

## AGENDA SUBMITTAL

**TO:** GCSB Board of Directors  
**FROM:** Peter J. Kampa, General Manager  
**DATE:** May 14, 2018  
**SUBJECT:** Item 5 C. Discussion and Action Related to the 2018 Sewer Rate Study

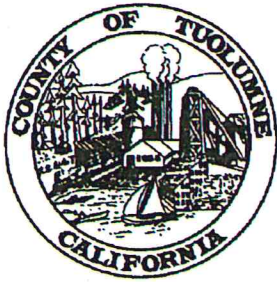
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### BACKGROUND

The purpose of this agenda item is to seek final Board direction on the development of the sewer rate study. At the last Board meeting, the following was approved:

1. Budget in 2018/19 for the completion of an updated Sewer Master Plan and Capital Improvement Plan (CIP) that includes a system condition analysis, identification of all system capital assets and estimation of remaining life and replacement costs; evaluation of system connection fees
2. Complete a CIP reserve study and reserve fund policy based on the updated CIP
3. Include in the rate calculation new debt service payments based on a \$2 million loan, which reflects 25% of the cost of an \$8 million project to improve the sewer in downtown Groveland, Big Oak Flat and priority areas of Pine Mountain lake
4. Include in the rate calculation \$300,000 to \$500,000 to be generated annually to fund any/all of the following pending the outcome of the CIP and Reserve Study:
  - a. Infrastructure reserves for future replacements
  - b. Capital Improvement Projects and replacements required annually through the period
  - c. Local grant match and/or additional debt service to fund identified priority projects

Staff will detail the current status and recommendation with a handout at the meeting.



## County Administrator's Office

**Craig L. Pedro**  
County Administrator

Tuolumne County Administration Center  
2 South Green Street  
Sonora, CA 95370  
Phone (209) 533-5511  
Fax (209) 533-5510  
[www.tuolumnecounty.ca.gov](http://www.tuolumnecounty.ca.gov)

May 4, 2018

To: Mr. Pete Kampa, Groveland Community Service District Interim General Manager

From: Maureen Frank, Deputy County Administrator

Subject: Request for Land for the Groveland Community Resilience Center

### **Background**

In 2015, in a response to state and local officials, President Obama announced the National Disaster Resilience Competition (NDRC). The federal government allocated \$1 billion towards this competition and invited communities that experienced a natural disaster to compete for funds to help them rebuild and increase their resilience to future disasters. The goal of this competition was to support innovative resiliency projects at the local level while encouraging communities to adopt policy changes and activities that plan for the impact of extreme weather and climate change and rebuild affected areas to be better prepared for the future.

The National Disaster Resilience Competition is being administered through the U.S. Housing and Urban Development's (HUD) Community Development Block Grant Disaster Recovery (CDBG-DR) Program. Any State, County or City that received a federal disaster declaration between the years of 2011- 2013 was eligible to apply for this funding. Tuolumne County's eligible event was the Rim Fire, which occurred in 2013.

In 2016, the State of California teamed up with Tuolumne County to submit a NDRC grant application. In January 2017, the State and County were notified of a NDRC award of roughly \$70 million. The grant application included the following three pillars:

- **Forest and Watershed Health** (\$28,604,459)- Lead Agency: Sierra Nevada Conservancy
- **BioMass Facility and Wood Projects Campus** (\$22,000,000)- Lead Agency: Sierra Nevada Conservancy
- **Community Resilience Center(s)** (\$19,261,125)- Lead Agency: Tuolumne County

*...serving the Board of Supervisors, departments, and the community as good stewards of the County's fiscal and human resources through collaborative, professional and ethical leadership.*

Tuolumne County is responsible for the design and construction of up to two Community Resilience Centers. To that end, County staff and Lionakis Architects worked this past summer with community leaders, service providers and the public to develop a Programming Document for these center(s).

The Programming Document lists the various types and numbers of spaces required for the center(s), based on public input, and also the square footage of both inside and outside space for the proposed facility.

The Community Resilience Center Programming Document was finalized and approved by the Board of Supervisors in December of 2017. At that time the Board of Supervisors directed staff to continue to examine the following options:

- Build one Community Resiliency Center (24,000+ sq.ft.) in either Groveland or Tuolumne.
- Build two Community Resilience Centers (9,000+ sq.ft.) in Groveland and Tuolumne.

### **Property Solicitation**

Based on the criteria laid out in the programming document, the County sent out a Solicitation for Property. The County received a total of eight potential project sites. Three of these sites were in the Groveland/Big Oak Flat area and five in the Tuolumne area. A Review Committee along with Lionakis Architects reviewed the eight property proposals and recommend two be forwarded on to the Board of Supervisors for their final review and approval.

On May 1<sup>st</sup> the Board of Supervisors directed staff to continue property due diligence on the following properties:

- Groveland - Ferretti Road (APN 006-090-032)
- Tuolumne – Bay Ave. and Cherry Valley Drive (APN 062-670-023 and 062-670-028)

### **Property Request**

The proposed Groveland property on Ferretti Road is 3.76 acres. In order to make this property more functional an additional 2.5 acres is needed from Groveland Community Service District. On the attached map the area shaded in dark blue is what is being offered to the County. The orange shaded area is the property which is needed to make this project viable at this location.

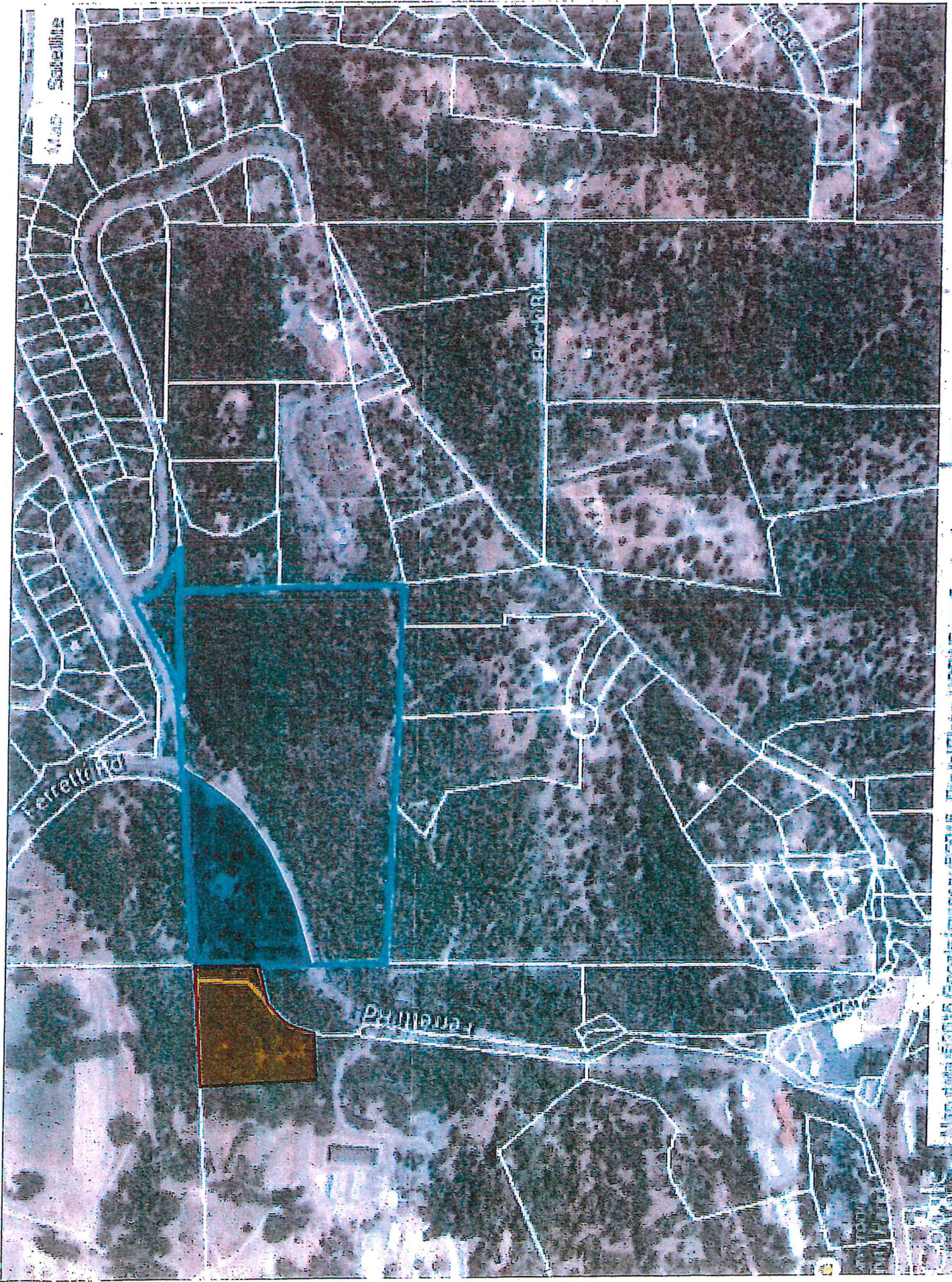
The County would like to partner with Groveland Community Service District to make the Groveland Community Resilience Center a reality. This new center will be a great place for groups to meet to build social cohesion; a place to teach and learn; and a safe place to shelter in times of emergencies.

I will be attending your May 14<sup>th</sup> Board Meeting and would be happy to answer any further questions regarding NDRC or the request for additional property for the construction of a Community Resilience Center in Groveland.

In advance, thank you for your consideration on this matter.

Attachment

- Property Map of proposed Groveland Community Resilience Center



Map

Map data ©2015 Google Imagery ©2015 DigitalGlobe USGS Farm Service Agency 100 m  Terms of Use Privacy Policy

# Notice of Exemption

# Appendix E

To: Office of Planning and Research  
P.O. Box 3044, Room 113  
Sacramento, CA 95812-3044

From: (Public Agency): Groveland CSD  
18966 FERRETTI ROAD  
Groveland, CA 95321

County Clerk  
County of: Tuolumne  
\_\_\_\_\_  
\_\_\_\_\_

(Address)

Project Title: Mary Laveroni Park Flood Restoration

Project Applicant: Groveland CSD

Project Location - Specific:  
Highway 120 Downtown Groveland, mary Laveroni Park

Project Location - City: Groveland Project Location - County: Tuolumne

Description of Nature, Purpose and Beneficiaries of Project:

Name of Public Agency Approving Project: Groveland Community Services District

Name of Person or Agency Carrying Out Project: Peter Kampa, General Manager

Exempt Status: (check one):

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: 15301(d)
- Statutory Exemptions. State code number: \_\_\_\_\_


Reasons why project is exempt:

Restoration or rehabilitation of deteriorated or damaged structures, facilities, or mechanical equipment to meet current standards of public health and safety, unless it is determined that the damage was substantial and resulted from an environmental hazard such as earthquake, landslide, or flood;

Lead Agency  
Contact Person: Peter Kampa Area Code/Telephone/Extension: 209 962-7161

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project?,  Yes  No

Signature:  Date: may 14, 2018 Title: General Manager

Signed by Lead Agency  Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.  
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: \_\_\_\_\_

## AGENDA SUBMITTAL

**TO:** GCS D Board of Directors

**FROM:** Peter J. Kampa, General Manager

**DATE:** May 14, 2018

**SUBJECT:** Item 5 F. Consideration of Adoption of Resolution 13-18, a Resolution Approving a Development Agreement for the Airport Estates Development; Mid Valley Aviation, LLC, Jason Johanson & Rex Pemberton

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### BACKGROUND

The developers of the Airport Estates Development project, adjacent to the northern boundaries of the District near Pine Mountain Lake Airport, have requested that the District consider providing water service to the nine new lots to be created. District policy requires the execution of an agreement to provide advance funding from the developer to cover the cost of engineering, legal and administrative costs of processing the service application and LAFCO annexation as well as reviewing the feasibility of project connection, and plans and specifications project for construction of the water system to be dedicated to the District.

The first step in the process is to conduct an engineering evaluation to determine the infrastructure required to serve the project, and estimated cost. Once this preliminary evaluation is completed the developer will determine if the cost of connection is feasible; in which case they will proceed with annexation. All costs of the engineering evaluation is paid by the developer. If connection is not feasible, the project will proceed through planning with the intent of installing individual private wells.

The project is located outside the CSD boundaries, therefore annexation into the District boundaries will be required to receive service. The Developer will be required to prepare and submit the annexation application and pay all associated fees and costs, including those of the CSD.

### RECOMMENDED ACTION

**I move to adopt Resolution 13-18, a Resolution Approving a Development Agreement for the Airport Estates Development; Mid Valley Aviation, LLC, Jason Johanson & Rex Pemberton**

### ATTACHMENTS

- Project map

### FINANCIAL IMPACTS

All costs associated with review and processing of the work necessary to annex and provide service to this development project are paid by the developer. A deposit amount will be determined by the General Manager based on the scope of work, and the deposit will not be allowed to drop below \$1000.

# AIRPORT ESTATES

A SUBDIVISION OF PARCEL 9, P.M. 53192, BEING A PORTION OF THE NW1/4 OF SEC. 13, T. 19, R. 76E, M.D. 2, 34 N. IN THE UNINCORPORATED TERRITORY OF TULLOGE COUNTY, CALIFORNIA.

## NOTES

1. Water & Sewer are to be provided by private wells and septic systems.
2. Legal Access provided by County maintained, asphaltic concrete, FERRETTI ROAD & CLEMENTS ROAD.
3. Public Utility Easements are 16' within 34' along the exterior boundary of each side of interior lot lines.
4. EXISTING ZONING: AE-37-AIR
5. PROPOSED ZONING: RE-7-RX-AIR
6. EXISTING GENERAL PLAN DESIGNATION: RR
7. PROPOSED GENERAL PLAN DESIGNATION: LDR
8. Surface drainage over entire site is primarily street flow. 1" = 100'
9. See Parcel Map 53192, Sub G/24 & Sub G/28

Indicates proposed well site

Proposed Leach Field site

BEAVER COURT

Indicates proposed well site

Proposed Leach Field site

BEAVER COURT

Indicates proposed well site

Proposed Leach Field site

BEAVER COURT

Indicates proposed well site

Proposed Leach Field site

BEAVER COURT

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Proposed Leach Field site

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Indicates proposed well site

Proposed Leach Field site

BEAVER COURT

Indicates proposed well site

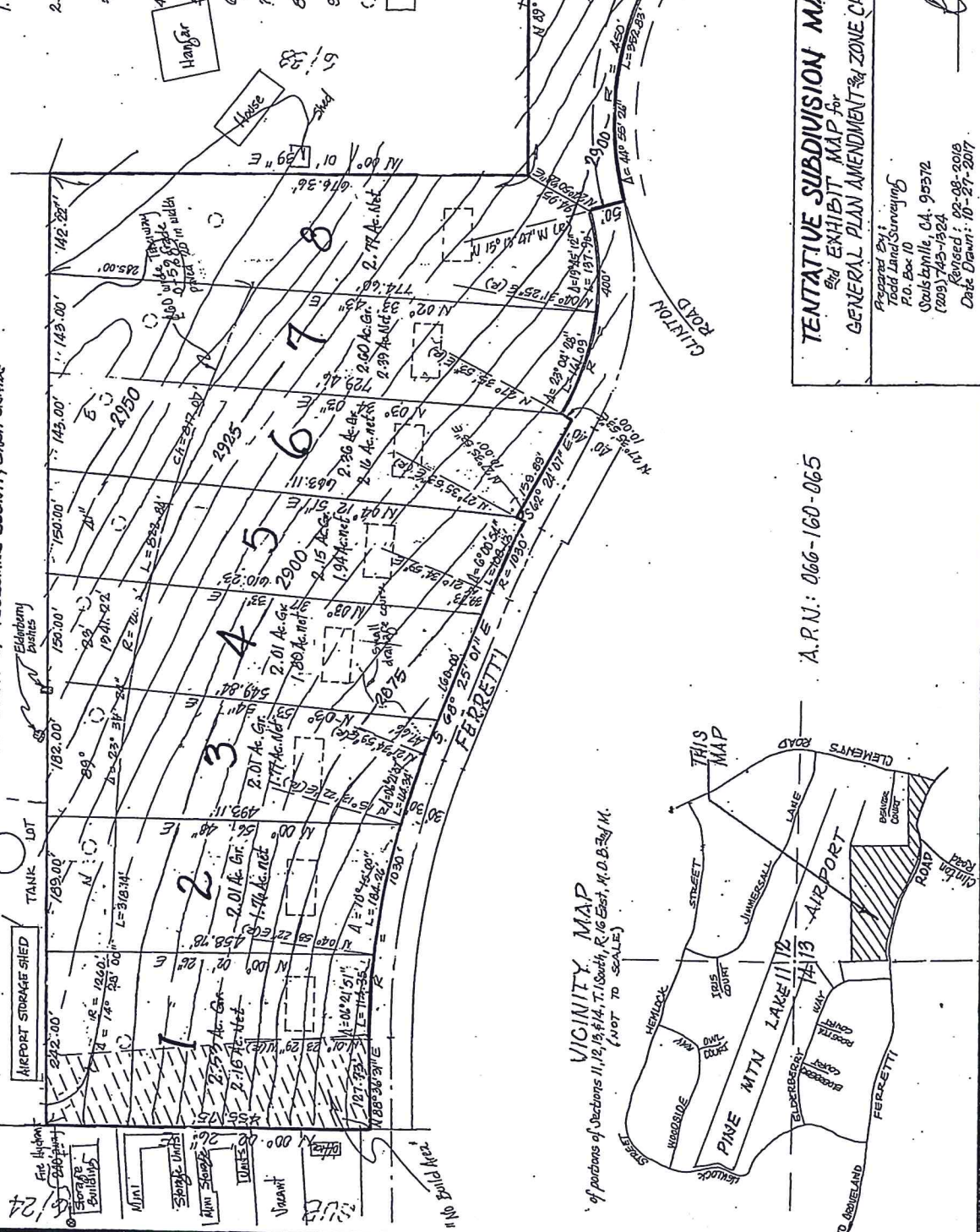
Proposed Leach Field site

BEAVER COURT

Indicates proposed well site

Proposed Leach Field site

BEAVER COURT



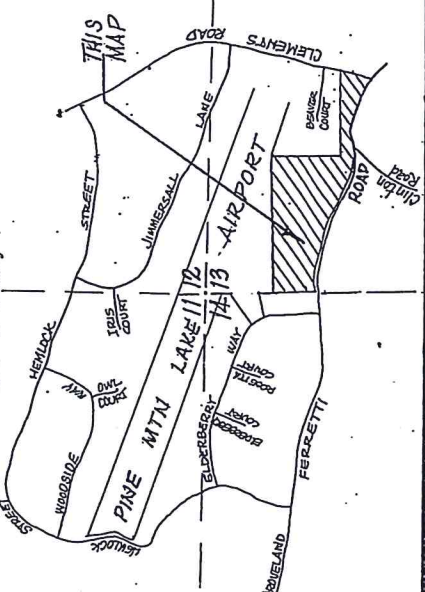
A.R.N.: 066-160-065

**TENTATIVE SUBDIVISION MAP**  
 5th EXHIBIT MAP for  
 GENERAL PLAN AMENDMENT & ZONE CHANGE

Prepared By:  
 Todd Land Surveying  
 P.O. Box 10  
 Soledadville, CA 95072  
 (209) 743-1524  
 Licensed: 06-08-0919  
 Date Drawn: 10-27-2017

Richard T. Todd, P.L.S. 5522

VICINITY MAP  
 of portions of Sections 11, 12, 13, 14, T. 19 S. 14, E. 76 R. 16 E. 1/4, M.D. 2, 34 N.  
 (NOT TO SCALE)





**RESOLUTION NO. 13-18**

**A RESOLUTION APPROVING A DEVELOPMENT AGREEMENT  
FOR THE AIRPORT ESTATES DEVELOPMENT; MID VALLEY  
AVIATION, LLC, JASON JOHANSON & REX PEMBERTON**

**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 District is authorized pursuant to California Government Code Section 61100 (a) to provide water service for beneficial uses within its boundaries; and

**WHEREAS**, the applicants for the Airport Estates Development Project have requested application for annexation through LAFCO and for water service to serve the potential development of their nine-lot subdivision project; and

**WHEREAS**, as the sole provider of public water supply near the project site, the District agrees to cooperate in the annexation process and to provide such water service in accordance with its water rules and regulations and with the construction and dedication of certain water system improvements; and

**WHEREAS**, District policy requires the execution of an Advance Funding Agreement in advance of conducting any engineering review of annexation and/or main extension projects, and to set forth the terms and conditions of the arrangement between the developer and District; such Agreement is attached hereto as Exhibit A.

NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY approve the Advance Funding Agreement with the Airport Estates Development; Mid Valley Aviation, LLC Jason Johanson and Rex Pemberton.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on May 14, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Robert Swan, 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 May 14, 2018.

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

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## Appendix 600-F ADVANCED FUNDING AGREEMENT

### ADVANCE FUNDING AGREEMENT REGARDING COSTS PERTAINING TO FACILITIES DEVELOPMENT PLAN FOR THE \_\_\_\_\_ TENTATIVE MAP

THIS ADVANCE FUNDING AGREEMENT (the "Agreement") dated as of \_\_\_\_\_, 2018 is entered into by and between the Groveland Community Services District, a community services district and a political subdivision of the State of California, formed and acting pursuant to Government Code Section 61000 et seq., (the "District"), and \_\_\_\_\_, a \_\_\_\_\_ corporation, ("Developer"). District and Developer are hereinafter sometimes referred to collectively herein as the "Parties."

#### RECITALS:

A. Developer owns certain real property (the "Property") either within the District or proposed to be annexed to the District which it intends to develop as a \_\_\_\_\_ (residential/commercial) community to be known as \_\_\_\_\_ (the "Project"). A map depicting the location of the Property is attached hereto as Exhibit "A" and is incorporated herein by this reference.

B. The Property is located within the County of Tuolumne (the "County").

C. District is the public agency responsible for the development, operation, maintenance, repair, and improvement of water supply, water treatment, water conveyance, sewer collection, sewer treatment, recycled water, fire suppression services, park and recreation facilities and services, and community buildings located within its jurisdictional boundaries. District's Facilities Development Policies located at Section 600 of the District's Operational Policies requires Developer to plan, design, fund, construct, and warrant all water supply, distribution and treatment facilities (the "Water System Improvements"), all sewer collection and treatment facilities (the "Sewer System Improvements"), all recycled water system improvements ("Recycled Water System Improvements"), all fire suppression facilities and services (the "Fire Suppression Facilities and Services"), all park and recreation improvements and facilities (the "Park and Recreation Improvements and Services"), and community buildings (the "Community Building Facilities") to serve the residents of the Project. County has designated District as the public agency responsible for providing water, sewer, fire suppression, park and recreational facilities and services, and community buildings to the Project and its residents. It is therefore necessary that District and Developer agree on the nature, location, size, amenities, plans and specifications for the Water System Improvements, Sewer System Improvements, Recycled Water System Improvements, Fire Suppression Facilities and Services, Park and Recreation Improvements and Services, and Community Building Facilities to be constructed within the Project dedicated to District. Upon acceptance of all such improvement projects and dedication to District, District shall be responsible for all operation and maintenance of such Water System Improvements, Sewer System Improvements, Recycled Water System Improvements, Fire Suppression Facilities and Services, Park and Recreation Improvements and Services, Community Building Facilities (hereinafter the "Improvements") within the Project.

D. District has adopted by Ordinance its Facilities Development Policies which require Developer to enter into this Advance Funding Agreement and a Development Agreement with the District specifying the obligations of the Developer and the needs of the District with respect to planning, constructing, operating and maintaining the Improvements to serve the residents of the Project. Said Facilities Development Policies also enact a fee program by which fees are charged to each Developer to cover the administrative, engineering, legal, environmental and consulting costs incurred by District in the planning, design, financing and construction of the Improvements to serve the Project (the "Fee Program").

E. In order to comply with the Fee Program, Developer hereby agrees to advance funds to District to reimburse the administrative, engineering, legal, environmental and other consulting costs incurred by the District for those services and in those amounts as specified in the Scope of Work attached hereto as Exhibit "B."

F. In consideration of Developer's advance funding of such administrative, engineering, legal, environmental and other consulting costs incurred by District, District agrees to undertake and complete the work described in the Scope of Work.

G. District has established the Project Development Trust Fund (hereinafter the "Fund") for the purpose of accepting advances of funds by Developer to District to be used by District to pay those costs and expenses incurred by District in performing the activities described in the Scope of Work.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties agree as follows:

1. Recitals. Each of the above recitals is incorporated herein and is true and correct.

2. Scope of Work. The Parties agree that the Scope of Work attached hereto contains the summary of the primary tasks to be performed by District and its staff in reviewing, revising, modifying, approving, inspecting, and accepting the Improvements to be constructed by Developer to serve the Project; estimating the costs of planning, designing and constructing such Improvements and providing such services; and developing a financing plan to provide for the design, planning, construction, operation and maintenance of the Improvements constructed within the Project to serve its residents.

District will retain, at Developer's expense, the necessary consultants to perform the tasks outlined in the Scope of Work, including, but not limited to engineers, special tax consultants, attorneys, architects, environmental consultants and any other consultants deemed necessary by District.

3. Advance Funding. In order to begin performing the tasks outlined in the Scope of Work, Developer will advance to District the sum of \_\_\_\_\_ (\$\_\_\_\_\_) within fifteen (15) days after full execution of this Agreement. From time to time, Developer shall make additional advances to the District within fifteen (15) days following receipt from District of a written notice which will request an additional advance to cover the costs of District to perform the tasks outlined in the Scope of Work. Developer shall make such subsequent advances as requested by District up to a total of \$\_\_\_\_\_. If Developer does not deliver the requested funding amount to

District within such fifteen (15) day period, District will have no obligation to proceed with the tasks outlined in the Scope of Work unless or until such additional advances are received. Should Developer decide to abandon the Project, Developer shall be responsible to pay all costs and expenses incurred by the District or any District consultant or advisor relating to the tasks outlined in the Scope of Work until work with respect to the tasks outlined in the Scope of Work ceases following the receipt of Developer's notice of abandonment. In the event of Developer's decision to abandon the Project or otherwise refuse to deliver the requested additional funding amount to District as requested by District within the applicable 15-day period, Developer hereby consents to, and hereby waives, any protest it may have to the following remedies to be exercised by District: (1) recording in the office of the County Recorder a Certificate declaring the amount of the charges and penalties unpaid and due from Developer, which, from the time of recordation, shall constitute a lien against all real property of Developer owned in Tuolumne County; and (2) to the preparation and filing of a report with the County Auditor of Tuolumne County requesting that the amount of charges and penalties unpaid by Developer be collected on the Property Tax Roll by the Tuolumne County Tax Collector in the same manner as property taxes, all as provided in Government Code Section 61115(b) and (c).

The District will provide written notice to Developer when the balance of remaining advances is reduced to Five Thousand Dollars (\$5,000.00). District will provide to Developer upon request the summary of how the advances have been spent and the unexpended balance remaining.

The District shall give Developer thirty (30) days written notice in the event that the funds required to pay the costs and expenses of District exceed the total amount set forth above. Prior to such notice District shall be available to meet with the Developer to discuss the need for additional advances, including amounts, timing, and tasks to be completed. At such time the District shall provide the Developer with an estimate of additional costs and expenses to be incurred by the District to complete the tasks outlined in the Scope of Work. The Developer shall, within fifteen (15) days following receipt from District of such estimate, advance additional funds to pay such estimate costs and expenditures of the District. If the District does not receive additional advances for such costs and expenditures within such 15-day period, the District shall cease all work and effort related to the tasks outlined in the Scope of Work until such time as the Developer has advanced additional funds to pay such estimated costs and expenditures.

4. Deposit and Expenditure. District shall immediately deposit all advances from Developer into the Fund upon receipt from Developer. As District incurs the direct and indirect costs and expenses associated with the tasks specified in the Scope of Work, District shall disburse from the Fund the sums required to pay said costs and expenses. The General Manager of District shall have sole discretion as to the disbursement of said Funds, limited only by the provisions of this Agreement.

5. Reimbursement. If, for any reason, the Developer abandons the Project, and Developer delivers notice thereof to District pursuant to Paragraph 6 hereof, and in the manner described in Paragraph 7 hereof, District shall promptly return to Developer any funds advanced by Developer for those particular tasks outlined in the Scope of Work which will not be implemented to the extent such funds have not been expended or committed under contract for any authorized purpose by the time such tasks are either not implemented or abandoned.

6. Indemnification. Developer shall assume the defense of, and indemnify and save harmless, the District, its officers, employees and agents, and each and every one of them, from and against all actions, liability, damages, claims, losses, or expenses of every type and description to which they may be subjected or put to by reason of or resulting from: (1) performance of, or failure to perform, the work or any other obligations of this Agreement by Developer, any subcontractor or

Developer's agents or employees; (2) any negligent act or omission of Developer, any subcontractor, Developer's agents or employees, in connection with any acts performed or required to be performed pursuant to this Agreement; (3) any dangerous or defective condition arising or resulting from any of the actions or omissions of Developer, Developer's agents or employees carrying out the provisions of this Agreement. This indemnification is effective and shall apply whether or not any such action is alleged to have been caused in part by the District as the party indemnified hereunder. This indemnification shall not include any claim arising from the sole negligence or willful misconduct of the District or its employees.

Developer further agrees to indemnify, defend and hold harmless the District, its officials, officers, employees, agents and consultants from any and all administrative, legal or equitable actions or other proceedings instituted by any person not a party to this Agreement challenging the validity of this Agreement, or otherwise arising out of or stemming from this Agreement, its approval, and/or the process relating thereto, including, but not limited to, any legal proceeding alleging that the District has failed to comply with the California Environmental Quality Act ("CEQA") with respect to this Agreement or the Project.

7. Notices. Any notice to be provided pursuant to this Agreement shall be delivered to the following addresses:

Developer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

District: Groveland Community Services District  
18966 Ferretti Road  
Groveland, CA 95321-0350  
Attention: General Manager  
Telephone: (209) 962-7161  
Facsimile: (209) 962-4943

Each party may change its address for delivery of notice by delivering written notice of such change of address to the other party.

8. Assignment. Developer may not assign its interest in this Agreement without the prior written consent of the District, which consent shall not be unreasonably withheld.

9. Severability. Each provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Agreement.

10. Entire Agreement. This Agreement (including all Exhibits attached hereto) is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter hereof and supersedes all prior understandings, written or oral, with respect thereto. This Agreement may not be modified, changed, supplemented, superseded, canceled or terminated, nor may any obligations hereunder be waived, except by written instrument signed by both Parties hereto.

11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

12. Attorneys' Fees. In the event any action is initiated by either party seeking to enforce any of the terms of this Agreement, the prevailing party in such action shall be entitled to an award of its reasonable attorneys' fees and costs from the other party hereto. The prevailing party will be entitled to an award of attorneys' fees in an amount sufficient to compensate the prevailing party for all attorneys' fees incurred in good faith.

13. No Third Party Beneficiaries. No person or entity shall be deemed to be a third party beneficiary hereof, and nothing in this Agreement, either express or implied, is intended to confer upon any person or entity, other than the District and Developer, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

14. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

15. Term. This Agreement shall remain in full force and effect for a period of two (2) years from the date of full execution hereof, provided that the Agreement is subject to early termination by Developer, should Developer elect to abandon the Project pursuant to notice to the District as described in said Paragraph 3.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

**DISTRICT:**

GROVELAND COMMUNITY SERVICES DISTRICT, a political subdivision of the State of California

By:

\_\_\_\_\_  
Chairperson

By:

\_\_\_\_\_  
General Manager

**DEVELOPER:**

a \_\_\_\_\_ corporation

By:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

**EXHIBIT "A"**

**MAP DEPICTING THE PROPERTY**

**[To be attached]**



**EXHIBIT "B"**

**SCOPE OF WORK**

**Description of Services**

**Estimated Costs**

For all District activities involved in Step 1 of the District's Facilities Development Policies outlined in Section 603.2 of said Policies including, but not limited to the following: Review Developer's Preliminary Application; negotiate, prepare and approve this Advance Funding Agreement; determine the Scope of Work to be provided by District personnel and consultants in reviewing the Developer's Preliminary Application; estimate the amount of administrative, legal, engineering, environmental and other consultant costs to be incurred by District in reviewing the application; produce applicable maps, models, and reports to assist Developer in preparing a Sub-Area Master Plan (SAMP) and environmental documentation required by the California Environmental Quality Act ("CEQA Documentation"); assemble and provide to Developer information regarding District Water System improvement capacities, Sewer System improvement capacities, Fire Suppression capacities, nature and extent of Park and Recreational services and facilities, and other latent powers which may be exercised by the District from time to time; assemble and provide information to Developer regarding future planning activities contemplated by the District with respect to its Water System Improvements, Sewer System Improvements, Recycled Water System Improvements, Fire Suppression Facilities and Services, and Park and Recreational Improvements and Services; review, analyze and report on the implications of annexation of all or a part of the Project into the jurisdictional boundaries of the District if required by the parameters of the Project as proposed by Developer.

\$ \_\_\_\_\_

All of those activities described in Step 2 of the Development Process as outlined in the District's Facility Development Policies Section 603.3: Assist Developer in preparation, revision, and finalization of the Sub-Area Master Plan (SAMP) and appropriate environmental documentation pursuant to CEQA for the proposed Project; provide for review and approval of the SAMP by the District Board of Directors; interface with County with respect to the details of the SAMP; prepare for and perform all functions required of a Lead Agency under CEQA regarding approval of the SAMP; work with the designated Environmental Consultants regarding appropriate and comprehensive CEQA Documentation for the SAMP; meet with and coordinate with County officials regarding CEQA Documentation and approval of SAMP; review and analyze the Developer Information Form and perform due diligence regarding information provided by

Developer in Developer Information Form; review Developer's Request of District Services to Subdivision; establish and monitor a Trust Fund for deposit of funds by Developer pursuant to this Agreement; review, analyze, comment upon and revise as necessary CEQA Documentation prepared by Developer and the Environmental Consultant for the SAMP; review and analysis of the SAMP regarding present system capacities, future system capacities with planned build-out of the Project, impact of the Project on present and future capacities, discussion of alternative infrastructure improvement methods for the Project; evaluation of alternatives presented in the SAMP for capital and analyze long-term operations and maintenance costs as well as impacts on fire and rescue services and park and recreational services provided by District; review and analysis of detailed financial impact analysis as part of the SAMP including long-term financial impacts on existing District customers for providing water, wastewater, fire suppression and park and recreational services to the Project; a discussion of the short-term and long-term financial impacts on existing customers stemming from the Project; review, analysis and revision of the proposed mitigation efforts to minimize the impacts of the Project on the District's existing customer base; review, revision and negotiation regarding elements of the SAMP between Developer and the District's Board of Directors; review, analysis, comments upon and suggested revisions to CEQA Documentation regarding the SAMP and the Project in general; meet and confer with the Environmental Consultant when selected by Developer, and/or meet and confer with the Environmental Consultant by Developer and the Environmental Consultant selected by District for peer review purposes regarding the CEQA Documentation for the Project and the SAMP; pursuant to District Facilities Development Policies Section 603.3.2 I.1.

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Perform all activities listed in Step 3 of the District's Facilities Development Policies, including, but not limited to, all of those activities described in Section 603.4 of said Policies as follows: Negotiate, prepare, present to Board of Directors for approval and execution of a Development Agreement between Developer and District for the Project; if all or any part of the Project is required to be annexed into the District, negotiation, preparation, Board review and approval of an Annexation Agreement between Developer and District; review, revision, and negotiation of Developer's Project, Design by District Staff and Consultants in order to insure compliance with District's Development Improvement Standards; all construction administration and inspection required for construction of the Improvements to comply with District standards; review, revision and approval of all security facilities required of Developer for construction of the Improvements whether performance bonds, payment bonds, irrevocable letters of credit, cash deposits, or otherwise; review and inspection of the construction of the Improvements upon completion in order to recommend final Project approval; revision and due diligence of any warranty security provided by Developer pursuant to the District's Facilities Development Policies Section 603.4.2 E and Section 603.5.

\$ \_\_\_\_\_

Compliance with all the terms and conditions of Step 4 of the District's Facilities Development Policies set forth in Section 603.5 of said Policies as follows: Analyze and inspect the Improvements for the two-year warranty period to ensure that all warranty obligations of Developer are satisfied; review, renew and update as possible any performance warranty bonds or irrevocable letters of credit offered by Developer to satisfy its warranty obligation; if necessary for the Project, comply with all the requirements of the annexation process including conducting public hearings and board meetings regarding annexation; negotiations with and meetings with Developer and the Local Agency Formation Commission (LAFCO) regarding terms and conditions of the annexation; reviewing any and all LAFCO documentation and attending all LAFCO hearings regarding annexation; reviewing and revising any terms or conditions of annexation assigned by LAFCO to any proposed annexation; analysis of all easements and rights of way for the maintenance, repair and replacement of all Improvements constructed by Developer pursuant to this Agreement; take all steps necessary to form a Community Facilities District pursuant to the Mello-Roos Community Facilities District Act (Gov. Code § 53311) for the purpose of levying a special tax upon owners of the property to finance the cost of continuing maintenance, repair and replacement of park and recreational improvements constructed to serve the Project, and/or to finance the cost of providing fire suppression services to the Project; in the alternative, take all steps necessary to form a Landscape and Lighting Improvement District pursuant to the Landscaping and Lighting Assessment District Act of 1972 (Streets & Highways Code § 22500 et seq.) for the purpose of levying a special assessment upon owners of property within the Project to finance the costs of continuing maintenance, repair and replacement of park and recreational improvements constructed within the Project and/or fire suppression facilities and services to serve the Project; process all requests for easements to be granted by the District on District property, including, but not limited to, review of all applicable Preliminary Title Reports on the affected property, field inspection and investigation of proposed easement locations, negotiation of the terms and conditions of each easement in an Easement Agreement, negotiate, prepare, and record any and all necessary grants of easements or other rights of way upon District property necessary for the development of the Project.

\$ \_\_\_\_\_

Estimated administrative costs of District personnel, consultants, engineers, and attorneys in providing the services specified in the Scope of Work:

**TOTAL** \$ \_\_\_\_\_

## AGENDA SUBMITTAL

**TO:** GCSB Board of Directors

**FROM:** Peter J. Kampa, General Manager

**DATE:** May 14, 2018

**SUBJECT:** Item 5 G. Discussion and Action Related to a Request that Tuolumne County LAFCO Submit for a Vote, the Proposal that Special Districts Hold Membership in County LAFCO

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### BACKGROUND

State law has established the Local Agency Formation Commission (LAFCO) laws to provide for the orderly growth of the state and provision of services to communities. LAFCO exists in each county, and initially was made up of two members of the Board of Supervisors, Two members from City Councils, and one public member. Changes in the LAFCO law allowed special districts to petition for membership on the LAFCO, increasing the number of commissioners to seven. More recent LAFCO law changes have made it easier for special districts to seek membership on LAFCO, and CSDA as well as six other special districts in Tuolumne County are strongly encouraging all counties to have special district membership on LAFCO.

To participate on LAFCO, special districts need to financially participate in the cost of operation of LAFCO. If the cost of county LAFCO were split equally among the city, county and districts, the maximum cost to all 18 districts would be \$15,000. This amount would be split among all districts by an agreed upon formula. The supporting Districts have each agreed to take this issue to their respective Board's to secure an idea of the support for special district membership countywide.

### RECOMMENDED ACTION

**I move to support the process of special district representation on the Tuolumne County LAFCO**

### ATTACHMENTS

Please see the informational document on our website, linked [here](#).

### FINANCIAL IMPACTS

At this point, there is no impact financially. If special district membership is approved, the maximum cost is estimated to be no more than \$3,000 annually.

**RESOLUTION NO. 14-18**

**A RESOLUTION APPROVING A 2017/18 PARK BUDGET  
AMENDMENT AND RESERVES TRANSFER TO FUND  
RESTORATION COSTS RELATED TO THE MARCH 22, 2018  
FLASH FLOOD**

**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 District owns and operates Mary Laveroni Park and its related public facilities that include a concession stand, amphitheater, grassy areas, parking lots, sidewalks and other features; and

**WHEREAS**, the above detailed park features were all significantly damaged and currently unusable as the result of flash flooding in the community that occurred on March 22, 2018; and

**WHEREAS**, the park grounds and facilities are a significant community asset and are of great importance in their support of major community events that occur during the summer months; and

**WHEREAS**, although the park budget does not contain funds for repair and replacement of the damaged improvements, small amounts of reserve funds are available to the park fund and the investment of which will make large portions of the park usable for the summer events.

NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY amend the 2017/18 Park budget to include an additional \$25,000 for flood damage restoration work, and approve a commensurate transfer from unrestricted Park reserves.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on May 14, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Robert Swan, 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 May 14, 2018.

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

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## AGENDA SUBMITTAL

**TO:** GCS D Board of Directors

**FROM:** Peter J. Kampa, General Manager

**DATE:** May 14, 2018

**SUBJECT:** Item 5 I. Discussion and Action Related to the Assumptions and Criteria Being Used to Develop the 2018-19 Fiscal Year Budget

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### BACKGROUND

Staff seeks policy level input and direction from the Board on the development of the draft 2018-19 fiscal year budget. This year we chose to revise the budget format and presentation to be more user-friendly and understandable, as well as functional for management and the Board. This has significantly extended the budget preparation time as the entire document has been revised from prior years, and new management has work to get up to speed on the issues, needs and projects.

To provide an understanding of the budget, staff has prepared a preliminary draft budget memorandum that explains how the budget is prepared, its purpose and the information we used to develop its financial projections. Some incomplete sections of the budget memorandum are included to provide the Board a snapshot of what is intended to be included in future versions; once the budget is further developed.

Specifically, the budget revenue and expense assumptions and criteria contained in the memorandum should be discussed to a solid understanding, and modified as needed to provide staff adequate direction for production of the final draft budget.

### RECOMMENDED ACTION

**I move to direct the following:**

Prepare the final draft budget for Board consideration based on the agreed upon budget assumptions and criteria

### ATTACHMENTS

Preliminary draft budget preparation memorandum

### FINANCIAL IMPACTS

None

# Groveland Community Services District

## 2018/19 Preliminary Budget Preparation Memorandum

May 14, 2018

### 1 BUDGET OVERVIEW

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#### 1.1 PURPOSE

We are pleased to present to the Board of Directors this preliminary 2018/19 fiscal year budget preparation memorandum. The intent of this document is to describe, in narrative terms, how management is approaching budget preparation, to describe what the budget will and will not contain, changes to be made or expected in operations and administration, capital investments proposed and other matters that will be tied directly to the revenue and expenses that the Board will see in the proposed budget. After Board review, vetting and direction, this memo will become the final budget narrative that supports and explains the budget for the benefit of the Board and public.

This is a preliminary budget memorandum and will be modified and completed as the draft and final budget are considered by the Board. You will find that some sections below are complete, and others reference material that will be included in future versions of this memorandum.

#### 1.2 TRANSPARENCY

The development of the small public agency budget is as much an exercise in public outreach and education as it is in finance and fiscal accountability. Effective special district budgets tie directly to management goals and objectives, are simply presented and easily understood by the average District service customer. Budgets containing every line item to be purchased are not realistic or necessary in our public service environment, where our revenue is very predictable but our expenses can vary widely due to weather, regulations, disasters or critical equipment failure. Therefore, this budget is presented in functional categories in each service, including:

- Salaries, benefits and pension liabilities
- Operating expenses such as equipment, vehicles, system/building maintenance and repair
- Outside (contractual) services
- Other expenses such as utilities, training, certification
- Leases and debt service (loan) payments
- Capital outlay (projects and equipment with a value of over \$5000 and useful life of greater than three years)

To provide a basis of budget understanding, the assumptions, criteria and procedures of budget development are articulated in this memorandum to offer the reader with the background necessary to comprehend the methodology used and performance to budget within the year currently coming to a close; as well as the ability to transition into the upcoming budget year with the information necessary to identify trends, financial red flags, budget influences and other factors. The budgeting exercise is therefore used as a vehicle to increase financial transparency and accountability.



### 1.3 ACCOUNTABILITY

Budgeting is also a management tool used to continuously refine financial accounting methods to evaluate the impact of delivering various levels of public services. For example, we need to be able to not only quickly recognize when we have underestimated cost for materials and supplies; we should also have the ability to know whether it was maintenance, state permits or salaries that produced the overrun. In preparation of this 2018/19 budget, we have revised our practices to make it easier to comprehend the budget, which makes it much simpler for the Board and public to track planned versus actual expenses and revenue. This revised budget process also allows for a better understanding of administrative (overhead) expenses and how they are applied to the services provided.

### 1.4 SERVICE LEVELS

Special districts are truly the most responsive vehicle in which to respond to a community's service provision needs. In some cases, a district is formed to provide a single public service such as water or wastewater, and in others such as GCSD, a district is formed to provide multiple public services, tailored at a level specific to the needs of the customers. Considering these differences, it is important to understand the fact that some of our service levels are fixed by law, and others are at the discretion of the community through its district Board of Directors.

#### 1.4.1 Mandatory Service Level Example

The Local Agency Formation Commission (LAFCO) Resolution that formed GCSD assigns to us the responsibility to provide water and sewer services; which must be delivered in strict compliance with State and Federal Permits, regulations and laws. We are required to comply with these requirements, and if we do not, the state will levy steep fines, penalties and expensive improvement requirements. Complaining that the District or its customers cannot comply with OSHA laws or Clean Water requirements because we do not have enough money; will not relieve the District of the fines or enforcement. The District Board and management have NO flexibility when it comes to providing service in compliance with these requirements, no matter how costly. Therefore, management will budget for compliance and if we are not qualified to determine what is necessary/best for compliance, the expertise of professional consultants and their cost will be included and identified in the budget proposal.

#### 1.4.2 Discretionary Service Level Example

Fire and Park services are examples where we have the discretion to set service levels. With regard to parks, if we own and operate them, certain less onerous mandatory requirements apply, including:

- To reduce liability, we must maintain for public safety. We can, and will be sued for a dangerous or defective condition of public property
- We must comply with all handicapped accessibility requirements for facilities and buildings
- Playgrounds must be constructed in compliance with the Handbook for Public Playground Safety
- We must comply with public contracting requirements such as payment of prevailing wage; CEQA and non-discrimination requirements

However, if we have no money available to replace a leaky roof, replace a broken refrigerator, water or mow the lawn, stripe the parking lot, or keep the skate park open when the concrete fails; there is no requirement in law to provide for these. Therefore, if there is no money, the District can budget \$0 for water and \$0 for power, close and lock buildings and stop mowing the lawn.

In the example above, the District does have the ability to propose the adoption of a funding measure, such as a property assessment or special tax, that if approved by the voters can be used to maintain services at a current level or improve them to the level desired by the community.

### 1.5 2018/19 BUDGET HIGHLIGHTS:

This section of the Budget Memorandum is intended to provide the reader an overview, or “bottom line” of what has changed from prior years, and where to focus in the budget for major projects or purchases. The dollar amounts for each of the highlights will be inserted and described briefly in this section of the final Budget Preparation memorandum. Additional detail will be provided later in the report supporting the budget highlights, which will include:

- Projected total operating revenue, expense and loss/gain for each service
- Projected revenue to be generated from the proposed wastewater rate increase
- Projected investments in capital improvements and/or debt for each service
- Amounts of allocation or transfers from reserves and its purpose
- Changes to staffing levels and the cost impact; benefit summary
- Projected investments in new programs or study projects. For example, in the 2018/19 fiscal year we are proposing to budget for the update of both water and wastewater system master plans; that each chart the course for improvements and capital expenditures over the next 1-30 years.

## 2 2018/19 BUDGET DISCUSSION

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### 2.1 GENERAL BUDGET DEFINITIONS

#### 2.1.1 Administrative Expenses

With the 2018/19 fiscal year budget, we have moved all administrative, or overhead expenses into their own category for transparency and evaluation purposes. The salary and benefits of office staff, office expense, insurance, board expenses and other basic costs to administer the affairs of the District, regardless of the services provided, are accounted for in the administrative expense. As a rule in the Community Services District world, this expense is then distributed to the various services provided, at an allocation percentage based on the level of administrative effort that goes into delivering the respective service. In our case, we distribute the administrative expense only to the water and sewer services, for the most part using the percentage of water to sewer customers as the basis for allocation.

#### 2.1.2 Revenue

##### 2.1.2.1 Taxes and Assessments

- **Property Taxes – Current Secured:** A portion of the ad valorem (value based) property taxes that are levied, collected and appropriated by the County to the District for all secured property within the Groveland Community Services District service area. This tax is secured by a lien on real property and are subject to 1% of market value limitations of Proposition 13. The Board of Directors has the discretion to allocate ad valorem property taxes to any and all legitimate expenses of the District. Historically, the District has allocated all ad valorem taxes received to the Fire and Park services.

- Property Taxes – Current Unsecured: A portion of the ad valorem (value based) property taxes that are levied, collected and appropriated by the County to the District for all unsecured property with the District’s service area. The term “unsecured” simply refers to property that is not secured real estate such as a house or parcel of land which is currently owned. In general, unsecured property tax is either for business personal property (office equipment, owned or leased), boats, berths, or possessory interest for use of a space.
- Assessments (In our case also referred to as Bonds): A levy or charge upon real property by an agency for a special benefit conferred upon the real property that is subject to Proposition 218.

#### 2.1.2.2 *Service Charges*

Property related charges imposed for a property related service. Article XIII D of the California constitution determined that water and wastewater are property related services.

- Water Service Charge: Fees collected to recover the cost of providing water service to District customers.
- Wastewater Service Charge: Fees collected to recover the cost of wastewater collection services to District customers.

#### 2.1.2.3 *Fees*

Miscellaneous set fees such as late fees, door notice fees, hookup fees, reconnection fees, property transfer fees and returned check fees. All fees are charged related to actions or non-actions specific to a customer’s water or wastewater account, for facility rentals and other administrative processes. Government Code § 61115(a)(1) provides that the District Board of Directors can, by ordinance or resolution, establish fees for the services and facilities that the District provides. All such fees must be reasonably related to the service provided. The fees cannot be used as a source of “general revenue” for the District.

#### 2.1.2.4 *Grants & Donations*

Various grants or donations received for specific purposes or areas.

#### 2.1.2.5 *Other Revenue*

- Strike Team Revenue: Income received from the State of California and Federal Government to reimburse the District for expenses related to responding to a request for mutual aid to fight wildfire (Strike Team). This is applicable to the fire fund only.
- Lease Revenue: Income received from the rental of District property, equipment or buildings.
- Sale of Assets: Monies received from the sale of buildings, vehicles, land or equipment owned by the District.
- Interest Revenue: Interest earned on investment of District funds.

#### 2.1.3 *Expenses*

- Salaries: Costs associated with compensation paid to employees and interns of the District including regular pay, overtime, standby, vacation, sick, strike team, cell phone stipend, uniform allowance, and intern stipends.
- Benefits: Costs associated with all fringe benefits and payroll related expenses for District employees. Costs include payroll taxes, retirement contributions, health/vision/dental insurance premiums, and workers compensation insurance premiums.

- Equip, Auto, Maint, & Repairs: This category of costs includes maintenance and repair of equipment, facilities, and vehicles; fuel; new equipment purchases with a purchase price of less than \$5,000 per item; personal protective equipment; landscaping and janitorial services.
- Outside Services: Costs from outside consultants/service providers including auditing, legal, engineering, medical, janitorial, lab services, and IT service providers.
- Other: Other costs consist of utilities, phone and communication expenses, property and liability insurance, property taxes, training, conferences, travel, certifications, public education, software licenses and maintenance. In the water fund, other costs include the cost of wholesale water.
- Debt Service: The amount of principal and interest due during the fiscal year on debt incurred for previous capital improvement purchases/projects.
- Capital Outlay: Assets or improvements with a cost of \$5,000 or more and a useful life that is longer than one year.

#### 2.1.4 Reserves

Fund balances/net assets set aside to meet known and estimated future obligations and to ensure available cash for normal operations. Reserves are typically established based on improvements identified in adopted capital improvement plans.

## 2.2 BUDGET DEVELOPMENT PROCESS

The District's budget is developed for the ensuing fiscal year, initially by office and operations management staff under the direction of the General Manager. Expenses and revenue through the first six to eight months of the year are closely analyzed and then projected through the end of the year. To understand financial trends and identify potential budgeting inaccuracies, the expenses and revenue are then compared to previous years' budgets and actual fiscal year-end figures. These identified trends, as well as areas where we had in previous years budgeted too high or low, are taken into consideration in development of the next fiscal year's budget. Further, budget criteria are identified and assumptions made about known changes in expenses and revenue for the next year; which are then forecasted to further guide budget development.

The District budget proposal is very simply constructed and presented, due to the relatively stable and very limiting nature of our funding and limited expense fluctuations; therefore, this narrative is very important in understanding the financial condition of the District. Following are some basic assumptions and criteria used in our budget development:

## 2.3 SERVICES CRITERIA

Supported by the recently adopted Management Objectives, detailed in this section are specific management directives issued to staff to guide their overall approach to budget development, and setting certain minimum and maximum goals:

### 2.3.1 Water/Sewer

- Customer Service levels will not be reduced
- Water and wastewater quality will be maintained at current levels
- Public Outreach will be increased
- Compliance is mandatory with state permits and other regulatory and legal requirements

- Employee and public safety is of utmost importance and regulatory compliance is mandatory
- System maintenance efforts will increase
- Equipment is to be safe, reliable and operable for the intended purpose

#### 2.3.2 Mary Laveroni Park

- Park grounds will be restored to pre-flood conditions
- Park buildings will be restored to pre-flood conditions if funding is made available
- Public safety is a top priority

#### 2.3.3 Fire

- Continue to provide the highest level of services possible
- Maintain safe, reliable equipment

#### 2.3.4 Administration

- Technology will be maintained and improved
- Public outreach will be increased
- Financial practices will be solid, safe and audits clean
- The Board of Directors will be developed into a knowledgeable, function team

### 2.4 REVENUE ASSUMPTIONS

- Water Service Charge base rate revenue will increase by 5%, due to the step rate increase approved in April 2018
- Customer water consumption will be consistent with the 2017/18 fiscal year, and consumption revenue will increase by 1%. due to the step rate increase approved in April 2018
- Wastewater (Sewer) revenue will increase by 20% as a result of the proposed rate increase expected to be in effect by August 2018
- Property tax revenue is estimated to increase by 4% due to the increasing values of properties sold and the normal 2% inflation increase levied by the county
- Lease revenue is expected to increase by \$9,312 due to additional cellular towers being developed on CSD property

### 2.5 EXPENSE ASSUMPTIONS

- Staff headcount will remain the same as budgeted in 2017/18
- Salary expenses will decrease by an average of 8.6% due to the District not having a General Manager as an employee
- Benefit costs are estimated based on known or expected rates for the upcoming fiscal year, and are estimated to decrease by 6.9% due to the District not paying benefits for a General Manager
- Contract General Manager services not to exceed \$185,000
- To develop and solidify our employee attraction and retention strategy, a classification and compensation study will be completed by an external human resources firm familiar with our industry, at an estimated cost of \$15,000
- Calfire costs will be budgeted in accordance with the 2018 contract, and the actual amount billed to the District will steadily increase to the amount budgeted
- Expenses for materials and supplies are expected to increase due to basic inflation

- Chemical costs will increase by 3% to 5%
- Utility expenses for all services will increase based on programmed rate increases
- Technology expenses for hardware, software and IT services will increase in an attempt to bring our systems up to date and implement a replacement and update schedule
- Integrated Water and Wastewater Master Plans will be developed at a cost of approximately \$200,000 over two fiscal years, updating the plans last completed in 2007
- A Park Master Plan update will be completed at an estimated cost of \$20,000; focusing on replacement and upgrade of existing facilities, and determining community needs for additional public facilities or park improvements, cost and funding possibilities

### 3 CAPITAL IMPROVEMENT PROJECTS

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This section of the final budget memo will identify and provide justification for each capital project and capital equipment purchase, as well as providing cost information, priority, schedule and method of completion. This information is currently under development.

### 4 BUDGET IMPLICATIONS

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The budget document provides information about the revenue we expect to collect and what expenditures are planned, why and what they will cost. Many times when we plan a balanced budget, all appears to be in order financially. What the budget assumptions, criteria and figures may not reveal is the answer to questions such as:

1. With the revenue available, are we able to maintain our water and sewer system to industry standards; and if not, what are the short and long term implications in terms of cost, regulatory compliance and service reliability?
2. Are we able budget to ensure that there will be no sanitary sewer overflows? If not, what needs to happen to be able to do so?
3. Are we spending to simply stay afloat and keep the rates as reasonable as we can today, or are we investing toward long term goals and efficiency?
4. Are we planning in our budgeting for the long term needs and financial health of the Park and Fire services?

Once completed for the draft and final budget, this section will compare the current budget's ability to address the above questions; while outlining management's budgetary concerns and recommendations for future consideration.