of levee; small sewer pumping station located there in a wet well.
Reservoirs & Dams	See Exhibit 7b – Reservoirs and Dams Facilities map	<u>In acres</u> Calero: 110 Clementia: 73 Chesbro: 64	<u>Capacity—Acre Feet (AF)</u> 2,572 AF 1,194 AF 957 AF	Calero, Chesbro, and Clementia reservoirs serve as water storage for District water service to customers.
Water Treatment Plants 1 & 2	Unimproved area beyond 6237 Camino Del Lago Dr.	7.7 acres	4.0 million gallon a day ultrafiltration membrane plant; 2.0 million gallon a day traditional sand filtration plant Raw water pumping station at Clementia reservoir	Water Treatment Plants and appurtenances for production of potable water for community use. Plant 1 has a treatment capacity of 4.0 mgd; Plant 2 has a treatment capacity of 2.0 mgd. Plant 1 built in 1983, updated in 1993 and again in 2015. Plant 2 built in 1987, updated in 1993. 6.0 mgd total capacity between plants  On APN 073-0800-010-0000
Water Treatment Photovoltaic site	""	"on same parcel as Water Plants"		368.28 KW Solar PV system

RMCS D does not fund, own, maintain, program or operate any recreation and park facilities.

Please attached Facilities Exhibits 7a – 7c. (Facilities throughout District)

### **Present and Planned Capacity of Public Facilities**

- **What is the current and projected service capacity?**

**Water:** The current potable demand of the Water Facilities is 1,710 AF, less than half of that projected demand of 3,659 AF. Total raw water demands existing are approximately 2,010 AF with buildout condition estimated to be between 3,640-4,550 AF depending on future planned density. Water Production Facilities are sized to meet current and most of future demands at buildout.

**Wastewater:** Past 5 year incoming wastewater flows average 442 AF/year (144 mg) or 0.395 mgd, with secondary treatment capacity sized to treat up to 1.55 mgd. Projected average year influent is 1,110 AF at buildout.

**Recycled Water:** Current irrigation demands by the two golf courses, averaging exceeds the recycled water availability. Recycled water average demand of 705 AF/yr, exceeds supply by a five year average of 281 AF and is supplemented with river water.

**Zero Discharge – Purple Pipe – History, Public Health Effectiveness.**

The terms recycled and reclaimed water can largely be used interchangeably.

Collection and treatment of wastewater and re-use of the treated product, with a zero discharge to the Cosumnes River watershed, was an integral part of the planning of Rancho Murieta. The first Planned Development document, Ordinance A-69-62, dated 23 July 1969, required (Section 11-B) that “no effluent be discharged into the river”. The major appropriative water right, Permit 16762, that permits diversion from the Cosumnes River for domestic water uses, also requires treatment and re-use of the wastewater under zero discharge conditions. In 1988, following completion of the District’s then new wastewater treatment plant, RMCS D entered into an agreement with the Rancho Murieta Country Club for availability and use of reclaimed water.

The District’s reclaimed water is tertiary treated and it is used for irrigation to offset potable water use. Tertiary treated water has been filtered and disinfected to meet stringent criteria for reclamation use. Recycled water lines and other infrastructure are colored purple to let the public know the water contained within is recycled and non-potable.

In 2011, the District adopted Policy 2011-07 which mandates the use of recycled water for irrigation purposes, wherever economically and physically feasible as determined by the District's Board of Directors (Board). This policy established the District's intent to expand reclaimed water distribution systems beyond the Country Club to future commercial and residential areas. Since then, reclaimed water infrastructure has been extended to new residential and commercial developments consistent with the District's recycled water preliminary design report of 2017.

As of early 2020, RMCS D has received no health complaints stemming from the use of recycled for irrigation purposes – a 32-year "clean" track record.

- **What is the level of adequacy of services and facilities to serve current and future population?**

Water system treatment facilities are adequate for current and future needs. Water distribution system is adequate for current needs; however a system hydraulic evaluation is needed for future development needs.

Wastewater secondary treatment is sized for full build out needs. Tertiary treatment process and reclamation distribution systems for disposal will need upgrade and further development. (See above referenced Exhibit 6 – Recycled Water Program Preliminary Design Report)

- **What Performance Measures are used by the District to determine service adequacy?**

Maintaining a low number of customer complaints and meeting or exceeding water quality standards. (Please see Exhibit 8 - 2018 Consumer Confidence Report). The Consumer Confidence Report is required for all water providers and provides a public reporting of each water districts ability to meet clean water standards.

No interruptions in District services. Water leaks are repaired quickly with minimal outage interruptions. Water supply far exceeds current demands, even during recent drought conditions. Endeavoring to have no monitoring or reporting violations or enforcement activities.

#### **Infrastructure Needs or Deficiencies/Capital Improvement Program**

- **Describe the District's Capital Improvement Program, as applicable.**

The purpose of the Capital Improvement Fee (the "Fee") is to provide funds for the orderly and timely expansion of the District facilities to meet future demand and to maintain and/or improve the District's existing level of service. Funds generated by the Fees are used to acquire and/or construct various capital facilities, plant and equipment for the



provision of water, wastewater, drainage, security and administrative services. Fees are assessed on all properties and adjusted annually according to the widely recognized industry publication Engineering News Record (ENR) construction cost index.

- **Describe deferred maintenance strategy.**

There is no deferred maintenance strategy. The District conducts proactive maintenance and replacements with operating and replacement reserve funding to prevent downtime from equipment failures. The District endeavors to maintain spares for critical system components for quick replacement when or if failures do occur. If a maintenance item out of the ordinary occurs it is addressed as soon as practical.

- **Describe policies and practices for depreciation and replacement of infrastructure.**

The District recognized depreciation monthly on a straight-line basis for its Water, Sewer, Drainage, and Security funds. Fixed assets and other infrastructure are generally replaced on an as-needed basis, with proactive replacement, maintenance, and upgrades occurring at management's discretion. (Exhibit 9 – *District Policy 2012-07.*)

- **How will new or upgraded infrastructure and deferred maintenance be financed?**

Infrastructure upgrades and large repairs and maintenance items are funded through a combination of operational funds, reserve funds, improvement funds and developer contributions. The District contributes to its capital replacement reserves on a monthly basis through the billing of its customers. Capital improvement reserve funds and water supply augmentation reserve funds are collected whenever a new connection is made to the District's infrastructure.

- **List infrastructure deficiencies, if any; indicate if deficiencies have resulted in permit or other regulatory violations; if necessary, explain how deficiencies will be addressed.**

Water: One enforcement activity for a water quality violation for a Total Trihalomethane exceedance was reported to the State Water Resources Control Board's Division of Drinking Water (DDW), which was promptly corrected and is no longer an issue. Issue was corrected with changes made to water treatment process and operational modification to a potable storage tank. The issue was identified following Q3 2016 results and was resolved by end of Q1 2017.

Sewer: No enforcement activities. Sanitary Sewer Overflows (SSOs) are reported in SWRCB-CIWQS system and are typically the result of customer activities, such as flushing non-flushable wipes and other unacceptable materials. District maintains a robust sewer collection cleaning program and provides information and mailers to keep items such as grease and wipes out of sewer system.

- Provide evidence of compliance with applicable regulatory standards (for example, CA R-39-97 (Certified Playground Safety Standards) for Recreation and Parks Districts)

Please see Exhibit 8 - 2018 Consumer Confidence Report

**B. Programs**

**Summary of Programs (Recreation, Education, Conservation, etc.)**

NAME	LOCATION(S)	SIZE (# Participants)	DESCRIPTION
<b>Water Conservation Program</b>	Within service area	Entire community	Conservation level is set by Board guided by Water Shortage Contingency Plan
<b>2020 Compliance</b>	Within service area	Entire Community	Although the District does not fall within the requirements of the 2009 Senate Bill X7-7, the District adopted policy 2011-06 to comply with a water use reduction of 20% by Dec.31, 2020, as the Districts future growth is anticipated to put the District within the requirement of the Senate bill.
<b>Lake Use Regulations</b>	Lakes in service area		Prohibits wastes and human contact in two primary lakes to protect water supply. Fishing and other boating activity that does not lead to bodily contact is allowed with use of electric boat motors only. Limited bodily contact is allowed in Lake Clementia at a swim beach. This lake is a reserve reservoir used for water supply in emergency events by pumping its water into the upper reservoirs for treatment.
<b>Purple Pipe</b>	Within service area	Rancho Murieta Country Club – two 18 hole golf courses (~600 af/yr.); Van Vleck Ranch (excess if any available)	Recycled water is the sole means of wastewater disposal. District Policy 2011-07 mandates the use of recycled water to be used in lieu of potable water

			wherever economically and physically feasible as determined by Board.
<b>Meters</b>	Within service area	Entire community	All water and recycled water services are metered
<b>Hydrants</b>	Within service area	Entire community	Hydrants are tested and services by RMCS D on a rotation of 1/8 of hydrants annually.
<b>Recycling</b>	Within service area	Entire community	Outreach on recycling best practice.

**LAFCo Determination**

Regarding the financial ability of RMCS D to provide services.

The Commission determines that Rancho Murieta Community Services District has sufficient rates to finance operations and maintenance costs, meet water quality standards, and capital improvements as set forth in the District Master Plan. The District complies with the requirements of Proposition 218 to establish rates.

**4. Financial Information**

**Budget**

Please see *Exhibit 10 – FY 2019-20 Budget* and *Exhibit 11 – FY 2017-18 Audit*

**Revenue**

- The District receives a property tax allocation from Sacramento County which is distributed to operating funds through proration.
- Special taxes are received from our community members for Drainage and Security services provided.
- Service charges are received from our community members for Water, Sewer, and Solid Waste services provided.
- Fees are received from our community members for miscellaneous services provided: Title Transfer Fees; Meter Installation and Inspection Fees; Availability Fees; Late Charges; Event Security Services; Security Bar Codes
- Fees are received from non-community members for miscellaneous services provided: Fire Hydrant Meters & Water Usage; Telephone Line Contracts; Insurance Proceeds; Grant Revenues; Interest Income

## Rates, Fees, Charges, and Assessments

- **Describe rate setting methodology.**

Rates are specifically set to cover associated / related costs. Each year the District budgets its anticipated costs in each operating fund and allocates those costs over the total anticipated users on a proration of benefit methodology. It is this process that determines the annual rates charged to community members and non-community members.

- **Explain constraints associated with agency's ability to generate revenue. What options are available – special assessments/ special taxes/ increases in sales tax/impact fees/grants, etc.?**
  - o The biggest constraint to the District's revenue generation is the number of connections (households) that are served. The District has defined boundaries for its services, which creates a geographical cap on the number of people it can serve. Grant revenue is constrained / determined by the number of projects (grants) available and the dollar amount of those projects. This is determined by State Water Resources Board and other such external entities.
  - o Special tax rates (Drainage & Security) are constrained not only by the number of community members, but also by a 2% maximum increase per year.
  - o Customer expectations exceed services that funds are collected for.
- **Please provide a comparison of rates and charges with similar service providers (favorable or less so).**
  - o Please see *Exhibit 12 – FY 2018-19 - Rate Comparisons*. These graphs reflect a comparison with other "like" agencies.
- **Describe revenue constraints.**
  - o Same as above.

## Expenditures

- **Describe the agency's Service Levels compared to industry standards and measurements.**
  - o District's service levels are adequate and consistent with industry standards.

- **Describe the Cost of Service compared to industry standards and measurements.**
- Since the District is a non-profit governmental agency and revenues (rates) are set to cover costs, Cost of Service is synonymous with “Rate.”
  - District’s average connection rates and special taxes for FY 2018-19 are:
  - Water Rates - \$73.23 per month, with 10 comparison agencies ranging from \$58.97 to \$94.81 per month
  - Sewer Rates - \$47.17 per month, with 11 comparison agencies ranging from \$29.35 to \$102.57 per month
  - Drainage Taxes - \$5.12 per month, with 7 comparison agencies ranging from \$5.84 to \$10.60 per month
  - Security Taxes - \$28.58 per month. Security is somewhat of an anomaly when researching comparable agencies. Most community service districts do not provide security services, so our closest comparisons are from homeowners associations. Using figures provided from Lake of the Pines Association financials, their extrapolated monthly fee per lot is roughly \$22.27 per month for 2018. Lake Wildwood Association’s charge for security is \$23.67 for 2018. No further comparison data was able to be obtained by District staff.
  - Solid Waste Rates - \$21.76 per month, with 13 comparison agencies ranging from \$21.40 to \$40.05 per month

**Assets, Liabilities, Debt, Equity, and Reserves**

- **Provide the Book Value of Assets.**
  - \$38,627,770 as shown in the District’s FY2017-18 Audit
- **Provide a list of equipment, land, and other fixed assets.**
  - Please see Exhibit 13 – 2018-06-30 Fixed Assets
- **Provide a summary of long-term debt and liabilities.**

The only RMCS D long-term debt is for a couple of leased vehicles. Last annual cost of this debt was a little over \$4,000/year. However, there is limited intra-fund borrowing for the recent water treatment plant expansion that is being paid down from a component of the reserves portion of monthly service revenues. For long-term liabilities, a CalPERS pension unfunded liability exists, as with nearly every CalPERS agency. Fortunately, since RMCS D’s Security force is unsworn, RMCS D is not burdened with a higher unfunded liability like those agencies with sworn public safety status employees. RMCS D’s total unfunded CalPERS pension liability balance as of June 30, 2018 is \$3,795,583 with this year’s payment

due 6/30/2020, a total of \$250,475 paid out of operating funds. At this point, we expect to continue to pay for the annual unfunded liability assessments out of operating funds.

- **Explain the agency's bond rating; discuss reason for rating. Discuss amount and use of existing debt. Describe proposed financing and debt requirements.**

- The District does not have any bond issuances of its own. The only bonds the District has oversight on were issued through CFD 2014-1 which direct levies development parcels.

- **Describe policies and procedures for investment practices**

The Rancho Murieta Community Services District investment policy is a conservative policy guided by three principles of public fund management. In specific order of importance the three principles are:

1) Safety of Principal. Investments shall be undertaken in a manner which first seeks to preserve portfolio principal.

2) Liquidity. Investments shall be made with maturity dates that are compatible with cash flow requirements and which will permit easy and rapid conversion into cash, at all times, without a substantial loss of value.

3) Return on Investment. Investments shall be undertaken to produce an acceptable rate of return after first consideration for principal and liquidity.

- **Describe policies and procedures for establishing and maintaining reserves/retained earnings.**

The District currently maintains over \$56,000,000 in plant, property, and equipment assets (excluding depreciation). The District's Reserve Policy 2012-07 is a financial policy guided by sound accounting principles of public fund management. The policy establishes several reserve funds to minimize adverse annual budgetary impacts from anticipated and unanticipated District expenses.

The following reserves are covered under the policy:

Capital Replacement Fee Reserves (Water, Sewer, Drainage and Security) – fees are collected for the future replacement of existing facilities and major equipment.

Capital Improvement Fee Reserve – provide funds for the orderly and timely expansion of the District’s facilities to meet future demand and to maintain and/or improve the District’s existing level of service.

Water Augmentation Fee Reserve – provides funds for the orderly and timely expansion of the District’s water supply system to meet future demands of the undeveloped lands within the District’s existing boundaries during an equivalent 1976-77 drought event. During the recent drought of 2015 the District maintained adequate water supplies through conservation measures and by the fact that capacity currently far outweighs demands in that reservoir capacity is based on total community build-out and the District is over 1,000 units from buildout.

○ **What is the dollar limit of reserves/retained earnings?**

The target balance of Capital Replacement Reserves continually fluctuates with the addition and replacement of new facilities and equipment. As new facilities and equipment are built, acquired or purchased, the target balance will increase. As such, the current target reserve balance is the amount that should be funded at the end of each fiscal year according to the replacement reserve study and the targeted funding percentage. The target balance of Capital Improvement Reserves is not a stated amount, but shall not exceed the amount specified by the Government Code 66000 Compliance Report.

○ **What is the ratio of undesignated, contingency, and emergency reserves to annual gross revenue?**

The District does not maintain undesignated, contingency, or emergency reserves. Operationally, the District is required to have sufficient cash flow to meet the next six months of budgeted expenditures (as per Government Code Section 53646(b)(3)). Annually, the District reviews its operating funds for revenues in excess of expenditures and can, at the discretion of the Board, transfer excess operating funds to Capital Replacement Reserves.

**Summary of Revenue Sources**

	<b>FY 2018/19</b>	<b>FY 2019/20</b> Projected
Service/Reserve Charges & Taxes	5,759,274	6,135,885
Property Taxes	650,000	674,370
Interest	5,990	9,665
Other Charges/Reimbursement	45,693	82,751
State & Federal Grants	0	0
<b>Total</b>	<b>6,460,957</b>	<b>6,902,671</b>

**Summary of Expenditures**

	<b>FY 2018/19</b>	<b>FY 2019/20*</b>
Salaries & Wages	2,756,033	2,878,879
Services, Supplies and Operations	3,740,498	4,023,792
<b>Total</b>	<b>6,496,531</b>	<b>6,902,671</b>

Audits of FY 2016-17 and FY 2017-18 financials reflected an unqualified opinion.

**Summary of Financial and Operational Information**

	<b>FY 2019-20</b>
Population	>5,488 (2010) 6,000 est.
Area Served	3,500 acres
Developed Real Estate	~1,200
Undeveloped Real Estate	~997 acres
Service Standard Ratios <sup>1</sup>	n/a RMCS D does not operate or maintain parks or perform functions that conform to a service standard ratio
Full Time Employees	38
Average Part-Time Employees	1
Total Annual Budget (excl Depr)	6,900,000 ~
Per Capita Spending (est. 6,000 extrapolated)	1,150.00
Total Annual Administrative Costs	1,651,767
% Annual Administrative Costs to Total	24%
Estimated Deferred Maintenance	0%
Average Capital Improvements (5 Years)	2,773,980
Reserve Amount (Capital Reserves)	6,006,893
Operational Cost per Employee	181,579
Average Property Tax Rate (city-data.com)	0.9%

**LAFCo Determination**

Regarding the financial ability of RMCS D to provide services.

The Commission determines that Rancho Murieta Community Services District has sufficient rates to finance operations and maintenance costs, meet water quality standards, and capital improvements as set forth in the District Master Plan. The District complies with the requirements of Proposition 218 to establish rates.



5. **Status of and Opportunities for Innovation and Shared Facilities**

- a) **Describe existing and/or potential shared facilities, infrastructure, and staff. Describe any joint power agreements or other agreements for sharing resources with other agencies.**

Standard practice of sharing equipment if requested by emergency services during an emergency event, however, OES has stated that they would likely source equipment from vendors and other services in order to ensure adequate equipment for the District to address restoration of its own services. The RMCSO does not share equipment with the private airport located within the District or the Sac Metro Fire Department, with the exception of providing resources in an emergency event if requested.

- b) **Describe existing and/or potential joint use planning.**

None related to core mission of the District.

- c) **Describe existing and/or potential duplication with existing or planned facilities or services with other agencies.**

- d) **Describe availability of any excess capacity to serve customers or other agencies.**

Very little to none. We manage a number of critical responsibilities with ever-expanding regulation, typically as unfunded mandates, all with a very skeleton staff.

- e) **Describe any economies of scale in shared purchasing power, and any other cost-sharing opportunities that can be implemented by joint use or sharing resources.**

We have solar fields right now that affords the District power cost savings. The District leases the solar fields from Tesla, who maintains the facilities.

- f) **Describe any duplication (overlap), or gaps in services or boundaries.**

None.

- g) **Describe ongoing cost avoidance practices. (For example, if you hire contract vs. in-house employees, is the bidding process cost effective and efficient)?**

Hiring of outside services is usually due to the fact that one person can no longer do the job that traditionally could be accommodated by one individual. Now with greater complexity and regulations, it is much more cost effective to find industry experts that specialize in certain services and leverage multiple individuals with the same skillset. Because of this focus, they are able to realize a much greater economy of scale and pass those savings to the District. Taking this approach to supplement permanent staff also

helps to buffer the significant impact of transition and/or succession often experienced when a key employee with significant institutional knowledge separates from a small agency like the RMCS D.

**h) Describe any opportunities to reduce overhead and operational costs.**

Technological improvements and See above

**i) Describe any opportunities to reduce duplication of infrastructure.**

n/a

**j) Identify any areas outside agency boundary which could be efficiently served by existing or proposed agency facilities.**

1. The District services are sized to serve the areas within the District Boundary. Attempts to serve outside the District could jeopardize the District's ability to properly service those within the boundaries of the District. That said, there is one out of area water service agreement for a residence immediately adjacent to the District (Hutchison – APN# 128-0080-009, LAFC#05-15, approved by Commission 04/01/15). The request was made due to their domestic well running dry during recent drought conditions.

**k) Identify any areas within agency boundary which could be more efficiently served by another agency.**

None related to the specific services provided by the District.

**l) Are your service plans compatible with those of other local agencies?**

Yes

**LAFCo Determination**

Regarding the Status of and Opportunities for Innovation and Shared Facilities, due to the rural setting of the RMCS D, there are not any other agencies in the vicinity to facilitate joint planning efforts for similar services, or impose service duplication.

The Commission determines that RMCS D participates in several Joint Power Agreements as a Board Member in both the Regional Water Authority (RWA) and the Sacramento Central Groundwater Authority (SCGA) which facilitate cooperation and management of water resources, including ground water.

As warranted, the RMCS D also works cooperatively with Sacramento Metro Fire and the County Office of Emergency Services (OES) in the general geographic area.

**6. Accountability for Community Service Needs, including Governmental Structure and Operational Efficiencies**

**a) Explain the composition of the agency's governing board.**

- **Number of Directors:** 5
- **Nature/ Length of Terms:** 4 years – Staggered terms
- **Is governing body landowner or population based?** Fixed regardless of landowners or population.
- **Are Directors elected or appointed?** Elected
- **Are elections or appointments at large or by district?** At large

**b) Explain compensation and benefits provided to the governing board, including any benefits that continue after term of service.**

Nominal meetings per-diem of \$100, monthly max of \$400.

**c) Where and how frequently does the governing board meet?**

The Board meets at the District's Administrative offices at 15160 Jackson Highway. Monthly meetings are held on the third Wednesday of each month. Five regular Board Committee meetings are held monthly the first week of each month.

**d) Describe rules, procedures, and programs for public notification of agency operations, meetings, programs, etc.**

We provide regular notice on our District website at RMCS D.com, Facebook, mailChimp, and Pipeline monthly hard copy newsletter with the monthly bill. Emergency or scheduled repairs are likewise noticed online. Physical postings of meeting agendas and other information at District offices and other stakeholder sites within the community. Regular training of staff and officials on Brown Act compliance along with District Counsel consultation on Brown Act related matters.

- **How is public participation encouraged?**

We timely notice our meetings and other events on our District website at RMCS D.com, Facebook, and the District's "Pipeline" monthly hard copy newsletter sent out with each month's bill.

- **Are meetings accessible to the public, i.e., evening meetings, adequate meeting space, etc.? ADA?**

Yes, The meeting space is ADA accessible.

- e) **Describe public education/outreach efforts, (i.e., newsletters, bill inserts, website, etc.)**

We provide regular notice on our District website at RMCSO.com, Facebook, mailChimp, and Pipeline monthly hard copy newsletter with the Monthly bill. Emergency or scheduled repairs are likewise noticed online. Requests made with local stakeholder groups to include information in their respective newsletters and websites.

- f) **Describe level of public participation, and ways that staff and Directors are accessible to the public.**

Level of participation is variable depending on the issues discussed at each meeting and the nature of the event being held. Handful to full room depending on topic.

- g) **Describe ability of public to access information and agency reports.**

Most critical documents are posted online. Other documents are available for review at District offices during work hours.

- h) **Describe any opportunities to eliminate service islands, peninsulas and other illogical service areas.**

n/a

### **LAFCo Determination**

Regarding Accountability for Community Service Needs, including Governmental Structure and Operational Efficiencies, the Commission determines that the District encourages public participation at its Board meetings and provides many different public education programs and outreach efforts to the community it serves. The District has a five-member Board. Directors are elected at large by the voters of the District.

### **7. Issues, Concerns and Opportunities**

**Please provide information regarding any issues or concerns related to operations (financial, managerial, legal, organizational, etc.)**

## **Compliance with Environmental Justice requirements.<sup>1</sup>**

Compliance is consistent with particular regulations to which the District is subject. No concerns have been raised at this time. The District provides equal service to all regardless of protected class status.

## **Compliance with regulatory reporting requirements.**

The District has concern is ever expanding regulations and using already limited human and financial resources to respond to new reporting requirements.

- **Compliance with regulatory agencies and public health and safety issues.**

See above.

1. LAFCo definition of "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

## **LAFCo Determination**

Regarding Issues, Concerns and Opportunities, the Commission determines that the District is managed effectively and efficiently. The RMCS D may wish to consider making application to the Commission to reorganize and delete the recreation function, as it has not been exercised, and is unfunded.

### **Exhibits: available for review @**

<http://www.agendanet.saccounty.net/sirepub/mtgviewer.aspx?meetid=12764&doctype=AGENDA>

Exhibit 1 - District Boundary

Exhibit 2 - RMCS D Organizational Chart 2018

Exhibit 3 - 2018 Personnel Manual updated 11-2018

Exhibit 4 - 2018-2020 Represented Staff MOU

Exhibit 5 - Integrated Water Master Plan Update - Oct 2010

Exhibit 6 - Rancho Murieta Recycled Water Preliminary Design Report - June 2017

Exhibit 7a - Facilities - Storm Drain & Flood Control

Exhibit 7b - Facilities - Reservoirs Dams & Levees & other facilities

Exhibit 7c - Facilities - Lift Station Overview Map

Exhibit 8 - Consumer Confidence Report 2018

Exhibit 9 - Policy 2012-07 - District Operating Fund and Reserve Fund Policy

Exhibit 10 - 2019-20 RMCS D Annual Budget

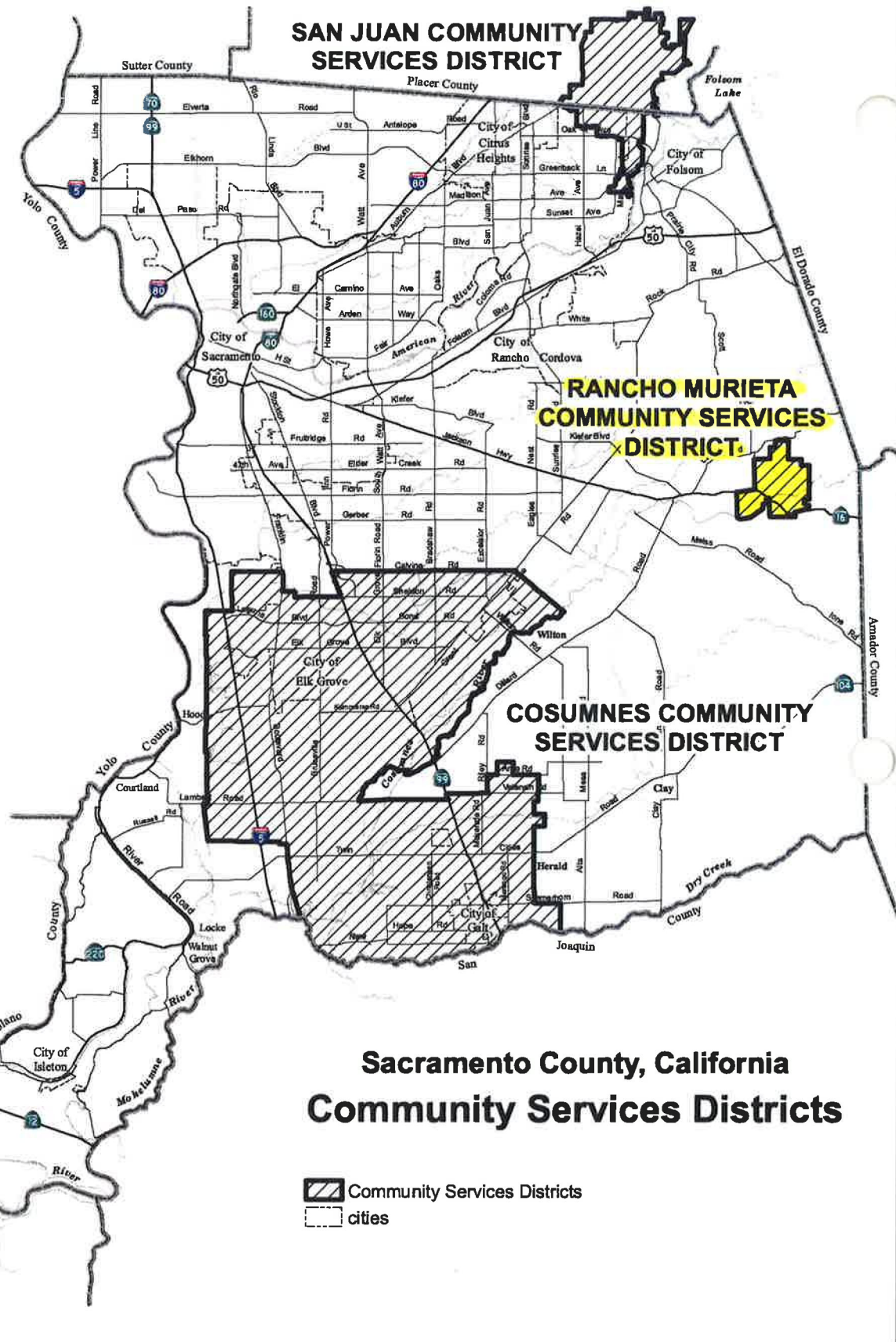
Exhibit 11 - 2017-18 RMCS D Audit

Exhibit 12 - FY 2018-19 - Rate Comparisons

Exhibit 13 - 2018-06-30 Fixed Assets



**SAN JUAN COMMUNITY SERVICES DISTRICT**



**RANCHO MURIETA  
COMMUNITY SERVICES  
DISTRICT**

**COSUMNES COMMUNITY  
SERVICES DISTRICT**

**Sacramento County, California  
Community Services Districts**

 Community Services Districts  
 cities



Respectfully submitted,

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**



Donald J. Lockhart, AICP  
Executive Officer

Attachment: Final Municipal Services Review

Exhibits: available for review @

<http://www.agendanet.saccounty.net/sirepub/mtgviewer.aspx?meetid=12764&doctype>

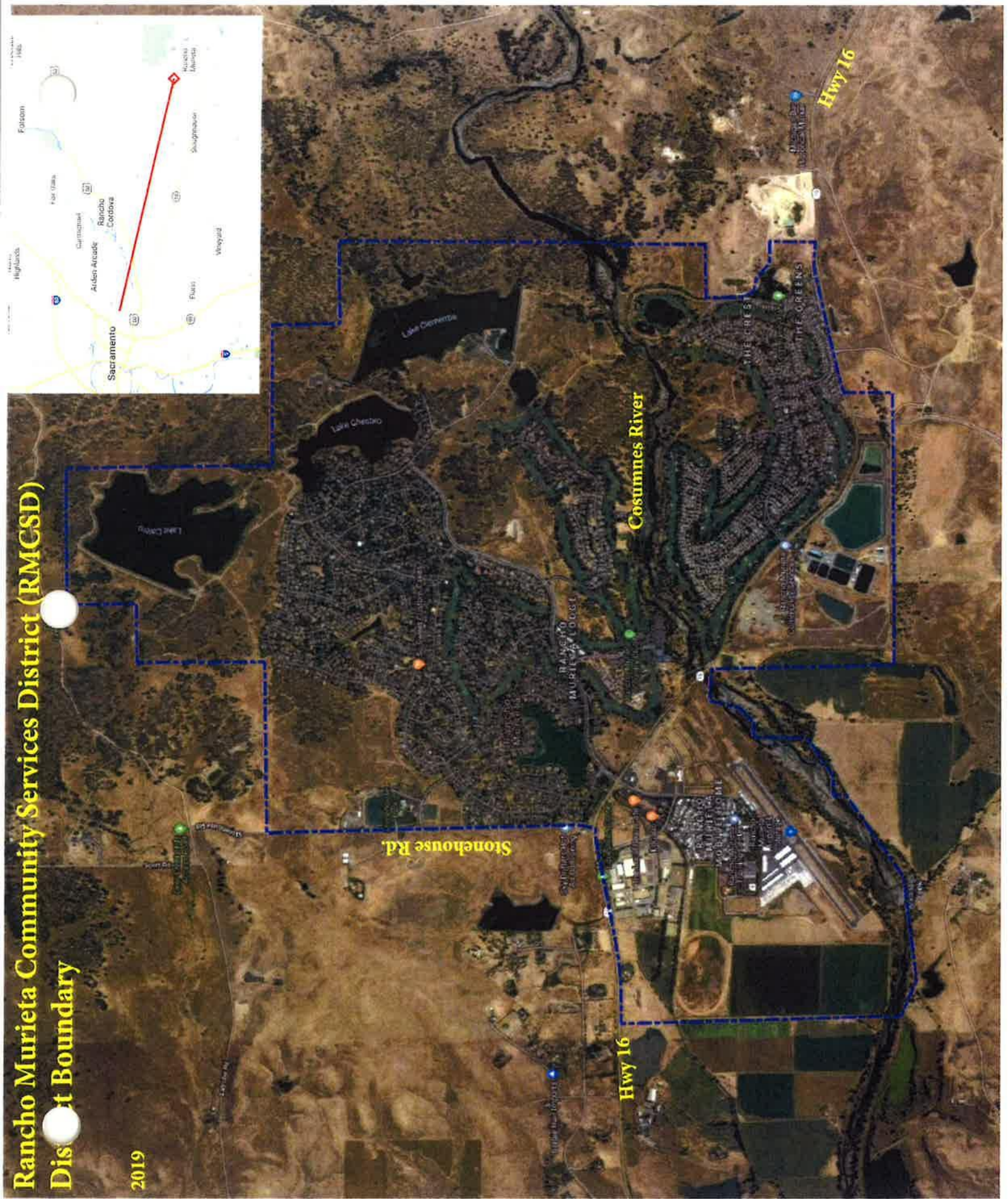
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# Rancho Murieta Community Services District (RMCSD) District Boundary

2019







**RANCHO MURIETA COMMUNITY SERVICES DISTRICT  
ORGANIZATIONAL CHART**

