



## **REGULAR MEETING OF THE BOARD OF DIRECTORS**

District Office, 18966 Ferretti Road

Groveland, CA 95321

(209) 962-7161 [www.gcsd.org](http://www.gcsd.org)

### **AGENDA**

October 8, 2019

10:00 a.m.

#### **Call to Order**

#### **Pledge of Allegiance**

#### **Roll Call of Board Members**

Janice Kwiatkowski, President

Nancy Mora, Vice President

John Armstrong, Director

Spencer Edwards, Director

Robert Swan, Director

#### **1. Approve Order of Agenda**

#### **2. Public Comment**

Members of the public are appreciated for taking the time to attend this meeting and provide comments on matters of District business. Public comments are subject to a 3-minute time limit; 10 minutes on an individual topic. Although no action can be taken on items not listed on the agenda, please know we are listening carefully to your comments.

#### **3. Information Items**

Brief reports may be provided by District staff and/or Board members as information on matters of general interest. No action will be taken by the Board during Reports, however items discussed may be recommended for discussion and action on a future agenda. Public comments will be taken after each report is provided.

##### **A. Staff Reports**

i. Fire Department Report

ii. General Manager's Report

iii. Operations Manager's Report

iv. Administrative Services Manager's Report

##### **B. Community Relations Consultant's Report**

##### **C. GRACE Project Committee Report**

##### **D. Director and Management Staff Report Regarding Attendance at the CSDA Annual Conference September 25-28, 2019**

#### **4. Consent Calendar**

Consent Calendar items are considered routine and will be acted upon by one motion. There will be no separate discussion on these items unless a member of the Board, Staff or a member of the Public requests specific items be set aside for separate discussion.

A. Approve Minutes from the September 10, 2019 Regular Meeting

B. Accept September Payables

C. Approve Resolution 40-19, A Resolution Approving District Donor/Sponsor Policy

D. Waive Reading of Ordinances and Resolutions Except by Title

## 5. Old Business

(Items tabled or carried forward from a previous meeting to be considered on this agenda)

- A. None.

## 6. Discussion and Action Items

The Board of Directors intends to consider each of the following items and may take action at this meeting. Public comment is allowed on each individual agenda item listed below, and such comment will be considered in advance of each Board action.

- A. Adoption of Resolutions Recognizing Rachel Pearlman, Renee Van Dyk, Meghan Orsetti, and Debra Percoco for their Exemplary Service and Contributions to the District
- B. Adoption of Resolution 45-19, A Resolution Approving Engagement Letter with Bryant L. Jolley to Perform the District's Annual Audit for Years Ended June 30, 2019, 2020, 2021
- C. Adoption of Resolution 46-19, A Resolution Approving the 2019 Wastewater Treatment Plant and Lift Station 2 Improvements Project, Accept Financing Quote from the Special District Finance Authority and Directing the General Manager to Request Preparation of Related Agreements, and Approving a 2019/20 Capital Outlay Budget Amendment Therefor
- D. Adoption of Resolution 47-19, A Resolution Approving Agreement with SCI Consulting for Services Associated with the Analysis and Development of a Fire Department Revenue Measure(s) Intended to Maintain and Improve Fire Services Within the District; Authorizing the General Manager to Negotiate a Services Agreement and Approving a 2019/20 Fire Budget Amendment in the Amount Not to Exceed \$80,000
- E. Approve Allowing District Staff to Begin Revision and Reformatting of the District's Operational Policies and Procedures Manual Utilizing the Format Recommendations as Provided via the CSDA Annual Conference
- F. Consideration of Proceeding with the Preparation of a Refunding (Refinancing) Agreement Through CSDA Finance Corporation for the 2014 Wastewater Bonds

## 7. Adjournment

ALL AGENDA MATERIAL ARE AVAILABLE ON THE DISTRICT WEBSITE AT [WWW.GCSD.ORG](http://WWW.GCSD.ORG) OR MAY BE INSPECTED IN THE GROVELAND COMMUNITY SERVICES DISTRICT OFFICE AT 18966 FERRETTI ROAD, GROVELAND, CALIFORNIA

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*Any person who has any questions concerning this agenda may contact the District Secretary.* In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District at 209-962-7161. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting. (28FR35.102-35.104 ADA Title 11)

# ***Groveland Community Services District Fire Department / CALFIRE***

18966 Ferretti Road Groveland, CA 95321

Staff Report  
October 8, 2019

To: Board of Directors

From: Andy Murphy, Assistant Chief  
By: Jude R. Acosta, Battalion Chief

Subject: Monthly Activity Report – September 2, 2019 to September 29, 2019

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## **Operations:**

### **Emergency Incident Response:**

There were no Significant Events during the reporting period.

### **Apparatus and Equipment:**

Apparatus	Description	Status
Engine 781	2009 Pierce Contender	In Service
Engine 787	2000 Freightliner FL112	In Service
Engine 788	1984 GMC Wildcat	In Service
Utility 786	2008 Chevrolet 2500	In Service

## **Training:**

In addition to our monthly Emergency Medical Technician (EMT) curriculum and engine company performance standards, Battalion personnel received the following specialized training:

- Fire Attack
- Rapid Intervention Crew (RIC)
- Air Management
- Low Angle Rope Rescue
- Air Curtain Burner
- Vehicle Extrication



**Public Education:**

Groveland Fire and CAL FIRE participated in the 30<sup>th</sup> anniversary of the 49er Festival and Chili Cook-off. After the parade, both fire engines were on display at the fire station to show the equipment carried and capabilities. District personnel staffed a booth with our firefighters at Mary Laveroni Park handing out public education materials to the attendees. The festival was a success and congratulations to Engine 781 for winning Best of Parade.



**MONTH - SEPTEMBER 2019**

Alarm Sounding	3
Odor Investigation	0
Debris Fire	0
Medical Aid	28
Fire Menace Standby	1
Fire Other	0
Haz Mat	0
Landing Zone	0
Plane/Heli Crash	0
Public Assist	2
Smoke Check	0
Structure Fire	0
Commercial Structure Fire	0
Vegetation Fire	0
Vehicle Accident	2
Vehicle Accident/Pin in	0
Vehicle Fire	1
<b>TOTAL</b>	<b>37</b>

(34 calls in GCSD district, 3 calls in Tuolumne County)



Auto Aid	Given
Tuolumne County	3

**Last Call Logged Run # TCU 11772**



# Operations Report

Month of Review: September 2019

## Information Provided by:

- Luis Melchor, Operations Manager
- Greg Dunn, Chief Plant Operator
- Rachel Pearlman, Administrative Services Technician
- C&D Staff
- Maintenance Staff

## Wastewater Treatment Plant Flows

### Influent Totals From Plant: September 2019

Total	3.08MG
High	.14MG
Low	.07MG
Average	.10MG

### Effluent Totals From Plant: September 2019

Total	3.48MG
High	.16MG
Low	.09MG
Average	.12MG

### Rainfall Totals at the Sewer Treatment Plant Month of September

Year	Total Rainfall-inches
2019	0.36 - (0.32 High)
2018	0.00 - (0.00 High)
2017	0.41 - (0.37 High)
2016	0.05 - (0.03 High)
2015	0.03 - (0.03 High)
Current Season Total	56.84

### Wasting Totals

Total Inches	439
Total Pounds	6096

### Reclamation Totals

PML	0
Spray Fields	0
PML Season Total	0
Spray Fields Total	0

Active Sewer Accounts: 1554

## Activities at the Wastewater Treatment Plant

- Took weekly Bac Ts and BOD of the Chlorine Contact Chamber (CCC) and sent into Aqua Lab for testing
- Completed monthly Wastewater Report and sent to the State Water Resources Control Board

## Wastewater Collections Department

- Completed all Preventative Maintenance Check Sheets (PMCS) at all Lift Stations (weekly)
- Chemical flushed gravity sewer lines throughout the District
- Hydro flushed multiple gravity lines throughout the District
- Completed odor and grease control at Lift Station 6 & 7 and other stations as needed
- Completed manhole inspection for lift Station 11 opened and inspected 97 for the month.
- Cleaned Lift Station 7, 8, 9, 10, 11 and 16 MCC Cabinets
- Sprayed around Lift Station 1, 2, 3, 4, 5, 6, 12, 13 and 14 for insects
- Cleaned Lift Station 1, 2, 3 and 4 ( wet wells, mechanical well, floats and PT)

## Treated Water Department

- Submitted monthly Water Treatment Report to State Water Resources Control Board
- Submitted monthly Conservation Report to State Water Boards
- Performed weekly checks and calibrations on all analyzers at 2G, BC, and AWS
- Performed monthly UV calibrations at 2G and BC
- Took weekly plant samples and sent into Aqua Lab
- Took distribution samples and sent into Aqua Lab
- Installed new refurbished sensor well for the 2G UV system

## Distribution Department

- Monitored/sample Distribution Tank weekly( dosed Tank 2 & 5)
- Read all District Water Meters
- Normal day to day: Trouble calls (low press/high press, no water, shut off for repairs etc.)
- Completed weekly checks on Tank 4(Building, Pneumatic Tank, Pumps and MCC Cabinet) and Highlands Pump stations (Building, pumps and MCC Cabinet)
- Flushed water in the Tank 5 and Tank 2 service area
- Service line repair on Nonpareil Way
- Service line repair Ferretti RD next to DTE
- Main line repair PML Airport

Meter Related Services	Total
Check/repair meter	3
Install water meter	0
Monthly lock offs	15
Meter change outs	0
Read tenant out	2
Re-Read	56
Turn off meter	1
Turn on meter	15
Test meter	0
<b>Total Distribution Issues</b>	<b>92</b>

**Active Water Accounts:3246**

Billed Consumption	Gallons
Residential	11469997
Commercial	1177289

## Construction and Maintenance

Description	Water	Sewer
Main line leaks	1	0
Main line break	0	0
Service leaks	2	0
Service breaks	0	0
Fire Hydrant replaced/repared	0	0
<b>Totals Per Service</b>	<b>3</b>	<b>0</b>

### Maintenance

- General yard maintenance around the District maint. Yard (mow, weed eat, debris removal, limb trees ETC)
- Made dump run to Groveland Transfer Station
- Cleaned around dumpster area and hauled cardboard to Moore Brothers
- Complete general ground maintenance at the Park (mow, weed eat, debris removal, limb trees ETC)
- Completed general service on standby generators at LS 7, LS10, 14 and LS16 (oil, filters)
- Charged Engine 788 battery and adjusted brakes
- Pulled new wire for Tank 4 standby generator battery charger and block heater
- Replaced 6 sprinklers on the lower park



- Cut ventilation holes and installed new fans and vents on the BCTP MCC cabinet
- Installed new tires on Truck #7
- Washed/Cleaned all tables and chairs for upcoming 49er Festival
- Flushed out all 2G and BCTP floor drains and replaced sump pump at 2G
- Changed out the batteries on the STP Generator
- Cleaned all air filters for the Digester blowers
- Cleaned out old Treatment Plant at Big Creek
- Installed 2 new blower motors and filters for the Sewer Treatment plant
- Cleaned out lime Tanks at both Treatment plants

#### Park Projects

- Finished painting the Amphitheater

#### After Hour Calls

- Staff had 3 after hour calls: 1 water and 2 sewer, all resolved

## Workplace Safety and Training

### **Weekly Safety Meetings and Training**

- Complete monthly Fire extinguisher checks
- Completed annual inspection on the Bucket Truck, Truck 17 crane and Truck 15 lift master
- CPO held math class for upcoming exam

**REGULAR MEETING OF THE BOARD OF DIRECTORS  
GROVELAND COMMUNITY SERVICES DISTRICT  
GROVELAND, CALIFORNIA  
SEPTEMBER 10, 2019  
10:00 a.m.**

The Board of Directors of Groveland Community Services District met in regular session on the above mentioned date with Directors Janice Kwiatkowski, President, Nancy Mora, Vice President, Robert Swan, Spencer Edwards, and John Armstrong being present. Also present was Administrative Services Manager Jennifer Flores, Operations Manager Luis Melchor, and General Manager Pete Kampa.

**Call to Order**

Director Kwiatkowski called the meeting to order at 10:01am.

**Approve Order of Agenda**

*Motion*

*Director Armstrong moved, seconded by Director Edwards and the motion passed unanimously to approve the order of the agenda.*

**Public Comment**

None.

**Information Items** Brief reports may be provided by District staff and/or Board members as information on matters of general interest. No action will be taken by the Board during Reports, however items discussed may be recommended for discussion and action on a future agenda. Public comments will be taken after each report is provided.

**A. Staff Reports**

- i. Fire Department Report
- ii. General Manager's Report
- iii. Operations Manager's Report
- iv. Administrative Services Manager's Report

**B. Community Relations Consultant's Report**

**C. Park Advisory Committee Report**

**Consent Calendar**

Consent Calendar items are considered routine and will be acted upon by one motion. There will be no separate discussion on these items unless a member of the Board, Staff or a member of the Public requests specific items be set aside for separate discussion.

**A. Approve Minutes from the August 13, 2019 Regular Meeting**

**B. Accept August Payables**

**C. Waive Reading of Ordinances and Resolutions Except by Title**

*Motion*

*Director Edwards moved, seconded by Director Armstrong and the motion passed unanimously to approve the consent calendar.*

## Old Business

(Items tabled or carried forward from a previous meeting to be considered on this agenda. The Board of Directors intends to consider each of the following items and may take action at this meeting. Public comment is allowed on each individual agenda item listed below, and such comment will be considered in advance of each Board action)

A. None.

## Discussion and Action Items

The Board of Directors intends to consider each of the following items and may take action at this meeting. Public comment is allowed on each individual agenda item listed below, and such comment will be considered in advance of each Board action.

- A. Adoption of Resolution 37-19 Accepting the CAL FIRE Volunteer Fire Assistance (VFA) Grant in the Amount of \$3,300

### Motion

*Director Edwards moved, seconded by Director Armstrong and the motion passed unanimously to approve the attached resolution allowing the Groveland Community Services District to accept the Volunteer Fire Assistance Grant in the amount of \$3,300.00 and to authorize the General Manager to sign any subsequent documents pertaining to the grant.*

- B. Review and consensus on a First Draft Park Improvement Project List and Project Selection Criteria as Established by the GRACE Committee

### Motion

*Director Armstrong moved, seconded by Director Mora and the motion passed unanimously to approve the Preliminary List of Park Improvement Projects and the Project Selection Criteria Established by the GRACE Committee.*

- C. Accept Financing Quote from the Special District Finance Authority for the 2019 Wastewater Treatment Plant Improvements, including Replacement Headworks and Related Work, and Direct the General Manager to Submit Loan Application Materials

No action was taken.

- D. Adoption of Resolution 38-19 A Resolution Amending the District Banner Policy to allow for the Waiver of Certain Associated District Fees for Organizations that Provide a Significant Alternate Contribution to District Services, Facilities or Revenues

### Motion

*Director Swan moved, seconded by Director Edwards and the motion passed unanimously to adopt Resolution 38-19, A Resolution Amending the District Banner Policy to Allow for the Waiver of Certain Associated District Fees for Organizations that Provide a Significant Alternate Contribution to District Services, Facilities or Revenues, in excess of ten (10) times the amount of the established fee.*

- E. Adoption of Resolution 39-19, A Resolution of the Board of Directors of the Groveland Community Services District Authorizing Agreement With Umpqua Bank to Participate in the CSDA District Purchasing Card Program

Motion

*Director Armstrong moved, seconded by Director Kwiatkowski and the motion passed unanimously to adopt Resolution 39-19, A Resolution of the Board of Directors of the Groveland Community Services District Authorizing Agreement with Umpqua Bank to Participate in the CSDA District Purchasing Card Program.*

- F. Approve Holding Movies in the Park, Purchase of Equipment, and Sponsorship Policy

Motion

*Director Armstrong moved, seconded by Director Swan and the motion passed unanimously to approve the Sponsorship/Donor Policy.*

Motion

*Director Swan moved, seconded by Director Armstrong and the motion passed unanimously to approve holding Movies in the Park and the proposed Equipment List as outlined based on the premises that the funds to support the event are provided by donations and sponsorships.*

- G. Authorize Staff to Reclassify Uncollectible Billings Receivable in the Amount of \$622.02 to Bad Debt Expense

Motion

*Director Armstrong moved, seconded by Director Swan and the motion passed unanimously to authorize staff to reclassify Uncollected Billings Receivable in the amount of \$622.02 to Bad Debt Expense.*

- H. Consider Establishment of a Second Board Meeting, to be Held on a Quarterly Basis, to Increase Meeting Efficiency and Public Transparency for Reports, Presentations, Workshops, Management Objective Reports and Updates, and Planning Activities

Motion

*Director Armstrong moved, seconded by Director Kwiatkowski and the motion passed unanimously to establish a second Board meeting to be held on the fourth Tuesday for the months of January, October, April and July; for the primary purpose of receiving staff reports and informational presentations, conducting workshops, receiving reports on accomplishments and department activities, updating management objectives and conducting planning activities.*

The Board convened into closed session at 1:08pm.

**Closed Session** (Public may comment on closed session item prior to Board convening into closed session)

- A. Public Employee Performance Evaluation  
Pursuant to Govt. Code Sec. 54957  
Title: General Manager

The Board reconvened into open session at 1:41pm.

**Announcement of Reportable Action Taken in Closed Session**

Director Kwiatkowski announced there was no reportable action taken in closed session.

**Adjournment**

*The meeting was adjourned at 1:41pm.*

APPROVED:

ATTEST:

\_\_\_\_\_  
Janice Kwiatkowski, President

\_\_\_\_\_  
Jennifer Flores, Board Secretary



# ACCOUNTS PAYABLE CHECK LISTING

September, 2019  
Fiscal Year 19/20  
Board Approval Date \_\_\_\_\_

# Accounts Payable Checks

User: dpercoco  
Printed: 10/2/2019 2:03:00 PM



Check N	Vendor N	Vendor Name	Check Dat	Committe	Description	Amount
18253	am01	AM Consulting Engineers, Inc.	9/30/2019	True	Engineering fees for IRWMP documents for Emergency Generators 8	\$9,520.00
18254	AME02	American Textile & Supply	9/30/2019	True	boxes shop rags	\$638.74
18255	AQU01	Aqua Labs	9/30/2019	True	050 Water Tests	\$5,605.00
18256	aqu5	Aqua Sierra Controls Inc.	9/30/2019	True	IT Services	\$770.00
18257	ATT02	AT&T	9/30/2019	True	Monthly Cal Net phone service	\$512.42
18258	BRE01	Breshears, W. H.	9/30/2019	True	Fuel & Oil	\$3,633.58
18259	UB*02505	Bruederle, Stanley & Mary	9/30/2019	True	Refund Check	\$82.83
18260	CALGON	Calgon Carbon Corporation	9/30/2019	True	6 ea. Sensor wells refurbishment	\$923.26
18261	CAR06	Carbon Copy Inc.	9/30/2019	True	Monthly Copier Usage	\$73.54
18262	rabo01	Cardmember Service	9/30/2019	True	Monthly Credit Card Purchases	\$11,753.14
18263	zer01	Zero Waste USA	9/30/2019	True	2 rolls of Dog Waste bags for Dog Park	\$186.94
18264	CON01	Condor Earth Technologies Inc.	9/30/2019	True	Engineering for Flume Rehab Project	\$3,618.75
18265	CWEA	CWEA	9/30/2019	True	CWEA Coll Maint GR3 Cert Renewal	\$197.00
18266	UB*02504	Dickson, Johnnie	9/30/2019	True	Refund Check	\$10.93
18267	Die01	Diehl, Rod	9/30/2019	True	Quarterly Service FD	\$175.00
18268	DIS01	Dish Network	9/30/2019	True	Satellite TV for FD	\$57.54
18269	dow05	Down to Earth Const. & Nursery	9/30/2019	True	1 yard base rock for service tube at Down to Earth	\$45.05
18270	UB*02506	Eason, Richard & Melissa	9/30/2019	True	Refund Check	\$160.51
18271	FED01	Fedex	9/30/2019	True	Shipping to Kevin Gustorf- Master Plan Docs	\$25.74
18272	FOO01	Foothill-Sierra Pest Control	9/30/2019	True	Pest Control	\$247.00
18273	FP Mail	FP Mailing Solutions	9/30/2019	True	Quarterly Postage Machine Rental	\$286.36
18274	gilb01	Gilbert Associates, Inc.	9/30/2019	True	CPA Services	\$3,100.00
18275	UB*02501	Guraro, William	9/30/2019	True	Refund Check	\$500.00
18276	HAC01	Hach	9/30/2019	True	2 ea. Service Contracts for SC5500's Sept 2019 to Sept 2020	\$6,110.00
18277	Hes01	Hessler Construction Co.	9/30/2019	True	ML Park Amphitheater Repairs	\$10,670.00
18278	Hop01	Hopkins Technical Products	9/30/2019	True	2 ea. Ammonia Back pressure valve for Big Creek/One Spare backup	\$450.95
18279	Int03	IBS of Sacramento Valley	9/30/2019	True	2 ea. STP Generator Batteries	\$274.74
18280	ind04	Industrial Electrical Co.	9/30/2019	True	Oil pressure switch for Highlands generator	\$317.94
18281	JSW02	J.S. West Propane Gas	9/30/2019	True	New propane line for Laundry room dryer	\$677.25
18282	KC Auto	KC Auto Parts	9/30/2019	True	August Auto Parts	\$121.58
18283	KC01	KC Courier, LLC	9/30/2019	True	Monthly Courier Service	\$372.38
18284	UB*02502	McKenna, Meghan	9/30/2019	True	Refund Check	\$168.55
18285	pac04	Pacific Crane Inspections	9/30/2019	True	Truck#13 Annual Insp., Truck #15 & #17 device inspection	\$1,200.00

Check N	Vendor N	Vendor Name	Check Dat	Committe	Description	Amount
18286	UB*02503	PETERS, JANE	9/30/2019	True	Refund Check	\$79.62
18287	Pri04	PLIC-SBD Grand Island	9/30/2019	True	Monthly Dental, Vision, Life & LTD Insurance	\$3,301.60
18288	Sta15	Staples Credit Plan	9/30/2019	True	Office Supplies	\$212.63
18289	Pho01	The Phone Connection Inc.	9/30/2019	True	Phone Consultation Service call	\$65.00
18290	TIR01	The Tire Shop	9/30/2019	True	Mount 4 tires for Truck #7	\$76.00
18291	TLC01	TLC Tools, LLC	9/30/2019	True	Drill bit set & line clamp kit for shop	\$357.41
18292	TUO04	Tuo. Co. Clerk & Auditor-Contr	9/30/2019	True	Remov delinquent charges for 092-380-015-000	\$25.00
18293	TWO1	Two Guys Pizza	9/30/2019	True	Meal for water break @ Aiport Unit 12 caused by contractor	\$87.02
18294	ULI01	ULINE, Attn AR	9/30/2019	True	2 ea. Fire Extinguisher tags, 1 ea Hard Hat for new employee	\$1,016.10
18295	UNI05	Univar Usa Inc.	9/30/2019	True	6000 lbs caustic soda beads for AWS & Water Treatment plants	\$4,922.78
18296	ups9	UPS	9/30/2019	True	Send Calgon Carbon equipment for calibration	\$23.87
18297	Ver03	Verizon Wireless 7706	9/30/2019	True	Monthly Auto Dialers	\$149.73
18298	Wells	Wells Fargo Bank, N.A.	9/30/2019	True	Monthly Lease on Admin Copier	\$359.29
18299	phe01	PH Electric	9/30/2019	True	Apparatus Bay lighting upgrade, Add 2 light fixtures Service Rm.	\$5,050.21
115728	OE3	Operating Engineers Local #3	9/13/2019	True	PR Batch 00002.09.2019 Oper Engin Union Dues	\$253.80
902035	DCSS	Dept of Child Support Services	9/13/2019	True	PR Batch 00002.09.2019 Wage Garnish Child Support	\$205.03
902036	EDD01	EDD - Electronic	9/13/2019	True	PR Batch 00002.09.2019 State Income Tax	\$1,635.78
902037	FedEFTPS	Federal EFTPS	9/13/2019	True	PR Batch 00002.09.2019 Federal Income Tax	\$10,203.73
902038	PER01	Pers - Electronic	9/13/2019	True	PR Batch 00002.09.2019 PERS Employee Deduct	\$6,564.35
902039	TD 457	TD Ameritrade Trust Co.	9/13/2019	True	PR Batch 00002.09.2019 457 Deferred Compensation	\$1,170.00
18251	Tuo14	Tuolumne County Recorder	9/12/2019	True	092-380-015-000 1 Sat of Lien	\$11.00
18250	All07	Allen Ford Construction Co.	9/10/2019	True	Bid on Roof Projects	\$125.00
18212	Accela	Accela, Inc. #774375	9/9/2019	True	Monthly C/C Web Pmt Fees	\$1,089.85
18213	All06	AllStar Fire Equipment, Inc	9/9/2019	True	1 ea. red First due helmet for Structural Firefighting	\$360.35
18214	BLU01	Anthem Blue Cross	9/9/2019	True	Monthly Group Health Ins.	\$21,418.09
18215	aqu5	Aqua Sierra Controls Inc.	9/9/2019	True	Operations IT	\$5,238.01
18216	UB*02499	Carpenter, Kym	9/9/2019	True	Refund Check	\$61.65
18217	CIT01	Citygate Associates, LLC	9/9/2019	True	Update District Fire Master Plan	\$3,953.61
18218	Datapros	Dataprose Inc.	9/9/2019	True	Monthly UB Statement Processing	\$1,954.75
18219	DRU01	Drugtech Toxicology Services, LLC	9/9/2019	True	Consortium DOT Tests	\$38.00
18220	GCS02	GCSD	9/9/2019	True	District Water Bill	\$5,413.09
18221	GEN01	General Plumbing Supply	9/9/2019	True	Restock inventory w/meter boxes, sump pump, camlock fittings, et	\$1,746.38
18222	Gol08	Golden Bell Products, Inc.	9/9/2019	True	7 ea. 5 gal. degreaser, 7 ea. 5 gal. oil sponge for inventory	\$2,730.39
18223	GRA04	Grainger	9/9/2019	True	5 ea. fans/fan guards for Big Creek turbine VFD cooling system	\$620.36
18224	Gre05	GreatAmerica Financial Services	9/9/2019	True	Monthly Avaya Phone System Lease	\$186.36
18225	Gro04	Groveland Christian Church	9/9/2019	True	Refund Table/Chairs fee for 2 days-Unable to use due to construc	\$210.00
18226	gro08	Groveland Transfer Station	9/9/2019	True	Dump fee	\$65.33
18227	HAC01	Hach	9/9/2019	True	2 ea. PH sensors	\$7,889.24
18228	ind04	Industrial Electrical Co.	9/9/2019	True	Diagnosis for Lift Station #9 generator	\$1,080.00
18229	MOO01	Moore Bros. Scavenger Co., Inc.	9/9/2019	True	Garbage Service	\$478.98
18230	MOT03	Mother Lode Answering Service	9/9/2019	True	Monthly Call Forward/Paging	\$183.00
18231	MOU03	Mountain Oasis Water Systems	9/9/2019	True	Bottled Water	\$260.50
18232	NAT01	National Meter & Automation	9/9/2019	True	30 ea. 5/8 x 3/4 meters, 2 ea. 1 1/2 x 13 meters	\$8,702.12



Check N	Vendor N	Vendor Name	Check Dat	Committe	Description	Amount
18233	neu01	Neumiller & Beardslee	9/9/2019	True	Legal Services	\$1,445.00
18234	Nji01	Njirich & Son's, Inc.	9/9/2019	True	Correct Invoice-Adj amount	\$1.01
18235	Oreil	O'Reilly Auto Parts	9/9/2019	True	Lift Station generator filters	\$155.22
18236	per04	Percoco, Ronald	9/9/2019	True	District Janitorial Services	\$2,998.00
18237	PGE01	PG&E	9/9/2019	True	Monthly Electric Charges	\$668.01
18238	PIN03	Pine Mt. Lake Association	9/9/2019	True	PML Ad for Sept, 2019-Transparency Certificate	\$275.00
18239	pml01	PML Hardware & Supply Inc.	9/9/2019	True	Monthly Hardware purchases	\$875.93
18240	R&B	R & B Company	9/9/2019	True	Laundry room upgrade/Restock inventory	\$4,641.16
18241	SUE01	Ray Suess Insurance & Invst	9/9/2019	True	Debra Lucas 2019 Employee Medical Reimbursements	\$8,300.43
18242	Ron01	Roni Lynn	9/9/2019	True	Social Media Management	\$2,500.00
18243	SFPUC	San Francisco Public Utilities Commission	9/9/2019	True	Monthly Water Purchase	\$19,978.34
18244	TIR01	The Tire Shop	9/9/2019	True	Resurfaced 2 rotors for Truck #18	\$30.00
18245	Tir02	TireHub, LLC	9/9/2019	True	6 ea. Tires for Truck #15	\$3,620.53
18246	TRA02	Trace Analytics, Inc	9/9/2019	True	1 year sampling cost for SCBA compressor/fill station	\$551.00
18247	TUO01	Tuo. Co. Public Power Agency	9/9/2019	True	Public Power Purchase	\$15,506.99
18248	Wells	Wells Fargo Bank, N.A.	9/9/2019	True	Monthly Lease on Admin Copier	\$359.29
18249	UB*02500	Whipper, Al & Cheryl	9/9/2019	True	Refund Check	\$1,999.32
115727	OE3	Operating Engineers Local #3	9/3/2019	True	PR Batch 00001.09.2019 Oper Engin Union Dues	\$253.80
902030	DCSS	Dept of Child Support Services	9/3/2019	True	PR Batch 00001.09.2019 Wage Garnish Child Support	\$205.03
902031	EDD01	EDD - Electronic	9/3/2019	True	PR Batch 00001.09.2019 SDI - Employee	\$1,671.33
902032	FedEFTPS	Federal EFTPS	9/3/2019	True	PR Batch 00001.09.2019 Medicare Employer Portion	\$10,690.72
902033	PER01	Pers - Electronic	9/3/2019	True	PR Batch 00001.09.2019 2nd Tier PERS	\$7,923.55
902034	TD 457	TD Ameritrade Trust Co.	9/3/2019	True	PR Batch 00001.09.2019 457 Deferred Compensation Payroll	\$1,170.00
Total Accounts Payable						\$303,754.08

## **RESOLUTION 40-19**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT APPROVING RESOLUTION 40-19, A RESOLUTION APPROVING DISTRICT DONOR/SPONSOR POLICY**

**WHEREAS**, the Groveland Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

**WHEREAS**, the Groveland Community Services District does not currently have a Policy in place for Donations or Sponsorships; and

**WHEREAS**, the staff at Groveland Community Services District requested to the Board of Directors for a Policy to be adopted to accept Donations and Sponsorships; and

**WHEREAS**, the Board of Directors Approved the District Donor/Sponsor Policy by simple motion on September 10, 2019, and it is the District's practice to approve all policies by Resolution.

**NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE  
GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY** Approve Resolution 40-19, A Resolution Approving District Donor/Sponsor Policy

**WHEREFORE**, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on October 8, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

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Jennifer Flores, Secretary

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Janice Kwiatkowski, President - Board of Directors

**CERTIFICATE OF SECRETARY**

I, Jennifer Flores, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on October 8, 2019.

DATED: \_\_\_\_\_

**RESOLUTION NO. 41-19**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE GROVELAND COMMUNITY SERVICES DISTRICT RECOGNIZING DEBORAH PERCOCO FOR  
EXEMPLARY SERVICE AND CONTRIBUTIONS TO THE DISTRICT**

**WHEREAS**, Deborah Percoco serves as District Accountant, which is responsible for the accounts payables, receivables, general ledger and preparation/maintenance of accounts and financial statements in compliance with a myriad of complex standards, laws and regulations; and

**WHEREAS**, Deborah is directly responsible for continuous improvements to the District financial statements, which has resulted in a significantly streamlined fiscal year end closeout and years of clean, unqualified audits; and

**WHEREAS**, all staff relies on Deborah's focus and methodical processes, including developing a culture and philosophy of "double check your work" to maintain a high level of accuracy in financial work, which results in greater office efficiency at all levels; and

**WHEREAS**, when the time comes to find a spreadsheet error, missing penny in the petty cash, or computing error, Deborah is the first and final stop for quick resolution; and

**WHEREAS**, Deborah is likely the only person in the office who can use a standard typewriter, and is a master at it, leaving her the awe of the new generation of technicians.

NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY extend the appreciation of this Board to Deborah Percoco for the excellent public service provided to the community and for showing the knowledge, skills, experience and drive that is the model of cultural excellence for which we strive at GCSD.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on October 8, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Janice Kwiatkowski, President

ATTEST:

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Jennifer L. Flores, Board Secretary

**CERTIFICATE OF SECRETARY**

I, Jennifer L. Flores, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on October 8, 2019.

DATED: \_\_\_\_\_

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**RESOLUTION NO. 42-19**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE GROVELAND COMMUNITY SERVICES DISTRICT RECOGNIZING MEGHAN ORSETTI FOR  
EXEMPLARY SERVICE AND CONTRIBUTIONS TO THE DISTRICT**

**WHEREAS**, Meghan joined the District as the newest Administrative Services Technician I on May 28, 2019 and has become the new face and voice of GCSD providing excellent customer service while quickly learning all aspects of the position; and

**WHEREAS**, Meghan is a very fast learner, with superb accuracy in all assigned tasks; and

**WHEREAS**, Meghan is excellent with customers, always exhibiting calmness, understanding and patience; and

**WHEREAS**, the electronic archiving of historical district meeting minutes, from the beginning of time, has been assigned to Meghan and she is accurate, thorough and actually excited about the task; and

**WHEREAS**, Meghan has jumped in and is trusted to competently perform the responsibilities of the position and free up the time of other office staff which has significantly increased efficiency and production; and

**NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY** extend the appreciation of this Board to Meghan Orsetti for the excellent public service provided to the community and for showing the enthusiasm and self motivation that is the model of cultural excellence for which we strive at GCSD.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on October 8, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Janice Kwiatkowski, President

ATTEST:

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Jennifer L. Flores, Board Secretary

**CERTIFICATE OF SECRETARY**

I, Jennifer L. Flores, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on October 8, 2019.

DATED: \_\_\_\_\_

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**RESOLUTION NO. 43-19**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE GROVELAND COMMUNITY SERVICES DISTRICT RECOGNIZING RENEE VAN DYK FOR  
EXEMPLARY SERVICE AND CONTRIBUTIONS TO THE DISTRICT**

**WHEREAS**, Renee joined the District as a temporary office assistant in August 2018 and quickly became familiar with all aspects of the office, including our technological shortcomings; and

**WHEREAS**, Renee's overall performance exceed expectations and resulted in the District quickly employing her on a full time basis beginning in May 2019; and

**WHEREAS**, Renee is the go-to person when it comes to technology, creative use of software programs, beautifully formatted spreadsheets and forms, and was the key point person in the development and implementation of the SEMS asset management software; and

**WHEREAS**, all resolutions in the history of the District have been electronically archived by Renee, and every day she worked on the project resulted in a "did you know moment" for everyone in the office; and

**WHEREAS**, the water system backflow valve program success, initial purging of 250 boxes of unnecessary records, policy revisions, movies in the park with Rachel, improvement of documentation and many customer service process were all possible due to Renee's extreme accuracy and ability to comprehend complex office processes far beyond expectations at less than two years on the job.

**NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY** extend the appreciation of this Board to Renee Van Dyk for the excellent public service provided to the community and for showing the humor, attitude, competency and eagerness to improve all aspects of the District that is the model of cultural excellence for which we strive at GCSD.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on October 8, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Janice Kwiatkowski, President

ATTEST:

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Jennifer L. Flores, Board Secretary

**CERTIFICATE OF SECRETARY**

I, Jennifer L. Flores, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on October 8, 2019.

DATED: \_\_\_\_\_

**RESOLUTION NO. 44-19**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE GROVELAND COMMUNITY SERVICES DISTRICT RECOGNIZING RACHEL PEARLMAN FOR  
EXEMPLARY SERVICE AND CONTRIBUTIONS TO THE DISTRICT**

**WHEREAS**, Rachel Pearlman joined the District as an Office Clerk on June 26, 2017 and quickly became the face and voice of excellent customer service while quickly learning all aspects of the position; and

**WHEREAS**, due to Rachel's high level of competence and proficiency in her job duties, she was promoted to Administrative Services Technician I in February 2019, and with excellent performance immediately advanced to Admin Technician II; and

**WHEREAS**, upon her promotion, Rachel continued to exceed performance expectations by diving in to more and more complex administrative functions, improving and designing more efficient office and customer processes, and streamlining/improving utility billing to the best it has ever functioned, creating procedures and tasks to optimize new employee onboarding; and

**WHEREAS**, Rachel not only dives right in to new assignments with enthusiasm; she puts forth the effort to ensure that her job tasks are done right, and also continuously strives to better understand the workings behind the task and ways to improve the process; and

**WHEREAS**, Rachel is helpful, caring and kind; always looking to help and support others, while exhibiting the hunger to grow and be challenged in her responsibilities; and

**NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY** extend the appreciation of this Board to Rachel Pearlman for the excellent public service provided to the community and for showing the attitude, curiosity and drive that is the model of cultural excellence for which we strive at GCSD.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on October 8, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Janice Kwiatkowski, President

ATTEST:

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Jennifer L. Flores, Board Secretary

**CERTIFICATE OF SECRETARY**

I, Jennifer L. Flores, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on October 8, 2019.

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DATED: \_\_\_\_\_

**TO:** GCSO Board of Directors

**FROM:** Jennifer Flores, Administrative Services Manager

**DATE:** October 8, 2019

**SUBJECT:** Agenda Item 6B. Adoption of Resolution 45-19, A Resolution Approving Engagement Letter with Bryant L. Jolley to Perform the District's Annual Audit for Years Ended June 30, 2019, 2020, 2021

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**RECOMMENDED ACTION**

Staff recommends the following action:

*Motion to Adopt Resolution 45-19, A Resolution Approving Engagement Letter with Bryant L. Jolley to Perform the District's Annual Audit for Years Ended June 30, 2019, 2020, 2021*

**BACKGROUND**

The District is required by law to hire an independent auditor to conduct review of the District's financial statements. The purpose of the audit is to assist the Board in determining whether the District financial statements are prepared and presented in compliance with a variety of laws, accounting standards and District policy. The audit also assists the Board in evaluating its financial position and internal controls over financial matters, which is intended to reduce the possibility of fraud or embezzlement.

The District entered into contract with the firm of Bryant Jolley, CPA for the completion of the annual financial audits for the fiscal years ending June 30, 2016, 2017 and 2018, and which has since expired.

The District has been happy with the services received from Jolley and recommends entering into a new agreement for fiscal years ended June 30, 2019, 2020, and 2021.

**ATTACHMENT:**

1. Engagement Letter
2. Resolution 45-19



## BRYANT L. JOLLEY

CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A.  
Ryan P. Jolley C.P.A.  
Darryl L. Smith C.P.A.  
Jaribu Nelson C.P.A.  
Lan T. Kimoto  
Jeffrey M. Schill

August 30, 2019

Peter Kampa  
Groveland Community Services District  
P.O. Box 350  
Groveland, CA 95321

Dear Peter:

We are pleased to confirm our understanding of the services we are to provide the Groveland Community Services District (the District) for the years ended June 30, 2019, 2020, and 2021. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the years ended June 30, 2019, 2020, and 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedules: Fire Protection Fund, Parks and Recreation Fund.
- 3) Schedule of Changes in the District's Net OPEB Liability and Related Ratios.
- 4) Schedule of the District's Proportionate Share of the Net Pension Liability.
- 5) Schedule of the District's Contributions.

### Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to Management and the Board of Directors of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial

statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

#### **Management Responsibilities**

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include

acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Bryant L. Jolley, CPA and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bryant L. Jolley, CPA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the oversight agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately September 19, 2019 and to issue our reports no later than October 31, 2019. Ryan P. Jolley, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$13,500, \$13,750, and \$14,000 for the years ended June 30, 2019, 2020 and 2021, respectively. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Bryant L. Jolley', with a stylized flourish at the end.

Bryant L. Jolley, CPA

RESPONSE:

This letter correctly sets forth the understanding of Groveland Community Services District.

---

Peter Kampa, General Manager

**RESOLUTION NO. 45-19**

**A RESOLUTION APPROVING ENGAGEMENT LETTER WITH BRYANT L. JOLLEY TO  
PERFORM THE DISTRICT'S ANNUAL AUDIT FOR YEARS ENDED JUNE 30, 2019, 2020,  
2021**

**WHEREAS**, the Groveland Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

**WHEREAS**, in accordance with California Government Code 61118, the Board of Directors shall provide for regular audits of the district's accounts and records, including annual reports to the State Controller's office; and

**WHEREAS**, the District has previously engaged the services of Bryant Jolley, CPA as an independent firm to conduct the required annual audit, and such prior agreement has expired; and

**WHEREAS**, the District desires to continue its engagement of Bryant Jolley to conduct the annual audit for fiscal years ending 2019, 2020, and 2021, as detailed in the Bryant Jolley engagement letter contained herein as Exhibit A.

**NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY** approve the Bryant Jolley engagement as attached hereto as Exhibit A.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on October 8, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Janice Kwiatkowski, President

ATTEST:

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Jennifer L. Flores, Board Secretary

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**CERTIFICATE OF SECRETARY**

I, Jennifer L. Flores, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on October 8, 2019.

DATED: \_\_\_\_\_.

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**TO: GCSO Board of Directors**

**FROM: Peter Kampa, General Manager**

**DATE: October 8, 2019**

**SUBJECT: Agenda Item 6C. Adoption of Resolution 46-19, A Resolution Approving the 2019 Wastewater Treatment Plant and Lift Station 2 Improvements Project, Accept Financing Quote from the Special District Finance Authority and Directing the General Manager to Request Preparation of Related Agreements, and Approving a 2019/20 Capital Outlay Budget Amendment Therefor**

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**RECOMMENDED ACTION**

Staff recommends the following action:

*Motion to Adopt of Resolution 46-19, A Resolution Approving the 2019 Wastewater Treatment Plant and Lift Station 2 Improvements Project, Accept Financing Quote from the Special District Finance Authority and Directing the General Manager to Request Preparation of Related Agreements, and Approving a 2019/20 Capital Outlay Budget Amendment Therefor*

**BACKGROUND**

The purpose of this agenda item is to consider submitting a loan application through the Special District Finance Authority to fund immediately needed improvements to the District wastewater plant and Lift Station #2, discussed further below. Loan financing is recommended due to the relatively low amount of cash we have accumulated and available in the wastewater fund, as well as the very low interest rates currently being offered for public projects.

As stated in prior meetings, the draft recommended wastewater capital improvement plan, attached, totals over \$7 million in system replacements necessary in the next 5 years. This amount does not include the \$6 million in estimated cost of the Downtown Big Oak Flat Groveland Sewer Project planned for funding through the State Water Resources Control Board, Clean Water SRF. The Sewer fund balance was budgeted to be \$315,294 by the end of this fiscal year, June 30, 2020, with a reserve balance of \$200,000 plus interest. This amount of cash and its accumulation rate is inadequate to plan the funding of this CIP with cash.

It is management's recommendation that the Board consider securing a loan while the interest rates are near historic lows. Included herein is a loan quote from the Special District Finance Corporation, a partner of the CSDA (CSDAFC). The CSDAFC shops



all available loan entities, rates and terms to provide the District with the best financing scenario. The loan proposal currently has an interest rate of 3.35%, with a 20 year term resulting in a fixed estimated annual debt (loan) payment of \$105,233.62. The actual loan interest rate and terms will be included in an Installment Sales Agreement (loan agreement) to be presented to the board at a near future meeting once CSDAFC works out the details of the financing. The interest rates could be higher or lower once the loan closes, so time is of the essence to proceed with the process.

The District Debt Management Policy requires Board approval of the project prior to proceeding with securing a loan. The project, titled 2019 Wastewater Treatment Plant and Lift Station #2 Improvements proposed by staff consists of three components:

1. Replacement of the failed treatment plant headworks, shown in Figure 1 below, which is where the solids are removed from the incoming waste. The



Figure 1

improvements include a new rotating strainer, solids conveyance/disposal system and related improvements, at an estimated cost of \$600,000. In addition, we are evaluating improvements to the headworks building to encapsulate solids odors, and filter ventilated air from the building to reduce odors, and to update the electrical controls. Therefore, we are estimating a project cost of \$800,000 to cover

the total project and contingencies.

2. Treatment Plant Irrigation Pump Station Replacement/Upgrade – This includes replacement of inefficient pumps, and failing piping, valves and controls for the recycled water system. This project will ensure regulatory compliance, reduce operating costs, improve system efficiencies and reliability. The estimated project cost is \$400,000.
3. Lift Station #2 Piping and Pump Upgrades – This lift station contains the original 1970's pumping and piping equipment, valves and controls that are in constant failure, difficult to maintain and have two different pump types, making repair and maintenance difficult. This project includes replacing pumps, installing the pump guiderail system comparable to the other lift stations, and replaces all associated piping and controls. The estimated project cost is \$300,000.

Staff had initially received Board approval in May 2019 to submit a USDA loan/grant application for the headworks replacement, among other work. Unfortunately, the USDA application and funding approval process can take 12 months or more, if approved. The headworks is basically in a failed condition and needs to be addressed immediately. The

loan approval process typically takes less than 60 days until funding is received, allowing us to proceed immediately with project bidding and construction this winter and spring.

All of the work included in the draft CIP is intended to increase reliability, reduce the possibility of regulatory or system failure, and to reduce long term costs. The \$1,500,000 project and loan amount is intended to address the highest priority needs of the District at this time.

**ATTACHMENTS:**

1. Project List within Wastewater CIP
2. Loan Quote from CSDAFC

**GROVELAND COMMUNITY SERVICES DISTRICT CAPITAL IMPROVEMENT PLAN  
2019 WASTEWATER TREATMENT PLANT AND LIFT STATION #2 UPGRADE PROJECT**

<b>SEWER</b>							
<b>ID</b>	<b>CAPITAL ITEM DESCRIPTION</b>	<b>FY 19-20</b>	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>FY 22-23</b>	<b>FY 23-24</b>	<b>TOTAL</b>
S-1	Lift Station 14 Rehab		\$600,000				\$600,000
S-2	All Hub Station Old Can Rehabs		\$120,000				\$120,000
S-3	Effluent/Biosolids Process Improvements	\$200,000					\$200,000
S-4	Headworks Rehabilitation and Update	\$800,000					\$800,000
S-5	STP Irrigation Pump Station Replacement	\$400,000					\$400,000
S-6	Spray Field Improvements/Expansions					\$600,000	\$600,000
S-7	STP Generator Replacement		\$100,000				\$100,000
S-8	STP MCC Room Rehab					\$700,000	\$700,000
S-9	LS6 to STP Force Main				\$1,000,000		\$1,000,000
S-10	Lift Station Generator Replacement (1,2,7,8 & 9)				\$150,000		\$150,000
S-11	Sewer System Mapping Upgrade	\$250,000					\$250,000
S-12	Force Main Inspections and ARV Replacements			\$400,000			\$400,000
S-13	Upper Skyridge Sewer			\$240,000			\$240,000
S-14	LS 10 Force Main		\$250,000				\$250,000
S-15	Lift Station 2 Plumbing Upgrade	\$300,000					\$300,000
S-16	E-Basin Aeration Piping Replacement			\$400,000			\$400,000
S-17	Reservoir #1 Lining					\$500,000	\$500,000
	<b>TOTAL</b>	<b>\$1,950,000</b>	<b>\$1,070,000</b>	<b>\$1,040,000</b>	<b>\$1,150,000</b>	<b>\$1,800,000</b>	<b>\$7,010,000</b>

SOURCES AND USES OF FUNDS

Groveland Community Services District  
2019 Wastewater Revenue Installment Sale Agreement

Sources:

Bond Proceeds:	
Par Amount	1,525,000.00
	1,525,000.00

Uses:

Project Fund Deposits:	
Project Fund	1,500,000.00
Delivery Date Expenses:	
Cost of Issuance	25,000.00
	1,525,000.00

BOND SUMMARY STATISTICS

Groveland Community Services District  
2019 Wastewater Revenue Installment Sale Agreement

Dated Date	12/01/2019
Delivery Date	12/01/2019
Last Maturity	12/01/2039
Arbitrage Yield	3.350000%
True Interest Cost (TIC)	3.350000%
Net Interest Cost (NIC)	3.350000%
All-In TIC	3.534353%
Average Coupon	3.350000%
Average Life (years)	11.347
Duration of Issue (years)	9.150
Par Amount	1,525,000.00
Bond Proceeds	1,525,000.00
Total Interest	579,672.48
Net Interest	579,672.48
Total Debt Service	2,104,672.48
Maximum Annual Debt Service	105,233.63
Average Annual Debt Service	105,233.62
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Term Bond	1,525,000.00	100.000	3.350%	11.347
	1,525,000.00			11.347

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,525,000.00	1,525,000.00	1,525,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-25,000.00	
- Other Amounts			
Target Value	1,525,000.00	1,500,000.00	1,525,000.00
Target Date	12/01/2019	12/01/2019	12/01/2019
Yield	3.350000%	3.534353%	3.350000%

BOND PRICING

Groveland Community Services District  
2019 Wastewater Revenue Installment Sale Agreement

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond:	12/01/2039	1,525,000	3.350%	3.350%	100.000
		1,525,000			

Dated Date	12/01/2019	
Delivery Date	12/01/2019	
First Coupon	06/01/2020	
Par Amount	1,525,000.00	
Original Issue Discount		
Production	1,525,000.00	100.000000%
Underwriter's Discount		
Purchase Price	1,525,000.00	100.000000%
Accrued Interest		
Net Proceeds	1,525,000.00	

## BOND SOLUTION

Groveland Community Services District  
2019 Wastewater Revenue Installment Sale Agreement

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service
12/01/2020	54,603	105,234	105,234
12/01/2021	56,448	105,234	105,234
12/01/2022	58,355	105,234	105,234
12/01/2023	60,326	105,234	105,234
12/01/2024	62,364	105,234	105,234
12/01/2025	64,471	105,234	105,234
12/01/2026	66,649	105,234	105,234
12/01/2027	68,901	105,234	105,234
12/01/2028	71,229	105,234	105,234
12/01/2029	73,635	105,234	105,234
12/01/2030	76,123	105,234	105,234
12/01/2031	78,694	105,234	105,234
12/01/2032	81,353	105,234	105,234
12/01/2033	84,101	105,234	105,234
12/01/2034	86,942	105,234	105,234
12/01/2035	89,879	105,234	105,234
12/01/2036	92,916	105,234	105,234
12/01/2037	96,055	105,234	105,234
12/01/2038	99,300	105,234	105,234
12/01/2039	102,654	105,234	105,234
	1,525,000	2,104,672	2,104,672

BOND DEBT SERVICE

Groveland Community Services District  
2019 Wastewater Revenue Installment Sale Agreement

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2020	27,301.72	3.350%	25,543.75	52,845.47	
12/01/2020	27,301.71	3.350%	25,086.45	52,388.16	105,233.63
06/01/2021	28,224.04	3.350%	24,629.14	52,853.18	
12/01/2021	28,224.05	3.350%	24,156.39	52,380.44	105,233.62
06/01/2022	29,177.54	3.350%	23,683.64	52,861.18	
12/01/2022	29,177.54	3.350%	23,194.91	52,372.45	105,233.63
06/01/2023	30,163.23	3.350%	22,706.19	52,869.42	
12/01/2023	30,163.25	3.350%	22,200.96	52,364.21	105,233.63
06/01/2024	31,182.25	3.350%	21,695.72	52,877.97	
12/01/2024	31,182.24	3.350%	21,173.42	52,355.66	105,233.63
06/01/2025	32,235.66	3.350%	20,651.12	52,886.78	
12/01/2025	32,235.68	3.350%	20,111.17	52,346.85	105,233.63
06/01/2026	33,324.68	3.350%	19,571.22	52,895.90	
12/01/2026	33,324.69	3.350%	19,013.03	52,337.72	105,233.62
06/01/2027	34,450.49	3.350%	18,454.84	52,905.33	
12/01/2027	34,450.49	3.350%	17,877.80	52,328.29	105,233.62
06/01/2028	35,614.32	3.350%	17,300.75	52,915.07	
12/01/2028	35,614.34	3.350%	16,704.21	52,318.55	105,233.62
06/01/2029	36,817.48	3.350%	16,107.67	52,925.15	
12/01/2029	36,817.49	3.350%	15,490.98	52,308.47	105,233.62
06/01/2030	38,061.29	3.350%	14,874.29	52,935.58	
12/01/2030	38,061.29	3.350%	14,236.76	52,298.05	105,233.63
06/01/2031	39,347.11	3.350%	13,599.23	52,946.34	
12/01/2031	39,347.11	3.350%	12,940.17	52,287.28	105,233.62
06/01/2032	40,676.37	3.350%	12,281.11	52,957.48	
12/01/2032	40,676.37	3.350%	11,599.78	52,276.15	105,233.63
06/01/2033	42,050.54	3.350%	10,918.45	52,968.99	
12/01/2033	42,050.54	3.350%	10,214.10	52,264.64	105,233.63
06/01/2034	43,471.13	3.350%	9,509.75	52,980.88	
12/01/2034	43,471.13	3.350%	8,781.61	52,252.74	105,233.62
06/01/2035	44,939.71	3.350%	8,053.47	52,993.18	
12/01/2035	44,939.71	3.350%	7,300.73	52,240.44	105,233.62
06/01/2036	46,457.90	3.350%	6,547.99	53,005.89	
12/01/2036	46,457.91	3.350%	5,769.82	52,227.73	105,233.62
06/01/2037	48,027.39	3.350%	4,991.65	53,019.04	
12/01/2037	48,027.39	3.350%	4,187.19	52,214.58	105,233.62
06/01/2038	49,649.89	3.350%	3,382.73	53,032.62	
12/01/2038	49,649.90	3.350%	2,551.10	52,201.00	105,233.62
06/01/2039	51,327.21	3.350%	1,719.46	53,046.67	
12/01/2039	51,327.22	3.350%	859.73	52,186.95	105,233.62
	1,525,000.00		579,672.48	2,104,672.48	2,104,672.48



## **RESOLUTION 46-19**

### **A RESOLUTION APPROVING THE 2019 WASTEWATER TREATMENT PLANT AND LIFT STATION 2 IMPROVEMENTS PROJECT, ACCEPT FINANCING QUOTE FROM THE SPECIAL DISTRICT FINANCE AUTHORITY AND DIRECTING THE GENERAL MANAGER TO REQUEST PREPARATION OF RELATED AGREEMENTS, AND APPROVING A 2019/20 CAPITAL OUTLAY BUDGET AMENDMENT THEREFOR**

**WHEREAS**, The District has established priorities for replacement and upgrade of infrastructure, and has identified portions of the system requiring immediate improvement; and

**WHEREAS**, the Wastewater Treatment Plant Headworks, Recycled Wastewater Irrigation System and Wastewater Collection System Lift Station #2 are currently original system equipment, have been maintained far beyond their useful life and require an abnormally high level of maintenance, personnel attention and repair; and

**WHEREAS**, the above mentioned infrastructure are planned for immediate replacement and improvement to current standards, with a project titled: 2019 Wastewater Treatment Plant and Lift Station #2 Improvements; and

**WHEREAS**, the 2019 Wastewater Treatment Plant and Lift Station #2 Improvements are proposed to be designed and constructed immediately due to their critical nature, and the project is intended to be funded with loan funds secured through the CSDA Finance Corporation, who has submitted an acceptable financing quote.

**NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY** approve the following:

1. The **2019 Wastewater Treatment Plant and Lift Station #2 Improvements Project** is approved and the General Manager is directed to complete project design and engineer's estimate of probable cost, which shall be submitted to the Board to authorize project bidding.
2. The General Manager is hereby authorized to direct the CSDA Finance Corporation to prepare the Loan Installment Agreement and related documents for Board approval.
3. The General Manager is hereby directed to prepare a 2019/20 budget amendment based on the engineer's cost estimate, for approval by the Board prior to award of construction contract.

**WHEREFORE**, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on October 8, 2019, by the following vote:

AYES: Directors

NOES:

ABSTAIN:

ABSENT:

ATTEST:

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Jennifer Flores, Secretary

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Janice Kwiatkowski, President - Board of Directors

**CERTIFICATE OF SECRETARY**

I, Jennifer Flores, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on October 8, 2019.

DATED: \_\_\_\_\_



**TO:** GCSO Board of Directors

**FROM:** Peter Kampa, General Manager

**DATE:** October 8, 2019

**SUBJECT:** Agenda Item 6D. Adoption of Resolution 47-19, A Resolution Approving Agreement with SCI Consulting for Services Associated with the Analysis and Development of a Fire Department Revenue Measure(s) Intended to Maintain and Improve Fire Services Within the District; Authorizing the General Manager to Negotiate a Services Agreement and Approving a 2019/20 Fire Budget Amendment in the Amount Not to Exceed \$80,000

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**RECOMMENDED ACTION**

Staff recommends the following action:

*Motion to Adopt Resolution 47-19, A Resolution Approving Agreement with SCI Consulting for Services Associated with the Analysis and Development of a Fire Department Revenue Measure(s) Intended to Maintain and Improve Fire Services Within the District; Authorizing the General Manager to Negotiate a Services Agreement and Approving a 2019/20 Fire Budget Amendment in the Amount Not to Exceed \$80,000*

**BACKGROUND**

On August 13, 2019, the Board of Directors held a lengthy discussion about the current funding shortfall for the GCSO Fire Department, and the process, plan and schedule for developing a revenue measure for voter approval. The Board directed the preparation and circulation of a Request for Proposals for professional consulting services to assist in evaluating methods available to increase revenue for the fire department, including special taxes, fees and assessments.

A Request for Proposals was prepared and sent directly to the known municipal finance consulting firms, and posted on the CSDA RFP clearinghouse. Three proposals were received by the September 13, 2019 deadline and are included herein. Staff has reviewed the proposals, and finds that the proposal submitted by SCI Consulting most closely aligns with the needs and interests of the District. Staff recommends award of the consulting services agreement to SCI. Based on the SCI fee schedule, the total cost of all items in evaluation, preparation and servicing of a fire special tax measure will be approximately \$80,000.

The Board will be presented with the proposed revenue option most closely aligned with the needs of the District after research and evaluation as described in the SCI work scope.

At that time, if a Benefit Assessment is proposed, a project budget amendment may be necessary to increase the appropriation due to the cost and complexity of preparation of the assessment engineer's report.

Although professional outside consulting is not required in the development of a fire tax measure, due to the diversity of the local land use, distinct fire hazards, property types and occupancies, and the potential legal, voting and financial pitfalls associated with selecting the wrong type of measure, its appropriation or amount; the Board is strongly encouraged to proceed with consulting assistance. We must ensure that any proposed tax measure is well thought out, appropriately applied to all benefitting properties, and its benefit/impacts thoroughly articulated to the public.

Since consulting contracts are awarded based on the desired approach, work scope and anticipated relationship, and not on cost (alone), only the consultant proposals are included in the agenda materials. The proposed fee schedules submitted will be made available at the meeting following initial discussion of the proposal. Members of the Fire Ad hoc committee have received copies of the fee schedules. The SCI proposal is the lowest estimated cost.

**ATTACHMENT:**

- Consultant proposals

Friday, September 13, 2019

**Submitted via e-mail**

pkampa@gcsd.org  
jflores@gcsd.org

Peter Kampa, General Manager  
Groveland Community Services District  
18966 Ferretti Road  
Groveland, CA 95321

**Re: Proposal for Consulting Services in Support of Fire Services Revenue Measure 2019**

Dear Mr. Kampa:

**SCI Consulting Group** ("SCI") is pleased to submit, for your review, this proposal to provide a feasibility analysis, a mailed public opinion survey, special tax elections services, assessment engineering and Proposition 218 balloting services, stakeholder and community outreach, and related consulting services for the Groveland Community Services District ("District"). We understand that the District desires to explore the feasibility of and voter support for a local funding measure to improve the District's long-term fiscal stability and financial health.

Our proposed first step is to gather property owner and registered voter data for the District, collect and analyze relevant financial information, perform preliminary special tax methodology work, assessment engineering, and other due diligence. Next, potential funding sources will be studied and evaluated along with important attributes such as legal requirements, revenue alternatives, political viability, and procedural steps. Based on the results the preliminary special tax methodology, assessment engineering, and feasibility analysis, the District may decide to proceed with a public opinion survey to test community support for the proposed funding plan and associated approach.

It is important the District use a public opinion survey method that will provide an accurate and reliable prediction regarding the likely success of a proposed funding measure. SCI has developed a sophisticated research methodology for identifying the priorities of the voters and their support for a local funding measure, and how best to craft the measure for success. SCI will build on the knowledge learned from the survey phase of this project in order to develop the messaging required for a successful local funding measure.

Established in 1985, SCI is a widely recognized public finance consulting firm with leading expertise in assisting public agencies in California to fund new services and improvements. For local funding measures encompassing entire cities, counties or special districts, SCI has a success rate of about 90% with over 160 successful local funding revenue measures. In fact, SCI has formed more successful agency-wide post-Proposition 218 benefit assessments than all other assessment engineering firms in California, combined. Our success is attributed to our unique capability of assisting public agencies in evaluating the feasibility

of, and voter support for, a local funding measure before an agency makes the crucial decision whether to proceed.

## **SERVICES OVERVIEW**

Our proposed scope of services will commence with a detailed and comprehensive analysis of the District, its service area, voters, property owners and parcel base, including parcels by type and location, property ownership, property attributes, fire protection, and emergency services needs and other factors that may influence a new funding measure. This initial work task will also include developing a complete understanding of the goals and objectives of the District and its future funding needs. Next, we will fully analyze the voters and property owners throughout the District, with emphasis on identifying the likely voters and property owner participants in a special tax election or fire suppression assessment ballot proceeding. After obtaining a comprehensive understanding of voters and property owners, we will develop models of potential special tax methods, starting with the more traditional flat-rate special tax formula, and extending well beyond to evaluate the potential pros and cons of tiered-rate structures that may provide the advantage of higher revenues and/or greater prospects for a successful ballot outcome.

In conjunction with our special tax analysis services, we will utilize our extensive benefit assessment engineering expertise to develop initial models of the potential fire suppression assessment that address legal requirements, including the vital special and general benefit factors that form the foundation of every fire suppression assessment. This initial work on fire suppression assessment modeling and parcel by parcel assessment determinations is vital because it will allow our survey to properly reflect the actual/potential fire suppression assessments by property to be included in the survey, instead of average parcel rates that may have no relation to the actual weighted ballot assessment that would be presented in an assessment ballot proceeding.

After the potential/preliminary fire services special tax and assessment methodologies and ballot measure strategic plans have been reviewed and confirmed by the District, we would develop a highly customized and refined survey and opinion research project that has consistently proven to be very accurate for both special taxes and fire suppression assessments. After the survey is completed, we will analyze the findings and develop the strategic recommendations for a special tax election by registered voters or alternatively, an assessment ballot proceeding by property owners. Next, the survey findings and recommendations will be presented and reviewed with the District. At this important decision point, the District Board will have the opportunity to finally decide on proceeding with an assessment ballot measure or a special tax, and what rate to propose.

This phased approach and integration of an initial fire suppression assessment rate analysis with the opinion research work, which has been pioneered and used by our firm for over fifteen years, will provide the District with highly accurate survey findings and the advantage of reduced upfront costs for determining the feasibility of proceeding with either a new special tax or fire suppression assessment.

## WORK PLAN AND APPROACH

Based on our current understanding of the project, the technical analysis and services needed by the District, we propose the following scope of work and approach to the project:

### Task 1: Initial Research, Planning, and Feasibility Analysis

Our approach for Task 1 services will begin with a comprehensive analysis of the desired improvements and services, property ownership, voter statistics, tax base, demographic and political profiles in the District. We will also analyze various community factors that may affect the proposed funding measure, such as other local issues and funding measures. We perform these services by first collecting data from the District, the County Assessor, the Registrar of Voters, planning agencies and other information sources. After this extensive data has been compiled, we will analyze it in context with the District's goals, and other community factors in the District. This detailed research and analysis will provide SCI with a solid understanding of the factors that will be used as the foundation for designing and evaluating the potential funding measure.

One potential funding mechanism for local funding is a **voter-approved special tax**. As noted previously, special taxes are often structured at a flat rate per parcel. In some cases, this is the most appropriate methodology, and in other cases, a flat-rate structure can result in materially lower revenues without much political upside. During Task 1, we will carefully evaluate alternative special tax formulas that may be more advantageous than a flat rate method. After these alternatives are developed and analyzed, they will be reviewed with the District and potentially incorporated into the subsequent research tasks, which can provide further information on the most advantageous methodology.

Another potential funding option for achieving the District's goals is a **fire suppression assessment**, which would be decided by property owners. In a fire suppression assessment ballot proceeding, each property owner, whether they reside within or outside the assessment district area, would receive a notice and ballot by first-class mail and would have a minimum of 45 days to return their ballot. At the conclusion of the balloting period, a public hearing is conducted, and the ballots are tabulated. The assessment is approved if over 50% of the returned ballots are in support, with each ballot weighted by the amount of proposed assessment for the property on the ballot. This weighting of ballots is a crucial element of an assessment ballot proceeding, and our revenue enhancement feasibility analysis project, because it sometimes gives significant "votes" to a small number of property owners who own more or larger properties and therefore have more highly weighted ballots

Moreover, unlike a voter election, the owners of businesses, rental apartments, and other investment property, as well as residential owners who are not registered to vote or reside outside of the District also can and do participate. As a result, it is crucial that the survey research methodology properly accounts for the unique participant profiles and weighted ballots for a fire suppression assessment funding mechanism. In addition, to properly mimic a fire suppression assessment, the survey must test property owners with the rate they would be asked to pay for their property, not just the rate that would be applied to single-family homes. SCI has developed a sophisticated research methodology specifically for the many unique aspects of a fire suppression assessment funding mechanism.

After our property and voter analysis, we will review the goals and needs of the District, as well as the potential uses of assessment proceeds. At the conclusion of this Task 1, we should have the necessary understanding of the goals and objectives of the District, as well as alternative or revised goals that may be tested as part of the research project.

As a next step, we will perform a preliminary fire suppression assessment engineering project to evaluate the potential fire suppression assessment methodology and Proposition 218 compliance issues in the context of the District's goals. This work will include an analysis of the services and improvements that could be funded because the use of the assessment funds will be an important factor in the potential fire suppression assessment methodology and area of assessment.

As a next step, SCI will develop a preliminary calculation of the potential assessments and alternative taxes for each parcel in the District. This step is crucial because, for assessment ballot proceedings, the weighted votes held by each property owner are determined by the total amount of proposed assessment for the parcels they own.<sup>1</sup>

After the special tax and assessment determination and evaluation work are completed, SCI will develop a matrix of likely balloting participants based on SCI's extensive data and expertise regarding how participation rates vary by household characteristics, voter and property owner type, and funding mechanism.

After our initial special tax, fire suppression assessment and alternative revenue mechanism evaluation work has been completed; SCI will review the findings with the District. As needed, modifications will be incorporated.

## **Task 2: Mailed Public Opinion Survey**

The principals at SCI have developed a sophisticated research methodology for identifying community support and priorities for public improvements and services. In addition, the methodology will reveal whether property owners and voters will support a revenue measure for fire services and, if so, how best to package the measure for success. One of the strengths of the approach is its proven ability to accurately identify property owner and voter support for a wide range of services that could be funded by a revenue measure. The election environments, legal and logistical considerations, as well as the campaign opportunities for fire suppression assessments, are quite different from special taxes or general obligation bond measure – so it is important that the research methodology take these differences into account in order to ensure reliable results. The methodology developed by SCI does exactly that, and it has proven to be extremely accurate in predicting both community support and priorities for services, as well as residents' willingness to invest in an enhancement of services.

The important thing to note is that accurately predicting the outcome of a proposed assessment or special tax requires knowing how support for the measure varies by community or zone, by property owner type, by voter and by assessment/tax rate, as well as the expected participation rate from each participant based on their profile and history. SCI has an extensive understanding of these elements specific to

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<sup>1</sup> . It should be noted that the typical fire services assessment formula is not a flat rate per parcel. Single family homes of a certain size range may have the same rate, but other property types such as commercial properties are typically assessed based on building or parcel area and property type, and apartments are typically assessed based on the number of dwelling units. It is often advantageous to structure special taxes similarly.



assessments, fees, and special taxes and will use this expertise to develop the appropriate research approach.

For the feasibility of both a fire suppression assessment and special tax to be evaluated, a scientific, stratified, and randomized mailed survey to both voters and property owners is the recommended data collection technique. The mailed survey would be sent to and returned by registered voters and property owners, business owners, apartment owners and owners of other types of property. Once final drafts of the documents for the mailed survey meet the approval of the District, they will be printed. As a next step, the property ownership and/or voter information and mailing address will be added, and the surveys will be packaged with the included information items and postage-paid return envelope.

For this research project, SCI recommends that a mailed survey be sent to all property owners and voters in the District. This large sample size will provide sufficient data to develop a model of participation for all likely voters for a special tax election as well as all likely property owner participants in an assessment ballot proceeding, including owners of apartments, business property, and investment property.

Once the surveys are returned, SCI will process the responses from the survey and will prepare the data for analysis. SCI will also develop several filtering schemes and weighting matrices to simulate ballot measure outcomes for both a special tax and property owner assessment.

After our analysis, SCI will prepare a comprehensive report that summarizes the opinion research findings and makes recommendations regarding residents' priorities, as well as the feasibility of moving forward with a ballot measure to fund fire service and improvements. The report will also include additional value-added elements such as an outline of the recommended action plan for proceeding with a local funding measure, profiles of likely supporters and opponents for a ballot measure, priorities and funding support by type of project, and key messaging elements and strategies.

Once the final report has been prepared, SCI will present the results of the research and suggest next steps for the District. Also, the scope of services includes a formal presentation of the survey results, findings, and recommendations to the District.

### **Task 3A: Assessment Engineering and Engineer's Report**

Our work will commence with assessment engineering for a new Benefit Assessment and preparation of the Engineer's Report. After the Engineer's Report has been prepared, it will be reviewed with District staff and, if necessary, will be revised to reflect any relevant comments or issues identified. SCI will also finalize the assessment levies, assessment roll, assessment diagrams, and other information for preliminary District approval. SCI will also prepare draft resolutions, notices, and other materials and documents required or recommended for the proposed assessments. Such documents will be finalized in conjunction with the District's legal counsel. At the culmination of the assessment engineering services, SCI would present the findings, proposed assessment levies and the preliminary Engineer's Report to the District.

### **Task 3B: Proposition 218 Balloting Services**

If the District Board passes the resolution directing the mailing of the ballots, SCI will prepare the draft Proposition 218 notice and ballot for review and approval by the District and the District's legal counsel. Upon approval, SCI would print, address, and mail the notice and assessment ballots to all owners of assessable property in the assessment district. The design of the official notice and assessment ballot and

supporting informational items and mailers is one of the most important elements of a successful ballot outcome. SCI will utilize its unmatched expertise to design the ballot, notice, and informational item in a way that will clearly and concisely explain the reason for the assessment.

Throughout the balloting, SCI will also field and respond to property owner inquiries and will issue replacement ballots as needed. SCI will also prepare resolutions, documents, and information for the public hearing and will assist the District and its legal counsel in responding to property owner testimony at the public hearing, as needed.

For ballot tabulation and certification of the results, SCI recommends that the District hire an accounting firm or other entity as the official tabulator. SCI would provide technical and procedural assistance to the tabulator to ensure the highest level of transparency, independent oversight, and accountability. Please note that the cost of the independent tabulator is not included in this proposal, and the District will need to contract with the tabulator separately.

If the ballot measure is successful, SCI will submit the levy roll and all necessary supporting documents to the County to include the assessments on the annual property tax bills.

#### **Task 4: Special Tax Election Services**

SCI will build on the data analysis from the survey to refine the list of proposed services and the tax methodology as needed and present them to the District. At the same time, SCI will coordinate with the County Registrar of Voters regarding the election timeline and ballot materials and will create an action plan with specific responsibilities and deadlines for the special tax election and related tasks.

SCI will prepare the draft Resolution of Consolidation ordering the election, which includes the 75-word ballot question, and the full ballot text. After the resolution is prepared, it will be provided to the County Registrar of Voters, the District, and District legal counsel for review and comment. Feedback and comments will be incorporated before the resolution is finalized. In addition, SCI will assist with the preparation of all staff reports and other documents required for Board review.

After the Resolution of Consolidation is approved and signed, SCI will forward it to the County Registrar of Voters. SCI will assist with the preparation of other election materials as needed, such as a draft impartial analysis.

Throughout the election period, SCI will assist the District in responding to registered voter questions and comments, as needed.

#### **Task 5: Informational Outreach Services**

Clear, concise, and appropriate educational outreach is one of the most important elements for a successful ballot outcome. If the community is adequately informed about the issues, and the messaging and approach are based upon accurate and reliable opinion research findings, the District's proposed ballot measure will have solid prospects for a successful outcome.

SCI will begin this educational outreach by working closely with District staff, and other key stakeholders to develop an action plan for the measure. The action plan will include methods to identify and engage stakeholders, message development, message delivery options, public informational outreach strategies,

media interaction, and other informational outreach approaches. After the informational outreach action plan has been developed, SCI will assist the District with its implementation.

Task 4 services will include the preparation of question and answer documents, informational handouts, and other materials. SCI will guide District staff who may be contacting or responding to voters, or who will be making presentations on the proposed local funding measure to the public. Workshops would be conducted if appropriate.

As the informational outreach and stakeholder engagement approaches are implemented, SCI will work closely with the District to evaluate the effectiveness of the approaches. If necessary, we will further refine the action plan. SCI will also assist with the development of informational items and other printed or electronic materials.

In summary, SCI will assist with public information and educational outreach strategies, stakeholder engagement, media interaction, and registered voter information services. Our firm's information outreach efforts, which will continue up to and throughout the balloting phase, include tasks necessary to ensure that the public is adequately informed about the election, and the proposed services and improvements before the mailing of ballots. Throughout this process, SCI will work closely with District staff, stakeholders, and any community volunteers or other interested parties.

#### **Optional Task 6: Mail Notice of Special Tax Election to Nonresident Property Owners**

Government Code Section 54930 requires that notice of a new special tax be mailed to any an owner of a parcel affected by new or increased special tax if that owner does not reside within the jurisdictional boundaries of the taxing entity. Upon a successful election, SCI will prepare, print, address and mail a postcard with the required notice information to all nonresident property-owners.

**In-Person Meetings.** We anticipate the need for at least one (1) project kickoff meeting with District staff or an Ad-Hoc Committee, two (2) Board of Directors meetings, and three (3) community outreach meetings.

**District Resources.** SCI will carry out all tasks specified in the Work Plan and any other related services, as appropriate. The District would be responsible for meet or video conference periodically with SCI as needed; provide all necessary District and financial information; and assist with planning, review, and coordination of the information item, survey instrument, and ballot material.

#### **TENTATIVE TIMELINE**

We anticipate that the initial research, the kickoff meeting, and data analysis would take approximately two to three months to complete. The timeline will, in part depend on the availability of District staff and the required financial information. The preparation of the information item, the survey instrument, and the mailing of the survey would take approximately one to two months. Allowing 30-days for response to the survey, the tabulation and presentation of the survey results to the Board could occur one month later.

We are concerned about the feasibility of conducting a successful ballot proceeding or an election before fiscal year 2020-21 special levies are due to the County Tax Collector. A more detailed timeline for both types of measures would be prepared as part of Task 1 services.

## **FEE SCHEDULE / MANNER OF PAYMENT**

The fee schedule and manner of payment for this project are provided in a separate sealed envelope.

## **ADDITIONAL INFORMATION**

**Employment Policies.** SCI does not and shall not discriminate against any employee in the workplace or against any applicant for such employment or against any other person because of race, religion, sex, color, national origin, handicap, or age or any other arbitrary basis. SCI Consulting Group ensures compliance with all civil rights laws and other related statutes.

**Conflict of Interest Statements.** SCI has no known past, ongoing or potential conflicts of interest for working with the District, performing the Scope of Work or any other service for this Project.

**Insurance.** SCI carries professional Errors and Omissions insurance in the amount of \$2 million per occurrence and \$2 million aggregate. SCI also carries general liability insurance in the amount of \$2 million per occurrence and \$4 million aggregate.

**Independent Contractor.** If selected, SCI shall perform all services included in this proposal as an independent contractor.

## ABOUT SCI CONSULTING GROUP

Established in 1985, **SCIConsultingGroup** is a recognized public finance consulting firm with leading expertise in assisting California public agencies with local funding of public services and improvements. We also possess industry-leading expertise with the important legal and procedural requirements for establishing development impact fee programs, Community Facilities Districts, Fire suppression Assessment Districts, and other local financing mechanisms. SCI has prepared over 150 development impact fee nexus studies and facility financing plans. SCI has also formed and annually administers over 960 special taxes, assessments, and fees for over 190 public agencies throughout the State.

This expertise and experience will ensure that the District's goals and objectives are met successfully, collaboratively, on schedule, and on budget.

## FIRE AGENCY CLIENTS (partial list)

Anderson FPD	El Medio FPD	Rescue FPD
Auberry Fire CSA50	Garden Valley FPD	River Delta Fire District
Calaveras Consolidated FPD	Georgetown FPD	Rodeo-Hercules FPD
Cameron Park CSD	Greenfield FPD	San Miguel Consolidated FPD
Carmel Valley FPD	Groveland CSD	Shasta Lake FPD
Chester FPD	Higgins FPD	South Lake County FPD
City of Manteca FD	Hopland FPD	South Placer FPD
City of Santa Barbara FD	Lake Valley FPD	Spalding CSD
County of Santa Barbara FD	Loomis FPD	Templeton CSD
County of Placer	Mi-Wuk/Sugar Pine FPD	Truckee FPD
Cordelia FPD	Monterey County Regional FD	Twain Harte CSD
Cosumnes CSD	Mosquito FPD	Ukiah Valley Fire Authority
Delta FPD	Newcastle FPD	Vacaville FPD
Diamond-Springs El Dorado FPD	Nevada County Consolidated FPD	Valley Center FPD
Dixon FPD	North County FPD	Waterloo-Morada FPD
Dunnigan FPD	North San Juan FPD	West Patton Village CSD
Doyle FPD	Penn Valley FPD	Wheatland Fire Authority
East Contra Costa FPD	Penryn FPD	Williams Fire Protection Authority
El Dorado County FPD	Pioneer FPD	
El Dorado Hills FD	Redwood Valley-Calpella FD	

## REFERENCES

**Larry Crabtree, Fire Chief**  
**Mi-Wuk Sugar Pine Fire Protection District**  
24247 Highway 108  
Mi-Wuk Village, CA 95346  
(209) 586-5256  
wuk.chief1@hub3.net

**Shawn R. Crawford**  
**Meeks Bay Fire Protection District**  
8041 Emerald Bay Road, PO Box 189  
Tahoma, CA 96142  
(530) 525-7548 x11  
mbfire@wildblue.net

**Don Wagner, Fire Chief**  
**Penn Valley Fire Protection District**  
PO Box 180  
10513 Spenceville Road  
Penn Valley, CA 95946  
(530) 432-2630  
dwagner@pennvalleyfire.com

**Bill Seline, Fire Chief**  
**Truckee Fire Protection District**  
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billseline@truckee-fire.org

**Bob Olsen**  
**Robert Olson Consulting**  
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Orangevale, CA 95662  
(916) 539-8220  
roa1@comcast.net; www.olsonassoc.com

**Thomas Keating, Fire Chief**  
**Rescue Fire Protection District**  
P.O Box 201  
Rescue, CA 95672  
(530) 677-1868  
tkeating@edhfire.com

**Chris Braden**  
**Santa Barbara Fire Department**  
925 Chapala  
Santa Barbara, CA 93101  
(916) 405-7166  
cbraden@SantaBarbaraCA.gov

**Bill Weisgerber**  
**Weisgerber Consulting**  
(408) 910-8044  
weisgerber.bill@gmail.com

## **PROJECT TEAM**

If selected for this project, I would serve as the tax/assessment engineer and principle-in-charge for the feasibility analysis and public opinion survey. Susan Barnes would serve as the day-to-day project manager. The two of us do not have any work commitments that would interfere with our responsiveness and ability to complete the project within a reasonable timeframe.

### **John Bliss, President, Principal-in-Charge, and Chief Assessment Engineer**

John Bliss, a professional engineer and President of SCI, specializes in assessment engineering, special and general benefit analysis, crafting legally compliant, robust Engineer's Reports, levy administration, cost estimating and budgeting, database design and implementation, regulatory compliance, and revenue measure formations. He has 17 years of experience in this field of expertise. Moreover, John is a recognized expert assessment engineer and Proposition 218 compliance specialist who has served as an expert witness and technical authority. He also has worked with most of the leading Proposition 218 specialized attorneys in the State, which has further expanded his professional and technical expertise.

During his tenure at SCI, John has served as the responsible Assessment Engineer on over 300 Engineer's Reports for new or increased assessments, comprising more post-Proposition 218 new assessment engineering than any other assessment engineer in the State.

John also has served as the project lead for the California Statewide Fire Benefit Fee assessment. John led SCI's successful effort to identify every parcel in Counties throughout the State in State Responsibility Areas and, thus, subject to this new annual assessment fee on property tax bills. (SCI was selected sole-source for this project, based on the State's determination of our unmatched levy administration capabilities.) John also leads SCI's time-compressed and successful assessment calculation efforts and our creation of a highly-integrated information exchange system with the GIS/spatial analysis firm based in India and the State of California for this new statewide fee.

John also has extensive programming and database expertise. He has been the instructor of "Database Design for Project Management" at UC Berkeley Extension. John has materially contributed to the specialized and proprietary computer and database programs we utilize as part of our levy administration procedures. Prior to joining SCI, John co-founded several information technology companies that focused on database and infrastructure management including ConstructionPrice, and US Components, and worked as field construction engineer for Shimmick Construction Company and the U.S. Department of Transportation.

John graduated from Brown University with a Bachelor of Science Degree in Engineering and holds a master's degree in Civil Engineering from The University of California, Berkeley, where he was a Regent's Scholar. He is a licensed professional Civil Engineer in the State of California and is a LEED accredited professional.

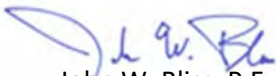
### **Susan Barnes, Senior Consultant and Project Manager**

Susan Barnes specializes in and leads opinion research and new local revenue measure balloting projects, including both benefit assessments and special taxes. She also manages the annual administration of several local funding measures. She uses her excellent facilitation and public speaking experience when working with staff and board members, as well as with constituent groups. Susan's diligent work enables agencies to raise funds needed in order to obtain and maintain the facilities and services their

communities desire. She also utilizes her broad project management experience to deliver her projects on time and on budget. Susan earned a Bachelor of Science degree in Business Administration from UC Berkeley and a master's degree in Organizational Development from Sonoma State University.

We look forward to this opportunity to assist the District with this important project and stand ready to proceed. If you have any questions or require additional information, please do not hesitate to contact me. I can be reached at (707) 430-4300 ext. 111 or via email at [john.bliss@sci-cg.com](mailto:john.bliss@sci-cg.com).

Sincerely,

A handwritten signature in blue ink, appearing to read "John W. Bliss".

John W. Bliss, P.E.  
President

cc: Susan Barnes, SCI Consulting Group



## **RESOLUTION 47-19**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT APPROVING AGREEMENT WITH SCI CONSULTING FOR SERVICES ASSOCIATED WITH THE ANALYSIS AND DEVELOPMENT OF A FIRE DEPARTMENT REVENUE MEASURE(S)**

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**WHEREAS**, The District Fire Department expenses have increased in recent years due to increased Calfire contracting costs, while at the same time department tax revenue has not increased at the same pace, causing a funding shortfall; and

**WHEREAS**, the District has determined that professional consulting expertise is necessary to conduct a thorough, independent evaluation of the funding needed for the long term provision of fire and emergency response services in the area, and mechanisms to raise revenue and/or reduce fire department expenses to provide a balanced budget; and

**WHEREAS**, the District issued a Request for Proposals for consulting services, and received three proposals from qualified consultants; and

**WHEREAS**, the District has determined that the proposal submitted by SCI Consulting best meets the needs of the District and community for the evaluation of fire department revenue options and related work.

**NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY approve the following:**

1. The General Manager is hereby directed and delegated the responsibility to negotiate and execute a consulting services agreement with SCI Consulting for Services Associated with the Analysis and Development of a Fire Department Revenue Measure(s) within the proposal and fee schedule attached hereto as Exhibit A.
2. Adoption of a 2019/20 Budget Amendment for the Fire Department in the Amount Not to Exceed \$80,000 for fire revenue measure consulting services.

**WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on October 8, 2019, by the following vote:**

AYES: Directors

NOES:

ABSTAIN:

ABSENT:

ATTEST:

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Jennifer Flores, Secretary

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Janice Kwiatkowski, President - Board of Directors

**CERTIFICATE OF SECRETARY**

I, Jennifer Flores, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on October 8, 2019.

DATED: \_\_\_\_\_

# GROVELAND COMMUNITY SERVICES DISTRICT

*Technical Proposal for:*

**Consulting Services for Fire Services Revenue Measure**

September 13, 2019

Groveland Community Services District



870 Market Street, Suite 1223  
San Francisco, CA 94102  
Toll free: 800.434.8349

[nbsgov.com](http://nbsgov.com)

September 13, 2019

Jennifer Flores  
Administrative Services Manager  
Peter Kampa  
General Manager  
Groveland Community Services District  
*Via email*

**RE: Proposal for Consulting Services for Fire Services Revenue Measure**

Dear Ms. Flores and Mr. Peter Kampa,

We understand from your Request for Proposal, our discussions to date, and our own research that the Groveland Community Services District (CSD) is indeed in dire need of funding for the provision of basic fire suppression and related services. The community is geographically isolated, stretched thin in terms of resources, and limited in terms of funding sources. In addition, the development of not-so-nearby resort facilities is making this situation more challenging for the CSD and the longer-term residents. The recent spate of “fire storms” in California makes this situation all the more “real” and challenging. The CSD is also challenged in terms of a timeline to address this, with funding needs looming in the not-distant future. It appears that one or more funding tools need to be brought to bear, and importantly be approved, to put the CSD on a solid financial footing to provide at least a reasonable level of public safety for the community and its residents, both full-time and part-time.

We have assembled a team of experts for this effort, from our understanding of the requirements. Though we understand the urgency of the needs, we would encourage the CSD to take some additional time for significant “public engagement” that takes more time than seems to be allowed for in this RFP to be meaningful. Moreover, we could add significant resources to an outreach effort by adding the firm of TBWB to this project, which we have done on many occasions. They can add “horsepower” and special expertise to this endeavor. However, given the parameters as we understand them, we have detailed certain “limited public relations and outreach services,” as defined in the RFP, as part of our enclosed proposal. NBS does also offer other in-depth public engagement services that may be beneficial to this project and can be added as an optional service, as need be. Our team does include Gene Bregman and Associates for polling, given their expertise in rural communities and for fire and public safety related services. Lastly, we have working relationships with financial advisors who have valuable financial expertise, who could be added to the team, if required.

As a brief introduction to NBS, we are a firm of 45 professionals who have served hundreds of California special districts, cities and counties for the past 23 years. Our specialization is in such revenue measures, as noted in our long-standing motto of “helping communities fund tomorrow.” Specifically, we have worked in many rural communities on such funding and financing tools. We are noted experts

**helping communities fund tomorrow**

in all funding tools for fire-related services, from user and regulatory fees to special taxes and benefit assessments. In addition, our team has been asked to speak on these topics at the Fire District Association of California and CSDA, for example.

Please review our proposal and let us know if you have any questions. Our phone number is 800.434.8349 or emails are [tseufert@nbsgov.com](mailto:tseufert@nbsgov.com) or [smares@nbsgov.com](mailto:smares@nbsgov.com).

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tim Seufert', with a stylized, flowing script.

Tim Seufert  
Managing Director

A handwritten signature in blue ink, appearing to read 'Sara Mares', with a clear, elegant script.

Sara Mares  
Associate Director

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## SECTION A | STATEMENT OF QUALIFICATIONS



### Revenue Versatility.

**All of our clients have the ultimate goal of maintaining the highest possible level of services to all who live, work and play in their communities.** We focus on each municipality's unique needs and circumstances by supporting a wide range of revenues.



### Uncommon Expertise.

**We proactively seek to educate the public.** From creating guidebooks; to helping navigate the laws, codes, and regulations affecting local governments; to sponsoring workshops, NBS University and other speaking engagements: we forge the way in industry expertise. Our team members are often asked to speak at seminars and conferences as well as serve as expert witnesses.



### Registered with MSRB and SEC.

**We studied it, we passed the exams, and now we eat, breathe, and live revenue analysis.** Being a Municipal Advisor registered with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) means that we have a fiduciary duty to municipal entities to help protect them and the public interest while promoting transparency.



## AT-A-GLANCE: HELPING COMMUNITIES FUND TOMORROW

**23**  
YEARS

In  
Business

**100%**  
ESOP

NBS is a 100%  
employee-owned  
S-Corporation



### NBS HEADQUARTERS

32605 Temecula Pkwy | Suite 100  
Temecula, CA 92592

### SAN FRANCISCO REGIONAL OFFICE

870 Market Street | Suite 1223  
San Francisco, CA 94102



### CONTACT

Tim Seufert | 800.434.8349  
tseufert@nbsgov.com



### LEGAL NAME

NBS Government  
Finance Group

### DBA

NBS



### INDIVIDUAL AUTHORIZED TO NEGOTIATE AGREEMENT

Michael Rentner, President

Since 1996, NBS has supported California municipalities with the implementation and ongoing administration of local funding tools.

While the firm originally focused on Special Financing Districts (SFDs), specifically the formation and administration of special assessments and taxes, we have evolved with our clients' needs and now provide a full range of revenue consulting services. We focus on sustainable water and wastewater utility rate programs, cost allocation plans, cost recovery, and legally-justified fee design. Across all practice areas, we have worked with more than **400 public agencies** to date, including cities, counties, school districts, utilities, and special districts.



## District Consulting Group

The NBS District Consulting Group ensures your Special Financing Districts (SFD) and related revenue tools are well-developed from their inception, and then administered robustly over their lifetime.



We act as strong advocates for our public agency clients to ensure that any SFD or other revenue tool is appropriate and well-crafted for the need. Throughout our engagement, we provide sage guidance and recommendations. We are often called upon to present complex issues to councils, boards and interested parties.



We have supported thousands of SFDs including millions of parcels, and have worked through virtually every conceivable challenge in their use. Our experience is with all manners of special assessments, special taxes – including Community Facilities Districts (CFDs) – and other fees.



Whether the need is identifying and funding negative fiscal impacts, financing needed infrastructure, or providing community-desired services, our expert consultants have deep experience and help navigate the challenges.





For more than three decades, **Gene Bregman & Associates** has designed and analyzed a multitude of public opinion research projects for municipalities, other governmental entities, school districts, public interest and community organizations, on issues

concerning legislative and ballot issues, and for candidates for elective office at virtually every level of electoral politics. We have conducted public opinion research in every state in the nation. In many cases, our polls and the subsequent ballot measures have focused on public safety issues, especially fire and police. In fact, we have found that it is almost always more important for the potential success of this type of measure to focus on fire protection services, more so than on law enforcement.

We specialize in helping public entities prepare for placing successful revenue-raising measures on the ballot. Since 2010, 45 of 47 clients with ballot measures intended to raise revenue (including 14 of 14 since 2016), whether through parcel taxes, sales taxes, bonds (mostly for schools), or transient occupancy taxes, have won approval from their voters. Among our clients have been many successful ones in the more rural areas of California, such as Orange Cove, Parlier, Lakeport and others.

To summarize, we propose to provide:

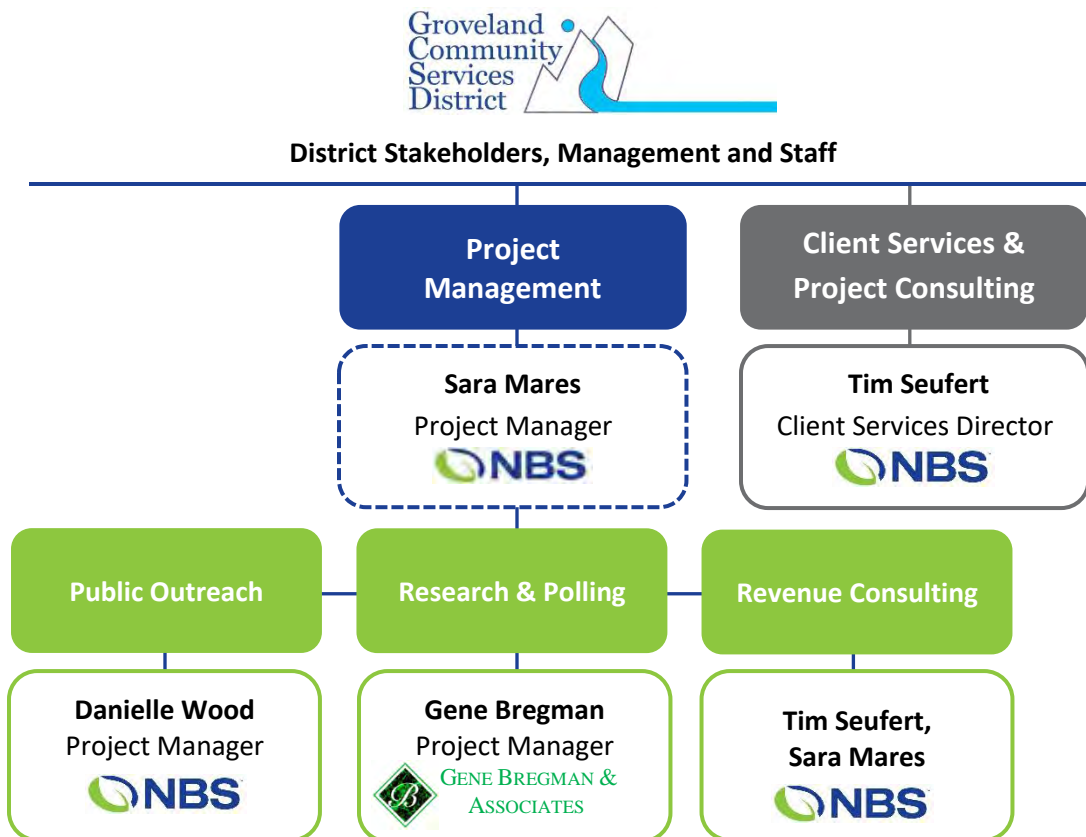
- Random telephone and internet survey of likely voters;
- Consultation solely with principal of Gene Bregman & Associates;
- Assistance in developing topic areas to be investigated;
- Development of survey questionnaire;
- Scientific sample selection to assure our reaching an accurate representation of the voting population;
- Pre-testing of questionnaire;
- Conduct of field work from our central phone bank;
- Editing, coding, and electronic data processing;
- A full computer printout of all cross-tabulated data;
- Analysis of survey results;
- In-person presentation of results;
- On-going strategy and consultation.

## Key Personnel

We have proposed NBS staff as discussed below, based on their specific experience. Gene Bregman & Associates has three decades of relevant experience with polling. This includes significant work in rural communities, such as recent work in Orange Cove, Parlier, Lakeport and others.

The following is an overview of the NBS consulting team proposed to manage and complete the work noted for this engagement. Resumes for the proposed project team are on the following pages.

## Project Organizational Chart



## RESUME HIGHLIGHTS

- In-depth experience in the selection and use of many types of Special Financing Districts (SFDs), including special assessments and taxes
- Extensive client history involves well over 100 clients
- Presenter, trainer, and author on local public finance issues
- Registered Municipal Advisor
- 20+ years of experience

*"I appreciate the time that [Tim Seufert has] given to the Wilmington Industrial proposed Business Improvement District Project, as well as keeping the City Clerk's office apprised of your ongoing involvement with the proponent group."*

**Miranda Paster**  
Special Assessments Manager  
CITY OF LOS ANGELES

## EDUCATION

- Master of Arts, Public Administration, San Francisco State University
- Bachelor of Science, Finance, University of Southern California
- Continuing education from UC Davis, UCLA, CDIAC, etc.

## PROFESSIONAL AFFILIATIONS

- California Society of Municipal Finance Officers (CSMFO)
- California Special Districts Association (CSDA)
- League of California Cities
- California Municipal Treasurers Association (CMTA)
- Committee on Special Assessments, Taxes and Other Financing Facilities (CASTOFF)
- Government Finance Officers Association (GFOA)

## BIOGRAPHY

Based in the San Francisco office, Tim Seufert is Managing Director of NBS. He has two decades of local government experience, and a total of three decades of financial and management experience. He is involved with projects from the inception and feasibility stage to their completion, and has worked with municipalities, school districts, counties, and many types of special districts. Tim has been a presenter at training seminars and author on local government finance issues. His years of experience include:

- **Financial Feasibility and Analysis:** Tim's corporate and public finance background serves him well in analyzing costs, rates, and the potential feasibility of projects and their commensurate financing mechanisms.
- **SFD Formation:** Tim is actively involved with the formation of Community Facilities Districts, Assessment Districts, Business Improvement Districts, and other tax and fee districts.
- **SFD Administration:** He has worked with districts large and small over the years, and is a well-regarded troubleshooter for ongoing administration on all types of special assessments and taxes.
- **Communications and Training:** He has been asked to address small groups, public bodies, and large seminars to communicate the essential issues of complex financial matters, and has written numerous reports, articles, and supporting documentation. This includes the following articles and presentations:
  - "Funding Essential Services and Infrastructure through Special Financing Districts," Published in the California Special Districts Association News
  - League of California Cities Financial Management Seminar: "Downtown Toolbox" presentation

## RESUME HIGHLIGHTS

- Expert Special Tax and Assessment Consultant
- Seasoned Professional in Special Financing District Administration
- 19 years of experience with NBS
- Registered Municipal Advisor

## EDUCATION

- Bachelor of Arts, with honors, Economics, Mills College
- Continuing education from UC Davis, UCLA, CDIAC, etc.

## PROFESSIONAL AFFILIATIONS

- California Society of Municipal Finance Officers (CSMFO)
- California Special Districts Association (CSDA)
- Committee on Special Assessments, Taxes and Other Financing Facilities (CASTOFF)
- Women in Public Finance (WPF)

## BIOGRAPHY

Sara Mares is an Associate Director with NBS. She forms Special Financing Districts (SFDs), including Community Facilities Districts, Fire Assessments, 1913 Act Assessment Districts, Landscape and Lighting Districts, and Benefit Assessment Districts. Sara has experience working with all aspects of the formation process, including planning, project management, budget analysis, development of Rate and Method of Apportionment and Engineer's Reports and presentations. She also has significant experience with ongoing SFD administration including levy submittal, delinquency management and continuing disclosure.

- **District Formation:** Sara has formed multiple SFDs for many communities across California, including Community Facilities Districts, Property and Business Improvement Districts, Landscape Maintenance Districts, Benefit Assessment Districts and Fire Assessments. She prepares Special Assessment and Special Benefit Methodologies and Rate and Method of Special Tax Apportionment Models.
- **District Administration:** Sara has extensive experience in ongoing administration and annual levy calculations for 1913/1915 Act Assessment Districts, Mello-Roos Community Facilities Districts, Landscape & Lighting, and Benefit Assessment Districts.
- **Continuing Disclosure:** Sara has prepared and disseminated Municipal Disclosure Reports for several California Agencies. She prepared and disseminated ongoing disclosure reports for special districts including 1915 Act, Community Facilities Districts in compliance with Securities Exchange Commission regulation 15c2-12.

## RESUME HIGHLIGHTS

- Skilled public engagement specialist
- Experienced communications professional
- Seasoned consultant in Special Financing District formation and administration
- *Nearly two decades of experience with NBS*

## EDUCATION

Bachelor of Science, Business Administration, Finance, California State University San Bernardino  
Public Engagement Certificate - Pepperdine School of Public Policy

## PROFESSIONAL AFFILIATIONS

- California Society of Municipal Finance Officers (CSMFO)
- Municipal Management Association of Southern California (MMASC)
- Women in Public Finance (WPF)

## BIOGRAPHY

Danielle Wood is an associate director with NBS where she currently provides public engagement, client services and project management efforts for a number of our clients. Danielle has worked in the following consulting areas:

- **Public Engagement:** Danielle has worked with many agencies on ongoing public engagement activities. As one of the developers of CivicMic.com Danielle has provided NBS clients with leading edge techniques in engaging entire communities, including marginalized areas. Danielle has designed and implemented various public engagement plans for clients in multiple states.
- **District Formation and Administration:** Danielle's experience in formation and ongoing administration of Special Financing Districts has been as varied as Landscape Maintenance Districts, 1913/1915 Act Improvement Districts, Drainage Assessment Districts, Special Safety Services Districts, Benefit Assessment Districts, Community Facilities Districts, and Property-Based Business Improvement Districts. Her work in this area includes annual levy calculations, direct assessment billings, fund analyses, and monitoring delinquent assessments to ensure timely debt service repayment.
- **Assessment District Audits:** Danielle has worked with agencies on auditing Special Financing Districts including preparing funds analyses, determining current and future bond debt variances, preparing bond call analyses and instruction letters, auditing parcel levy histories, and preparing recommendations for ongoing administration.

Her experience in these areas has provided a unique perspective when facilitating difficult conversations between our clients and their constituents.





**GENE BREGMAN & ASSOCIATES**  
*Public Opinion & Marketing Research*

Gene Bregman has conducted public opinion, political and marketing research for more than thirty years. He began his career in his native New York City. Shortly after moving to San Francisco he became a project director with Public Response Associates, where he later rose to become company vice-president. He left to form Gene Bregman & Associates in January, 1980.

While his main emphasis has always been, and continues to be, political polling and related public opinion research, Gene has designed and analyzed many different types of research in every state in the nation. Some of these have included:

"Gene Bregman is one of the top polling experts in the country. His polling is accurate and his analysis impeccable. Others may charge more, but none are better."

- Larry Tramutola  
*Tramutola Company*

- Conducting public opinion research to help cities, counties and various governmental agencies (schools, hospitals, libraries, parks, etc.) assess how well they are doing with the public, understand what is important to their constituents, and ultimately, assist them in setting the priorities that meet the needs and desires of the

"Measure J has passed. The voters of the Ripon Unified School District have approved spending ten million dollars to improve our high school and to help with the construction of a much needed elementary school. And we could not have done it without your help. The work you did was invaluable in getting our message out to the voters. On behalf of the Yes on Measure J Campaign Committee, the Board of Education, and the Ripon community, I want to thank you very much."

- Dennis Bitters  
*Campaign Chairman  
Committee for Yes On Measure J  
for Ripon Schools*

people they serve. GBA has conducted research for more than 120 California school districts, more than 90% of which have led to successful bond and/or parcel tax elections

- Politically, being involved in a multitude of gubernatorial, senatorial, congressional and local candidate campaigns, in addition to well over 100 local ballot measure campaigns, most of which have required a two-thirds vote for passage (and the vast majority of which have been successful)
- Being the principal researcher for three Knowledge, Attitudes, Beliefs and Behavior studies among various ethnic minority populations for the San Francisco Health Department, AIDS Office, all of which had their results presented at International AIDS conferences
- Designing the first exit polls ever conducted in California that

were used for predictive as well as analytical purposes

Gene is a long-time member of the American Association for Public Opinion Research and the American Association of Political Consultants. He is a graduate of Case Western Reserve University, Cleveland, Ohio.

## Similar Project References

We have extensive experience in this technical area as well as with fire-related finances. Below is a sampling of recent projects and references similar in either scope, geography and/or magnitude to the District's project.

### NEVADA IRRIGATION DISTRICT

#### TWO PROJECTS: SPECIAL TAX AND ASSESSMENT DISTRICT FORMATION

*Project Dates: April 2007 – August 2010*



##### Contact Information

Marvin Davis  
Finance Manager  
P: 530.273.6185 Ext 255  
E: davism@nidwater.com

The Nevada Irrigation District ("NID") serves a rural community in the Sierra foothills. They retained NBS as an advisor, and both as a Special Tax Consultant as well as Assessment Engineer to form a CFD and an Assessment District in two separate areas in the NID territory. The Assessment was used to provide capital as part of the financing for water system infrastructure in an area known as Rodeo Flat. The infrastructure was needed to hook up the residents to the existing NID treated water system as the local wells were becoming inadequate, both in terms of water quality and quantity. In another project, NBS was involved from the inception to the formation of a special tax/CFD to also finance water infrastructure. NBS worked closely with the property owners and NID staff on both projects to analyze many issues that lead to two successful solutions. Each project involved different conditions, which led to decision to use an assessment in on case and special tax in another.

### EAST CONTRA COSTA FIRE PROTECTION DISTRICT

#### DISTRICT-WIDE SPECIAL TAX, FEES, AND BENEFIT ASSESSMENT ENGINEERING

*Project Dates: 2014 – 2015; New effort 2019 to present*



##### Contact Information

Brian Helmick  
Fire Chief  
150 City Park Way  
Brentwood, CA 94513  
P: 925.634.3400  
E: bhelmick@eccfpd.org

In 2014, NBS was hired to perform Assessment Engineering services for a proposed new District-wide Benefit Assessment District to fund needed ongoing fire protection and suppression services. Outreach consultant TBWB provided education and outreach services as part of a team approach. Though the ballot process failed in 2015 by a narrow margin, the Chief and Board at the time commended both firms on their diligence, effort and expertise. Most recently, NBS was hired again to proceed on a number of options for revenues, including a new Benefit Assessment, a parcel tax, development impact fees and others.

## LAKEPORT FIRE PROTECTION DISTRICT

### PARCEL TAX FORMATION

*Project Dates: October 2018 – May 2019*



#### Contact Information

Douglas Hutchison  
Fire Chief  
1500 South State Street  
Ukiah, CA 95482  
P: 707.462.7921  
E: chief500@lakportfire.com

The Lakeport Fire Protection District (the “District”) retained NBS to provide Public Engagement, Polling and Parcel Tax Formation services. This measure was placed on the ballot by the Lakeport County Fire Protection District for voter approval. The parcel tax provides funding to decrease response times and increase fire protection and emergency medical services, including funding for the operation of local fire stations and the maintenance and replacement of outdated firefighting equipment. In desperate need of additional funding the District approached NBS to provide these services within a tight timeline. With focused efforts the District and NBS were able to get the parcel tax successfully approved with 1,700 votes and a 74.27% approval rate.

## MARIN WILDFIRE PREVENTION AUTHORITY

### PARCEL TAX ANALYSIS AND FORMATION CONSULTING

*Project Dates: August 2019 – Present*



#### Contact Information

Matthew H. Hymel, County  
Administrator  
3501 Civic Center Dr, Ste 325  
San Rafael, CA 94903  
P: 415.473.6358  
E: MHymel@marincounty.org

The Marin Wildfire Prevention Authority (the “MWPA”) retained NBS to prepare modeling and develop a parcel tax methodology to fund needed fire services in the region. The parcel tax measure is currently being reviewed and finalized to include on the March 2020 ballot.

## SADDLE CREEK COMMUNITY SERVICES DISTRICT

### PARCEL TAX FORMATION

*Project Dates: May 2016 – May 2017*



#### Contact Information

Greg Hebard  
Site Manager  
1000 Saddle Creek Drive  
Copperopolis, CA 95228  
P: 209.785.0100

The Saddle Creek CSD needed specific expertise related to a local special tax tool that needed an overhaul. NBS was engaged for the local as well as project knowledge to see this effort to success. The special mailed ballot measure was successful, increasing the local parcel tax revenues to \$1MM annually, while also fixing some structural issues.



## SECTION B | METHODOLOGY & APPROACH

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### Timing

As mentioned in our cover letter, the timing alluded to in the RFP seems very ambitious. If the CSD is looking at a registered voter approval/election consolidation on March 3, 2020 and a levy for 2020/21, it is very late to the game to do any public engagement and very tight to perform the polling and outreach as envisioned. If March 3 is the election, the deadline to consolidate is December 6. The options are then to consider a direct mailed-ballot election, possibly in June 2020, or investigate a November 2020 election date for any voter-approved measures. In all cases, public engagement time will be limited to get on the roll next August, and polling and outreach will need to be robustly performed. For an assessment district and mailed protest ballots, the timing is more under the CSD's control. This could occur early in 2020 on a more manageable timeline.

### NBS' Approach

NBS is a special purpose firm providing the exact types of services as requested by the District.

We approach this project as an extension of District staff. We work with you as partners, and pay attention to your concerns. Our team will solicit your active involvement in the project, yet respect your time by not burdening you with unnecessary requests. In order to provide these advantages to the District, we believe that communication is a key factor.

At the inception of the work, NBS will schedule an all-hands meeting and develop a timeline to achieve the goals and deadlines, as needed.

### Work Plan

Our detailed task plan below reflects the language of the RFP, with additional comments by NBS in italics. We have provided this scope as a pro forma given what we understand will be the likely scope of services:

#### TASK 1. DATA COLLECTION

We will immediately review all existing related information, plans, budgets, assessment and other reports, recent polls, and related documents. *This will inform all subsequent steps.*

#### TASK 2. MEETING ATTENDANCE

Attend the kick-off meeting with a Board Committee and District staff to begin the project. Initial recommendations will be made by Consultant at this meeting regarding the identification, orientation and role of a community-based working group. Meet or confer with District and CalFire staff as needed. Attend three meetings of the Fire Funding Workgroup and/or Board Ad-hoc Committee. Attend two meetings of the Board of Directors to support the recommended revenue measure type and to present the measure's cost application methodology and final ballot language. *We will also be in regular contact via phone, email and such tools.*

#### TASK 3. CONDUCT ANALYSIS

Conduct the necessary analysis of zoning, property types, land use, occupancies, incidents and response rates and types, response trends and other data to devise the appropriate application methodology(ies).

#### **TASK 4. REPORT PREPARATION**

Prepare a “Report on Revenue Measure Options”, with relevant considerations, schedule(s) and estimated revenue generation.

- Prepare and submit draft revenue measure options and supporting documentation to staff/working group for review.
- Prepare final draft revenue measure options and recommendation report to the Board for approval.

#### **TASK 5. PREPARE DRAFT BALLOT MEASURE**

Prepare Draft Ballot Measure Language and Assist in Drafting the Supporting Board Resolution and Staff Submittal.

- For an Assessment District Formation, prepare the required Assessment Engineer’s Report.
- Conduct or assist the District in conducting a mail (assessment) ballot measure process.
- *Alternatively, for a parcel tax, assist the District in coordinating the consolidation of the election with County election officials.*

#### **TASK 6. CREATE TIME SCHEDULE**

Supply a time schedule for the consultant’s recommendations and Board approval of the desired revenue measure type, Board approval of the measure and the voting process. The revenue measure must be approved by the voters in time for levy on the 2020/21 tax rolls. *The analysis conducted may result in the recommendation of multiple revenue measures to implement. Timelines for each will be provided that allow for all necessary legal and procedural requirements to be met as well as suggested timing for public outreach to ensure a successful outcome.*

#### **TASK 7. PUBLIC RELATIONS AND OUTREACH (POLLING)**

Provide a draft recommended procedure for public engagement in development of the revenue measure(s) and a draft recommended measure outreach strategy. Develop one draft press release and one draft informational flyer summarizing the evaluation, findings and recommendations of the measure, its importance and implications of its success and failure, as appropriate.

*With regard to polling, we will work to customize the questions to reflect the needs, programs and accomplishments, and any identified issues. We will conduct a survey among likely voters throughout the Groveland CSD that will achieve the following objectives:*

1. *Explore the current image of local fire protection services, voters' attitudes towards their local fire services, and their assessments of the services' strengths and weaknesses;*
2. *Determine voter perceptions of the needs of their local fire protection district and the priorities that voters set for those needs;*
3. *Determine if March, June or November 2020 is the best time to place a measure before the voters;*

4. *Evaluate voters' top priorities for money raised in order to design a measure that best addresses the desires of the community;*
5. *Determine the most effective and important reasons for your voters to support a measure;*
6. *Develop a demographic profile of your voters, including how various demographic groups differ in their opinions and attitudes towards a possible ballot measure.*

*Since it has become much more difficult to reach people by telephone, we will supplement the telephone poll by contacting eligible voters via email. Safeguards are built into the process to prevent non-qualified respondents from completing the survey.*

*With a relatively small population of eligible voters, we expect the survey to complete between 50 and 75 interviews. If there are no identifying labels to the emails when they are sent out, the number of interviews to be completed via email will be quite small. However, if the subject line can identify the email as a survey being conducted for the Groveland Community Services District, the number will significantly increase. And if the sender is a District sponsored email address, the completion rate will increase even more.*

### **TASK 8. PUBLIC ENGAGEMENT SERVICES (OPTIONAL SERVICES)**

*As mentioned, we believe there is significant positive potential for additional outreach as well as public engagement services. If selected by the District, we would engage in a conversation about these services.*

*As an example for additional public engagement services, we provide this scope:*

#### **8.1** *Develop and deploy content to a dedicated webpage and social media, including but not limited to:*

- *District formation intent and options.*
- *Background and legislation for special financing district.*
- *Specialized mapping and graphics of fire service area.*

#### **8.2** *Develop one online/mailed survey to gather information from residents by:*

- *Providing concise explanations to residents about the survey.*
- *Developing specific questions that allow for focused results.*
- *Engaging a larger demographic within the boundaries of the proposed area.*
- *Measuring the performance of the survey.*
- *Providing useful and detailed results.*

#### **8.3** *Provide the following meeting services for one in-person meeting:*

- *Hosting in-person meetings to give the community the opportunity to discuss items of importance as well as build a sense of community.*
- *Creation and posting of community meeting notices that will be posted on various outlets such as social media, public locations and in the newspaper and or newsletter.*
- *Lead meetings with particular objectives created with the District prior to the meeting.*
- *Development of action items based on feedback received at Community Meetings.*

# Timeline

The following is an overview of our proposed project schedule. We will discuss a detailed schedule at the kick-off meeting, along with the expected timing for individual tasks.

## PROJECT SCHEDULE FOR THE GROVELAND COMMUNITY SERVICES DISTRICT

TASK DESCRIPTION	September				October				November				December				January				February				March				April			
Task 1. Data Collection																																
Task 2. Meeting Attendance																																
Task 3. Conduct Analysis																																
Task 4. Report Preparation																																
Task 5. Prepare Draft Ballot Measure																																
Parcel Tax Formation																																
CFD Formation																																
Fire Assessment Formation																																
Task 6. Create Time Schedule																																
Task 7. Public Relations and Outreach																																
Task 8. Optional Public Engagement Services	Timing of service will depend on which funding option is selected.																															

Consultant Task Time

Meetings and Presentations

Election/Assessment Ballot Proceeding

Please note: This page intentionally formatted differently to improve legibility of content.

## SECTION C | PROPOSED COMPENSATION

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As requested in the RFP, the Cost Proposal has been submitted separately in hard-copy only.



www.FinanceDTA.com

99 Almaden Boulevard, #875  
San Jose, CA 95113

September 13, 2019

Ms. Jennifer Flores  
Administrative Services Manager  
Groveland Community Services District  
P.O. Box 350  
Groveland, CA 95321  
E-mail: [JFlores@GCSD.org](mailto:JFlores@GCSD.org)

**Subject: Consulting Services in Support of Fire Services Revenue Measure 2019**

Dear Ms. Flores:

DTA (formerly David Taussig & Associates), in association with Strategy Research Institute ("SRI"), is pleased to submit this proposal to the Groveland Community Services District ("GCSD"). It is our understanding that GCSD is seeking a qualified consultant to provide public opinion and assessment engineering consulting services related to the local revenue measure and Request for Proposals ("RFP") issued on August 28, 2019. If our team is selected, DTA will be the lead consulting firm responsible for special district formation and administration and SRI will be the subcontractor dedicated to the public polling and outreach component of the project. The engagement discussed herein relates to both the public polling and role of Assessment Engineer for the formation and annual administration of the proposed Community Facilities District ("CFD") or Assessment District ("AD") for GCSD. **DTA has been licensed and registered with the U.S. Securities and Exchange Commission ("SEC") and Municipal Securities Rulemaking Board ("MSRB") as a Municipal Advisor (No. 867-01160) and follows all the fiduciary requirements associated with this designation.**

DTA is well qualified for this role based on our firm's experience working on over 2,000 land-secured financing districts in 10 states over the past 35 years, with the vast majority of this experience occurring within the State of California. These land-secured districts have included both CFDs and ADs.

While DTA has had extensive experience working with both CFDs and ADs since being founded in 1985, we would recommend against using an AD for GCSD based on the findings in the Third District California Court of Appeals ("Court") case, *Concerned Citizens for Responsible Government v. West Point Fire Protection District*. The Court determined that the use of an AD to provide fire protection services does not comport with the provisions of Proposition ("Prop") 218 that established higher standards when conferring "special benefits" on properties to establish an AD lien. According to the Court, in this published decision:

*"Fire suppression, like bus transportation or police protection, is a classic example of a service that confers general benefits on the community as a whole. A fire endangers everyone in the region. No one knows where or when a fire will break out or the extent of damage it may cause. Fire protection is a service supported by taxpayer dollars for the benefit of all those who reside in the entity's jurisdiction and those unlucky members of the public who may need it while temporarily within its borders. Such protection cannot be quantifiably pegged to a particular property, nor can one reasonably calculate the proportionate "special benefits" accruing to any given parcel."*

The Court goes on to state that assessments intended to generate revenues for fire protection services cannot be quantifiably linked to a specific property or used to calculate “special benefits” for a given parcel under the provisions of Prop 218. As a result, in recent years, DTA has refrained from using an AD for the purposes of funding fire protection services. Instead, we have relied on special taxes for citywide fire protection districts or, in cases in which fire protection services have been levied in a smaller area, we have used CFDs to authorize special taxes. Furthermore, last month, the U.S. Supreme Court refused to hear the Building Industry Association’s (“BIA’s”) challenge to the City of San Ramon regarding the legality of establishing a CFD and levying a special tax to provide City services to a select group of parcels. In light of these developments, DTA believes that a special tax or CFD would be a more appropriate and legally defensible choice than an AD to meet the financing needs of GCSD.

The enclosed response includes information on our firm’s extensive experience with land-secured financing districts and the qualifications of the staff members we have assigned to this engagement. DTA and SRI are available to dedicate time, personnel, and resources throughout the duration of the project.

The content of DTA’s proposal has been prepared to establish the following:

- **DTA’s experience/qualifications.** Since its establishment in 1985, DTA has completed consulting assignments pertaining to the financing of public infrastructure and services for more than 3,000 clients in 10 states. During this period, the firm has been involved in the formation of almost 2,000 public finance districts, with total bond authorizations exceeding \$60 billion. **DTA’s level of experience with the formation and issuance of bonds for CFDs is unequalled as our firm is the State of California’s leading Special Tax Consultant, having prepared special tax formulas on behalf of public agencies for the establishment of over 1,200 CFDs.** DTA has provided public finance consulting services to virtually every major city and county in the State. Our county clients have included the Counties of Alameda, Butte, Contra Costa, Fresno, Imperial, Los Angeles, Madera, Marin, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, Santa Barbara, Shasta, Sutter, Stanislaus, and Yuba. Our city clients include but are not limited to the Cities of Anaheim, Fresno, Irvine, Long Beach, Los Angeles, Oceanside, Sacramento, San Diego, San Francisco, San Jose, San Marcos, and Vista. Section I includes a list of three (3) public agency clients for whom DTA has recently established and administered one or more public finance districts, as well as references for each of these clients. Additional information on DTA is available on our website ([www.FinanceDTA.com](http://www.FinanceDTA.com)).
- **SRI’s experience/qualifications.** SRI has extensive experience in designing and administering public opinion studies that are virtually identical to the one requested by GCSD. For more than two decades, SRI has been providing policy research and consulting services to a variety of public sector clients, including cities, counties, park and recreation districts, transportation agencies, and school districts. In particular, SRI has conducted public policy and public opinion research for numerous California cities, including the Cities of Brentwood, Davis, Fremont, Gilroy, Half Moon Bay, Hollister, Lafayette, Los Altos, Martinez, Moreno Valley, Pacifica, Pleasanton, San Pablo, Santa Rosa, South Gate, and Ventura, as well as the City of Oakland Fire Department. SRI’s experience has involved nearly every form of funding measure, including sales taxes, special taxes, parcel taxes, bonds, and Prop 218–type special benefit assessments. Section I includes a list of three (3)



public agency clients for whom SRI has recently provided public opinion research and tax feasibility studies, as well as references for each of these clients. Additional information on SRI is available on the firm's website ([www.SRI-Consulting.org](http://www.SRI-Consulting.org)).

- **DTA's broad-based experience.** DTA has considerable experience with virtually every CFD/AD scenario imaginable. We have participated in districts with single and multiple property owners, improvement areas and zones, single and multiple series of bonds, escrowed bonds, fixed and variable rate and capital appreciation bonds, and residential and non-residential land uses. DTA has developed apportionment methodologies for the financing of Master Plan capital improvements, local subdivision improvements, public services, and even the undergrounding of existing overhead utilities. We have participated in the formation of land-secured districts containing fewer than 20 dwelling units and more than 38,000 dwelling units. Our staff has participated in numerous refundings and restructurings as well. This experience gives us the ability to analyze our clients' needs and match those needs with the financing mechanism that will maximize the capacity of the financing program while minimizing burdens on homebuyers and other property owners. Furthermore, the variety of financing structures for which we have provided these services have given us a perspective and level of skill that is unmatched. DTA's financial consulting services and work products reflect the scrutiny and refinement that can only come through such extensive experience. This experience can be crucial in identifying and resolving issues and helping our clients avoid the pitfalls that we have seen cause problems for other municipalities.
- **DTA's success in representing municipalities in negotiations with developers and community property owner groups.** Since 1985, DTA has represented hundreds of municipalities in their negotiations with developers and other property owners related to the formation and implementation of CFDs and ADs. This has included deliberations related to Development Agreements, Acquisition and Funding Agreements, and a variety of formation documents, including Rates and Methods of Apportionment ("RMAs") and special assessment apportionments. DTA's experience preparing RMAs, which are the recorded documents that memorialize CFD special tax formulas, is unmatched in our industry. We understand developer pro formas and the impacts of CFD special taxes and AD special assessments on property owners' investment returns. Our reputation for developing creative solutions and designing specialized CFD tax formulas to resolve conflicts between municipalities and property owners has been well established with our municipal clients, underwriters, bond counsels, and other financial professionals. From the drafting of appropriate *Special District Goals and Policies* through the preparation of CFD special tax formulas that constitute a win-win for both public agencies and property owners, DTA has been the leader in the field of special tax consulting.
- **DTA's commitment to providing superior service to GCSD.** Over the past 35 years, DTA has earned the trust of public agencies, bond investors, and other industry participants. Our name is synonymous with quality, accuracy, and responsiveness. Our firm stays abreast of legal, political, and economic events impacting our fields of expertise and we are often the innovator of new techniques and methodologies that are necessary to adapt to a new public finance environment. To maintain that edge, DTA includes on its staff an attorney who specializes in these matters. As a result, DTA is aware of the latest court



decisions impacting AD and Prop 218 law and we have adjusted our work product to withstand the standards of review recently adjudicated by the California Supreme Court and Courts of Appeals. DTA's emphasis on the quality of our work product is evidenced by the fact that, in 35 years, we have **never** been the subject of a lawsuit, which is highly unusual for a firm in our line of work.

- **DTA's project team qualifications.** Perhaps DTA's most outstanding qualification is the dedication and loyalty of the senior employees, many of whom have worked at DTA for 15 years or more and are available should any unique situations arise. DTA can offer a level of management expertise unequalled throughout the public finance consulting industry. DTA's staff includes attorneys and engineers who enable our staff to delve into areas of public finance that transcend the abilities of other public finance consulting firms. At the same time, however, DTA continues to emphasize public finance as the firm's primary focus, unlike a law firm or civil engineering firm for which public finance constitutes only a small portion of its business. **In that regard, three of DTA's senior staff to be involved in this engagement, David Taussig, Kuda Wekwete, and Nathan Perez, hold Series 50 licenses as registered Municipal Advisers with the SEC/MSRB under rules promulgated following the Dodd-Frank Act in 2010.** Resumes for each of our senior team members are included in Section I of this proposal.

Overall, DTA and SRI have enviable reputations for producing the highest level of work in a quick and efficient manner to correspond with even the most aggressive financing schedule. We are currently working together on a similar Citywide financing district to fund cable internet services in the City of San Pablo. Our professional staff offers more than technically competent assessment/special tax district engineering and can help GCSD avoid costly mistakes and develop an implementation-ready plan to meet GCSD's strategic objectives.

If you have questions regarding this proposal, please feel free to call me at (800) 969-4DTA. We look forward to having the opportunity to work with you on this engagement.

Sincerely,



Nathan D. Perez, Esq.  
Managing Director  
Phone: (800) 969-4DTA  
Fax: (408) 340-1130  
[Nate@FinanceDTA.com](mailto:Nate@FinanceDTA.com)



[www.FinanceDTA.com](http://www.FinanceDTA.com)

## RESPONSE TO REQUEST FOR PROPOSALS (RFP)

GROVELAND COMMUNITY SERVICES DISTRICT  
CONSULTING SERVICES IN SUPPORT OF FIRE  
SERVICES REVENUE MEASURE 2019

PROPOSAL SUBMISSION DEADLINE:

September 13, 2019, at 2:00 p.m.

Public Finance  
Public-Private Partnerships  
Development Economics  
Clean Energy Bonds

*Newport Beach | San Jose | San Francisco | Riverside  
Dallas | Houston | Raleigh | Tampa*

**GROVELAND COMMUNITY SERVICES DISTRICT**



**CONSULTING SERVICES IN SUPPORT OF FIRE SERVICES  
REVENUE MEASURE 2019**

**SEPTEMBER 13, 2019, AT 2:00 PM**

**Prepared for:**

**Groveland Community Services District**

**P.O. Box 350**

**Groveland, CA 95321**

**Attention: Jennifer Flores, Administrative Services Manager**

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## **I STATEMENT OF QUALIFICATIONS**

### **A Firm Overview**

DTA is a California public finance consulting firm with a national practice focusing on public-private partnerships and the establishment and implementation of infrastructure and public services financing programs for local municipalities in California and 10 other states. Our firm, which provides public finance consulting services to both public and private sector clients, has offices in Newport Beach, San Francisco, San Jose, and Riverside, California, as well as branch offices in Dallas and Houston, Texas, Raleigh, North Carolina, and Tampa, Florida. Additional information on DTA is available on our website ([www.FinanceDTA.com](http://www.FinanceDTA.com)).

DTA has a staff of 55 employees, all of whom are directly involved solely in public finance. Staff members come from backgrounds in several fields, including land development, public administration, civil engineering, investment banking, economic consulting, redevelopment, law, and land use planning. This diversity of experience and expertise allows DTA to meet a wide variety of challenges related to both the actual work product and client management. All of DTA's staff members have considerable experience in computer-based financial analyses and modeling, which is a key component of the firm's consulting services.

**Public finance consulting is the singular focus of the services provided by DTA.** Since its formation in 1985, DTA has assisted over 3,000 public and private sector clients in meeting their infrastructure and public services goals. DTA has been licensed and registered with the U.S. Securities and Exchange Commission ("SEC") and Municipal Securities Rulemaking Board ("MSRB") as a Municipal Advisor (No. 867-01160) and is following all the fiduciary requirements associated with this designation.

DTA's consulting services include the following:

- Public infrastructure and public services financing strategies;
- Assessment engineering and special tax consulting;
- Fiscal and economic impact analyses;
- Clean Energy Bonds;
- Proposition ("Prop") 218 and Assembly Bill ("AB") 1600 compliance studies, as well as user fee studies;
- Federal and state grant, loan, and tax credit applications;
- Economic development and revitalization studies; and
- Public improvement construction management services.

DTA has been involved in the formation of over 2,000 public finance districts, with total authorized bonded indebtedness over \$60 billion. Our financing programs have utilized a variety of public financing mechanisms, such as Community Facilities Districts ("CFDs"), 1913/1915 Act Assessment Districts ("ADs"), 1972 Act Lighting and Landscaping Districts ("LLDs"), Certificates of Participation, Tax Allocation Bonds, Sewer and Water Revenue Bonds, Marks-Roos Bond Pools, Integrated Financing Districts, and various types of fee programs. **DTA's level of experience with special district formations is unequalled as our firm is the State of California's leading Special Tax and Assessment Consultant, having prepared special tax and assessment formulas on behalf of public agencies for the establishment of over 1,200 CFDs, ADs, and LLDs.** DTA also has considerable experience establishing a variety of financing districts and property owner associations for the purpose of funding public service shortfalls created by new development.

On a Statewide basis, DTA has planned and implemented Public Facilities Financing Plans ("PFFPs") that have ranged from the quantitative analysis of a single financing mechanism for an individual facility to the preparation of a comprehensive financing plan covering multiple facilities and public services through a series of financing mechanisms. We at DTA feel strongly that our financial analyses provide public officials, landowners, and other interested parties with the level of information needed to make fully informed decisions regarding land use, infrastructure, and public service financing issues. DTA staff has extensive experience working with various stakeholder groups, including public agencies, public agency municipal staff, residents, local chapters of the Building Industry Association ("BIA"), the Chamber of Commerce, and other interested parties.

In addition, DTA has been performing public facilities fee consulting services for 32 years, since 1987. Development Impact Fees ("DIFs") were enacted under AB 1600 by the California Legislature in 1987 and codified under California Government Code §66000 et seq., also called the Mitigation Fee Act ("AB 1600"). DTA has had extensive experience preparing DIF studies that have complied with Section 66000 et seq. of the Government Code and withstood legal scrutiny to where none of our prior studies have been subject to any litigation. DTA also retains in-house legal counsel engaged in this project who can assist the Groveland Community Services District ("GCSD") in clarifying legal issues that may arise related to the review or preparation of a nexus study.

Each of DTA's AB 1600 studies, and our AD formation work, include a benefit cost analysis and the determination of nexus between the facilities financed, existing and future land uses, and the specific financing mechanism. DTA has prepared approximately 500 fee justification studies and analyses throughout California and in other states involving fees for many public improvements, including transportation, water, sewer and flood control facilities, fire and police stations, parks, libraries, and other types of infrastructure.

While DTA has had extensive experience working with both CFDs and ADs since being founded in 1985, we would recommend against using an AD for GCSD based on the findings in the Third District California Court of Appeals ("Court") case, *Concerned Citizens for Responsible Government v. West Point Fire Protection District*. The Court determined that the use of an AD to provide fire protection services does not comport with the provisions of Prop 218 that established higher standards when conferring "special benefits" on properties to establish an AD lien. According to the Court, in this published decision:

*"Fire suppression, like bus transportation or police protection, is a classic example of a service that confers general benefits on the community as a whole. A fire endangers everyone in the region. No one knows where or when a fire will break out or the extent of damage it may cause. Fire protection is a service supported by taxpayer dollars for the benefit of all those who reside in the entity's jurisdiction and those unlucky members of the public who may need it while temporarily within its borders. Such protection cannot be quantifiably pegged to a particular property, nor can one reasonably calculate the proportionate "special benefits" accruing to any given parcel."*

The Court goes on to state that assessments intended to generate revenues for fire protection services cannot be quantifiably linked to a specific property or used to calculate "special benefits" for a given parcel under the provisions of Prop 218. As a result, in recent years, DTA has refrained from using an AD for the purposes of funding fire protection services. Instead, we have relied on special taxes for citywide fire protection districts or, in cases in which fire protection services have been levied in a smaller area, we have used CFDs to authorize special taxes. Furthermore, last month, the U.S. Supreme Court refused to hear the BIA's challenge to the City of San Ramon regarding the legality of establishing a CFD and levying a special tax to provide City services to a select group of parcels. In light of these developments, DTA

believes that a special tax or CFD would be a more appropriate and legally defensible choice than an AD to meet the financing needs of GCSD.

## **B Special District Formations**

DTA's special tax formulas and special assessment apportionments, some of which have been in use since 1985, are based on many methodologies that have withstood the test of time. Our firm's objective has been to take a balanced approach and utilize innovative and state-of-the-art techniques that enable all parties to receive the maximum benefit from public financing. DTA is aware of and has contributed to the most innovative and creative concepts in land-secured public financing. This knowledge and experience have allowed DTA to *maximize the capacity* of land-secured financing programs *while minimizing burdens* on homebuyers and other property owners.

DTA is responsible for providing assessment engineering services to all the ADs being established by the California Statewide Community Development Authority ("CSCDA"), which include over one dozen AD formations *annually* for the Statewide Community Infrastructure Program ("SCIP") and a half-dozen Property Assessed Clean Energy ("PACE") Programs that have provided clean energy improvements to over 100,000 parcels Statewide. Today, DTA continues to seek innovative solutions and refine our work product to better serve and protect our clients.

## **C Special District Administration**

DTA has served as the Special Tax Consultant for numerous cities, counties, water districts, and school districts. For your reference, DTA levied special taxes, assessments, and other charges on more than 3,000,000 Assessor's parcels in over 400 districts in fiscal year 2018-2019. In addition, we prepared and/or disseminated over 300 Continuing Disclosure Reports in the last 12 months. Besides being the State of California's leading Special Tax Consultant for the formation of CFDs, DTA has also been a leader in the enrollment and collection of special taxes for 35 years. Therefore, unlike many consulting firms, we bring a depth of experience only achieved by providing consulting services on both the formation and administration of special districts. DTA's ability to retain the vast majority of its senior employees enables our firm to provide management expertise without peer in the special tax consulting field. DTA, unlike other firms, encourages its employees to work on both the formation and the administration of CFDs. As a result, this has provided our staff with a much more comprehensive understanding of the details involved in implementing a successful CFD.

## **D Legal Expertise**

DTA's General Counsel regularly reviews legal opinions, regulations, and statutes that impact or modify the Mello-Roos Community Facilities Act of 1982 ("Mello-Roos Act"), the various Improvement Acts, and Prop 218 (and related case law). All of DTA's work product is designed specifically to comply with the California Courts' latest findings. For example, DTA has been hired by the City of Ventura to revise existing special benefit apportionments for park maintenance services to ensure that they comply with the State Court of Appeals' decision in *Beutz v. County of Riverside*. Our firm has also previously acted as the Assessment Engineer in the establishment of ADs to incorporate the various courts' findings in *Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority*, *Golden Hills Neighborhood Association v. City of San Diego*, and *Concerned Citizens v. West Point Fire Protection City*. In addition, Mr. Taussig served as the expert witness for the City of San Diego in *San Diegans for Open Government vs. City of San Diego*, which was a challenge regarding the validity of the assessments being levied on 18 Business Improvement Districts ("BIDs") within that City. DTA is committed to providing unbiased deliverables that reflect the most current developments in public finance and real



property law.

## **E SRI's Qualifications**

Strategy Research Institute ("SRI") routinely partners with cities, counties, special districts, Joint Power Authorities ("JPAs"), and other public agencies to assist them in addressing their fiscal challenges. This often involves identifying the most appropriate funding mechanism to place on their local ballot, including a General Obligation Bond, parcel tax (or other form of property tax), sales tax, or yet another funding mechanism that is authorized through a mail ballot sent to property owners within their respective jurisdiction, such as a Prop 218-type funding measure [Mello-Roos CFD, Landscape and Lighting Assessment District ("LLAD"), Landscape Maintenance District ("LMD"), etc.]. Some of these funding mechanisms require simple majority support for passage, while others (such as a special tax) require 2/3rds voter support to be authorized. SRI can "test" up to four funding mechanisms in a single benchmark scientific survey of registered voters and/or property owners.

As a research and consulting Institute, SRI is uniquely qualified to partner with DTA and GCSD on this project. For nearly the past three decades, SRI has been conducting tax feasibility studies virtually identical to the one being recommended here. More importantly, their predictions routinely turn out to be within 1% of reality, while the statistical "margin of error" typically ranges between  $\pm 4\%$  to 5% (depending upon the sample size). SRI also has experience involving virtually every form of funding measure, including but not limited to sales taxes, special taxes, parcel taxes, bonds, Prop 218-type special benefit assessments, and more. One of SRI's major strengths lies in its ability to conduct cause-and-effect research employing both descriptive and advanced statistical procedures. Once specific causes are known, SRI researchers and strategists can suggest solutions that lead their clients to successful planning and goal attainment.

## **F DTA Key Personnel**

DTA has assigned personnel to this project that bring experience and technical expertise to each unique element of study. Project roles of our key team members are described below and followed by professional biographies.

DTA's strength is built upon the experience of its professional staff. Most of our senior management team has 15 or more years of hands-on industry experience. These individuals have extensive experience in both the formation and administration of CFDs and ADs and are highly skilled in computer-based analyses and modeling, which is a key component of the firm's consulting services. We place great emphasis on quantitative skills and simply outwork the competition. Our staff focuses on accuracy, responsiveness, and client satisfaction.

David Taussig, CEO/President, will serve as Principal-in-Charge of DTA's project team and handle primary account responsibilities for this engagement. Mr. Taussig will attend meetings, as necessary, and supervise all project staff. Kuda Wekwete, a Senior Vice President at DTA, will serve as the Project Manager and be responsible for GCSD's deliverables and day-to-day coordination. Nathan Perez, Esq., a DTA Managing Director, will be responsible for legal reviews of DTA's work product. Several DTA Associates and Analysts will also work on this engagement. The work will be performed in our corporate headquarters offices in Newport Beach.

According to the SEC, as of September 13, 2017 (due to a new regulatory requirement), representatives of Municipal Advisor firms must have earned the Series 50 license in order to engage in municipal advisory activities. DTA managers at the Vice President level and above are Series 50 licensed and therefore duly authorized by the SEC/MSRB to engage in municipal advisory activities.





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## SECTION I STATEMENT OF QUALIFICATIONS

DTA has an enviable reputation for producing high-quality work in a quick and efficient manner to correspond with even the most aggressive project schedule. DTA's clients also receive high levels of personal attention from senior staff, with a President or senior management always available to meet with public agency staff and other groups.

### **David Taussig**

President | [David@FinanceDTA.com](mailto:David@FinanceDTA.com)

Project Role – Principal-in-Charge

Mr. Taussig has over 45 years of experience in the fields of real estate finance and urban economics. His areas of expertise include municipal finance programs for infrastructure and public facilities development, fiscal and redevelopment impact analyses, and land development project feasibility studies.

Mr. Taussig has an extensive background in computerized financial analyses. Since founding DTA in 1985, Mr. Taussig has developed several state-of-the-art analytical methods and modeling approaches and directed the formation of over 1,000 public financing districts and subsequent sale of tax-exempt municipal bonds. These districts have funded public infrastructure and services for many types of residential and non-residential development and included several hundred master-planned communities built throughout California and in several other western states. Mr. Taussig's work has involved both the preparation and implementation of financing plans and his public sector clients have included virtually every major urban county and city within California and hundreds of special districts. He has provided similar consulting services to many of the largest land development firms in the State of California. The financing programs implemented by Mr. Taussig have ranged from land-secured CFDs to redevelopment tax increment programs and lease revenue-based Certificates of Participation. He is also responsible for DTA's successful efforts related to funding opportunities under the American Recovery and Reinvestment Act and various tax credit programs.

**Mr. Taussig has also overseen the preparation of numerous feasibility and impact studies involving the computerized analyses of project cash flows and/or impacts on public agencies and landowners. He has assumed project management responsibilities for several dozen AB 1600 Development Fee Justification Studies, including recent studies prepared on behalf of the Cities of Blythe, Coachella, Live Oak, Paso Robles, Perris, Red Bluff, San Luis Obispo, Torrance, and Tustin and the Counties of Riverside, Santa Barbara, and Colusa. He has also handled the preparation of over 100 fiscal impact studies utilized by public agencies to determine the impact of new development or annexations on a municipality.**

Mr. Taussig was previously employed for 6 years by Mission Viejo Company ("MVC") where, as the Manager of Housing and Community Development, he was involved in the planning and financing of two planned communities encompassing over 50,000 homes. Mr. Taussig handled a substantial portion of MVC's mortgage financing and infrastructure financing during that period. He also worked for 5 years in the public sector as the Administrator of a Federal housing and community development program and a land use planner. Mr. Taussig's educational background includes a Master's Degree in City Planning from the University of California at Berkeley and B.A. in Economics from Cornell University. He has received full certification from the American Institute of Certified Planners. Mr. Taussig and the firm are a registered Municipal Advisor with the SEC/MSRB.



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## SECTION I STATEMENT OF QUALIFICATIONS

### **Kuda Wekwete**

Senior Vice President | [Kuda@FinanceDTA.com](mailto:Kuda@FinanceDTA.com)

Project Role –Project Manager

Mr. Wekwete has a background in mathematical modeling and statistical analyses. Since joining DTA in 2005, Mr. Wekwete has been assisting senior staff at DTA in the formation of CFDs, ADs, and LLDs and sale of special district bonds. His work has involved the preparation of tax spreads and overlapping debt analyses for the formation and/or sale of bonds for over 175 special districts established throughout California. In this role, Mr. Wekwete has prepared Rates and Methods of Apportionment ("RMAs"), CFD and Engineer's Reports, and documents required for the formation of CFDs, sale of property, and annual levying of special taxes.

Mr. Wekwete has also been actively involved in the preparation of DIF studies, especially in the areas of transportation and flood control infrastructure costing, and apportionment of these costs over various land use types based on benefit criteria. **He has recently been involved in the preparation and approval of AB 1600 impact fee programs in the Cities of Chino Hills, Colton, Fontana, Paso Robles, Perris, Temple City, Tustin, and Torrance and the Counties of San Luis Obispo and Santa Barbara.** Mr. Wekwete's engineering background has enabled him to prepare applications for State flood control grants under the Prop 84 and Prop 1E Programs and apply a variety of apportionment methodologies to the development of fee studies and establishment of benefit ADs for public sector clients.

Mr. Wekwete also has considerable experience in the preparation of Fiscal Impact Analyses ("FIAs"), including the development of tax sharing formulas between counties and cities. He has prepared numerous PFFPs, Storm Water Grants, and Implementation Grants and has performed due diligence services and prepared disclosure documentation for land purchasers, public agencies, and lenders.

Mr. Wekwete received his B.S. in Operations Research & Industrial Engineering from Cornell University and M.S. in Operations Research and Industrial Engineering from Columbia University. He also holds a Series 50 license as a registered Municipal Adviser with the SEC/MSRB under rules promulgated following the Dodd-Frank Act in 2010.

### **Nathan Perez, Esq.**

Managing Director/In-House General Counsel | [Nate@FinanceDTA.com](mailto:Nate@FinanceDTA.com)

Project Role – Legal Analysis

Mr. Perez has a background in law, economics, business administration, and statistical analyses. Since joining DTA, Mr. Perez has been involved in all aspects of the formation and implementation of hundreds of Mello-Roos CFDs and other ADs throughout California, New Mexico, Arizona, Texas, and Washington, with responsibilities related to developing tax spread pro forma analyses and preparing RMAs, Public Reports, and overlapping debt analyses.

Mr. Perez also has extensive expertise in the preparation, peer review, and defense of hundreds of DIF studies. This includes considerable work related to the preparation of facilities needs lists and apportionment of infrastructure and services costs to many land uses based on benefit criteria. He has also specialized in the apportionment of costs and setting of service levels for the construction and maintenance of law enforcement and fire protection facilities, open space acquisition, parkland, transportation facilities, drainage facilities, government services facilities, community centers, and library facilities. He has completed nearly 175 Fiscal Impact Reports ("FIRs") and 55 economic development analyses for a variety of residential, commercial, and mixed-use developments throughout California and 10 other states.

Finally, his experience as an attorney has allowed Mr. Perez to effectively and efficiently evaluate dozens of state and Federal legal, regulatory, and administrative frameworks related to public finance and infrastructure development.

Prior to joining DTA, Mr. Perez worked for the Boston office of an international law firm, where he advised sponsors, managers, and investors on the tax aspects of fund formation and investment. He is admitted to the bar in both Massachusetts and California. Mr. Perez received his law degree from Harvard Law School and B.A. in Economics and History, with highest distinction, from the University of North Carolina at Chapel Hill.

Mr. Perez is an active member of the Urban Land Institute ("ULI"), California Bar Association, and Hispanic National Bar Association. He also holds a Series 50 license as a registered Municipal Adviser with the SEC/MSRB under rules promulgated following the Dodd-Frank Act in 2010.

#### **G SRI Key Personnel**

Notably, SRI is comprised of a select team of behavioral scientists (both quantitative and qualitative researchers) and strategic planners. The project team leader for SRI will be G. Gary Manross, Ph.D., Chairman/CEO of SRI. Dr. Manross will be supported by the firm's Executive Vice President and Senior Research Associate, Mary Ann Williams; SRI's Chief Methodologist, Richard Miller, Ph.D.; and its Director of Qualitative Research, Debra L. Schultz, Ph.D. Dr. Manross and Dr. Miller are behavioral scientists with excellent academic credentials and years of applied experience. Ms. Williams has an M.A. in sociology and brings to the project nearly 20 years of applied experience, 16 of them with SRI. Dr. Schultz will oversee callers during the data gathering phase of the research effort. SRI will assign additional staffers to assist on the project on an as-needed basis.

#### **H References**

DTA has provided public finance consulting services to virtually every major city and county in the State. Our city clients are too numerous to list individually but include the Cities of Anaheim, Fresno, Long Beach, Los Angeles, Sacramento, San Diego, San Francisco, and San Jose. Our county clients have included the Counties of Alameda, Butte, Contra Costa, Fresno, Imperial, Los Angeles, Madera, Marin, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, Santa Barbara, Shasta, Sutter, Stanislaus, and Yuba. DTA has also provided public finance consulting services for over 325 school districts, water districts, and fire protection districts throughout California.

SRI has experience involving virtually every form of funding measure, including sales taxes, special taxes, parcel taxes, bonds, Prop 218-type special benefit assessments, and more. SRI also has extensive proficiency in designing and administering studies virtually identical to the present one requested by GCSD.

Listed on the following pages are five (5) references for DTA's and SRI's recent work involving revenue measure consulting services for municipalities in California. We encourage you to contact our references to learn firsthand how well DTA staff meets the needs of its clients.

**I Fig Garden Fire Protection District, CA**

**Table 1: Reference Information**

<b>Location</b>	Fig Garden Fire Protection District, CA	
<b>Project Dates</b>	June 2014-October 2015	
<b>Client Reference</b>	Ms. Kerri L. Donis, Fire Chief City of Fresno Fire Department 911 H. Street, Fresno, CA 93721 Phone: (559) 621-4199	Mr. Mike Getty, Finance Manager City of Fresno 2600 Fresno Street, Fresno, CA 93721 Phone: (559) 621-2489 <a href="mailto:Mike.Getty@Fresno.gov">Mike.Getty@Fresno.gov</a>

The Fig Garden Fire Protection District (the "District") hired DTA to conduct a feasibility review of available financing mechanisms and, ultimately, to conceptualize, propose, and conduct a registered voter election for a CFD to finance fire protection and suppression services. The District is an unincorporated island within Fresno County and also home to one of Fresno's oldest communities. DTA's research indicated that, without a new revenue stream, Fire Engine #20, comprised of nine full-time firefighters and emergency medical technicians, would have to be closed.

DTA evaluated the structural parameters of the existing revenue measure and legal landscape associated with revenue measures for fire protection/suppression services. Following much discussion with the Board and District's Counsel, the work group decided to utilize a CFD for the proposed revenue measure and not a Benefit AD. The key distinction between the two structures is that a CFD must be passed by a two-thirds (66.67%) vote of registered voters within the District's jurisdictional boundaries, whereas an AD demands a one-half (50% + 1) vote of property owners within those same boundaries. It was understood that the higher vote threshold demanded by a CFD would mean a much greater public outreach effort would need to be made.

On April 14, 2015, a duly noticed special election was held among the registered voters within the CFD at which such voters approved the revenue measure by the two-thirds (2/3) vote required by the Mello-Roos Act. By a percentage of 83.1%, the revenue measure passed. DTA recorded the Notice of Special Tax Lien for the CFD on May 27, 2015, thus satisfying the notice and disclosure provisions of the Mello-Roos Act.

**J City of Los Angeles, CA**

**Table 2: Reference Information**

<b>Location</b>	Los Angeles, CA
<b>Project Dates</b>	June 2012-May 2013
<b>Client Reference</b>	Ms. Natalie Brill, Chief of Debt Management 200 North Main Street, Room 1500, Los Angeles, CA 90012 Phone: (213) 473-7526 <a href="mailto:Natalie.Brill@LACity.org">Natalie.Brill@LACity.org</a>

DTA has provided special tax consulting services to the City of Los Angeles for numerous special tax districts since 1992 and, in fact, has participated in the formation of all 10 of the City's CFDs. The latest district involved an election in December 2012 in which downtown Los Angeles **registered voters** residing within a special streetcar district approved the levy of a special tax to finance a new streetcar system. With 73% of the votes cast in favor of the project, the voters approved up to \$85 million in local funding that will cover approximately one-half of the cost of the fixed rail transit service, with the

remainder of the funds to be sought from the Federal government. The special taxing district encompasses properties extending approximately three blocks around the proposed streetcar route. Properties closest to the route will have a higher tax rate than those farther away from the route. The special tax for most residential condominium units in the district will be less than \$100 per year. Construction on the project is expected to be completed by 2015. DTA will be administering the special taxes for this CFD, as it does for all City CFDs.

**K City of Paso Robles, CA**

**Table 3: Reference Information**

<b>Location</b>	Paso Robles, CA
<b>Project Dates</b>	2006-2019
<b>Client Reference</b>	Mr. Warren Frace, City Planning Director 1000 Spring Street, Paso Robles, CA 93446 Phone: (805) 237-3860 <a href="mailto:WFrace@PRCity.com">WFrace@PRCity.com</a>

DTA successfully completed the formation of a Citywide Mello-Roos CFD to mitigate the police and fire protection services shortfalls determined through the preparation of the FIA in 2006. DTA has recently been rehired by the City to update the FIA in order to create a new CFD that eliminates any shortfall in City revenues versus costs for new development in the City. In that regard, DTA has prepared a series of cash flow pro formas for each major infrastructure category of the City's public facilities needs list for long-term budget and financial planning purposes.

In addition, DTA is currently working on an update to an original AB 1600 Fee Justification Study that our firm also prepared for adoption by the Paso Robles City Council in 2006. Our firm's 2006 engagement involved the preparation of the Fee Justification Study and an FIA for the City. DTA prepared its original work in 2006 and incorporated updates in 2009, 2012, and 2014. Major project objectives included a comprehensive review of existing City fee programs and Ordinances, the identification of needed backbone infrastructure (with an emphasis on the transportation facilities required east of State Highway 101) and costs related to any existing infrastructure deficiencies in that area, an update of the City's existing fee program, and the preparation of a Draft Ordinance to be utilized by the City for the collection of fees.

**L City of San Pablo, CA**

**Table 4: Reference Information**

<b>Location</b>	San Pablo, CA
<b>Project Dates</b>	2011-Present
<b>Client Reference</b>	Mr. Matt Rodriguez, City Manager 3831 San Pablo Avenue, San Pablo, CA 94806 Phone: (510) 215-3016 <a href="mailto:MattR@SanPabloCA.gov">MattR@SanPabloCA.gov</a>

SRI's effort resulted in a half-cent increase in local sales tax to pay for City services. The measure was placed on the ballot in June 2012 during the election cycle. SRI was commissioned to design and administer a benchmark voter survey and, subsequently, to orchestrate and oversee public outreach to local voters to explain the need for these funds. The measure required a simple majority vote to pass and received 73.56% voter support.



**M Fresno Council of Governments ("COG"), CA**

**Table 5: Reference Information**

<b>Location</b>	Fresno, CA
<b>Project Dates</b>	2011-2014
<b>Client Reference</b>	Mr. Tony Boren, Executive Director 2035 Tulare Street, Suite 201, Fresno, CA 93721 Phone: (559) 233-4148 <a href="mailto:TBoren@FresnoCOG.org">TBoren@FresnoCOG.org</a>

SRI's effort resulted in a successful half-cent sales tax (for a total of \$1.7 billion) earmarked for public transportation and public transit. SRI was commissioned to design and administer a benchmark voter survey and, subsequently, to consult with the Fresno COG involving outreach to residents of 15 cities and the unincorporated areas of Fresno County regarding the need for the continuation of this funding mechanism. The measure received 78% voter support.<sup>1</sup>

**N East Bay Regional Park District, CA**

**Table 6: Reference Information**

<b>Location</b>	Oakland, CA	
<b>Project Dates</b>	1988-Present	
<b>Client Reference</b>	Pat O'Brien, Former General Manager (Recently Retired) Phone: (510) 612-2093 <a href="mailto:PatOBrien6@hotmail.com">PatOBrien6@hotmail.com</a>	Carol Johnson, Assistant General Manager, Public Affairs Phone: (510) 544-2006 <a href="mailto:CJohnson@EBParks.org">CJohnson@EBParks.org</a>

Since 1988, SRI has helped the East Bay Regional Park District ("EBRPD") secure in excess of \$1 billion in new taxes and annual assessments. SRI's first project was a successful \$225 million bond measure (Measure AA) that required 2/3 voter support. SRI has also orchestrated successful special benefit assessments (Measures KK and LL) that received 79.8% and 69.1% voter support, respectively, a \$45 million parcel tax requiring 2/3 voter support in the November 2004 elections, another successful funding measure in 2008 (Measure CC), and, most recently, a \$500 million bond measure (Measure WW) that secured over 72% voter support. Notably, Measure WW was the largest funding measure put on the ballot by a regional park district in the history in the United States. SRI conducted feasibility studies and provided consulting services for outreach to registered voters in the respective zone of benefit (including portions of Alameda and Contra Costa Counties) and continue to be under contract (based upon a monthly retainer) with the EBRPD.

<sup>1</sup> The very same funding measure had been placed on the ballot three years earlier and SRI was not involved in that initial effort. The Fresno COG's polling said they had 72% voter support. However, when SRI reanalyzed the polling data (from a competing firm) using the SRI Go, No-Go Model, it was determined that likely voter support, in reality, was 56%. The outcome of that election was 54%. SRI was retained to assist in placing the measure on the ballot a second time and the outcome of that election was 78% voter support.

## **II SCOPE OF WORK**

GCSD was established in 1953 to serve the communities of Groveland and Big Oak Flat. Today, GCSD is comprised of a service area comprised of approximately 2,944 residents, with approximately 4,452 parcels of property. During summer, the population swells up to over 8,000 on weekends. Population growth rate is basically non-existent.

Through the years, GCSD has grown from an all-volunteer operation to a staff comprised of a fire chief, three engineers, three full-time firefighters, and 11 volunteers and was fiscally sound. In 2012, however, a special tax measure was placed on the local ballot to replace the expired assessment. Unfortunately, it failed to achieve even a majority vote, which has led to a fiscal crisis. More specifically, approximately \$400,000 annually in increased revenue is needed to balance GCSD's budget and another \$200,000 is needed annually to fund the equipment/apparatus replacement needs of the department. GCSD's Fire Fund balance is estimated to be depleted by June 30, 2021, unless additional revenue is raised.

### **A Public Polling**

Phase A, the public polling component of the project, will be primarily handled by SRI. The firm routinely partners with cities, counties, special districts, JPAs, and other public agencies to assist them in addressing their fiscal challenges. For example, at the present time, SRI and DTA are working together in assisting the North (San Diego) County Fire Protection District (under the direction of Chief Steve Abbott) secure requisite voter support for a funding measure that will be administered by mail ballot in October 2019.

These projects typically involve identifying the most appropriate funding mechanism to place on the local ballot, such as a General Obligation Bond, parcel tax (or other form of property tax), special tax, sales tax, etc., or yet another funding mechanism that is authorized through a mail ballot sent to property owners within their respective jurisdiction, such as a Prop 218-type funding measure (Mello-Roos CFD, LLAD, LMD, etc.). Some of these funding mechanisms require simple majority support for passage, while others (such as a special tax) require 2/3rds voter support to be authorized. SRI can test up to four funding mechanisms in a single benchmark scientific survey of registered voters and/or property owners. In fact, for nearly the past three decades, SRI has been routinely predicting outcomes of voting behavior within 1% to 2% while the statistical margin of error typically ranges between 4.5% to 5.8%, depending upon the sample size.

The objective of the present effort is to assist GCSD in securing additional revenues (through one or more of several funding mechanisms) in order to address their growing fiscal challenges. Through this effort, SRI will identify one or more funding measures with the highest degree of potential success for being approved by local voters or property owners in order to provide a long-term funding source that is sufficient to fund operations and equipment replacement.

Toward that end, GCSD needs to commission a scientific survey in order to realize the following five objectives:

- Identify voter support for a funding measure; e.g., a special tax or other form of parcel tax, special benefit assessment, or other funding mechanism;
- Determine the electorate's threshold of willingness to pay;
- If directed, test to see if a sunset clause is needed and, if it is, how long the respective revenue stream can be kept in place;

- Identify core values and expectations among voters, rank-ordered, and then determine how these will impact voting behavior should a funding measure be placed on the ballot in 2019 or property owners are asked to authorize a CFD through a mail ballot; and
- Test arguments both in support of and in opposition to the proposed tax.

Once a specific funding mechanism is identified that will be embraced by local voters, GCSD needs to determine how best to inform constituents of how these monies will be spent, the benefits derived from a successful measure, and the consequences of the funding measure failing to secure the requisite vote. The only thing GCSD cannot do is to advocate either for a “yes” vote or “no” vote.

Should this turn out to be a special tax, parcel tax, or CFD, DTA will prepare and mail out notices and ballots to the affected property owners as described in Phase C of the Scope of Work. DTA will then tabulate the returns and assist GCSD in placing the annual assessment on the County’s tax rolls.

The specific activities and tasks to be performed under Phase A include the following:

#### Task A.1 – Research Design

The central component of this effort will be designing and administering a scientific telephone survey that will determine, definitively, whether or not there is sufficient support from within the local electorate and/or property owners to secure the requisite voter support for one or more tax measures with sufficient time for the tax measure(s) to be levied on the 2020/21 County tax rolls.. Equally important, if there is not sufficient voter support at the present time, SRI will identify whether anything can be done to realize increased voter support and, if so, what that would entail.

#### Task A.2 – Employment of the “Go, No-Go Model”

This will be accomplished by applying SRI’s proven “Go, No-Go Model,” which, for nearly the past three decades, has predicted voting behavior either spot on or within no more than 1% or 2% of reality (regardless of the statistical margin of error, which typically ranges between  $\pm 4\%$  to 5%). The three possible outcomes of applying SRI’s Go, No-Go Model are detailed below.

- **Go:** All is good and the funding measure(s) being tested will, indeed, secure the requisite voter support, e.g., 2/3 vote for a parcel tax and/or special tax, simple majority support for a general tax (where the yield is placed into GCSD’s General Fund), or a Prop 218 special benefit assessment (CFD).
- **No-Go:** There is simply not sufficient support within the local electorate or among property owners to secure the requisite vote for the funding measure(s) being tested and won’t be in the foreseeable future.
- **Go, but Not Now:** This indicates that some work needs to be done before placing the measure(s) on the local ballot. The good news is that, should this turn out to be the case, the scientific survey will be designed in a manner that will identify precisely what needs to be done. Furthermore, the Final Report will include specific recommendations for how to accomplish this objective without violating any laws or even being accused of spending tax dollars to advocate for voter support. The key here is **consensus building** among stakeholders, many of whom may have competing agendas. SRI’s expertise in consensus building is easily documented through their track record.

#### Task A.3 – Research Methodology

SRI researchers and strategic planners will work closely with GCSD officials (especially its professional staff) and DTA in developing an appropriate Research Instrument (questionnaire) for gathering the



desired intelligence (data).

SRI will employ the appropriate question formats and response scales (from both the scientific and applied perspectives) that are needed to address the research question(s) in the study at hand. Given a “team” approach between SRI researchers, DTA, and GCSD, the research design being advocated below holds special promise for GCSD in terms of realizing the precise goals and expectations that underlie the rationale for commissioning a scientific survey at the present point in time.

#### **Task A.4 – Data Collection**

Data will be collected by employing a technology called Computer Assisted Telephone Interviewing (“CATI”). Trained callers will conduct telephone interviews until the agreed upon number of respondents have completed the entire survey.

The approved instrument will be pretested on 20 respondents. Any and all necessary adjustments will be addressed and GCSD will be advised in advance of any required alterations. Once these alterations have been made and approved by GCSD, the survey will be completed in its entirety.

#### **Task A.5 – Data Analysis**

Data analysis will be administered through the well-known statistics package, SPSS. The findings from the survey will be thoroughly examined by SRI’s researchers and strategic planners, conclusions drawn, and recommendations developed.

#### **Task A.6 – Final Report**

The findings from the data analysis phase will be carefully reviewed by SRI researchers and strategic planners and a comprehensive Final Report will then be prepared for presentation to GCSD. The Final Report will consist of a narrative and graphic interpretation of the findings. This report will include the following:

- Key findings;
- SRI’s interpretations;
- SRI’s conclusions; and
- SRI’s recommendations.

The Final Report will include a graphic depiction of the findings in the form of charts, graphs, tables, and figures. Before a Final Report is prepared, however, SRI researchers and strategic planners will debrief GCSD officials in person (using charts and graphs).

This provides decision-makers with an opportunity to assess the findings from the research effort at the earliest possible moment. Furthermore, if the findings bring to the surface additional questions, SRI researchers can conduct the appropriate data analyses in order to address these questions.

Finally, DTA and SRI will provide GCSD with four (4) bound copies, plus one (1) unbound copy (produced in Microsoft Word®) for the purposes of duplication, and one electronic copy of the Final Report. . The findings will be presented in the form of an oral report before GCSD officials (or any other group), should this be requested.

#### **Phase A Deliverables:**

- Telephone survey;
- Summary Report; and

- Presentation.

## B Financial Feasibility

DTA shall provide the special tax (or, if appropriate, special assessment engineering) consulting services necessary to assist GCSD with the preparation of a tax formula, special assessment apportionment, or other revenue-generating vehicle, as well as a Public Report (or Engineer's Report) for the proposed special tax, parcel tax, CFD, or AD.

Typically, municipalities seek the services of a Special Tax Consultant or Assessment Engineer to utilize the consultant's specialized qualifications to advise and provide technical assistance to ensure numerical and technical accuracy in tax/assessment calculations, develop an equitable distribution of public improvement and/or services costs, and otherwise assist with the structuring and implementation of the district in a manner that follows the municipality's stated goals and policy objectives. DTA has the expertise required to provide these consulting services by virtue of its professional staff's many years of experience specializing in the formation, bond issuance, and administration of special districts.

In preparing its formulas, DTA recognizes that every project is different and that it is important for a consultant to consider a multitude of factors intended to achieve success despite the vagaries of the real estate market and contingencies that may occur. DTA's experience in the formation and implementation of over 2,000 successful land-secured finance districts over the past 35 years has enabled our firm to learn to anticipate problems before they occur, ensuring that our assessment formulas can adapt to virtually any future situation and stand the test of time.

The Phase B tasks listed below represent preliminary work prior to the submittal of the legislative package and do not include the actual formation of a CFD. DTA shall undertake this Scope of Services to provide the assistance requested in the RFP and meet GCSD's objectives for this engagement.

### Task B.1 – Kickoff Meeting

DTA shall meet with GCSD staff to review and discuss the proposed public needs/services required by GCSD's financing parameters, prepare a final schedule, discuss the public process, and resolve other concerns.

### Task B.2 – Land Use Research

This task involves determining, gathering, and organizing the land use data required to apportion and collect special taxes/assessments and includes the following subtasks:

- B.2.1 Determine Potential Area Boundaries:** With assistance from GCSD staff, DTA will establish the boundaries of the critical zones that might be included with the proposed special financing district ("Project Area"), which may be all parcels within GCSD's jurisdiction.
- B.2.2 Database Management:** We will create an automated parcel database to include all parcels within the Project Area. Data items will include the **Assessor's Parcel Number ("APN"), owner of record, mailing address, assessed value, and acreage.** The manipulation of this database (and the associated Project Area boundaries) will allow for the adjustment of the special taxes/assessments evaluated in Task B.5.
- B.2.3 Subdivision/GIS Research:** DTA will identify and obtain copies of all final tract or parcel maps for any proposed new development within the Project Area and determine the acreage for each parcel.

**B.2.4 Development Research:** We will determine any recent building permit activity within the Project Area; identify, where available, building permit issuance date, tract, and lot for each new building; and review current Assessor parcel maps to determine which parcel numbers will be valid for each fiscal year and ensure they are included within the database.

### **Task B.3 – Classification of Property**

This task involves the determination of the appropriate tax/assessment classification for each parcel within the Project Area and includes the following subtasks:

**B.3.1 Exempt Property:** DTA will identify all property owned by public agencies or entities otherwise exempt from the special tax/assessment and classify as exempt property; and

**B.3.2 Taxable Property:** We will determine all taxable properties and classify each as “Developed Property” or “Undeveloped Property.” In addition, we will assign each “Developed Property” to the appropriate special tax class/assessment category [i.e., number of Equivalent Dwelling Units (“EDUs”)].

### **Task B.4 – Review Services Characteristics**

This task involves reviewing GCSD’s services costs<sup>2</sup> and developing an appropriate annual services amount to be levied within the proposed Project Area.

Please note that research to be performed by DTA related to any services cost data that should have been provided by GCSD would be considered out of scope if it increases labor costs above the maximum levels identified in the Fee Proposal (refer to the Limitations section of the Fee Proposal).

### **Task B.5 – Calculate Special Tax Rates and Special Assessment Amounts Necessary to Fund Improvements/Services**

This task involves the preparation of a series of quantitative analyses of specific funding mechanisms discussed above that have been selected by DTA and GCSD as being those most likely to be implemented from a political and logistical perspective and that will contribute towards the cost of the improvements and services. These analyses will reflect the financing burdens associated with each selected funding mechanism that would be imposed on property owners.

### **Task B.6 – Prepare Work and Outreach Plan<sup>3</sup>**

DTA will prepare a written Work and Outreach Plan that will contain a brief discussion and analysis of the assumptions, methodology, and findings of the feasibility analyses prepared under Tasks B.1-B.5 and a qualitative comparison of the financing program being considered by GCSD.

**Deliverable:** Final Communications/Outreach Plan (the “Plan”) that provides public financing options to GCSD for the Project Area and outlines the critical path/next steps.

Some goals of the proposed mechanisms included in the Plan are listed below:

- All fire protection services in the Plan are adequately provided in a timely manner;

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<sup>2</sup> This information is to be provided by GCSD.

<sup>3</sup> The proposed Work and Outreach Plan shall also include a qualitative comparison of the advantages and disadvantages of using each proposed funding mechanism to finance fire protection services.

- Public financing for GCSD is equitable, financially feasible, efficiently utilized and consistent with GCSD guidelines and public policies, and, when necessary, meets all relevant nexus and benefit criteria;
- Public financing mechanisms avoid, as much as possible, creating a financial and administrative burden to GCSD;
- Preparing this Plan would include a preliminary analysis of the average special tax/assessment per property within the Project Area;
- Outlines are provided regarding schedule, timing, voting issues, and other critical paths; and
- Recommendations are provided related to specific “go/no-go” junctures.

Again, DTA will recommend a financing structure intended to provide a high likelihood that the program can be successfully implemented while also providing flexibility, equity, and an ability to accommodate the needs of GCSD and its stakeholders.

Based on the recommendations determined above, DTA has outlined the tasks required to complete the formation of a CFD/special tax measure or an AD. DTA will conduct the tasks necessary for the successful formation/implementation of one of the two financing mechanisms.

## **C Option #1 – Special Tax Measure**

### **Task C.1 – Refine Background Research**

DTA will refine previously developed planning, development absorption, and financial information provided by GCSD staff and project proponent(s). We will also assist GCSD in determining CFD-eligible facilities and services and the cost of the services (e.g., cable maintenance) to be funded through the CFD.

### **Task C.2 – Tax Spread Analysis**

DTA will prepare cash flow models to estimate CFD revenues and expenses, as necessary, determine the special tax rates required to fund desired public facilities and services, and estimate effective total property tax rates. This task includes the preparation of up to 10 tax spreads utilizing various absorptions and cost assumptions.

GCSD shall provide data for the special tax analysis with the assistance of DTA. Data required will include expected land uses, improved property values, development absorption rates, and taxable acreage. DTA shall rely on such data provided by GCSD and shall not be responsible for verifying its accuracy.

### **Task C.3 – Overlapping Debt Analysis**

Utilizing information obtained from GCSD, DTA will prepare sample tax bills and overlapping debt estimates to assist in identifying the projected tax burden on homeowners and non-residential landowners for each land use type.

### **Task C.4 – RMA of Special Tax (the Special Tax Formula)**

DTA will prepare the RMA of Special Tax that documents the special tax formula, maximum special tax rates, classification of property for the purposes of the annual levy, etc. The RMA will be designed to adapt to changes in land use, densities, and absorption. DTA will also evaluate the need for improvement areas or zones and, if required, develop a separate RMA for each improvement area or zone.

### **Task C.5 – Document Review and Preparation**

We will assist CFD Formation Counsel (if contracted) with the preparation of required documents,

including the Resolution of Intention, Resolution of Formation, and related items, and administration of the CFD property owner election. In addition, we will provide the necessary data and advice to CFD Formation Counsel regarding the implementation of the CFD, including policies that address future annexations.

DTA will request confirmation of registered voters' statuses residing in the boundaries of the CFD from the County Registrar of Voters prior to the adoption of the Resolution of Formation (Government Code Section §53322).

#### **Task C.6 – Boundary Map (Optional)**

This task entails the preparation of the CFD boundary map per the requirements of the Mello-Roos Act and County Recorder's Office, assuming that computerized base maps are provided by project landowner(s). The boundary map will describe the property to be subject to the special tax. When finalized, and as requested, DTA will prepare mylar and black line originals of the boundary map and coordinate execution of the signature blocks and recordation.

#### **Task C.7 – Public Report**

DTA will prepare the Public Report, which shall contain a description and estimated cost of the proposed public services to be financed by the CFD and related costs and incidental expenses, an explanation of the special tax apportionment methodology, and projections of special taxes for each year of the levy. Ten (10) copies shall be furnished for GCSD's use.

#### **Task C.8 – GCSD Mailing of Notices (Optional)**

If requested by GCSD, DTA will prepare a mailing of notices to all registered voters in GCSD's boundaries, which will include the information required under the Right to Vote Act, and a ballot that can be returned to GCSD by each registered voter. The mailing will be completed no less than 45 days prior to the public hearing.

#### **Task C.9 – Ballot Tabulation and Election Certification (Optional)**

If requested by GCSD, DTA will tabulate ballots returned by registered voters to GCSD and prepare a certificate as to the results of the balloting.

#### **Task C.10 – Notice of Special Tax Lien**

DTA will provide a list of Assessor's parcels to be attached to the Notice of Special Tax Lien and coordinate its recordation with the County per the Streets & Highway Code §3114.5.

#### **Task C.11 – Meetings/Hearings/Workshops**

We will attend meetings to present and discuss the CFD pro forma, RMA, and Public Report. If requested, DTA will also attend the Board meetings at which the Resolution of Intention and Resolution of Formation are adopted. This task includes attendance at up to two (2) meetings or hearings.

#### **Task C.12 – General and Technical Assistance**

DTA will answer questions and provide technical advice to GCSD and its financing team.

### **D Option #2 – Benefit AD Creation**

#### **Task D.1 – Background Research**

DTA will collect information on existing and anticipated land use, Assessor's parcels, engineering, and



planning information for use in preparing the assessment spread. Data to be gathered includes but is not limited to the following:

- County Assessor records for each parcel within the AD;
- Land use data as provided by GCSD, property owner(s), outside data sources, and/or site inspections, as necessary;
- Information on improvements being maintained, locations, and maintenance cost estimates to be included in the benefit analysis; and
- Existing relevant studies of the Project Area for use in conducting the benefit analysis.

This task includes the preparation of a database of all parcels within the AD that contains a description and assessment number of each property assessed and the address of the property owner based on the records of the County Assessor's Office.

#### **Task D.2 – Benefit Assessment**

DTA will develop a method and formula for the allocation of the costs of proposed assessments to benefitting properties. This task will consist of the following subtasks:

- D.2.1 Develop rationale for the benefit assessment based on the projected benefit to the property;
- D.2.2 Identify the boundaries of the AD and existing zones based on level of benefit (if applicable);
- D.2.3 Identify the AD's quantitative EDU or Benefit Assessment Unit ("BAU") factors used to differentiate benefit based on property type (e.g., residential, commercial, industrial, etc.); and
- D.2.4 Develop a benefit spread that allocates assessments to all properties in the AD based on the benefit assessment rationale (Task D.2.1) and EDU factors (Task D.2.3).

The proposed benefit spread will be proportional to benefit received, legally defensible (relationship between costs allocated and benefit received), sufficient to meet minimum revenue requirements, and politically acceptable. The proposed benefit spread will be submitted to GCSD staff for review prior to the completion of work on the Engineer's Report.

#### **Task D.3 – Preparation of Boundary Map and Assessment Diagram**

This task entails the preparation of a boundary map and assessment diagram pursuant to the requirement of the Streets and Highways Code and County Recorder's Office.

#### **Task D.4 – Engineer's Report**

DTA will act as "Engineer" in conformance with the Landscaping and Lighting Act of 1972 and prepare Preliminary and Final Engineer's Reports pursuant to the requirements of Section 10204 of the Streets and Highways Code and Prop 218. DTA assumes a petition pursuant to Section 2804 of the Streets and Highways Code will be submitted and that the Majority Protest Act of 1931 will not apply. As required by law, the Engineer's Report shall contain the following:

- Plans and specifications describing the general nature, location, and extent of the improvements to be maintained;
- Estimate of maintenance costs;
- Assessment diagram;
- Method of assessment; and

- Assessment roll with preliminary assessments.

#### **Task D.5 – Public Notices and Ballot Protest Procedure**

With assistance from bond counsel, DTA will prepare and mail notices pursuant to the Landscaping and Lighting Act of 1972 and Right to Vote on Property Taxes Act. Said notices shall include the following:

- The estimated assessment pertaining to the entire AD;
- The estimated assessment pertaining to the parcel;
- The duration of the assessment;
- The reason for the proposed assessment (e.g., general description of the improvements);
- The basis under which the proposed assessment was calculated;
- The date, time, and location of the public hearing;
- A statement that a majority protest from the individuals who have mailed in their ballot (weighted by level of assessment) shall cause the assessment proceedings to be abandoned; and
- A ballot to be mailed by the property owner to GCSD to declare their support or opposition to the AD.

#### **Task D.6 – Meetings, Public Hearings, and Project Coordination**

DTA will attend up to four (4) meetings and public hearings prepared to present the method and formula of assessment and answer questions. These meetings will include:

- Project orientation and kickoff meeting with GCSD staff and the Finance Team;
- Hearing to Adopt Resolution of Intention to levy assessments, set the date of the protest hearing, and accept the Preliminary Engineer's Report; and
- Public meeting and public hearing to receive protests against the formation of the AD.

#### **Task D.7 – Ballot Tabulation**

Prior to and at the public hearing, DTA shall tabulate ballots submitted by property owners to determine whether the majority protest exists within the AD. The tabulation log will consist of a computerized database of every parcel within the AD. This tabulation will be completed prior to the close of the public hearing and results will be provided to GCSD's Clerk for the inclusion of public record.

## **E Public Engagement and Outreach**

This section of the proposal speaks to an option wherein SRI would partner with GCSD and DTA in developing and implementing a strategic and tactical Plan of Action designed to:

- Develop ballot language;
- Create and administer a public outreach effort to inform local voters of the need for these monies; and
- Work with local business, community groups, and other stakeholders to address their collective interests, issues, and concerns and build consensus among these groups and organizations with regard to supporting, and even endorsing, such a tax measure.<sup>4</sup>

SRI has extensive experience in designing and administering outreach efforts for consensus building among stakeholders, many of whom have competing agendas. It's not uncommon for this element to be the difference between success and failure for a given funding mechanism.

However, SRI cannot develop a comprehensive proposal for this task until all the findings from the benchmark scientific survey have been collected and tabulated. To do so otherwise would be irresponsible. In other words, while most firms bring forward a cookie-cutter strategic plan, SRI instead tailors the public outreach and consensus building effort to the case at hand. Thus, when the time is appropriate, SRI can provide GCSD with a specific proposal for realizing these critical goals and objectives. Notably, SRI's pricing is extremely competitive.

That said, a typical approach begins with crafting two documents, specifically a Quick Facts sheet and Frequently Asked Questions ("FAQs"). SRI also begins by creating a compelling PowerPoint presentation to be used for presenting the case to community and civic groups/organizations and other stakeholders. The public outreach effort would, in all likelihood, include a minimum of one collateral piece (self-mailer) that may be in the form of a News Journal (which is unique to SRI) or a traditional brochure.

Of course, the community outreach effort would involve media relations (e.g., one or more press releases, as called for in the RFP). Most important, it would incorporate such social media as GCSD's website, Facebook, YouTube, Twitter, and/or Instagram.

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<sup>4</sup> These efforts will involve interfacing with the community-at-large, community and civic groups/organizations, and any special interest groups or organizations that perceive themselves as being stakeholders in matters that will be impacted by financial resources that will be made available to local residents through this funding stream. These outreach efforts could involve public hearings and/or City Hall meetings, neighborhood meetings, and the like.



### III WORK PLAN SCHEDULE

DTA's typical schedule of tasks for the various phases of the Scope of Work is outlined below. Given GCSD's desired project timeline, this timeline of events can and will be completed within the proposed time frame according to GCSD's specifications.

**Table 7: Proposed Schedule**

Phase	Phase Description	Months 1 to 3	Months 4 to 5	Months 6 to 7	Months 8 to 10	Months 11 to 12	Months 13 to 15	Month 16
A	Public Polling							
B	Financial Feasibility							
C or D	Special District Formation/Implementation							
E	Public Engagement and Outreach							



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**TO:** GCSO Board of Directors

**FROM:** Jennifer Flores, Administrative Services Manager

**DATE:** October 8, 2019

**SUBJECT:** Agenda Item 6E. Approve Allowing District Staff to Begin Revision and Reformatting of the District's Operational Policies and Procedures Manual Utilizing the Format Recommendations as Provided via the CSDA Annual Conference

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**RECOMMENDED ACTION**

Staff recommends the following action:

*Motion to Approve Allowing District Staff to Begin Revision and Reformatting of the District's Operational Policies and Procedures Manual Utilizing the Format Recommendations as Provided via the CSDA Annual Conference*

**BACKGROUND**

The District's Operations Manager and Administrative Services Manager attended the "Policies vs. Procedures—What's the Difference" breakout session at the recent CSDA Annual Conference, and were extremely motivated to bring the recommendations back to the District and put them into action. The District's current Operational Policies and Procedures Manual (OPPM), encompasses many of the "don't dos" that were presented. For example, the presenter at the conference stated that Policies and Procedures are two different things and should not be put together into the same document. Policies tell the "what and rules of the game", procedures tell "when who does what" and lists in order the steps a team takes to complete an action loop. The presenter also stated that creating a "tasks manual", takes this process a step further and "tells one (1) person the steps to take to complete a procedure step or a series of related actions."

The current OPPM would also not be considered a "reader friendly" document, and is very overwhelming and hard to follow for most. In many cases such as the attached District CEQA policy, the OPPM contains a brief, clear (policy) statement that cannot be misunderstood by management: "Comply with CEQA law". However the current policy goes on to contain pages of procedures to describe "who does what, and when" in infinite detail. These procedures may be useful if removed from the policy and contained in an office (management) manual that describes how to implement the Board's policy. Procedures also change with new technologies, new laws and streamlined processes. Procedures and task lists are created by management as needed and do not need to be adopted by the Board, where policies do.

Due to its sheer length and policies watered down by procedures, the OPPM becomes a document that is not utilized as it should be to clearly provide all staff and members of the public with a solid understanding of the Board of Director's Policies.

It is very important for a proper and smooth operation that the policies of the District are understood and accurately implemented by management. We respectfully request that the Board direct staff to begin the process of revising the OPPM utilizing the format recommendations as provided via the CSDA Conference; where policies and procedures are separated.

Attached is a document provided by the presenter which takes an excerpt from an agency's Policy and Procedures Manual, and converts it into a much more useful and easy to understand format. This would be the format District staff would be transitioning to. Also attached is an excerpt from the District's OPPM regarding CEQA compliance, where the actual Board policy and (Management) procedure are highlighted differently.

**ATTACHMENTS:**

1. Excerpt from CSDA Conference
2. Excerpt from GCSD OPPM

## 604 ENVIRONMENTAL REVIEW GUIDELINES

POLICY (YELLOW)



### 604.1 General

The District shall comply with all state (and federal, where required) environmental regulations and guidelines. A complete set of Environmental Review Guidelines is provided in Appendix 600-I of this District Operational Policies and Procedures Manual. The regulations contained in Title 14, Division 6, Chapter 3 of the California Administrative Code are incorporated by reference as if set out in full and shall be applicable, except as modified herein, to these procedures (14 Code of California Regulations Section 5022).

PROCEDURES (GREEN)



### 604.2 Relationship to Environmental Review

The District has established a preliminary review process to determine whether projects are subject to the California Environmental Quality Act (CEQA) in accordance with Article 5 of the State CEQA Guidelines. Where the District determines that the project is subject to CEQA, the environmental review process is completed as part of the overall project review process of the District. As part of the environmental review process the District may request more information. Under Section 15060 of the State CEQA Guidelines, requiring such information after the application is deemed complete does not change the status of the application.

Once the District has determined that an activity qualifies as a “project” subject to CEQA, it must then determine whether an exemption applies. If after determining that a project is exempt under Section 15061(b) of the State CEQA Guidelines, a Notice of Exemption is prepared by the District. The project may then proceed through discretionary reviews, plan checks, and approval of the project.

If the project is not exempt from CEQA, the District will ensure the completion of an Initial Study to determine whether the project may have a significant effect on the environment. Given the findings of the Initial Study, one of the following is prepared for the project:

- A. A Negative Declaration (finding of no significant impacts),
- B. A Mitigated Negative Declaration (finding of potentially significant effects for which the project’s proponent has made or agrees to make project revisions that clearly mitigate the effects), or
- C. An Environmental Impact Report (EIR).

Where the District determines that the project is not likely to result in significant impacts that cannot be mitigated to below the level of significance, the District will complete the Negative Declaration [or Mitigated Negative Declaration] in accordance with Article 6 of the State CEQA Guidelines prior to rendering a decision on the project. Under Section 15075 of the CEQA Guidelines, after deciding to carry out or approve a project for which a Negative Declaration of Mitigated Negative Declaration has been approved, the District shall file a Notice of Determination with the County after deciding to carry out or approve each phase. If the project requires discretionary approval by any state agency, the District shall also file with the Governor’s Office of Planning and Research (OPR). The project may then proceed with plan checks and approval of the project.

Where the District determines that a project has the potential to result in significant impacts that may not be able to be mitigated to below the level of significance, the District will complete, at the Developer's expense, the EIR process in accordance with Article 7 of the State CEQA Guidelines. The District must certify the technical and procedural adequacy of the EIR prior to rendering a decision on the project. The EIR is certified by the District.

#### 604.3 Summary of Time Limits for Permit Review

Section 15022(a)(13) of the State CEQA Guidelines requires the District to provide time limits for performing functions under CEQA. These time limits are established in Article 8 of the State CEQA Guidelines, and are summarized in these guidelines in Table – Summary of Time Limits for Permit Review.

#### 604.4 Process for Posting & Approving Negative Declaration or Mitigated Negative Declaration

The following is a review of the CEQA process that the District must follow in preparing a Negative Declaration or Mitigated Negative Declaration (see Appendix 600-I, Exhibit A, CEQA Process Flow Chart). Prior to any Board consideration, an Initial Study of the environmental impact of the project must be undertaken. The first documents that will be presented and considered by the Board are the Initial Study (Environmental Checklist) and the Notice of Intention to Adopt a Negative Declaration. The Board must review and consider the Initial Study prior to the adoption of the form of Negative Declaration. The California Environmental Quality Act requires consideration of impacts on the environment as a result of a "project", prior to approval of that "project."

Once the Initial Study has been adopted and the Board has decided to prepare the Negative Declaration or Mitigated Negative Declaration, the Notice of Intention to Adopt a Negative Declaration or Mitigated Negative Declaration ("Notice of Intention") must be published once in a newspaper of general circulation in Tuolumne County. The Notice of Intention, proposed Negative Declaration or Mitigated Negative Declaration, and Initial Study must be sent to any other public agencies that are affected by the project being undertaken, as well as any persons who have requested notice. Finally, the Notice, with the proposed Negative Declaration or Mitigated Negative Declaration and Initial Study attached, should be filed with the County Clerk who will also post the Notice for a period of at least thirty (30) days.

A copy of the proposed Negative Declaration must be available at the District's office for review. The Notice of Intention to Adopt a Negative Declaration (or Mitigated Negative Declaration) should be posted at the District's offices and the copy of the Negative Declaration (or Mitigated Negative Declaration) and Initial Study can be attached.

The District must provide at least a thirty-day (30-day) public review period with respect to a proposed Negative Declaration or Mitigated Negative Declaration where there are no state agencies affected. The Notice of Intention must state the date of the public hearing when the District will discuss the Negative Declaration (or Mitigated Negative Declaration) and provide for an ending date of the public review period.

If no substantial revisions are made to the Negative Declaration or Mitigated Negative Declaration after the public comment period has expired, the District may consider and approve the Negative

Declaration or Mitigated Negative Declaration at its scheduled Board Meeting stated in the Notice of Intention. The Board should listen to anyone interested in providing public comment at that meeting prior to the adoption of the Negative Declaration or Mitigated Negative Declaration.

Within five (5) days of the Negative Declaration being approved, a Notice of Determination must be filed with the County Clerk in Tuolumne County. The County Clerk must file the document within twenty-four (24) hours of receipt and post it for thirty (30) days. Upon the filing of the Notice, the statute of limitations with respect to challenging the Negative Declaration will begin to accrue.

## 605 ANNEXATION PROCEDURES

### 605.1 Purpose

Property proposed for development outside the District service area but within the District's sphere of influence must be annexed to the District prior to receiving any of the services provided by the District, including water, sewer, fire or parks, or other services that might be provided by the District. Furthermore, commitments to provide service to property and/or proposed developments will not be granted until said property is annexed to the District.

Annexation is a discretionary act by the District Board of Directors. The District has responsibilities and approval authority when considering annexation and expansion into its service area. The District has the power to disapprove any annexation for which it has substantial evidence of finance-related or service-related concerns that the developer is unable to mitigate to the District's satisfaction. If the developer of a project that is to be annexed into the District has agreed to in the Annexation Agreement (Appendix 600-L) to meet all conditions and addressed required mitigations, as identified in the county Conditions of Approval, CEQA documents and SAMP, then the District's Board of Directors will consider adoption of a resolution of application to LAFCO for annexation.

### 605.2 Approval

In conformance with Section 608, Project Approval, District approval of residential, commercial, industrial or other types of development projects will not be granted by the Board of Directors until the entire site has been annexed to the District and all conditions required to be fulfilled prior to annexation have been met or agreed to in the Annexation Agreement.

### 605.3 Annexation Procedures

The annexation procedures must take place during Step 2 process described in Section 603.3. LAFCO approval of the annexation will take place only after the District's Board of Directors considers and approves the annexation. The District will transmit all of its findings with respect to the project derived from the SAMP to LAFCO for LAFCO to include in its conditions of approval of annexation. The following outlines the District's annexation process.

#### A. Determine Suitability

Property owners or project developers desiring annexation to the District should first determine several factors regarding their property's suitability for fire, parks, water and sanitary sewer services. These issues shall be addressed during the preparation of the SAMP

## TRANSPORTING PERSONS IN CUSTODY

### General

The transportation of probation and parole violators is a normal probation and parole officer function. As a general rule, the extradition and return of a parole violator from another state is handled by the division, while the return of a probation violator is a responsibility of the county of conviction. Probationers are more frequently transported for short distances within the state. County authorities should be encouraged to accept this responsibility. If they do not, the Probation and Parole Division may transport probationers.

The transporting of a violator from another state is coordinated by the deputy compact administrator in headquarters. While most out-of-state prisoner transports are handled by the transportation officer located in the headquarters office, probation and parole officers occasionally make these trips when the transportation officer is unable to do so. The probation and parole officer to be assigned to transport is selected by a supervisor, with the officer who is supervising the case given the first consideration. Workload factors and officer preference are considered. For potentially hazardous transports, a staff member with sufficient experience and physical strength is selected. Written instructions (see example 720.587) and other necessary documents are provided to the officer by the deputy compact administrator.

Prisoners who are being returned are frequently anxious and concerned about their situation. It is natural that the conversation between the prisoner and the officer turns to this subject. The officer should avoid offering judgments, opinions, or predictions of what may happen to the prisoner. Admonishing, arguing, or talking to the prisoner in a way that might evoke antagonism is to be avoided. It is important that conversation be as pleasant and relaxed as possible to keep from increasing the prisoner's anxiety.

While there are general guidelines governing transporting prisoners, there are too many variables for them to cover all situations. Good organization and appropriate planning of the transport will reduce the frequency and lessen the difficulty of dealing with unanticipated developments. A fundamental precept is to obtain assistance as soon as a need to do so is apparent. The deputy compact administrator in headquarters may be called at any time for advice. A transporting officer should not be hesitant in placing a prisoner in a detention facility and/or restraints when time is needed to resolve a problem, or when the security of the prisoner or other persons is the least bit questionable.

Use of restraints is mandatory during all phases of the transport except in detention cells, and in courtrooms and aircraft where restraints are not permitted. In the event the use of restraints aboard an aircraft is deemed necessary, this is to be cleared with the captain. The usual restraints used for transporting are handcuffs and "belly chains" or "waistrains."



## **Legal Authority to Transport**

It is essential that officers have formal material to assure the transfer of custody of prisoners for transporting purposes and for subsequent use in booking prisoners into other facilities. The officer must have official agency identification and a warrant or an order authorizing detention which is acceptable to a receiving facility. For cases being returned from other states, additional material includes a formal warrant and extradition papers or a waiver of extradition. On occasion a transport will be arranged without the signed waiver in hand. This is sometimes done in the interest of time when a teletype message is received from the detaining agency stating that the individual has signed a waiver of extradition. In this event the officer will be instructed to pick up copies of the signed waiver in the other state.

There are three general types of legal means by which a person is transported between states: 1) cases where extradition is not an issue; 2) cases formally extradited; and 3) cases where extradition has been legally waived. Every person scheduled for return to this state in custody has a right through legal means to resist being returned. If that right is not waived, extradition procedures are initiated. If extradition is allowed, the person is returned over his or her objection.

There are two ways that extradition may be waived. Either the person must have signed a waiver of extradition prior to leaving the state or voluntarily sign new waivers at the time return is requested. The waivers signed prior to the person leaving the state are processed through the procedures of the Interstate Compact for the Supervision of Probationers and Parolees. Extradition papers, the Rendition Warrant, or the waivers of extradition usually have been processed by the Interstate Compact authorities prior to a transporting officer becoming involved, with appropriate copies provided to the officer along with other documents. While a prisoner may have waived extradition or may be extradited, a court appearance may be a routine formality or may be necessary to resolve some point. Occasionally, courts are not familiar with their own state's Interstate Compact laws. If it appears that a problem is developing in the other state, this should be reported to the appropriate deputy compact administrator in the headquarters office immediately by telephone.

Effective Date:

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# POLICY

Cancels:

See Also: [PRO-321A](#); [TSK-321A](#)

Approved by:

## POL-321 TRANSPORTING PROBATION AND PAROLE VIOLATORS

This policy applies whenever any officer is assigned to transport a person in custody, either in state or across state lines.

### 1. Deputy Compact Administrator Coordinates All Transports

The Deputy Compact Administrator (DCA) in headquarters will

- Schedule all transports.
- Obtain legal documents to authorize the transport.
- Provide written instructions for the transporting officer.

### 2. State Transportation Officers Usually Conduct Out-of-State Transports\*

When interstate travel is required, the DCA will usually assign a state transportation officer to accompany the prisoner. But the DCA may assign a Probation and Parole Officer (PPO) to an interstate transport.

### 3. County Authorities Should Conduct In-State Transports

The DCA will urge county officials to transport probation violators between counties within this state. If a county official refuses to transport a prisoner within the state, the DCA may assign a state PPO to the task.

### 4. Restraints Are Required Throughout All Transports

The transporting officer must always restrain prisoners (with handcuffs, "belly chains," or "waistrants") during transports, except:

- In detention cells.
- In courtrooms.
- On aircraft when airline rules prohibit them.

\* [paragraph revised](#)

Effective Date:

Page: of

# PROCEDURE

Cancels:

See Also: POL-321; TSK-321A

Approved by:

## PRO-321A TRANSPORTING PROBATION AND PAROLE VIOLATORS

Action by:

Action:

Deputy Compact  
Administrator

1. **Receives** notice from the Parole Board to transport a probation or parole violator.
2. **Obtains** legal authority to move the prisoner (TSK-321B).
3. **Sends** written instructions and any required legal forms to the responsible supervisor.

Supervisor

4. **Assigns** a Transporting Officer (or Probation and Parole Officer) to transport the prisoner.
  - 4a. If the prisoner is likely to be violent, **assigns** an experienced, physically strong officer.
5. **Gives** the transporting officer the written instructions and any legal forms required.

Transporting Officer

6. **Transports** the prisoner as directed (TSK-321A).

Effective Date:

Page: of

# TASK OUTLINE

Cancels:

See Also: [POL-321](#); [PRO-321A](#)

Approved by:

## TSK-321A TRANSPORTING PROBATION AND PAROLE VIOLATORS

After being assigned by the supervisor to transport a prisoner, the **Transporting Officer:**

1. **Gets** written instructions and any legally required documents from the Supervisor.
2. **Reviews** instructions.
3. **Plans** the transport carefully to anticipate and avoid difficulties.
4. **Arranges** own travel to the prisoner pickup point.
5. **Presents** legal documents for out-of-state officials to obtain custody of prisoner.
6. If legal complications or potential security problems arise:
  - 6a. **May place** the prisoner in a detention facility or in restraints.
  - 6b. **May telephone** the Deputy Compact Administrator for advice or assistance.
7. **Uses** restraints at all times during transport ([POL-321](#)).
8. **Avoids** discussing with the prisoner the possible outcome of the case.
9. **Keeps** conversation with the prisoner as pleasant and relaxed as possible to avoid increasing the prisoner's anxiety.
10. **Delivers** the prisoner to the prearranged destination.
11. **Files** report of transport with the Deputy Compact Administrator.



**TO:** GCSD Board of Directors

**FROM:** Peter Kampa, General Manager

**DATE:** October 8, 2019

**SUBJECT:** Agenda Item 6F. Consideration of Proceeding with the Preparation of a Refunding (Refinancing) Agreement Through CSDA Finance Corporation for the 2014 Wastewater Bonds

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**RECOMMENDED ACTION**

Staff recommends the following action:

*I move to Authorize the General Manager to Engage the Services of the CSDA Finance Corporation to Proceed with Development of the Agreements Necessary for the Refunding of the Existing 2014 District Wastewater Bonds.*

**BACKGROUND**

The District General Manager is responsible to continuously evaluate and strive to improve the financial condition of the District. One of the largest annual expenses of the District are debt service (loan) payments for both water and sewer system improvements completed in approximately 2006-2007. To fund the projects, the District issued 20 year municipal bonds. The bonds were refinanced (termed – “refunded”) in 2014, and the last payment is due July 10, 2027.

Interest rates have continued to drop in recent years, and financial advisors are recommending that now is the time to refinance while interest rates, and the cost of money are at historic lows. One of California Special Districts Association’s partner entities is the CSDA Finance Corporation (CSDAFC), whose sole mission is to secure low cost financing for California’s special districts. Having successfully worked with the CSDAFC in the past, General Manager Kampa secured a refunding proposal for the wastewater bonds. A refunding proposal was also secured from Crews and Associates; the firm that completed the 2014 refunding for the District.

The CSDAFC has proposed a commercial bank refinancing of the wastewater bonds, with estimated terms and conditions contained in the attached refunding quote. The final loan terms will be detailed in an Installment Sales Agreement to be considered by the Board at a near future date. The CSDAFC refunding proposal is consistent with the Districts Debt Management Policy, which states in relevant part:

*When refinancing debt, it shall be the policy goal of the District to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings approximately*

*3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage. The cost of refinancing will always be less than the savings.*

Both refunding proposals contained savings in excess of 3% of the refunded principal amount, and in both cases the cost of the savings exceeded the cost of the refinancing. The major terms of the two proposals are detailed below:

Item	Crews	CSDAFC
Net Present Value Savings	\$77,166	\$95,634
Percentage Savings	3.532%	4.38%
Refinancing Costs	\$59,500	\$25,000 (Approximate)
Total Interest Costs	\$201,065	\$183,819

In addition, the bank financing proposed by CSDAFC in and of itself has benefits in addition to the interest cost savings:

- The ability to negotiate prepayment terms
- We are currently required to engage an intermediary trustee, which involves administrative, reporting requirements and costs. The bank refinancing does not require ongoing disclosure reporting or the engagement of a trustee
- The current bond financing requires that we maintain \$324,856 in a restricted reserve account through the life of the financing. The bank financing does not have a reserve requirement, which allows us to reduce the amount of the loan by the \$324,856 currently held in restricted reserve, resulting in interest savings and the end of loan payments on July 10, 2026, versus July 10, 2017.

Combining the bond refunding and the new wastewater project loan funding in a single financial transaction may result in further interest rate reductions and/or less cost and more beneficial terms.

**ATTACHMENTS:**

- CSDA Finance Corporation Refunding Quote
- Crews & Associates Refunding Quote

SOURCES AND USES OF FUNDS

Groveland Community Services District  
2019 Wastewater Revenue Refunding

Sources:

Bond Proceeds:	
Par Amount	1,892,303.50
Other Sources of Funds:	
Prior Reserve Fund	324,856.25
	2,217,159.75

Uses:

Refunding Escrow Deposits:	
Cash Deposit	2,217,159.75
	2,217,159.75

## SUMMARY OF REFUNDING RESULTS

Groveland Community Services District  
2019 Wastewater Revenue Refunding

Dated Date	12/01/2019
Delivery Date	12/01/2019
Arbitrage yield	2.840531%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	1,892,303.50
True Interest Cost	2.840531%
Net Interest Cost	2.840000%
Average Coupon	2.840000%
Average Life	3.420
Par amount of refunded bonds	2,185,000.00
Average coupon of refunded bonds	4.016755%
Average life of refunded bonds	4.061
PV of prior debt to 12/01/2019 @ 2.840531%	2,312,793.64
Net PV Savings	95,633.89
Percentage savings of refunded bonds	4.376837%
Percentage savings of refunding bonds	5.053835%



BOND PRICING

Groveland Community Services District  
2019 Wastewater Revenue Refunding

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	01/10/2020	136,834.14	2.840%	2.840%	100.000
	07/10/2020	136,834.13	2.840%	2.840%	100.000
	01/10/2021	126,368.11	2.840%	2.840%	100.000
	07/10/2021	126,368.11	2.840%	2.840%	100.000
	01/10/2022	128,723.69	2.840%	2.840%	100.000
	07/10/2022	128,723.69	2.840%	2.840%	100.000
	01/10/2023	133,174.79	2.840%	2.840%	100.000
	07/10/2023	133,174.80	2.840%	2.840%	100.000
	01/10/2024	136,429.44	2.840%	2.840%	100.000
	07/10/2024	136,429.44	2.840%	2.840%	100.000
	01/10/2025	139,568.20	2.840%	2.840%	100.000
	07/10/2025	139,568.20	2.840%	2.840%	100.000
	01/10/2026	145,053.38	2.840%	2.840%	100.000
	07/10/2026	145,053.38	2.840%	2.840%	100.000
		1,892,303.50			

Dated Date	12/01/2019	
Delivery Date	12/01/2019	
First Coupon	01/10/2020	
Par Amount	1,892,303.50	
Original Issue Discount		
Production	1,892,303.50	100.000000%
Underwriter's Discount		
Purchase Price	1,892,303.50	100.000000%
Accrued Interest		
Net Proceeds	1,892,303.50	

## SAVINGS

Groveland Community Services District  
2019 Wastewater Revenue Refunding

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 12/01/2019 @ 2.8405311%
01/10/2020	161,055.00	142,656.13	18,398.87		18,342.74
07/10/2020	159,255.00	161,761.79	-2,506.79	15,892.08	-2,464.14
01/10/2021	162,455.00	149,352.73	13,102.27		12,699.01
07/10/2021	160,580.00	147,558.30	13,021.70	26,123.97	12,444.18
01/10/2022	158,705.00	148,119.46	10,585.54		9,974.41
07/10/2022	161,830.00	146,291.58	15,538.42	26,123.96	14,436.31
01/10/2023	159,880.00	148,914.80	10,965.20		10,044.79
07/10/2023	162,182.50	147,023.73	15,158.77	26,123.97	13,691.90
01/10/2024	159,381.25	148,387.29	10,993.96		9,791.05
07/10/2024	161,580.00	146,449.99	15,130.01	26,123.97	13,285.85
01/10/2025	158,675.00	147,651.45	11,023.55		9,544.36
07/10/2025	160,770.00	145,669.58	15,100.42	26,123.97	12,891.10
01/10/2026	162,761.25	149,172.90	13,588.35		11,437.81
07/10/2026	159,648.75	147,113.14	12,535.61	26,123.96	10,403.91
01/10/2027	161,536.25		161,536.25		132,189.38
07/10/2027	163,320.00		163,320.00	324,856.25	131,777.48
	2,573,615.00	2,076,122.87	497,492.13	497,492.13	420,490.14

Savings Summary

PV of savings from cash flow	420,490.14
Less: Prior funds on hand	-324,856.25
Net PV Savings	95,633.89

## BOND DEBT SERVICE

Groveland Community Services District  
2019 Wastewater Revenue Refunding

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/10/2020	136,834.14	2.840%	5,821.99	142,656.13	
07/10/2020	136,834.13	2.840%	24,927.66	161,761.79	304,417.92
01/10/2021	126,368.11	2.840%	22,984.62	149,352.73	
07/10/2021	126,368.11	2.840%	21,190.19	147,558.30	296,911.03
01/10/2022	128,723.69	2.840%	19,395.77	148,119.46	
07/10/2022	128,723.69	2.840%	17,567.89	146,291.58	294,411.04
01/10/2023	133,174.79	2.840%	15,740.01	148,914.80	
07/10/2023	133,174.80	2.840%	13,848.93	147,023.73	295,938.53
01/10/2024	136,429.44	2.840%	11,957.85	148,387.29	
07/10/2024	136,429.44	2.840%	10,020.55	146,449.99	294,837.28
01/10/2025	139,568.20	2.840%	8,083.25	147,651.45	
07/10/2025	139,568.20	2.840%	6,101.38	145,669.58	293,321.03
01/10/2026	145,053.38	2.840%	4,119.52	149,172.90	
07/10/2026	145,053.38	2.840%	2,059.76	147,113.14	296,286.04
	1,892,303.50		183,819.37	2,076,122.87	2,076,122.87

BOND SUMMARY STATISTICS

Groveland Community Services District  
2019 Wastewater Revenue Refunding

Dated Date	12/01/2019
Delivery Date	12/01/2019
Last Maturity	07/10/2026
Arbitrage Yield	2.840531%
True Interest Cost (TIC)	2.840531%
Net Interest Cost (NIC)	2.840000%
All-In TIC	2.840531%
Average Coupon	2.840000%
Average Life (years)	3.420
Duration of Issue (years)	3.230
Par Amount	1,892,303.50
Bond Proceeds	1,892,303.50
Total Interest	183,819.37
Net Interest	183,819.37
Total Debt Service	2,076,122.87
Maximum Annual Debt Service	304,417.92
Average Annual Debt Service	314,167.40
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	1,892,303.50	100.000	2.840%	3.420
	1,892,303.50			3.420

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,892,303.50	1,892,303.50	1,892,303.50
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	1,892,303.50	1,892,303.50	1,892,303.50
Target Date	12/01/2019	12/01/2019	12/01/2019
Yield	2.840531%	2.840531%	2.840531%

ESCROW COST

Groveland Community Services District  
2019 Wastewater Revenue Refunding

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
12/01/2019		2,217,159.75	2,217,159.75
	0	2,217,159.75	2,217,159.75

Preliminary, subject to change.

**\$2,100,000**

Groveland Community Services District  
Sewer Revenue Refunding Bonds  
Series 2019

## Sources & Uses

Dated 10/24/2019 | Delivered 10/24/2019

### Sources Of Funds

Par Amount of Bonds	\$2,100,000.00
Transfers from Prior Issue DSR Funds	324,856.25
Transfers from Prior Issue Debt Service Funds	80,527.50

<b>Total Sources</b>	<b>\$2,505,383.75</b>
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### Uses Of Funds

Deposit to Current Refunding Fund	2,208,720.67
Deposit to Debt Service Reserve Fund (DSRF)	210,000.00
Costs of Issuance	59,500.00
Total Underwriter's Discount (1.250%)	26,250.00
Rounding Amount	913.08

<b>Total Uses</b>	<b>\$2,505,383.75</b>
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Preliminary, subject to change.

**\$2,100,000**

Groveland Community Services District

Sewer Revenue Refunding Bonds

Series 2019

## Gross Debt Service Comparison

Date	Principal	Coupon	Interest	New D/S	Old D/S	Savings
07/10/2020	185,000.00	1.500%	31,322.44	216,322.44	239,782.50	23,460.06
07/10/2021	260,000.00	1.750%	40,767.50	300,767.50	323,035.00	22,267.50
07/10/2022	260,000.00	2.000%	36,055.00	296,055.00	320,535.00	24,480.00
07/10/2023	265,000.00	2.100%	30,790.00	295,790.00	322,062.50	26,272.50
07/10/2024	275,000.00	2.200%	25,105.00	300,105.00	320,961.25	20,856.25
07/10/2025	275,000.00	2.300%	18,987.50	293,987.50	319,445.00	25,457.50
07/10/2026	285,000.00	2.400%	12,475.00	297,475.00	322,410.00	24,935.00
07/10/2027	295,000.00	2.500%	5,562.50	300,562.50	324,856.25	24,293.75
Total	\$2,100,000.00	-	\$201,064.94	\$2,301,064.94	\$2,493,087.50	\$192,022.56

### PV Analysis Summary (Gross to Gross)

Gross PV Debt Service Savings	272,550.06
Transfers from Prior Issue Debt Service Fund	(80,527.50)
Transfers from Prior Issue DSR Fund	(324,856.25)
Amount deposited into new DSR Fund	210,000.00

Net Present Value Benefit \$77,166.31

Net PV Benefit / \$2,185,000 Refunded Principal 3.532%

Net PV Benefit / \$2,100,000 Refunding Principal 3.675%

### Refunding Bond Information

Refunding Dated Date	10/24/2019
Refunding Delivery Date	10/24/2019

Preliminary, subject to change.

**\$2,100,000**

Groveland Community Services District  
Sewer Revenue Refunding Bonds  
Series 2019

## Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
07/10/2020	Term 1 Coupon	1.500%	1.500%	185,000.00	100.000%	185,000.00
07/10/2021	Term 2 Coupon	1.750%	1.750%	260,000.00	100.000%	260,000.00
07/10/2022	Term 3 Coupon	2.000%	2.000%	260,000.00	100.000%	260,000.00
07/10/2023	Term 4 Coupon	2.100%	2.100%	265,000.00	100.000%	265,000.00
07/10/2024	Term 5 Coupon	2.200%	2.200%	275,000.00	100.000%	275,000.00
07/10/2025	Term 6 Coupon	2.300%	2.300%	275,000.00	100.000%	275,000.00
07/10/2026	Term 7 Coupon	2.400%	2.400%	285,000.00	100.000%	285,000.00
07/10/2027	Term 8 Coupon	2.500%	2.500%	295,000.00	100.000%	295,000.00
<b>Total</b>	-	-	-	<b>\$2,100,000.00</b>	-	<b>\$2,100,000.00</b>

### Bid Information

Par Amount of Bonds	\$2,100,000.00
Gross Production	\$2,100,000.00
Total Underwriter's Discount (1.250%)	\$(26,250.00)
Bid (98.750%)	2,073,750.00
Total Purchase Price	\$2,073,750.00
Bond Year Dollars	\$8,813.33
Average Life	4.197 Years
Average Coupon	2.2813722%
Net Interest Cost (NIC)	2.5792164%
True Interest Cost (TIC)	2.5979757%



Preliminary, subject to change.

**\$3,450,000**

Groveland Community Services District  
2007 Installment Sale Agreement Refunding  
Series 2014

## Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
10/24/2019	2,185,000.00	23,720.67	2,208,720.67	-	-	-	-
01/10/2020	-	-	-	120,000.00	3.000%	41,055.00	161,055.00
07/10/2020	-	-	-	120,000.00	3.000%	39,255.00	159,255.00
01/10/2021	-	-	-	125,000.00	3.000%	37,455.00	162,455.00
07/10/2021	-	-	-	125,000.00	3.000%	35,580.00	160,580.00
01/10/2022	-	-	-	125,000.00	3.000%	33,705.00	158,705.00
07/10/2022	-	-	-	130,000.00	3.000%	31,830.00	161,830.00
01/10/2023	-	-	-	130,000.00	4.150%	29,880.00	159,880.00
07/10/2023	-	-	-	135,000.00	4.150%	27,182.50	162,182.50
01/10/2024	-	-	-	135,000.00	4.150%	24,381.25	159,381.25
07/10/2024	-	-	-	140,000.00	4.150%	21,580.00	161,580.00
01/10/2025	-	-	-	140,000.00	4.150%	18,675.00	158,675.00
07/10/2025	-	-	-	145,000.00	4.150%	15,770.00	160,770.00
01/10/2026	-	-	-	150,000.00	4.150%	12,761.25	162,761.25
07/10/2026	-	-	-	150,000.00	4.150%	9,648.75	159,648.75
01/10/2027	-	-	-	155,000.00	4.150%	6,536.25	161,536.25
07/10/2027	-	-	-	160,000.00	4.150%	3,320.00	163,320.00
<b>Total</b>	<b>\$2,185,000.00</b>	<b>\$23,720.67</b>	<b>\$2,208,720.67</b>	<b>\$2,185,000.00</b>	<b>-</b>	<b>\$388,615.00</b>	<b>\$2,573,615.00</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/24/2019
Average Life	4.164 Years
Average Coupon	4.0103664%
Weighted Average Maturity (Par Basis)	4.164 Years
Weighted Average Maturity (Original Price Basis)	4.164 Years

### Refunding Bond Information

Refunding Dated Date	10/24/2019
Refunding Delivery Date	10/24/2019

Preliminary, subject to change.

**\$2,100,000**

Groveland Community Services District

Sewer Revenue Refunding Bonds

Series 2019

## **Detail Costs Of Issuance**

**Dated 10/24/2019 | Delivered 10/24/2019**

### **COSTS OF ISSUANCE DETAIL**

Bond Counsel	\$35,000.00
Underwriter's Counsel	\$20,000.00
Trustee Fees	\$3,500.00
Miscellaneous	\$1,000.00
<b>TOTAL</b>	<b>\$59,500.00</b>