



REGULAR MEETING OF THE BOARD OF DIRECTORS

District Office, 18966 Ferretti Road

Groveland, CA 95321

(209) 962-7161 www.gcsd.org

AGENDA

December 13, 2022

10:00 a.m.

BOARD MEMBERS AND PUBLIC MAY ATTEND IN PERSON AT DISTRICT OFFICE OR VIA VIDEO CONFERENCE AS DETAILED BELOW:

Under the Governor's Executive Order N-25-20 and Order N-29-20, members of the Board of Directors can participate by videoconference or teleconference. Accessibility Requirements, if you need swift special assistance during the Board meeting, please call (209) 962-7161. The District office is open to the public at this time from 9am to 4:30pm Monday through Thursday and 9am to 4pm on Friday (Closed between 12pm-2pm). All members of the public seeking to observe and/or to address the GCSB Board may participate in the meeting telephonically or otherwise electronically in the manner described below:

HOW TO OBSERVE AND PARTICIPATE IN THE MEETING:

Computer, tablet or smartphone: Watch the live streaming of the meeting from a computer by navigating to <https://us02web.zoom.us/j/7688070165> using a computer with internet access that meets Zoom's system requirements

Telephone: Listen to the meeting live by calling Zoom at (253) 215-8782 or (301) 715-8592. Enter the Meeting ID# 279-281-953 followed by the pound (#) key. More phone numbers can be found on Zoom's website at <https://zoom.us/u/abb4GNs5xM> if the line is busy.

Mobile: Log in through the Zoom mobile app on a smartphone and enter Meeting ID# 279-281-953.

HOW TO SUBMIT PUBLIC COMMENTS:

Written/ Read Aloud: Please email your comments to board@gcsd.org, write "Public Comment" in the subject line. In the body of the email, include the agenda item number and title, as well as your comments. If you would like your comment to be read aloud at the meeting (not to exceed three minutes at staff's cadence), prominently write "Read Aloud at Meeting" at the top of the email.

Telephonic / Electronic Comments: During the meeting, the Board President or designee will announce the opportunity to make public comments by voice and in writing, and identify the cut off time for submission of written comments. Comments can be emailed in advance of the Board meeting and up to the time of Board consideration of the item during the meeting. Send email to board@gcsd.org, and write "Public Comment" in the subject line. Once you have joined the Board meeting online using Zoom, public comments can also be submitted using the Chat function while in the Zoom Meeting. In the body of the email or Chat, include the agenda item number and its title, as well as your comments. The Board President will also public comment to be made verbally prior to consideration of each agenda item, and will explain the procedure for making verbal comments during the meeting. Once the public comment period is closed, comments timely received in advance of consideration of the agenda item will be read aloud prior to Board action on the matter. Comments received after the close of the public comment period will be added to the record after the meeting.

ACCESSIBILITY INFORMATION:

Board Meetings are accessible to people with disabilities and others who need assistance. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to observe and/or participate in this meeting and access meeting-related materials should contact Rachel Pearlman, Board Secretary, at least 48 hours before a regular meeting at (209) 962-7161 or rpearlman@gcsd.org. Advanced notification will enable the District to swiftly resolve such requests to ensure accessibility.

AGENDA MATERIAL:

Physical copies of agenda material will not be available at the meeting. All agenda material can be accessed on the District Board Meeting Webpage at <https://www.gcsd.org/board-meetings-meeting-documents>. Physical copies can be obtained through the District office once made available.

PUBLIC RECORDS:

Public records that relate to any item on the open session agenda for a meeting are available for public inspection. Those records that are distributed after the agenda posting deadline for the meeting are available for public inspection at the same time they are distributed to all or a majority of the members of the Board. The Board has designated the District's website located at <https://www.gcsd.org> as the place for making those public records available for inspection. The documents may also be obtained by calling the District office.

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

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TELECONFERENCE AGENDA

December 13, 2022

10:00 a.m.

Call to Order

Pledge of Allegiance

Roll Call of Board Members

Spencer Edwards, President
Robert Swan, Vice President
John Armstrong, Director
Janice Kwiatkowski, Director
Nancy Mora, 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. CERT Report
- iii. General Manager's Report
- iv. Operations Manager's Report
- v. Administrative Services Manager's Report

B. Proclamations

- i. Recognition of Anthony Trujillo for his 13 Years of Service to the Groveland Community Services District
- ii. Recognition of Steve Buie for his 3 Years of Service to the Groveland Community Services District

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 November 8, 2022, Regular Meeting
- B. Approve Minutes from the December 8, 2022, Special Meeting
- C. Accept November 2022 Payables

- D. Adoption of a Resolution Proclaiming a Local Emergency Persists, Ratifying the Proclamation of a State of Emergency by Governor's Executive Order N-25-20 and Order N-29-20, and Re-Authorizing Remote Teleconference Meetings of the Legislative Body of the Groveland Community Services District for the Period of December 13, 2022, through January 10, 2023, Pursuant to Brown Act Provisions
- E. 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. 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.

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. Administer Oath of Office to Newly Appointed as if Elected Board Members
- B. Presentation of the District's Audited Financial Statements for Fiscal Year 2021/22 by Gilbert and Associates
- C. Adoption of a Resolution Establishing an Account with the California Class Joint Powers Authority Investment Pool
- D. Adoption of a Resolution Awarding a Contract to Crook Logging for the District Infrastructure Fuels Reduction Project
- E. Discussion and Action Related to the Election of Board Officers for Calendar Year 2023

7. Adjournment

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Groveland Community Services District Fire Department / CALFIRE

18966 Ferretti Road Groveland, CA 95321

Staff Report

December 1, 2022

To: Board of Directors

From: Marc DiTullio, Assistant Chief
By: Travis Chunn, Fire Captain

Subject: Monthly Activity Report – November 1, 2022 to November 30, 2022

Operations:

On November 17, 2022, at approximately 9:17 AM, CAL FIRE Battalion 4416, Training 4427, 4 CAL FIRE Engines, Tuolumne County Engine 513, and GCSD Engine 781 were dispatched to a commercial vehicle fire on Old Highway 120 near Yosemite Springs Road. Upon arrival Engine 781 found a commercial dump truck which was fully involved with fire. Engine 781 was able to contain the fire within three minutes at 9:25 AM. There was no fire extension to the nearby vegetation, and there were no injuries.





Apparatus and Equipment:

Apparatus	Description	Status
Engine 781	2009 Pierce Contender	In Service
Engine 787	2000 Freightliner FL112	In Service
Engine 783	1995 International Model 15	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:

- Pumping
- Ladders
- Tire Chain Installation
- Radios
- Code 3 Driving

Fire Chief's Report
December 1, 2022
Page 4 of 4

Fire Department News:

FEMA Grant for Source Capture Exhaust System Update:

On November 14, 2022, Chris Koss from Air Exchange Inc. received a signed agreement between them and GCSD for the installation of a Plymovent Source Capture Exhaust System. The needed equipment was ordered, and it has an expected ship date of 1/12/23. The installation is anticipated to be in late January or early February 2023. The required performance bond has also been ordered, and it will be provided to GCSD as soon as Air Exchange Inc. receives it.

MONTH - November 2022

STATION 78

Alarm Sounding	0
Odor Investigation	0
Debris Fire	0
Medical Aid	27
Fire Menace Standby	0
Fire Other	0
Haz Mat	0
Landing Zone	0
Plane/Heli Crash	0
Public Assist	13
Smoke Check	0
Structure Fire	0
Commercial Structure Fire	0
Vegetation Fire	0
Vehicle Accident	1
Vehicle Accident/Pin in	0
Vehicle Fire	1
TOTAL	42

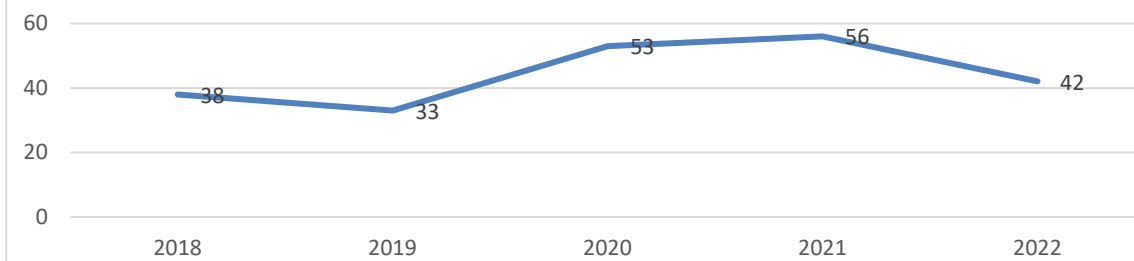


Auto Aid	Given
Tuolumne County	1
INC# 15023 Vehicle Accident New Priest Grade	
TCFD ENGINE: 15 CALLS	

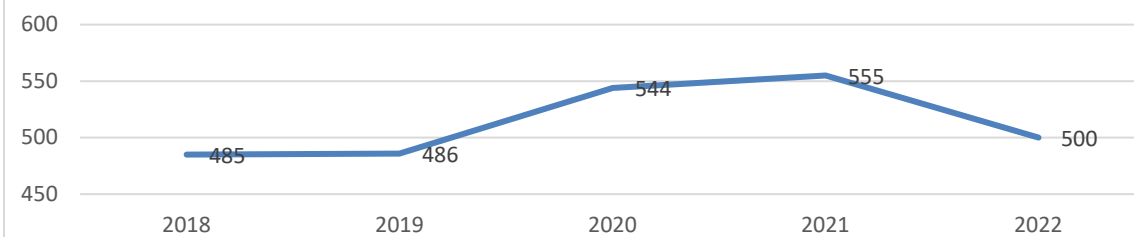
ALS	
YES	NO
17	23

Last Call Logged Run # 15226

GCSD TOTAL INCIDENTS NOVEMBER 2018 - 2022



GCSD TOTAL INCIDENTS YEAR TO DATE



CERT Groveland/Big Oak Flat/Moccasin

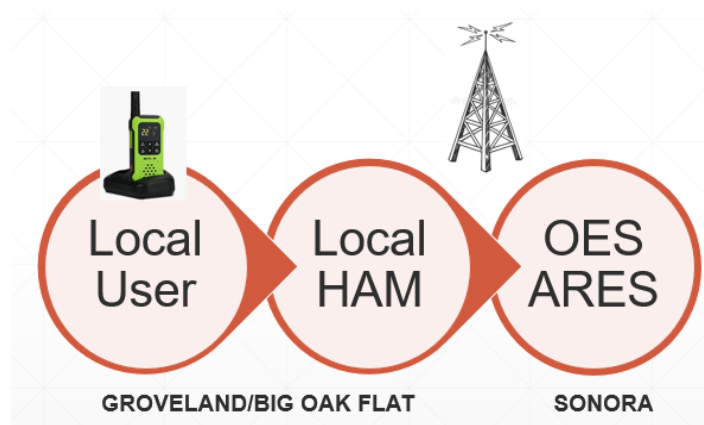
Groveland Community Services District • 18966 Ferretti Road, Groveland CA 95321



Groveland, California

Report to GCSO Board for December 2022

- GCERT has 25 participants, 21 more interested people and 12 fully certified members. GCERT participants take the FEMA Hybrid CERT training (online + last unit in person).
- GCERT has notified FD that our Firefighter Rehab vehicle is operational. It has been outfit with all the necessary equipment to Go Live. (Funded by Adventist Health Grant) GCERT is also available for Traffic Control deployment.
- GCERT had 6 candidates in the TC-OES CERT sponsored training session Nov 18-20 at the TC Emergency Operations Center on Striker Court. Len Otley is our Training Officer. The next training is in Mar/April
- GCERT assisted the PMLA Safety Committee in developing evacuation maps for PML and the Greater Groveland area. These are ready to publish on websites.
- GCERT will be working with GCSO management to develop deployment protocols.
- Groveland CERT will partner with the Pine Mountain Lake Safety Committee to offer a Fire Preparedness Workshop in Q1. Between the 3 workshops in 2022, nearly 100 local folk have participated.
- The GrovelandNET is a community radio communications network utilizing FRS radios. These are about \$30 each, require no license, would be in general use throughout Groveland/BOF. Additionally, a few GMRS would be used to communicate outside the area on to Sonora OES using repeaters. These are more expensive, require a license & training. GCSO would implement a Base Station.



12/8/2022 11:43 AM

GrovelandCERT@gmail.com

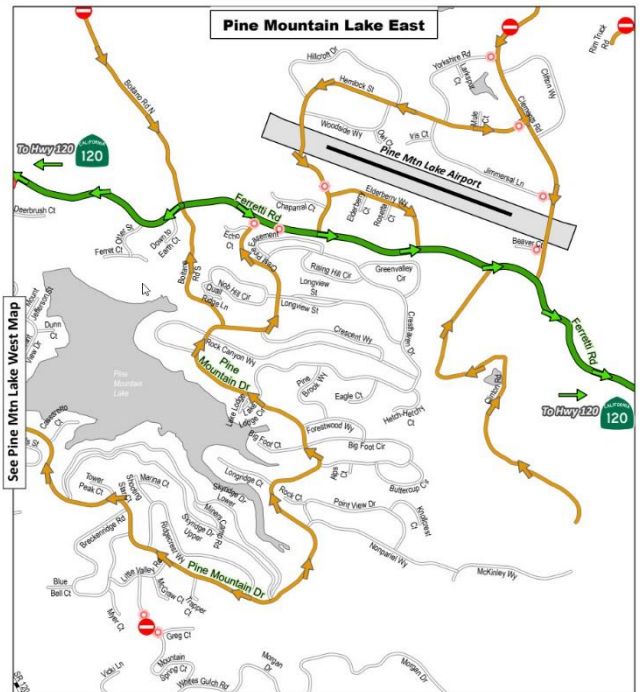
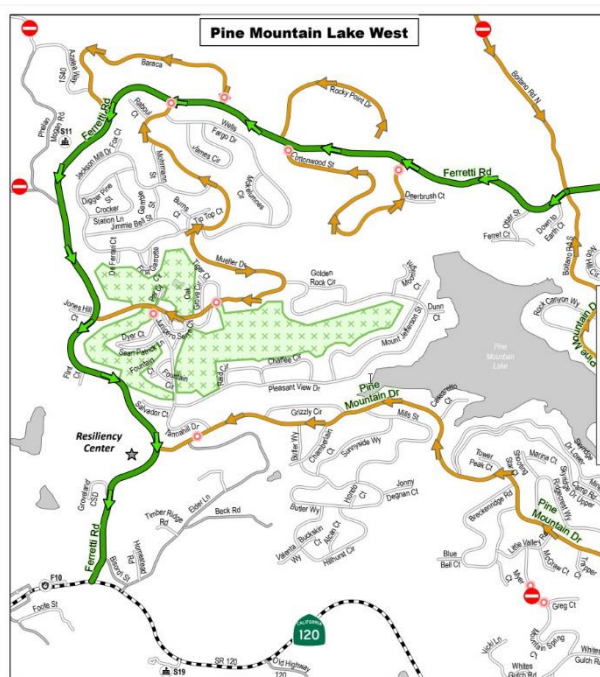
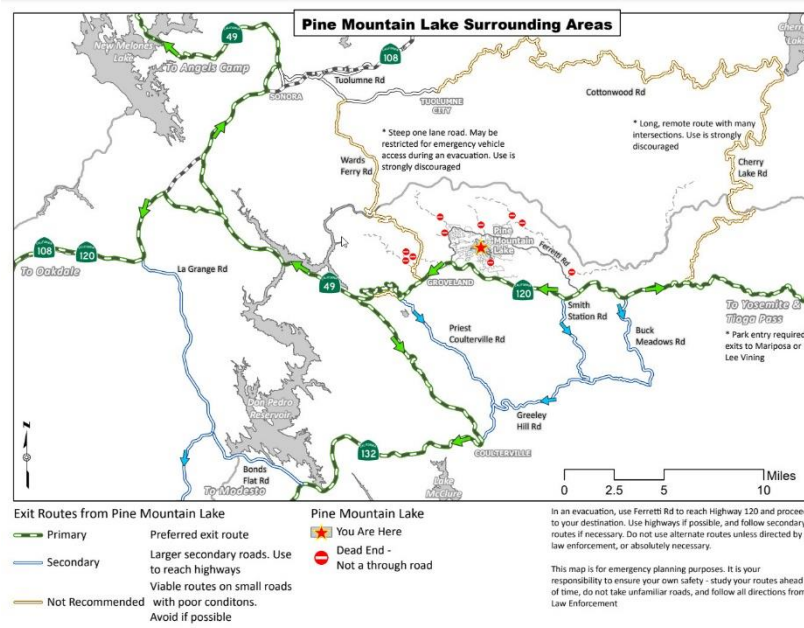
FB – CERT – Groveland Area Community Emergency Response Team
ND – CERT – Groveland Area Community Emergency Response Team

CERT Groveland/Big Oak Flat/Moccasin

Groveland Community Services District • 18966 Ferretti Road, Groveland CA 95321



Groveland, California



12/8/2022 11:43 AM

GrovelandCERT@gmail.com

FB – CERT – Groveland Area Community Emergency Response Team
 ND – CERT – Groveland Area Community Emergency Response Team

TO: GCSB Board of Directors

FROM: Peter Kampa, General Manager

DATE: December 13, 2022

SUBJECT: Agenda Item 3Aiii. General Managers Report

Overview

Highlights for the period of November 8, 2022 to December 8, 2022 include the following, with additional information provided verbally and in attachments:

- Performed significant research with county departments and other districts to find information related to potential assistance with compliance with water use reduction requirements. As was discussed at the last board meeting, it appears that remote work and the increase in short term rentals within the district has caused a large transition from a mostly transient, vacation community to one with a much increased nonresident population. This has caused a steady increase in water consumption without a documentable increase in population, since the census data is used to document our local population. We did review one product called Placer.ai that uses cellular phone location data to document travel patterns that could help us document the increase in overall population including additional overnight stays. The problem is there is nothing in state law or regulations that allow us to be able to adjust our water usage based on the fact that we have an increased transient population. We we'll continue to evaluate options to better monitor and understand our water usage, with the advanced metering infrastructure project being likely the most important tool we can deploy. We also reviewed software that can, based on water usage data and our Landscaped Area Report (DWR 2019) identify customers who may have the highest ability to reduce consumption to implement water demand reduction and reduced water consumption.
- The Sewer Collection System Rehabilitation Project is moving forward ahead of schedule and within the funding available through the state grant/loan agreement. The SWRCB has approved the budget for Phases 1 and 2 of the project, so the contractor can proceed with all planned work within the amount of funding available. We are finding that improper construction practices by the installation contractor/developer is the cause for the early failure of the collection lines. Please see the attached December 5, 2022 status update meeting agenda for more information.
- The wastewater treatment plant pond one liner project is now fully operational and has performed well during the recent rainstorms.
- Viewed the California Transportation Commission meeting on December 7, 2022 during which the **Hetch Hetchy Railroad Trail Project funding was approved**, along with the full funding for the County's downtown Groveland sidewalk project.

- Completed the preparation of a grant application to the Department of Water Resources for the Advanced Metering Infrastructure Project, submitted through the T-Stan IRWM. Hopefully we will hear soon on the application's success. A link to the application and project description is [HERE](#), should you be interested.
- District Staff and our District Engineer have received and commented on the final draft Water/Sewer Master Plan. Our Board committee should be reviewing the final Master Plan early in January 2023.
- I attended the Housing Collaborative held by Adventist Health and the County of Tuolumne, and attended by approximately 50 on December 2, 2022. The purpose of this meeting was to further discuss concerns and opportunities with the ability to develop housing and affordable housing in the county, and to make contacts with those in positions that can effect change in housing development conditions.
- We have an upcoming meeting with the existing Tuolumne County Water Agency, who was formed back in the 1950's to support water rights and water supply for the entire county. The introductory meeting is scheduled for December 15, 2022 and will provide us an opportunity to discuss how the Water Agency can help GCSD in terms of future water supply.
- I am participating in the County's completion of the (Fire) Standards of Coverage Evaluation. This project will result in a GIS model and plan showing where the fire resources are located in the county, as well as where the emergency call concentrations. It is hopeful that the County will adopt a response time standard similar to what GCSD did, and then plan its fire stations and staffing resources based on achieving the standard.
- Attended the Board of Supervisors (BOS) meeting regarding SAFER Fire funding and the increase in fire staffing at multiple county fire stations including Groveland for the next three years. The county staff report is attached for reference. The County is actively planning for CFDs and other means to provide long term funding to maintain this new level of staffing. GCSD staff and Board will need to remain actively engaged in County processes over the next few years to make absolute sure the county funds the increased staffing for the long term. The BOS also discussed but did not support the staff proposal to move TOT funding away from the Visit Tuolumne organization to provide a source of funding for the county Fire. The Board voted to extend the contract with Visit Tuolumne for six months and to review their financials, work plans and data to ensure that their \$1.7 million annual investment of TOT is producing the expected rate of return. The county staff memo regarding this matter is also attached.
- District staff has hired an engineering firm to conduct an evaluation of office remodel opportunities to provide employee separation and privacy, better customer service and a more cohesive and functional office environment. We have reviewed preliminary options and will be presenting these options to the Board in the coming months.
- Evacuation Planning Project – TCTC

Attended the virtual meeting on December 8, 2022. This project is funded by a grant to the Tuolumne County Transportation Council (TCTC) to evaluate how the transportation system will respond during a likely evacuation scenario. The draft study does show the Hetch Hetchy Railroad Trail alignment as the most likely, important route to reduce traffic loading on identified evacuation bottlenecks in the Groveland area. Below are the study link, and link to the project map where you can insert comments:

Study:

<https://www.tuolumnecountytransportationcouncil.org/evacuationneedsassessmentstudy>

Map for Comments: <https://maps.kittelson.com/TC-Evacuation-Needs-Assessment>

- We received a stakeholder notification for a small resort project just outside the GCSD boundaries. Due to failed water wells in the area and an expectation for fire emergency response, we have responded that the project should annex to the District to receive services. Please see the project summary and our response, attached.

**GROVELAND COMMUNITY SERVICES DISTRICT
BIG CREEK AND SECOND GARROTTE CLEARWELLS REHABILITATION
PROJECT
CONSTRUCTION PROGRESS MEETING**

December 5, 2022 @ 8:30 AM

AGENDA

I. INTRODUCTIONS

II. CONSTRUCTION PROGRESS SNAPSHOT

a. Total Project Cost (Contractor)	\$3,118,200.00
b. Total Funding Agreement (Total Project)	\$3,954,200.00
c. Budget Spent to Date (Contractor)	\$3,098,386.31
d. Budget Spent to Date (Total Project)	\$3,615,424.20
e. Total Project Contingency	\$361,000.00
f. Contingency Used to Date	\$125,932.61
g. Percentage Funding Used to Date (Contractor)	99.4%
h. Percentage Funding Used to Date (Total Project)	91.4%
i. Percent Contingency Used to Date	34.9%
j. Days for Completion	141 Working Days
k. Elapsed Days	317 Working Days (March 18, 2022)
l. Weather Day	4 Weather Day
m. Remaining Days	-172 Working Days

III. CONSTRUCTION SITE REPORTS

- a. Progress to Date
- b. Contractor (1-MONTH LOOK AHEAD)

IV. CHANGE ORDERS

- a. Groveland CSD Contingency Used
 - i. Labor, Material and Equipment costs for valve/piping replacement at Butler Way Pump Station – Moyle (\$16,034.80)
- b. Pending Change orders
 - i. Pending Change Order No. 20 – Second Garrotte interior insulation removal (7,321.39 and 0 working days) (Service Master Sierra)
 - 1. Depending on available funds after Tank 5 Improvements (Included in available funds calculation)

- ii. Pending Change Order No. 21 - Butler Way Pump Station Pavement Replacement (\$24,717.23 and 0 Working Days)
 - 1. Depending on available funds after Tank 5 Improvements
- c. Fully Executed
 - i. Change Order No. 1 – Additional Structural Repairs in Big Creek Clearwell (\$33,217.80 and 8 Additional Working Days)
 - ii. Change Order No. 2 – Relocation of ARV to Adjacent Wye Fitting at Butler Way Pump Station (No Cost and 2 Additional Working Days)
 - iii. Change Order No. 3 – Installation of Insulation in Both the Big Creek and Second Garrotte New Electrical Cabinets (\$953.00 and No Working Days)
 - iv. Change Order No. 4 – Inspection Sand Blast (Time & Material) (\$46,457.90 and 4 Additional Working Days)
 - v. Change Order No. 5 – Addition of Inlet ARV at Butler Way Pump Station (\$2,116.00 and 1 Working Day)
 - vi. Change Order No. 6 – Upgrade of Pressure Transmitter at Butler Way Pump Station (\$3,832.50 and 0 Working Day)
 - vii. Change Order No. 7 – Additional Communications Between Tank1 and Butler Way Pump Station (\$5,637.45 and 1 Working Day) (Pending Contractor Execution)
 - viii. Change Order No. 8 – Additional Big Creek Punch List Items (\$10,800 and 1 Working Day)
 - ix. Change Order No. 9 – Additional Work at Butler Way Pump Station (Discharge Piping) (\$2,837.44 and 1 Working Day)
 - x. Change Order No. 10 – Additional Work at Second Garrotte for surface preparation and coating of exterior influent/effluent pipelines (T&M) (\$7,500.00 and 3 Working Day)
 - xi. Change Order No. 11 – Credits for Butler Way Pump Station (Gate Valve/Pressure Transducer) (-\$3,454.28 and 0 Working Day) (Disbursement Request No. 17)
- d. Denied
 - i. Pending Change Order No. 1 – Oil in Tank (\$48,539.00 and 14 additional Working Days)
 - ii. Pending Change Order No. 6 – Lid Pin Holes Repairs (\$14,200 and 2 additional Working Days)

- iii. Pending Change Order No. 11 – Oil Removal from Big Creek Clearwell Baffles (\$39,078.00 and 7 Working Days)
- iv. Pending Change Order No. 15 – Oil in Second Garrotte Clearwell (\$22,000 and 4 Working Days)
- v. Pending Change Order No. 16 – Oil in Second Garrotte Clearwell Baffles (\$10,600 and 2 Working Days)
- vi. Pending Change Order No. 18 – Additional Endura flex Coating Expenses (\$72,450.00 and 0 additional Working Days)

V. SUBMITTAL REVIEW

- a. Approved Submittals
 - i. Submittal No. 1 – 44
- b. Remaining Submittals
 - i. None

VI. REVIEW RFI LOG

- a. Responded RFI's
 - i. RFI No. 1 – 37
- b. Pending RFI's
 - i. None

VII. Claims

- a. Claim No. 1 – Oil in Big Creek Clearwell
 - i. Responded
- b. Claim No. 2 – Additional Expenses Incurred for Big Creek Clearwell Coating
 - i. Responded
- c. Claim No. 3 – Relocation of ARV at Butler Way Pump Station
 - i. Claim Removed
- d. Claim No. 4 – Mill Scale in Big Creek Clearwell and Chlorine Contact Tank
 - i. Responded
- e. Claim No. 5 – Oil Removal from Big Creek Baffles
 - i. Responded
- f. Claim No. 6 – Oil in Second Garrotte Clearwell
 - i. Responded
- g. Claim No. 7 - Oil Removal from Second Garrotte Baffles
 - i. Responded

- h. Claim No. 8 - Additional Expenses Incurred for Second Garrotte Clearwell Coating
 - i. Responded

VIII. PAYMENT REQUESTS

- a. Processed
 - i. Disbursement Request No. 1 (\$331,640.00)
 - 1. Received.
 - ii. Disbursement Request No. 2 (\$298,997.00)
 - 1. Received.
 - iii. Disbursement Request No. 3 (\$673,932.00)
 - 1. Received.
 - iv. Disbursement Request No. 4 (\$510,681.00)
 - 1. Received.
 - v. Disbursement Request No. 5 (\$132,385.00)
 - 1. Received.
 - vi. Disbursement Request No. 6 (\$49,199.00)
 - 1. Received.
 - vii. Disbursement Request No. 7 (\$301,594.00)
 - 1. Received.
 - viii. Disbursement Request No. 8 (\$326,571.00)
 - 1. Received.
 - ix. Disbursement Request No. 9 (\$293,255.00)
 - 1. Received.
 - x. Disbursement Request No. 10 (\$260,641.00)
 - 1. Received.
 - xi. Disbursement Request No. 11 (\$66,036.00)
 - 1. Received.
 - xii. Disbursement Request No. 12 (\$91,711.00)
 - 1. Received.
 - xiii. Disbursement Request No. 13 (\$65,902.00)
 - 1. Received.
 - xiv. Disbursement Request No. 14 (\$38,494.00)

- 1. Received.
- xv. Disbursement Request No. 15 (\$15,347.00)
 - 1. Received.
- xvi. Disbursement Request No. 16 (\$21,456.00)
 - 1. At accounting 10/10/2022
- xvii. Disbursement Request No. 17 (Submitting Quarterly – Pending December 2022)
 - 1. Attorney requested that we do not pay any further invoices
 - a. Can withhold up to 100% to 150% of the Claims.
 - i. Farr construction has requested to receive payment for the costs withheld as we have come to an agreement regarding Tank 5 improvements.
 - ii. We will advise Farr Construction that the attorney has advised to not issue payment until all claims have been removed.

IX. PROJECT SCHEDULE

- i. Butler Way
 - 1. Sound enclosure
 - a. Manufacturer provided revised submittal for alleviate roof defects repair 10/19/22
 - i. 6-week lead time on materials
 - ii. Meeting to be held between Farr Construction, Groveland CSD, AMCE and Manufacturer (Requested 11/17/22) (Tentatively 12/6/22 or 12/8/22)
 - 1. Manufacturer to complete one of the following:
 - a. Replace existing roof with equipment that was not cut in the field (Roof standing seam, standing seam cap & rain guard)
 - i. No Flex Tape or excessive caulking
 - b. Install solid roof with hatches over the pumps

- i. Manufacturer to provide typical roof layout as it is assumed all roof systems do not leak.
 - c. Return sound enclosure as it does not meet the specifications
 - b. Addition of screen on interior face of fan.
 - c. Addition of screen on interior face of louvers.
 - ii. Second Garrotte
 - 1. All punch list Items addressed
 - iii. Big Creek
 - 1. All punch list Items addressed
 - iv. Final Disbursement Request Date to be extended to March 23, 2023.

X. CONCERNS

- i. Sound Enclosure Defects
 - 1. Exterior coating
 - a. Manufacturer will recoating entire enclosure onsite
 - i. Will use same coating material as factor paint system currently installed.
 - 1. Color matched.
 - ii. Will use airless sprayer.
 - 2. Leak in roof on top of door and above louvers.
 - a. Manufacturer provided submittal for standing seam roof with gutter.
- ii. Negotiated Claims removal with Contractor.
 - 1. Proceeding with the listed projects will remove all claims and liquidated damages:
 - a. Tank 5 coating quote - \$524,680.00
 - b. Tank 5 replacement quote with Factory Epoxy Coating (Bolted - \$423,200/Welded - \$626,400)
 - c. Tank 5 floor replacement
 - i. Scope of work received/developed
 - 1. Requested subcontractor name and experience

- a. Received – may change due to costs increase
 - b. Hold off on DIR check and addition
 - 2. Temporary Piping System Revised
 - ii. \$265,000 construction costs
 - 1. State cannot confirm the amendment will be approved until additional documentation has been provided.
 - a. Need State approval before execution of change order.
 - iii. New Contractor
 - 1. Rebid, formal FBA and agreement amendment required (4-6 Months)
 - iv. Farr Construction
 - 1. Agreement amendment (3 Months)
 - v. Mehreen requested a Technical memo for proposed work.
 - 1. AMCE submitted 9/29/22
 - vi. No cultural assessment required.
 - vii. Biological memo required.
 - 1. AMCE submitted 9/29/22
- d. Big Creek and 2G piping coating quote received (Sand Blasting) - \$62,000
- e. Big Creek and 2G piping coating quote requested (Overcoat) - \$75,200
2. Liquidated damages
- i. As furnish of the fan panel to be installed at the Butler Way Pump Station is out of Farr Constructions control liquidated damages stopped once the lights, heater and electrical work were installed (March 18, 2022).
 - ii. Farr Construction submitted letter claiming that substantial completion was achieved on December 16, 2021.

1. AMCE will develop a response letter following the Tank 5 mediation response
2. Letter received from Farr Construction on March 8, 2022 stating that the Second Garrotte Tank was ready to be disinfected and started up
 - a. Letter should have been provided on 12/16/21 if they were prepared.
3. Butler Way Sound Enclosure installation began on January 18, 2022
 - a. Claimed since pumps were being used that Butler Way had reached substantial completion.
 - i. Pumps freezing because heater was not installed.
4. Electrical at Second Garrotte (Pressure Transducer)/Butler Way heater and light installed March 18, 2022.

XI. ADJOURN

**GROVELAND COMMUNITY SERVICES DISTRICT
SEWER COLLECTION SYSTEM IMPROVEMENTS PROJECT
CONSTRUCTION PROGRESS MEETING**

December 5, 2022 @ 8:30 AM

AGENDA

- I. INTRODUCTIONS
- II. CONSTRUCTION PROGRESS SNAPSHOT
 - a. Total Project Cost (Contractor) \$3,653,429.00
 - b. Total Funding Agreement (Total Project) \$5,845,568.00
 - c. Budget Spent to Date (Contractor) \$898,107.10
 - d. Budget Spent to Date (Total Project) \$1,423,308.36 (+59,758.29 CCO 3-4, 6, 8-9)
 - e. Total Project Contingency \$922,877.00
 - f. Contingency Used to Date \$89,576.47 (+59,758.29 CCO 3-4, 6, 8-9)
 - g. Percentage Funding Used to Date (Contractor) 24.6%
 - h. Percentage Funding Used to Date (Total Project) 24.3%
 - i. Percent Contingency Used to Date 9.7%
 - j. Days for Completion 348 Calendar Days (All CCO's)
 - k. Elapsed Days 175 Calendar Days
 - l. Weather Day 3 Weather Day
 - m. Remaining Days 176 Calendar Days
- III. CONSTRUCTION SITE REPORTS
 - a. Progress to Date
 - b. Contractor (1-MONTH LOOK AHEAD)
- IV. CHANGE ORDERS
 - a. Executed Change orders
 - i. Change Order No. 1 – MH-2003 to MH-2004 Trench Rock Break (T&M) (\$2,352.97 and 0 .50 calendar days) (Included in DR No. 4)
 - ii. Change Order No. 2 – MH-101 Removal (\$2,550.00 and 0 .50 calendar days) (Included in DR No. 4)
 - iii. Change Order No. 3 – MH-3 to MH-4 Replacement in Lieu of Spot Repair (\$38,790.00 and 3 calendar days) (Improvement Pending)
 - iv. Change Order No. 4 – MH-37 to MH-38 Improvement Revisions (-\$3,900.00 and 1 calendar day) (CIPP Improvement Pending)
 - v. Change Order No. 5 – Trash Disposal & Potholing for MH-20 to MH-21 (\$5,383.50 and 1 calendar day) (Included in DR No. 4)

- vi. Change Order No. 6 – MH-97 to MH-97B Culvert T&M (\$6,929.52 and 1 calendar day) (To be billed to school - WILL NOT BE CLAIMED)
 - vii. Change Order No. 7 – MH-10-24 to MH-10-20 Replacement in Lieu of Spot Repair (\$79,290.00 & 2 Calendar Days) (Included in DR No. 4)
 - viii. Change Order No. 8 – MH-123 to MH-124 (-\$8,271.00 and 1 Calendar Day) (Concrete Improvements Pending) (Claiming in DR No. 5)
 - ix. Change Order No. 9 – MH-4-93 to MH-4-95, MH-4-93 to MH-4-276 & MH-4-276 to MH-4-275B Improvement Revisions (\$26,210.00 & 3 Calendar Days) (Claiming in DR No. 5)
- b. Pending Change Orders
- i. Change Order No. 10 – MH-10-10 to MH-10-8 Creek Crossing/2 Lateral Improvements (Work Completed - T&M Documents – 2 T&M Documents Received) (Under review)
 - ii. Change Order No. 11 – MH-4-251 Alignment Revisions (RFI No. 2) (T&M Documents pending)
 - iii. Change Order No. 12 – MH-1-325A to MH-1-324 Creek Crossing (Work Completed - T&M Documents Received) (Under review)
 - iv. Change Order No. 13 – MH-10-13 to MH-10-10 Creek Crossing (Work Completed - T&M Documents Received) (Under review)
 - 1. Requested all pending change orders 11/28/22
- c. Final Change Order List
- i. Budget of \$500,000 until project is completed
 - ii. Estimate approximately 1 to 1.5 million remaining at end of project
 - 1. Final Direction Received and provided to Moyle regarding material procurement and additional improvements.
 - 2. AMCE developed change order tracking list that separates out the change order costs incurred for this list and the project in general.
- d. Additional Improvement in Unit 12/MH-48 to MH-49
- i. Funding constraints
 - 1. Peter to discuss addition funding with State

V. SUBMITTAL REVIEW

- a. Approved Submittals
 - i. Submittal No. 1 – 15.1 & 17 – 20
- b. Rejected

- i. Submittal No. 16
 - c. Remaining Submittals
 - i. Additional Requirements for Bore & Jack
- VI. REVIEW RFI LOG
 - a. Received/Pending RFI's
 - i. RFI No. 1 – Bore and Jack Information
 - 1. Response sent 8/9/2022
 - ii. RFI No. 2 – MH-4-251 Alignment Revisions
 - 1. Direction Provided via Email 8/17/2022
 - 2. Formal Response provided 8/25/2022
 - iii. RFI No. 3 – MH-1-325A to MH-1-324 Creek Crossing
 - 1. Formal response sent 9/15/2022
 - iv. RFI No. 4 – Reid Circle Tree
 - 1. Formal response sent 9/29/2022
 - v. RFI No. 5 – Use of Grade Rings to bring Manhole's to Grade
 - 1. Formal Response provided 10/10/2022
- VII. PAYMENT REQUESTS
 - a. FBA Approval (Phase 2)
 - i. Fully Executed Agreement
 - b. Processed
 - i. Disbursement Request No. 1 (\$58,259.00)
 - 1. Received. (Submitted 1/28/2021)
 - ii. Disbursement Request No. 2 (\$111,500.00)
 - 1. Received. (Submitted 3/24/2021)
 - iii. Disbursement Request No. 3 (\$183,773.00)
 - 1. Received. (Submitted 7/6/2022)
 - iv. Disbursement Request No. 4 (\$1,020,392.00)
 - 1. Received. (Submitted 9/8/2022)
 - v. Disbursement Request No. 5 (Pending)
 - 1. ACME second round comments provided 11/30/22
- VIII. ENCROACHMENT PERMITS
 - i. CalTrans Encroachment Permits

1. MH-2 to MH-3 (July 8, 2023 Expires)
 - a. Shoulder Close Permit with Flagging
 - b. Traffic control plan completed
 - i. AMCE/Contractor Permit Received
 1. Completion of construction schedule received
 - a. 1/23/23 to 1/27/23
2. MH-48A to MH-49 (July 8, 2023 Expires)
 - a. Shoulder Close Permit
 - b. Traffic control plan completed
 - i. AMCE/Contractor Permit Received
 1. Completion of construction schedule received
 - a. 2/2/23 to 2/8/23
 - i. Adam to discuss with owner regarding proposed/optimal construction date/time
3. MH-17 to FB-105 (July 8, 2023 Expires)
 - a. No Traffic Control Required
 - i. AMCE/Contractor Permit Received
 1. Completion of construction schedule received
 - a. 2/10/22 to 2/16/22
 - i. Adam to discuss with owner regarding proposed/optimal construction date/time
4. MH-47 to MH-48 (March 31, 2023 Expires)
 - a. No Traffic Control Plan
 - b. Must be completed by August 31, 2022
 - i. Provide 7-day notice to CalTrans
 - ii. Requested extension 8/11/22
 1. Extending to March 31, 2022.
 - a. Moyle to provide itemized dates for CIPP/Rehab. improvements.

1. The following sewer pipelines will be replaced/rehabilitated within the County right of way:
 - a. Anderson St/Vassar St, Big Oak Flat, CA - replacement of approximately 140 LF of sewer pipe,
 - b. School St, Big Oak Flat, CA - replacement of approximately 195 LF of sewer pipe and the addition of a new manhole,
 - c. Black Rd, Big Oak Flat, CA - cured in place pipe (CIPP) rehabilitation approximately 160 LF,
 - d. Clements Rd, Pine Mountain Lake - replacement of approximately 602 LF of sewer pipe,
 - e. Clements Rd, Pine Mountain Lake - replacement of 6 LF of cracked sewer pipe,
 - f. Clements Rd, Pine Mountain Lake - Replacement of approximately 328 LF of sewer pipe,
 - g. Catholic Cemetery St, Big Oak Flat, CA, replacement of factor tap (lateral connection),
 - h. Ponderosa Ln, Groveland CA, CIPP rehabilitation approximately 162 LF
 - i. AMCE to confirm improvements are completed before permit lapse.
- iii. Hetch Hetchy Encroachment Permits
 1. Must commence construction of Hetch Hetchy improvements within 240 days (November 6, 2022).
 - a. Notify Hetchy of start of work 10 day in advance
 - i. Work started on October 3, 2022
 - ii. Notice sent 9/15/2022
 2. Complete improvements within 365 days (March 11, 2023).
- iv. Contractor concurrence with all encroachment permits
 1. Sent 9/6/2022
- v. GIS Data Gathering
 1. Adam to train Les to use Trimble R2 unit
 2. Les to store unit at Adams office
 - a. Use only to gather points then return

IX. PROJECT SCHEDULE

- i. Schedule
 1. 3-week look ahead (updated 11/3/2022 – 12/9/2022)

- a. Holding off on sewer replacement and proceeding with manhole replacements
 - i. Requested updated schedule 11/30/22
 - 1. Moyle discussed direction with Adam
- 2. To completion (Updated 11/8/22)
 - a. Requested new schedule to include Caltrans Improvements, CIPP/Rehab. work, & Hetchy Hetchy improvements
 - i. CIPP/Rehab. work to begin January 2023
 - 1. 1/3/2023 to 3/6/2023
 - a. Moyle to provide itemized dates for improvements.
 - ii. Caltrans Replacement work
 - 1. GCSD to approach owners and discuss proposed/optimal date/time.
 - iii. Caltrans CIPP work
 - 1. Moyle to provide itemized dates for improvements.
 - iv. Hetch Hetchy work
 - 1. Moyle to provide itemized dates for improvements.
 - v. Deleted work
 - 1. Comments provided in schedule.
- ii. Notices to Homeowners
 - 1. Notices to be sent out for two-month work period.
 - a. From schedule to completion
 - 2. Notices to be sent out for three work period.
 - a. Once on short schedule
 - 3. Notices to be sent out for one week work period (with exact tentative dates provided).
 - a. Door hangers to be provided to Les for placement on doors when construction is about to take place in specific areas.
- iii. Construction Staking
 - 1. All alignments have been staked for Pine Mountain Lake, Groveland and Big Oak Flat
 - 2. CCTV marked spot repairs and laterals

3. PML Hardware store PUE staked:
 - a. Adam approached PML hardware store owner.
 - i. Additional area to be provided by owner for construction. (need in writing)
 1. No easement to be purchased by GCSD.
 2. Yonder development to pursue their easement
4. Clements road (Unit 12) construction staking completed 11/22/22
 - a. Staking documents provided by Jack sent to District 11/23/22
 - b. AMCE developed figure for easement
 - i. Sent Peter 12/1/22
5. Lift Station 10 easement and property corners to be staked.
 - a. Proposal approved 11/30/22
 - i. Staking activities to occur Week 12/5/22 (Middle to end of week).
6. Bore and Jack (PML)
 - a. Master staking file to be provided once improvement finalized.
 - i. Staking request received
 - ii. Minimum 48 hours' notice
- iv. Completion Reports
 1. Les to develop list of completed pipelines and update weekly.
- v. Final Deliverable Dates:
 1. Construction Completion Date: December 31, 2024.
 2. Final Disbursement Date: June 30, 2025.
- vi. Punch List
 1. Developed for Unit 1, 4, 10 and 13
 - a. Final walk through for above improvement 12/7/22

X. CONCERNS

- a. Bore and Jack Improvement (MH-15-32 to MH-15-33) (Postponed)
 - i. Moyle provided costs for revised bore and jack improvements. (11/30/22) (Increase of \$77,612.00)
 1. Revision to improvements confirmed 12/1/22
 - a. Additional documentation to be provided regarding bore and jack pending improvement confirmation (AIS, etc).
 - ii. Moyle to provide costs for conventional replacement. (11/30/22) (Increase of \$66,697.00)

- b. Pine Mountain Lake Hardware Store Sign
 - i. Adam is working with the store owner to get the sign taken down/additional construction easement.
 - 1. Adam talked with PML hardware store owner 9/19/22
 - ii. Sign should be relocated away from new sewer pipeline.
 - 1. Encroachment permit to be filed and reviewed.
 - iii. Easement Found for this location.
 - 1. Additional land to be provided for construction purposed, in writing.
 - iv. Schedule to be provided for work to provide ample notice to the homeowner.
- c. Easement and Access Agreements
 - i. Land and Structure to gather and process
 - 1. \$2,500 to \$3,500
 - ii. Yosemite Title Company
 - 1. \$150 /hr
 - iii. County website providing access to District documented easements.
 - iv. Pine Mountain Lake, Big Oak Flat and Groveland Easements Found in District Storage.
 - v. AMCE holding off on easement letter until required
 - 1. 10' each side of pipe along centerline

XI. ADJOURN



County Administration Office

"We Support the Board of Supervisors in achieving their goals through service & collaboration with the County Departments and the Community"

Tracie M. Riggs
County Administrative Officer

November 22, 2022

Assistant County
Administrator
Eric Erhardt

Capital Projects
Director
Maureen Frank

Senior Administrative
Analyst
Liz Peterson
Robbie Bergstrom

Office of Emergency
Services Coordinator
Dore Bietz

Homeless Services
Coordinator
Michael Roberson

Purchasing &
Contract Analyst

Administrative
Analysts
Tracey McKnight
Sean Hembree
Mark Fischer
Bobbi Donham

Executive Assistant/
Deputy Clerk of the
Board
Christina Cunha

Board Clerk
Heather Ryan

Executive Clerk
Jessica Alley

TO: Board of Supervisors

FROM: Tracie M. Riggs, County Administrative Officer
Eric L. Erhardt, Assistant County Administrative Officer
Dave Wood, County Fire Chief/CALFIRE Unit Chief
Marc DuTillio, Assistant Fire Chief

SUBJECT: Consideration of approving Amendment #3 to the 2020 Cal Fire Agreement

Background

Fire prevention and protection has been the number one priority for this Board. The attached contract is a direct result of that focus and perseverance.

The contract with CALFIRE to provide fire personnel is a three-year contract. The current contract began on 7/1/2020. This contract has been amended twice and a third amendment has been developed for two reasons:

1. Adds the FEMA approved the SAFER Grant funds that County Fire staff applied for earlier this year. This grant provides three years of funding for:
 - i. Two new fire stations
 1. Groveland-Station 63
 2. Mono Vista (Soulsbyville)-Station 56
 - ii. 19 new positions SAFER Grant Firefighters
 - iii. \$9M over a three-year period.
2. Addition of a fire station in Columbia which includes an additional Battalion Chief. The Board allocated \$1.3M from the Local Assistance and Tribal Assistance Funds to add a much needed fire station in this area.

The chart below summarizes the contract cost, dates of amendments and staffing.

	Date	Staffing	Cost	Increase
Annual Contract	7/1/2020	11 Fire Fighters 7.5 Support Staff	\$13,437,516	
Amendment #1	12/1/2020	9 Fire Fighters Six Month AMADOR Station	\$14,259,291	\$821,775
Amendment #2	5/26/2022	6 Fire Fighters Groveland Station	15,111,148	\$851,857
Amendment #3	12/6/2022	19 Fire Fighters- SAFER Grant 6 Fire Fighters- Columbia Station	17,369,177	\$2,258,029

The chart above summarizes the three amendments to the current contract with CALFIRE. As you can see from the chart above:

1. The original contract with CALFIRE provided County Fire with 11 full-time fire fighters
2. Amendment #1- added three seasonal Amador stations (Blanchard, Twain Harte, and Groveland) adding 9 seasonal fire fighters
3. Amendment #2- Added Groveland Schedule A (Pilot as it was funded with one-time funding) adding 6 full-time fire fighters and eliminated the Groveland Amador Station eliminating 3 seasonal fire fighters
4. Amendment #3-Adds the Mono Vista and Groveland full-time stations funded by the SAFER Grant, which also includes increased staffing at the East Sonora and Jamestown stations. This amendment also adds a new full-time station is the Columbia area (funded with one-time funding) and a Battalion Chief.

The new amended contract will now provide 37 full-time fire fighters (started with 11 and added 19-SAFER Grant and 1 Battalion Chief and 6-Board funded). This is a huge accomplishment and needs to be both recognized and celebrated, as fire prevention and protection has been the number one priority for this Board.

While Amendment #3 will cost \$2.258M, County Fire staff have leveraged the SAFER grant to its full potential so that the net cost to the County is only an additional \$255K through then end of this fiscal year (June 30, 2023). Any unused funds, allocated by the Board for fire, will remain in the fire fund to carry forward into the next fiscal year. This means there is sufficient funding for all three stations through FY 23/24.

Unfortunately, staff is anticipating it will become fiscally challenging, and possibly unsustainable, to fund the Columbia station in FY 24/25, and Groveland and Mono Vista in the latter part of FY 25/26.

If any of the revenue measures, placed on the ballot by the Board, would have passed it would have helped tremendously. Unfortunately, both failed sending County government a strong message to live within its means. This is difficult with rising costs but can be done by shifting resources to focus on priority areas. This will be a difficult process and will require difficult conversations and hard decisions. However, I have faith in staff, and the Board, to do all of this in the most creative and amicable process possible.

Like all government agencies, CALFIRE has been in negotiations with their unions regarding compensation, benefits, and other aspects of their working conditions. As a result, the cost to fund each station will increase from \$1.3M to \$1.5M. This means the cost of providing fire protection will increase to over \$8M per year for five fully staffed County Fire stations. This does not include equipment or buildings. Current revenues, net of the General Fund contribution, are \$4.1M. This equates to a shortfall in revenue of \$4M. Furthermore, there are other fire stations in the community who are struggling financially and are considering annexations. If this occurs, it will cause a reduction in County property taxes for County Fire services.

Staff Recommendation:

It is recommended your Board approve amendment #3 of the contract with CALFIRE as outlined above.



County Administration Office

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Christina Cunha

Sr. Board Clerk
Heather Ryan

Executive Clerk
Jessica Alley

November 8, 2022

TO: Board of Supervisors

FROM: Tracie M. Riggs

RE: Contract with the Visit Tuolumne County In 1983, members of the Tuolumne County Lodging Association proposed and supported an increase in the transient occupancy tax (TOT) from 6% to 8%. The County and the City began providing 25% of the 8% total TOT to the Tuolumne County Visitors Bureau (TCVB), for the purpose of increasing tourism throughout all areas of the County.

In June 2010, voters of the City and the County approved an increase in the TOT from 8% to 10%, and the contract was changed to provide 25% of the total TOT to TCVB. On November 4, 2020, voters approved an increase in TOT from 10% to 12%. The contract with TCVB was not amended to increase paying TCVB 25% of the 12%. TCVB is currently provided 25% of the 10% TOT for regional marketing and other tourism industry support services.

When the contract was originally executed, in FY 1983/1984, the annual amount provided to TCVB by the County, was \$40,157. This amount has grown to \$1.75M for the current fiscal year. This also reflects the growth of TOT since 1983. TOT is one of the County's main sources of discretionary revenue and is used to pay for County services and programs.

The current contract with Visit Tuolumne terminates on 12/31/2022. If the Board does not take action, payments will stop after the quarter ending 12/31/2022.

The Board of Supervisors is intimately aware of the difficulties in addressing the cost for public safety services. Fire prevention and response has been the number one priority for this Board resulting in the increase of fire stations from 2 fully staffed County stations to 5 fully staffed County Fire stations. Funding from the American Rescue Plan Act and the SAFER Grant have allowed for these pilot projects to take place. However, it is imperative that staff provide the Board with a financial plan for fiscal sustainability of these pilot fire stations so that they can be permanent fire stations.

The County has placed four revenue measures on the ballot over the last several years, two of which would have provided much needed funding specifically for fire services. Unfortunately, none were approved. It is clear county residents are telling

their County government to live within their means. The only way to do this is to stay vigilant in how discretionary revenues are used and ensure the first priority is public safety.

Over the last four years staff have been meeting with the President and CEO of Visit Tuolumne (formerly known as Tuolumne County Visitors Bureau) and various board members to discuss alternatives to the current contract. Staff have explained the rising costs of operations and the need to increase public safety services such as fire protection and law enforcement services. Additionally, staff have taken the time to explain the critical need to increase wages for law enforcement (and all other staff) in order to be competitive with neighboring counties, to assist with recruiting and retaining staff.

To further complicate matters, equipment for public safety is outdated and needs to be replaced and buildings do not meet the needs of staff and services.

For further background, staff spent time researching other counties/cities to see if they provide any specific financial contributions to their local visitor bureau association. Attached to this staff memo is a worksheet for Board review. The table below summarizes those counties who do provide some portion of their TOT to their visitors bureau and/or chamber of commerce, including their actual TOT collected for FY 21/22 and their budgeted amount for the current fiscal year.

COUNTY	SALES TAX	TOT CURRENT RATE	TOT FY 21/22 Actual	TOT FY 22/23 Budget	% or amount monetarily contributed to Visitor's Bureau
ALPINE	7.25%	10.00%	\$ 596,051	\$ 550,000	% towards Chamber off Commerce differs: Markleville 20% /Bear Valley and Kirkwood 10%
AMADOR	7.75%	10.00%	\$ 390,712	\$ 390,000	\$136k annually to the Amador Council of Tourism and \$80k to the Chamber of Commerce
CALAVERAS	7.25%	12.00%	\$ 2,728,725	\$ 2,450,000	Previously 25%, now flat rate \$400K for FY 22-23, to be re-evaluated each FY
EL DORADO	7.25%	10.00%	\$ 7,028,056	\$ 8,254,577	Two- Year Agreement \$481,840 (\$240,920/year)
MADERA	7.75%	9.00%	\$ 4,658,547	\$ 6,306,872	contributes \$150,000 annually to Visit Yosemite Madera County
MARIPOSA	7.75%	12.00%	\$ 17,697,877	\$ 20,443,979	Yosemite Mariposa County Tourism Bureau - \$50,000
MONO	7.25%	12.00%	\$ 2,524,460	\$ 2,967,000	Internal Tourism District - 8.33% / Subsidize Paramedic services 16.67%
PLACER	7.25%	8% + 2% Tahoe region	\$ 8,355,524	\$ 11,000,000	\$540,000 per year with Placer County Visitor's Bureau
TUOLUMNE	7.25%	12.00%	\$ 7,281,878	\$ 8,400,000	25% OF 10% TOT \$1.75M FY 2022/2023

Staff developed this chart to gain further perspective for analysis to develop a well thought out recommendation to the Board. As you can see, Tuolumne County provides more than triple of any of the counties listed above. Placer provides \$540K per year and the next highest is Calaveras County which provides a flat \$400K per year. In prior years, Mariposa County used to provide \$500K per year to their visitors bureau, yet this fiscal year they are providing \$50K. The current budget for Tuolumne County is to provide \$1.75M to Visit Tulumne this fiscal year.

On Friday November 4th, staff met with Lisa May (President/CEO Visit Tuolumne) and Katie Dunn (Visit Tuolumne Board Chair and President of the City of Sonora Chamber of Commerce) to further discuss options of reducing the contract in a way that avoids creating harm to Visit Tuolumne, providing the time needed to put a Tourism and Business Improvement District (TBID) assessment in place (this process can take several years) while at the same time

providing a mechanism of redirecting existing and future TOT towards critical essential services, such as public safety.

	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Payment to Visit Tuolumne	\$ 1,750,000	\$ 1,250,000	\$ 1,000,000	\$ 750,000	\$ 500,000	\$ 500,000

The schedule above outlines a multi-year approach to reduce and ultimately cap the payment provided to Visit Tuolumne. This plan provides discretionary funding the Board of Supervisors may redirect towards essential services, such as fire protection. This multi-year plan also provides time for Visit Tuolumne to begin working to develop and implement a Tourism Business Improvement District with the owners of local lodging establishments. A TBID will provide another source of ongoing revenue, outside of County TOT, for Visit Tuolumne to continue providing marketing and tourism industry support services.

It is important to note that the cap of \$500K is still on the highest end of what is provided by any other county to their local visitor bureaus.

If the Board approves staff recommendation, the contract with Visit Tuolumne would be extended from its current termination date of December 31, 2022 to a termination date of June 30, 2027 with five, 5-year term renewals. The new contract would honor providing 25% of the 10% of TOT for the current fiscal year (with no cap), then beginning July 1, 2023, the contract would begin to decrease on an annual basis until it reached the cap of \$500K.

The Board would also need to make the finding to sole source the services provided by Visit Tuolumne. The current purchasing policy states that any service above the CAO signing authority (currently \$69,788) must go through a formal and competitive Request for Proposals process. However, the ordinance code does allow for the ability to make a finding that a specific contractor is so uniquely qualified, that a sole source is in the best interest of the tax payer and an RFP isn't necessary.

Staff Recommendation:

It is recommended the Board approve the following actions:

1. Make a finding that Visit Tuolumne is uniquely qualified to provide marketing and other services related to tourism for the County of Tuolumne; and
2. Approve the contract with the multi-tiered approach to reducing the annual contribution to Visit Tuolumne, based on the table above (and contained in the contract), phasing in an annual cap of \$500K beginning fiscal year FY 26/27.

PROJECT INFORMATION TAB

*Project Name: GCSD Advanced Metering Infrastructure Installation

*Local Partner Sponsor: Groveland CSD

Water System Public ID: CA5510009

*Provide project map in a pdf format: See Attachment No. 1

*How many households will benefit from this project? ±3,300

*Please briefly describe the proposed project:

The Project will replace approximately 3300 existing 20-50 year old manual-read water meters with a cellular based Advanced Metering Infrastructure (AMI) system. The AMI system with its real time water use notifications will reduce significant water loss within the public water system and in customer plumbing, eliminate fifteen days per month of a vehicle running continuously for a nine-hour workday, reduce greenhouse gas emissions, increase system operating efficiency and reduce electricity usage, increase customer water conservation and water loss control through accurate, real time water meter readings and usage notifications from home or anywhere with internet access. The District and its customers can set water budgets and alarms to receive immediate notification of water leaks and overuse, to allow immediate response to minimize water loss and waste so that available District treated water supply is maximized.

*Grant Amount Requested: \$3,005,000

*Other Cost Share: N/A

*GEOGRAPHIC INFORMATION

Geographic Information: This project will assess failing meters located throughout the entire Grove laden CSD, which includes three small cities Groveland (37°50'19.96"N, 120°13'50.94"W), Big Oak Flat (37° 49' 34.18" N, 120° 15' 18.4602" W) and Pine Mountain Lake (37°51'6.08"N, 120°11'49.83"W).

County: Tuolumne County

PROJECT LEVEL EVALUATION

Does this project respond to an existing emergency to humans and/or wildlife? If so, please answer the three questions below.

No

How does this project address a current water supply shortage which significantly endangers the public health, safety or welfare of a specific community or region?

N/A

How does this project address a current water quality emergency which significantly endangers the public health, safety or welfare of a specific community or region?

N/A

How does this project address a current water supply shortage or water quality emergency which significantly endangers a species of concern or a species listed on either the California or Federal Endangered Species Acts?

N/A

*Briefly describe how the community/area benefiting from this project is being impacted by the current drought.

The District's customers are currently under a mandatory 20% water use reduction due to drought. The area benefitting from the project are experiencing increased summer heat events exceeding 110 degrees, atmospheric river storms and flash flooding, increasing temperatures, increased dead and dying trees and vegetation, increased wildfire risk as well as the number and severity of fires in our community already designated as a Very High Fire Hazard region by CalFIRE.

The community/area benefitting from the project is at risk of serious water supply shortages and possible outages should the drought continue and the quantity of water available to the District from its only source is reduced further. The District receives its water from the City and County of San Francisco's Hetch Hetchy Water system which also serves 2.8 million Bay Area customers, and is mandated to strictly comply with the level of water diversion cutbacks issued by the City or it will lose the right to its only water supply. The District does not have a backup water supply, as detailed in its 1995 Water Supply Report completed by DWR, and continued drought will result in reduced diversion from Hetch Hetchy.

The ongoing drought and extremely heavy rain events are causing drying/contraction, then saturation/expansion of soils in pipe trench zones allowing pipe movement and an increased water system pipe breakage rate, resulting in estimated annual water system losses of 21%, or 63 acre feet of water supply.

*How will this project alleviate the drought impacts described above?

Currently it is impossible to quickly identify water system and customer leakage or water waste during water supply emergencies including the drought restrictions identified above. To reduce the 21% water loss without the AMI System, it would take dozens of District employees and trucks driving the streets reading meters, entering and evaluating usage data continuously around the clock, calling and texting customers in addition to repairing system leaks. The AMI system provides the District with the ability to monitor all water use in the system simultaneously at the point and time of distribution and use, thereby allowing rapid identification and repair of distribution system leaks, as well as the ability to deploy a more aggressive response for locating, notifying and repairing/remediating customer water overuse, waste or leaks as they are occurring rather than through data evaluation when meters are manually read monthly and leaks are discovered once they reach the ground surface and customers call. The AMI Project will also allow the District to strictly enforce customer water use restrictions during a supply emergency by being able to monitor real time water use compared to water budgets and restrictions. The AMI System provides the infrastructure and procedures to increase water supply available by 63 acre feet annually, and to make that water available for sanitation, drinking and firefighting when it is needed most during water supply emergencies.

*Please describe why state funding is needed for this project. If state funding is not secured, what will happen to the project?

In California, a disadvantaged community are those with an annual median household income (MHI) of less than 80 percent of the statewide annual figure. According to the U.S. Census Bureau, the average MHI for the State of California during 2015-2019 was \$75,235. During this same period, the District's average MHI was \$59,667, which is 75 percent of the statewide average. Therefore, the District is

classified as a disadvantaged community. The Groveland CSD has water system capital equipment replacement and upgrade needs far beyond the financial capacity of its ratepayers to pay completely without grant subsidies. Further, the District does not have sufficient additional reserve funding in place to pay cash for the proposed AMI meter installation project.

If grant funding is not secured, the District will continue to lose 21% of its water supply diverted until such time as water rates can be increased by an amount sufficient to pay the principle and interest of loan payments to fund the project. At 2.5% of the median household income in a disadvantaged community, the District customers currently have the highest water rates in the county and an approximate \$7 per month increase would be required to borrow funds for the project.

*Can the applicant utilize a partial award if one should be made available? What would the minimum funding needed be to complete the project as proposed?

The Groveland CSD would accept less than a full grant award, however depending upon the amount of funding reduction, a matching loan may be required.

Please note the GRanTS system cannot accommodate the full drop-down menu for benefit types in one menu. Please select only ONE answer from the three dropdowns for primary benefit and ONE answer for secondary benefit.

<u>*Primary Benefit Value:</u> 63 ac-ft of water per year and ability to immediately reduce water consumption during emergencies and restrictions
<u>*Primary Benefit Type:</u> Reduce Water Demand
<u>*Primary Benefit Unit:</u> ac-ft per year
<u>Secondary Benefit Value:</u> 63 ac-ft of water per year, reduced operating cost and power consumption.
<u>Secondary Benefit Type:</u> Water Conservation
<u>Secondary Benefit Unit:</u> ac-ft per year
<u>*Description: Please briefly describe how the project will achieve the claimed benefits including how the project benefits an Urban Community. Please include the name of the Urban Community this project benefits. Please include in the explanation information on the timespan of the primary project benefit and how the project will adapt to ensure a public benefit under future climate conditions</u>
<p>The AMI system will be installed and immediately deliver the stated water demand reduction and water conservation benefits in the communities of Groveland, Pine Mountain Lake and Big Oak Flat. The AMI system will transition the District from 10 days monthly performing manual meter reads and finding and repairing water main breaks and leaks following field discovery after days or weeks of leaking water; to a configurable monitoring and notification system that reads all system meters simultaneously. This instant notification provides for efficient, rapid water main break and customer leak location and repair, reducing the existing water losses by the estimated levels. The AMI system also establishes the District's ability to implement a technology and data driven customer water conservation program that provides the means for customers to set water budgets and usage alarms to reduce water use and waste, and for the District to enforce restrictions thereby reducing water demand in emergencies and supply shortages. The water system loss estimates which are expected to be controlled and recovered with the project were calculated based on annual water main break related loss data, US EPA estimates for recoverable water leaked from the distribution system, customer water break loss data, seasonal customer water usage trends, as well as the experience of other similar water providers using AMI technology.</p>
<u>Does the project provide a benefit(s) to an Underrepresented Community ? : Yes</u>
<u>What percentage of project benefit will go to an Underrepresented Community? 100% DAC</u>
<u>If the project provides a benefit to an Underrepresented Community please describe the benefit, the percentage of project benefit and justification for the benefit level, and how the area meets the definitions of an Underrepresented Community.</u>
<p>The AMI Project reduces water demand and increases water conservation to all communities and customers of the Districts water system. In California, a disadvantaged community is a community</p>

with an annual median household income (MHI) of less than 80 percent of the statewide MHI. According to the U.S. Census Bureau, the average MHI for the State of California during 2015-2019 was \$75,235. During this same period, the District's average MHI of the communities served by the District was \$59,667, which is 75 percent of the statewide average. Therefore, the AMI Project provides a 100% benefit to a disadvantaged, underrepresented community. The project also provides a distinct benefit to lower income customers, as the AMI technology allows for significantly increased water conservation and reduced cost, as well as reduced incidents of high water bills due to leaks gone unidentified for weeks to a month in between manual meter reading. The project allows usage alarms to be set by customers, based on the amount of water usage and cost that they can afford.

Does the project provide a benefit(s) to a Tribe?: No.

What percentage of the project benefit will go to a Tribe? : 0%

If the project provides a benefit to a Tribe please include the name of the Tribe, the percentage of project benefits directly benefitting the Tribe, and justification for the benefit level.

N/A

Please describe the specific climate change vulnerabilities that will impact the Urban Water Management Plan area. Applicants must cite a reference document which identifies the local area vulnerability (eg. UWMP, climate change analysis, local IRWM, etc.)

The Climate Change Vulnerability Assessment contained in the Tuolumne County Climate Action Plan and the District's UWMP details our highest vulnerabilities as continued and increasing temperatures and extreme heat events, Increasing wildfire severity and risk, increasing extreme precipitation and flooding and drought, reduced water supply and reduced snowpack.

Please describe how the project will mitigate the vulnerabilities described in the previous question.

The project will reduce water demand and increase water conservation in our communities. The reduction in water use will also result in a reduction of wastewater generation. By installing AMI water meters that are read remotely and securely via the existing LTE-M cellular network technologies and the Internet, meter readers will no longer need to drive to each water meter and idle in a vehicle ten to twelve, nine hour days per month. The lower water demand and wastewater production will reduce pumping and treatment costs and reduce energy consumption by 162,062 kWh.

The AMI project meets the following objectives of the Tuolumne County Climate Action Plan:

- Reduce process and fugitive emissions as well as reduce energy consumption to treat wastewater through water conservation
- Reduce Vehicle Idling
- Support residents and businesses in preparing for impacts on industries that may be affected by climate change including the tourism and recreation industries.
- Increase energy efficiency in new buildings

- Reduce electricity grid demands through load reduction strategies
- Reduce Water Consumption
- Increase operational efficiency and resilience of water and wastewater systems in response to climate change
- Reduce water consumption for irrigation and agriculture

*Is land acquisition or landowner permission required for this project? If so, please briefly describe the status of the acquisition or agreement with the landowner. If the acquisition is not complete or permission not secured at the time of application, please describe the plan to complete it.

N/A

*Has planning for this project been completed? Please describe the status of planning and tasks needed for the project.

Planning activities have occurred for this Project. As a pilot demonstration, the Groveland CSD has installed 40 of the proposed AMI water meters throughout their service area to test the ability of the meters to transfer data and to utilize the leak detection capabilities. The installed meters have located leaks and reduced water losses in the areas where they were installed and the District has confirmed the capability and usefulness of the AMI meters.

*Has design for this project been completed? Please describe the status of design and tasks needed for the project.

The Groveland CSD will need to prepare plans and specifications stamped by the District Engineer for the installation for the proposed AMI water meters. The feasibility of the AMI system installation has been determined through a successful pilot project and the district stands prepared to complete the project as quickly as possible.

*Are the CEQA (and NEPA if applicable) processes for this project complete? Please briefly describe the CEQA (or NEPA) documents for this project.

A Notice of Exception has been filed for the proposed Project. Test meters have been installed throughout the District to ensure the proposed product is compatible with the system.

*Is permitting for this project complete? Please briefly describe the permits necessary to complete this project.

A CEQA Notice of Exemption has been filed with the State Clearinghouse. The work will take place within District easements and county road right of way under a blanket encroachment permit. No other permits are required.

*Please describe the necessary activities related to construction/implementation for this project.

Construction of the proposed project will include the removal and replacement of the existing water meters with the new AMI water meters with cellular data flow transmitters. The proposed new meters fit within the existing meter boxes and will require no additional construction work to install the proposed improvements. A limited number of plumbing leaks will need to be repaired and broken water meter boxes replaced during meter installation. No other groundbreaking activities will need to occur for implementation of this Project. Software will be installed at the District office and configured to integrate with this cellular based solution.

Scope of Work

The Project involves the contracted removal of 3300 existing manual read water meters and replacement with 3300 cellular based Advanced Metering Infrastructure water flowmeters. Approximately 100 existing broken water meter boxes will be replaced in installation of the new meters. The project involves system startup and training of District staff.

Project Description

The Project will replace approximately 3300 existing 20-50 year old manual-read water meters with a cellular based Advanced Metering Infrastructure (AMI) system. The AMI system with its ability to read all customer meters simultaneously and real time water use notifications, will provide the District the ability to quickly and efficiently identify water leaks, waste and theft; thereby reducing significant water loss within the public water system and in customer plumbing. The AMI System will immediately eliminate fifteen days per month of a vehicle running continuously for a nine-hour workday, thereby reducing greenhouse gas emissions, increasing system operating efficiency and reducing electricity usage. The AMI Project will also increase customer water conservation and water loss control through accurate, real time water meter readings and usage notifications from home, cellular device or anywhere with internet access. The District and its customers can set water budgets and alarms to receive immediate notification of water leaks and overuse, to allow immediate response to minimize water loss and waste so that during water supply emergencies and restrictions, available treated water supply remains in the District system for sanitation, drinking and fire suppression.

Project Objective

Provide simultaneously read, real time water usage data from all customer water meters in the system. Reduce and stop lost and wasted water due to leaks, occurring during water supply emergencies. Reduce water demand through water leak identification and loss reductions. Increase water conservation and immediate demand reductions by providing configurable notifications and alarms related to water budgets, potential waste, non-compliance with usage restrictions or leaks.

Primary and Second Benefit Type Options (choose only one for each benefit) (Reduce water demand, improve operational efficiency)

- Ecosystem/Habitat Restoration
- Ecosystem/Freshwater habitat
- Fishery Improvements
- Flood Damage Reduction
- Groundwater Quality
- Groundwater Recharge
- Improve operational efficiency
- Reduce Groundwater Pumping
- Reduce Water Demand
- Stormwater and Flood Management

Qualitative

- Surface Water Quality
- Water Conservation
- Water Quality
- Water Quality - Groundwater
- Water Quality - Sediment
- Water Quality - Surface Water
- Water Supply
- Water Supply (Ground)
- Water Supply (recycle)
- Water Supply (Surface)
- Water Supply Reliability
- Other

Benefit Unit:

- Mg/l
- Acres
- Acre feet per year
- Cubic feet per second
- Other



COMMUNITY DEVELOPMENT DEPARTMENT

Quincy Yaley, AICP
Director

Land Use and Natural Resources – Housing and Community Programs – Environmental Health – Building and Safety – Code Compliance

Date: **December 6, 2022**
To: Interested Stakeholder
From: Tuolumne County Community Development Department
RE: Site Development Permit SDP22-006
Assessor's Parcel Number: 066-260-039

48 Yaney Avenue, Sonora
Mailing: 2 S. Green Street
Sonora, CA 95370
(209) 533-5633
(209) 533-5616 (Fax)
(209) 533-5909 (Fax – EHD)
www.tuolumnecounty.ca.gov

The Community Development Department thanks you for your participation in the land development process in Tuolumne County. We value your comments and look forward to your continued participation in our planning process. This process provides information on your requirements and concerns to the applicant early in the review process. Involvement on your part can eliminate or minimize problems that could arise later.

Owner: Stephanie Wohlfel

Applicant: Landon Blake, Redefined Horizons

Project: Site Development Permit SDP22-006 to allow a recreational development consisting of twelve guest cabins, swimming pool, yoga dome, and associated infrastructure on a 14.1± acre parcel zoned C-K (Commercial Recreation) under Title 17 of the Tuolumne County Ordinance Code (TCOC).

Location: The project site is located at 23003 and 23015 Sprague Road East in the Community of Groveland. Within a portion of Section 29, Township 1 South, Range 17 East Mount Diablo Baseline and Meridian and within Supervisorial District 4. Assessor's Parcel Numbers 066-260-039.

Access: Sprague Road East

Sewage Disposal Method: On Site Wastewater Treatment System

Water Source: Well

Fire Hazard Rating: Very High fire hazard severity zone

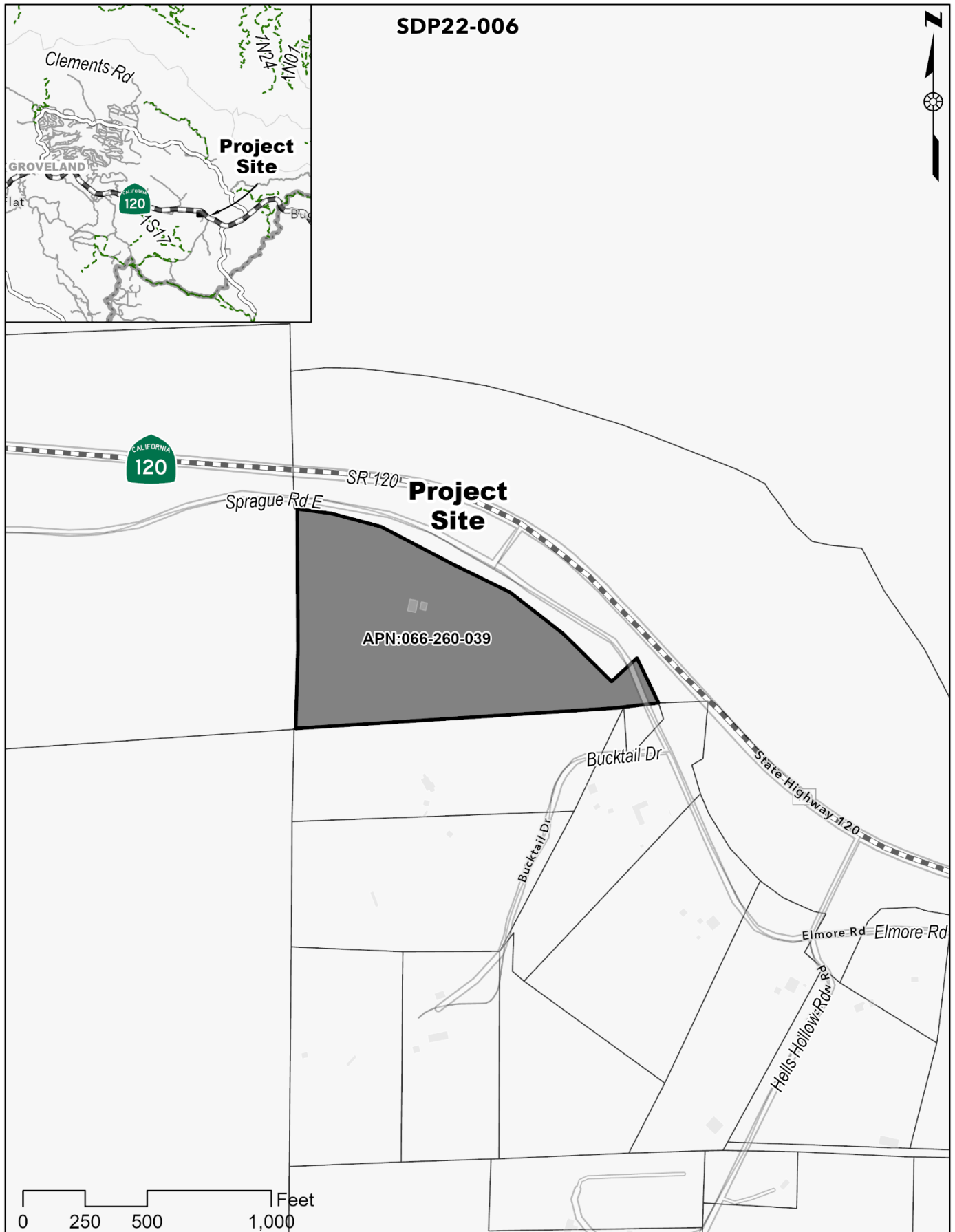
Additional Information:

1. The project would consist of twelve guest cabins rented out for overnight stays. The cabins would consist of prefabricated units. The yoga dome and other amenities on site would be for guests only. The facility proposes to be open year-round.

Please return your comments to the CDD by **January 6, 2023**. Comments may be emailed to Natalie Rizzi, nrizzi@co.tuolumne.ca.us Comments may also be mailed to: 2 South Green Street, Sonora, CA 95370 or brought to the Community Development Department at 48 Yaney Avenue during business hours.

Staff Contact: Natalie Rizzi
Phone: (209) 533-5936
Email: nrizzi@co.tuolumne.ca.us

Vicinity Map



Entire Parcel Site Plan

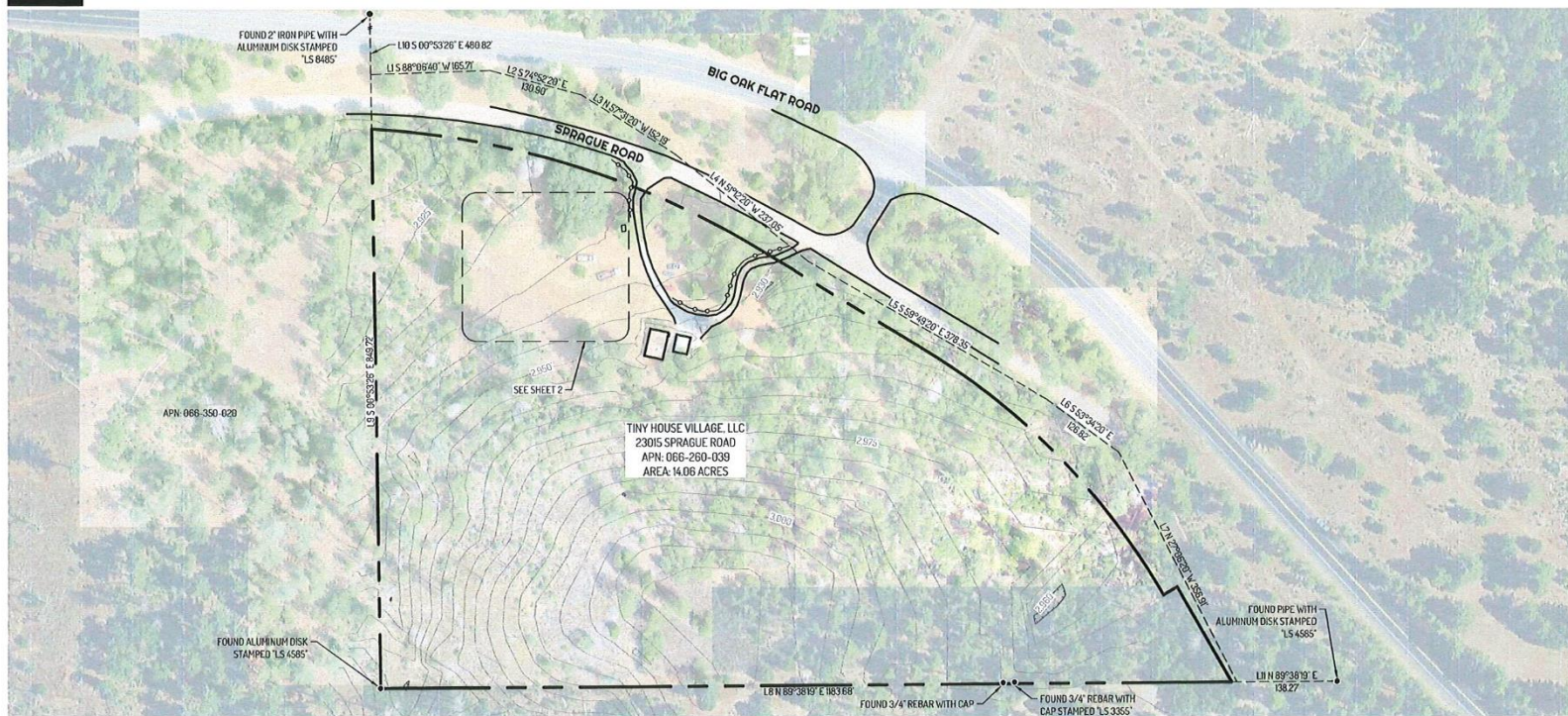


SITE PLAN

JOB #065-001

23015 SPRAGUE ROAD, GROVELAND, CALIFORNIA

SEPTEMBER 2022



REVISION HISTORY

VERSION 1.00: ORIGINAL DRAWING CREATION

PURPOSE

THE PURPOSE OF THIS SITE PLAN IS TO SHOW THE EXISTING CONDITIONS OF THE SUBJECT PARCEL ALONG WITH THE PROPOSED IMPROVEMENTS FOR A CAMPGROUND.

SURVEYOR NOTES

1) UAV ORTHOPHOTOGRAPHY FLOWN IN JULY 2022 AND IS SURVEY GRADE.

PROPOSED IMPROVEMENTS

THE PROPOSED IMPROVEMENTS SHOWN ON THIS SITE PLAN ARE FOR THE PURPOSES OF LAND USE PLANNING. THE PROPOSED IMPROVEMENTS ARE NOT THE RESULT OF CIVIL ENGINEERING ANALYSIS OR DESIGN. THE TOTAL SQUARE FOOTAGE OF PROPOSED IMPROVEMENTS IS APPROXIMATELY 7,800 SQUARE FEET.

LEGEND

- FOUND MONUMENT AS NOTED
- C CALCULATED
- HRC HELD RECORD
- MID0 MONUMENT
- M MEASURED
- PC PROPERTY CORNER
- P0B POINT OF BEGINNING
- R RECORD

UNITS

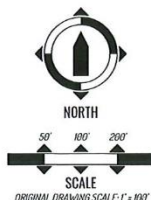
- UNLESS OTHERWISE NOTED:
- 1) ALL DISTANCES SHOWN ARE IN US SURVEY FEET.
 - 2) ALL ANGLES AND BEARINGS ARE SHOWN IN DEGREES/MINUTES/SECONDS FORMAT.
 - 3) DISTANCES SHOWN ARE GROUND (NOT GRID) DISTANCES.

OWNER INFORMATION

TINY HOUSE VILLAGE, LLC
23015 SPRAGUE ROAD, GROVELAND, CALIFORNIA

SURVEYOR INFORMATION

SCOTT LANDON BLAKE - PLS 0489
365 WEST F STREET, OAKDALE, CALIFORNIA



LINETYPES

- EXISTING PARCEL BOUNDARY
- - - TIE LINE
- EXISTING PAVEMENT LINE
- - - EXISTING FENCE LINE
- EXISTING BUILDING LINE
- PROPOSED BUILDING LINE
- PROPOSED ACCESS ROAD
- PROPOSED UTILITY LINE
- PROPOSED SEPTIC AREA
- PROPOSED PARKING AREA

SHEET 1 OF 2

RECEIVED

SEP 29 2022

**Community Development
Department**

Close Up Site Plan

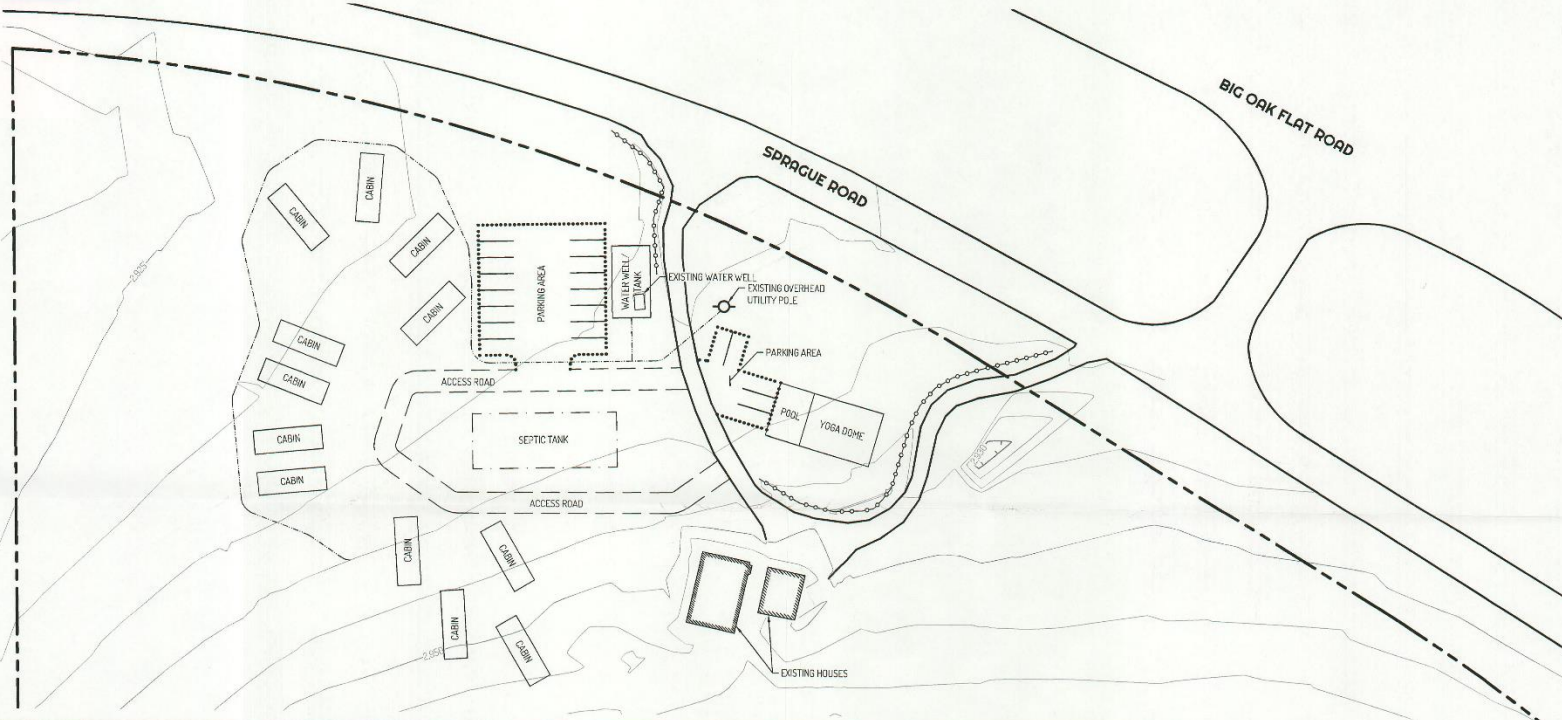


SITE PLAN

JOB #065-001

23216 SPRAGUE ROAD, GROVELAND, CALIFORNIA

SEPTEMBER 2022



REVISION HISTORY

VERSION 1.00. ORIGINAL DRAWING CREATION

PURPOSE

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- HRC HELD RECORD
- MBO MONUMENT
- M MEASURED
- PC PROPERTY CORNER
- PGB POINT OF BEGINNING
- R RECORD

UNITS

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LINETYPES

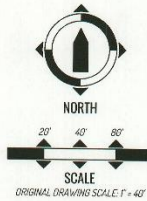
- EXISTING PARCEL BOUNDARY
- - - - - TIE LINE
- - - - - EXISTING PAVEMENT LINE
- - - - - EXISTING FENCE LINE
- - - - - EXISTING BUILDING LINE
- - - - - PROPOSED BUILDING LINE
- - - - - PROPOSED ACCESS ROAD
- - - - - PROPOSED UTILITY LINE
- - - - - PROPOSED SEPTIC AREA
- PROPOSED PARKING AREA

OWNER INFORMATION

TINY HOUSE VILLAGE, LLC
23216 SPRAGUE ROAD, GROVELAND, CALIFORNIA

SURVEYOR INFORMATION

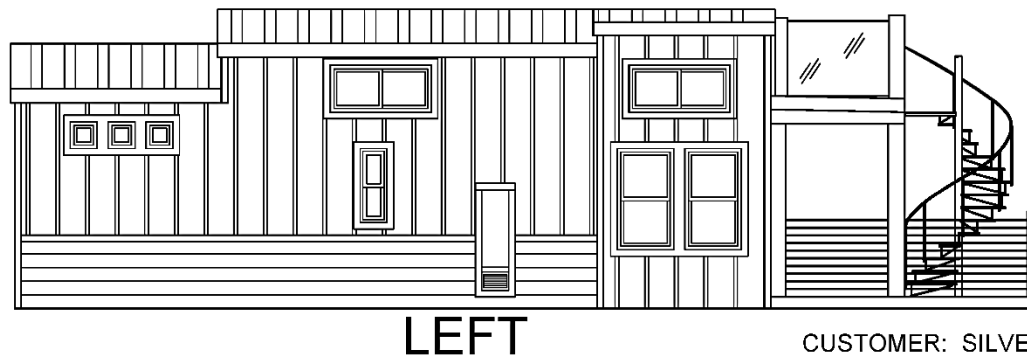
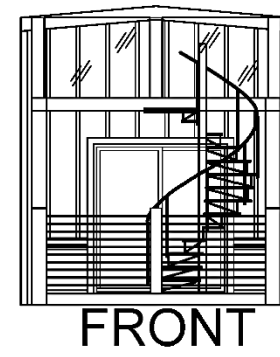
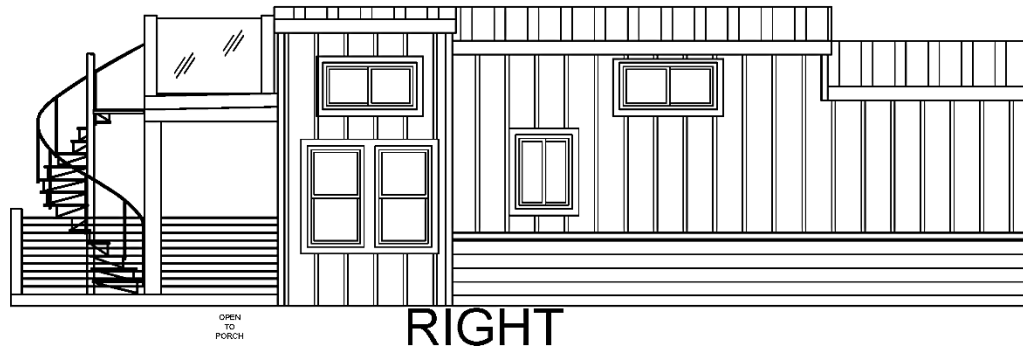
SCOTT LONDON BLAKE - PLS 8489
315 WEST F STREET, OAKDALE, CALIFORNIA



SHEET 1 OF 2

RECEIVED
SEP 20 2022
Community Development
Department

Typical Elevation



CUSTOMER: SILVERCREST ATH-15 DISPLAY
(NAVISION REVISION # NONE)



COUNTY STAKEHOLDER NOTIFICATION RESPONSE FORM

COUNTY PROJECT NUMBER: SDP22-006

PROJECT APPLICANT: Landon Blake, Redefined Horizons

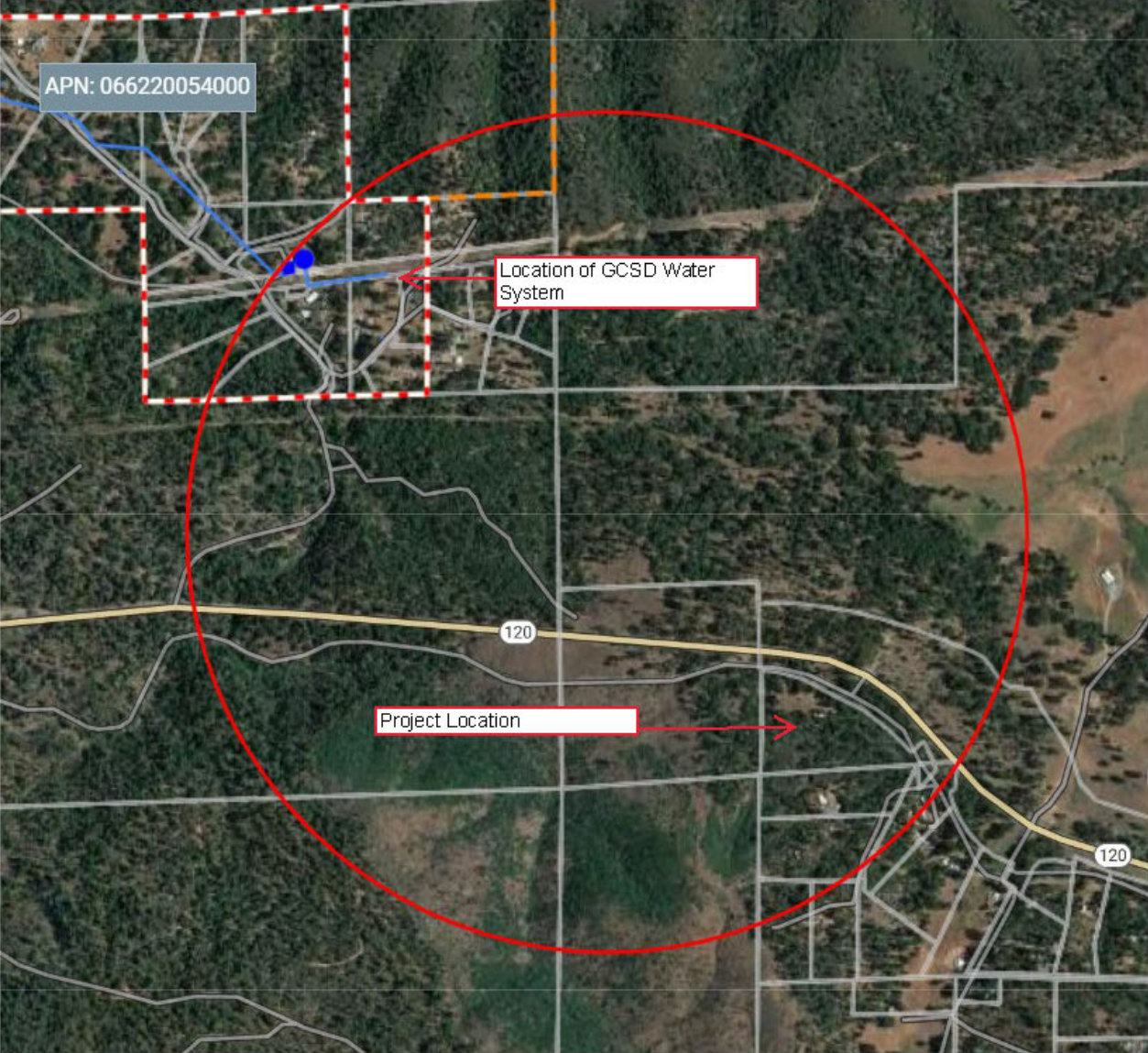
PROJECT DESCRIPTION: Site Development Permit SDP22-006 to allow a recreational development consisting of twelve guest cabins, swimming pool, yoga dome, and associated infrastructure on a 14.1± acre parcel zoned C-K (Commercial Recreation) under Title 17 of the Tuolumne County Ordinance Code (TCOC).

District Response:


The Groveland Community Services District is the local government entity and utility provider of water, sewer, fire protection and recreational park services.

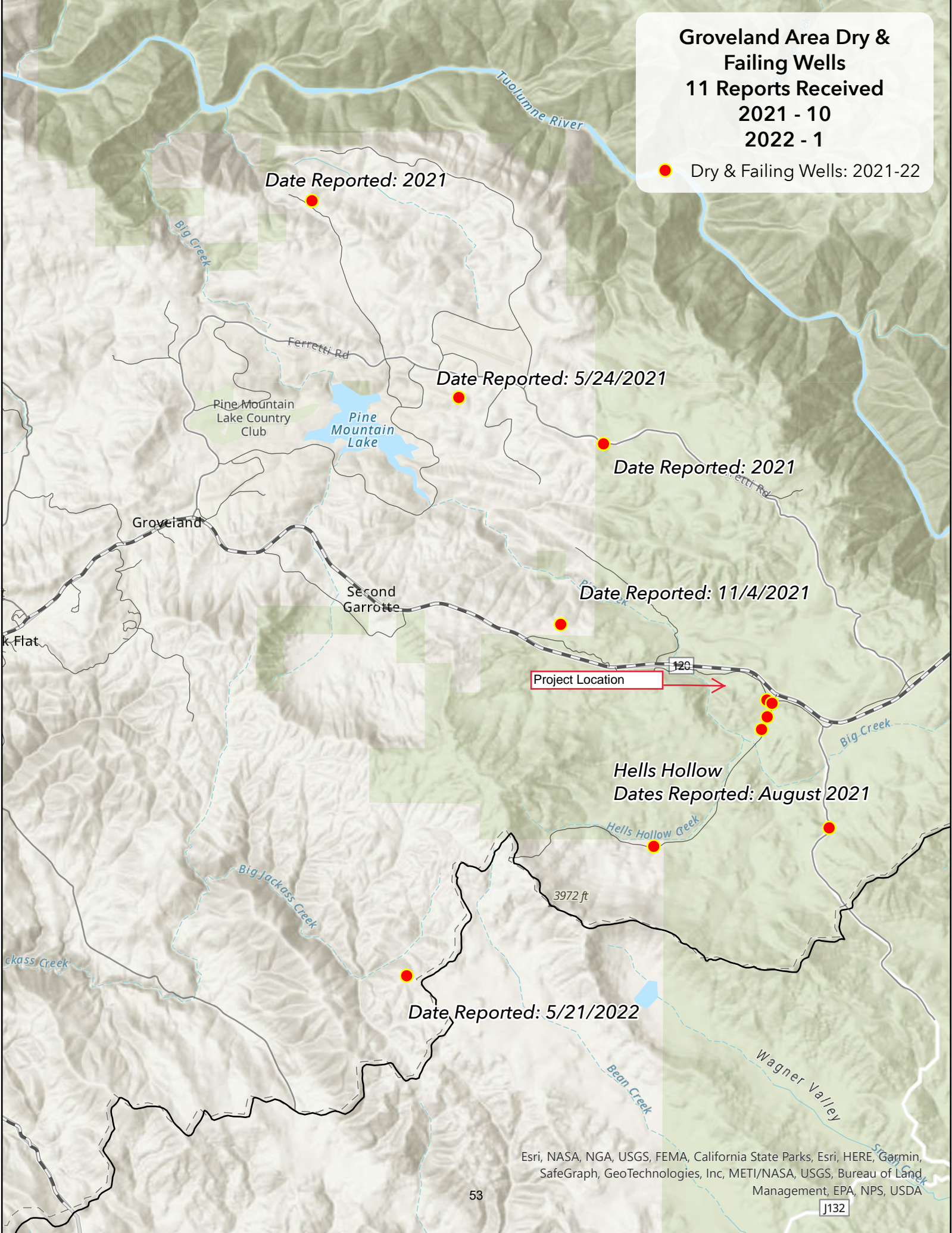
The proposed project is located outside of the district's boundaries, but within 4000 feet of the District's public water system as shown on the attached diagram. Also attached for reference is a groundwater well failure report compiled by Tuolumne County showing a high number of failed wells in the location of the proposed project. Creation of an additional transient-public water system serving the project could be problematic. Connection to the public water system should be encouraged.

For the project site to receive services from the district, including public water service, fire protection and emergency response services, the property will be required to annex to the Groveland Community Services District.



Groveland Area Dry & Failing Wells
11 Reports Received
2021 - 10
2022 - 1

 Dry & Failing Wells: 2021-22



Operations and Maintenance Report November 2022

Operations Department

Wastewater Treatment Division

Influent Totals	
Total	2.82
High	0.09
Low	0.13
Average	0.07

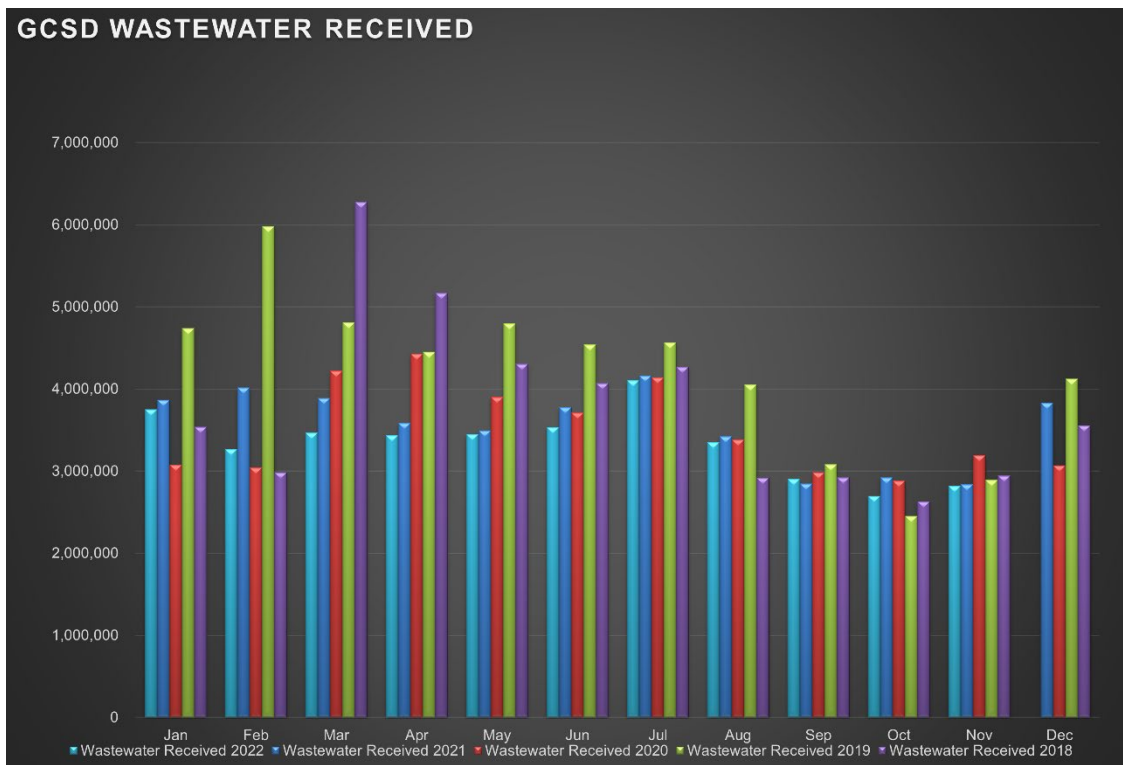
Effluent Totals	
Total	2.90
High	0.10
Low	0.14
Average	0.07

Reclamation Totals	
PML	
Spray Fields	
PML Season Total	
Spray Field Season Total	

Wasting Totals	
Total Inches	182
Total Pounds	2969
Active Accounts	1562

STP Rainfall Totals by Year During Current Month (Inches)					
Season	2022	2021	2020	2019	2018
	5.36	3.32	0.68	2.16	6.94
High	High 1.38	High 0.57	High 0.70	High 0.81	High 2.12

Charted Historical Monthly Influent Totals



Wastewater Treatment Division

Routine Tasks

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

Water Treatment Division

Routine Tasks

- 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 Treatment Plant samples and sent them into Alpha Lab
- Monitored/sampled Distribution Tanks as needed

Maintenance Department

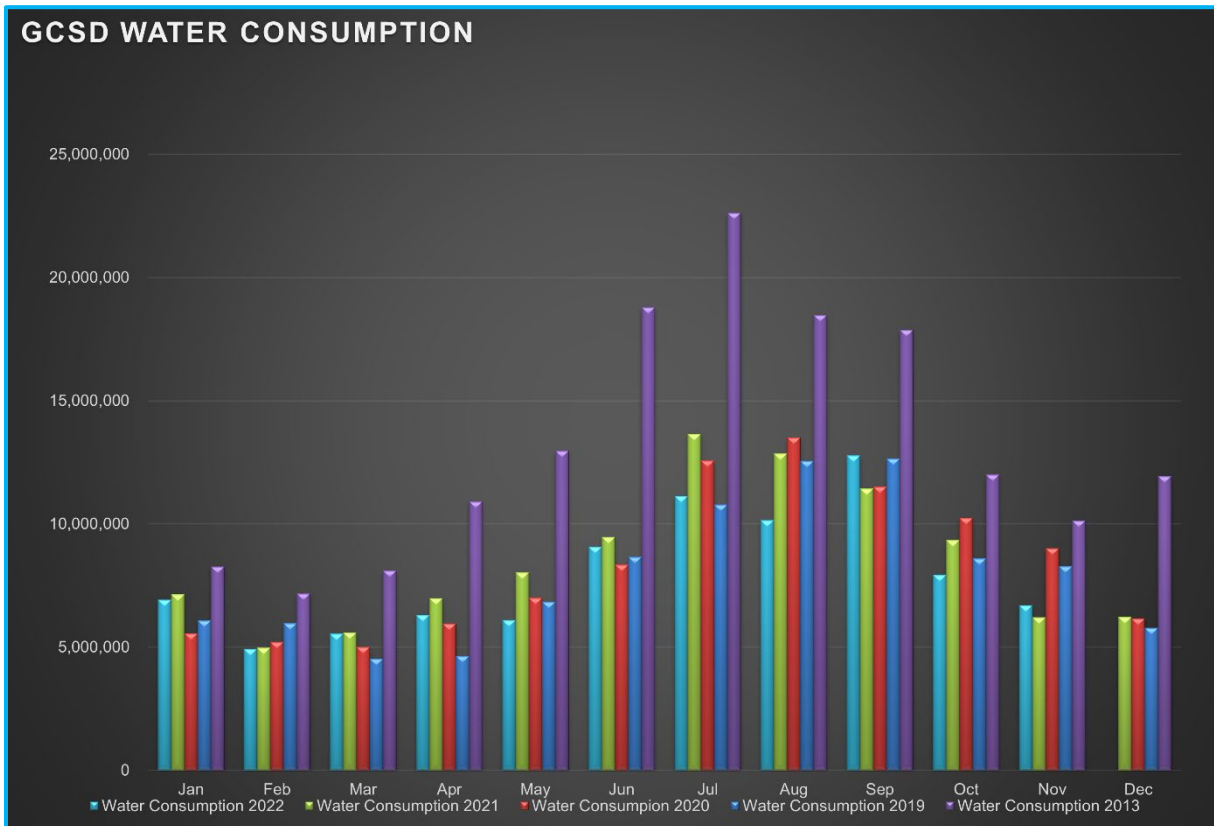
Water Distribution System Division

Meter Related Services	Total
Check / Repair Meters	6
Water Meters Installed	1
Monthly Meter Restrictions	0
Meter Lock offs	13
Meter Changeouts	1
Tenant Final Reads	3
Re-Reads	25
Meter Turn-Offs	5
Meter Turn-Ons	11
Meter Tests	0
Winterize Meter	4
Total Meter Related Issues	69

Billed Consumption (Gallons)	2022	2021	2020
Residential	6,279,491	5,765,165	9,001,819
Commercial	416,431	438,615	N/A
Total	6,695,922	6,203,780	9,001,819

Active Accounts	3260
------------------------	------

Charted Historical Monthly Water Consumption



Maintenance and Repair Data

Description	Total
Water Main Leaks / Repairs	1
Water Service Line Leaks / Repairs	0
Fire Hydrant Repairs / Replacements	0
Number of Hydrants Flushed	17
Number of Dead-Ends Flushed	8
Water Valves Exercised	0
GIS Points	0

Description	Gallons
Flushing for Water Quality	15,650
Water Loss Due to Leaks / Breaks	14,400

After-Hours Calls (Hours)				
Water	Sewer	Park	Other	Total
7	5	0	1	13

Maintenance and Repair

- **Routine Tasks**
 - Read all District Water Meters
 - Customer Service Calls (Low / High Pressures, No Water, Turn-Ons / Turn-Offs, Etc.)
 - Underground Service Alert (USA) Utility Marking Program
 - Weekly Pump Station Inspections at Tank 2, Tank 4, Tank 5 (Buildings, Tanks, Motors, Pumps, Drives, Communications, Generators, and Auxiliary Equipment)

- **Tanks and Pump Stations**
 - Inspect and exercise generator at Tank 2
 - Inspect and exercise generator at Tank 4
 - Inspect and exercise generator at Big Creek TP
 - Inspect and exercise generator at 2G TP

- **Distribution System**
 - Repaired mainline leak at 11255 Merrill Rd.
 - Water Meter ERT testing and programming.

Water Leak Repair – Merrill Rd



Wastewater Collection System Division

Description	Total
Manholes Inspected	215
GIS Points	0
Customer Complaint	1
Odor Complaints	0

Description	Total
Flushing/Jetting (Feet)	1450
Video Inspection (Feet)	0

Description	Total
Sanitary Sewer Spills (SSO)	0
SSO Gallons Spilled	0

Maintenance and Repair

- **Routine Tasks**
 - Weekly lift station site inspections
 - Added degreaser and odor control to lift stations

- **Lift Stations**
 - Cleaned: LS9, LS10, LS11, LS12
 - LS13 Manhole inspections
 - Clean and inspect check valve on Pump 2 at LS10
 - Diagnose and inspect LS7 Pump 2. Diagnosed soft start problem. Adjusted soft start operation. Pump functioning properly.
 - Generator inspections – LS1, LS2, LS3, LS7, LS8, LS9, LS10, LS11, LS12, LS13, LS14,LS15, LS16

- **Collection System**
 - Flushed/Jetted gravity sewer line areas
 - Install sewer flow monitor on new manhole following CIP replacement.

Pictures

Parks Division

Maintenance and Repair

- **Mary Laveroni Community Park**
 - Landscape Maintenance

- **Ballfield & Dog Park**

General Maintenance Division

Maintenance By Department

- **Operations Department**

- 2G Water Treatment Plant
 - Clean flow meter vault
- Big Creek Water Treatment Plant
- AWS
- STP
 - Install air diffusers in STP basins
 - Clean and inspect intake filters on air blowers.

- **Maintenance Department**

- Equipment
 - Monthly Inspect and run at operating temperatures...
 - Rain for Rent, Sullair, Vactron, Cement mixer, Light Tower, STP generator, Dunn Ct Generator, AWS Generator, Standby Generator, Highlands Generator
- Vehicles
 - 30821: Grease, lubricate and adjust tracks.
 - 51618: R & R damaged seat cover, fabricate and install tool rack, aux fuel tank repair.
 - 41825: Service oil/filter, R & R air filter
 - 41719: R & R tire pressure monitors and rebalance tires
 - 41820: R & R and balance 4 Tires
 - 40606: R & R faulty coil pack. Repair transmission fluid dipstick tube.
 - 40708: R & R Right front headlight, R & R broken tailgate latch. Check fluids.
 - 70781: 90 Day Inspection and service engine.
- Buildings & Yard
 - General yard cleanliness.

Contracted Work

- Moyle Excavation
 - Sanitary Sewer Replacement CIP project continuing

- Routine Safety Meetings
 - 1) Daily Tailgate Meetings
 - 2) Weekly Safety Meetings
 - 3) Weekly Security Checks
 - 4) Weekly Vehicle Inspection

**REGULAR MEETING OF THE BOARD OF
DIRECTORS GROVELAND COMMUNITY SERVICES
DISTRICT GROVELAND, CALIFORNIA
November 8, 2022
10:00 a.m.**

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

Call to Order

Director Swan called the meeting to order at 10:00am.

Directors Swan and Kwiatkowski absent.

Approve Order of Agenda

Motion

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

Ayes: Directors Edwards, Armstrong, and Mora

Absent: Director Swan and Kwiatkowski

Director Kwiatkowski joined the meeting at 10:03am.

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.

Staff Reports

Fire Department Report

CERT Report

General Manager's Report

Operations Manager's Report

Administrative Services Manager's Report

Proclamations

Recognition of Debra Percoco for her 12 Years of Service to the Groveland Community Services District

Recognition of Nathan Moffitt for his 1 Year of Service to the Groveland Community Services District

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.

Approve Minutes from the September 13, 2022, Regular Meeting

Approve Minutes from the October 26, 2022, Special Meeting

Accept September 2022 Payables

Accept October 2022 Payables

Adoption of a Resolution Proclaiming a Local Emergency Persists, Ratifying the Proclamation of a State of Emergency by Governor's Executive Order N-25-20 and Order N-29-20, and Re-Authorizing Remote Teleconference Meetings of the Legislative Body of the Groveland Community Services District for the Period of November 8, 2022, through December 8, 2022, Pursuant to Brown Act Provisions

Waive Reading of Ordinances and Resolutions Except by Title

Motion

Director Armstrong moved, seconded by Director Edwards and the motion passed by roll call to adopt approve the consent calendar.

Ayes: Directors Edwards, Armstrong, Kwiatkowski, and Mora

Absent: Director Swan

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).
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.

Adoption of a Resolution Authorizing and Supporting the Tuolumne-Stanislaus Integrated Regional Water Management Authority in an Application to the Department of Water Resources, Urban Community Drought Relief Grant Program for the Groveland Advanced Metering Infrastructure Project

Motion

Director Armstrong moved, seconded by Director Kwiatkowski and the motion passed to approve Resolution 44-2022 authorizing and supporting the Tuolumne-Stanislaus Integrated Regional Water Management Authority in an application to the Department of Water Resources, Urban Community Drought Relief Grant program for the Groveland Advanced Metering Infrastructure project.

Ayes: Directors Edwards, Armstrong, Kwiatkowski, and Mora

Absent: Director Swan

Adoption of a Resolution Authorizing Application to the Department of Water Resources, Urban Community Drought Relief Grant Program for the Downtown Groveland Big Oak Flat Water System Rehabilitation Project

Motion

Director Armstrong moved, seconded by Director Kwiatkowski and the motion passed to approve Resolution 45-2022 authorizing application to the Department of Water Resources, Urban Community Drought Relief Grant Program for the Downtown Groveland Big Oak Flat Water System Rehabilitation Project.

Ayes: Directors Edwards, Armstrong, Kwiatkowski, and Mora

Absent: Director Swan

Review of Proposal by the Tuolumne-Stanislaus Integrated Regional Management Authority to Submit an Application to the Department of Water Resources, Urban Community Drought Relief Grant Program for the Regional Turf Replacement Program

Motion

Director Kwiatkowski moved, seconded by Director Armstrong and the motion passed to authorize the General Manger to submit an application Through the Tuolumne-Stanislaus Integrated Regional Management Authority to the Department of Water Resources, Urban Community Drought Relief Grant Program for the Reginal Turf Replacement Program.

Ayes: Directors Edwards, Armstrong, Kwiatkowski, and Mora

Absent: Director Swan

Adoption of a Resolution Authorizing Application to the State of California for Federal Funding Under the Fiscal Year (FY) 2022 State and Local Cybersecurity Grant Program

Motion

Director Armstrong moved, seconded by Director Edwards and the motion passed to adopt Resolution 46-2022 to allow staff to pursue grant funding from the Department of Homeland Security – FEMA, Fiscal Year (FY) 2022 State and Local Cybersecurity Grant Program.

Ayes: Directors Edwards, Armstrong, Kwiatkowski, and Mora

Absent: Director Swan

Adoption of a Resolution Authorizing the Awarding of the Emergency Generator Replacement Project to Day's Generator Services, Inc. for a Bid Amount of \$659,526 and to Authorize the General Manager to Sign an Agreement on Behalf of the District

Motion

Director Armstrong moved, seconded by Director Kwiatkowski and the motion passed to adopt Resolution 47-2022 Authorizing the award of the Emergency Generator Replacement Project to Day Generator Service, Inc for a Bid Amount of \$659, 526 and to Authorize the General Manager to Sign an Agreement on Behalf of the District.

Ayes: Directors Edwards, Armstrong, Kwiatkowski, and Mora

Absent: Director Swan

Adjournment

Meeting adjourned at 11:40am.

APPROVED:

Spencer Edwards, Board President

ATTEST:

Rachel Pearlman, Board Secretary

**SPECIAL MEETING OF THE BOARD OF
DIRECTORS GROVELAND COMMUNITY SERVICES
DISTRICT GROVELAND, CALIFORNIA
December 8, 2022
10:00 a.m.**

The Board of Directors of Groveland Community Services District met in special session on the above mentioned date with Directors Spencer Edwards President, Robert Swan Vice President, Nancy Mora, and Janice Kwiatkowski being present. Also present was Board Secretary Rachel Pearlman, Administrative Services Manager Jennifer Donabedian, and General Manager Peter Kampa.

Call to Order

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

Absent: Director Armstrong

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.

Adoption of a Resolution Proclaiming a Local Emergency Persists, Ratifying the Proclamation of a State of Emergency by Governor's Executive Order N-25-20 and Order N-29-20, and Re-Authorizing Remote Teleconference Meetings of the Legislative Body of the Groveland Community Services District for the Period of December 8, 2022 through January 6, 2023 Pursuant to Brown Act Provisions

Motion

*It was moved by Director Edwards, seconded by Director Kwiatkowski and the motion passed by roll call to approve Resolution 37-2022 Ratifying the Proclamation of a State of Emergency by Governor's Executive Order N-25-20 and Order N-29-20, and Re-Authorizing Remote Teleconference Meetings of the Legislative Body of the Groveland Community Services District for the Period of December 8, 2022 through January 6, 2023 Pursuant to Brown Act Provisions.
Ayes: Directors Edwards, Swan, Kwiatkowski, and Mora
Absent: Director Armstrong*

Adjournment

Meeting adjourned at 10:09am.

APPROVED:

Spencer Edwards, President

ATTEST:

Rachel Pearlman, Board Secretary

DRAFT

DRAFT



ACCOUNTS PAYABLE CHECK LISTING

November, 2022
Fiscal Year 22/23
Board Approval Date _____

Accounts Payable Checks



User: dpercoco
Printed: 12/6/2022 12:05:45 PM

Check N	Vendor N	Vendor Name	Check Dat	Committe	Description	Amount
22208	Alp03	Alpha Analytical Labs, Inc.	11/9/2022	True	Operations Lab Testing for Water/Sewer	\$4,425.00
22209	BLU01	Anthem Blue Cross	11/9/2022	True	Monthly Group Health Ins.	\$23,431.98
22210	BMI01	BMI Imaging Systems	11/9/2022	True	Aperture Card scanning of district drawings to digital files	\$3,441.65
22211	UB*03147	Brown, Alan	11/9/2022	True	Refund Check 016411-000, 19623 COTTONWOOD 6/37	\$238.57
22212	CAR06	Carbon Copy Inc.	11/9/2022	True	Monthly Copier Usage	\$42.63
22213	UB*03146	Citarelli, Ralph	11/9/2022	True	Refund Check 010875-000, 20730 POINT VIEW 4/208	\$184.34
22214	Cle03	CleanSmith Solutions	11/9/2022	True	Disinfection Services	\$2,200.00
22215	CWEA	CWEA	11/9/2022	True	Luis Melchor CWEA Membership renewal	\$202.00
22217	UB*03151	Donoso, Alfredo	11/9/2022	True	Refund Check 016984-000, 13336 Mule Court 12/179	\$33.49
22218	DRU01	Drugtech Toxicology Services, LLC	11/9/2022	True	Consortium DOT Tests	\$160.00
22219	Du-A01	Du-All Safety, LLC	11/9/2022	True	12 Hr.s Prof. Safety Consultation for October, 2022	\$2,006.75
22220	Fas03	Fast Response On-Site Testing Inc.	11/9/2022	True	Respirator FIT/Audio Testing	\$2,800.00
22221	Fas02	Fastenal	11/9/2022	True	Janitorial supplies,paper towels, TP, Shop rags	\$442.80
22222	FOO01	Foothill-Sierra Pest Control	11/9/2022	True	Pest Control	\$600.00
22223	GCS02	GCSO	11/9/2022	True	GCSO Water Bil	\$6,045.89
22224	GCS01	GCSO Petty Cash	11/9/2022	True	Postage for Fire Dept.	\$5.90
22225	GEN01	General Plumbing Supply	11/9/2022	True	Connectors for Eye Wash Machine, Parts for Sewer Repair	\$630.02
22226	gilb01	Gilbert Associates, Inc.	11/9/2022	True	Monthly CPA Services	\$3,400.00
22227	HAC01	Hach	11/9/2022	True	Chemical & Lab supplies for W/WW Treatment plants	\$3,860.50
22228	Hun02	Hunt & Sons, Inc.	11/9/2022	True	Fuel & Oil	\$5,638.59
22229	ind04	Industrial Electrical Co.	11/9/2022	True	Renal Generator & repair of LS#5 electrical issue	\$9,887.66
22230	ITR01	Itron Electric Metering Co Inc	11/9/2022	True	FCS Migration support	\$750.00
22231	JSW02	J.S. West Propane Gas	11/9/2022	True	Propane	\$786.03
22232	jol01	Jolley, Bryant L.	11/9/2022	True	2021/22 Financial Statements-Audit	\$14,500.00
22233	Kwi01	Kwiatkowski, Janice	11/9/2022	True	Mileage/Parking for Palm Desert Conference	\$357.56
22234	land01	Land & Structure	11/9/2022	True	Progress billing for October, 22 for Admin building upgrade-Ph.1	\$1,795.00
22235	UB*03153	McEwen-Patterson, Joel	11/9/2022	True	Refund Check 015409-000, 12874 GREEN VALLEY 3/399	\$50.17
22236	MOO01	Moore Bros. Scavenger Co., Inc.	11/9/2022	True	Garbage Service	\$560.28
22237	MOT03	Mother Lode Answering Service	11/9/2022	True	Monthly Answering Service	\$251.00
22238	MOU03	Mountain Oasis Water Systems	11/9/2022	True	Bottled Water	\$159.00
22239	Moy02	Moyle Excavation Inc.	11/9/2022	True	Payment #2 for GCSO WWTP Pond 1 Liner Replacement	\$224,770.95
22240	Nji01	Njirich & Son's, Inc.	11/9/2022	True	Emergency Water Line repair on Ferretti/BC Bridge Air Filter	\$24,939.83
22241	Oreil	O'Reilly Auto Parts	11/9/2022	True		\$70.03

Check N	Vendor N	Vendor Name	Check Dat	Committe	Description	Amount
22242	per04	Percoco, Ronald	11/9/2022	True	Weekly District Building Cleaning, Uniform Laundering	\$2,930.00
22243	PGE01	PG&E	11/9/2022	True	Monthly Electric Charges	\$420.78
22244	UB*03150	Phillips, Roy & Rachel	11/9/2022	True	Refund Check 006410-000, 19013 Crocker Station 7/180	\$273.78
22245	Pin07	Pine Mountain Auto	11/9/2022	True	October Auto Parts	\$1,061.61
22246	pml01	PML Hardware & Supply Inc.	11/9/2022	True	Monthly Hardware supplies	\$540.68
22247	Pre07	Preferred Pump & Eq	11/9/2022	True	4 ea. Grundfos Design Pumps for Lift Station & Grease Contro.l	\$6,083.93
22248	UB*03152	Rooney, Patrick	11/9/2022	True	Refund Check 009007-000, 12370 MILLS ST 8/94	\$35.49
22249	UB*03148	Sarran, Scott	11/9/2022	True	Refund Check 013494-000, 19819 PINE MT DR 1/465	\$190.52
22250	SIE03	Sierra Motors	11/9/2022	True	Truck #18 repair parts	\$306.83
22251	Sma01	SmartCover Systems, Inc.	11/9/2022	True	Smart Cover renewal-Warranty for 5 units	\$6,495.00
22252	Sna01	Snap-on Attn: Kyle	11/9/2022	True	Shop work light & tools	\$712.41
22253	UB*03149	Soares, Michael	11/9/2022	True	Refund Check 016835-000, 19601 Buckskin Ct 8/251 Merg	\$62.37
22254	Sprbrk	Springbrook Holding Company LLC	11/9/2022	True	Monthly Civic Pay C/C Pmt Fees	\$1,348.30
22255	Car08	The Cary Company	11/9/2022	True	Tank Mixer for WWTP Polymer	\$4,645.42
22256	ups9	UPS	11/9/2022	True	Shipping to BMI Imaging	\$14.65
22257	Wells	Wells Fargo Vendor Financial Services, LLC	11/9/2022	True	Monthly Lease on Admin Copier	\$359.28
115863	OE3	Operating Engineers Local #3	11/9/2022	True	PR Batch 00001.11.2022 Oper Engin Union Dues	\$372.06
902539	CAL09	CalPers 457 Plan Administrator	11/9/2022	True	PR Batch 00001.11.2022 CalPers Def Comp	\$1,038.47
902540	DCSS	Dept of Child Support Services	11/9/2022	True	PR Batch 00001.11.2022 Wage Garnish Child Support	\$205.03
902541	EDD01	EDD - Electronic	11/9/2022	True	PR Batch 00001.11.2022 Employmt Training Tax	\$3,044.22
902542	FedEFTPS	Federal EFTPS	11/9/2022	True	PR Batch 00001.11.2022 FICA Employer Portion	\$16,793.24
902543	Orion	Orion Portfolio Solutions	11/9/2022	True	PR Batch 00001.11.2022 Orion 457	\$2,125.00
902544	PER01	Pers - Electronic	11/9/2022	True	PR Batch 00001.11.2022 2nd Tier PERS	\$10,096.91
22258	UMP01	UMPQUA Bank Comm Card Ops	11/15/2022	True	October Credit Card purchases	\$7,490.36
115864	OE3	Operating Engineers Local #3	11/18/2022	True	PR Batch 00002.11.2022 Oper Engin Union Dues	\$372.06
902545	CAL09	CalPers 457 Plan Administrator	11/18/2022	True	PR Batch 00002.11.2022 CalPers Def Comp	\$1,038.47
902546	DCSS	Dept of Child Support Services	11/18/2022	True	PR Batch 00002.11.2022 Wage Garnish Child Support	\$205.03
902547	EDD01	EDD - Electronic	11/18/2022	True	PR Batch 00002.11.2022 State Unemp Ins	\$3,389.91
902548	FedEFTPS	Federal EFTPS	11/18/2022	True	PR Batch 00002.11.2022 Medicare Emple Portion	\$17,817.03
902549	Orion	Orion Portfolio Solutions	11/18/2022	True	PR Batch 00002.11.2022 Orion 457	\$2,125.00
902550	PER01	Pers - Electronic	11/18/2022	True	PR Batch 00002.11.2022 2nd Tier PERS	\$10,214.96
22259	UB*03154	Lagorio, Steven & Christine	11/22/2022	True	Refund Check 016927-000, 20136 LWR SKYRG 15/99	\$575.00
22260	AIR01	Airgas USA, LLC	11/22/2022	True	Monthly Cylinder Rental-Helium	\$52.20
22261	am01	AM Consulting Engineers, Inc.	11/22/2022	True	Engineering fees for October, HH Trail \$18K, Sewer coll \$12K	\$54,205.92
22262	AWWA	American Water Works Assoc	11/22/2022	True	Adam Ahlswede AWWA Membership renewal	\$106.00
22263	BLU02	Anthem Blue Cross	11/22/2022	True	Insurance D. Beaudreau	\$1,133.85
22264	ATT02	AT&T	11/22/2022	True	Monthly Cal Net phone service	\$331.81
22265	AT&T Mob	AT&T Mobility (First Net)	11/22/2022	True	Monthly Field Cell Phone fee	\$995.54
22266	UB*03156	Babbie, Raymond	11/22/2022	True	Refund Check 016156-000, 19231 James Circle 2/257	\$56.60
22267	Ron01	Borrego, Roni Lynn	11/22/2022	True	Social Media Management	\$2,730.25
22268	Cin01	Cintas	11/22/2022	True	First Aid Supplies	\$193.41
22269	Con06	Conifer Communications	11/22/2022	True	Internet Service at Plants	\$69.85
22270	UB*03151	Donoso, Alfredo	11/22/2022	True	Refund Check 016984-000, 13336 Mule Court 12/179	\$2.00

Check N	Vendor N	Vendor Name	Check Dat	Committe	Description	Amount
22271	EDIS01	E.D.I.S.	11/22/2022	True	Supplemental Health Insurance	\$2,536.46
22272	HAC01	Hach	11/22/2022	True	Chemicals for WTP	\$529.68
22273	Hum02	Humana Insurance Company	11/22/2022	True	Dental Insurance-Monthly	\$2,774.96
22274	UB*03157	Hungerford, Gregg & Deborah	11/22/2022	True	Refund Check 009403-003, 12838 Mueller Dr 2/8 & 9	\$422.05
22275	JSW02	J.S. West Propane Gas	11/22/2022	True	Propane	\$1,942.34
22276	UB*02979	Jacinto, John	11/22/2022	True	Refund Check 012976-000, 13046 MOKELUMNE 2/205	\$220.00
22277	UB*03158	Melo, Tony & Darlene	11/22/2022	True	Refund Check 013134-002, 20200 Pleasant View1/189	\$118.99
22278	Met03	Metro Presort	11/22/2022	True	Monthly UB Statement Processing	\$2,002.27
22279	MIS02	MiscoWater	11/22/2022	True	2 ea. Finish CL2 pumps and 2 control cables for 2G/ Big Creek	\$4,464.13
22280	MOO01	Moore Bros. Scavenger Co., Inc.	11/22/2022	True	30 Yd. Monthly Debris Box Rental	\$333.26
22281	SFPUC	San Francisco Public Utilities Commission	11/22/2022	True	Monthly Water Purchase	\$12,920.90
22282	UB*03155	Shaw, Jack	11/22/2022	True	Refund Check 016776-000, 13011 JACKSON MILL 7/196	\$182.06
22283	Sta15	Staples Credit Plan	11/22/2022	True	Office Supplies	\$98.48
22284	Tir02	TireHub, LLC	11/22/2022	True	4 tires for Truck 19 and Vehicle 21	\$1,254.57
22285	UNI05	Univar Solutions	11/22/2022	True	159 gallons 12.5% Sodium Hypo for WTP, 40 bags lime	\$2,404.66
22286	Ver03	Verizon Wireless 7706	11/22/2022	True	Monthly Auto Dialers	\$121.22
22287	UB*03159	Zucchi, Frank	11/22/2022	True	Refund Check 014302-000, 21010 HEMLOCK ST 12/247	\$42.69
					November Direct Deposit Payroll	\$89,715.15
					TOTAL NOVEMBER ACCOUNTS PAYABLE	\$623,012.72



BOARD MEETING AGENDA SUBMITTAL

TO: GCSB Board of Directors

FROM: Jennifer Flores, Administrative Services Manager

DATE: December 13, 2022

SUBJECT: Agenda Item 4D: Adoption of a Resolution Proclaiming A Local Emergency Persists, Ratifying the Proclamation of a State of Emergency by Governor’s Executive Order N-25-20 and Order N-29-20, and Re-Authorizing Remote Teleconference Meetings of the Legislative Body of the Groveland Community Services District for the Period of December 13, 2022 through January 10, 2023 Pursuant to Brown Act Provisions

RECOMMENDED ACTION:

I move to approve Resolution 49-2022 Ratifying the Proclamation of a State of Emergency by Governor’s Executive Order N-25-20 and Order N-29-20, and Re-Authorizing Remote Teleconference Meetings of the Legislative Body of the Groveland Community Services District for the Period of December 13, 2022 through January 10, 2023 Pursuant to Brown Act Provisions.

BACKGROUND:

In March of 2020, the Governor issued Executive Order N-29-20 (“Order”) suspending portions of the Brown Act and allowing public meetings to occur virtually. That included restricting the public to attend the meetings virtually without a physical location. The Governor’s Order expired on September 30, 2021.

On September 16, 2021 the Governor signed AB 361 that amends the Brown Act teleconferencing requirements to allow a public agency, during a declared emergency (such as the current pandemic), the option of holding meetings remotely without following the current teleconferencing requirements in the Brown Act and restricting the public’s access to telephone or video conference. However, it establishes procedural hurdles that must be followed and maintained during the election to meet remotely.

Following are requirements for invoking AB 361 the first time that a public agency does so:

1. There must be a “proclaimed state of emergency,” *as there is currently, in that the Governor’s State of Emergency Declaration, issued on March 4, 2020, has not been lifted, and*
2. One of the following three circumstances must exist:

- a. State or local officials have imposed or recommended measures to promote social distancing, *which also currently exist in California in light of the COVID-19 pandemic*;
- b. The meeting is held to determine, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to health or safety of attendees; or
- c. The majority of the legislative body has voted that, as a result of the emergency, meeting in person would present imminent risk to the health or safety of attendees.

If a public agency wishes to consider invoking AB 361 for subsequent meetings, the following is required for those subsequent meetings:

1. The proclaimed state of emergency must remain active; or
2. State or local officials have imposed or recommended measures to promote social distancing; and
3. Not later than 30 days after teleconferencing for the first time under the AB 361 rules, and every 30 days thereafter, the Legislative body shall make the following findings by majority vote:
 - The legislative body has reconsidered the circumstances of emergency, and at least one of the following circumstances exist:
 - a. The state of emergency continues to directly impact the ability of the members to meet safely in person; or
 - b. State or local officials continue to impose or recommend measures to promote social distancing.

The requirement that a Legislative body must make one of the two findings listed directly above by majority vote every 30 days to continue to invoke AB 361, will result in the need to hold special Board meetings prior to some of the regularly scheduled monthly meetings as they will fall outside the 30-day window.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. Resolution 49-2022

RESOLUTION 49-2022

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT PROCLAIMING A LOCAL EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR'S EXECUTIVE ORDER N-25-20 AND ORDER N-29-20, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF THE GROVELAND COMMUNITY SERVICES DISTRICT FOR THE PERIOD DECEMBER 13, 2022 TO JANUARY 10, 2023 PURSUANT TO BROWN ACT PROVISIONS

WHEREAS, the Groveland Community Services District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of Groveland Community Services District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Directors previously adopted a Resolution, Number 13-2021 on March 31, 2021, finding that the requisite conditions exist for the legislative bodies of Groveland Community Services District to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist in the District, specifically, a state of emergency remains active in that the Governor's State of Emergency Declaration, issued on March 4, 2020, has not been lifted; and

WHEREAS, the state and local officials have recommended social distancing in light of the ongoing Covid-19 pandemic; and

WHEREAS, the Board of Directors does hereby find that a state of emergency remains active in that the Governor’s State of Emergency Declaration, issued on March 4, 2020, has not been lifted, and, the state and local officials have recommended social distancing in light of the ongoing Covid-19 pandemic has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to affirm a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency persisting, the Board of Directors does hereby find that the legislative bodies of Groveland Community Services District shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the District has taken measures to ensure the public has ease of access to teleconference meetings of the Board of Directors by including detailed instructions on how to observe and participate and the direct meeting link on published agendas as well as detailed instructions for public comment submission.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District, and state and local officials have recommended social distancing in light of the ongoing Covid-19 pandemic.

Section 3. Re-ratification of Governor’s Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California’s Proclamation of State of Emergency, effective as of its issuance date of October 12, 2021

Section 4. Remote Teleconference Meetings. The GENERAL MANAGER and legislative bodies of Groveland Community Services District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) November 10, 2021 or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of Groveland Community Services District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Directors of Groveland Community Services District, this 13th day of December 2022, by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

APPROVE:

Spencer Edwards, Board President

ATTEST:

Rachel Pearlman, Board Secretary

CERTIFICATE OF SECRETARY

I, Rachel Pearlman, 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 December 13, 2022

DATED: _____



BOARD MEETING AGENDA SUBMITTAL

TO: GCSB Board of Directors

FROM: Peter Kampa, General Manager

DATE: December 13, 2022

SUBJECT: **Agenda Item 6B:** Presentation of the District's Audited Financial Statements for Fiscal Year 2021/22 by Gilbert and Associates

RECOMMENDED ACTION

I move to accept the FY 2021/2022 Audited Financial Statements.

BACKGROUND

California law requires that the District hire a qualified independent auditing firm to perform an annual audit, or test review of our financial statements to ensure that they are prepared in accordance with Generally Accepted Accounting Principles and various government auditing standards. As the Board cannot possibly be heavily involved in, and fully understanding of the daily financial affairs of the District, the Board hires a Manager and authorizes other staff or consultant positions to handle the routine financial matters. The Board adopts policies to guide how budgets are developed, and how money is spent, accounted for and the results reported to the Board. The auditor, working with management and on behalf of the Board will also test portions of the financial transactions to determine compliance with current Board policy.

Bryant Jolley, CPA was engaged to conduct the audit for the 2021/22 fiscal year, and the final draft audit is attached for your review and acceptance. Gilbert and Associates is an independent financial firm hired by and representing the District to provide an additional level of independent review and internal quality control on the financial statements. A representative from Gilbert and Associates will be in attendance to discuss the audit and answer questions from the Board and public during this meeting.

One of the primary duties of the Board is their fiduciary responsibility with regard to District finances. The Board must establish policies and ensure that the procedures and practices of District management provide the highest level of protection of public funds, and that these funds are invested in appropriate activities and means to achieve the level of service desired by the community, through this Board. The only way for the Board to confirm that this is occurring is to receive accurate and timely financial reporting.

As stated in the audit report, the auditor is not engaged to find every potential flaw in our financial system but is required to report publicly to the Board if there are material weaknesses or breaches in our financial systems where policy was not followed, or methods were discovered where a substantial risk of fraud, embezzlement or other

financial crimes could occur without immediate notice by management and/or the Board. The auditor will also make findings and recommendations for changes to our financial systems if they feel that material weaknesses could occur, or if there are actions that put the District at financial risk.

The financial statements and the accompanying Management Discussion and Analysis (MD&A) are helpful to inform the Board and public of whether we are accomplishing our financial objectives. Again this year we have increased our net position by investing the water and sewer rates, and rate increases in infrastructure assets and equipment. The MD&A also clearly explains that we have a downward trend in the financial health of the fire services, since the increase in expenses in those services have far outpaced any small increases in property tax revenue; their only source of funding.

This audit again has no negative findings and staff should be commended for the excellent effort.

ATTACHMENTS

Audited financial statements

FINANCIAL IMPACTS

None.

Groveland Community Services District



Tuolumne County
Groveland, California

Financial Statements with
Independent Auditor's Report

Year Ended June 30, 2022

**GROVELAND
COMMUNITY SERVICES DISTRICT**

**TUOLUMNE COUNTY
GROVELAND, CALIFORNIA**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

YEAR ENDED JUNE 30, 2022

GROVELAND COMMUNITY SERVICES DISTRICT

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Groveland Community Services District
Groveland, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Groveland Community Services District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

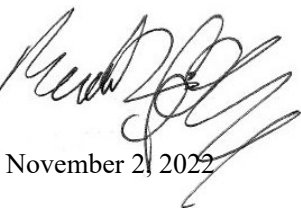
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedule of Changes in the District's Net OPEB Liability and Related Ratios, the Schedule of the District's Proportionate Share of the Net Pension Liability and, the Schedule of Contributions on pages 3 – 18 and pages 50 – 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



November 21, 2022

GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

California law establishes the structure and process for governance, management and administration of the Groveland Community Services District (District or GCSD), and its financial affairs. A five member Board of Directors are elected at large from within the District boundaries, to serve four year staggered terms. The Board appoints a General Manager who is responsible for the day to day management of the District financial affairs, administered in accordance with policies adopted by the Board.

FINANCIAL POLICIES AND GUIDELINES

The financial integrity of GCSD is of utmost importance. Maintaining fiscal stability is a critical component of the overall financial plan. GCSD is accountable to its ratepayers and the public for the use of public funds. Resources should be used wisely to ensure adequate funding for services, public facilities and infrastructure necessary to meet present and future needs. GCSD's financial policies and guidelines provide the backbone for making financial decisions and a benchmark for monitoring financial activities.

General Financial Policy Guidelines

The GCSD Board has adopted financial policies to provide a framework to guide the District's decision-making with respect to operations, budgeting, debt issuance, and financial planning. These guidelines provide overview policy guidelines in the areas of general, revenue, budgeting and expenses, reserves, investments, debt management, capital improvements, purchasing and fixed assets.

These policies require that:

- The District will manage its financial assets in a sound and prudent manner.
- The District will maintain and further develop programs to assure its long-term ability to pay all the costs necessary to provide the level and quality of service required by its customers.

These policies are to promote sound financial management and to ensure that its finances are managed in a manner, which will:

- Support the continued delivery of quality services in compliance with legal and regulatory requirements and at a level meeting or exceeding industry standards,
- Ensure the District's stability, efficiency and effectiveness in accomplishing the Board of Director's goals and objectives for the long term,
- Maintain a balanced budget annually to ensure that the District is operating within its revenue constraints, even when faced with fluctuating service demands, and
- Maintain adequate reserves necessary to meet known and unknown future obligations.

The financial policies of the District are summarized below:

Investment Policy

The District's *Investment Policy* follows California Government Code objectives of safety, liquidity and yield (in that priority order). Annually during the budget development process of each year, the policy is reviewed and readopted by the Board of Directors to ensure GCSD's Investment Policy is up-to-date with current regulations. The General Manager also serves as the District's Treasurer who annually reviews the Investment Policy and as necessary, submits recommended revisions to the Board for their annual consideration and approval. The investing process is carefully monitored to ensure compliance with the Investment Policy and other applicable regulations.

GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Budget Policy

The budget policy defines the budget process for both the operating and CIP budgets. This policy provides guidance to District personnel performing budgetary process functions. The policy requires balanced budgets, which will serve as a financial plan to promote financial stability while accomplishing the Board's goals and objectives.

Reserve Policy

The District's *Reserve Policy*, is designed to distinguish between Legally Restricted Reserves and Board Designated Reserves, establish distinct purposes for each reserve category, set funding targets and accumulation levels for reserves, and identify events or conditions prompting use. The Reserve Policy provides guidance for establishing, funding and using reserves to meet known future obligations and unforeseen needs as deemed prudent and/or required by agreement. As available and deemed appropriate, Board Designated Reserves are funded to reserves in the following broad categories: operational and contingencies, capital facilities and equipment, and debt service.

Debt Management Policy

The policy is intended to provide guidance for debt structure, its justification and evaluation. The primary objective of the Debt Management Policy is to establish conditions for the use of debt and to create procedures and policies that minimize GCSD's debt service and issuance costs, retain the highest practical credit rating, and maintain full and complete financial disclosure and reporting.

Procurement Policy

The District's *Expense Authorization* policy provides the framework and guidelines for District purchases and contracts. This policy covers all District procurement activities (commodity and service purchases and public works contracts) and adheres to Government Code Section 54202 that requires local governmental agencies to adopt policies and procedures including "bidding regulations, governing purchases of supplies and equipment."

DISTRICT ADMINISTRATION AND RELATED EXPENSES

All GCSD administrative, or overhead expenses are budgeted annually in their own category for transparency and evaluation purposes. The salary and benefits of office staff, office expense, insurance, board expenses and other basic costs incurred to administer the affairs of the District, regardless of the services provided, are accounted for in the administrative expense. As a standard practice in allocating District administrative expenses, costs are distributed to the various services provided, at an allocation percentage based on the level of administrative effort that goes into delivering the respective service.

Beginning in 2018/19, GCSD began allocating the administrative expenses to each of its service funds based on an appropriate percentage of benefit derived. Prior to 2018/19, GCSD distributed the administrative expense only to the water, sewer and fire services, with very little to nothing, charged to park service expenses. There is most obviously a benefit derived by the park service by sharing office administrative expenses with other services; since if these services were provided by a separate special district, there would be expenses for a separate office, staff and Board expenses in an amount that would certainly exceed the shared administrative expenses of a CSD.

GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

As management of the District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2022. We encourage the readers to consider the information presented here in conjunction with the District's basic financial statements, which immediately follow this section. We also encourage readers to attend GCSD Board meetings to become familiar with District governance and operations and to provide public input. The Board meets in regular session on the second Tuesday of each month. Regular meetings are held at 10:00 a.m. at the District Office, 18966 Ferretti Road, Groveland, California. Board meetings are open to the public to attend physically or virtually via technology platforms such as Zoom. All meeting agendas and supporting materials are available on the District website in advance of the Board meetings and archived at www.gcsd.org.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information intended to furnish additional detail to support the basic financial statements.

- **Government-wide financial statements**, which comprise the first two statements presented, provide both short-term and long-term information about the District's overall financial position. These statements are intended to provide the reader with a broad overview of the District's finances in a manner that is similar to that used by private-sector businesses.
 - The statement of net position presents financial information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.
 - The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses may be reported in the current period for some items that will only result in cash flows in future fiscal periods, or for which the cash flows have already occurred.
 - Both the statement of net position and the statement of activities distinguish between two types of activities carried out by the District: governmental activities, which are principally supported by property taxes, and business-type activities, which are intended to recover all or a significant portion of their costs through charges for services. The governmental activities of the District include fire protection and parks and recreation. The business-type activities of the District include water, sewer, and the Davis-Grunsky fund.

GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

- **Fund financial statements.** A fund is a grouping of related accounts that is used to maintain separate accountability for resources that have been segregated for specific activities or objectives. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and the fiduciary fund.
 - **Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds focus on near-term inflows and outflows of spendable resources. Such information may be useful in assessing a government's near-term financial requirements and legal compliance. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation to the governmental fund statements is provided to explain the differences (or relationships) between them.
 - **Proprietary funds** – The District's proprietary funds, which are enterprise funds, are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail.
 - **Fiduciary fund** – The District is responsible for the administration of the Improvement Districts (Sewer Assessment Districts Nos. 3 and 4) formed under the Municipal Improvement Act of 1911. The District is not obligated to repay the special assessment debt of these special assessment districts. Tuolumne County (County) functions as an agent for the property owners by collecting assessments and forwarding collections to the special assessment debt holders. The County has sufficient funds on hand to pay off these debts.
- **Notes to the financial statements**, which are included in the financial statements, provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.
- **Required supplementary information** provides further explanations and additional support for the financial statements. The District's budget to actual comparisons for the year are included for the Fire Protection Fund and the Parks and Recreation Fund (major special revenue funds).

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

Net Position

Net position over time may serve as a useful indicator of a government's financial position. For the District as a whole, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$18,718,145 as of June 30, 2022. This amount represents the District's net position.

The largest portion (67%) of the District's net position reflects its investment in capital assets (e.g., land, construction in progress, structures and improvements, furnishing and equipment, and vehicles) less any related outstanding debt that was used to acquire those assets. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to pay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of \$6,243,906 is unrestricted and may be used to meet the District's ongoing obligations. The District accounts for this unrestricted fund balance separately for Water, Sewer, (the Business Type Activities), and Fire and Park Services (the Government Type activities), based on amounts budgeted and spent each year in accordance with adopted fund balance and reserve policies.

GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current assets and other assets	\$ 1,166,715	\$ 1,192,181	\$ 9,351,656	\$ 9,046,649	\$ 10,518,371	\$ 10,238,830
Capital assets	<u>1,029,599</u>	<u>764,931</u>	<u>16,453,903</u>	<u>15,069,463</u>	<u>17,483,502</u>	<u>15,834,394</u>
Total assets	<u>2,196,314</u>	<u>1,957,112</u>	<u>25,805,559</u>	<u>24,116,112</u>	<u>28,001,873</u>	<u>26,073,224</u>
Total deferred outflows of resources	<u>143,770</u>	<u>148,689</u>	<u>729,159</u>	<u>705,553</u>	<u>872,929</u>	<u>854,242</u>
Long-term liabilities	393,743	645,668	6,811,784	8,508,124	7,205,527	9,153,792
Other liabilities	<u>50,710</u>	<u>30,995</u>	<u>465,619</u>	<u>456,252</u>	<u>516,329</u>	<u>487,247</u>
Total liabilities	<u>444,453</u>	<u>676,663</u>	<u>7,277,403</u>	<u>8,964,376</u>	<u>7,721,856</u>	<u>9,641,039</u>
Total deferred inflows of resources	<u>365,202</u>	<u>88,125</u>	<u>2,069,599</u>	<u>735,928</u>	<u>2,434,801</u>	<u>824,053</u>
Net position:						
Net investment in capital assets	1,029,599	764,931	11,444,640	9,332,723	12,474,239	10,097,654
Unrestricted	<u>500,830</u>	<u>576,082</u>	<u>5,743,076</u>	<u>5,788,638</u>	<u>6,243,906</u>	<u>6,364,720</u>
Total net position	<u>\$ 1,530,429</u>	<u>\$ 1,341,013</u>	<u>\$17,187,716</u>	<u>\$15,121,361</u>	<u>\$ 18,718,145</u>	<u>\$ 16,462,374</u>

Changes in Net Position

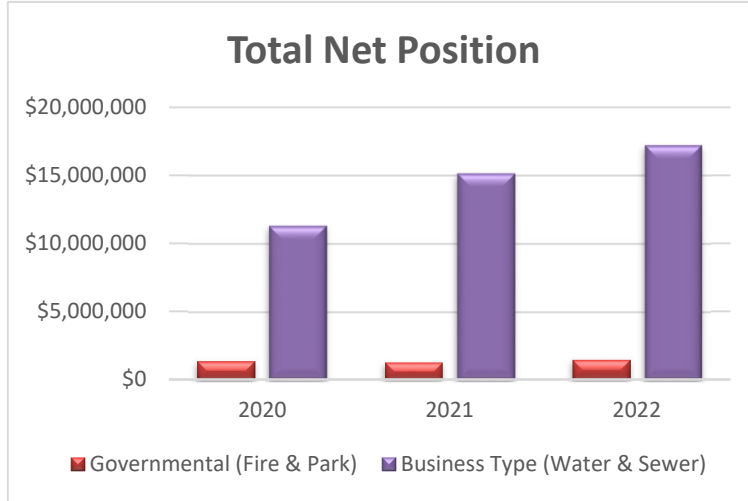
The net position of the District as a whole was \$18,718,145 as of June 30, 2022. This is an overall increase in net position of \$2,255,771 from the prior year. Total investment in capital assets of \$12,474,239 represents the net book value of capital assets, less bonds payable plus unspent bond proceeds. Total net position increased mainly due to the increase in net position for the Water Fund and Sewer Fund in which the reserves will be used for future capital projects as noted in the "Factors Bearing on the District's Future" section of the MD&A.

Governmental activities – The net position for governmental activities as of June 30, 2022 was \$1,530,429. This is an overall increase in net position of \$189,416 from the prior year; primarily the result of expenses increasing at a higher rate than the growth in property tax revenue. Management has taken various actions to reduce expenses to neutralize the effect on governmental activities. Property values continue to increase slightly due to real estate market changes and higher overall assessed valuation, and therefore property tax revenue increased by 4.6%, \$57,956 in FY2022. Total revenue exceeded total expenses which accounts for the increase in net position.

GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2022

Business-type activities – For the District’s business-type activities the net position as of June 30, 2022 was \$17,187,716 as shown below. This is an overall increase in net position of \$2,066,355 from the prior year. Total revenues exceeded expenses which accounts for the increase in net position. This is due to an



increase in base monthly and commodity rates for services for fiscal year 2021/2022, which were implemented to improve the cash position of the District and provide additional cash for investments in replacing and upgrading fixed assets, such as infrastructure and equipment. The rate increases were also necessary to provide the cashflow necessary to qualify for the maximum grants and other state and federal funding assistance received for improvement projects.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Program revenues:						
Charges for services	\$ 3,120	\$ 2,778	\$ 6,091,031	\$ 5,985,612	\$ 6,094,151	\$ 5,988,390
Capital grants and contributions	-	-	1,751,144	2,329,552	1,751,144	2,329,552
Operating grants and contributions	23,226	140,768	-	115,675	23,226	256,443
General revenues:						
Property taxes	1,323,130	1,265,174	3,880	3,740	1,327,010	1,268,914
Interest income	4,756	6,109	18,707	21,643	23,463	27,752
State revenue	237,483	136,239	-	-	237,483	136,239
Federal Revenue	2,231	-	20,535	-	22,766	-
Other revenues	67,766	91,644	1,512	16,150	69,278	107,794
Loss on disposal of capital asset	(3,751)	-	(3,700)	(42,721)	(7,451)	(42,721)
Total revenues	<u>1,657,961</u>	<u>1,642,712</u>	<u>7,883,109</u>	<u>8,429,651</u>	<u>9,541,070</u>	<u>10,072,363</u>
Expenses:						
Public safety	1,311,632	1,595,232	-	-	1,311,632	1,595,232
Parks and recreation	156,913	130,666	-	-	156,913	130,666
Water	-	-	3,196,193	2,628,808	3,196,193	2,628,808
Davis-Grunsky	-	-	97	2,308	97	2,308
Sewer	-	-	2,620,464	1,970,032	2,620,464	1,970,032
Total expenses	<u>1,468,545</u>	<u>1,725,898</u>	<u>5,816,754</u>	<u>4,601,148</u>	<u>7,285,299</u>	<u>6,327,046</u>
Change in net position	189,416	(83,186)	2,066,355	3,828,503	2,255,771	3,745,317
Net position - beginning	<u>1,341,013</u>	<u>1,424,199</u>	<u>15,121,361</u>	<u>11,292,858</u>	<u>16,462,374</u>	<u>12,717,057</u>
Net position - ending	<u>\$ 1,530,429</u>	<u>\$ 1,341,013</u>	<u>\$ 17,187,716</u>	<u>\$ 15,121,361</u>	<u>\$ 18,718,145</u>	<u>\$ 16,462,374</u>

GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2022

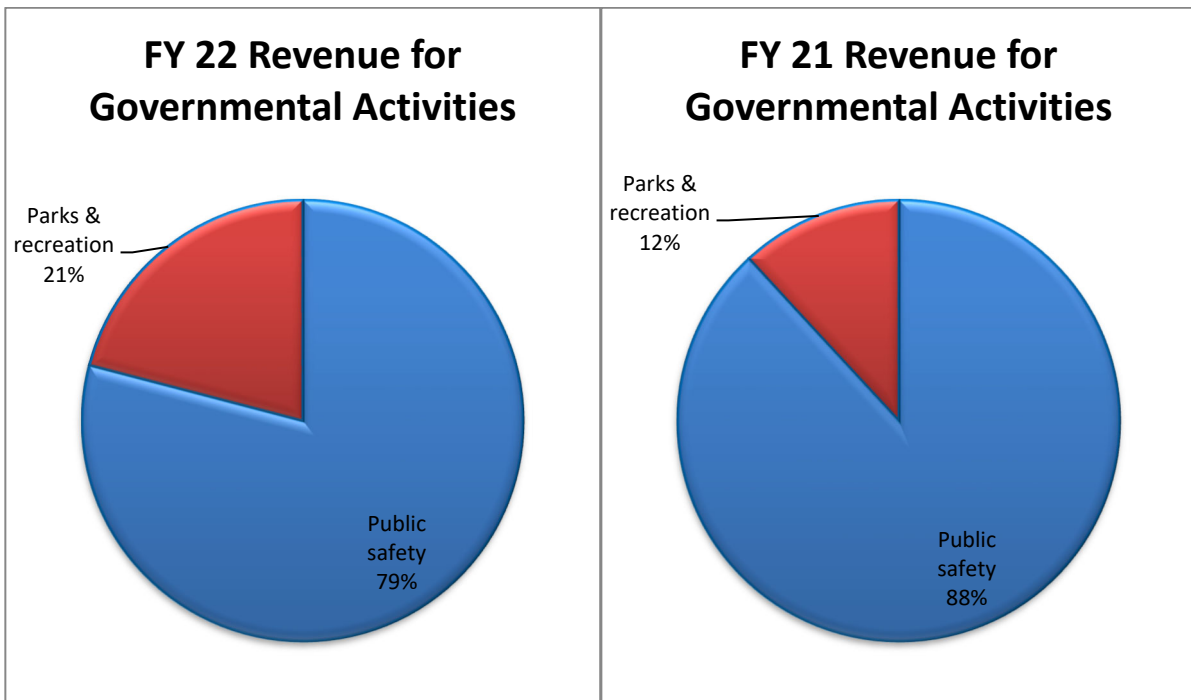
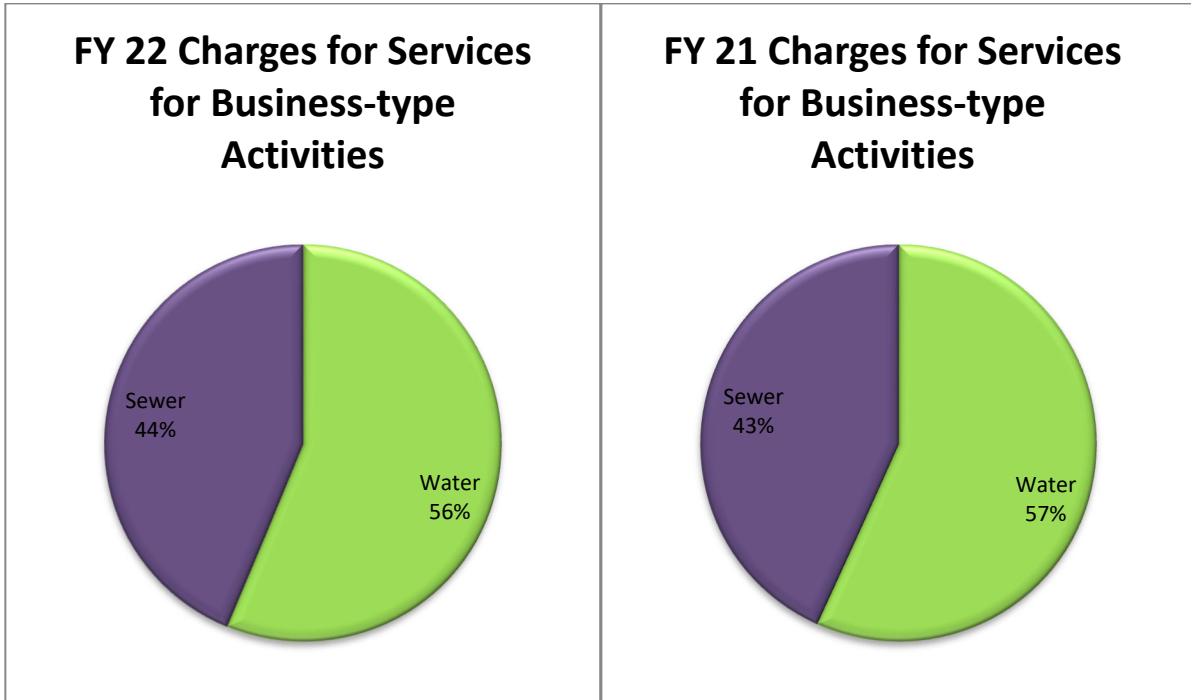
Designated Reserves - Also funded by the water and sewer rate increases were water and sewer infrastructure and equipment replacement reserves established beginning in fiscal year 2015/16 for the water fund and in 2018/19 for the sewer fund. The designated reserves were created specifically to fund annually budgeted equipment and infrastructure expenses, with any remaining amount of the annual allocations set aside to accumulate to fund future important projects. In addition to any budgeted capital outlay, the designated sewer reserves established a \$100,000 set aside specifically to fund infrastructure replacement or improvements required. A summary of the designated reserves are shown below:

Infrastructure and Equipment Reserves				
Fiscal Year	Water (Annual Capital Outlay & Reserved)	Sewer (Annual Capital Outlay)	Sewer (Reserve)	
2015/16	\$450,000	\$0	\$	-
2016/17	\$463,500	\$0	\$	-
2017/18	\$477,405	\$0	\$	-
2018/19	\$491,727	\$300,000	\$	100,000
2019/20	\$506,479	\$300,000	\$	100,000
2020/21	\$506,479	\$300,000	\$	100,000
2021/22	\$506,479	\$300,000	\$	100,000
Total	\$3,402,069	\$1,200,000		\$400,000
Capital Expenditures*	\$ 7,087,727	\$ 2,455,638	\$	-
Grants Received**	\$ (4,846,294)	\$ (1,143,373)	\$	-
Reserve Balance	\$ 1,160,636	\$ (112,265)	\$	400,000

The water and sewer rate increases and reserve funds have provided for the upgrade and replacement of \$9,543,386 in equipment, facility renovations and infrastructure since established, including the leveraging of \$1,751,143 in grant funding reimbursements received during the fiscal year and resulted in a total accumulated water reserve of \$1,160,636 and sewer reserve of \$287,735 through June 30, 2022.

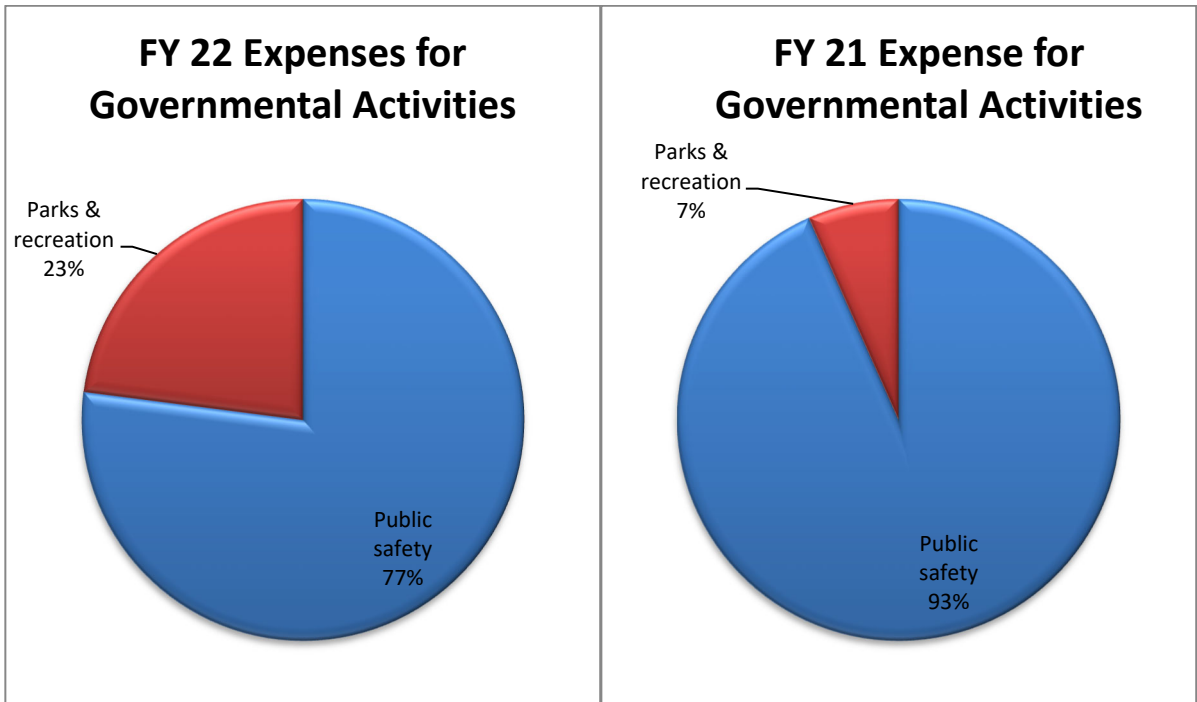
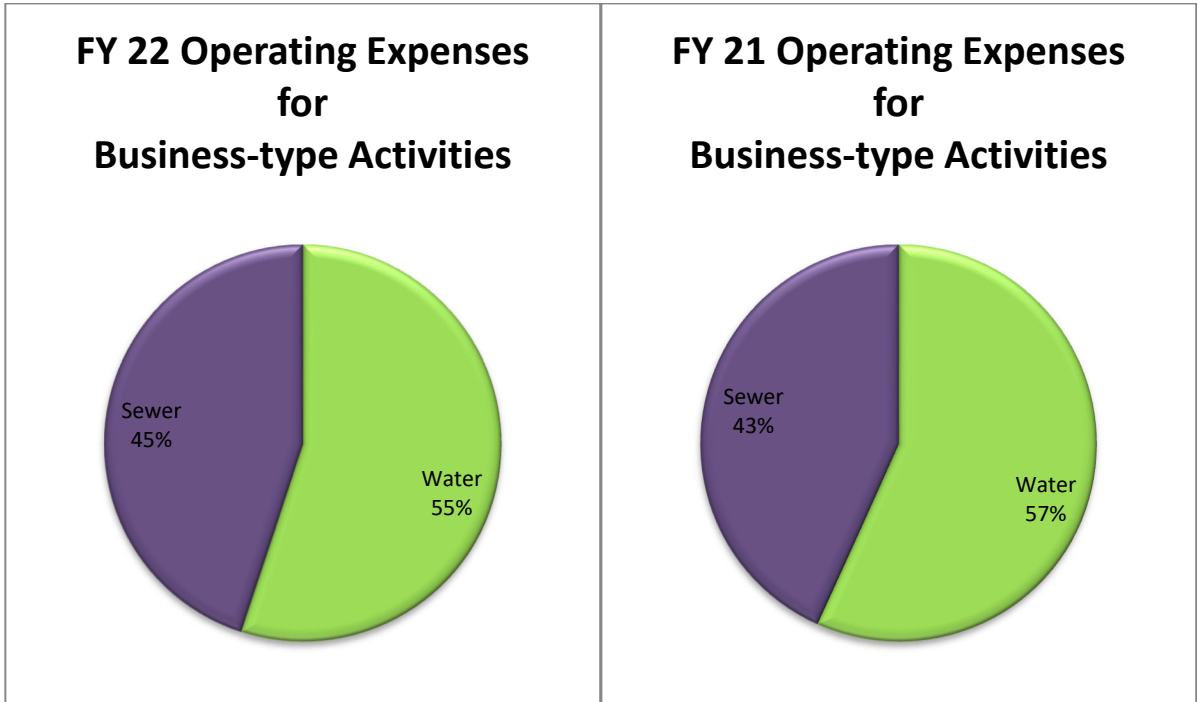
GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022



GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022



GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Changes in Net Fund Balance/Net Position

Governmental fund balances

Fire Fund – A special benefit assessment for the fire department expired in June 2012, resulting in a reduced funding level for the fire department. The District subsequently eliminated its fire department staff positions and entered into a contractual agreement (Schedule A Contract) with CAL FIRE for the operation of the fire department, that began April 1, 2013. This contractual arrangement initially reduced expenses, but was quickly determined to not provide adequate staffing to achieve industry standard services year-round. Therefore, to maintain adequate firefighting resources, the District entered into agreement in 2014 with CAL FIRE to provide year-round staffing at their Merrell Road station (Amador Contract).

The budgeted cost of the Schedule A and Amador contract has exceeded available property tax revenue each year, however the actual amount billed by CAL FIRE has historically been well under budget. In addition, due to serious drought conditions from 2014 through 2017 which resulted in an extended state fire season, no Amador Contract expenses were incurred in those years and therefore revenue and expenses were in balance. In the 2018/19 and again in the 2019/20 fiscal year, the Amador contract expense was billed by CAL FIRE and the Schedule A billing began increasing by over 5% per year which approached the amount budgeted, causing the fund balance to be drawn down to balance revenue and expenses for the year. In the 2019/20 fiscal year, the fire department fund balance was depleted by \$204,905 and then recovered by only \$53,762 in fiscal year 2020/21. Once again in fiscal year 2021/22, the fire department fund balance was reduced by \$2,515 due to expenses exceeding revenue. The District estimates that without additional revenue, the remaining fire department cash will be depleted in less than three years or sooner if major equipment failure were to occur.

Considering the fire department budget deficit, inability to replace critical equipment and inability to reduce expenses further and continue to provide required staffing, the District completed an update of its fire department master plan to identify required immediate and long term expenses to meet established fire protection and emergency response standards and evaluate department revenue options. Concurrently in 2019/20 fiscal year, the District hired professional consultants to determine, develop and place before the voters a revenue measure to ensure that fire services are adequately funded into the future. Due to the Covid-19 Pandemic and its negative economic impact locally, the fire revenue measure planned for 2020 was placed on hold. In January 2021 the District entered into a joint powers agreement with Tuolumne County and the other county fire departments for the purpose of placing a special tax revenue measure on the June 8, 2021 special election ballot. If approved, the special tax measure would have provided over \$500,000 annually to the District fire department to replace equipment and develop a contingency and reserve fund. The measure was defeated by the voters and the JPA dissolved.

In addition, as recommended in the updated 2020 Fire Master Plan, the District has been negotiating with the County of Tuolumne for funding assistance to offset the expense and impact of providing fire protection and emergency response services for an increasing 911 call volume occurring outside the District boundaries, predominantly in the county's responsibility area, as a result of the District's via its automatic/mutual aid agreement. As a result, the County assumed the cost of the Amador Contract which funds the non-fire season staffing at the CAL FIRE Merrell Rd fire station at an estimated cost of \$260,000 annually. This action by the county will reduce the drawdown of the fire department fund balance in future years, but does not balance the fire department revenue and expense.

GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2022

To address the cost of expanding fire department staffing in the future with the growth of the community, the District has adopted development policies requiring the formation of Community Facilities Districts which authorizes the levy of a special tax as well as the charging of Development Impact Fees on newly developing properties, with the revenue being set aside for staff and equipment expansion when emergency call volume warrants.

Park Fund – The park services benefit from the administrative services of the District, which include shared Board, management and office expenses. Since the 2018/19 fiscal year, the District has allocated approximately 5% of the majority of administrative expenses to the park services, to accurately reflect the benefit received in accordance with law.

The District is actively applying for state grant funds with the intent of developing facilities that will generate rental revenue, increase volunteer participation and increase donation revenue.

Business Type Activity Funds

The **Water Fund** generated operating income of \$341,013, a net decrease from nonoperating activities of \$82,405 and a net increase in capital activity of \$1,602,048 for a total increase in net position of \$1,860,656. The primary capital activity item was grant revenue of \$1,602,048 and primary nonoperating item was interest expense of \$60,426 on long-term debt.

The **Sewer Fund** generated operating income of \$136,063, a net decrease from nonoperating activities of \$83,290, and a net increase in capital activity of \$149,096 for a total increase in net position of \$201,869. The primary capital activity item was state grant revenue of \$149,096 and primary nonoperating item was interest expense of \$84,466 on long-term debt.

Change in Fund Balance/Net Position

	<u>2022</u>	<u>2021</u>	Increase (Decrease)
Governmental Fund Balance:			
Fire protection	\$ 948,732	\$ 951,247	\$ (2,515)
Parks and recreation	165,433	209,939	(44,506)
Enterprise Net Position:			
Water	10,941,717	9,081,061	1,860,656
Davis-Grunsky	18,620	14,790	3,830
Sewer	6,227,379	6,025,510	201,869

GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

CAPITAL ASSETS

At June 30, 2022 the District has invested \$17,483,502 in capital assets. This amount represents a net increase of \$1,649,108 from last year. The increase in capital assets was primarily a result of \$940,881 related to the annual depreciation expense offset by capital asset additions of \$2,589,989. The most significant additions to the capital assets during this fiscal year are detailed below:

Assets Shared by Multiple Services

- Installation of a security camera system for main District property
- Purchase of new weather station
- Purchase of Dreamworks Historian software for SCADA upgrades
- Purchase of two (2) new trucks
- Purchase of dump truck equipment trailer
- Purchase of new GIS mapping tool

Water Service

- Water Distribution System Improvements:
 - Replaced water main at ballfield
- Water Treatment Plants:
 - Purchase of new Hach Lab Turbidimeter
 - Rehabilitation work on Big Creek and 2G Clearwells
 - Purchase of replacement generator for 2G Treatment Plant
 - Purchase of replacement generator for Big Creek Treatment Plant
 - Purchase of replacement generator for Highland's Pump Station

Sewer Service

- Purchase of replacement emergency generators for lift stations 7, 8, 13, and 9.
- Construction began on the Downtown Groveland/BOF Sewer System Rehabilitation Project
- Engineering and design for Sewer Treatment Plant Improvements including headworks screen replacement, sludge drying bed improvements, recycled water irrigation system improvements
- Purchase of replacement pumps for Lift Stations 7, 5, 9.
- Completed grading and culvert replacement project on District reservoir and spray field access roads
- Painted and installed new A/C unit for sewer treatment plant blower room
- Purchase of replacement sewer treatment plant emergency generator

Fire

- Purchase of new extrication equipment
- Purchase of new thermal imaging camera
- Purchase of new rescue strut equipment

Park

- Purchased 37-acre parcel for expanded recreational opportunities
- Planning, design and engineering work for Hetch Hetchy Trail development and Mary Laveroni Park Improvements

GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Total Funds Invested in Capital Assets

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Land	\$ 645,368	\$ 468,436	\$ 176,932
Structures and improvements	33,117,406	33,054,427	62,979
Furniture and equipment	3,178,137	3,029,324	148,813
Vehicles	1,656,762	1,594,109	62,653
Construction in progress	5,908,925	3,770,313	2,138,612
Accumulated depreciation	<u>(27,023,096)</u>	<u>(26,082,215)</u>	<u>(940,881)</u>
 Total	 <u>\$ 17,483,502</u>	 <u>\$ 15,834,394</u>	 <u>\$ 1,649,108</u>

LONG-TERM DEBT

At June 30, 2022, the District has \$7,205,527 in long-term debt, including the net pension liability. The changes to long-term debt are primarily attributable to scheduled principal payments and the change in the net pension liability and net OPEB liability (asset).

The District provides pension benefits to its employees through the Groveland Community Services District Miscellaneous Plan, a cost-sharing multiple-employer defined benefit pension plan maintained by CalPERS, an agency of the State of California. Qualified employees are covered under the Miscellaneous 2.7% at 55 for classic employees and 2% at 62 for PEPRA employees in the Risk Pool (the Plan). CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. As of June 30, 2022, the District's proportionate share of the Plan's net pension liability was \$1,919,204, which is determined by an actuary annually. The District is evaluating refinancing methods to further reduce its CalPERS Unfunded Accrued Liability.

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Bonds, net	\$ 2,449,396	\$ 2,899,179	\$ (449,783)
Net OPEB obligation		366,116	(366,116)
Compensated absences	195,768	177,597	18,171
Net pension liability	1,919,204	2,753,741	(834,537)
Other long-term debt	<u>2,641,159</u>	<u>2,957,159</u>	<u>(316,000)</u>
 Total	 <u>\$ 7,205,527</u>	 <u>\$ 9,153,792</u>	 <u>\$(1,948,265)</u>

GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared, factors affecting the District's future included:

Fire Services – The District continued its contract with CAL FIRE for the operation of the Fire Department, and for the second consecutive year as predicted, the expenses associated with the Schedule A contract, building improvements and operating costs exceeded the available annual property tax allocation, causing a drawdown of fund balance reserves. As of June 1, 2020, the County of Tuolumne now funds the cost of the CAL FIRE contract (Amador Contract) to include year round staffing of the seasonal Fire Station (Station B) located on Merrell Rd. The cost of staffing this station is funded by the state during the (state) declared fire seasons, and by the County during non-fire season; typically November through April annually.

It is estimated that the cost associated with the CAL FIRE Schedule A and Amador Contract will increase by approximately 5% annually, at minimum over the next two years through June 30, 2024. It is also estimated that Fire Department revenue will increase at approximately 2% to 4% annually during this same period, resulting in further reductions in net position and cash unless additional revenue is secured to balance the budget. The District's Government (Fire) Fund balances could be depleted within the next three years and earlier if any catastrophic failure occurs to the main fire engines. Elimination of the Amador Contract expense alone did not and will not balance department expense and revenue, as the cost of the Schedule A contract alone will soon exceed total revenue available. Therefore, an increase in Fire Department revenue is critical to maintain services at the current level.

In addition, GCSO maintains over \$4.7 million in Fire Department capital assets, including fire engines, buildings, tools and safety equipment. Recent past budgets have not included adequate revenue for the short and long term replacement of fire department equipment. In January 2020 the Board adopted the Fire Department capital asset replacement schedule which revealed that a \$274,000 annual expense is required annually to replace critical department equipment and facilities as they wear out. The amount of funding available to the District for its Fire Department is inadequate to fund replacement of the capital assets. The Board subsequently adopted the updated Fire Master Plan in March 2020 which recommended a number of actions related to department finances, as listed below:

1. Pursue a cost reimbursement or direct funding assistance from Tuolumne County for the expense associated with providing fire services outside the District boundaries, including the Amador Contract costs. District management is actively collaborating with the county on cost sharing. The County also picked up the cost of the Amador station and plans to collocate a fire engine and crew effective August 1, 2022 in the District Groveland Fire Station.
2. Pursue a fire special tax or assessment to fund the structural fire department deficit and to cover the cost of CAL FIRE contracts and equipment replacement. The District actively worked with Tuolumne County and the other fire districts in the county in formation of a Joint Powers Authority and placed a special parcel tax on the ballot countywide in June 2021. The measure failed and the JPA was dissolved. Other funding options are being evaluated including formation of community facilities districts and implementation of development impact fees for new development projects.

GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

3. Evaluate cost sharing agreements with Tuolumne County regarding services provided to new land development projects. District management is working with the county to assist in identifying appropriate cost and service level impact mitigation. As discussed above, the County will add a fire engine and crew staffed 24x7x365, collocated at the District fire station beginning August 1, 2022.

It is management's estimation that achieving success in all three actions listed will result in a balanced Fire Department budget and the ability to fully fund the necessary equipment replacement schedule.

Park Services – As with Fire services, the expense of delivering basic park services including building and facility maintenance and repair, cleaning, insurance and other necessary expenses exceed the amount of property tax funding available. There is not adequate reserve funding available to sustain Park services in perpetuity into the future. The District is currently evaluating various revenue producing options to fund park services into the future including upgrading facilities to reduce maintenance costs, adding park features to increase facility rentals and donations. The Park Improvements Plan was completed in the 2021/22 fiscal year and the District is actively seeking multiple grant opportunities.

Water Services – The District has completed the planning and design process for a large-scale Water System Replacement Project which will improve the water distribution lines in the Groveland- Big Oak Flat area. The planning was funded by a \$405,000 state grant. The planning process resulted in engineered plans and specifications, state permits and environmental approvals necessary to construct the project should adequate grant and/or loan funding be awarded. The District has applied for project funding to the State Drinking Water State Revolving Fund and to the Community Development Block Grant program as a subrecipient to the County of Tuolumne. In addition, a state grant funding contract has been received for \$3.9 million for the rehabilitation of two clear well water storage tanks, which were substantially completed in the 2021/22 fiscal year. The District Water System Master Plan will be completed in late 2022, which will contain a long and short term Capital Improvement/Replacement Plan; and for which the District will establish appropriate fees and charges, and seek funding and financing. Cash generated from recent increases to customer water rates are being used to leverage grant funds, make loan and debt service payments, and generate reserve funds for capital projects.

Sewer Services – The District has completed planning and has begun construction of a large-scale Sewer System Replacement Project which will improve the sewer collection lines in various locations throughout the District's sewer system. This planning process was funded through a state grant in the amount of \$399,000. The planning process resulted in preliminary engineering, state permits and environmental approvals necessary to support an application for state funding for project construction, which has been submitted. A \$5.8 million state grant and loan funding agreement was received in 2021, and construction was started in June 2022. The District also secured a \$1,511,053 low interest loan as discussed in the Long Term Debt section above, for the purpose of constructing improvements to the wastewater treatment plant to increase operating efficiency and reduce the production of odors. Engineering design has been completed for the project and construction will begin in 2022/23. Cash generated from recent increases to customer sewer rates are being used to leverage grant funds, make loan and debt service payments, and generate reserve funds for capital projects.

GROVELAND COMMUNITY SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, ratepayers, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact Peter Kampa, General Manager, Groveland Community Services District, 18966 Ferretti Rd., Groveland, CA 95321.

GROVELAND COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION JUNE 30, 2022

	Governmental Activities	Business-type Activities	Totals
ASSETS:			
Cash and equivalents	\$ 1,275,779	\$ 7,914,479	\$ 9,190,258
Accounts receivable	180,409	1,077,315	1,257,724
Internal balances	(291,313)	291,313	
Net OPEB asset	1,840	68,549	70,389
Depreciable capital assets (net)	701,830	10,227,379	10,929,209
Nondepreciable capital assets	327,769	6,226,524	6,554,293
Total assets	2,196,314	25,805,559	28,001,873
DEFERRED OUTFLOW OF RESOURCES:			
Deferred outflow of resources related to pensions	141,794	574,265	716,059
Deferred outflow of resources related to OPEB	1,976	73,602	75,578
Deferred amount on debt refunding		81,292	81,292
Total deferred outflow of resources	143,770	729,159	872,929
LIABILITIES:			
Accounts payable and accrued liabilities	50,510	388,968	439,478
Interest payable		67,319	67,319
Deposits payable	200	9,332	9,532
Long-term liabilities, due within one year	13,704	964,923	978,627
Long-term liabilities, due in more than one year		4,307,696	4,307,696
Net pension liability, due in more than one year	380,039	1,539,165	1,919,204
Total liabilities	444,453	7,277,403	7,721,856
DEFERRED INFLOW OF RESOURCES:			
Deferred inflow of resources related to pensions	347,419	1,407,056	1,754,475
Deferred inflow of resources related to OPEB	17,783	662,543	680,326
Total deferred inflow of resources	365,202	2,069,599	2,434,801
NET POSITION:			
Net investment in capital assets	1,029,599	11,444,640	12,474,239
Unrestricted	500,830	5,743,076	6,243,906
Total net position	\$ 1,530,429	\$ 17,187,716	\$ 18,718,145

The accompanying notes are an integral part of these financial statements.

GROVELAND COMMUNITY SERVICES DISTRICT

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Totals
Governmental Activities:							
Public safety	\$ 1,311,632		\$ 23,226		\$ (1,288,406)		\$ (1,288,406)
Parks and recreation	156,913	\$ 3,120			(153,793)		(153,793)
Total Governmental Activities	1,468,545	3,120	23,226		(1,442,199)		(1,442,199)
Business-type Activities:							
Water	3,196,193	3,431,684		\$ 1,602,048		\$ 1,837,539	1,837,539
Davis-Grunsky	97					(97)	(97)
Sewer	2,620,464	2,659,347		149,096		187,979	187,979
Total Business-type Activities	5,816,754	6,091,031		1,751,144		2,025,421	2,025,421
Total Primary Government	\$ 7,285,299	\$ 6,094,151	\$ 23,226	\$ 1,751,144	(1,442,199)	2,025,421	583,222
General Revenues (Expenses):							
Property taxes					1,323,130	3,880	1,327,010
Interest earnings					4,756	18,707	23,463
State Revenue					237,483		237,483
Federal Revenue					2,231	20,535	22,766
Other revenue					67,766	1,512	69,278
Loss on disposal of capital asset					(3,751)	(3,700)	(7,451)
Total general revenues					1,631,615	40,934	1,672,549
Change in net position					189,416	2,066,355	2,255,771
Net position - beginning					1,341,013	15,121,361	16,462,374
Net position - ending					\$ 1,530,429	\$ 17,187,716	\$ 18,718,145

The accompanying notes are an integral part of these financial statements.

GROVELAND COMMUNITY SERVICES DISTRICT

BALANCE SHEETS GOVERNMENTAL FUNDS JUNE 30, 2022

	<u>Fire Protection</u>	<u>Parks and Recreation</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and equivalents	\$ 1,083,536	\$ 192,243	\$ 1,275,779
Accounts receivable		<u>180,409</u>	<u>180,409</u>
Total assets	<u>\$ 1,083,536</u>	<u>\$ 372,652</u>	<u>\$ 1,456,188</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 45,624	\$ 4,886	\$ 50,510
Deposits payable		200	200
Due to other funds	<u>89,180</u>	<u>202,133</u>	<u>291,313</u>
Total liabilities	<u>134,804</u>	<u>207,219</u>	<u>342,023</u>
Fund balances:			
Committed:			
Fire protection	948,732		948,732
Parks and recreation		<u>165,433</u>	<u>165,433</u>
Total fund balances	<u>948,732</u>	<u>165,433</u>	<u>1,114,165</u>
Total liabilities and fund balances	<u>\$ 1,083,536</u>	<u>\$ 372,652</u>	<u>\$ 1,456,188</u>

The accompanying notes are an integral part of these financial statements.

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GROVELAND COMMUNITY SERVICES DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS TO THE STATEMENT OF NET POSITION JUNE 30, 2022

Total fund balance, governmental funds	\$ 1,114,165
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This is the amount, net of accumulated depreciation, included in the statement of net position.	1,029,599
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In the governmental funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the governmental activities statement of net position, deferred outflow and inflows of resources are reported as follows:

Deferred outflow of resources related to pensions	141,794
Deferred inflow of resources related to pensions	(347,419)
Deferred outflow of resources related to OPEB	1,976
Deferred inflow of resources related to OPEB	(17,783)

Compensated absence, net OPEB liability (assets) and the net pension liability are not due, payable, and available in the current period and, therefore, are not reported as liabilities or assets in the governmental funds; however, are included in the governmental activities in the statement of net position.	<u>(391,903)</u>
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Total net position, governmental activities	<u>\$ 1,530,429</u>
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GROVELAND COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2022

	Fire Protection	Parks and Recreation	Total Governmental Funds
REVENUES:			
Property taxes	\$ 1,217,280	\$ 105,850	\$ 1,323,130
Interest earnings	2,955	1,801	4,756
Charges for services		3,120	3,120
Federal revenue	2,231		2,231
State revenue	83,777	176,932	260,709
Other revenues	7,650	60,118	67,768
Total revenues	1,313,893	347,821	1,661,714
EXPENDITURES:			
Public safety	1,237,295		1,237,295
Parks and recreation		125,906	125,906
Capital outlay	79,113	266,421	345,534
Total expenditures	1,316,408	392,327	1,708,735
Net change in fund balance	(2,515)	(44,506)	(47,021)
Fund balances - beginning of year	951,247	209,939	1,161,186
Fund balances - end of year	\$ 948,732	\$ 165,433	\$ 1,114,165

GROVELAND COMMUNITY SERVICES DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds \$ (47,021)

Amounts reported for governmental activities and in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay expenditures are added back to fund balances	\$ 345,534	
Depreciation expense not reported in governmental funds	<u>(77,110)</u>	268,424

In governmental funds, the entire proceeds from disposal of assets are reported as revenues. In the statements of activities, only the resulting gain or loss is reported. This is the difference between the proceeds from disposal of capital assets and the resulting gain or loss. (3,751)

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on an accrual basis. The difference between accrual basis pension costs and employer contributions was: (117,230)

In governmental funds, retiree benefit costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are measured on an accrual basis. The difference between accrual basis OPEB costs and employer contributions was: 90,267

Increases/decreases in compensated absences are not recorded as expenditures in governmental funds because they are not expected to be liquidated with current financial resources. In the statement of activities, changes in compensated absences are recognized as expenses. (1,273)

Change in net position of governmental activities \$ 189,416

GROVELAND COMMUNITY SERVICES DISTRICT

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2022

	Business-type Activities Enterprise Funds			
	Water Fund	Davis-Grunsky Fund	Sewer Fund	Totals
ASSETS:				
Cash and equivalents	\$ 4,159,046	\$ 15,135	\$ 3,740,298	\$ 7,914,479
Due from other funds	24,275	3,485	263,553	291,313
Accounts receivable	501,287		576,028	1,077,315
Net OPEB asset	46,599		21,950	68,549
Depreciable capital assets (net)	6,240,633		3,986,746	10,227,379
Nondepreciable capital assets	4,416,538		1,809,986	6,226,524
Total assets	15,388,378	18,620	10,398,561	25,805,559
DEFERRED OUTFLOW OF RESOURCES:				
Deferred outflow of resources related to pensions	331,228		243,037	574,265
Deferred outflow of resources related to OPEB	50,031		23,571	73,602
Deferred amount on debt refunding	59,266		22,026	81,292
Total deferred outflow of resources	440,525		288,634	729,159
LIABILITIES:				
Accounts payable and accrued liabilities	153,225		235,743	388,968
Interest payable	27,449		39,870	67,319
Deposits payable	9,332			9,332
Long-term liabilities, due within one year	556,982		407,941	964,923
Long-term liabilities, due in more than one year	1,990,478		2,317,218	4,307,696
Net pension liability, due in more than one year	887,768		651,397	1,539,165
Total liabilities	3,625,234		3,652,169	7,277,403
DEFERRED INFLOW OF RESOURCES:				
Deferred inflow of resources related to pensions	811,569		595,487	1,407,056
Deferred inflow of resources related to OPEB	450,383		212,160	662,543
Total deferred inflow of resources	1,261,952		807,647	2,069,599
NET POSITION:				
Net investment in capital assets	8,267,041		3,177,599	11,444,640
Unrestricted	2,674,676	18,620	3,049,780	5,743,076
Total net position	\$ 10,941,717	\$ 18,620	\$ 6,227,379	\$ 17,187,716

The accompanying notes are an integral part of these financial statements.

GROVELAND COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2022

	Business-type Activities			Totals
	Enterprise Funds			
	Water Fund	Davis-Grunsky Fund	Sewer Fund	
OPERATING REVENUES:				
Charges for services	\$ 3,384,893		\$ 2,631,871	\$ 6,016,764
Other	46,791		27,476	74,267
Total operating revenues	<u>3,431,684</u>		<u>2,659,347</u>	<u>6,091,031</u>
OPERATING EXPENSES:				
Salaries and wages	1,007,659		928,875	1,936,534
Payroll expenses	508,329		374,496	882,825
Utilities	294,919		125,926	420,845
Supplies, equipment, and materials	223,965		110,791	334,756
Repairs and maintenance	197,474		153,194	350,668
Professional services	144,696		108,287	252,983
Licenses and permits	9,338		48,877	58,215
Insurance	81,330		55,783	137,113
Miscellaneous	34,686		16,780	51,466
Communications	11,218		5,160	16,378
Employee development	26,697		32,273	58,970
Janitorial	15,910		8,518	24,428
Rents and leases	7,414			7,414
Memberships, dues, and subscriptions	16,501		7,525	24,026
Depreciation	510,535		546,799	1,057,334
Total operating expenses	<u>3,090,671</u>		<u>2,523,284</u>	<u>5,613,955</u>
Operating income	<u>341,013</u>		<u>136,063</u>	<u>477,076</u>
NONOPERATING REVENUES (EXPENSES):				
Property taxes		\$ 3,880		3,880
Federal revenue	13,964		6,571	20,535
Interest earnings	9,437	47	9,223	18,707
Interest expense	(60,426)	(97)	(84,466)	(144,989)
Amortization	(29,315)		(5,083)	(34,398)
Other expenses	(15,781)		(7,631)	(23,412)
Loss on disposal of capital assets	(1,207)		(2,493)	(3,700)
Other income	923		589	1,512
Total nonoperating revenues (expenses)	<u>(82,405)</u>	<u>3,830</u>	<u>(83,290)</u>	<u>(161,865)</u>
INCOME BEFORE CAPITAL ACTIVITY	<u>258,608</u>	<u>3,830</u>	<u>52,773</u>	<u>315,211</u>
CAPITAL ACTIVITY:				
State grant revenue	1,602,048		149,096	1,751,144
Total capital activity	<u>1,602,048</u>		<u>149,096</u>	<u>1,751,144</u>
Change in net position	1,860,656	3,830	201,869	2,066,355
Net position - beginning	<u>9,081,061</u>	<u>14,790</u>	<u>6,025,510</u>	<u>15,121,361</u>
Net position - ending	<u>\$ 10,941,717</u>	<u>\$ 18,620</u>	<u>\$ 6,227,379</u>	<u>\$ 17,187,716</u>

The accompanying notes are an integral part of these financial statements.

GROVELAND COMMUNITY SERVICES DISTRICT

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2022

	Business-type Activities			Totals
	Enterprise Funds			
	Water Fund	Davis-Grunsky Fund	Sewer Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 3,373,941		\$ 2,491,467	\$ 5,865,408
Cash payments to suppliers for goods and services	(1,054,775)	\$ (3,485)	(644,042)	(1,702,302)
Cash payments to/on behalf of employees	<u>(1,426,751)</u>		<u>(1,130,486)</u>	<u>(2,557,237)</u>
Net cash provided (used) by operating activities	<u>892,415</u>	<u>(3,485)</u>	<u>716,939</u>	<u>1,605,869</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from taxes and assessments		3,880		3,880
Cash received from other nonoperating	14,886		7,160	22,046
Cash payments for other nonoperating	<u>(15,781)</u>		<u>(7,631)</u>	<u>(23,412)</u>
Net cash provided (used) by non-capital and related financing activities	<u>(895)</u>	<u>3,880</u>	<u>6,100</u>	<u>9,085</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Cash received from grants	1,602,048		142,525	1,744,573
Purchase of capital assets	(1,751,980)		(693,493)	(2,445,473)
Interest paid on long-term debt	(65,733)	(97)	(89,088)	(154,918)
Principal paid on long-term debt	<u>(449,783)</u>	<u>(423)</u>	<u>(312,092)</u>	<u>(762,298)</u>
Net cash used by capital and related financing activities	<u>(665,448)</u>	<u>(520)</u>	<u>(952,148)</u>	<u>(1,618,116)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	<u>9,437</u>	<u>47</u>	<u>9,223</u>	<u>18,707</u>
Net increase (decrease) in cash and cash equivalents	235,509	(78)	(219,886)	15,545
Cash and cash equivalents - beginning of year	<u>3,923,537</u>	<u>15,213</u>	<u>3,960,184</u>	<u>7,898,934</u>
Cash and cash equivalents - end of year	<u>\$ 4,159,046</u>	<u>\$ 15,135</u>	<u>\$ 3,740,298</u>	<u>\$ 7,914,479</u>

(Continued)

GROVELAND COMMUNITY SERVICES DISTRICT

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2022 (Continued)

	Business-type Activities Enterprise Funds			Totals
	Water Fund	Davis-Grunsky Fund	Sewer Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income	\$ 341,013		\$ 136,063	\$ 477,076
Reconciliation of operating income to net cash provided (used) by operating activities				
Depreciation expense	510,535		546,799	1,057,334
(Increase) decrease in:				
Accounts receivable and deposits	(55,668)		(167,880)	(223,548)
Due from other funds	42,732	\$ (3,485)		39,247
Deferred outflows of resources	(26,923)		(46,187)	(73,110)
Increase (decrease) in:				
Accounts payable and accrued liabilities	(42,491)		63,862	21,371
Due to other funds			(40,097)	(40,097)
Deposits payable	(2,075)			(2,075)
Compensated absences	9,234		7,664	16,898
Net pension liability	(378,189)		(239,724)	(617,913)
Net OPEB obligation	(270,755)		(127,336)	(398,091)
Deferred inflows of resources	765,002		583,775	1,348,777
Net cash provided (used) by operating activities	\$ 892,415	\$ (3,485)	\$ 716,939	\$ 1,605,869

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING POLICIES

The basic financial statements of the Groveland Community Services District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The District was formed in 1953, pursuant to the Community Services District Law of the State of California (Division 2 of Title 6 of the Government Code, Section 61600). The District provides water, sewer, fire, and park services throughout the District. The District's financial and administrative functions are governed by a Board of Directors (the Board) elected by the voting population within the District. The District is a separate legal reporting entity in Tuolumne County.

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight responsibility that would result in the District being considered a component unit of that entity.

C. BASIS OF PRESENTATION

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of proprietary fund financial statements, but differs from the manner in which the governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. Certain indirect expenses are allocated to the funds based on relative percentages. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues which are not classified as

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund financial statements – Fund financial statements report more detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds include a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses, and changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

D. BASIS OF PRESENTATION

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental fund financial statements use the modified accrual basis of accounting. Proprietary uses the accrual basis of accounting.

Expenses/Expenditures – Under the accrual basis of accounting, expenses are recognized at the time they are incurred. However, the measurement focus of governmental fund accounting is on decreases in the net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized on governmental fund financial statements.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available for use, it is the District's policy to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications - committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

E. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. District

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into major funds as follows:

Major Governmental Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes. The District maintains the following major special revenue funds:

The **Fire Protection Fund** is used to account primarily for property taxes allocated for fire protection services throughout the District.

The **Parks and Recreation Fund** is used to account primarily for property taxes allocated for recreation services throughout the District.

Major Proprietary Funds

Proprietary Funds – Enterprise Funds are used to account for a government's ongoing operation and activities that are similar to businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges. The District maintains the following major proprietary funds:

The **Water Fund** is used to account for all activity associated with water services throughout the District.

The **Davis-Grunsky Fund** is used to account for all activity associated with the Davis-Grunsky loans.

The **Sewer Fund** is used to account for all activity associated with waste water services throughout the District.

F. BUDGET AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all of the District's governmental funds. By State Law, the Board must approve a tentative budget no later than June 30 and adopt a final budget no later than August 31. A public hearing must be conducted to receive comments prior to adoption.

These budgets are revised by the Board during the fiscal year to give consideration to unanticipated income and expenditures. The original and final revised budgets for the Fire Protection and Parks and Recreation funds are presented as required supplementary information in these financial statements.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

G. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflow of resources, liabilities and deferred inflows of resources and disclosure of

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual amounts could differ from those estimates.

H. CASH AND EQUIVALENTS

The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

I. CAPITAL ASSETS

Purchased capital assets are stated at historical cost or estimated historical cost when original cost is not available. Donated capital assets are recorded at their estimated fair value at the date of donation. The District's policy is to capitalize all capital assets with costs exceeding a minimum threshold of \$2,500 and lease assets exceeding the threshold of \$25,000. As of June 30, 2022, the District had no lease assets exceeding the \$25,000 threshold.

Depreciation is recorded using the straight-line method over the estimated useful lives of the capital assets. The estimated useful lives are as follows:

Structures and Buildings	20-50 years
Improvements	10-50 years
Furnishings and Equipment	3-10 years
Vehicles	5-20 years

J. DEFERRED OUTFLOW/INFLOWS OF RESOURCES

In addition to assets, liabilities and net position, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

The District's deferred amount on debt refunding, resulting from the difference in the carrying value and reacquisition price of the refunded debt, is reported as deferred outflows of resources and is amortized over the shorter of the life of the refunded debt or refunding bond.

Contributions made to the District's pension and OPEB plan(s) after the measurement date but before the fiscal year end are recorded as a deferred outflow of resources and will reduce the net pension liability and total OPEB liability in the next fiscal year.

Additional factors involved in the calculation of the District's pension and OPEB expenses and liabilities include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the District's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods. See Notes 5 and 6 for further details related to these pension and OPEB deferred outflows and inflows.

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

K. PENSIONS

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's portion of the California Public Employees' Retirement System (CalPERS) Miscellaneous plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's (OPEB Plan) and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	July 1, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

M. COMPENSATED ABSENCES

An employee accumulates vacation and sick leave time in accordance with the personnel policies handbook. Vacation and sick time vested and accrued depends on years of service and date of hire by the District. Vacation may be accumulated up to 8 weeks and is paid in full upon termination or retirement. Employee can accumulate up to 300 hours of sick leave, but unused sick leave is compensable at one half the total sick time accrued upon termination or retirement.

N. FUND BALANCES

Committed fund balances are set aside for specific purposes by the District's highest level of decision-making authority (the Board) pursuant to formal actions taken, such as a majority vote or resolution. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specific use through the same type of formal action taken to establish the commitment.

O. PROPERTY TAXES

The District receives property taxes from the County of Tuolumne (County), which has been assigned the responsibility for assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are levied on January 1 for the following fiscal year and on which date it becomes a lien on real property. Secured property taxes are due in

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

two installments, on November 1 and February 1, and are delinquent after December 10 and April 10. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District, eliminating the need for an allowance for uncollectible accounts. The County, in return, receives all penalties and interest on the related delinquent taxes.

P. LONG-TERM OBLIGATIONS

The District reports long-term obligations of governmental funds at face value in the government-wide financial statements. Long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements and the government-wide financial statements.

Q. CHANGE IN ACCOUNTING PRINCIPLES

For the year ended June 30, 2022, the District implemented GASB issued Statement No. 87, *Leases* (GASB 87). The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. There was no net effect of implementing GASB 87 as of June 30, 2022.

2. CASH AND EQUIVALENTS

All Cash and equivalents as of June 30, 2022, \$9,190,258, are classified in the accompanying financial statements as unrestricted.

Cash and equivalents as of June 30, 2022, consist of the following:

Cash with financial institutions	\$ 2,608,179
Cash on hand	500
Cash and equivalents with LAIF	4,604,813
Money market	<u>1,976,766</u>
Total cash and equivalents	<u>\$ 9,190,258</u>

Local Agency Investment Fund

The District is a voluntary participant the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. Separate complete financial statements are available at P.O. Box 942809, Sacramento, CA 94209-0001.

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized per the District's investment policy and allowed per the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Reverse Repurchase Agreements & Securities Lending Agreements	92 days	20 % of the base value of the portfolio	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	None
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	None
Time Deposits	5 years	None	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$50 Million

Investments Authorized by Debt Agreements

Investments held by trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by trustees. The table also identifies certain provisions of the debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Investment pools authorized under CA Statutes governed by Government Code	N/A	None	\$50 million
U.S. Treasury Obligations/Bills	5 years	None	None
Bank Savings Account	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	180 days	20%	None
Negotiable Certificates of Deposit	180 days	20%	None
Re-purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None
Money Market Accounts	N/A	None	None

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District has no investments that are highly sensitive to interest rate fluctuations.

Derivative Investments

The District did not directly enter into any derivative investments. Information regarding the amount invested in derivatives by the County Treasury was not available.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments (other than U.S. Treasury securities, mutual funds, and external investment pools) in any one issuer that represents 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits that are made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amounts deposited by the public agencies.

District deposits held with financial institutions and with fiscal agents in excess of federal depository insurance limits are in accounts collateralized by securities held by the pledging financial institution that total \$4,166,344.

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

3. CAPITAL ASSETS

Governmental Activities:

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance	Additions	Deductions	Balance
	July 1, 2021			June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 48,044	\$ 176,932		\$ 224,976
Construction in Progress	11,877	90,916		102,793
Total capital assets, not being depreciated	<u>59,921</u>	<u>267,848</u>		<u>327,769</u>
Capital assets, being depreciated:				
Structures and improvements	1,230,517		\$ (31,189)	1,199,328
Furnishings & Equipment	307,488	77,683	(25,103)	360,068
Vehicles	707,754		(2,506)	705,248
Total capital assets, being depreciated	2,245,759	77,683	(58,798)	2,264,644
Total accumulated depreciation	<u>(1,540,749)</u>	<u>(77,110)</u>	<u>55,045</u>	<u>(1,562,814)</u>
Total capital assets, being depreciated, net	<u>705,010</u>	<u>573</u>	<u>(3,753)</u>	<u>701,830</u>
Governmental activities capital assets, net	<u>\$ 764,931</u>	<u>\$ 268,421</u>	<u>\$ (3,753)</u>	<u>\$ 1,029,599</u>

For the year ended June 30, 2022, depreciation expense was charged to functions as follows:

Governmental activities:	
Public safety	\$ 57,980
Parks and recreation	<u>19,130</u>
Total depreciation expense	<u>\$ 77,110</u>

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

Business-Type Activities:

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Balance July 1, 2021</u>	<u>Additions/ Transfers</u>	<u>Deductions/ Transfers</u>	<u>Balance June 30, 2022</u>
Capital assets, not being depreciated:				
Land	\$ 420,392			\$ 420,392
Construction in progress	<u>3,758,436</u>	<u>\$ 2,086,990</u>	<u>\$ (39,294)</u>	<u>5,806,132</u>
Total capital assets, not being depreciated	<u>4,178,828</u>	<u>2,086,990</u>	<u>(39,294)</u>	<u>6,226,524</u>
Capital assets, being depreciated:				
Structures and improvements	31,823,910	202,432	(108,264)	31,918,078
Equipment	2,721,836	127,669	(31,436)	2,818,069
Vehicles	<u>886,355</u>	<u>67,676</u>	<u>(2,517)</u>	<u>951,514</u>
Total capital assets, being depreciated	<u>35,432,101</u>	<u>397,777</u>	<u>(142,217)</u>	<u>35,867,661</u>
Total accumulated depreciation	<u>(24,541,466)</u>	<u>(1,057,334)</u>	<u>138,518</u>	<u>(25,460,282)</u>
Total capital assets, being depreciated, net	<u>10,890,635</u>	<u>(659,557)</u>	<u>(3,699)</u>	<u>10,227,379</u>
Business-type activities capital assets, net	<u>\$ 15,069,463</u>	<u>\$ 1,427,433</u>	<u>\$ (42,993)</u>	<u>\$ 16,453,903</u>

4. LONG-TERM DEBT

Long-term liability activity for the governmental activities the year ended June 30, 2022 was as follows:

<u>Governmental Activities</u>	<u>Balance at June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2022</u>	<u>Due within one year</u>
Compensated absences	\$ 12,431	\$ 1,273		\$ 13,704	\$ 13,704
Net OPEB obligation	36,547		\$ (36,547)		
Net pension liability	<u>596,663</u>		<u>(216,624)</u>	<u>380,039</u>	
Total	<u>\$ 645,668</u>	<u>\$ 1,273</u>	<u>\$ (253,171)</u>	<u>\$ 393,743</u>	<u>\$ 13,704</u>

Long-term liability activity for the business-type activities the year ended June 30, 2022 was as follows:

<u>Business-type Activities</u>	<u>Balance at June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2022</u>	<u>Due within one year</u>
Davis-Grunsky Act loans	\$ 3,908		\$ (3,908)		
2019 Wastewater Installment Sale	1,450,616		(57,721)	\$ 1,392,895	\$ 59,672
2019 Wastewater Refunding	1,502,635		(254,371)	1,248,264	264,089
2021 Water Refunding	2,899,179		(449,783)	2,449,396	459,098
Net pension liability	2,157,078		(617,913)	1,539,165	
Net OPEB obligation	329,542		(329,542)		
Compensated absences	<u>165,166</u>	<u>\$ 16,898</u>		<u>182,064</u>	<u>182,064</u>
Total	<u>\$ 8,508,124</u>	<u>\$ 16,898</u>	<u>\$ (1,713,238)</u>	<u>\$ 6,811,784</u>	<u>\$ 964,923</u>

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

The District issued the 2019 Wastewater Revenue Refunding Bonds (2019 Wastewater Refunding) dated December 10, 2019 in the amount of \$1,906,811 with an interest rate of 2.840% to current refund the Wastewater Revenue Refunding Bonds, Series 2014 bonds (2014 Wastewater Revenue Refunding). Payments are due semiannually on July 10 and January 10. Final maturity is on July 20, 2026.

The District issued the 2019 Wastewater Revenue Installment Sale Agreement (2019 Wastewater Installment Sale) dated December 10, 2019 in the amount of \$1,511,053, with an interest rate of 3.350% for the immediate replacement and improvement of the Wastewater Treatment Plant Headworks, recycled wastewater irrigation system and wastewater collection system lift station #2. Payments are due semiannually on July 10 and January 10. Final maturity is on July 10, 2039.

The District issued the 2021 Water Refunding Bonds (2021 Water Refunding) dated January 4, 2021 in the amount of \$3,128,540 with an interest rate of 2.350% to current refund the 2013 Installment Sale Agreement and Water Revenue Refunding Bonds, Series 2014. Payments are due semiannually on July 10 and January 10. Final maturity is on July 10, 2027.

Other Long-Term Debt

The District entered into a David-Grunsky Act Loan in the amount of \$102,000 with an interest rate of 2.5%, payable semiannually, principal payable annually on December 1. Final maturity is on December 1, 2021 and the principle balance was zero as of June 30, 2022.

Annual debt service requirements for the business-type activities are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Totals
2023	\$ 782,859	\$ 134,640	\$ 917,499
2024	803,140	114,211	917,351
2025	822,780	93,262	916,042
2026	953,013	71,799	1,024,812
2027	506,811	48,423	555,234
2028-2032	525,151	154,040	679,191
2033-2037	444,996	84,194	529,190
2038-2040	251,803	12,794	264,597
Total	<u>\$ 5,090,553</u>	<u>\$ 713,363</u>	<u>\$ 5,803,916</u>

5. DEFINED BENEFIT PENSION PLAN

The District provides pension benefits to its employees through the California Public Employees' Retirement System (CalPERS) Miscellaneous Plan, a public agency cost-sharing multiple-employer defined benefit pension plan. CalPERS is an agency of the State of California. Qualified employees are covered under the Miscellaneous 2.7% at 55 for classic employees and 2% at 62 for PEPRA employees in the Risk Pool (the Plan). CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. This report is available online at 38www.calpers.ca.gov.

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

Benefits Provided

The benefits for the Plan are established by contract with CalPERS, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. To be eligible for service retirement, members must be at least 50 and a minimum of five years of CalPERS-credited service. Members after January 1, 2013 must be at least 52.

Contributions

Section 20814(c) of the PERL requires employer contribution rates for all public employers be determined on an annual basis by the actuary and are effective on the July 1 following notice of a change in the rate. The contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plans allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District's required contribution rate on covered payroll for the period ended June 30, 2022 for the PEPRA and miscellaneous plan were 7.590% and 14.020% of annual pay, respectively. Employer contributions rates may change if the Plan contract is amended.

Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

The District's Net Pension Liability (NPL) for the Plan is measured as the proportionate share of the NPL. The NPL of the Plan is measured as of June 30, 2021 for the year ended June 30, 2022. The total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. As of June 30, 2022, the District's proportionate share of the Plan's net pension liability (NPL) was \$1,919,204.

Using the District's individual employer rate plan's share of the risk pool TPL and Fiduciary Net Position (FNP), the proportionate shares of the TPL and FNP at the measurement date are determined for the District by the actuary. The District's employer allocation factor for the Plan as of June 30, 2021 measurement date was as follows:

	<u>Plan</u>
Proportion - June 30, 2021	0.101074%
Proportion - June 30, 2020	<u>0.065284%</u>
Change - increase (decrease)	<u>0.035790%</u>

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

For the year ended June 30, 2022, the District recognized pension expense of \$983,641. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 215,218	
Net differences between projected and actual investment earnings of pension plan investments		\$ (1,675,364)
Change in proportions	23,352	(74,852)
Change in proportionate share of contributions	70,589	(4,259)
Pension contributions subsequent to measurement date	406,900	
Total	\$ 716,059	\$ (1,754,475)

The \$406,900 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ending June 30, 2023. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2023	\$ (289,115)
2024	(318,186)
2025	(375,031)
2026	(462,984)

Actuarial Assumptions

For the measurement period ended June 30, 2021 (the measurement date), the TPL was determined by rolling forward the June 30, 2020 TPL, with update procedures used to roll forward the total pension liability to June 30, 2021. The June 30, 2020 TPL amounts were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' Membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

⁽¹⁾ The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

Discount Rate

The discount rate used to measure the TPL was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as followed:

<u>Asset Class⁽¹⁾</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 – 10⁽²⁾</u>	<u>Real Return Years 11+^(3, 4)</u>
Public Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

(1) In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% was used for this period.

(3) An expected inflation of 2.92% was used for this period.

(4) Figures are based on previous ALM of 2017

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

Sensitivity of the District’s Proportional Share of the NPL to Changes in the Discount Rate

The following presents the District’s Proportional Share of the NPL of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the District’s Proportional Share of the NPL would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Discount Rate – 1%	Current Discount Rate	Discount Rate + 1%
District’s Proportionate Share of Plan’s NPL	\$ 4,583,469	\$ 1,919,204	\$ 283,306

Recognition of Gains and Losses

Under GASB Statement No. 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

6. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The District has established a retiree healthcare plan that provides other postemployment health, dental, and vision care benefits for eligible retired employees and their dependents through the retiree healthcare plan (the Plan). The District, through the authorization of their Board of Directors, elected to establish an irrevocable trust for the Plan through the California Employers’ Retiree Trust (CERBT) fund, an agent multiple-employer plan, administered by CalPERS. The CERBT has pooled administrative and investment functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployment benefits in accordance with the terms of the participating employers’ plans. The CERBT offers three investment strategies for employers to choose from depending on their expected levels of return and volatility. Benefit provisions are established by the District.

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

Benefits Provided

Employees who, 1) retire from the District after at least the minimum number of years of service, as specified by their contract with the District, and 2) who continue health insurance through a District-sponsored health insurance plan, will continue to pay their health insurance premium, at the same level of benefits as the retiree had at the time of retirement. The District will also continue contributing to the retirees Health Savings Account, until the retiree reaches the age of 65, after which, the retiree shall receive the Medicare Supplement insurance coverage.

Employees Covered

As of the July 1, 2021 actuarial valuation, the following inactive and active employees were covered by the benefit terms under the OPEB Plan:

Inactive employees receiving benefits	14
Inactive employees entitled to but not receiving benefits	0
Participating active employees	<u>6</u>
Total	<u><u>20</u></u>

Contributions

The District provides benefits on a pay-as-you-go basis. The District's policy is to prefund their benefits from time to time at the sole discretion of the Board by accumulating assets in the CERBT. The District's employees are not required to contribute to the plan.

Net OPEB Liability (Asset)

The District's net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined using the Alternative Measurement Method with a valuation date of July 1, 2021 (June 30, 2021). Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial Assumptions

The total OPEB liability (asset) was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:	
Salary increases	3.00%
Inflation rate	2.75%
Investment rate of return	6.00%, net of OPEB plan investment expense
Health care cost trend rates	6.00% for 2021 decreasing to 5.25 percent for 2023, 5.20 percent for 2024-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.00 percent for all years.

Pre-retirement mortality rates from CalPERS Experience Study (2000-2019). Post-retirement mortality rates for Healthy Recipients from CalPERS Experience Study (2000-2019).

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

Actuarial assumptions used in the July 1, 2021 valuation were based on a review of plan experience during the period July 1, 2019 to June 30, 2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

Changes in Assumptions:

In measurement period June 30, 2021, there was a change in the inflation rate from 3.00% to 2.75%.

The CERBT offers three diversified allocation strategies. The District has elected to participate in CERBT's Strategy 3 which has the lowest long-term expected rate of return and return volatility. The following table shows the target asset allocation for employers participating in CERBT Strategy 3:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Rate of Return</u>
Global ex-U.S. Equity	22%	5.5%
U.S Fixed	49%	1.5%
TIPS	16%	1.2%
Real Estate	8%	3.7%
Commodities	5%	0.6%
Total	<u>100%</u>	

For the June 30, 2021 measurement date, the annual money-weighted rate of return on investments, net of investment expense, was 13.56 percent. The money-weighted rate of return expenses investment performance, net of investment expense, adjusted for the changing amounts invested.

Discount Rate

Accounting standards for OPEB require a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

To determine a resulting single (blended) rate, the amount of the plan’s projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District’s total OPEB liability at June 30, 2022 is based on these requirements and the following information:

<u>Measurement Date</u>	<u>Long-Term Expected Return on Plan Investments (if any)</u>	<u>Municipal Bond 20-Year High Grade Rate Index</u>	<u>Discount Rate</u>
June 30, 2021	6.00%	1.92%	6.00%

Changes in the Net OPEB Liability (Asset)

The changes in the Net OPEB liability (asset) for the OPEB Plan are as follows:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (TOL) (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (Asset) (a)-(b)</u>
Balance at June 30, 2021 (Measurement date June 30, 2020)	\$ 1,502,627	\$ 1,136,511	\$ 366,116
Changes recognized for the measurement period:			
Service cost	17,182		17,182
Interest on TOL	88,436		88,436
Difference between expected and actual experience	(308,722)		(308,722)
Changes in assumptions or other inputs	13,401		13,401
Contributions—employer		93,124	(93,124)
Actual investment income		154,079	(154,079)
Benefit payments	(93,124)	(93,124)	
Administrative expense		(401)	401
Net changes	(282,827)	153,678	(436,505)
Balance at June 30, 2022 (Measurement date June 30, 2021)	\$ 1,219,800	\$ 1,290,189	\$ (70,389)

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

Sensitivity of the District’s Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the District, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate – 1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate +1% (7.00%)
Net OPEB liability (asset)	\$ 87,698	\$ (70,389)	\$ (201,414)

Sensitivity of the District’s Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the District, as well as what the net OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Health Care Trend Rate –1% (4.00%)	Health Care Trend Rate (5.00%)	Health Care Trend Rate +1% (6.00%)
Net OPEB liability (asset)	\$ (208,879)	\$ (70,389)	\$ 98,573

OPEB plan fiduciary net position

Detailed information about the Plan’s fiduciary net position is available on CalPER’s website in an annual report titled “California Employers’ Retiree Benefit Trust, Agent Multiple-Employer Other Postemployment Benefits Plan, Schedule of Changes in Fiduciary Net Position by Employer”. Additionally, CalPERS annually issues an Annual Comprehensive Financial Report which includes the CERBT fund’s financial statements.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net differences between projected and actual earnings on OPEB Trust investments	5 years
All other amounts	3.9 years, Expected average remaining service lives (EARSL) of plan participants

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of (\$442,395). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 66,644	
Change in assumptions	8,934	\$ (23,729)
Differences between expected and actual experience		(587,699)
Net difference between projected and actual return on investments		(68,898)
Total	\$ 75,578	\$ (680,326)

The \$66,644 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the net OPEB liability (asset) during the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2023	\$ (482,784)
2024	(153,815)
2025	(17,694)
2026	(17,099)

7. SUBSEQUENT EVENT

In July 2022, the District entered into a lease-purchase agreement with Municipal Finance Corporation (the Corporation) to finance the acquisition, construction and equipping of certain capital improvements at the District. The District leased property to the Corporation in exchange for an advance rental. The Corporation then leased back the property to the District which was then obligated to make rental payments to the Corporation. The total obligation due to the Corporation is \$433,669, \$350,000 in principal with 4.1% interest, due annually starting 7/12/2023 through 7/12/2032.

8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries insurance. The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority, created pursuant to California Government Code Sections 6500 et. seq., effective July 1, 2006. During its membership, the general and auto liability, employee dishonesty coverage, property loss, boiler and machinery, public officials' personal liability, workers' compensation

GROVELAND COMMUNITY SERVICES DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

coverage and employer's liability policies were in effect, with excess coverage for general and auto liability, and errors and changes of \$10 million. Following is SDRMA's summary financial information as of June 30, 2021:

Total Assets	\$ 139,860,914		
Total Deferred Outflows of Resources	606,052	Total Operating Revenues	\$ 83,228,109
Total Liabilities	(73,886,665)	Total Operating Expenses	(78,306,334)
Total Deferred Inflows of Resources	<u>(237,014)</u>	Total Nonoperating income	<u>478,878</u>
Total Net Position	<u>\$ 66,343,287</u>	Change in Net Position	<u>\$ 5,400,653</u>

REQUIRED SUPPLEMENTARY INFORMATION

GROVELAND COMMUNITY SERVICES DISTRICT

**BUDGETARY COMPARISON SCHEDULE
FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 1,130,673	\$ 1,130,673	\$ 1,217,280	\$ 86,607
Interest earnings	3,350	3,350	2,955	(395)
Grant revenue			2,231	2,231
State revenue	2,000	19,650	83,777	64,127
Other revenue			7,650	7,650
Total revenues	<u>1,136,023</u>	<u>1,153,673</u>	<u>1,313,893</u>	<u>160,220</u>
EXPENDITURES:				
Public safety	1,296,759	1,321,059	1,237,295	83,764
Capital outlay	<u>141,750</u>	<u>143,250</u>	<u>79,113</u>	<u>64,137</u>
Total expenditures	<u>1,438,509</u>	<u>1,464,309</u>	<u>1,316,408</u>	<u>147,901</u>
Net change in fund balance	(302,486)	(310,636)	(2,515)	308,121
Fund balances - beginning	<u>951,247</u>	<u>951,247</u>	<u>951,247</u>	
Fund balances - ending	<u>\$ 648,761</u>	<u>\$ 640,611</u>	<u>\$ 948,732</u>	<u>\$ 308,121</u>

GROVELAND COMMUNITY SERVICES DISTRICT

**BUDGETARY COMPARISON SCHEDULE
PARKS AND RECREATION FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 98,318	\$ 98,318	\$ 105,850	\$ 7,532
Interest earnings	800	800	1,801	1,001
Charges for services	2,500	2,500	3,120	620
Grant revenue	177,952	177,952	176,932	(1,020)
Other revenue	54,000	55,000	60,118	5,118
Total revenues	<u>333,570</u>	<u>334,570</u>	<u>347,821</u>	<u>13,251</u>
EXPENDITURES:				
Parks and recreation	142,353	154,853	125,906	28,947
Capital outlay	<u>321,452</u>	<u>535,350</u>	<u>266,421</u>	<u>268,929</u>
Total expenditures	<u>463,805</u>	<u>690,203</u>	<u>392,327</u>	<u>297,876</u>
Net change in fund balance	(130,235)	(355,633)	(44,506)	311,127
Fund balances - beginning	<u>209,939</u>	<u>209,939</u>	<u>209,939</u>	
Fund balances - ending	<u>\$ 79,704</u>	<u>\$ (145,694)</u>	<u>\$ 165,433</u>	<u>\$ 311,127</u>

GROVELAND COMMUNITY SERVICES DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY (ASSET) AND RELATED RATIOS FOR THE MEASUREMENT PERIOD ENDED JUNE 30, LAST 10 YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
TOTAL OPEB LIABILITY					
Service cost	\$ 17,182	\$ 31,442	\$ 32,296	\$ 122,616	\$ 119,046
Interest	88,436	88,057	173,050	160,907	151,247
Differences between expected and actual experience	(308,722)		(1,423,388)		
Changes of assumptions and other inputs	13,401		(88,448)		
Benefit payments	<u>(93,124)</u>	<u>(104,561)</u>	<u>(113,741)</u>	<u>(113,141)</u>	<u>(105,560)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	(282,827)	14,938	(1,420,231)	170,382	164,733
TOTAL OPEB LIABILITY, Beginning	<u>1,502,627</u>	<u>1,487,689</u>	<u>2,907,920</u>	<u>2,737,538</u>	<u>2,572,805</u>
TOTAL OPEB LIABILITY, Ending (a)	<u>1,219,800</u>	<u>1,502,627</u>	<u>1,487,689</u>	<u>2,907,920</u>	<u>2,737,538</u>
PLAN FIDUCIARY NET POSITION					
Contributions—employer	93,124	104,561	298,741	295,909	286,010
Net investment income	154,079	67,685	59,152	28,892	15,864
Benefit payments	(93,124)	(104,561)	(113,741)	(113,141)	(105,560)
Trustee fees				(814)	
Administrative expense	<u>(401)</u>	<u>(531)</u>	<u>(179)</u>	<u>(319)</u>	<u>(218)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	153,678	67,154	243,973	210,527	196,096
PLAN FIDUCIARY NET POSITION, Beginning	<u>1,136,511</u>	<u>1,069,357</u>	<u>825,384</u>	<u>614,857</u>	<u>418,761</u>
PLAN FIDUCIARY NET POSITION, Ending (b)	<u>1,290,189</u>	<u>1,136,511</u>	<u>1,069,357</u>	<u>825,384</u>	<u>614,857</u>
DISTRICT'S NET OPEB LIABILITY (ASSET), Ending (a) - (b)	<u>\$ (70,389)</u>	<u>\$ 366,116</u>	<u>\$ 418,332</u>	<u>\$ 2,082,536</u>	<u>\$ 2,122,681</u>
Plan fiduciary net position as a percentage of the total OPEB liability	105.77%	75.63%	71.88%	28.38%	22.46%
Covered-employee payroll	\$ 479,466	\$ 473,494	\$ 469,796	\$ 595,041	\$ 677,904
District's net OPEB liability as a percentage of covered-employee payroll	-14.68%	77.32%	89.05%	349.98%	313.12%

Notes to Schedule:

There were no changes to benefit terms or assumptions during the measurement period ending June 30, 2020, 2018 or 2017. For the measurement date ended June 30, 2019, the healthcare cost trend rate changed from 5% for 2018 and later years to 6.00% for 2019 decreasing 0.10 percent each year to an ultimate rate of 5.00 percent for 2029 and later years. For the measurement date ended June 30, 2021, the inflation rate decreased from 3.00% to 2.75%.

* Fiscal year 2018 was the 1st year of implementation, therefore only five years are presented.

GROVELAND COMMUNITY SERVICES DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AS OF JUNE 30, LAST 10 YEARS*

	Measurement Date							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.101074%	0.065284%	0.064348%	0.063390%	0.061405%	0.061035%	0.059813%	0.048550%
District's proportionate share of the net pension liability	\$ 1,919,204	\$ 2,753,741	\$ 2,576,825	\$ 2,388,940	\$ 2,420,627	\$ 2,120,274	\$ 1,640,950	\$ 1,199,800
District's covered-employee payroll	\$ 1,272,283	\$ 1,097,703	\$ 758,439	\$ 819,134	\$ 832,387	\$ 704,247	\$ 909,010	\$ 898,662
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	150.85%	250.86%	339.75%	291.64%	290.81%	301.07%	180.52%	133.51%
Plan fiduciary net position as a percentage of the total pension liability	88.28%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	81.15%

Notes to Schedule:

Change of benefit terms – There have been no changes to the benefit terms.

Changes in assumptions – GASB 68 states that the long-term expected rate of return should be determined net pension plan investment expenses, but without reduction for pension plan administrative expense. The discount rate changed from 7.50% (net of administrative expenses in 2014) to 7.65% as of the June 30, 2015 measurement date to correct the adjustment, which previously reduced the discount rate for administrative expenses. For the measurement period ended June 30, 2021, 2020, 2019, 2018, 2016 and 2014, there were no changes in assumptions. As of June 2017 measurement date the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%.

* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

GROVELAND COMMUNITY SERVICES DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS AS OF JUNE 30, LAST 10 YEARS*

	Fiscal Year							
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 406,900	\$ 352,913	\$ 296,831	\$ 231,810	\$ 199,766	\$ 184,529	\$ 157,772	\$ 96,691
Contributions in relation to the contractually required contributions	<u>(406,900)</u>	<u>(352,913)</u>	<u>(296,831)</u>	<u>(231,810)</u>	<u>(199,766)</u>	<u>(184,529)</u>	<u>(157,772)</u>	<u>(96,691)</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered-employee payroll	\$ 1,596,175	\$ 1,272,283	\$ 1,097,703	\$ 758,439	\$ 819,134	\$ 832,387	\$ 704,247	\$ 909,010
Contributions as a percentage of covered-employee payroll	25.49%	27.74%	27.04%	30.56%	24.39%	22.17%	22.40%	10.64%

* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.



BOARD MEETING AGENDA SUBMITTAL

TO: GCSO Board of Directors

FROM: Jennifer Donabedian, Administrative Services Manager

DATE: December 13, 2022

SUBJECT: Agenda Item 6C: Adoption of a Resolution Establishing an Account with the California Class Joint Powers Authority Investment Pool

RECOMMENDED ACTION:

Staff recommends the following action:

I move to approve Resolution 50-2022 establishing an account with the California Class Joint Powers Authority Investment Pool and to authorize the General Manager to sign related documents.

BACKGROUND:

Currently, District funds that are not needed to sustain ongoing operational needs have been invested in the state's Local Agency Investment Fund (LAIF). The interest earned on these invested funds has steadily declined over the last several years as a result of the ongoing decline in rates that are occurring with LAIF.

Staff met with CSDA Finance and Administration Director Rick Wood to discuss the newly created California Class Joint Powers Authority Investment Pool in an effort to ascertain whether or not this would be an ideal alternative investment option for District funds. Staff has come to the conclusion that it would be in the District's best interest to establish an account with the CA Class Investment Pool as the current return rate is at 4%, whereas LAIF is at 1.35%.

There is more flexibility with the CA Class Investment Pool that is not offered with LAIF such as the ability to have multiple subaccounts if needed, an option not available through LAIF. The process for transferring funds is much like LAIF with a requirement of notification the previous day by 11am.

At this time, staff is recommending that the Board authorize the creation of an investment account with CA Class Investment Pool to allow more investment opportunities for District funds.

FINANCIAL IMPACT

Potential for increased interest earned on invested funds.

ATTACHMENTS

1. CA Class Handouts
2. CA Class Joint Exercise of Powers Agreement
3. Resolution 50-2022

What is California CLASS?

California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS offers public agencies a convenient method for investing in highly liquid, investment-grade securities carefully selected to optimize interest earnings while maximizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds offer public agencies the opportunity to strengthen and diversify their cash management programs in accordance with the safety, liquidity, and yield hierarchy that provides the framework for the investment of public funds.

How is it governed and managed?

California CLASS is overseen and governed by a Board of Trustees. The Board is made up of public agency finance professionals who participate in California CLASS and are members of the Joint Powers Authority (JPA). The Board of Trustees has entered into an Investment Advisor and Administrator Agreement with Public Trust Advisors, LLC. Public Trust is responsible to the Board for all program investment and administrative activities as well as many of the services provided on behalf of the Participants.

How can we participate?

Enrolling in California CLASS is simple. Public agencies may become Participants simply by filling out the Participant Registration Form that can be found in the document center on the California CLASS website. Public agencies may submit the completed registration packet to California CLASS Client Services for processing at clientservices@californiaclass.com. To obtain account forms and fund documents, visit www.californiaclass.com/document-center/.

Endorsed By:



LEAGUE OF
**CALIFORNIA
CITIES**

www.calcities.org



**California Special
Districts Association**

Districts Stronger Together

www.csda.net

Participants benefit from the following:

- Same-day availability of funds in Prime Fund (11:00 a.m. PT cut-off)
- Deposits by wire or ACH
- Ratings of 'AAAm' & 'AAAf/S1'
- Prime fund transacts at stable NAV
- Portfolio securities marked-to-market daily
- Secure online access for transactions and account statements
- No withdrawal notices for Prime Fund
- Participant-to-Participant transactions
- Interest accrues daily and pays monthly
- No maximum contributions
- No minimum balance requirements
- No transaction fees*
- Annual audit conducted by independent auditing firm**
- Dedicated client service representatives available via phone or email on any business day

*You may incur fees associated with wires and/or ACH transactions by your bank, but there will be no transaction fees charged from California CLASS for such transactions.
**External audits may not catch all instances of accounting errors and do not provide an absolute guarantee of accuracy.



What are the objectives of California CLASS?

Safety

The primary investment objective of the California CLASS Prime fund is preservation of principal. Both California CLASS portfolios are managed by a team of investment professionals who are solely focused on the management of public funds nationwide. The custodian for California CLASS is U.S. Bank, N.A.

Liquidity

When you invest in the California CLASS Prime fund, you have access to your funds on any business day. You must notify California CLASS of your funds transaction requests by 11:00 a.m. PT via the internet or phone. There are no withdrawal notices for the daily-liquid California CLASS Prime fund. Enhanced Cash is a variable NAV fund that provides next-day liquidity and a one-day notification of withdrawal.

Competitive Returns

California CLASS strives to provide competitive returns while adhering to the objectives of safety and liquidity. Participants benefit from the investment expertise and institutional knowledge provided by the team of Public Trust professionals. Portfolio performance is strengthened by the extensive knowledge of California public agency cash flows that the Public Trust team possesses.

Ease of Use

To make cash management streamlined and efficient, California CLASS includes many features that make it easy to access account information and simplify record keeping. Participants can transact on any business day using the California CLASS phone number (877) 930-5213, fax number (877) 930-5214, email clientservices@californiaclass.com or via the California CLASS Online Transaction Portal at www.californiaclass.com.

Flexibility

You may establish multiple California CLASS subaccounts. You will receive comprehensive monthly statements that show all of your transaction activity, interest accruals, and rate summaries. These statements have been specifically designed to facilitate public sector fund accounting and to establish a clear accounting and audit trail for your records.

Legality

California CLASS only invests in securities permitted by California State Code Section 53601; permitted investments are further restricted to those approved by the Board of Trustees as set forth in the California CLASS Investment Policies.

Have Questions? Contact us or visit www.californiaclass.com for more information.



Bob Shull

Director, Investment Services
bob.shull@californiaclass.com
(213) 378-2070



Laura Glenn, CFA®

Senior Director, Investment Services
laura.glenn@californiaclass.com
(404) 822-8287



Brent Turner

Regional Director of Strategy
brent.turner@californiaclass.com
(303) 999-8190



Rodrigo Bettini

Director, Investment Services
rodrigo.bettini@californiaclass.com
(813) 820-0703

Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. **Past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.** Please see the Information Statement for further details on the fee calculation and other key aspects about California CLASS. California CLASS Prime is rated 'AAAm' by S&P Global Ratings. A 'AAAm' rating by S&P Global Ratings is obtained after S&P evaluates a number of factors including credit quality, market price exposure, and management. For a full description on rating methodology, please visit www.spglobal.com. California CLASS Enhanced Cash is rated by 'AAA/SI' by FitchRatings. The 'AAAf' rating is Fitch's opinion on the overall credit profile within a fixed-income fund/portfolio and indicates the highest underlying credit quality of the pool's investments. The 'SI' volatility rating is Fitch's opinion on the relative sensitivity of a portfolio's total return and/or net asset value to assumed changes in credit spreads and interest rates. The 'SI' volatility rating indicates that the fund possesses a low sensitivity to market risks. For a full description on rating methodology, please visit www.fitchratings.com. Ratings are subject to change and do not remove credit risk.



A New Joint Powers Authority Investment Pool for California Public Agencies

www.californiaclass.com

ENDORSED BY



California Special Districts Association
Districts Stronger Together



LEAGUE OF CALIFORNIA CITIES



Diversify and Strengthen Your Public Funds Investment Program

- ✓ Endorsed by Cal Cities and CSDA
- ✓ Preservation of principal and access to liquidity
- ✓ Securities marked-to-market daily

- ✓ Same-day liquidity for Prime fund
- ✓ Next-day liquidity for Enhanced Cash fund
- ✓ No minimum balance requirements nor maximum contributions

- ✓ Managed to generate a competitive daily yield
- ✓ Prime fund for agency operating dollars and Enhanced Cash fund for reserves
- ✓ Ratings of 'AAAm' & 'AAAf/S1'

Learn more about investing for California public agencies, and contact us today.



Bob Shull
Director, Investment Services
bob.shull@californiaclass.com
(213) 378-2070



Laura Glenn, CFA®
Senior Director, Investment Services
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Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses. California CLASS is rated 'AAAm' by S&P Global Ratings. A 'AAAm' rating by S&P Global Ratings is obtained after S&P evaluates a number of factors including credit quality, market price exposure, and management. For a full description on rating methodology, please visit www.spglobal.com. California CLASS Enhanced Cash is rated 'AAAf/S1' by FitchRatings. The 'AAAf' rating is Fitch's opinion on the overall credit profile within a fixed-income fund/portfolio and indicates the highest underlying credit quality of the pool's investments. The 'S1' volatility rating is Fitch's opinion on the relative sensitivity of a portfolio's total return and/or net asset value to assumed changes in credit spreads and interest rates. The 'S1' volatility rating indicates that the fund possesses a low sensitivity to market risks. For a full description on rating methodology, please visit www.fitchratings.com. Ratings are subject to change and do not remove credit risk. More information to come.

A JOINT POWERS AUTHORITY INVESTMENT POOL

Client-First & User-Friendly Cash Management Solutions Designed for Public Agencies of All Sizes

California CLASS provides Participants the following benefits:

- ✓ Robust and modern transaction portal
- ✓ Dedicated client service team equally committed to all public agencies
- ✓ Portfolios managed in accordance with California Government Code
- ✓ Transparent governance by Board of Trustees
- ✓ Portfolios marked-to-market with net asset value and yields posted to website daily

Fund Option	Prime	Enhanced Cash
Portfolio Type	Prime-style fund	Enhanced cash
Purpose	Operating Funds	Strategic Reserves
Rating	'AAAm'	'AAAf/S1'
Min/Max Investment	None	None
Withdrawals	Unlimited	Unlimited
Investment Horizon	Day-to-Day	12-18 Months
Liquidity	Same-Day	Next-Day
WAM	≤60 days	90-200 days
Net Asset Value (NAV)	Stable \$1.00 per share	Variable \$10.00 per share

Learn more about building an optimal liquidity portfolio for your public agency; contact us today.



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California CLASS Registration Packet



Welcome to California CLASS

Thank you for choosing California CLASS!

We believe you have made a sound financial decision in choosing California Cooperative Liquid Assets Securities System (California CLASS). We look forward to being a trusted partner to your organization and its investment management goals and are excited to connect with you to make your investment process a positive, easy experience.

This packet contains all the materials necessary to set up your California CLASS account(s). If you have any questions about the registration process or about your California CLASS account(s), please do not hesitate to contact us. The California CLASS Client Service team can be reached any business day from 8:00 a.m. to 4:00 p.m. PT by phone at (877) 930-5213 or by email at clientservices@californiaclass.com.

Registration Procedures

To participate in California CLASS, please complete the following:

- 1) Review the Joint Exercise of Powers Agreement and the applicable Information Statements relating to the California CLASS Prime Fund and the Enhanced Cash Fund (located in the Document Center at www.californiaclass.com).
- 2) Complete the California CLASS Participant Representation Form (page 4).
- 3) Complete the Participant Registration (page 5).
- 4) Complete the Authorized Contacts Form (pages 6/7).
- 5) Should you be interested in participating in California CLASS Prime, complete the California CLASS Prime Fund Account(s) to be Established form; you may open as many accounts as you wish (page 8).
- 6) Should you be interested in participating in California CLASS Enhanced Cash, complete the California CLASS Enhanced Cash Fund Account(s) to be Established Form; you may open as many accounts as you wish (page 9).
- 7) Keep the original forms for your records and send the completed packet to the California CLASS Client Service team by fax (877) 930-5214 or by email clientservices@californiaclass.com.

Questions? Please contact us; we would love to hear from you:

California CLASS Client Service Team
T (877) 930-5213
clientservices@californiaclass.com

Through the California CLASS website, www.californiaclass.com, Participants will be regularly informed of important program information, holidays, upcoming Board meetings, Participant events, conferences, and more. Board of Trustee meetings, which are open to the public, are generally held quarterly and discuss relevant issues to the governance and operations of the California CLASS program.

Participant Representation Form

Participant Information

Entity Name (Participant) _____

Participant Representations

The undersigned Authorized Signer for the Participant hereby represents and warrants the following during the period the Participant is investing in the California CLASS Investment Program:

- The Participant is (1) a Public Agency (as defined in the Joint Exercise of Powers Agreement) and (2)(a) a political subdivision of the State of California or (b) an organization whose income is excluded from taxable gross income under Section 115 of the Internal Revenue Code, in each case, that has the authority to invest funds in its treasury in investments in accordance with Section 53601 of the California Government Code.
- The Participant is authorized to invest in the California CLASS.
- Any Authorized Signer for the Participant designated in this California CLASS Registration Packet has full power and authority to make investments for the above Participant in the California CLASS Investment Program unless the California CLASS receives written notice from the Participant otherwise.
- The Participant has reviewed and agrees to the limitations described in the Joint Exercise of Powers Agreement and the Information Statements for the Funds within the California CLASS Investment Program and acknowledges that it has been supplied with or been given access to information it requested in connection with making an investment in the California CLASS Investment Program.
- The Participant has reviewed the Investment Policies for the Funds within the California CLASS Investment Program and has determined that they are consistent with the legal and policy limitations applicable to the Participant’s investments.
- The Participant has consulted with its own counsel and advisers as to all matters concerning investment in the California CLASS Investment Program.

Authorized Signer

_____ Signature	_____ Date
_____ Print Name	_____ Title

Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**



Participant Registration

Entity Information

Entity Name (Participant) _____

Entity Type: City/Town County School District Special District
Other (Specify) _____

Mailing Address _____

City _____ Zip _____ County _____

Physical Address (if different than above) _____

City _____ Zip _____ County _____

Tax ID _____ Fiscal Year End Date (Month/Day) _____

California CLASS is hereby authorized to honor any telephone, faxed, or electronic request believed to be authentic for withdrawal of funds. The withdrawal proceeds can be sent only to the bank(s) indicated below unless changed by written instructions. Each Participant is responsible for notifying California CLASS of any changes to its account by filling out and sending via mail or email the Forms available on the California CLASS website.

Wires will be distributed every hour with the final distribution ending at 11:00 a.m. PT; distribution times are subject to change as needed by the California CLASS Administrator. Additionally, California CLASS must be notified of any contributions by 11:00 a.m. PT to receive same day credit. **If funds are not received by 2:00 p.m. PT, contribution orders will be voided.**

Banking Information

Bank Name _____ Bank Routing Number (ABA) _____

Account Title _____ Account Number _____

Bank Contact _____ Contact's Phone Number _____

Wire ACH Both

Additional Banking Information (Optional)

Bank Name _____ Bank Routing Number (ABA) _____

Account Title _____ Account Number _____

Bank Contact _____ Contact's Phone Number _____

Wire ACH Both



Authorized Contacts

Authorized Signers Can:	Read-Only Users Can:
Approve changes to the Investor Profile Update banking/contact information Transfer funds Receive account updates	Receive account updates Request "view-only" access to monthly statements and transaction confirmations

Authorized Signer

Print First and Last Name

Title

Signature Required

Phone

Email

Fax

Email Notifications (notice of report availability in the online portal)

- Monthly Statements
- Transaction Confirmations

Additional Contact (Optional)

Print First and Last Name

Title

***(Signature Required if Authorized Signer)**

Phone

Email

Fax

Permissions (check one only)

- Authorized Signer to Move Funds*
- Read-Only Access

Email Notifications (notice of report availability in the online portal)

- Monthly Statements
- Transaction Confirmations

Additional Contact (Optional)

Print First and Last Name

Title

***(Signature Required if Authorized Signer)**

Phone

Email

Fax

Permissions (check one only)

- Authorized Signer to Move Funds*
- Read-Only Access

Email Notifications (notice of report availability in the online portal)

- Monthly Statements
- Transaction Confirmations



Authorized Contacts (cont.)

Additional Contact (Optional)

Print First and Last Name

Title

***(Signature Required if Authorized Signer)**

Phone

Email

Fax

- Permissions** (check one only)
- Authorized Signer to Move Funds*
 - Read-Only Access

- Email Notifications** (notice of report availability in the online portal)
- Monthly Statements
 - Transaction Confirmations

Additional Contact (Optional)

Print First and Last Name

Title

***(Signature Required if Authorized Signer)**

Phone

Email

Fax

- Permissions** (check one only)
- Authorized Signer to Move Funds*
 - Read-Only Access

- Email Notifications** (notice of report availability in the online portal)
- Monthly Statements
 - Transaction Confirmations

Additional Contact (Optional)

Print First and Last Name

Title

***(Signature Required if Authorized Signer)**

Phone

Email

Fax

- Permissions** (check one only)
- Authorized Signer to Move Funds*
 - Read-Only Access

- Email Notifications** (notice of report availability in the online portal)
- Monthly Statements
 - Transaction Confirmations



Joint Exercise of Powers Agreement

June 6, 2022

California Cooperative Liquid Assets Securities System

Joint Exercise of Powers Agreement

by and among

the parties that have entered into this
Joint Exercise of Powers Agreement

DATED AS OF JUNE 6, 2022

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This **JOINT EXERCISE OF POWERS AGREEMENT** dated as of June 6, 2022 (this “**Agreement**”) is entered into by each Public Agency (as defined below) that has executed this Agreement or that has or will execute counterparts of this Agreement pursuant to Section 2.1 hereof (the “**Founding Participants**”).

RECITALS:

WHEREAS, each Public Agency has the authority to invest funds in its treasury in statutorily permitted investments including but not limited to Section 53601 of the California Government Code, as amended; and

WHEREAS, Section 6509.7 of the Act (as defined below) provides:

“Notwithstanding any other provision of law, two or more public agencies that have the authority to invest funds in their treasuries may, by agreement, jointly exercise that common power. Funds invested pursuant to an agreement entered into under this section may be invested in securities and obligations as described by subdivision (p) of Section 53601. A joint powers authority formed pursuant to this section may issue shares of beneficial interest to participating public agencies. Each share shall represent an equal proportionate interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares of beneficial interest shall have retained an investment advisor.... A joint powers authority formed pursuant to this section is authorized to establish the terms and conditions pursuant to which agencies may participate and invest in pool shares....”; and

WHEREAS, the Act authorizes the Founding Participants to create a joint exercise of powers entity separate from the Founding Participants to exercise the common powers of the Founding Participants, as specified in this Agreement, and to act as administrator of this Agreement; and

WHEREAS, the purpose of this Agreement is to create and establish a separate joint exercise of powers entity known as the California Cooperative Liquid Assets Securities System (collectively referred to herein, as “**California CLASS**”) for the purposes set forth herein to exercise the powers provided herein and to act as administrator of this Agreement in order to consolidate investment activities of the Participants and thereby reduce duplication, take advantage of economies of scale and perform governmental functions more efficiently; and

WHEREAS, the Act authorizes a joint exercise of powers entity, such as the California CLASS, to issue shares of beneficial interest in authorized investments to participating Public Agencies (collectively referred to herein, as “**Participants**” and individually, as a “**Participant**”); and

WHEREAS, pursuant to the Applicable Law (as defined below), Public Agencies, such as the Participants, may purchase shares of beneficial interest issued by a joint powers entity organized pursuant to Section 6509.7 of the Act, such as the California CLASS; and

WHEREAS, the Founding Participants desire to enter into this Agreement and this Agreement shall set forth the terms for the investment program known as the “**California CLASS Investment Program**,” including the establishment of one or more funds where Participants invest in shares of beneficial interest issued by the California CLASS in accounts containing authorized investments that are owned by the California CLASS; and

WHEREAS, the joint exercise of such power to invest will be benefited and made more efficient because all investments acquired pursuant to this Agreement will be owned by one entity, the California CLASS and held by one entity, the Custodian (as defined below); and

WHEREAS, the joint exercise of such power to invest will be benefited and made more efficient if the advisory, record-keeping, and other administrative functions, including the management and transmittal of investment instructions, are performed by one entity, the Administrator (as defined below); and

WHEREAS, the policy of this Agreement shall be to place the highest priority on the safety of principal and liquidity of funds, and the optimization of investment returns shall be secondary to the requirements for safety and liquidity; and

WHEREAS, the California Special Districts Association (the “**CSDA**”) and the League of California Cities (“**Cal Cities**”) and together with CSDA, the “**Sponsors**”) have determined to join as a sponsor of the California Class Investment Program and have certain rights with respect to the composition of the governing board of the California CLASS, royalty fees and other benefits;

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants, and agreements contained herein, each party hereto agrees as follows:

ARTICLE I

CREATION; PURPOSE; DEFINITIONS

1.1 Creation of California CLASS

There is hereby created pursuant to the Act a public agency and entity to be known as the California Cooperative Liquid Assets Securities System (collectively referred to herein, as “**California CLASS**”). As provided in the Act, the California CLASS shall be a public agency and entity separate and apart from the Founding Participants and is responsible for the administration of this Agreement. The debts, liabilities and obligations of the California CLASS shall not constitute debts, liabilities or obligations of the Founding Participants (and except as it relates to the retirement liabilities of the California CLASS if the California CLASS contracts with a public retirement system within the meaning of Section 6508.1 of the Act). The California CLASS shall not contract with a public retirement system within the meaning of Section 6508.1 of the Act.

1.2 Purpose

This Agreement is made pursuant to the Act to provide for the exercise by the California CLASS of those powers referred to in the recitals hereof and for the California CLASS to administer the exercise of those powers. The purpose of the California CLASS is to consolidate investment activities of the Participants and thereby reduce duplication, take

advantage of economies of scale and perform governmental functions more efficiently through the California CLASS Investment Program.

1.3 Definitions

In addition to the capitalized terms defined elsewhere in this Agreement, the following terms shall have the following meanings.

"Account" or **"Accounts"** means any account (including subaccounts or other special accounts that may be created to accommodate the desire of such Participant to segregate a portion of its Investment Funds) opened and maintained pursuant to Section 7.5(a) hereof by the Custodian for the benefit of a Participant and to which the Investment Property of such Participant is credited and opened.

"Act" means Title 1, Division 7, Chapter 5 of the California Government Code (commencing with Section 6500), known as the Joint Exercise of Powers Act, as it may be amended from time to time.

"Administrator" means Public Trust Advisors, LLC, or any Person or Persons appointed, employed, or contracted by the California CLASS pursuant to Article V hereof. The entity serving as Administrator to the California CLASS may be the Investment Advisor or an affiliate thereof.

"Administrator Agreement" means the agreement between the Administrator and the California CLASS described in Section 5.1(a) hereof.

"Affiliate" means, with respect to any Person, another Person directly or indirectly in control of, controlled by, or under common control with such Person or any officer, director, partner, or employee of such Person.

"Agreement" means this Agreement dated as of June 6, 2022 constituting a joint exercise of powers agreement among the Founding Participants, as amended in accordance with its terms from time to time.

"Applicable Law" means Title 5, Division 2, Part 1, Chapter 4 of the California Government Code (commencing with Section 53600), as it may be amended from time to time, and other applicable provisions of California law.

"Authorized Representative" means the person authorized to invest the funds of a Participant pursuant to California law who has been appointed in accordance with Section 2.3 hereof.

"Balance" for each Participant means an amount initially equal to zero that is adjusted pursuant to Article II hereof to reflect, among other things, cash investments by such Participant, cash payments to such Participant, investment results, and expenses and fees incurred pursuant to this Agreement. The Balance shall reflect the number of Shares in each applicable Fund designated by such Participant for investment.

"Board" means the board of the Trustees, created by this Agreement, as the governing board of the California CLASS, and established pursuant to Article III hereof.

"Business Day" means any day of the year other than (a) a Saturday or Sunday, (b) any day on which banks located in the State of California are required or authorized by law to remain closed, or (c) any day on which the New York Stock Exchange is closed.

"Bylaws" means those bylaws as described in Section 4.7 hereof.

"Cal Cities" means the League of California Cities.

"California CLASS" means the California CLASS, a joint exercise of powers entity created by this Agreement.

"California CLASS Investment Program" means the investment program provided to the Participants by the California CLASS whereby Participants invest in Shares including the establishment of one or more funds where Participants invest in shares of beneficial interest issued by the California CLASS in Accounts containing authorized investments that are owned by the California CLASS.

"Conflicting Provisions" shall have the meaning set forth in Section 15.2 hereof.

"CSDA" means the California Special Districts Association.

"Custodian" means any Person or Persons appointed, employed or contracted by the California CLASS pursuant to Section 7.1 hereof.

"Custody Agreement" means the agreement between the California CLASS and the Custodian as described in Article VII hereof.

"Effective Date" means the later of (1) the date that execution copies of this Agreement have been executed by the initial Founding Participants, and (2) the date this Agreement has been filed with the Secretary of the State of California pursuant to Section 6503.5 of the Act.

"Enhanced Cash Fund" shall have the meaning given such term in Section 6.4 hereof.

"Founding Participants" means each initial Public Agency that has executed this Agreement and each Public Agency that becomes a Founding Participant pursuant to Section 2.1 hereof by execution of this Agreement. By execution of this Agreement, each Founding Participant shall make the representations and warranties contained in Section 12.1 hereof.

"Fund" means any of the funds established by the Investment Advisor pursuant to Section 6.4 hereof.

"Information Statement" means one or more information statements or other disclosure documents relating to the California CLASS Investment Program or any Fund thereof as such Information Statements may be amended from time to time by the Administrator and the Investment Advisor with the consent of the California CLASS as evidenced by resolution of the Board.

"Investment Advisor" means Public Trust Advisors, LLC, or any Person or Persons appointed, employed, or contracted by the California CLASS pursuant to Section 6509.7 of the Act and Section 6.1 hereof. The entity serving as Investment Advisor to the California CLASS which may be the Administrator or an Affiliate thereof.

"Investment Advisor Agreement" means the agreement between the Investment Advisor and the California CLASS described in Section 6.1(a) hereof.

"Investment Funds" means immediately available funds delivered by each Participant to the Custodian for investment in Shares pursuant to this Agreement but only if: (i) the Authorized Representative appointed by such Participant is authorized pursuant to the laws of the State of California to invest such funds and (ii) the Participant has taken all actions necessary pursuant to the laws of the State of California or other applicable local law to authorize the delivery and investment of such funds.

"Investment Policy" means the investment policy established by the California CLASS with respect to the Investment Property in each Fund in accordance with this Agreement, as amended from time to time in accordance with Section 3.2(a) hereof.

"Investment Procedures" means the procedures for Participants to make investments set forth in the applicable Information Statement.

"Investment Property" means any and all securities and cash that are held in one of the Accounts and all proceeds, income, profits, and gains therefrom that have not been paid to a Participant pursuant to Section 2.4 hereof, used to discharge an Investment Property Liability or offset by losses, if any, and expenses. Investment Property shall not include securities purchased in anticipation of the delivery of funds by a Participant when such funds are not actually received by the Custodian by the anticipated delivery date and any such securities so purchased may be immediately sold and the proceeds used to pay any Person that did in fact provide monies to purchase such securities.

"Investment Property Liability" or **"Investment Property Liabilities"** means any liability (whether known, unknown, actual, contingent, or otherwise) incurred in connection with the Investment Property pursuant to this Agreement.

"Investment Property Value" means the value of the Investment Property as determined pursuant to the valuation procedures net of the amount of the Investment Property Liabilities.

"Meeting of the Board" means a duly called meeting of the Board.

"Participants" means any Public Agencies that have the authority to purchase Shares from the California CLASS. Founding Participants may also be "Participants."

"Payment Procedures" means the procedures for Participants to request payments out of the Investment Property set forth in the applicable Information Statement.

"Permitted Investments" means those investments defined as such in the applicable Investment Policy for a Fund as established by the California CLASS.

"Person" means any individual, corporation, limited liability company, firm, association, partnership, joint venture, trust or other legal entity or group of entities, including any Public Agency or department, board, commission, instrumentality, or agency thereof.

"Prime Fund" shall have the meaning given such term in Section 6.4 hereof.

"Public Agency" shall have the meaning given such term from time to time in Section 6509.7 (or any successor or amended provision) of the Act.

"Ralph M. Brown Act" means Title 5, Division 2, Part 1, Chapter 9 of the California Government Code, as it may be amended from time to time.

"Shares" means the unit used to denominate and measure the respective pro rata beneficial interests of the Participants in a Fund. As required by Section 6509.7 of the Act, each Share shall represent an equal proportionate interest in the Investment Property within a Fund.

"Sponsors" means CSDA and Cal Cities.

"Trustee" means each of the persons selected pursuant to Article III and Article IV hereof to serve on the Board.

"Valuation Procedures" means the procedures for determining the value of the Investment Property set forth in Exhibit A attached hereto, as the same may be amended from time to time by the Administrator and the Investment Advisor, with the consent of the California CLASS as evidenced by resolution of the Board.

ARTICLE II

FOUNDING PARTICIPANTS AND PARTICIPANTS

2.1 Additional Founding Participants After Initial Execution

Any Public Agency that wishes to become a Founding Participant after the Effective Date may do so by executing a counterpart to this Agreement and delivering the counterpart to the Administrator, together with evidence of such Founding Participant's authorization to execute this Agreement.

2.2 Withdrawal or Termination of Founding Participant

Any Founding Participant may withdraw from this Agreement at any time upon written notice to the Administrator provided, however, that no Founding Participant may withdraw if, following such withdrawal, there will not be at least two Founding Participants remaining as a party to this Agreement. A withdrawal shall be noted to the Board in the Administrator's next report to the Board. Any such withdrawal shall be effective only upon receipt of the written

notice of withdrawal by the Administrator who shall acknowledge receipt of such notice of withdrawal in writing to such withdrawing Founding Participant and shall file such notice as an amendment to this Agreement effective upon such filing.

2.3 Authorized Representatives; Responsibility for Authorized Representatives

(a) Each Participant shall select an Authorized Representative to represent its interests and act on its behalf under this Agreement.

(b) Each Participant shall be responsible for the actions or inaction of its Authorized Representative under this Agreement, and the Administrator and Custodian are authorized to rely on the directions of the Authorized Representative without further investigation or diligence.

2.4 Investments

(a) Each Participant shall have the right from time to time to invest Investment Funds for credit to such Participant's Balance in the California CLASS Investment Program. A Participant that wishes to make such an investment shall notify the Administrator and follow the Investment Procedures. All Investment Funds will be invested in an applicable Fund as designated by the Participant. Investment Funds so designated shall be invested pursuant to the Investment Policy established by the California CLASS for such Fund. Upon such investment in accordance with the Investment Procedures, the Participant shall have Shares representing an equal proportionate interest in such Investment Property within such Fund.

(b) The Balance of a Participant shall be increased upon the investment of Investment Funds by such Participant by an amount equal to the amount of such Investment Funds. The Balance shall reflect the number of Shares in each applicable Fund designated by such Participant for investment.

(c) No later than the end of each Business Day, the Custodian shall deliver a confirmation with respect to the transaction activity for the Accounts for the prior Business Day to the Administrator. The Administrator shall retain the confirmation in its records.

(d) Any funds that the Administrator is informed do not meet the conditions set forth in clauses (i) or (ii) of the definition of Investment Funds shall be returned to the Participant investing such funds by the Custodian at the request of the Administrator and such Participant shall bear all of the costs and liabilities associated with the return of such funds.

2.5 Receipt of Statements and Reports; Requests

(a) The Administrator shall provide, or make available to each Participant, a copy of the statements prepared pursuant to Section 5.5 hereof and of the reports prepared pursuant to Section 5.6 hereof applicable to such Participant.

(b) In addition, each Participant, through its Authorized Representative, may direct the Administrator to provide, or make available, a statement of the value of the Participant's

Balance as of the date of the request. The Administrator shall provide such statement, subject only to account activity as of such date.

(c) On behalf of each Participant, the Administrator shall maintain or cause to be maintained, the records relating to such Participant in a manner that records (i) the portion of the Participant’s Balance designated in the applicable Fund and (ii) the Participant’s Balance in one or more Accounts. The Administrator shall maintain a separate record for each Participant and shall record the individual transactions involving each such Participant and the total value by Account of all investments belonging to each such Participant.

ARTICLE III

POWERS

3.1 General Powers

(a) The California CLASS shall have the power, in its own name, to exercise the common powers of the Founding Participants referred to in the recitals hereof and to exercise all additional powers given to a joint powers entity under the Act and any other applicable law for any purpose authorized under this Agreement. Pursuant to Section 6508 of the Act, the California CLASS shall have the power, in its own name, to do any or all of the following: to make and enter into contracts, or to employ agents and employees, to acquire, construct, manage, maintain or operate any building, works or improvements, or to acquire, hold or dispose of property or to incur debts, liabilities or obligations and sue and be sued in its own name. Pursuant to Section 6509.7 of the Act, the California CLASS shall have the power, in its own name, to issue shares of beneficial interest in the securities and obligations authorized by the Applicable Law. The California CLASS is authorized, in its own name, to do all acts necessary for the exercise of said powers for said purposes. Such powers shall be exercised subject only to such restrictions upon the manner of exercising such powers as are imposed upon the City of Lancaster in the exercise of similar powers, as provided in Sections 6503 and 6509 of the Act.

(b) All powers of the Administrator or Custodian that are described in this Agreement shall also be powers of the California CLASS. The California CLASS may perform such acts as it determines in its sole discretion as proper for conducting the business of the California CLASS. The enumeration of any specific powers shall not be construed as limiting the powers of the California CLASS. Such powers may be exercised with or without the posting of a bond, an order, or other action by any court. In construing the provisions of this Agreement, the presumption shall be in favor of a grant of power to the California CLASS, subject to the powers given to a joint powers entity under the Act and any other applicable law for any purpose authorized under this Agreement.

3.2 Specific Powers

Consistent with, derived from and subject to the general powers of the California CLASS granted in Section 3.1 hereof, the California CLASS possesses the following specific powers:

(a) Investments. The California CLASS shall have the power to subscribe for, invest in, reinvest in, purchase or otherwise acquire, own, hold, pledge for settlement purposes only, sell, assign, transfer, exchange, distribute, lend or otherwise deal in or dispose of Permitted Investments, provided such investment is, in the sole and absolute discretion of the California CLASS, consistent with the Applicable Law and the Investment Policy. An Investment Policy for each Fund shall be established by resolution of the Board and may be revised from time to time by resolution of the Board, provided, however, that no Investment Policy shall permit investments not authorized for legal investment under the Applicable Law. Upon the Board's approval of any amendment to an Investment Policy, the amended Investment Policy will be posted to the website of California CLASS.

(b) Issuance and Redemption of Shares. The California CLASS shall have the power to issue, sell, repurchase, redeem, retire, cancel, acquire, hold, resell, reissue, dispose of, transfer, and otherwise deal in Shares, or any Fund of Shares by means of the California CLASS Investment Program, and subject to the provisions hereof, to apply to any such repurchase, redemption, retirement, cancellation or acquisition of Shares, or any Fund of Shares, any funds or Investment Property with respect to such Shares, or Fund of Shares, whether capital or surplus or otherwise, to the full extent now or hereafter permitted by the Applicable Law.

(c) Title to Investments. Legal title to all Investment Property shall be vested in the California CLASS except that the California CLASS shall have power to cause legal title to any Investment Property to be held in the name of any other person as nominee, on such terms as the California CLASS may determine provided, however, that the interest of the California CLASS therein is appropriately protected.

(d) Rights as Holders of Investment Property. The California CLASS shall have full and complete power to exercise all of the rights, powers, and privileges appertaining to the ownership of the Investment Property to the same extent that any individual might and, without limiting the generality of the foregoing, to vote or give any consent, request, or notice, or waive any notice either in person or by proxy or power of attorney, with or without the power of substitution, to one or more persons, which proxies and powers of attorney may be for meeting or actions generally, or for any particular meeting or action, and may include the exercise of discretionary powers.

(e) Creation of Funds. The California CLASS may authorize the creation of one or more different Funds provided, however, that each such Fund shall conform in all respects to the requirements of this Agreement.

(f) Branding. The California CLASS may authorize the use of the names “CALCLASS” and “CACCLASS” and their associated trademark(s), consistent with, derived from and subject to, Section 3.6 hereof, in conjunction with other products, portfolios, pools, and services that provide investment, financial, or other cash management services to Participants and for purposes of this Agreement, such name shall include any Funds established pursuant to this Agreement. The Administrator may identify a name for any additional Funds established pursuant to this Agreement, subject to approval by the California CLASS.

(g) Power to Contract, Appoint, Retain and Employ. The California CLASS shall have full and complete power to, and shall at all times, appoint, employ, retain, or contract with any person of suitable qualifications (including any corporation, partnership, trust, or other entity of which one or more of them may be an Affiliate) for the transaction of the affairs of the California CLASS.

(h) Payment of Expenses. The California CLASS shall have full and complete power:

(i) to incur and pay any charges or expenses that are necessary or incidental to or proper for carrying out any of the purposes of this Agreement;

(ii) to pay any taxes or assessments validly and lawfully imposed upon or against the Investment Property or the California CLASS in connection with the Investment Property or upon or against the Investment Property or income or any part thereof;

(iii) to reimburse others for payment of such expenses and taxes; and

(iv) to pay appropriate compensation or fees from the Investment Property to a person with whom the California CLASS has contracted or transacted business.

All payments or expenses incurred pursuant to this Section will be a liability payable solely from the Investment Property. The Trustees shall not be paid compensation for their services as Trustees hereunder, except that they shall be allowed reimbursement for reasonable expenses incurred in the performance of their duties as Trustees.

(i) Litigation. The California CLASS shall have the power to engage in and to prosecute, defend, compromise, abandon, or adjust, by arbitration or otherwise, any actions, suits, proceedings, disputes, claims, and demands relating to the California CLASS or property of the California CLASS, and, out of property of the California CLASS, to pay or to satisfy any debts, claims or expenses incurred in connection therewith, including those of litigation, and such power shall include without limitation the power of the California CLASS, in the exercise of its good faith business judgment, consenting to dismiss any action, suit, proceeding, dispute, claim, or demand, derivative or otherwise, brought by any person, including a Founding Participant or Participant, whether or not the California CLASS or any of the Trustees may be named individually therein or the subject matter arises by reason of business for or on behalf of the California CLASS.

3.3 Miscellaneous Powers

Consistent with, derived from and subject to the general powers of the California CLASS granted in Section 3.1 hereof, the California CLASS also possesses the following miscellaneous powers:

(a) Insurance. The California CLASS shall have full and complete power to purchase or to cause to be purchased and pay for, entirely out of Investment Property, insurance policies insuring the California CLASS, and/or officers, employees, and agents of the California CLASS individually against all claims and liabilities of every nature arising by reason of holding or having held any such office or position or by reason of any action alleged to have been taken or omitted by the California CLASS or any such officer, employee, and agent including any action taken or omitted that may be determined to constitute negligence, whether or not the California CLASS would have the power to indemnify such person against such liability.

(b) Borrowing and Indebtedness. The California CLASS shall not borrow money or incur indebtedness, whether or not the proceeds thereof are intended to be used to purchase Permitted Investments or Investment Property, except as a temporary measure to facilitate the transfer of funds to the Participant that might otherwise require unscheduled dispositions of portfolio investments and except as an advance made by the Custodian under the Custody Agreement, but only to the extent permitted by law. No such indebtedness shall have a maturity later than that necessary to avoid the unscheduled disposition of portfolio investments.

(c) Remedies. Notwithstanding any provision in this Agreement, when the California CLASS deems that there is a significant risk that an obligor to the California CLASS may default or is in default under the terms of any obligation of the California CLASS, the California CLASS shall have full and complete power to pursue any remedies permitted by law that, in its sole judgment, are in the interests of the California CLASS, and the California CLASS shall have full and complete power to enter into any investment, commitment, or obligation of the California CLASS resulting from the pursuit of such remedies as are necessary or desirable to dispose of property acquired in the pursuit of such remedies.

(d) Information Statement. The California CLASS shall have full and complete power to prepare, publish, and distribute one or more Information Statements regarding the California CLASS Investment Program or any Fund thereof and to amend or supplement the same from time to time.

(e) Contracting with Affiliates. To the extent permitted by law, the California CLASS may enter into transactions with any Affiliate of the Administrator or the Custodian if:

(i) each such transaction (or type of transaction) has, after disclosure of such affiliation, been approved or ratified by the affirmative vote of a majority of the Board, and

(ii) such transaction (or type of transactions) is, in the opinion of the California CLASS, on terms fair and reasonable to the California CLASS and the Participants and at least as favorable to them as similar arrangements for comparable transactions with organizations unaffiliated with the person who is a party to the transaction.

3.4 Further Powers

Consistent with, derived from and subject to the general powers of the California CLASS granted in Section 3.1 hereof, the California CLASS shall have full and complete power to take all such actions, do all such matters and things, and execute all such instruments as it deems necessary, proper, or desirable in order to carry out, promote, or advance the interests and purposes of California CLASS although such actions, matters, or things are not herein specifically mentioned. Any determination as to what is in the best interest of California CLASS made by the Board in good faith shall be conclusive.

3.5 Intellectual Property

The parties acknowledge that pursuant to this Agreement and/or the business activities of the California CLASS, various types of intellectual property (the "**Intellectual Property**") may be created or used by the parties, including but not limited to trademarks and copyrights. With regard to any and all Intellectual Property created by or for the California CLASS or by or for the California CLASS Investment Program in relation to this Agreement, the California CLASS shall own all right, title, and interest to such Intellectual Property. Except as expressly set forth in this Agreement, the California CLASS shall have no obligation to account to the other parties to this Agreement for any revenues arising from the use, license, or assignment of any Intellectual Property.

3.6 Trademarks

The parties acknowledge the California CLASS's ownership and exclusive rights in all trademarks currently owned by the California CLASS, including but not limited to Application Serial No. 90879250 for the CALIFORNIA CLASS mark, and all trade names and trademarks that may be used and developed in connection with this Agreement, or through the parties' business activities with the California CLASS (the "**Trademarks**"). The parties shall not, at any time during or after the term of the Agreement, directly or indirectly, oppose, challenge or contest the California CLASS's exclusive right and title to the Trademarks or the validity thereof.

The parties agree that all use of the Trademarks inures to the benefit of the California CLASS and that the parties shall not acquire any rights in the Trademarks or other marks or logos likely to be confused therewith. The California CLASS has the sole and exclusive right to file applications to register and to register any and all Trademarks in the U.S. and in any country throughout the world, and the parties agree not to directly or indirectly, oppose, challenge or contest such applications or registrations. The parties will not, directly or indirectly, file applications to register or register, or acquire by transfer, any trade name or trademark which, in whole or in part, incorporates or is confusingly similar to the Trademarks

in the U.S. or any country throughout the world unless such parties have express written permission to do so.

3.7 Copyrights

The parties agree that all works created in connection with this Agreement or through the parties' business activities with the California CLASS (the "**Works**") are owned by the California CLASS.

To the extent any Works are deemed not owned by the California CLASS, the parties hereby expressly assign to the California CLASS all right, title and interest whatsoever, throughout the world, in perpetuity, in and to the copyrights and any and all registrations, applications to register, renewals and extensions thereof, for the Works, including, without limitation, the right to sue for and collect damages for infringement of the Works or other violations of the same, including for past infringements or other violations.

The parties hereby further agree to promptly execute any and all instruments and to promptly render any and all such assistance as the California CLASS may request to confirm in the California CLASS full legal title to the Works and/or to pursue claims that third parties have infringed the California CLASS's intellectual property rights in and to the Works. In the event the parties are not available upon ten (10) calendar days' written request to execute such instruments, the parties hereby appoint the California CLASS its attorney-in-fact to execute such instruments on the parties' behalf.

ARTICLE IV

TRUSTEES; MEETINGS; OFFICERS

4.1 Establishment of the Board; Number and Qualification

- (a) The management of the California CLASS shall be governed by the Board.
- (b) The Board shall have five (5) Trustees consisting of the following:
 - (i) The governing body of CSDA shall appoint two (2) Trustees that are:
 - (1) elected, appointed, or staff from a Participant and a CSDA member, or
 - (2) staff from CSDA;
 - (ii) The governing body of Cal Cities shall appoint two (2) Trustees that are:
 - (1) elected, appointed, or staff from a Participant and a Cal Cities member, or
 - (2) staff from Cal Cities; and
 - (iii) One (1) Trustee that is elected, appointed, or staff from a Public Entity that is a Participant shall be appointed by a majority vote of the Board.

4.2 Term of Office

(a) The initial Trustees appointed by the governing body of Cal Cities shall serve a term of two (2) years and thereafter Trustees appointed by the governing body of Cal Cities shall serve a term of four (4) years.

(b) The initial Trustees appointed by the governing body of CSDA and by the Board shall serve a term of four (4) years and thereafter Trustees appointed by the governing body of CSDA and by the Board shall serve a term of four (4) years.

(c) Any appointment to fill an unexpired term, however, shall be for such unexpired term.

4.3 Appointment of Trustees

Trustees may be appointed or reappointed by the governing body of CSDA, Cal Cities or the Board, as provided in Section 4.1, including an appointment to fill an unexpired term in the event of a vacancy.

4.4 Resignation of Trustees

Any Trustee may resign without need for prior or subsequent accounting by notice in writing signed by the Trustee and delivered to the Secretary of the Board, and such resignation shall be effective upon such delivery or at a later date specified in the written notice. Any vacancy created by such resignation shall be filled in accordance with Section 4.3 hereof.

4.5 Removal and Vacancies

(a) The term of office of a Trustee shall terminate and a vacancy shall occur in the event the individual serving as the Trustee is no longer staff at a CSDA or Cal Cities, in the event the Trustee's Public Agency is no longer a Participant and a member of CSDA or Cal Cities, or in the event the individual serving as the Trustee is no longer an elected or appointed member of the governing body, or staff of, a Participant and CSDA or Cal Cities member.

(b) The term of office of a Trustee shall terminate and a vacancy shall occur on the happening of any of the events in California Government Code Section 1770.

(c) Each Trustee appointed by the governing body of CSDA, Cal Cities or the Board may be removed and replaced by the governing body by which such Trustee was appointed.

(d) Any vacancy created pursuant to this Section 4.5 shall be filled in accordance with Section 4.3 hereof.

4.6 Meetings

(a) The Annual Meeting of the Board shall be the last meeting of the calendar year and shall be for the purpose of the appointment of Trustees, election of officers, setting the calendar for regular meetings, and other organizational matters as provided in the Bylaws. The Board shall meet not less than semiannually.

(b) Regular meetings of the Board shall be established in the method described in the Bylaws and may be held at the time and place so established.

(c) Special meetings of the Board may be held from time to time in the manner described in the Bylaws.

(d) All meetings of the Board are subject to and must comply with the provisions of the Ralph M. Brown Act.

(e) A majority of the Trustees shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time. Any action of the Board requires the affirmative vote of a majority of the total number of authorized Trustees specified in Section 4.1.

4.7 Bylaws

The Board shall adopt and may, from time to time, amend or repeal Bylaws for the conduct of the business of the Board consistent with this Agreement. The Bylaws may define the duties of the respective officers, agents, employees, and representatives of the Board and shall establish the rules of calling of meetings and determination of regular and special meetings.

4.8 Officers

The Board shall annually elect a Chair and other officers having the responsibilities and powers described in the Bylaws and as required by the Act. The Bylaws shall designate the Treasurer of the California Class as required by Section 6505.5 or Section 6505.6 of the Act and the public officer or officers or person or persons who have charge of, handles, or have access to any property of the California CLASS as required by Section 6501.1 of the Act, and such public officer or officers or person or persons shall file an official bond in the amount of \$25,000; provided, that such bond shall not be required if the California CLASS does not possess or own property or funds with an aggregate value of greater than \$500 (excluding amounts held by any custodian or depository in connection with the California CLASS Investment Program).

4.9 Accountability

Pursuant to Section 6505 of the Act, the California CLASS shall establish and maintain such funds and accounts as may be required by good accounting practice, and there shall be strict accountability of all funds and reports of all receipts and disbursements.

4.10 Fiscal Year

The fiscal year of the California CLASS shall end each March 31. The California CLASS may from time to time change the fiscal year of the California CLASS by resolution of the Board.

ARTICLE V

ADMINISTRATOR

5.1 Appointment; General Provisions

(a) The California CLASS may appoint one or more persons to serve as the Administrator for the California CLASS Investment Program. It is specifically intended that any and all provisions related to the Administrator set forth herein be memorialized in a contract between the California CLASS and the Administrator (the “**Administrator Agreement**”) and that this Agreement not be construed to create any third-party beneficiary rights in any party fulfilling the role of Administrator. In the event of conflict between the provisions of this Agreement and the provisions of the Administrator Agreement, this Agreement shall control.

(b) As provided in Section 5.3 hereof, the Administrator shall at no time have custody of or physical control over any of the Investment Property.

(c) The Administrator may also serve as Investment Advisor to the California CLASS Investment Program and in such case, the Administrator Agreement may also serve as the Investment Advisor Agreement.

5.2 Successors

In the event that, at any time, the position of Administrator shall become vacant for any reason, the California CLASS may appoint, employ, or contract with a successor.

5.3 Duties of the Administrator

(a) The duties of the Administrator shall be those set forth in this Article V and the Administrator Agreement. This Article V outlines some but not all of such duties. Such duties may be modified by the California CLASS from time to time. The role of the Administrator is intended to effect purchases, sales, or exchanges of Investment Property on behalf of the California CLASS. The Administrator Agreement may authorize the Administrator to employ other persons to assist in the performance of the duties set forth therein.

(b) The Administrator shall at no time have custody of or physical control over any of the Investment Property. If a Participant in error delivers Investment Funds for investment to the Administrator instead of to the Custodian, the Administrator shall immediately transfer such Investment Funds to the Custodian. The Administrator shall not be liable for any act or

omission of the Custodian but shall be liable for the Administrator's acts and omissions as provided herein.

(c) The Administrator understands that the monies delivered to the Custodian may only be invested pursuant to the investment parameters contained in the applicable Investment Policy.

5.4 Investment Activities and Powers

The Administrator shall perform the following services:

(a) advise the California CLASS on any material changes in investment strategies based upon current market conditions;

(b) enter into securities transactions with respect to the Investment Property (to the extent permitted by the applicable Investment Policy and applicable laws) by entering into agreements and executing other documents relating to such transactions containing provisions common for such agreements and documents in the securities industry;

(c) from time to time, review the Permitted Investments and the applicable Investment Policy and, if circumstances and applicable laws permit, recommend changes in such Permitted Investments and such Investment Policy;

(d) provide such advice and information to the California CLASS on matters related to investments as the California CLASS may reasonably request including, without limitation, research and statistical data concerning the Investment Property, whether and in what manner all rights conferred by the Investment Property may be exercised, and other matters within the scope of the investment criteria set forth in the applicable Investment Policy;

(e) prepare such information and material as may be required in the implementation of the Valuation Procedures or the computation of the Balances and the preparation of any and all records and reports required by this Agreement or applicable laws;

(f) issue instructions to the Custodian as provided in this Agreement; and

(g) employ, consult with, obtain advice from, and exercise any of the Administrator's rights or powers under this Agreement through the use of suitable agents including auditors, legal counsel (who may be counsel to the Administrator or the California CLASS), investment advisers, brokers, dealers, and/or other advisers. Notwithstanding Section 15.8 hereof, the Administrator may transmit information concerning the Investment Property and the Participants to such agents.

5.5 Monthly Statements

(a) Within fifteen (15) days after the end of each month-end, the Administrator shall prepare and submit, or make available, to each Participant who was a Participant during such month a statement disclosing any activity and a closing balance, including the number of Shares, in each of its Accounts for such month.

(b) The Administrator, upon the request of a Participant, shall furnish to the Participant a statement of such Participant's Balance as of the date of such request, subject only to account activity on such date.

5.6 Reports

The Administrator shall prepare or cause to be prepared at least annually (i) a report of operations containing a statement of the Investment Property and the Investment Property Liabilities and statements of operations and of net changes in net assets prepared in conformity with generally accepted accounting principles consistently applied and (ii) an opinion of an independent certified public accountant on such financial statements based on an examination of the books and records of the Participants' Accounts, maintained by the Administrator with respect to the Investment Property, performed in accordance with generally accepted auditing standards. An annual audit of the accounts and records of the California CLASS shall be made, and the report thereon filed and kept, in accordance with the provisions of Section 6505 of the Act.

5.7 Daily Calculation of Program Value and Rate of Return

The Administrator shall calculate the Investment Property Value for each Account once on each Business Day at the time and in the manner provided in the Investment Program's Information Statement for such Fund as well as the Valuation Procedures.

5.8 Administration of the California CLASS Investment Program

The Administrator shall perform the following administrative functions on behalf of the California CLASS in connection with the implementation of this Agreement:

(a) collect and maintain for such period as may be required under any applicable Federal or California law written records of all transactions affecting the Investment Property or the Balances, including but not limited to (i) investments by and payments to or on behalf of each Participant; (ii) acquisitions and dispositions of Investment Property; (iii) pledges and releases of collateral securing the Investment Property; (iv) determinations of the Investment Property Value; (v) adjustments to the Participants' Balances; and (vi) the current Balance and the Balances at the end of each month for each Participant. There shall be a rebuttable presumption that any such records are complete and accurate. The Administrator shall maintain the records relating to each Participant in a manner that subdivides the Participant's balance into Accounts;

(b) assist in the organization of meetings of the Board including preparation and distribution of the notices and agendas therefore;

(c) respond to all inquiries and other communications of Participants, if any, that are directed to the Administrator or, if any such inquiry or communication is more properly addressed by the Custodian, referring such inquiry or communication to the Custodian and coordinating the Custodian's response thereto;

(d) pay all Investment Property Liabilities in accordance with this Agreement from any income, profits, and gains from the Investment Property (but not from the principal amount thereof); and

(e) engage in marketing activities to encourage eligible California public sector entities to become Participants.

ARTICLE VI

INVESTMENT ADVISOR

6.1 Appointment of Qualifications

(a) The California CLASS may appoint one or more persons that meet the qualifications described in Section 6.1(b) hereof to serve as the Investment Advisor of the California Class. It is specifically intended that any and all provisions related to the Investment Advisor set forth herein be memorialized in a contract between the California CLASS and the Investment Advisor (the “**Investment Advisor Agreement**”) and that this Agreement not be construed to create any third-party beneficiary rights in any party fulfilling the role of Investment Advisor. In the event of conflict between the provisions of this Agreement and the provisions of the Investment Advisor Agreement, this Agreement shall control.

(b) The Investment Advisor shall meet the requirements of Section 6509.7 of the Act and Section 53601(p) of the California Government Code, as such sections may be amended from time to time, which, as of the Effective Date, require that:

- (i) the investment manager is registered or exempt from registration with the Securities and Exchange Commission;
- (ii) the investment manager has not less than five (5) years of experience investing in the securities and obligations authorized by subdivisions (a) to (o), inclusive, of Section 53601 of the California Government Code; and
- (iii) the investment manager has assets under management in excess of five hundred million dollars (\$500,000,000).

6.2 Successors

In the event that, at any time, the position of Investment Advisor shall become vacant for any reason, the California CLASS shall appoint, employ, or contract with a successor that meets the qualifications described in Section 6.1(b) hereof.

6.3 Duties of the Investment Advisor

The duties of the Investment Advisor shall be those set forth in the Investment Advisor Agreement. Such duties may be modified by the California CLASS from time to time. The

California CLASS may authorize the Investment Advisor in the Investment Advisor Agreement to effect purchases, sales, or exchanges of Investment Property on behalf of the California CLASS or may authorize any officer, employee, agent, or member of the California CLASS to effect such purchases, sales, or exchanges pursuant to recommendations of the Investment Advisor, all without further action by the California CLASS. Any and all of such purchases, sales, and exchanges shall be deemed to be authorized by the California CLASS. The Investment Advisor Agreement may authorize the Investment Advisor to employ other persons to assist in the performance of the duties set forth in the agreement. The Investment Advisor Agreement shall also provide that it may be terminated without cause and without the payment of any penalty on forty-five (45) days written notice.

6.4 Funds

The Investment Advisor shall cause the Custodian to establish two initial funds (the "**Prime Fund**" and the "**Enhanced Cash Fund**") for the investment of surplus funds of the Participants. The Prime Fund shall have a constant net asset value and be invested in Permitted Investments pursuant to the criteria and policies contained in the Investment Policy for the Prime Fund. The Enhanced Cash Fund shall have a variable net asset value and be invested in Permitted Investments pursuant to the criteria and policies contained in the Investment Policy for the Enhanced Cash Fund. Notwithstanding anything in this Agreement to the contrary, the Investment Advisor may, upon the direction of the California CLASS, cause the Custodian to establish specially designated funds, in addition to the Prime Fund and the Enhanced Cash Fund, with specified investment characteristics so long as the fund adheres to the Permitted Investments. Such characteristics may include, without limitation, certain restrictions on amounts to be invested, holding periods prior to payments, or certain other conditions to be met for payments, such as possible payment penalties, special investment criteria, investment management tailored to a particular Participant, or additional fees for administering such specially designated Funds. The Investment Advisor may cause the Custodian to establish such Funds with the consent of the California CLASS as evidenced by resolution of the Board and approval by the Board of the related Investment Policy for such Funds. The establishment of such Funds shall not be deemed an amendment of this Agreement. A Participant may direct the Investment Advisor to invest its surplus funds in any of the established Funds. The Investment Advisor shall cause each such Fund to maintain accounts and reports separate from any other Fund. All provisions of this Agreement shall apply to any such Funds.

6.5 Retained Reserves

The Investment Advisor may retain from earnings and profits such amounts as it may deem necessary to pay the debts and expenses of the California CLASS and to meet other obligations of the California CLASS, and the Investment Advisor shall also have the power to establish from earnings and profits such reasonable reserves as they believe may be necessary or desirable. At least quarterly, the Investment Advisor shall provide a detailed accounting to the Board of any debts, expenses, and obligations deemed necessary for

California CLASS Investment Program, and at the same time shall provide a detailed accounting to the Board of reserves deemed necessary or desirable by the Investment Advisor. Realized capital gains or losses shall be distributed in a timely and equitable manner as determined by the Investment Advisor.

ARTICLE VII

THE CUSTODIAN

7.1 Appointment and Qualifications

The California CLASS shall appoint and employ a bank or trust company organized under the laws of the United States of America to serve as custodian (“**Custodian**”) for the California CLASS Investment Program subject to the requirements of the Applicable Law. The Custodian shall follow directions relating to the investment of all Investment Property in accordance with the instructions of the Investment Advisor. The Custodian shall have authority to act as the California CLASS’s directed custodian, subject to such restrictions, limitations, and other requirements, if any, as may be established by the California CLASS. It is specifically intended that all provisions related to the Custodian set forth herein be memorialized in a contract to be entered into between the California CLASS and the Custodian (the “**Custody Agreement**”) and that this Agreement shall not be construed to create any third-party beneficiary rights under this Agreement in any party fulfilling the role of the Custodian. As such, the terms of this Agreement are not binding on the Custodian and the Custodian’s rights, duties and obligations are solely as defined in the Custody Agreement.

7.2 Successors

If, at any time, the Custodian shall resign or shall be terminated pursuant to the provisions of the Custody Agreement, the California CLASS shall appoint a successor thereto.

7.3 Prohibited Transactions

With respect to transactions involving Investment Property, the Custodian shall act strictly as directed custodian for the California CLASS. The California CLASS shall not purchase Permitted Investments from the Custodian or sell Permitted Investments to the Custodian.

7.4 Appointment; Sub-Custodians

(a) The Custodian may employ sub-custodians, including, without limitation, Affiliates of the Custodian for any obligations set forth in the Custody Agreement. The appointment of a sub-custodian under this Section shall not relieve the Custodian of any of its obligations set forth in the Custody Agreement. The Custodian shall use its best efforts to ensure that the interests of the California CLASS in the Investment Property is clearly indicated on the records of any sub-custodian and the Custodian shall use its best efforts to ensure that the interests

of the California CLASS in the Investment Property is not diminished or adversely affected because of the Custodian's use of a sub-custodian.

(b) No Investment Funds or Investment Property, other than cash, received or held by the Custodian pursuant to the Custody Agreement shall be accounted for in any manner that might cause such Investment Funds or Investment Property to become assets or liabilities of the Custodian.

7.5 Powers

The Custodian shall perform the following services:

(a) open and maintain such custody accounts as the California CLASS directs through the Administrator and accept for safekeeping and for credit to the applicable Account, in accordance with the terms of the Custody Agreement, all securities representing the investment of Investment Funds pursuant to Section 2.4 hereof, and the income or earnings derived therefrom.

(b) hold the Investment Property:

(i) in its account at Depository Trust Company or other depository or clearing corporation; or

(ii) in a book entry account with the Federal Reserve Bank in which case a separate accounting of the Investment Property shall be maintained by the Custodian at all times.

The Investment Property held by any such depository or clearing corporation or Federal Reserve Bank may be held in the name of their respective nominees provided, however, that the custodial relationship and the interests of the California CLASS regarding such Investment Property shall be noted on the records of the Administrator and the custodial relationship on behalf of the California CLASS shall be noted on the records of the Custodian.

(c) notify the Administrator, in writing or verbally with written, email, or facsimile confirmation, in advance of the Custodian taking any elective action involving the Investment Property.

(d) upon instruction of the Administrator, the Custodian is authorized to:

(i) receive and distribute Investment Funds and all other Investment Property as directed by the Administrator;

(ii) exchange securities in temporary or bearer form for securities in definitive or registered form; and surrender securities at maturity or earlier when advised of a call for redemption;

(iii) make, execute, acknowledge, and deliver as Custodian all documents or instruments (including but not limited to all declarations, affidavits, and certificates of

ownership) that may be necessary or appropriate to carry out the powers granted herein; and

(iv) take any other action required by the Custody Agreement.

7.6 Custodial Relationship; Custodian Records

(a) The Custodian shall hold the Investment Property in its capacity as Custodian on behalf of the California CLASS. Such Investment Property shall be custodial property of the Custodian (other than cash) and shall not be, or be deemed to be, an asset of the Custodian.

(b) Within fifteen (15) days after the end of each month, the Custodian shall send statements providing the closing balance in the Account at the end of such month and the transactions performed in the Account during such month to the Administrator and the California CLASS.

ARTICLE VIII

INTERESTS OF PARTICIPANTS

8.1 General

The California CLASS, in its discretion, may authorize the division of the Investment Property into one or more Funds as provided in Section 6.4 hereof. The beneficial interests of the Participants hereunder in a Fund and the earnings thereon shall be divided into Shares. Shares shall be used as units to measure the proportionate allocation to the respective Participants of the beneficial interests of a Fund. As required by Section 6509.7 of the Act, each Share shall represent an equal proportionate interest in the Investment Property within a Fund. The number of Shares that may be used to measure and represent the proportionate allocation of beneficial interests among the Participants in a Fund is unlimited. All Shares in a Fund shall be of one class representing equal distribution, liquidation, and other rights. The beneficial interests measured by the Shares shall not entitle a Participant to preference, preemptive, appraisal, conversion, or exchange rights of any kind with respect to the California CLASS Investment Program or the Investment Property held in the applicable Fund. Title to the Investment Property held in the applicable Fund of every description is vested in the California CLASS. The Participants shall have no interest in the Investment Property held in the applicable Fund other than the beneficial interests conferred hereby and measured by their Shares, and they shall have no right to call for any partition or division of any property, profits, rights, or interests of the California CLASS.

8.2 Allocation of Shares

(a) In its discretion, the California CLASS may from time to time allocate Shares in addition to the then allocated Shares to such Participant for such amount and such type of consideration (including without limitation income from the investment of Investment

Property held in the applicable Fund) at such time(s) (including without limitation each Business Day in accordance with the maintenance of a constant net asset value per Shares as set forth in this Agreement for constant net asset value Funds), and on such terms as the California CLASS may deem best. In connection with any allocation of Shares, the California CLASS may allocate fractional Shares. From time to time, the California CLASS may adjust the total number of Shares allocated without thereby changing the proportionate beneficial interests in the Investment Property held in the applicable Fund. Reductions or increases in the number of allocated Shares may be made in order to maintain a constant net asset value per Share as set forth in Section 10.1 hereof for constant net asset value Funds. Shares shall be allocated and redeemed as one hundredths (1/100ths) of a Share or any multiple thereof.

(b) Shares may be allocated only to a Participant in accordance with this Agreement. Any Participant may establish more than one Account within the California CLASS Investment Program or any Fund thereof for such Participant's convenience.

8.3 Evidence of Share Allocation

Evidence of Shares allocation shall be reflected in the records of the California CLASS, and the California CLASS shall not be required to issue certificates as evidence of Shares allocation.

8.4 Redemption to Maintain Constant Net Asset Value for Constant Net Asset Value Funds

The Shares shall be subject to redemption pursuant to the procedure for reduction of outstanding Shares in order to maintain the constant net asset value per Shares for constant net asset value Funds unless provided otherwise in the Information Statement for the applicable Fund.

8.5 Redemptions

Payments by the California CLASS to Participants, and the reduction of Shares resulting therefrom, are referred to in this Agreement as redemptions for convenience. Any and all allocated Shares may be redeemed at the option of the Participant upon and subject to the terms and conditions provided in this Agreement and any applicable Investment Policy and Information Statement for such Fund. The procedures for effecting redemption shall be prescribed by the California CLASS provided, however, that such procedures shall not be structured so as to substantially and materially restrict the ability of the Participants to withdraw funds from the California CLASS Investment Program.

8.6 Suspension of Redemption; Postponement of Payment

(a) Each Participant, by its investment in any Fund, agrees that the California CLASS may temporarily suspend the right of redemption or postpone the date of payment for redeemed Shares for the whole or any part of any period:

(i) During which trading in securities generally on the New York Stock Exchange or the American Stock Exchange or over-the-counter market shall have been suspended or minimum prices or maximum daily charges shall have been established on such exchange or market;

(ii) If a general banking moratorium shall have been declared by Federal, state, or the State of New York or State of California authorities or during a suspension of payments by banks in the State of California;

(iii) During which there shall have occurred any state of war or national emergency;

(iv) During which any financial emergency or other crisis the effect of which on the financial markets of the United States is such as to make it impracticable (a) to dispose of the Investment Property because of the substantial losses that might be incurred or (b) to determine the Investment Property Value in accordance with the Valuation Procedures.

(b) The Administrator shall determine, on behalf of the California CLASS, when an event occurs that, under this Section entitles the Custodian to temporarily suspend or postpone a Participant's right to redemption, and shall immediately notify the Custodian and each Participant by facsimile, email, mail, or telephone of such determination. Such a suspension or postponement shall not itself directly alter or affect a Participant's Balance.

(c) Such a suspension or postponement shall take effect at such time as is determined by the Administrator, and thereafter there shall be no right to request a redemption of Shares until the first to occur of: (a) in the case of (i), (ii) or (iv) above, the time at which the Administrator declares the suspension or postponement at an end, such declaration shall occur on the first day on which the period specified in the clause (i), (ii) or (iv) above shall have expired; and (b) in the case of (iii) above, the first day on which the period specified in clause (iii) above is no longer continuing.

(d) Any Participant that requested a payment prior to any suspension or postponement of payment may withdraw its request at any time prior to the termination of the suspension or postponement.

8.7 Defective Redemption Requests

In the event that a Participant shall submit a request for the redemption of a greater number of Shares than are then allocated to such Participant, such request shall not be honored.

ARTICLE IX

RECORD OF SHARES

9.1 Share Records

The California CLASS shall maintain records that shall contain:

- (i) The names and addresses of the Participants;
- (ii) The number of Shares representing their respective beneficial interests in any Account in any Fund hereunder; and
- (iii) A record of all allocations and redemptions. Such records shall be conclusive as to the identity of the Participants to which Shares are allocated. Only Participants whose allocation of Shares is recorded in the California CLASS records shall be entitled to receive distributions with respect to Shares or otherwise to exercise or enjoy the rights and benefits related to the beneficial interests represented by the Shares. No Participant shall be entitled to receive any distribution nor to have notices given to it until it has given its appropriate address to the California CLASS.

9.2 Maintenance of Records

The Administrator, or such other person appointed by the Administrator or the California CLASS, shall record the allocations of Shares in each Account in any Fund in the records of the California CLASS.

9.3 Owner of Record

No person becoming entitled to any Shares in consequence of the bankruptcy or insolvency of any Participant or otherwise by operation of law shall be recorded as the Participant to which such Shares are allocated unless such person is otherwise qualified to become a Participant. If not qualified, such person shall present proof of entitlement to the California CLASS and if the California CLASS, in its sole discretion, deems appropriate then be entitled to the redemption value of the Shares.

9.4 Transfer of Shares

The beneficial interests measured by the Shares shall not be transferable, in whole or in part, other than to the California CLASS itself or another Participant for purposes of redemption. Shares also may be redeemed from one Participant's Account and the proceeds deposited directly into another Participant's Account upon instructions from the Authorized Representative of the respective Participants.

9.5 Limitation of Responsibility

The California CLASS shall not, nor shall the Participants or any officer, employee or agent of the California CLASS, be bound to determine the existence of any trust, express,

implied or constructive, or of any charge, pledge, or equity to which any of the Shares or any interest therein are subject or to ascertain or inquire whether any redemption of any such Shares by any Participant or its Authorized Representatives is authorized by such trust, charge, pledge or equity, or to recognize any person as having any interest therein except the Participant recorded as the Participant to which such Shares are allocated. The receipt of moneys by the Participant in whose name any Shares is recorded or by the Authorized Representative or duly authorized agent of such Participant shall be a sufficient discharge for all moneys payable or deliverable in respect of such Shares and from all responsibility to see the proper application thereof.

9.6 Notices

Any and all notices to which Participants hereunder may be entitled and any and all communications shall be deemed duly served or given if electronically or mailed, postage prepaid, addressed to Participants of record at the electronic or physical mailing addresses recorded in the records of the California CLASS.

ARTICLE X

DETERMINATION OF NET ASSET VALUE, NET INCOME, DISTRIBUTIONS AND ALLOCATIONS

10.1 Determination of Net Asset Value, Net Income, Distributions and Allocations

The Information Statement for each Fund within the California CLASS Investment Program shall set forth the basis and times for determining the per Share net asset value of the Shares, the net income, and the declaration and payment of distributions, as the California CLASS, in its absolute discretion, may determine.

ARTICLE XI

CALIFORNIA CLASS INVESTMENT PROGRAM COSTS

11.1 Expenses

In consideration of the performance of its obligations hereunder, the Administrator shall receive a fee as set forth in the Administrator Agreement described in Section 5.1 hereof, which fee shall be paid from the earnings on the Accounts. The Administrator's fee shall be an Investment Property Liability. From its fee, the Administrator shall pay the following costs and expenses: the Investment Advisor's fee set forth in the Investment Advisor Agreement, the Custodian's fee set forth in the Custody Agreement, the costs of third parties retained by the Administrator to render investment advice pursuant to the Administrator Agreement, the

royalty fees to the Sponsors, marketing expenses, all custodial and securities clearance transaction charges, the cost of valuing the Investment Property, the cost of obtaining a rating or ratings, if any, the cost of other expenses agreed to by the Administrator and the California CLASS, all Investment Property record-keeping expenses, the cost of preparing monthly and annual reports, the expense of outside auditors required pursuant to the Administrator Agreement (but only if the Administrator selects such auditors), the fees of the counsel to the Administrator and/or the counsel to the California CLASS, the cost of Meetings of the Board, the cost of reimbursement for reasonable expenses incurred by Trustees in the course of their duties, insurance costs and the costs of Participant surveys and mailings. At least quarterly, the Administrator shall provide a detailed accounting of such expenses to the Trustees.

ARTICLE XII

REPRESENTATIONS AND WARRANTIES OF EACH FOUNDING PARTICIPANT

12.1 Representations and Warranties of Each Founding Participant

Each Founding Participant hereby represents and warrants that:

(a) the Founding Participant is a Public Agency and political subdivision of a state, or an agency, authority, or instrumentality of the United States, a state or any political subdivision of a state; and

(b) each of the recitals to this Agreement is true as it relates to such Founding Participant; and

(c) the Founding Participant has taken all necessary actions and has received all necessary approvals and consents and adopted all necessary resolutions in order to execute and deliver this Agreement and to perform its obligations hereunder; and

(d) the execution, delivery, and performance of this Agreement by the Founding Participant are within the power and authority of the Founding Participant and do not violate the laws, rules, or regulations of the State of California applicable to the Founding Participant or its organizational statute, instrument, or documents or any other applicable Federal, state, or local law.

ARTICLE XIII

LIMITATIONS OF LIABILITY OF FOUNDING PARTICIPANTS, PARTICIPANTS, TRUSTEES AND OTHERS

13.1 No Personal Liability of Founding Participants, Participants, Trustees and Others.

Except in the case of fraud or willful misconduct, no Founding Participant, Participant and, subject to Section 13.3 hereof, no Trustee, officer, employee or agent of California CLASS, acting in its capacity as a Founding Participant, Participant, Trustee, officer, employee or agent of California CLASS, as applicable, shall be subject to any personal liability whatsoever to any person in connection with property or the acts, obligations or affairs of California CLASS, and all such persons shall look solely to the Investment Property for satisfaction of claims of any nature arising in connection with the affairs of California CLASS. Except in the case of fraud or willful misconduct, no Founding Participant, Participant, Trustee, officer, employee, or agent, as such, of California CLASS who is made a party to any suit or proceeding to enforce any such liability, shall be held to any personal liability. The debts, liabilities and obligations of California CLASS shall not be the debts, liabilities and obligations of any Founding Participant, Participant, Trustee, officer, employee or agent of California CLASS, unless otherwise provided in this Agreement provided, however, that in such case, such debts, liabilities and obligations shall be limited to the value of the Investment Property.

13.2 Indemnification of Participants

California CLASS shall indemnify and hold each Participant harmless from and against all claims and liabilities to which such Participant may become subject by reason of its being or having been a Participant in the California CLASS Investment Program and shall reimburse such Participant for all legal and other expenses reasonably incurred by it in connection with any such claim or liability provided, however, that: (a) such Participant was acting in accordance with all legal and policy requirements and investment objectives applicable to such Participant, including any limitations that the Participant has adopted or is subject to which are more restrictive than state law, (b) such indemnity or reimbursement shall be made from the Investment Property in the applicable Fund in respect of which such claim or liability arose and not from any other Investment Property, and (c) no indemnification shall be made for any Participant's negligence or willful misconduct. The rights accruing to a Participant under this Section 13.2 shall not exclude any other right to which such Participant may be lawfully entitled, nor shall anything herein contained restrict the right of California CLASS to indemnify or reimburse a Participant in any appropriate situation even though not specifically provided herein.

13.3 Bad Faith of Trustees and Others

No Trustee, officer, employee or agent of California CLASS shall be liable to California CLASS, or to any Founding Participant, Participant, Trustee, officer, employee or agent thereof

for any action or failure to act, except for his or her own bad faith, willful misfeasance, gross negligence or reckless disregard of duty (collectively, "**Bad Faith**").

13.4 Indemnification of Trustees and Others from Third-Party Actions

(a) California CLASS shall, to the extent permitted by law, indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of California CLASS) by reason of the fact that such person is or was a Trustee, officer or employee of California CLASS, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if it is determined that such person acted in good faith and reasonably believed: (i) in the case of conduct in his or her official capacity as a Trustee of California CLASS, that his or her conduct was in California CLASS's best interests, (ii) in all other cases, that his or her conduct was at least not opposed to California CLASS's best interests, and (iii) in the case of a criminal proceeding, that he or she had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner that such person reasonably believed to be in the best interests of California CLASS or that such person had reasonable cause to believe such person's conduct was unlawful.

(b) In case any claim shall be made or action brought against any person in respect of which indemnity may be sought against the California CLASS, such indemnified person shall promptly notify the California CLASS in writing setting forth the particulars of such claim or action. The indemnified person shall be entitled to select and retain counsel of his or her choice. The California CLASS shall be responsible for the payment or immediate reimbursement for all reasonable fees and expenses incurred in the defense of such claim or action.

13.5 Indemnification of Trustees and Others for Successful Defense

To the extent that a Trustee, officer or employee of California CLASS has been successful on the merits in defense of any proceeding referred to in Section 13.4 hereof or in defense of any claim, issue or matter therein, before the court or other body before which the proceeding was brought, such person shall be indemnified against expenses actually and reasonably incurred in connection therewith.

13.6 Advance of Expenses

Expenses incurred in defending any proceeding may be advanced by California CLASS before the final disposition of the proceeding upon a written undertaking by or on behalf of the Trustee, officer or employee of California CLASS, to repay the amount of the advance if it is ultimately determined that he or she is not entitled to indemnification, together with at least one of the following as a condition to the advance: (i) security for the undertaking; or (ii) the existence of insurance protecting California CLASS against losses arising by reason of any lawful advances; or (iii) a determination by a majority of the Trustees who are not parties

to the proceeding ("**Non-Interested Trustees**"), or by independent legal counsel in a written opinion, based on a review of readily available facts, that there is reason to believe that such person ultimately will be found entitled to indemnification.

13.7 Exclusions and Limitations of Indemnification of Trustees and Others

Notwithstanding the foregoing, no indemnification or advance shall be made under Sections 13.4 to 13.6 hereof:

(a) Bad Faith. For any liability arising by reason of Bad Faith of a Trustee, officer or employee of California CLASS.

(b) Improper Personal Benefit. In respect of any claim, issue, or matter as to which a Trustee, officer or employee of California CLASS shall have been adjudged to be liable on the basis that personal benefit was improperly received by him or her, whether or not the benefit resulted from an action taken in such person's official capacity.

(c) Otherwise Prohibited. In any circumstances where it appears that it would be inconsistent with any condition expressly imposed by a court, any provision of this Agreement, or any agreement in effect at the time of accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid which prohibits or otherwise limits indemnification or advance.

(d) Limited to California CLASS's Assets. In any amount, individually or in the aggregate, that exceeds the value of the Investment Property. If there are concurrent indemnifications of multiple Participants under this Article XIII, such indemnifications shall be made on a pro rata basis up to the value of the Investment Property.

13.8 Obligations under Law

Notwithstanding anything herein or in the Investment Management Agreement to the contrary, nothing herein or therein is intended to relieve any Founding Participant or Participant of any obligation it has under state or Federal law to monitor, review, evaluate or provide oversight with respect to the Shares Program, the Investment Manager, or its participation in California CLASS.

13.9 Required Approval

No indemnification or advance shall be made under Sections 13.4 to 13.6 hereof unless and until it is determined, by a majority of the Non-Interested Trustees, or by independent legal counsel in a written opinion, based on a review of readily available facts, that indemnification of a Trustee, officer, employee or agent of California CLASS is proper in the circumstances because such person has met the applicable standard of conduct set forth in Sections 13.4 to 13.6 hereof, as applicable, and such indemnification is not excluded by reason of Section 13.7 hereof.

13.10 Fiduciaries of Employee Benefit Plan

This Article XIII does not provide indemnification or release from liability with respect to any proceeding against any trustee, Investment Manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be a Trustee, officer, employee or agent of California CLASS. Nothing contained in this Article XIII shall limit any right to indemnification to which such a trustee, Investment Manager, or other fiduciary may be entitled by contract or otherwise which shall be enforceable to the extent permitted by applicable laws other than this Article XIII.

13.11 No Duty of Investigation and Notice in California CLASS Instruments

No purchaser, lender, transfer agent, record keeper or other person dealing with any Trustee, officer, employee or agent of California CLASS shall be bound to make any inquiry concerning the validity of any transaction purporting to be made by such Trustee, officer, employee or agent or be liable for the application of money or property paid, loaned, or delivered to or on the order of such Trustee, officer, employee or agent. Every obligation, contract, instrument, certificate, Share or other security of California CLASS and undertaking, and every other document executed in connection with California CLASS, shall be conclusively presumed to have been executed or done by the executors thereof only in their capacity as Trustees under this Agreement or in their capacity as officers, employees or agents of California CLASS. Every written obligation, contract, instrument, certificate, Share or other security of California CLASS or undertaking made or issued by any Trustee shall recite that it is executed by such Trustee not individually, but in the capacity as Trustee under this Agreement, and that the obligations of any such instruments are not binding upon any of the Trustees, Founding Participants or Participants individually, but bind only California CLASS property, but the omission of such recital shall not operate to bind the Trustees, Founding Participants or Participants individually.

13.12 Reliance on Experts

Each Trustee, officer, employee and agent of California CLASS shall, in the performance of his or her duties, be fully protected with regard to any act or any failure to act resulting from reliance in good faith upon the books of account or other records of California CLASS, upon an opinion of counsel, or upon reports made to California CLASS by any of its officers or employees or by the investment adviser, administrator, transfer agent, record keeper, custodian, distributor accountants, appraisers or other experts or consultants selected with reasonable care by the Trustees, officers, employees or agents of California CLASS.

13.13 Immunity from Liability

All of the privileges and immunities from liability, all exemptions from laws, ordinances and rules, and all pension, relief, disability, workmen's compensation, and other benefits which apply to the activity of the trustees, officers, employees or agents of the Founding Participants when performing their functions within the territorial limits of their respective

Public Agencies, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties associated with California CLASS.

13.14 Further Restriction of Duties and Liabilities

Without limiting the foregoing provisions of this Article XIII, the Trustees, officers, employees and Founding Participants of California CLASS shall in no event have any greater duties or liabilities than those imposed by applicable laws as shall be in effect from time to time.

ARTICLE XIV

AMENDMENT AND TERMINATION

14.1 Amendment

Unless explicitly set forth otherwise herein, this Agreement may be amended only by a majority vote of the Board. Nothing in this Agreement shall permit its amendment to violate the Act or the Applicable Law or impair the exemption from personal liability of the Founding Participants, Participants, Trustees, officers, employees and agents of the California CLASS or to permit assessments upon Participants. Notice of any amendment to this Agreement shall be filed with the office of the Secretary of State of California pursuant to Section 6503.5. Participants shall also be notified of any amendment to this Agreement through electronic communications.

14.2 Termination

(a) This Agreement shall continue in full force and effect unless terminated as set forth in this Section 14.2. This Agreement may be terminated at any time pursuant to a duly adopted amendment hereto approved by the unanimous vote of the Board provided, however, that in no event shall this Agreement terminate so long as the California CLASS has any unpaid debts or obligations.

(b) Upon the termination of this Agreement pursuant to this Section 14.2:

(i) the Custodian, the California CLASS, and the Administrator shall carry on no business in connection with the California CLASS Investment Program except for the purpose of satisfying the Investment Property Liabilities and winding up their affairs in connection with the Investment Property;

(ii) the Custodian, the California CLASS, and the Administrator shall proceed to wind up their affairs in connection with California CLASS Investment Program, and all of the powers of the California CLASS, the Administrator, and the Custodian under this Agreement, the Administrator Agreement, and the Custody Agreement, respectively, shall continue until the affairs of the California CLASS, the Administrator, and the

Custodian in connection with the California CLASS Investment Program shall have been wound up, including but not limited to the power to collect amounts owed, sell, convey, assign, exchange, transfer, or otherwise dispose of all or any part of the remaining Investment Property to one or more persons at public or private sale for consideration that may consist in whole or in part of cash, securities, or other property of any kind, discharge or pay Investment Property Liabilities, and do all other acts appropriate to liquidate their affairs in connection with the California CLASS Investment Program; and

(iii) after paying or adequately providing for the payment of all Investment Property Liabilities and upon receipt of such releases, indemnities, and refunding agreements as each of the California CLASS, Administrator, and Custodian deem necessary for their protection, the California CLASS shall take all necessary actions to cause the distribution of the remaining Investment Property, in cash or in kind or partly in each, among the Participants according to their respective proportionate Balances.

(c) Upon termination of this Agreement and distribution to the Participants as herein provided, the California CLASS shall direct the Administrator to execute and lodge among the records maintained in connection with this Agreement an instrument in writing setting forth the fact of such termination, and the California CLASS and Founding Participants shall thereupon be discharged from all further liabilities and duties hereunder, and the rights and benefits of all Participants hereunder shall cease and be canceled and discharged.

ARTICLE XV

MISCELLANEOUS

15.1 Governing Law

This Agreement is executed by the initial Founding Participants and delivered in the State of California and with reference to the laws thereof, and the rights of all parties and the validity, construction, and effect of every provision hereof shall be subject to and construed according to the laws of the State of California.

15.2 Severability

The provisions of this Agreement are severable, and if any one or more of such provisions (the "**Conflicting Provisions**") are in conflict with applicable laws, the Conflicting Provisions shall be deemed never to have constituted a part of this Agreement, and this Agreement may be amended pursuant to Section 14.1 hereof to remove the Conflicting Provisions provided, however, that such conflict or amendment shall not affect or impair any of the remaining provisions of this Agreement or render invalid or improper any action taken or omitted prior to the discovery or removal of the Conflicting Provisions.

15.3 Counterparts

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument that shall be sufficiently evidenced by any such original counterpart.

15.4 No Assignment

No assignment of this Agreement may be made by any party without consent of the non-assigning party.

15.5 Gender; Section Headings and Table of Contents

(a) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

(b) Any headings preceding the texts of the several Articles and Sections of this Agreement and any table of contents or marginal notes appended to copies hereof shall be solely for convenience of reference and shall neither constitute a part of this Agreement nor affect its meaning, construction, or effect.

15.6 No Partnership

Other than the creation by the Founding Participants of a joint exercise of powers entity pursuant to the Act, this Agreement does not create or constitute an association of two or more persons to carry on as co-owners a business for profit, and none of the parties intends this Agreement to constitute a partnership or any other joint venture or association.

15.7 Notice

Unless oral notice is otherwise allowed in this Agreement and except as otherwise provided herein, all notices required to be sent under this Agreement:

(a) shall be in writing;

(b) shall be deemed to be sufficient if given by (i) depositing the same in the United States mail properly addressed, postage prepaid, or (ii) electronically transmitting such notice by any means such as by facsimile transmission, email, or other electronic means, or (iii) by depositing the same with a courier delivery service, addressed to the person entitled thereto at his address or phone number as it appears on the records maintained by the Administrator;

(c) shall be deemed to have been given on the day of such transmission if delivered pursuant to subsection (b)(ii) or on the third day after deposit if delivered pursuant to subsection (b)(i) or (b)(iii); and

(d) any of the methods specified in Section 15.7(b) hereof shall be sufficient to deliver any notice required hereunder notwithstanding that one or more of such methods may not be specifically listed in the Sections hereunder requiring such notice.

15.8 Confidentiality

(a) All information and recommendations furnished by the Administrator to any Participants or the California CLASS that is marked confidential and all information and directions furnished by the Administrator to the Custodian shall be regarded as confidential by each such person to the extent permitted by law. Nothing in this Section shall prevent any party from divulging information as required by law or from divulging information to civil, criminal, bank, or securities regulatory authorities where such party may be exposed to civil or criminal proceedings or penalties for failure to comply, or from divulging information in accordance with State of California laws or to prevent the Administrator from distributing copies of this Agreement, the names of the Participants, or the Investment Property Value to third parties.

15.9 Entire Agreement

This Agreement shall constitute the entire agreement of the parties with respect to the subject matter and shall supersede all prior oral or written agreements in regard thereto.

15.10 Disputes

In the event of any dispute between the parties, the parties agree to attempt to resolve the dispute through negotiation. To the extent permitted by law, no litigation shall be commenced without a certification by an authorized officer, employee, or agent of any party that the dispute cannot be resolved by negotiation provided in writing at least 10 days before commencing legal action.

15.11 Writings

Whenever this Agreement requires a notice, instruction, or confirmation to be in writing or a written report to be made or a written record to be maintained, it shall be sufficient if such writing is produced or maintained by electronic means or maintained by any other photostatic, photographic, or micrographic data storage method such as digital discs as well as on paper.

15.12 Effective Date


This Agreement shall become effective on the Effective Date.



SIGNATURE PAGE FOR JOINT EXERCISE OF POWERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their names and on their behalf as of the date first written above.

ALAMEDA COUNTY MOSQUITO
ABATEMENT DISTRICT

By: 

Name: Ryan Clausnitzer

Title: General Manager

WEST BASIN MUNICIPAL WATER
DISTRICT

By: _____

Name: _____

Title: _____

CITY OF LANCASTER

By: _____

Name: _____

Title: _____

SIGNATURE PAGE FOR JOINT EXERCISE OF POWERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their names and on their behalf as of the date first written above.

ALAMEDA COUNTY MOSQUITO
ABATEMENT DISTRICT

By: _____

Name: _____

Title: _____

WEST BASIN MUNICIPAL WATER
DISTRICT

By: Margaret Moggia

Name: Margaret Moggia

Title: Executive Manager of Finance

CITY OF LANCASTER

By: _____

Name: _____

Title: _____

SIGNATURE PAGE FOR JOINT EXERCISE OF POWERS AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their names and on their behalf as of the date first written above.

ALAMEDA COUNTY MOSQUITO
ABATEMENT DISTRICT

By: _____

Name: _____

Title: _____

WEST BASIN MUNICIPAL WATER
DISTRICT

By: _____

Name: _____

Title: _____

CITY OF LANCASTER

By: George N. Harris

Name: George N. Harris

Title: Finance Director

EXHIBIT A

EXHIBIT A

Valuation Procedures

1. Portfolio Valuation

California CLASS follows Financial Accounting Standards Board Accounting Standards Codification (ASC) 820 *Fair Value Measurement and Disclosure* for financial reporting purposes. ASC 820 defines fair value, establishes a single framework for measuring fair value, and requires disclosures about fair value measurement.

At least daily, the Investment Property Value shall be determined on a mark to market basis as follows: (a) securities for which market quotations are readily available are valued at the most recent bid price or yield equivalent as obtained from one or more market makers for such securities or a third-party pricing source; (2) all other securities and assets are valued at fair market value in good faith.

2. Amendment

These Valuation Procedures may be amended from time to time as provided in the Agreement.

RESOLUTION 50-2022

RESOLUTION OF THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT ESTABLISHING AN ACCOUNT WITH THE CALIFORNIA CLASS JOINT POWERS AUTHORITY INVESTMENT POOL

WHEREAS, the Groveland Community Services District (herein referred to as the 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 has an Investment of District Funds Policy that allows the District to invest funds not required for immediate needs of the District in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of Groveland Community Services District funds; and

WHEREAS, the District currently has these funds invested in the State’s Local Agency Investment Fund (LAIF); and

WHEREAS, the LAIF investment return has steadily declined over the last several years; and

WHEREAS, the District has looked at alternative investment options to maximize investment return of District funds; and

WHEREAS, the California Class Joint Powers Authority Investment Pool for California Public Agencies currently provides competitive returns while adhering to the objectives of safety and liquidity, objectives of the District’s investment policy; and

WHEREAS, it is determined that the establishment of an account with the California Class Investment Pool is in compliance with the District’s investment policy and is a viable option to achieve the highest investment return with the maximum security.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF GROVELAND COMMUNITY SERVICES DISTRICT to Adopt Resolution 50-2022 Establishing an Account with the California Class Joint Powers Authority Investment Pool and to authorize the General Manager to sign related documents.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF GROVELAND COMMUNITY SERVICES DISTRICT this 13th day of December 2022 by the following vote:

AYES:

NOES:

ABSENT:

APPROVE:

By: _____
Spencer Edwards, Board President

ATTEST:

By: _____
Rachel Pearlman, Board Secretary

CERTIFICATE OF SECRETARY

I, Rachel Pearlman, 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 December 13, 2022.

DATED: _____



BOARD MEETING AGENDA SUBMITTAL

TO: GCS D Board of Directors

FROM: Peter J. Kampa, General Manager

DATE: December 13, 2022

SUBJECT: Agenda Item 6D: Adoption of a Resolution Awarding a Contract to Crook Logging for the District Infrastructure Fuels Reduction Project

RECOMMENDED ACTION:

Staff recommends the following action:

I move to approve Resolution 51-2022 awarding a contract to Crook Logging in the amount of \$2,525 per acre treated not to exceed \$300,475 for the District Infrastructure Fuels Reduction Project.

BACKGROUND:

The District received a grant in the amount \$405,000 from the Department of Forestry and Fire Protection to prepare a 119 acre shaded fuel break on GCS D properties located at 18966 Ferretti Rd, 11291 Big Creek Shaft Rd and 18790 Vernal Dr.

The benefit of removing the understory fuels is the reduction in greenhouse gas emissions. This will allow mature trees to live through and endure a wildland fire. Mature trees process significantly more than smaller plants due to their large size and extensive root structures have a much more woody biomass to store CO₂. Native Ponderosa Pines and Black Oak within the fuel break are examples of trees especially good at absorbing and storing CO₂.

The expected outcome is to have a fuel break strategically placed in a location within a greater area of fuel breaks overall, at least in terms of protecting the Groveland community. This will assist in controlling large fires as these shaded fuel breaks in addition to removing hazardous fire fuel, provide additional access for firefighting activities, ultimately increasing initial attack success reducing the number of extended or major wildland fires. This fuel break should serve to allow firefighters to work safely in the area; to change fire direction; to drop fire to the ground; and to stop the spread of wildfire under adverse fire conditions. The width of treatment will be determined utilizing such factors as fuel loads, topography, predominant winds, values at risk and fire behavior modeling. Mitigating fire risk to the communities is a priority of the District.

The project was sent to the District's list of interested contractors on October 24, 2022. Plans were distributed to six (6) general contractors and bids were received on November 30, 2022. The District has reviewed the bids received and has determined that Crooks Logging has delivered the lowest responsive bid.

Staff proposes to only contract for the work up to the maximum amount of grant available. The General Manager has approved the standard contract with Crook Logging Inc, and this resolution will document this action for the District records if awarded.

ATTACHMENTS

1. Resolution 51-2022
2. Notice of Award
3. Crook Logging Bid Summary
4. Agreement

RESOLUTION 51-2022

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT AWARDING A CONTRACT TO CROOK LOGGING FOR THE DISTRICT INFRASTRUCTURE FUELS REDUCTION PROJECT

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 received a grant in the amount \$405,000 from the Department of Forestry and Fire Protection; and

WHEREAS, the project was sent to the District's list of interested contractors on October 24, 2022. Plans were distributed to six (6) general contractors and bids were received on November 30, 2022; and

WHEREAS, the District has reviewed the bids received and has determined that Crooks Logging has delivered the lowest responsive bid.

NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY APPROVE AS FOLLOWS:

1. The General Manager is authorized to Issue Notice of Award to lowest bidder Crooks Logging.
2. The General Manager is authorized to execute the construction contract with Crooks Logging in the amount of \$2,525 per acer after Contractor's Performance and Payment Bonds are received, and once fully executed, shall be attached hereto as Exhibit A.
3. The General Manager is authorized to negotiate Construction Change Orders (CCO) in an amount not to exceed a 15% increase in the original bid and contract amount.
4. The General Manager is authorized to negotiate deductive (cost) change orders that result in a comparable work product.
5. The General Manager is authorized to negotiate a construction start date and issue the Notice to Proceed to the Contractor in accordance with the Project Plans and Specifications.
6. The General Manager is authorized to approve and process Contractor progress payments within the cost limitations stated herein, in accordance with the Project Plans and Specifications.
7. The General Manager is authorized to file the Project Notice of Completion in accordance with the Plans and Specifications.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on December 13, 2022, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

Rachel Pearlman, Board Secretary

Spencer Edwards, President - Board of Directors

CERTIFICATE OF SECRETARY

I, Rachel Pearlman, 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 December 13, 2022.

DATED: _____

NOTICE OF AWARD

Date of Issuance: December 13, 2022

Owner: Groveland Community Services District

Project: District Infrastructure Fuels Reduction Project (GCSD Project No. G2021-01)

Contractor: Crook Logging, Inc.

Contractor's Address: P.O. Box 239 Groveland, CA 95321

The Owner has considered the Bid submitted by you for the above described work dated November 30, 2022. You are hereby notified that your Bid has been accepted for the unit price per acre of \$2,525 set forth in the Bid Schedule not to exceed **\$300,475**.

Two copies of the Contract accompany this Notice of Award, please execute and return both copies to the District. One signed original will be returned to you for your records. Upon commencement of the work, you and each of your subcontractors shall certify and make available for inspection payroll records on forms provided by the Division of Labor Standards Enforcement, in accordance with section 1776 of the California Labor Code.

You must comply with the following conditions precedent within ten (10) business days following the receipt of this Notice.

- You must deliver to the District two fully executed counterparts of the Contract.
- You must deliver to the District the Payment Bond.
- You must deliver to the District the Insurance Certificates required as Exhibit B of this Contract.
- You must deliver to the District the Workers Compensation Certificate required by Section 1861 of the Labor Code.
- You must deliver to the District Proof of Registration with the Department of Industrial Relations (DIR) per Labor Code Section 1771.1.

Failure to comply with these conditions within the time specified will entitle District to consider your bid abandoned, void this Notice of Award, and award the Contract to the next responsible and responsive bidder. Within ten (10) days after you comply with the above conditions, the District will return to you one fully signed counterpart of the Contract with the Contract documents attached

You are required to return an acknowledged copy of this Notice of Award to the Owner.

Dated this 13th day of December 2022.

NOTICE OF AWARD

Date of Issuance: December 13, 2022

Owner: Groveland Community Services District

Project: District Infrastructure Fuels Reduction Project (GCSD Project No. G2021-01)

Contractor: Crook Logging, Inc.

Contractor's Address: P.O. Box 239 Groveland, CA 95321

ACCEPTANCE OF NOTICE

Receipt of the above Notice of Award
is hereby acknowledged by

this the ____ day of _____ 2022

By: _____

Title: _____

Groveland Community Services District

Owner

By: _____

Peter Kampa

Title: _____

General Manager

Crook Logging, Inc.
PO BOX 239
Groveland, CA, 95321
Fax 209-962-4821, Cell 209-768-2744

11-29-2022

Luis Melchor
Operations Manager
GCSD
PO BOX 350
Groveland CA 95321

RE: GCSD Infrastructure Fuel Reduction Project

Dear Luis Melchor,

Thank you for the opportunity to submit a proposal for the GCSD Infrastructure Fuel Reduction Project. Our specifics for this project are detailed in the second paragraph of our technical approach. Crook Logging Inc., has been in the logging and forestry business for over 45 years. Our firm has completed numerous projects on both private and federal lands since our inception. The majority of these projects have been timber sales operated on as a private contractor for either the land owner or the purchaser of the timber sale. These operations have included logging, chipping, mastication, and slash treatment. At various intervals over the years, we have also completed many brushing, land clearing jobs, and road reconstruction as stand alone projects.

Crook Logging Inc. is a small family business that prides its self on quality work and professionalism. We are confident that our company can be an asset as a contractor for GCSD, as we have worked together successfully in the past on both hazard tree removal projects and mastication projects (Jones Hill Fuel Break). Please contact me if you have any additional questions.

Our price to complete all 119 acres is \$2,525 per acre, or a total of \$300,475. This price leaves room for the administration portion of the grant to be retained by the district with some still left over. If our proposal is selected, we would be open to treating additional district acreage at the same per acre price.

Sincerely,



Shaun L. Crook
Vice President
Crook Logging, Inc.

Crook Logging Inc. References

Cal Trans Hwy 120 Hazard Trees - Saeid Mehrtash - 559-709-8713

South Rim Biomass, South Rim Hazard Tree Removal - Brian McCrory, Contracting Officer, Stanislaus National Forest, brian.mccrory@usda.gov , 530-517-1196.

Groveland Community Services District - Luis Melchor - lmelchor@gcsd.org

Three Forest Stewardship IDIQ, Golden Gate, Double South/North, Matchstick, AAA, Ditch It - Fire Salvage Timber sales on the Stanislaus National Forest - KyleHampton kyle.hampton@usda.gov

Cal Trans Hwy 140 - Colin Doran - colin.doran@dot.ca.gov

Camp Mather - City of San Francisco - Kelly Cornell 415-819-5604

Pine and Crab Timber Sales on the Summit Ranger District in the Stanislaus National Forest. Contact: Maria Benech, 209-532-3671

South 108, Crandall, and Sampson Timber Sales on the Mi Wuk Ranger District in the Stanislaus National Forest. Contact: Marty Gmelin, 209-532-3671

Private property for Sierra Pacific Industries (S.P.I.)
Contact: Tim Tate 209-768-6304

Land clearing and piling of private property, David Penning, 209-962-5136

Chris Conrad, California Reforestation, 209-588-1920.

Kirby Molen, Sierra Forest Products, 559-284-2997.

GCSD Infrastructure Fuel Reduction Project

Name of Firm – Crook Logging, Inc.

I. Technical Approach

Crook Logging Inc. is a well established firm with over 45 years experience in the logging and forestry industries. Our firm is well suited to operate on this project. Our extensive equipment list is attached, and nearly all of our equipment is late model and in great operating condition. Our firm has extensive experience in logging, mastication, mechanical site preparation, mechanical thinning, chipping, fuel break construction and maintenance, and logging operations. Our main mastication equipment consist of a Timber Pro 745 D, a Link Belt 250 excavator, and a CAT 299.

We have toured the project area extensively and see many challenges. This is a shaded fuel break that requires a couple different treatment methods. The majority of the mastication ground is very steep with large oak trees. These trees take time to masticate, but the desired 50% or less canopy and 35' x 35' spacing can be achieved with our equipment and personnel. We would most likely sub contract the hand work acres to Summit Forestry or California Reforestation. Hand work will be done in concurrence with the machine work to ensure work flow and that all items in an are are completed. Mastication would begin as soon as weather permits, this winter/early spring. We anticipate 60 working days to complete this project and the goal will to be to have it completed before the beginning of the 2023 fire season.

The RFP also requires the removal of the downed, oversize trees and the felling of the dead trees. There is no commercial value to this product. We have secured an area for the disposal of this material that is off of GCSD property. This operation will require the use of our log skidders and log processor to cut, skid, and load this material for disposal. We will have to carefully monitor the weather for truck access so that this material can be removed. Our firm also has the necessary equipment for any road work that is needed to remove the material and all post operational erosion measures.

Our company has previously operated in and around this project area and we are familiar with the challenges of being near the public, road ways, and utility infrastructure. There are multiple prescriptions needed for this project and we are suited to complete all of them. We have conducted traffic control on the state highway for our Cal Trans projects and we have the necessary signage and qualified personnel to ensure public safety.

Our company is also equipped with all necessary signage to perform traffic control procedures when/if needed for operations. Roads will need attention to safely get our crew to the job site and for emergency services if needed.

Crook Logging Inc. owns a wide variety of state of the art forestry machines. All of our equipment is available for use on this project and it is detailed on the attached equipment inventory. Crook Logging, Inc. has the reputation and experience to operate on this project

safely, successfully, and efficiently. Additionally, we have the capacity and capital necessary to expand our fleet of equipment, upgrade, or change equipment that may be required for this project.

Crook Logging Inc. employees are required to read and sign an acknowledgement of receipt of the company safety plan when they are hired. We also conduct monthly safety meetings and address any special circumstances when the need is present. Shaun and Russell Crook are both Licensed Timber Operators (#A8086) in the State of California and Certified California Pro Loggers. Crook Logging, Inc. is also a licensed tree service contractor in California (C-61/D49 #1017238) and C-12 earthwork and paving contractor (#1017238). Our firm possesses all of the necessary permits and insurance requirements needed for this project. All members of our crew have current Interagency Emergency Equipment Operator Cards and have been trained in first aid and CPR. The project will be served with communication equipment that includes GPS's, CB radios, cell phones, and fire radios. Through these means, we also have the ability to contact CAL Fire and the USFS in case of a fire or emergency.

Before operations begin, a job site safety plan will be completed and this will detail cell phone locations and helicopter landing locations in case of injuries. The job site safety plan is stored in the fuel truck and all crew member are aware of its location. Additionally, the job site safety plan is discussed before operations begin and reviewed as needed. Any accident or injury is immediately reported to Russell Crook and he is in charge of requesting emergency services if needed. If Russell Crook is the person in need of emergency services, Shaun Crook will contact emergency services. Crook Logging Inc.'s employees have been properly trained and have years of experience in proper and safe operations.

Crook Logging Inc. has many measures to ensure quality control throughout the operation. Russell Crook ensures that any sensitive areas, such as stream courses, archeological resources and biological resources, operational hazards, are discussed with the crew and mitigation measures are put in place. Any potential issues are discussed and any needed actions are taken.

III. Supervision

Russell Crook will be the Project Manager in control of all operations for this project. Russell will make himself totally available whenever GCSD/Cal Fire inspectors are on site. He will be operating equipment on a daily basis and monitoring the other equipment operators. This oversight is done on a continual basis all day long. Inspections will be fully documented and carried out daily by inspecting the work area before, during, and after operations. This will be done by walking and monitoring the work area. In addition to Russell, Shaun Crook will also be operating equipment and monitoring operations. This will ensure that the contract is adhered to in operational regards to residual tree care, felling and stump height, designation by prescription specifications, and road maintenance.

If correspondence with GCSD/Cal Fire is needed during the day, this will be done by cell phone. We will also be available to discuss any operational challenges with the GCSD/Cal Fire "after hours" via email and phone. The key to our operation is that we plan far enough ahead to

allow time for operational challenges to be discussed and resolved before the on ground operations are affected. This ensures timely communication to allow for on the ground meetings between our firm and County personnel.

Crook Logging Inc. is extremely detailed oriented, and will submit a progress schedule, traffic control and erosion plan, and any additional authorized personal to the GCSD/Cal Fire prior to the start of operations for approval. Russell will be responsible for documenting and ensuring that the completed work meets all contractual obligations. Additionally, he will make sure that all operators are aware of safety hazards and equipment exclusion areas.

IV. Utilization of Local Workforce and Small Businesses

Crook Logging Inc.
PO Box 239
Groveland, CA, 95321

The current workforce for Crook Logging Inc. are all residents of Tuolumne County. We anticipate using between 5 and 10 employees for our direct on the ground operations. These are living wage jobs and half of our crew lives in the town of Groveland. Many of our employees also have spouses and children that live, work, and attend school in our community. Our employees own homes and participate in local service organizations.

Crook Logging, Inc. is a certified small business in California (ID 2003918). Crook Logging Inc. has conducted operations in the local area for the last 45 years. Our firm incurs many annual expenses that are associated with operations. These expenses include items such as equipment and vehicle purchases, sales tax, fuel, parts and maintenance, insurance, accounting and legal, advertising and promotion, education and training, medical, office supplies, rent, telephone, utilities, and services. Expenses associated with the operations of our firm go to vendors that are in the local area.

Table 1

	Equip	Year	S/N or VIN	LIC
5/31/2022				
Crook Logging Equipment Inventory				
Quantity				
1	Link Belt 250 Excavator w/ masticator and bucket	2022		
1	Link Belt 240 LX Log Loader rotating grapples, forestry package	2012	FICK1-4454	
1	Link Belt 3740 Log Loader, Logmax 7000 processor	2016	FIEK6-1547	
1	Link Belt 240 LX Log Loader - Logmax 7000 processor	2013	FICK4-7778	
1	TimberPro 745 feller buncher w/ bar saw & mastication head	2020	TL-745D-0735-030520	
1	John Deere 748 H Dual Function Grapple Skidder	2013	1DW748HXCED658740	
2	John Deere 748 GIII dual function grapple skidder	2005	DW748GX594255	
1	Bandit 3590 track chipper	2019	509838	
1	CAT 527 Track Skidder	2005	4NS00503	
1	John Deere 750 BLT grapple dozer, six way blade			
1	CAT D7 G with USFS approved rippers	1984	92V2250	
1	CAT D6 D dozer with winch	1986	31X1903	
2	CAT 259D skid steer W/ bucket/root grapple/pallet forks/sweeper			
1	CAT 299D skid steer W/ masticator head			
1	CAT 308 excavator with bucket and brush grapple			
1	CAT 14 road grader			
1	CAT 420 Back hoe	2014	SKR04887	
1	CAT 966 C front end loader with 4 yard bucket and logging forks			
1	KW Water truck with 4000 gallon tank	2018	2NKHLJ9X9JM189251	
1	Peterbilt Tractor truck with two lowbed trailers, 60 ton and 40 ton capacity, end dump	2022	ND781194	
1	Ten wheel dump truck			
1	500 gallon capacity fire truck with 300' hose reel			
2	40 foot chip vans			

**SERVICES AGREEMENT
BETWEEN THE GROVELAND COMMUNITY SERVICES DISTRICT AND CROOKS LOGGING,
INC. FOR DISTRICT INFRASTRUCTURE FUELS REDUCTION PROJECT**

This Services Agreement (“**Agreement**”) is entered into by and between the Groveland Community Services District, a political subdivision of the State of California and a community services district formed and operating pursuant to the provisions of Government Code Section 61000 et seq., (“**GCSD**”) and **Crooks Logging, Inc.** (“**Contractor**”).

RECITALS

Whereas, GCSD has determined that it requires the following services from Contractor: fire fuels treatment and reduction on approximately 119 acres of District property; and

Whereas, Contractor represents that it is fully qualified to perform such services by virtue of its equipment, experience and the training, education and expertise of its principals and employees; and

Whereas, Contractor further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, GCSD and Contractor agree as follows:

1. DEFINITIONS

1.1. “**Scope of Services**”: Such services as are set forth in Contractor’s proposal to GCSD attached hereto as Exhibit A and incorporated herein by this reference.

1.2. “**Approved Fee Schedule**”: The compensation rates set forth in Contractor’s fee schedule to GCSD attached hereto as Exhibit B and incorporated herein by this reference.

1.3. “**Schedule of Work**”: The schedule that identifies when certain work and other items are to be completed and delivered to GCSD attached hereto as Exhibit C and incorporated herein by this reference.

2. TERM.

The term of this Agreement will commence on December 13, 2022 and will expire on _____, 2023, unless terminated sooner in accordance with Section 11 of this Agreement. Nothing in this Agreement requires GCSD to renew or extend this Agreement.

3. CONTRACTOR’S SERVICES

3.1 Contractor shall perform the services identified in the Scope of Services (“**Work**”). GCSD shall have the right to request, in writing, changes in the Work. Any such changes mutually agreed upon by

the parties, and any corresponding increase or decrease in compensation, shall be incorporated by a written amendment to this Agreement.

3.2 Contractor shall perform all Work to the standards of Contractor's profession. Contractor shall comply with all applicable federal, state and local laws and regulations.

3.3 During the term of this Agreement, the Contractor shall disclose to GCSD any financial, business, or other relationship with GCSD or its employees (apart from this Agreement).

3.4 Contractor warrants that this Agreement was not obtained or secured through rebates, kickbacks, or other unlawful consideration, either promised or paid to any GCSD employee.

3.5 Contractor represents that it has, or will secure at its own expense, all personnel required to perform the Work. All Work shall be performed by Contractor or under its supervision, and all personnel engaged in the Work shall be fully qualified and authorized to perform it under federal, state and local laws.

3.6 Contractor agrees to be as fully responsible to GCSD for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by them as it is for the acts and omissions of persons directly employed by Contractor.

3.7 Contractor shall perform the Work with resources available within its own organization and no portion of the Work shall be subcontracted without the prior written authorization of GCSD, except that which is expressly identified in the Approved Fee Schedule.

3.8 Contractor shall pay its subcontractors within fifteen (15) calendar days from receipt of each payment made to Contractor by GCSD. Failure by Contractor to carry out this provision of the Agreement will be considered a material breach of this Agreement, which may result in the termination of the Agreement or other such remedy, as GCSD deems appropriate.

4. ADDITIONAL SERVICES.

Additional services may be required by GCSD in connection with the Work. Such additional services shall be performed as set forth in a written amendment to this Agreement. Each amendment providing for additional services must list the scope of the additional services to be performed, state the time within which they are to be completed, delineate any special conditions, address any additional or different costs and the extent of their reimbursement, and state the compensation in accordance with the terms provided in Section 5 of this Agreement.

5. COMPENSATION, ALLOWABLE COSTS, AND PAYMENTS

5.1. All payments by GCSD to Contractor as required under this Agreement, unless otherwise explicitly provided, will be based on a fixed fee.

5.2. GCSD will pay to Contractor a fee of TWO THOUSAND FIVE HUNDRED TWENTY-FIVE DOLLARS (\$2,525) per acre, set forth in the bid and not to exceed the total grant funds available to GCSD for the Project.

5.3 Contractor will submit monthly invoices to GCSD, specifying Work completed. Each invoice must itemize the services rendered during the billing period and the amount due.

5.4. GCSD Agreement number must be listed on all invoices.

5.5 GCSD shall notify Contractor, in writing, of any disputed amounts included on the invoice. GCSD shall pay all undisputed amounts included on the invoice. GCSD shall not withhold applicable taxes or other authorized deductions from payments made to Contractor.

5.6. Payments for any services requested by GCSD that are not included in the Scope of Services must have prior written approval from GCSD.

5.7. GCSD is not obligated to pay any invoice submitted 180 days or more after a Product is shipped or Services are completed.

5.8. GCSD shall not advance Contractor for any costs in the performance of this Agreement. GCSD shall pay Contractor for any reimbursable costs upon 1) providing proper supporting documentation for the cost in its monthly billings and 2) completion of the activity in which the cost was incurred by the Contractor.

5.9. GCSD will make best efforts to reimburse Contractor within thirty (30) days of receipt of an acceptable invoice approved by the GCSD Project Manager. GCSD shall notify Contractor, in writing, of any disputed amounts included on the invoice. GCSD shall pay all undisputed amounts included on the invoice. GCSD shall not withhold applicable taxes or other authorized deductions from payments made to Contractor.

6. RELATIONSHIP OF PARTIES

Contractor is, and shall at all times remain as to GCSD, a wholly independent contractor and not an employee of GCSD. Contractor shall have no power to incur any debt, obligation, or liability on behalf of GCSD or otherwise to act on behalf of GCSD as an agent. Neither GCSD nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees, except as set forth in this Agreement. Contractor shall not represent that it is, or that any of Contractor's agents or employees are, in any manner employees of GCSD.

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7. INDEMNIFICATION

7.1. To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend GCSD, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor, or any of its officers, employees, servants, or subcontractors in the performance (or non-performance) of the Work or this Agreement (or both). Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of GCSD's choice.

7.2. GCSD shall have the right to offset against the amount of any compensation due Contractor under this Agreement any amount due GCSD from Contractor as a result of Contractor's failure to pay GCSD promptly any indemnification arising under this Section 7 or related to Contractor's failure to either (i) pay taxes on amounts received pursuant to this Agreement, or (ii) comply with applicable workers' compensation laws, or (both (i) and (ii)), or any combination thereof.

7.3. The obligations of Contractors under this Section 7 will not be limited by the provisions of any workers' compensation act or similar act. Contractor expressly waives its statutory immunity under such statutes or laws as to GCSD, its officers, agents, employees and volunteers.

7.4. GCSD does not, and shall not, waive any rights that it may possess against Contractor because of the acceptance by GCSD, or the deposit with GCSD, of any insurance policy or certificate required pursuant to this Agreement. Contractor's obligations to defend, hold harmless, and indemnify GCSD will apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

7.5. GCSD agrees to hold Contractor harmless from all claims against Contractor relating to this Agreement resulting from the gross negligence or intentionally wrongful acts of GCSD.

8. INSURANCE

8.1. Contractor will not commence the Work until all insurance required pursuant to this Agreement is obtained at Contractor's own expense. Contractor shall furnish certification of insurance within five (5) days after this Agreement is executed and prior to issuance of the Notice to Proceed. Such insurance must have the approval of GCSD as to limit, form and amount. During the term of this Agreement, Contractor shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Contractor's performance of the Work or this Agreement (or both). Such insurance shall be of the types and in the amounts as set forth below:

8.1.1. The Contractor shall maintain Commercial General Liability Insurance on an occurrence basis including Bodily Injury & Property Damage Coverage, Premises Coverage, Products & Completed Operations Coverage, Contractual Liability Coverage and Independent Contractors Liability Coverage with limits not less than the following:

\$2,000,000 General Aggregate

\$1,000,000 Products & Completed Operations Aggregate
\$1,000,000 Each Occurrence
\$1,000,000 Personal & Advertising Injury
\$100,000 Damage to Premises Rented to You

8.1.2. Contractor shall maintain Umbrella/Excess Liability insurance on an occurrence basis in excess of the underlying insurance described above which is at least as broad as each and every one of the underlying policies. Umbrella limits may be used to satisfy limit requirements as long as the total amount of insurance is not less than the limits specified in this Agreement.

\$5,000,000 Each Claim
\$5,000,000 General Aggregate
\$5,000,000 Products & Completed Operations Aggregate

8.1.3. Contractor shall maintain Statutory Workers' Compensation and Employers' Liability Insurance for its employees (if any) with minimum limits of not less than:

\$1,000,000 Bodily Injury by Accident, Each Accident
\$1,000,000 Bodily Injury by Disease, Policy Limit
\$1,000,000 Bodily Injury by Disease, Each Employee

8.1.4. Contractor shall maintain Business Auto Insurance for all scheduled vehicles by the Contractor with a minimum liability limit of not less than \$1,000,000 per accident (combined single limit).

8.2. Contractor shall require each of its subcontractors to maintain insurance coverage that meets all of the requirements of this Agreement.

8.3. The policy or policies required by this Agreement shall be issued by an admitted insurer or an approved insurer with the Surplus Line Association in the State of California and with a rating of at least A:VII in the latest edition of AM Best's Insurance Guide.

8.4. Contractor agrees that if it does not keep the aforesaid insurance in full force and effect, GCSD may immediately terminate this Agreement.

8.5. At all times during the term of this Agreement, Contractor shall maintain on file with GCSD a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming GCSD and its officers, employees, agents and volunteers as additional insureds. Contractor shall, prior to commencement of work under this Agreement, file with GCSD such certificate(s).

8.6. Contractor shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least ten (10) days prior to the expiration of the coverages.

8.7. The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming GCSD and its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled except on thirty days' prior written notice to GCSD. Contractor agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "*endeavor*" with regard to any notice provisions.

8.8. The insurance provided by Contractor shall be primary to any coverage available to GCSD. Any insurance or self-insurance maintained by GCSD and/or its officers, employees, agents or volunteers, shall be in excess of Contractor's insurance and shall not contribute with it.

8.9. All insurance coverage provided pursuant to this Agreement shall not prohibit Contractor, and Contractor's employees or subcontractors, from waiving the right of subrogation prior to a loss. Contractor hereby waives all rights of subrogation against GCSD.

8.10. Procurement of insurance by Contractor shall not be construed as a limitation of Contractor's liability or as full performance of Contractor's duties to indemnify, hold harmless and defend set forth in this Agreement.

9. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Contractor's and GCSD's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to GCSD:

Peter J. Kampa
18966 Ferretti Road
Groveland, CA 95321
(209) 962-7161

If to Crook Logging, Inc.

Shaun L. Crook
P.O. Box 239
Groveland, CA 95321
(209)962-7716

10. SURVIVING COVENANTS

The parties agree that the covenants contained in Section 7 shall survive the expiration or termination of this Agreement.

11. DEFAULT AND TERMINATION

11.1 Contractor shall be liable for any and all loss and damages sustained by GCSD as a result of delays resulting from any breach of this Agreement by Contractor.

11.2 All of the following shall constitute events of default, which is not an exclusive list:

11.2.1 Contractor's failure to perform in full or in material part any or all of its obligations under this Agreement.

11.2.2 Contractor's refusal or neglect to supply a sufficient number of properly skilled employees or a sufficient quantity of materials of proper quality to complete or perform the Work, as per the Schedule of Work and as required by this Agreement.

11.2.3 Defective Work that is not remedied by Contractor.

11.2.4 The filing against Contractor of an involuntary petition seeking to declare Contractor a debtor under the Bankruptcy Code if such involuntary petition is not dismissed within thirty (30) days after filing, or the granting of an order of relief against Contractor by the Bankruptcy Court, the commission of any act of insolvency, or making of an assignment for benefit of creditors without GCSD's consent, or if for any cause a receiver shall be appointed for Contractor or Contractor's assets or interests under this Agreement.

11.2.5 Claims or liens or stop notices filed in connection with the Work or reasonable evidence indicating probable filing of a claim, lien, or stop notice, or if an attachment or execution or other writ or process shall be levied against any of Contractor's property and remain unsatisfied or undischarged for a period of more than five (5) days.

11.2.6 Contractor's failure to promptly pay any subcontractor.

11.2.7 Any act or omission by Contractor that would provide a basis for any claim by GCSD against Contractor under applicable law, whether for damages or other legal remedy.

11.3 In addition to any other remedy provided in this Agreement, upon the occurrence of any event of default, GCSD may, upon twenty-four (24) hours' notice to Contractor, without liability therefor and without prejudice to any other right or remedy: (i) provide itself, or through others, all or any portion of any labor, materials, equipment and other things, including any overtime Work, and do any other things which Contractor is failing to provide or to do in accordance with its obligations hereunder, and all costs and expenses incurred by GCSD in so doing shall be an indebtedness owed from Contractor to GCSD; (ii) terminate the services of Contractor hereunder and take possession of the site of the Work and all of the materials, tools, appliances and other property (including such as may belong to Contractor) thereon, and take over and finish the Work by whatever method GCSD may deem expedient for the account and at the expense of Contractor, and Contractor agrees in such event to pay GCSD on

demand any and all costs and expenses, including compensation for additional managerial and administrative services incurred by GCSD in so doing; or (iii) whether or not GCSD exercises its rights under (i) and (ii) above, withhold any further payment of any kind whatsoever becoming due to Contractor under this Agreement until the situation has been wholly remedied (or, if GCSD shall exercise its rights of termination under (ii) above, until the Work has been Completed), at which time there shall be due to Contractor only the balance of any sum withheld which remains after deducting all sums payable, and a reasonable reserve for any sums which may become payable to GCSD, or on account of subsequently discovered facts, nullify, all or part of any payment owing or paid under Section 5 of this Agreement, to the extent necessary to protect GCSD from loss, including costs and reasonable attorneys' fees.

11.4 Should GCSD terminate this Agreement due to the default of Contractor, Contractor shall owe as a debt to GCSD all money damages sustained by GCSD, including without limitation the following:

- Any increased costs or fees required to perform the Work.
- Any delay damages, including increased bank penalties or interest and all other financial damage, caused by delay in completion of Work due to replacement of Contractor.
- All other costs and damages sustained by GCSD due to any default of Contractor.

11.5 If GCSD, in its subjective good faith judgment, determines that the Work has been improperly performed, has caused delay, or has caused damages to other work performed by others, and if Contractor refuses or for any reason is unable to correct or pay for the improper Work, damage, or cost of delay, GCSD may correct or pay for the correction of the improper Work, damages, or cost of delay and charge the costs to Contractor, which costs may be deducted from any monies owed by GCSD to Contractor.

11.6 GCSD may terminate this Agreement at any time without cause by notice to Contractor. If this Agreement is terminated without cause, Contractor shall be entitled only to one (1) payment for Work completed. Payment pursuant to this Section shall be in full satisfaction of Contractor's right of compensation pursuant to this Agreement. It is agreed that Contractor shall not have any claim and shall not be entitled to recover monetary damages for lost or anticipated profits for remaining Work or for lost or anticipated profits based in any way on forgoing or not seeking, bidding or entering into other contracts or projects in reliance upon the Work under this Agreement.

12. GENERAL PROVISIONS

12.1. Contractor shall not delegate, transfer, or assign its duties or rights hereunder, either in whole or in part, without GCSD's prior written consent, and any attempt to do so shall be void and of no effect. GCSD shall not be obligated or liable under this Agreement to any party other than Contractor.

12.2. During the performance of this Contract, Contractor shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Contractor shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Contract by reference and made a part hereof as if set forth in full. Contractor shall give written notice of its obligations under this clause to labor organizations with which it has a collective bargaining or other agreement.

12.3. The captions and headings (collectively "**Headings**") in this Agreement are intended to be descriptive only and for convenience in reference in this Agreement. Should there be any conflict between the Heading and the specific content of a section or paragraph, the specific content of the section and paragraph shall control and govern in the construction and interpretation of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

12.4. The waiver by GCSD or Contractor of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by GCSD or Contractor unless in writing.

12.5. Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies. In the event legal action shall be necessary to enforce any term, covenant or condition herein contained, the party prevailing in such action, whether reduced to judgment or not, shall be entitled to its reasonable court costs, including accountants' fees, if any, and attorneys' fees expended in such action. The venue for any litigation shall be Tuolumne County, California.

12.6. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or

unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

12.7. This Agreement shall be governed and construed in accordance with the laws of the State of California.

12.8. All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between GCSD and Contractor with respect to the transactions contemplated herein. No other prior oral or written Agreements are binding upon the parties. Amendments to this Agreement shall be effective and binding only if made in writing and executed by GCSD and Contractor.

12.9 This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original for all purposes, and all such counterparts shall together constitute but one and the same instrument. A signed copy of this Agreement delivered by email shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. Notwithstanding the foregoing, each of GCSD and Contractor shall deliver original counterparts to the other on or before FIFTEEN (15) days from the date hereof.

TO EFFECTUATE THIS Agreement, the parties have caused their duly authorized representatives to execute this Agreement on the date first written above.

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

Crook Logging, Inc.

By: _____
Peter J. Kampa
General Manager

by: _____
Name: Shaun L. Crook
Title: Vice President

EXHIBIT "A"
SCOPE OF WORK

See Attached:

EXHIBIT "A"

Contractor Work Scope



GCSD Infrastructure Fuel Reduction Project

TERMS AND CONDITIONS FOR SERVICES:

Scope of Work:

The geographic scope of this project is on Groveland Community Services District properties located at 18966 Ferretti Rd, 11291 Big Creek Shaft Rd and 18790 Vernal Dr. Project goal is to add 119-acre shaded fuel break adjacent to the 111-acre Jones Hill Fuel Break by private contractors removing hazardous fuels, and masticating the understory. Generally, trees less than 10-inches in diameter at breast height, and brush would be removed to create a shaded fuel break condition. Residual trees will be spaced to break up the vertical and horizontal continuity of fuels. See attached maps for the locations to be treated.

The benefit of removing the understory fuels is the reduction in greenhouse gas emissions. This will allow mature trees to live through and endure a wildland fire. Mature trees process significantly more than smaller plants due to their large size and extensive root structures have a much more woody biomass to store CO₂. Native Ponderosa Pines and Black Oak within the fuel break are examples of trees especially good at absorbing and storing CO₂.

The expected outcome is to have a fuel break strategically placed in a location within a greater area of fuel breaks overall, at least in terms of protecting the Groveland community. This will assist in controlling large fires as these shaded fuel breaks in addition to removing hazardous fire fuel, provide additional access for firefighting activities, ultimately increasing initial attack success reducing the number of extended or major wildland fires. This fuel break should serve to allow firefighters to work safely in the area; to change fire direction; to drop fire to the ground; and to stop the spread of wildfire under adverse fire conditions. The width of treatment will be determined utilizing such factors as fuel loads, topography, predominant winds, values at risk and fire behavior modeling. Mitigating fire risk to the communities is a priority of the District.

WORK SPECIFICATIONS:

(a) GENERAL

1. All brush, slash and conifers within the treatment area shall be treated according to prescription of creating a shaded fuel break with a residual canopy covering of 50% or less of area to be treated.
2. The contractor shall provide for public safety when operating equipment within 200 feet of structures and open roadways. The Contractor shall be responsible for obtaining and following all safety procedures policies, laws and regulations

required by the state, county, and private roadways for the safe operation of equipment necessary to complete the contract.

3. Equipment shall be operated such that the cut or masticated material stays within the treatment unit and is not distributed on roads, structures, private property,

protected sites, improvements, telephone lines, established trails, stock driveways, fence lines, established land corners, or other improvements.

4. The contractor shall remove all cut or masticated material or debris resulting from contract operations that is distributed outside of treatment unit or on roads, structures, private property, protected sites, improvements, telephone lines, established trails, stock driveways, fence lines, established land corners or other improvements.
5. All residue from operations shall be arranged so that it does not exceed 8 inches in height above the ground.
6. Drainage structures will be kept clear of cut material from operations.
7. Riparian vegetation shall not be cut or damaged.
8. Openings larger than 35 feet in diameter shall not be created. Leave best specimen brush or tree. Preference shall be given to pine, black oak, live oak, incense cedar, buck brush, manzanita in that order.

(b) BRUSH TREATMENT – HAND CUTTING

1. Cut all brush. Create no openings larger than 35 feet x 35 feet spacing.
2. Minimum treatable brush size is 12 inches in height.

(c) CONIFER AND OAK TREE TREATMENT – HAND CUTTING

1. Cut all live trees except leave trees that are less than 10 inches DBH. Where canopy is made up of trees smaller than 10 inches DBH, create no openings larger than 35 feet x 35 feet. Remove dead and dying trees as per specification (g).
2. Conifer/oak seedlings less than 12 inches in height may be left.

(d) SLASH TREATMENT- HAND CUTTING

1. All slash less than 3 inches in diameter created by contractor's operations will be piled in locations where future burning will not scorch adjacent trees and where burned material will not roll due to the steepness of the slope. Where slopes will prevent piling for future burning, cut material will be moved to the road edge and piled in wind rows for later chipping.
2. Piles will not exceed 6 feet in height nor 9 feet at the base. Slash will be compacted and tightly arranged in the piles to prevent movement by wind or snow
3. Limbs and tree boles larger than 3 inches in diameter will be cut into 16 inch lengths and stacked so that the rounds will not roll due to slope steepness

(e) BRUSH TREATMENT - MASTICATION

1. All brush within the designated units shall be shredded (or removed as biomass) EXCEPT brush growing so close to adjacent leave trees that attempted brush

removal would cause damage to the leave tree (generally 12 inches or closer to the bole of residual tree).

2. Minimum treatable brush size is 12 inches tall.
3. (3) All residue from shredding (or biomass removal) operations shall be arranged so that it does not exceed 8 inches in height above ground in any area larger than 400 sq. ft. Overall depth of shredded material shall not average more than 6 inches in height measured from ground level. Stump heights will not exceed 4 inches.

(f) CONIFER AND OAK TREE SLASH TREATMENT - MASTICATION

1. Shred all live trees less than 10 inches DBH. Create no openings larger than 35 foot x 35 foot spacing.
2. Minimum cut tree size is 12 inches tall.
3. Residual heights for brush and other woody slash shall meet same specifications contained in section (b) (3). Severed tree tops are slash under this clause.
4. Adjustments may occur if work poses a safety hazard.

(g) DEAD TREE/LOG REMOVAL

1. Fell dead trees, remove dead tree boles including snow breakage and windfall to an 8 inch small end diameter. Stumps will be left in place.
2. Tops and limbs of dead trees smaller than 8 inch diameter may be removed, piled for later burning, masticated or chipped.

(h) PRUNING – WITHIN 50’ OF GCSD BOUNDARY

1. All pruning cuts will be outside of the branch collar and the bole limbed to a 12 foot height.
2. Slash generated from pruning shall either be masticated or lopped and scattered to meet slash height requirements. Within areas to be hand thinned, pruning slash will be either chipped or placed within hand piles for later burning.

(i) OPERATIONS

1. Contractor shall limit treatment operations to the hours of between 7:00 am and 4:30 pm. Servicing and maintenance of equipment is excluded from this limitation.

(j) PROTECTION OF IMPROVEMENTS

1. Protection of Improvements. Contractor shall protect roads and other improvements, such as trails, telephone lines, ditches, and fences, existing in the operating area and determined to have a continuing need or use. Contractor shall make timely restoration of any such improvements damaged by Contractors operations.

(k) **PROTECTION OF RESOURCES.**

1. Protection of Residual Trees. Contractor's operations shall not damage leave trees. Damage of more than 2% of residual trees within any given acre will be excessive and a penalty of \$200 per tree may be imposed.

Cultural Resources Scoping Summary GCSD Infrastructure Fuel Reduction project

The Groveland Community Services District will identify the project area by flagging boundaries, including archeological sites and water courses. GCSD will have project leads to coordinate operations with the contractor. Supervision of contractor onsite during the contract will ensure contractor time, work productions, and validate acres treated.

To protect integrity of existing resources the following procedures should be followed:

1. All worksite boundaries shall be flagged and visible prior to operations.
2. All work within 100 feet of site boundaries shall be done to ensure material does not enter site boundaries.
3. Ground disturbing equipment shall be excluded from sites.
4. Roads and railroad grades currently in use may be used. No ground disturbing activities including grading or excavation shall occur.
5. Existing breaches may be used but no new crossings shall be installed.
6. Hand work and non-ground disturbing activities may occur with site boundaries. No artifacts may be moved or disturbed. These include trash, loose metal and ceramics.

Biological Concerns:

The mitigation, minimization, and/or avoidance measures are included in attachment one (1) to ensure that impacts to common and special status species and sensitive habitats will not occur. The contractor is responsible for implementing all measures. Where tree preservation / retention measures may conflict, the more restrictive measure shall apply.

Biology Note:

For this project, the emphasis should be on preserving blue oaks and valley oaks with the largest live oaks also considered for protection.

CULTURAL RESOURCES:

1. Prior to Project implementation, the boundaries of each documented cultural resource in the project area shall be flagged by GCSD consultants and fuels reduction activities within those site boundaries shall be limited. Although many of the sites have yet to be fully evaluated for NRHP/CRHR listing eligibility, given the wealth of archival data that exists concerning past activities (especially early mining) in Groveland, the current condition of the resources, and the limited development that has occurred, many of them may retain the integrity, associations, and/or data potential that could render them NRHP/CRHR eligible. Consequently, any fuels reduction activities within or immediately adjacent to these sites that could result in disturbances to the ground surface or visible features shall be restricted. For example, the use of mechanical equipment such as

heavy tracked masticators shall be restricted from areas within known sites.

2. In the event that presently undocumented buried archaeological deposits are encountered during Project-associated construction activities, work shall cease within a 50-ft. radius of the discovery. A qualified archaeologist shall be retained to document the discovery, assess its significance, and recommend treatment.

3. If human remains or any associated funerary artifacts are discovered during construction, all work must cease within the immediate vicinity of the discovery. In accordance with the California Health and Safety Code (Section 7050.5), the Tuolumne County Sheriff/Coroner must be contacted immediately. If the Coroner determines the remains to be of Native American origin, the Coroner will notify the Native American Heritage Commission, which will in turn appoint a Most Likely Descendent (MLD) to act as a tribal representative. The MLD will work with the project proponent/applicant and a qualified archaeologist to determine the proper treatment of the human remains and any associated funerary objects. Construction activities will not resume until either the remains are exhumed, or the remains are avoided via project construction design change.

WATER QUALITY:

Ensure that no soils are left bare that will erode during heavy rains. An erosion control plan should be provided by the contractor that protects all drainages and ponds from runoff.

Table 1: Biological Mitigation, Minimization & Avoidance Measures

Avoidance Measure BIO-1 Environmentally Sensitive Area (ESA) Fencing:

Prior to commencing clearing, wetland areas identified herein (Drainage A and Creek) shall be identified with ESA fencing to ensure protection of potential sensitive plant habitat and wetlands. Fencing shall remain until all fuel reduction activities are completed. (See also flagging requirements for some native oaks).

Avoidance Measure BIO-2: Preconstruction Surveys Western Pond Turtle

Within the area 300 feet surrounding the WWTP Pond and within 48 hours of commencing site disturbances, the GCSD, or its representative, shall have a qualified biologist survey for and, if present, relocate any non-nesting western pond turtles from the project site's potential area of disturbance. If found on site in locations where harm to the turtle may occur from project activities, the turtle first will be given the opportunity to leave the site voluntarily if the turtle actively is in the process of attempting to leave the site and is likely to successfully do so within the hour in the opinion of the qualified biologist. Otherwise, the qualified biologist will relocate the turtle to the wastewater pond. Up to three non-nesting western pond turtles may be relocated pursuant to this measure. Relocations will be reported to CDFW. [California Code of Regulations, Title 14, Division 1, Chapter 5, Subsection 40(b)]¹.

Avoidance Measure BIO-3: Preconstruction Surveys Birds (Nesting)

Prior to construction occurring between February 1st and August 30th (e.g., excavation, ground disturbance, or vegetation removal) a preconstruction survey for nesting birds will be conducted in accordance with the CDFW guidelines and a no-disturbance buffer will be established, if necessary.

If equipment staging, site preparation, vegetation removal, grading, excavation or other project-related construction activities are scheduled during the avian nesting season (generally February 1 through August 30), a focused survey for active nests would be conducted by a qualified biologist within 15 days prior to the beginning of project-related activities. Surveys shall be conducted in all suitable habitat in the BSA.

If an active nest is found, the bird shall be identified to species and the approximate distance from the closest work site to the nest estimated. No additional measures need be implemented if active nests are more than the following distances from the nearest work site: (a) 300± feet for raptors; or (b) 75± feet for other non-special-status bird species. Disturbance of active nests shall be avoided to the extent possible until it is determined that nesting is complete and the young have fledged. For species protected under the California Fish and Game Code (CFG), if active nests are closer than those distances to the nearest work site and

¹ Pursuant to California Fish and Game Code Title 14, Subsection 40(b) the capture, temporary collection, or temporary possession of native amphibians done to avoid mortality or injury in connection with lawful activities is permitted and such live capture and release of native amphibians done to avoid death or injury may occur with the permission of the CDFW. Because WPTs are not listed species pursuant to the state or federal endangered species act, neither an incidental take permit nor consultation beyond securing permission from CDFW to capture and release the individuals, is required.

Table 1: Biological Mitigation, Minimization & Avoidance Measures

there is the potential for bird disturbance, CDFW will be contacted for approval to work within 300± feet of raptors, or 75± feet of other non-special-status bird species.

Avoidance Measure BIO-4 Preconstruction Bat Surveys:

Prior to construction occurring between May 1 and August 15th of the construction year, a preconstruction survey shall occur within 48 hours of construction activities to determine if Hoary bats have established maternal roosts within the clearing areas. No work shall occur during this window if maternal bat roosts are identified. Work may resume after bats are able to leave the roost.

Avoidance Measure BIO-5: Construction Hours

Construction hours shall be limited to starting ½ hour after sunrise and ending ½ hour before sunset.

Avoidance Measure BIO-6: Trash

All food and food-related trash will be enclosed in sealed trash containers at the end of each workday and removed completely from the construction site every day to avoid attracting wildlife.

Avoidance Measure BIO-7: Native Oak Tree Protection

Prior to commencing construction, the following native oaks shall be flagged for preservation:

- Healthy native oak trees (excluding Black oaks, *Quercus kelloggii*) greater than 24" diameter at breast height (DBH).
- Healthy Valley oaks (*Quercus lobata*) 12" or greater diameter at breast height (DBH)
- Clusters of healthy blue oaks (*Quercus douglasii*) located in the northern (blue oak/foothill pine) clearing area – see **Figure 8**.

Healthy oaks are considered those where more than ¾ of the tree retains green leaves.

Trees shall be retained and protected as follows:

- Limit ground-disturbing activities to outside the dripline of these oaks and preferably outside 1-1/2 times the dripline;
- No storage of equipment, supplies, vehicles, debris, construction wastewater, paint, stucco, concrete, or any other clean-up waste, and temporary or permanent structures shall be placed within the driplines;
- Avoid equipment damage to limbs, trunks, and roots of oaks trees
- Do not attach signs, ropes, cables, or other items to trees

Table 1: Biological Mitigation, Minimization & Avoidance Measures

- Masticators should not be used within the driplines of protected trees. Any vegetation management required near protected trees shall be by hand.
- Where oaks trees are to be retained, trimming shall occur using a chain saw (i.e., shall not be accomplished by ripping branches from the tree using heavy machinery)

Avoidance Measure BIO-8: Best Management Practices (BMPs) to Protect Water Quality (Including NOI/NPDES/SWPPP)

- Where and if bare ground will be exposed in conjunction with vegetation removal, the Contractor shall prepare an Erosion Control Plan for GCSO review and approval to address soil erosion within those areas. All soils disturbed by grading shall be reseeded or hydromulched or otherwise stabilized 48 hours in advance of a rain event. A likely rain/precipitation event is any weather pattern that is forecasted to have a 30% or greater chance of producing precipitation in the project area. The discharger shall obtain likely precipitation forecast information from the National Weather Service Forecast Office (e.g., by entering the zip code of the project's location at <https://www.weather.gov/forecastmaps>). A qualifying rain event is one that produces 0.5 inch or more of precipitation within a 48 hour or greater period between rain events. Emergency erosion control measures shall be used as reasonably requested by the SPWC.
- If necessary, submit to the State Water Resources Control Board Storm Water Permitting Unit, a Notice of Intent (NOI) to obtain coverage under the General Construction Activity Storm Water Permit - California's National Pollution Discharge Elimination System (NPDES) general permit for construction related storm water discharges for the disturbance of one acre or more. Disturbances of less than one acre may also require an NOI for coverage under the NPDES General Permit for construction-related storm water discharge and the State Water Resources Control Board Permitting Unit shall be contacted for determination of permit requirements. Commercial and Industrial developments may require an NOI even if less than one acre is to be disturbed. Obtain coverage or an exemption from these requirements. [Federal Water Pollution Control Act, Section 401, California Clean Water Act]. The permit may include preparation of a Stormwater Pollution Prevention Plan (SWPPP).

Avoidance Measure BIO-9: Minimize the Spread of Invasive Plant Species

Throughout project construction:

Table 1: Biological Mitigation, Minimization & Avoidance Measures

- All hay, straw, hay bales, straw bales, seed, mulch, or other material used for erosion control on the project site shall be free of noxious weed² seeds and propagules (Food and Agriculture Code Sections 6305, 6341 and 6461).
- All equipment brought to the project site shall be thoroughly cleaned of all dirt and vegetation prior to entering the site to prevent importing noxious weeds and shall be cleaned of all dirt and vegetation prior to exiting the site to prevent exporting noxious weeds. (Food and Agriculture Code Section 5401).
- All material brought to the site, including rock, gravel, road base, sand, and topsoil, shall be free of noxious weeds³ and propagules. (Food and Agriculture Code Sections 6305, 6341 and 6461).

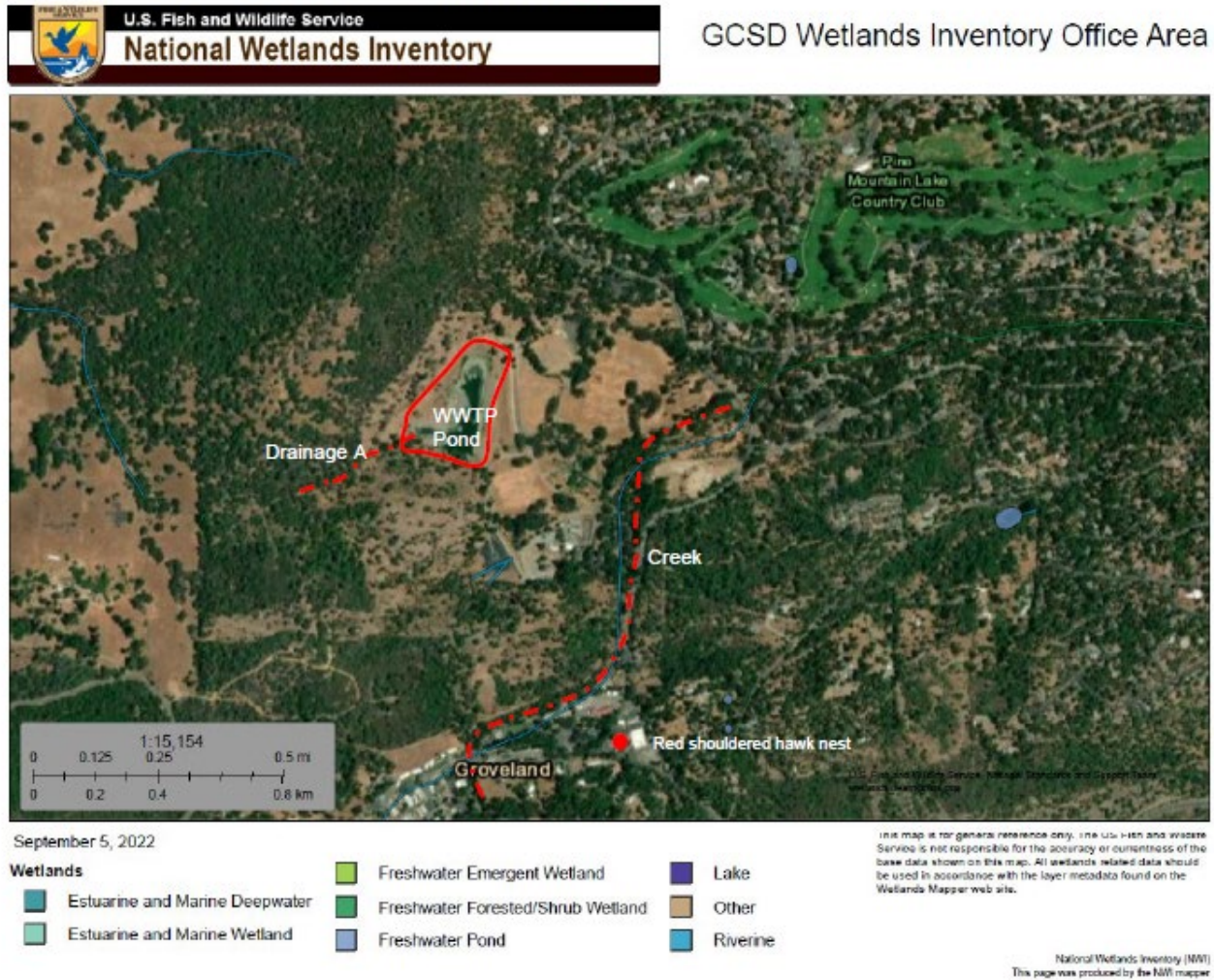
Avoidance Measure BIO-10: Environmental Awareness Training

All contractors involved in site development, affected GCSD personnel, applicable agency staff and environmental specialists (e.g., biologist) will attend a mandatory Environmental Awareness Training prior to any site disturbances. The program will address proper implementation of minimization and avoidance measures contained herein.

² Noxious weeds are as defined in Title 3, Division 4, Chapter 6, Section 4500 of the California Code of Regulations and the California Quarantine Policy – Weeds (Food and Agriculture Code, Sections 6305, 6341, and 6461).

³ Ibid.

Figure 13: Potential Special Status Species Habitat to be avoided (red)



Ferretti Rd 113 acres

Untreated (85 Acres)

Untreated (28 Acres)

11291 BIG CREEK Shaft Rd

GCSD Infrastructure Fuel Reduction 20-FP-TCU-0105



1 & 2 4.49 acres



EXHIBIT "B"
APPROVED FEE SCHEDULE

The total compensation under this contract will not exceed:

- The sum of TWO THOUSAND FIVE HUNDRED TWENTY-FIVE DOLLARS (\$2,525) per acre treated based upon the contractor's proposal.

EXHIBIT "C"
SCHEDULE OF WORK

1. The term of this Agreement will commence on December 13, 2022 and will expire on _____,2023, unless terminated sooner in accordance with Section 11 of this Agreement. Nothing in this Agreement requires GCSD to renew or extend this Agreement.
2. Contractor shall limit treatment operations to hours of between 8:00am and 6:00pm. Servicing and maintenance of equipment is excluded from this limitation.

TO: GCSB Board of Directors

FROM: Jennifer Flores, Administrative Services Manager

DATE: December 13, 2022

SUBJECT: Agenda Item 6E: Election of Board Officers for Calendar Year 2023

RECOMMENDED ACTION:

Staff recommends the following action:

Adopt a motion to:

1. *Nominate and elect Board President for Calendar Year 2023*
2. *Nominate and elect Board Vice President for Calendar Year 2023*
3. *Appoint Rachel Pearlman to be the District's Board Secretary*

SUMMARY

According to Section 3.1 of the Policy Manual of the Board of Directors, adopted by Board Resolution 15-04 on December 8, 2004, the Board shall annually elect the Board President and Vice President for each calendar year. Normally this is done in December. By Board policy, the General Manager or his designee shall perform the duties of Treasurer. These appointments will become effective at the January 10th meeting.