



SACRAMENTO COUNTY GRAND JURY NEWS RELEASE

FOR IMMEDIATE RELEASE

March 15, 2023

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Grand Jury Finds Loss of Public Trust in Rancho Murieta Community Services District

Sacramento, CA – Rancho Murieta is a community approximately 25 miles east of Sacramento, off of Highway 16.

A community services district was formed in June 1982 under California law to be responsible for the services needed to support this developing community.

The Rancho Murieta Community Services District performs five vital functions for this gated community of about 5,000 people. Those functions include water, sewer, garbage, drainage, and security. Fees are assessed for each of these services in monthly billings to property owners.

The Rancho Murieta Community Services District board of directors is responsible for the performance of these services and has a fiduciary responsibility to properly account for the expenditure of the funds collected to provide these services.

The district has done a good job of performing the essential functions of water and sewer services and provides these services at rates less than the neighboring water district. However, the district's board of directors has failed in many areas of responsibility:

- It has failed to raise fees over time to cover the increasing costs of both security services and the capital reserve funds needed to replace its aging infrastructure.
- It has failed to recognize, that by removing key accounting staff, it caused the effective collapse of its cobbled together billing and accounting system.
- It has failed to take immediate action to replace the accounting system, leading to severely late annual financial audits.

The late audits, combined with the unreliable existing accounting system, have created an environment that exposes the Rancho Murieta Community Services District to a high risk of fraud.

These and other lapses in leadership created a high pressure and “stressful work environment” in the accounting staff, resulting in unusually high staff turnover.

As a result of these and other failures, the district has lost the public trust and has been unable to raise fees in 2022 to meet its current and future financial obligations.

While the Rancho Murieta Community Services District had begun taking steps to address these problems, it needs to be more transparent about these problems, take the actions recommended in the Sacramento Grand Jury Report, and work with its customers while they address these issues.

The 2022-23 Grand Jury Reports, formal responses, and news media coverage are available to the public on the Grand Jury website at www.sacgrandjury.org.