



McCloud Community Services District

220 West Minnesota Avenue P.O. Box 640

McCloud, California 96057

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REGULAR MEETING OF THE BOARD OF DIRECTORS SCOUT HALL - 405 E. COLOMBERO DRIVE December 13, 2021, at 6:00 PM

AGENDA

The McCloud Community Services District welcomes you to this meeting. This agenda contains brief general descriptions of each item to be considered at this meeting by the Board of Directors. If you wish to speak on an item on the agenda, you will be provided the opportunity to do so prior to consideration of the item by the Board. If you wish to speak on an item that is not on the agenda, you are welcome to do so during the Public Comment portion of the meeting. Persons addressing the Board will be asked to step up to the podium and will be limited to three minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board. When addressing the Board, please state your name for the record prior to providing your comments. Please address the board as a whole through the President. Comments to individual Board members or staff are not permitted.

All documentation supporting the items on this agenda are available for public review in the District office, 220 W. Minnesota Avenue, McCloud CA 96057, during normal business hours of 9:00 a.m. to 12noon and 1:00 pm to 4:00 p.m. Monday through Friday.

In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the District office 48 hours prior to the meeting at (530) 964-2017.

1. Call to Order

2. Pledge of Allegiance

3. Approval of Minutes:

A. Discussion/action regarding approval of the amended minutes of the Regular Meeting of October 25, 2021

B. Discussion/action regarding approval of the minutes of the Regular Meeting of November 8, 2021

4. Announcement of Events:

5. Communications:

6. Annual Organizational Meeting

A. Election of a President and Vice President of the Board of Directors.

B. Appointment of a Secretary of the Board.

C. Appointment of a Treasurer.

D. Establishment of committees, committee schedules and assignment of committee members.

E. Designation of a LOLA representative.

F. Designation of a back-up representative for IRWMP meeting attendance.

6. Reports:

A. General Manager Verbal update on Mud Creek and Grant funding for water Infrastructure Replacements / Upgrades.

B. Finance Officer-Verbal report on Audit progress

C. Fire Chief

D. Public Works Superintendent

E. Directors

F. Committees

1. Appointment of Interview Committee for Fire Dept. Recruitment and Retention Officer

7. Consent Agenda:

A. Approval of Expenses in the amount of \$5,801.35

B. Approval of Expenses in the amount of \$21,756.14

C. Approval of Expenses in the amount of \$633,542.68

D. Approval of Expenses in the amount of \$8,216.05

8. Old Business:

A. **Discussion/possible action** Regarding Staff report and verbiage related portions of Ordinance 27 Proposed revisions concerning Water Bottling and or Beverage Companies.

B. **Discussion/possible action** Regarding installation cost of previously grant funded fire department extractor for the estimated amount of \$1,800.00

9. New Business:

A. **Discussion/possible action regarding** Five Star Bank Line of Credit for Fire Department Wages.

B. **Discussion/possible action** regarding the Fire Department Purchase of a Type 3 Engine at an Auction for \$110.00. (verbal, Chief Miller)

C. **Discussion/possible action** regarding the cancellation of the December 27, 2021, Board Meeting.

10. Public Comment: This time is provided to receive information from the public regarding issues that **do not** appear on the agenda (persons addressing the Board will be asked to step up to the podium and will be limited to three minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board).

11. Adjourn open session

12. Convene a Closed Session: Pursuant to California Government Code §54957.6 - Public Employee Performance Evaluation: General Manager.

13. Reconvene open session and announce any action taken.

14. Adjourn

MCSD Mission Statement

McCloud Community Services District will strive to provide the full range of municipal services, at a reasonable cost applied consistently to all customers, while maintaining a healthy infrastructure and environmental integrity.

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS October 25, 2021

A regular meeting of the Board of Directors of the McCloud Community Services District was called to order at 6:00 p.m. at the Scout Hall. Four Directors (Richey, Hanson, Rorke, Zanni) were present, President, C. Young was absent. Also present were Public Works Superintendent Richie Fesler, Fire Chief Charlie Miller, Finance Officer Mike Quinn and District Secretary Andrea Mills. General Manager, Amos McAbier, was absent.

1. Call to Order

2. Pledge of Allegiance

3. Approval of Minutes: Discussion/action regarding approval of the minutes of the Regular Meeting of October 11, 2021

C. Richey made a motion to approve the Minutes of the Regular Meeting of October 11, 2021; seconded by M. Rorke. Motion passed with 4 ayes (Hanson, Richey, Zanni, Rorke), one absent, C. Young.

4. Announcement of Events: *None*

5. Communications:

A. Correspondence from Siskiyou County

Siskiyou County Registrar thanking MCSD for use of the Scout Hall for Voting.

6. Reports:

A. General Manager- verbal update on Lower Elk spring house project

R. Fesler reported that the lead and asbestos testing have been done for the Lower Elk Springhouse Project. Soil testing to be completed next. He also announced that there was an event at Mud Creek this past weekend that caused water and debris to come within a foot of the springhouse. MCSD crew was working to move and redirect the flow away from the structure.

7. Consent Agenda:

A. Approval of Expenses in the amount of \$19,107.05

M. Rorke made a motion to approve the expenses in the amount of \$19,107.05; seconded by R. Zanni. Motion passed with 4 ayes (Hanson, Richey, Zanni, Rorke), one absent, C. Young.

8. Old Business:

A. Discussion/possible action regarding speakers for the Scout Hall

R. Fesler reported that he has received one estimate and information that estimates the cost of a new system and installation at about \$6,000.00. After discussion the board agreed to look into improving our old system and accommodating those unable to hear with closer seating.

B. Discussion/possible action regarding 5 Star Bank Contracts

M. Quinn reported the response from A. Ramos regarding the 5 Star Bank contracts. See page 13-15 in packet.

C. Discussion/possible action regarding Resolution No. 8, 2021 of the McCloud Community Services District authorizing the execution and delivery by the district of an installment purchase contract and authorizing the execution of other necessary documents and related actions. (Refuse)

1. Certificate for Refuse Contract

M. Hanson made a motion to approve Resolution No. 8, 2021 of the McCloud Community Services District authorizing the execution and delivery by the district of an installment purchase contract and authorizing the execution of other necessary documents and related actions regarding Refuse; seconded by R. Zanni. Motion passed with 4 ayes (Hanson, Richey, Zanni, Rorke), one absent, C. Young.

D. Discussion/possible action regarding Resolution No. 9, 2021 of the McCloud Community Services District authorizing the execution and delivery by the district of an installment purchase contract and authorizing the execution of other necessary documents and related actions.(Water)

1. Certificate for Water Contract

2. Installment Purchase Contract for Water

R. Zanni made a motion to approve Resolution No. 9, 2021 of the McCloud Community Services District authorizing the execution and delivery by the district of an installment purchase contract and authorizing the execution of other necessary documents and related actions regarding Water; seconded by M. Hanson. Motion passed with 4 ayes (Hanson, Richey, Zanni, Rorke), one absent, C. Young.

E. Discussion/possible action regarding Resolution No. 10, 2021 of the McCloud Community Services District authorizing the execution and delivery by the district of an installment purchase contract and authorizing the execution of other necessary documents and related actions.(Sewer)

1. Certificate for Sewer Contract

C. Richey made a motion to approve Resolution No. 10, 2021 of the McCloud Community Services District authorizing the execution and delivery by the district of an installment purchase contract and authorizing the execution of other necessary documents and related actions regarding Sewer; seconded by M. Hanson. Motion passed with 4 ayes (Hanson, Richey, Zanni, Rorke), one absent, C. Young.

9. New Business:

A. Discussion/possible action regarding the approval of Resolution No. 11, 2021 Read Across Siskiyou

Karen Potts of First 5 Siskiyou gave a presentation regarding the benefits of reading for ages 1-5. She was accompanied by Steven Bryan who gave audience members an information packet and a children's book. Ms. Potts would like the community to contact her regarding donations of time or money to benefit these programs in our community.

M. Rorke made a motion to approve Resolution No. 11, 2021 Read Across Siskiyou; seconded by C. Richey. Motion passed with 4 ayes (Hanson, Richey, Zanni, Rorke), one absent, Young

B. Discussion/possible action regarding the first reading of MCSD Policy 7030-Fire Vehicle Operations

C. Richey made a motion to approve the first reading of MCSD Policy 7030-Fire Vehicle Operations; seconded by R. Zanni. Motion passed with 3 ayes (Hanson, Richey, Zanni), one abstain, M. Rorke (wanting more information), one absent, C. Young.

C. Discussion/possible action regarding the first reading of MCSD Policy 7060-Fire Department Leave of Absence

C. Richey made a motion to approve the first reading of MCSD Policy 7060- Fire Department Leave of Absence; seconded by R. Zanni. Motion passed with 3 ayes (Hanson, Richey, Zanni), one abstain, M. Rorke (wanting more information), one absent, C. Young.

D. Discussion/possible action regarding the first reading of MCSD Policy 7080-Responding to Calls

C. Richey made a motion to approve the first reading of MCSD Policy 7080-Responding to Calls seconded by R. Zanni. Motion passed with 4 ayes (Hanson, Richey, Zanni, Rorke), one absent, C. Young.

E. Discussion/possible action regarding General/Director's fund expense allocation of percentages

Discussion of the percentage of income that the Fire Department must pay for MCSD services. Discussion of a Rate study on Parks, Library and Fire Department was also discussed.

F. Discussion/possible action regarding hiring an auditor

1. Smith & Newell
2. RT Dennis
3. Brown Armstrong

C. Richey made a motion to hire Smith & Newell as the auditor for a 2-year audit; seconded by M. Rorke. Motion passed with 4 ayes (Hanson, Richey, Zanni, Rorke), one absent, C. Young.

G. Discussion/possible action regarding the first reading of MCSD Policy 2238-Fire Department Recruitment & Retention Coordinator- Job Description

R. Zanni made a motion to approve the first reading of MCSD Policy 2238-Fire Department Recruitment & Retention Coordinator- Job Description to include Appendix B-Contract for the second reading; seconded by M. Hanson. Motion passed with 3 ayes (Hanson, Richey, Zanni), one abstain, M. Rorke (needing more information), one absent, C. Young.

10. Public Comment: This time is provided to receive information from the public regarding issues that **do not** appear on the agenda (persons addressing the Board will be asked to step up to the podium and will be limited to three minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board).

11 Adjourn at 7:37 PM.

Catherine Young/President of the Board

Andrea Mills/Secretary of the Board

**MINUTES OF A
REGULAR MEETING OF THE BOARD OF DIRECTORS
November 8, 2021**

A regular meeting of the Board of Directors of the McCloud Community Services District was called to order at 6:00 p.m. at the Scout Hall. Four Directors (Richey, Hanson, Young, Zanni) were present, M. Rorke was absent. Also present were General Manager Amos McAbier, Public Works Superintendent Richie Fesler, Fire Chief Charlie Miller, Finance Officer Mike Quinn and District Secretary Andrea Mills. Siskiyou County Supervisor, Brandon Criss was also present.

1. Call to Order at 6:00 PM

2. Pledge of Allegiance

3. Approval of Minutes:

A. Discussion/possible action regarding the approval of the minutes of the Regular Meeting of October 25, 2021

Tabled for correction

B. Discussion/possible action regarding the approval of the minutes of the Emergency Meeting of October 29, 2021

R. Zanni made a motion to approve the minutes of the Emergency Meeting of October 29, 2021; seconded by M. Hanson. Motion passed with 3 ayes (Young, Zanni, Hanson), one abstain (Richey), one absent (Rorke).

4. Announcement of Events: *None*

5. Communications: *None*

6. Reports:

A. General Manager-Verbal update on lower Elk Springhouse

Lower Elk springs drilling has been delayed because of equipment issues but will continue once repairs have been made. The Mud Creek project is moving along, and Amos has been working diligently to find various sources of funding to help cover the costs incurred.

B. Finance Officer

Mike Quinn reported on the increase in healthcare costs for District employees that become effective in January of 2022.

C. Fire Chief- see report

D. Directors-no reports

E. Committees

Finance and Audit Committee met. No other meetings. Old McCloud Courthouse Committee will meet on November 24th,

7. Consent Agenda:

A. Approval of Expenses in the amount of \$15,244.48

C. Young made a motion to approve the expenses in the amount of \$15,244.48; seconded by C. Richey. Motion passed with 4 ayes(Young, Richey, Hanson, Zanni) one absent (Rorke).

8. Old Business:

A. Discussion/possible action regarding the second reading of MCSD Policy 7030-Fire Vehicle Operations

R. Zanni made a motion to approve the second reading of MCSD Policy 7030-Fire Vehicle Operations. Seconded by C. Richey. Motion passed with 4 ayes (Young, Richey, Hanson, Zanni) one absent (Rorke).

B. Discussion/possible action regarding the second reading of MCSD Policy 7060-Fire Department Leave of Absence

M. Hanson made a motion to approve the second reading of MCSD Policy 7060-Fire Department Leave of Absence; seconded by R. Zanni. Motion passed with 4 ayes (Young, Richey, Hanson, Zanni) one absent (Rorke).

C. Discussion/possible action regarding the second reading of MCSD Policy 7080-Responding to Calls

R. Zanni made a motion to approve the second reading of MCSD Policy 7080-Responding to Calls; seconded by C. Richey. Motion passed with 4 ayes (Young, Richey, Hanson, Zanni) one absent (Rorke).

D. Discussion/possible action regarding the second reading of MCSD Policy 2238-Fire Department Recruitment & Retention Coordinator- Job Description

C. Richey made a motion to approve the second reading of MCSD Policy 2238-Fire Department Recruitment & Retention Coordinator- Job Description; seconded by R. Zanni. . Motion passed with 4 ayes (Young, Richey, Hanson, Zanni) one absent (Rorke).

9. New Business:

A. Discussion/possible action regarding Recruitment and Retention Coordinator Salary, EMT Paramedic Specialty Pay for R&R Coordinator position (40% 1st year of the position and 20% the other 3 years.)

M. Hanson made a motion to approve the Recruitment and Retention Coordinator Salary, EMT Paramedic Specialty Pay for R&R Coordinator position (40% 1st year of the position and 20% years 2, 3, and 4.); seconded by R. Zanni. Motion passed with 3 ayes (Richey, Hanson, Zanni), one abstain (Young), one absent (Rorke).

B. Discussion/possible action regarding the Engineers report and Mud Creek Update

Amos McAbier reported that Mud creek has overflowed its banks for approximately eleven miles toward Highway 89. Siskiyou County public works has assisted in diverting the banks along with another excavator and operator. Our engineer is concerned with additional events that could occur with rain and snowfall in the coming winter.

C. Discussion/possible action regarding MCSD Resolution No. 11, 2021- An Authorizing Resolution for the MCSD Upper and Lower Elk Springs delivery and collection system upgrades

R. Zanni made a motion to approve MCSD Resolution No. 11, 2021- An Authorizing Resolution for the MCSD Upper and Lower Elk Springs delivery and collection system upgrades; seconded by M. Hanson. Motion passed with 4 ayes (Young, Richey, Hanson, Zanni) one absent (Rorke).

10. Public Comment: This time is provided to receive information from the public regarding issues that **do not** appear on the agenda (persons addressing the Board will be asked to step up to the podium and will be limited to three minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board).

None

11. Public Comment: This time is provided to receive information from the public regarding issues that **do** appear on the closed session agenda.

None

12. Adjourn open session at 7:38 PM

13. Convene a Closed Session: Pursuant to California Government Code §54957.6 - Public Employee Performance Evaluation: General Manager.

14. Reconvene open session and announce any action taken.

At 7:46 PM, Topic tabled.

15. Adjourn at 7:46 PM

Catherine Young/President of the Board

Andrea Mills/Secretary of the Board

Mud Creek Restoration Report

	Through 9/30/2021	Est Through 11/30/2021	Projection 12/15/2021	Total
Budgeted Amount	\$ 30,000.00	\$ 87,788.00		\$ 117,788.00
Expenses				
Payroll Expense	\$ 4,014.00	\$ 11,258.00	\$ 2,500.00	\$ 17,772.00
Contracted Services	\$ 5,900.00	\$ 7,700.00	\$ 4,000.00	\$ 17,600.00
Rental Expense	\$ 15,868.00	\$ 25,700.00	\$ 16,400.00	\$ 57,968.00
Fuel, equipment expense	\$ 1,813.00	\$ 5,498.00	\$ 3,800.00	\$ 11,111.00
Total Expense	\$ 27,595.00	\$ 50,156.00	\$ 26,700.00	\$ 104,451.00
Remaining Budget	\$ 2,405.00	\$ 37,632.00	\$ 53,400.00	\$ 13,337.00

McCloud Fire Department Monthly Fire Chiefs Report

Report Month: **November**

Year: **2021**

Member Information

Total Department members including Auxiliary: 28		New Members: 0
Total Firefighters: 12	Active: 7	Inactive: 5
Total Auxiliary: 15	Active: 6	Inactive: 7
Total Paramedics: 2	Active: 2	Inactive: 0
Total EMT's: 3	Active: 3	Inactive: 0
Members Resigned: 0	Members Terminated: 0	Members on Leave of Absence: 1
Explorers: 4	Active: 4	Inactive: 0

PERSONNEL	COUNT	PERCENTAGE
Fay, Dan P	5	21.74 %
French, Bruce D	13	56.52 %
Girard, Nate	1	4.35 %
Masciola, Bob	6	26.09 %
Masciola, Nathan	8	34.78 %
Mattson, Craig	2	8.70 %
Memmer, Jettus	3	13.04 %
Miller, Cindy Ann	3	13.04 %
Miller, Darrell "Charlie"	11	47.83 %
Thomsen, Kirk S	4	17.39 %
Vogus, Trenton	4	17.39 %
Sum of Individual Responses	60	
Total Incidents for Date Range	23	

Volunteer notes: A very busy month of training for our volunteers. Several attended Drivers training in Cottonwood. Others attended Rope Rescue training at COS.

Explorer notes: Recharter of Explorer Program due in December. Explorer soda/Water fundraiser continues.

PERSONNEL	COUNT	PERCENTAGE
Girard, Parker	4	17.39 %
Sum of Individual Responses	4	
Total Incidents for Date Range	23	

McCloud Fire Department Monthly Fire Chiefs Report

Report Month: **November**

Year: **2021**

CHIEF 1700

Darrell "Charlie" Miller (EMT-P) Engine Driver

ASST. CHIEF/OPERATIONS 1701

Trenton Vogus (Firefighter/EMT 1) Engine Driver

ASST. CHIEF/EMS DIRECTOR 1702

Kirk Thomsen (Firefighter/EMT -P) Engine Driver

DIV. CHIEF/TRAINING OFFICER 1705

Nate Girard (Firefighter/EMT) Engine Driver

FIRE CAPTAIN 1706

Stephen Richardson

FIRE LIEUTENANT 1708

Ben Garcia (Auxiliary/Engine Driver)

RESCUE/EMS LIEUTENANT 1709

Terry Borden

FIRE FIGHTER'S / EMT'S

Jack Borden (FF/EMT-1)

Engine Driver

Mike Worthington (FF/EMT-1)

Engine Driver

Cindy Miller (FF/EMT-1)

Engine Driver Trainee

Jettus Memmer (FF/EMR)

Engine Driver

Nathan Masciola (FF/1st Responder)

Engine Driver

Joe Dewitt (FF/EMR)

Engine Driver

Auxiliary/Non-Firefighters, Drivers & Support Staff

Peter Tolosano
(Battalion Chief 1710)

Donna Sager
(Battalion Chief 1711)

Amos McAbier (Wildland FF)
(Engine Driver)

Dan Fay (Wildland FF)
(Ambulance/Engine Driver)

Jessie Gray (Wildland FF)
(Ambulance Driver)

Illa Garcia
(Engine Driver)

Ulianna Roseberry
(Ambulance & Engine Driver
Trainee)

Bob Masciola
(Ambulance Driver)

Bobby Martin
(Engine Driver)

Bruce French
(Ambulance Driver)

Sandy Borden
(EMT 1)

Richie Fesler
(Engine Driver)

Craig Mattson

Scott Oliver
(Engine Driver Trainee)

Jerry Glynn
(Engine Driver)

Explorers

Parker Girard

Jaden Quiring

Merlin Huddleston

Travis Seaton

**Highlighted personnel are trained and currently qualified
for interior structural firefighting.**

McCloud Fire Department Monthly Fire Chiefs Report

Report Month: **November**

Year: **2021**

INCIDENT TYPE	# INCIDENTS
111 - Building fire	1
320 - Emergency medical service, other	1
321 - EMS call, excluding vehicle accident with injury	7
412 - Gas leak (natural gas or LPG)	1
500 - Service Call, other	2
510 - Person in distress, other	1
553 - Public service	1
554 - Assist invalid	5
651 - Smoke scare, odor of smoke	1
661 - EMS call, party transported by non-fire agency	1
700 - False alarm or false call, other	1
743 - Smoke detector activation, no fire - unintentional	1
Total Incidents	23

Total Calls for service this calendar year: 268

Total Z.I.B. Calls this month: 1 (Gas Leak) Total ZIB Contract Calls this Fiscal Year: 1

Fire Calls

Total Fires: 1 Structure: 1 Vegetation: 0 Vehicle Fires: 0 Nuisance: 0

In Town: 0 Mutual Aid/Auto Aid: 1 Z.I.B. Area: 0

Fire Notes: 1 Mutual Aid Structure Fire response to Mt Shasta F.P.D. (Cancelled prior to arrival).

Medical Calls

Total Medical Calls: 9 (includes traffic collisions) Traffic Collisions: 0 Non-Injury: 0

Transported by Medic 17: 5 Paramedic Intercept: 0

Transported by MSAS: 1 Non-Transport: 2 BLS: 6 ALS: 2

In Town: 8 Mutual Aid/Auto Aid: 0 Z.I.B. Area: 1

Medical Notes: Nothing of interest to report.

Miscellaneous Calls

Total Miscellaneous Calls: 13

HAZMAT: 0 Lift Assist: 4 Public Assist (other): 6

Rescue Calls: 2 Smoke Check: 1 Alarm Sounding: 1 Gas Leak: 1

In Town: 7 Mutual Aid/Auto Aid: 0 Z.I.B. Area: 0

Miscellaneous call notes: Again, no calls were missed this month. We are working with the resident to decrease the amount of Public assist calls for oxygen bottle assistance.

McCloud Fire Department Monthly Fire Chiefs Report

Report Month: **November**

Year: **2021**

Station/Apparatus

Station 17-Fire Hall: Good condition. Carpets need to be cleaned.

Unit 1700 (Chevy Tahoe): Used by 4 members to attend Driver Operator class in Redding. Light bar is out of service with an unknown issue. We are attempting to repair it in house.

Unit 1701 (White Chevy Tahoe): Used for 2 members to attend Rope Rescue training at COS. Nothing mechanical to report.

Utility 17 (Dodge Ram Pickup): Used by two members to attend Driver Operator training in Redding. Studded snow tires installed (in house).

Squad 1740: Good condition, nothing to report.

Medic 17: Good condition, nothing to report.

Engine 1711: Failed a brake check. Repaired at Skinners Truck Repair in Weed.

Engine 1712: Good condition. Nothing to report

Engine 1715: Good condition. Stored in Shasta Forest Estates.

Fire Department Drills

#1 Fire: (Thursday 6-10 pm)

Date: 11/04/2021 Topic: Structure Fire Initial Attack size up and radio reports.

#2 Fire: (Thursday 6-10 pm)

Date: 11/11/2021 Topic: 2.5" Ground Monitor and handline usage.

Bus. Mtg: (Thursday 6-10 pm)

Date: 11/18/2021 Business Covered: Business meeting cancelled. Driver Operator Engine inspections.

#3 Fire: (Thursday 6-10 pm)

Date: 11/25/2021 Topic: Cancelled due to Thanksgiving.

Training Notes:

6 members attended Driver Operator 1A class in the Redding area. This brings the number of qualified or in training Engine Drivers to 18. We also began the Shift Firefighter program this month. Meeting on Thursday afternoons at 2 PM and ending at 10 PM.

McCloud Fire Department Monthly Fire Chiefs Report

Report Month: **November**

Year: **2021**

Community Involvement: Chief Miller attended the County Fire Chiefs Meeting in Yreka. Training for the upcoming/ongoing fire season is of most importance to the County Fire Chiefs. OES Chief Titus is in need of an agency in the South County to take on a type 6 wildland/rescue engine.

Cindy Miller and Trent Vogus attended the Chamber of Commerce dinner to give a state of the department presentation.

Planning for Santa Claus arrival and downtown tree lighting next month.

Ordinance 28 Issues: None this month.

Billing: Billing for all possible revenue continues.

EF Recovery: No billable calls this month.

Billed (FY 20/21): \$3,232.10

Received (FY 20/21): \$1404.75

EF Recovery Accounts Receivable: \$1827.35 - \$89.54 for denied claim= \$1737.81

Calfire: None.

USFS: None.

CA Office of Emergency Services/CA Fire Assistance Agreement (CFAA): None.

McCloud Fire Department Monthly Fire Chiefs Report

Report Month: **November**

Year: **2021**

Medical Billing:

July Wittman Enterprises Billing Report (Wittman Reports run 1 month behind)

INVOICE 2110028

TO: McCloud Community Service District
FROM: Wittman Enterprises, LLC
DATE: November 15, 2021
FOR: Billing Services Performed in **October 2021**

Gross Collections	\$	8,448.29
Less Refunds	\$	466.45
Net Collections	\$	7,981.84
 Fee Based on 8% of Net Collections	 \$	 638.55

CURRENT MONTH BALANCE: \$ 638.55

TOTAL AMOUNT: \$ 638.55

Fiscal Year 20/21 Whitman Enterprises Billing Report

	MCARE		MCAL		OTHER		BAD DEBT				NEW A/R
	CHARGES	WRITE	WRITE	DOWN	WRITE	DOWN	NET PAYMENTS	WRITE OFFS	ADJUSTMENTS	BALANCE	
JULY '21	\$ 23,780.75	\$ 9,805.84	\$ 76.07	\$ -	\$ 13,898.84	\$ 8,110.94	\$ -	\$ -	\$ -	\$ -	\$ 63,493.75
AUGUST '21	\$ 35,496.35	\$ 21,863.66	\$ 10,031.91	\$ -	\$ 3,600.78	\$ 13,484.85	\$ -	\$ -	\$ 13,484.85	\$ 6.15	\$ 53,615.83
SEPTEMBER '21	\$ 28,923.66	\$ 12,423.89	\$ 2,161.33	\$ -	\$ 14,338.44	\$ 10,063.53	\$ -	\$ -	\$ 10,063.53	\$ -	\$ 57,890.74
OCTOBER '21	\$ 21,265.55	\$ 14,457.06	\$ 7,221.40	\$ -	\$ (412.91)	\$ 8,448.29	\$ 466.45	\$ -	\$ 7,981.84	\$ (324.81)	\$ 49,171.18
NOVEMBER '201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DECEMBER '21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
JANUARY '22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FEBRUARY '22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MARCH '22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
APRIL '22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MAY '22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
JUNE '22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
YEAR TO DATE TOTALS	\$ 109,466.31	\$ 58,550.45	\$ 19,490.71	\$ -	\$ 31,425.15	\$ 40,107.61	\$ 466.45	\$ -	\$ 39,641.16	\$ (318.66)	

OCTOBER: Amount Charged: -\$412.91 Waiting for billing explanation on this.

Amount Received: \$7981.84

Average monthly charges this fiscal year: \$7,856.28

Average Monthly net revenue received this fiscal year: \$9,910.29

Outstanding Accounts Receivable as of October 30, 2021: \$49,171.18

McCloud Fire Department Monthly Fire Chiefs Report

Report Month: **November**

Year: **2021**

General department message:

The holiday season is upon us. November was a much-needed break as far as emergency calls were concerned. However, a great amount of training was attended outside of normal trainings.

Medic 17 was staffed ALS with the exception of when Chief 1700 was out of town attending training. No calls were unattended. Mount Shasta Ambulance was needed to transport 1 time this month as no Paramedic was available during those calls (Chief 1700 away at training).

Several members attended the Driver Operator 1A hosted by the Cottonwood Fire Department. This class teaches members how to inspect fire apparatus and tests their driving ability on an emergency driving course. This 40-hour class is mandatory for drivers to be able to test at the CA DMV to receive their CA Class C- Fire Apparatus Driver Exemption. This license allows a holder to drive any piece of fire apparatus that the department owns. After licensing, the trainee drivers will still have to complete a task book to become qualified by the department to drive on emergency responses.

You may notice that we are responding a fire engine to all calls. This will allow our drivers to practice their driving skills and become better acquainted with the Type I fire engines.

The FEMA Grant Recruitment and Retention Coordinator/Paramedic employment announcement went out after board approval. We have received a number of applicants. Work towards interviewing and hiring a qualified candidate is underway. Nate Girard has taken responsibility for this. We hope to have someone hired by the 1st of the year 2022 or sooner.

Submitted By: *Darrell Miller* Darrell "Charlie" Miller

Date: 12/6/2021

* ... Over spent expenditure

Claim/	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/ Line \$	Disc \$	PO #	Fund	Org	Acct	Object	Proj	Cash Account
10453		71 FIRST BANKCARD - DIRECTORS 2		983.65	****							
		October Credit Card Activity										
		Jiffy'sTrk 10/18/21 Clas B Comm'l Lic Trk Rntl		425.00*		725137	1090		402000	350		101000
		Jiffy'sTrk 10/18/21 Clas B Comm'l Lic Trk Rntl		425.00*		725137	1090		402000	350		101000
		BowWow 10/22/21 Dog Waste Bags for park		75.06*		725132	1070		403000	400		101000
		Amazon 10/29/21 Black Dist Office Space Heater		32.16*		725134	1010		403000	400		101000
		Amazon 10/29/21 Silvr Dist Office Space Heater		26.43*		725134	1010		403000	400		101000
		Total for Vendor:		983.65								
		*** Claim from another period (10/21) ****		679.86								
10454	E	70 FIRST BANKCARD - DISTRICT CARD		679.86								
		October Credit Card Activity										
		10/07/21 Enplan (IT Services)		29.00*			1010		402000	396		101000
		10/21/21 Microsoft (IT Services)		200.00*			1010		402000	396		101000
		DRI*PRINTR 10/27/21 New Purchase Orders		160.86*			1010		403000	410		101000
		USPO 11/01/21 Stamps		290.00*		ANDREA	1010		403000	410		101000
		Total for Vendor:		679.86								
		*** Claim from another period (10/21) ****		4,137.84								
10455	E	69 FIRST BANKCARD - FIRE DEPT										
		October Credit Card Activity										
		Costco 10/07/21 5 Uniform Jackets		99.95*		725198	1040		402000	360		101000
		Chevron 10/08/21 Fuel for Chainsaw Gas Can		8.03*		725197	1040		403000	430		101000
		Solano's 10/10/21 Engine Airhose Adapter		4.83*			1040		403000	530		101000
		Goodwill 10/16/21 Firefighter Pants, Elec Cord		14.47*		725191	1040		403000	400		101000
		Bountree 10/16/21 Medical Supplies (Amiodeson		139.50*		725186	1040		402000	340		101000
		HamptonInn 10/19/21 I Night Stay for IC5 Class		121.98*		725192	1040		403000	400		101000
		Bountree 10/19/21 Ambulance Supplies		2,167.31*		725162	1040		402000	350		101000
		RegionalTr 10/20/21 Fire Training		138.50*		725161	1040		402000	350		101000
		RegionalTr 10/20/21 Intermediate/WildlandFireT		361.00*		725199	1040		403000	400		101000
		Walmart 10/26/21 Clorox & Soap		8.77*		725195	1040		402000	350		101000
		RegionalTr 10/26/21 Fire Vehicle/Apparatus Tra		754.50*		725195	1040		402000	350		101000
		RegionalTr 11/01/21 Intermediate/WildlandFireT		180.50*			1040		402000	350		101000
		RegionalTr 11/01/21 HazmatFirstResponder Train		138.50*		725160	1040		402000	350		101000
		Total for Vendor:		4,137.84								
		# of Claims		3								
		Total:		5,801.35								
		Total Electronic Claims		4,817.70								
		Total Non-Electronic Claims		983.65								

MCCLOUD COMMUNITY SERVICES DISTRICT
Fund Summary for Claims
For the Accounting Period: 12/21

12/07/21
12:21:07

Fund/Account	Amount
1010 GENERAL	
101000 Operating Cash	\$738.45
1040 FIRE	
101000 Operating Cash	\$4,137.84
1070 PARKS	
101000 Operating Cash	\$75.06
1090 REFUSE	
101000 Operating Cash	\$850.00
Total:	\$5,801.35

12/07/21
12:21:07

MCCLOUD COMMUNITY SERVICES DISTRICT
Claim Approval Signature Page
For the Accounting Period: 12 / 21

Page: 4 of 4
Report ID: AP100A

The foregoing claims are approved for payment in the manner provided by Resolution #3, dated November 8, 1965."

Prepared by: Keith Anderson _____

Reviewed by: _____

Claims Total: \$5801.35

Signature #2 _____

Signature #4 _____

Signature #3 _____

Signature #5 _____

* ... Over spent expenditure

Claim/Check	Invoice #/Name/ Vendor #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
10458	1174 BARTKIEWICZ, KRONICK & SHANAHAN Legal Services for October	1,450.00	****				
	8922.001 11/08/21 Legal Services	845.83*			3000 402000	390	101000
	8922.001 11/08/21 Legal Services	265.83*			2000 402000	390	101000
	8922.001 11/08/21 Legal Services	265.84*			1090 402000	390	101000
	8922.001 11/08/21 Legal Services	72.50*			1040 402000	390	101000
	Total for Vendor:	1,450.00					
10427	9 BASIC LABORATORY 2 Coliform & E.coli Drinking Water Tests	76.80	****				
	2111437-28 11/18/21 2 Coliform & E.coli Drinki	76.80*			3000 402000	392	101000
	Total for Vendor:	76.80					
10419	10 BAXTER AUTO PARTS EPOXY-ROOF REPAIR 548 QUINCY	8.26	****				
	15674-5222 10/13/21 EPOXY-ROOF REPAIR 548 QUNI	8.26*		725128	1090 403000	520	101000
	Total for Vendor:	8.26					
10424	10 BAXTER AUTO PARTS Grease for Mudcreek Excavator; Fuel Filter for District Yard Red Dye Diesel Tank	92.80	****				
	15674-5898 11/09/21 Grease for Mudcreek Excava	71.92*		3501	5002 403000	520	101000
	15674-6067 11/15/21 Filter for tank @ District	20.88*		3501	1010 403000	520	101000
	Total for Vendor:	101.06					
10450	13 BLUE STAR GAS Propane at Office Tank 220 W. Minnesota Ave	1,110.71	****				
	1284772 11/23/21 Office Propane 306.1 @ \$3.349	1,110.71*			1010 403000	440	101000
	Total for Vendor:	1,110.71					
10425	15 BROOKS COMPLETE AUTO REPAIR INC. New Tire for Park Turf Sweeper	48.35	****				
	95672 10/27/21 New Tire-Park Turf Sweeper	48.35*		725135	1070 403000	520	101000
	Total for Vendor:	48.35					

MCCLLOUD COMMUNITY SERVICES DISTRICT
Claim Approval List
For the Accounting Period: 12/21

* ... Over spent expenditure

Claim/	Check	Invoice #/	Vendor #/Name/	Document \$/	Disc \$	PO #	Fund Org Acct	Object Proj	Cash
		Date/Description	Inv Date/Description	Line \$					Account
10457		1200 Bryan Bechthold		2,800.00	****				
		Mud Creek restoration excavator operator							
		725164 11/29/21 Mud Creek restoration excavato		2,800.00*		725164	5002 402000	392	101000
		Total for Vendor:		2,800.00					
10421		277 CROSS PETROLEUM		1,210.73	****				
		Vehicle Fuel							
		CL14966 11/15/21 Fire RTahoe 11 11/13/21 126,3		54.65*			1040 403000	430	101000
		CL14966 11/15/21 Fire RTahoe11 11/13/21 126,36		37.93*			1040 403000	430	101000
		CL14966 11/15/21 Fire WTahoe18 11/2/21 131,251		45.50*			1040 403000	430	101000
		CL14966 11/15/21 ParkTrucksBllwr 147,645 11/2/		54.65*			1070 403000	430	101000
		CL14966 11/15/21 SilverFordTrk 11/9/21 80,344m		78.33*			1010 403000	430	101000
		CL14966 11/15/21 ServiceTruck 11/10/21 67,335m		144.67*			1010 403000	430	101000
		CL14966 11/15/21 Rear Loader 11/3/21 16,956mi		174.17*			1090 403000	420	101000
		CL14966 11/15/21 Rear Loader 11/12/21 17,089mi		134.93*			1090 403000	420	101000
		CL14966 11/15/21 Side Loader 11/3/21 19,762mi		126.98*			1090 403000	420	101000
		CL14966 11/15/21 Side Loadr 11/15/21 19,921mi		139.66*			1090 403000	420	101000
		CL14966 11/15/21 Fire Engine1712 11/6/21 21,89		56.06*			1040 403000	420	101000
		CL14966 11/15/21 Fire Command 1700 11/8/21		92.78*			1040 403000	430	101000
		CL14966 11/15/21 Fire Medic 17 11/9/21 27,529m		70.42*			1040 403000	420	101000
		Total for Vendor:		1,210.73					
		**** Claim from another period (11/21) ****		4,900.00					
10456		1187 DEAN ADAMS							
		Mud Creek restoration excavator operation							
		3556 11/30/21 Mud Creek excavator operation		4,900.00*		3556	5002 402000	392	101000
		Total for Vendor:		4,900.00					
		**** Claim from another period (8/21) ****		96.00					
10441		460 DEPT. OF JUSTICE							
		Aug 2021 Fire Dept Fingerprint A pps							
		533553 09/03/21 Aug Fingerprint Apps		96.00*			1040 402000	345	101000
		Total for Vendor:		96.00					
		**** Claim from another period (11/21) ****		1,924.40					
10440		42 DON R ERICKSON OIL							
		Fuel for Mud Creek Excavator							
		181980 11/04/21 Dyed Diesel 200 @ \$3.59 Dist		771.30*			5002 403000	420	101000
		182128 11/11/21 Dyed Diesel 205 @ \$3.59 Dist		790.59*			5002 403000	420	101000

* ... Over spent expenditure

Claim/Check	Invoice #/Date/Description	Vendor #/Name/Inv Date/Description	Document \$/Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
179178	11/16/21 Dyed Diesel 94	@ \$3.59 Dist	362.51*			5002 403000	420	101000
		Total for Vendor:	1,924.40					
		*** Claim from another period (11/21)	214.08	****				
10452	1167 GREGORY LANE FAMILY & IMPLANT							
Dental			214.08*			1010 401300	270	101000
		Total for Vendor:	214.08					
		*** Claim from another period (11/21)	565.00	****				
10426	1197 JEFFREY S. MORLEY, D.D.S.							
EMPLOYEE DENTAL			565.00*			1010 401300	270	101000
CA0034	11/02/21 EMPLOYEE DENTAL				725172			
		Total for Vendor:	565.00					
		*** Claim from another period (11/21)	141.46	****				
10417	1195 MELINDA WILLIAMSON							
REFUND ESCROW OVERPAYMENT			141.46			3000 302100		101000
		Total for Vendor:	141.46					
		*** Claim from another period (11/21)	276.45	****				
10445	1171 MILLS, ANDREA							
Reimb		Angela Ferrari, D.D.S. Employee Dental	2.49*			1040 401300	270	101000
		Dr Ferrari 11/02/21 Employee Dental	9.12*			1050 401300	270	101000
		Dr Ferrari 11/02/21 Employee Dental	0.28*			1060 401300	270	101000
		Dr Ferrari 11/02/21 Employee Dental	5.81*			1070 401300	270	101000
		Dr Ferrari 11/02/21 Employee Dental	1.11*			1080 401300	270	101000
		Dr Ferrari 11/02/21 Employee Dental	6.08*			1090 401300	270	101000
		Dr Ferrari 11/02/21 Employee Dental	82.38*			2000 401300	270	101000
		Dr Ferrari 11/02/21 Employee Dental	169.18*			3000 401300	270	101000
		Total for Vendor:	276.45					
		*** Claim from another period (11/21)	26.85	****				
10423	141 NAPA AUTO PARTS							
2.5 Gal DEF for CAT336 Excavator on Mud Creek Project			26.85*			5002 403000	420	101000
99280	11/15/21 DEF for Mud Creek Excavator				3502			
		Total for Vendor:	26.85					

* ... Over spent expenditure

Claim/	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
10428		1198 NORMAN HATCHER		98.40	****				
		REFUND FOR OVERPAYMENT. Acc# 40021-00 445 GROVE							
		445Grove 11/16/21 Refund for Ovrpmt, 445 Grove		98.40			3000 302130		101000
		Total for Vendor:		98.40					
10449		120 PACIFIC POWER - 001 7 FIRE		532.19	****				
Power									
		001 7 11/16/21 Shop		79.22*			1010 403000	450	101000
		001 7 11/16/21 Office		125.04*			1010 403000	450	101000
		001 7 11/16/21 Fire Station		180.89*			1040 403000	450	101000
		001 7 11/16/21 Ambulance		50.72*			1040 403000	450	101000
		001 7 11/16/21 Library		96.32*			1080 403000	450	101000
		Total for Vendor:		532.19					
10447		124 PACIFIC POWER - 005 8 PARK		106.97	****				
Power									
		005 8 11/16/21 Scout Hall Area Light		14.96*			1070 403000	450	101000
		005 8 11/16/21 Scout Hall Area Light		3.74*			1010 403000	450	101000
		005 8 11/16/21 HooHoo Field Lights		19.22*			1070 403000	450	101000
		005 8 11/16/21 HooHoo Gazebo Lights		15.52*			1070 403000	450	101000
		005 8 11/16/21 Scout Hall		42.82*			1070 403000	450	101000
		005 8 11/16/21 Scout Hall		10.71*			1010 403000	450	101000
		Total for Vendor:		106.97					
10430		126 PACIFIC POWER - 007 4 STREET		1,413.93	****				
Power									
		1851-0074 11/01/21 Ocr Sreet Light Power		1,413.93*			1060 403000	450	101000
		Total for Vendor:		1,413.93					
10418		1196 RESCUE SOURCE & RESCUE 3 INT'L		2,464.22	****				
ASSORTED TECHNICAL RESCUE EQUIPMENT									
25620 08/15/21 ASSORTED TECHNICAL RESCUE EQUI				2,464.22*		CHARLY	1040 403000	520	101000
		Total for Vendor:		2,464.22					

* ... Over spent expenditure

Claim/ Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
10439	1038 SCOTT VALLEY RESPIRATORY HOME		80.00	*** Claim from another period (10/21) ****				
Oxygen Bottle								
25319 10/27/21	2 Oxygen Bottle		50.00*		3554	1040 403000	400	101000
25319 10/27/21	1 Oxygen Bottle		30.00*		3554	1040 403000	400	101000
	Total for Vendor:		80.00					
10416	169 SOLANOS HOME IMPROVEMENT CNTR		354.15	*** Claim from another period (10/21) ****				
Start Rope, Zip Ties, Bear Can Replaced (Refuse Truck Broke it)								
285331 10/08/21	1/8"x48' Pull Start Rope, Hand		13.29*		725138	1010 403000	520	101000
285331 10/08/21	11" Zip Ties		15.28*		725138	1010 403000	400	101000
285763 10/15/21	Bottle Fix A Flat forParkSweep		13.84*		725138	1070 403000	520	101000
285587 10/13/21	Replace Bear Can 548 Quincy		311.74*		725125	1090 403000	400	101000
	Total for Vendor:		354.15					
10451	165 USDA FOREST SERVICE		147.92	*** Claim from another period (11/21) ****				
Sewage Transmission Line - Special Uses 1/1/22 to 12/31/22 Permit Issued 9/14/17								
BF051461AC 11/05/21	Swg Tran'n Line BF051461AC		147.92*			2000 404000	710	101000
	Total for Vendor:		147.92					
10431	255 VERIZON WIRELESS - MCSD		192.28	*** Claim from another period (10/21) ****				
October Cell Phone Activity								
9891841706 11/01/21	October Cell Phone Svc		154.38*			1010 402000	320	101000
9891841706 11/01/21	Pws, On Call, Gm Phone		53.70*			1010 402000	320	101000
9891841706 11/01/21	Fire Chief, Ambulance Phon		-15.80*			1040 402000	320	101000
	Total for Vendor:		57.65					
10442	255 VERIZON WIRELESS - MCSD		57.65	*** Claim from another period (10/21) ****				
Phone & Celll Service Addendum								
9891895992 11/21/21	October Cell Phone Service		24.89*			1010 402000	320	101000
9891895992 11/21/21	Pws, On Call, GM Phone		16.44*			1010 402000	320	101000
9891895992 11/21/21	Fire Chief,Ambulance		16.32*			1040 402000	320	101000
	Total for Vendor:		249.93					
10432	1143 VYVE - BD@SCOUT HALL		140.30	*** Claim from another period (11/21) ****				
Nov Phone & Internet Service								
Nov2021 11/02/21	Nov Phone & Internet Service		140.30*			1020 402000	320	101000
	Total for Vendor:		140.30					

* ... Over spent expenditure

Claim/	Check	Invoice	Vendor #/Name/ Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund	Org	Acct	Object	Proj	Cash
10434			116 VYVE - FIRE	95.45								
			Nov Phone & Internet Service									
			Nov2021 11/02/21 Nov Phone & Internet Service	95.45*			1040	402000		320		101000
			Total for Vendor:	95.45								
			*** Claim from another period (11/21) ****	312.24								
10433			117 VYVE - MCSD									
			Nov Phone & Internet Service									
			Nov2021 11/02/21 Nov Phone & Internet Service	312.24*			1010	402000		320		101000
			Total for Vendor:	312.24								
			*** Claim from another period (10/21) ****	638.55								
10422			170 WITTMAN ENTERPRISES, LLC									
			Oct Ambulance Billing Service									
			2110028 11/15/21 Oct Ambulance Billing Service	638.55*			1040	402000		394		101000
			Total for Vendor:	638.55								
			# of Claims	30								
			Total:	21,576.14								

Fund/Account	Amount
1010 GENERAL	
101000 Operating Cash	\$2,942.60
1020 DIRECTORS	
101000 Operating Cash	\$140.30
1040 FIRE	
101000 Operating Cash	\$4,038.68
1050 ALLEYS	
101000 Operating Cash	\$9.12
1060 LIGHTS	
101000 Operating Cash	\$1,414.21
1070 PARKS	
101000 Operating Cash	\$215.17
1080 LIBRARY	
101000 Operating Cash	\$97.43
1090 REFUSE	
101000 Operating Cash	\$1,167.66
2000 SEWER	
101000 Operating Cash	\$496.13
3000 WATER	
101000 Operating Cash	\$1,331.67
5002 Mud Creek Restoration	
101000 Operating Cash	\$9,723.17
Total:	\$21,576.14

The foregoing claims are approved for payment in the manner provided by Resolution #3, dated November 8, 1965."

Prepared by: Keith Anderson _____

Reviewed by: _____

Claims Total: \$21,576.14

Signature #2 _____

Signature #4 _____

Signature #3 _____

Signature #5 _____

* ... Over spent expenditure

Claim/	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
10459		1184 McCloud Community Service		633,542.68					
		Transfer of funds from Banner Bank operating account to 5 Star operating account							
		12/01/21 Transfer from BB oper to 5 sta		633,542.68			1010	101000	101000
		Total for Vendor:		633,542.68					
		# of Claims	1	Total:	633,542.68				

The foregoing claims are approved for payment in the manner provided by Resolution #3, dated November 8, 1965."

Prepared by: Keith Anderson _____

Reviewed by: _____

Claims Total: \$633,542.68

Signature #2

Signature #4

Signature #3

Signature #5

* ... Over spent expenditure

Claim/	Check	Invoice #/Name/ #/Inv Date/Description	Vendor #/Name/ #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
10469		10 BAXTER AUTO PARTS		86.80					
		Fire Vehicle Supplies							
		15674-6405 11/27/21 Radiator Cap		13.92*		725010	1040 403000	530	101000
		15674-6406 11/27/21 Jumper Cables		32.83*		725008	1040 403000	530	101000
		15674-6404 11/27/21 Oil for Fire Vehicles		40.05*		725007	1040 403000	530	101000
		Total for Vendor:		86.80					
10461		11 BLACK BUTTE TRANSFER STATION							
		Nov 2021 Dump Fees							
		150 12/03/21 Nov 2021 Dump Fees		4,127.42*			1090 405000	710	101000
		Total for Vendor:		4,127.42					
10464		15 BROOKS COMPLETE AUTO REPAIR INC.		23.50					
		Left Rear Tire Flat Repair Rear Loading Refuse Truck							
		96051 12/01/21 Flat-Rear Loading Refuse Truck		23.50*		725174	1090 403000	530	101000
		Total for Vendor:		23.50					
10460		277 CROSS PETROLEUM							
		Vehicle Fuel							
		CL15337 11/30/21 Fire Rtahoe11 11/29/21 126,53		57.88*			1040 403000	430	101000
		CL15337 11/30/21 Fire Rtahoe11 11/30/21 126,69		51.36*			1040 403000	430	101000
		CL15337 11/30/21 Fire '08Tahoe 11/29/21 131,42		65.60*			1040 403000	430	101000
		CL15337 11/30/21 SilverFordTrk 11/17/21 80,433		74.88*			1010 403000	430	101000
		CL15337 11/30/21 Excavator 11/22/21 Mud Creek		189.29*		3505	5002 403000	420	101000
		CL15337 11/30/21 Excavator 11/22/21 Mud Creek		191.28*		3505	5002 403000	420	101000
		CL15337 11/30/21 Silver Trk 11/23/21 2,679		79.24*			1010 403000	430	101000
		CL15337 11/30/21 Side Loader 11/23/21 Amos use		113.76*			1090 403000	420	101000
		CL15337 11/30/21 Rear Loader 11/30/21 17,235mi		174.77*			1090 403000	420	101000
		CL15337 11/30/21 Side Loader 11/30/21 20,147mi		142.37*			1090 403000	420	101000
		CL15337 11/30/21 Fire Command 1700 11/17/21		77.29*			1040 403000	430	101000
		CL15337 11/30/21 Fire Command 1700 11/28/21		59.05*			1040 403000	430	101000
		CL15337 11/30/21 Fire Command 1700 11/30/21		59.82*			1040 403000	430	101000
		CL15337 11/30/21 Fire Command 1700 11/30/21		57.13*			1040 403000	430	101000
		Total for Vendor:		1,393.72					

* ... Over spent expenditure

Claim/	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/ Line \$	Disc \$	PO #	Fund	Org	Acct	Object	Proj	Cash
10471		42 DON R ERICKSON OIL		960.26	****							
		Mud Creek Excavator Dyed Diesel		960.26*			5002		403000	420		101000
		179474 11/29/21 Dyed Diesel 249 @ \$3.59		960.26								
		Total for Vendor:		960.26	****							
		*** Claim from another period (11/21)		25.79								
10467		1074 Jerry Glynn		25.79*			1010		403000	400		101000
		Employee Covid Test Kit		25.79*								
		CVS PHARM 11/19/21 Employee Covid Test Kit		25.79								
		Total for Vendor:		183.35								
10473		1171 MILLS, ANDREA		1.65*			1040		401300	270		101000
		Reimburse Angela Ferrari, DDS		6.05*			1050		401300	270		101000
		FerrariDDS 12/03/21 Employee Dental		0.18*			1060		401300	270		101000
		FerrariDDS 12/03/21 Employee Dental		3.85*			1070		401300	270		101000
		FerrariDDS 12/03/21 Employee Dental		0.73*			1080		401300	270		101000
		FerrariDDS 12/03/21 Employee Dental		4.03*			1090		401300	270		101000
		FerrariDDS 12/03/21 Employee Dental		54.64*			2000		401300	270		101000
		FerrariDDS 12/03/21 Employee Dental		112.22*			3000		401300	270		101000
		Total for Vendor:		183.35								
		*** Claim from another period (11/21)		193.05								
10465		141 NAPA AUTO PARTS		26.85*			5002		403000	420		101000
		MUD CREEK EXCAVATOR SUPPLIES		80.30*			1010		403000	400		101000
		822376 11/19/21 (2) 2.5 Boxes DEF for Excavato		85.90*			5002		403000	420		101000
		822884 12/01/21 Case of Shop Towels		193.05								
		822884 12/01/21 (10) Cartridges Grease-Excavat		190.45								
		Total for Vendor:		190.45	****							
		*** Claim from another period (10/21)		190.45								
10462		399 POWERPLAN - OIB		190.45*			1010		403000	520		101000
		Rear Tire Lugs for John Deere 410G Backhoe		190.45*								
		13120745 10/27/21 Rear Lugs for J Deere Backho		190.45								
		Total for Vendor:		190.45								

* ... Over spent expenditure

Claim/	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
10466		1063 Richard Fesler		77.37	****				
		Employee Covid Test Kits							
		CVS Pharm 11/19/21 (3) Employee Covid Test Kit		77.37*		3506	1010 403000	400	101000
		Total for Vendor:		77.37					
		*** Claim from another period (11/21) ****							
10470		169 SOLANOS HOME IMPROVEMENT CNTR		526.93					
		Chain Saw Oil & Winter Jackets							
		286256 10/26/21 Chain Saw Bar Oil		20.32*		725136	1010 403000	520	101000
		286853 11/06/21 Winter Jacket for PWS		148.23*		725173	1010 402000	360	101000
		287012 11/09/21 Winter Coat for Refuse Operatr		136.01*		725173	1090 402000	360	101000
		287013 11/09/21 Winter Coat - Utility Wrkr 1A		137.50*		725173	1010 402000	360	101000
		287246 11/12/21 Winter Coat - Utility Wrkr 1B		84.87*		725173	1010 402000	360	101000
		Total for Vendor:		526.93					
		*** Claim from another period (11/21) ****							
10463		345 US BANK EQUIPMENT FINANCE		427.41					
		Nov 2021 (New) Copier Lease Payment							
		458377637 11/19/21 11/14-12/14/21 Copier Lease		427.41*			1010 403000	410	101000
		458377637 11/14/21 SDRMA INDEMNIFIED PROP DAMA		0.00*			1010 403000	410	101000
		Total for Vendor:		427.41					
		# of Claims		12					
		Total:		8,216.05					

Fund/Account	Amount
1010 GENERAL	
101000 Operating Cash	\$1,346.36
1040 FIRE	
101000 Operating Cash	\$516.58
1050 ALLEYS	
101000 Operating Cash	\$6.05
1060 LIGHTS	
101000 Operating Cash	\$0.18
1070 PARKS	
101000 Operating Cash	\$3.85
1080 LIBRARY	
101000 Operating Cash	\$0.73
1090 REFUSE	
101000 Operating Cash	\$4,721.86
2000 SEWER	
101000 Operating Cash	\$54.64
3000 WATER	
101000 Operating Cash	\$112.22
5002 Mud Creek Restoration	
101000 Operating Cash	\$1,453.58
Total:	\$8,216.05

The foregoing claims are approved for payment in the manner provided by Resolution #3, dated November 8, 1965."

Prepared by: Keith Anderson _____

Reviewed by: _____

Claims Total: \$8,216.05

Signature #2 _____

Signature #4 _____

Signature #3 _____

Signature #5 _____

**STAFF REPORT FOR ORDINANCE AMENDING ORDINANCE NO. 27
RULES AND REGULATIONS RELATING TO WATER SERVICE**

1. Recommendation

- 1.1. At the meeting on ____, 2021, introduce and take related actions concerning an Ordinance Amending Ordinance No. 27 Rules and Regulations Relating to Water Service.
- 1.2. At the meeting on ____, 2021, consider adopting the Ordinance and a related resolution determining that the action is exempt from review under the California Environmental Quality Act (“CEQA”).

2. Background

In response to recurring interest by Beverage Manufacturers in obtaining water service from the District, District staff and legal counsel have developed the draft Ordinance as a framework for how these proposed uses could be served in the future.¹

3. Discussion

The relevant background is set forth in the draft Ordinance. In summary, the District’s current water system, rules for water service, and domestic use rates do not appropriately address Beverage Manufacturers and Beverage Bottling Uses. In particular, the District’s existing flat rates for domestic water service would be problematic if applied to high-capacity users like Beverage Manufacturers and could pose an unreasonable danger to the District’s water system, finances, and existing users.

The District is authorized to define distinct classes of users and fix rates for service to those classes. However, it is not practicable for the District to fix new water rates for potential Beverage Bottling Uses. First, the District does not currently have a reasonable basis for determining the impacts any given Beverage Manufacturer would have on the District’s water system because this class of user has not historically been served by the District. Second, a generally-applicable water rate is not practicable because operations and water service requirements between Beverage Manufacturers will vary greatly. Third, there is an unreasonable danger that Beverage Bottling Uses would not bear all costs associated with their use because water rates are very difficult for the District to revise in light of changed circumstances or incorrect assumptions.

When it is not practicable for the District to fix generally-applicable water rates for a given user class, the District may establish water rates by agreement. (See *Louisiana-Pacific Corp. v. Humboldt Bay Mun. Water Dist.* (1982) 137 Cal.App.3d 152 (holding municipal water district may set rates by contract under Water Code sections 71590, 71592, and 716161); see also Gov. Code, § 61100, subd. (a) (providing community services districts supply water under the laws applicable to municipal water districts).) Consistent with this authority, the proposed Ordinance would do the following:

¹ As used in this staff report, the terms “Beverage Manufacturer” and “Beverage Bottling Use” have the meanings defined in section 2 of the draft Ordinance.

- A. Make findings to support the District’s determination that it is not practicable to set generally-applicable rates for Beverage Bottling Uses.
- B. Declare that the sale of limited District water supplies to users within the District for use within the District is the superior use of those supplies. The sale of surplus water for Beverage Bottling Uses and export outside the District is a subordinate use of District water supplies
- C. Amend the District’s Ordinance No. 27, Rules and Regulations Relating to Water Service, to define Beverage Manufacturers as a separate and distinct class of potential users of District supplies. Because of the unique circumstances surrounding Beverage Bottling Uses, water service for these uses would be subject to the following conditions:
 - i. The availability of surplus water above the amounts necessary to meet the reasonable needs of regular water service customers for beneficial uses within the District;
 - ii. Compliance with all rules applicable to water service by the District, to the extent not inconsistent with the Ordinance;
 - iii. Compliance with CEQA; and,
 - iv. Execution of one or more written agreements approved by the Beverage Manufacturer and the District’s Board of Directors that set forth the water rates, charges, and other terms applicable to the service.

The first condition in subsection C, the availability of surplus water to serve the proposed Beverage Manufacturer, would need to be determined by the District based on the availability of District water supplies and the reasonable needs of regular water service customers. The District would make this determination at the time that the District considers approving service to the Beverage Manufacturer. If surplus water is not available, then this condition would not be met and the District would not authorize service to the Beverage Manufacturer.

These rules for service would apply to Beverage Manufacturers whose operations are in the District’s service area and outside the District’s service area. There is an express exemption for small beverage operations in the District that may otherwise be considered to be Beverage Manufacturers but produce less than 50,000 gallons per year for sale outside of the District’s service area. Other existing laws and rules would potentially apply for Beverage Manufacturers whose operations are outside the District’s service area.

Should it become practicable in the future to fix generally-applicable water rates for Beverage Bottling Uses, the District would have the option of repealing the Ordinance and adopting such rates in compliance with all applicable laws.

ORDINANCE NO. XXX

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
McCLOUD COMMUNITY SERVICES DISTRICT
AMENDING ORDINANCE NO. 27 RULES AND REGULATIONS
RELATING TO WATER SERVICE**

The Board of Directors of the McCloud Community Services District ordains as follows.

SECTION 1 PURPOSE AND POLICY

The Board of Directors of the McCloud Community Services District finds and declares:

- 1.1. The purpose of this Ordinance is to amend the District’s Rules and Regulations Relating to Water Service (Ordinance No. 27) to regulate potential water service to Beverage Manufacturers. As used in this section, the terms “Beverage Manufacturer” and “Beverage Bottling Use” have the meanings defined in section 2 of this Ordinance.
- 1.2. The District operates a small water system that serves limited beneficial uses. The District’s water system was originally constructed around XXX and updated in 2002. Since the closure of the lumber mill in 2002, the primary purpose of the District’s water system has been to supply drinking water supplies to the McCloud community and limited irrigation uses around the community. The District water system has limited capacity to serve new water demands without the construction of significant new facilities that must be funded by new users.
- 1.3. The District has adequate source capacity for existing users, but conditions in the McCloud River watershed are subject to drought and climate change impacts that may require future users to preserve water supplies for the benefit of existing users and public trust resources.
- 1.4. There has been recurring interest by Beverage Manufacturers in receiving water service from the District. Beverage Manufacturers are not an existing class of District water system users. The new water system facilities required to serve Beverage Manufacturers and the potentially significant increased burden on District water supplies presented by Beverage Bottling Uses could have unknown impacts on the District’s water system, finances, existing users, and public trust resources.
- 1.5. The District’s current water system, rules for water service, and domestic use rates do not address Beverage Manufacturers and Beverage Bottling Uses. The District’s current flat rate schedule for domestic uses was never intended to be applied to high-capacity users like Beverage Manufacturers.
- 1.6. Allowing high-capacity users like Beverage Manufacturers to receive District water service under the current flat rate schedule would pose an unreasonable danger to the District’s water system, finances, and existing users, and would fail to ensure that the costs associated with serving Beverage Bottling Uses are borne only by

Beverage Manufacturers as required by Article XIII D, section 6, of the California Constitution.

- 1.7. The sale of water to users within the District for use within the District is declared to be the superior use of the District's limited water supplies. The sale of surplus water supplies for bottling and export outside the District is declared to be a subordinate use of the District's limited water supplies.
- 1.8. Beverage Manufacturers are a separate and distinct class of potential users of District supplies from all existing classes of users. Because of the risks of Beverage Bottling Uses, the District has determined it is not practicable for the District to fix standard rates for potential water sales to Beverage Manufacturers. This Ordinance authorizes the potential sale of surplus District water supplies to Beverage Manufacturers consistent with the express terms of this Ordinance, including that these users are only to be served upon such rates, charges, and other terms as are agreed between the District and the Beverage Manufacturer in a written agreement approved by the District Board of Directors.

SECTION 2 AUTHORITY

This Ordinance is adopted under the authority provided by Government Code sections 61060, subdivisions (a), (b), and (h), 61100, subdivision (a), and Water Code sections subdivision (a), 71611, 71612, 71613, 71614, and 71616.

SECTION 3 AMENDMENT OF ORDINANCE NO. 27

Ordinance No. 27 is amended as follows:

- 3.1. Section 1.02 "Definitions" is amended to add the following definitions and then renumbered to place the section's definitions into alphabetical order:

"Beverage" ~~has the meaning provided in Public Resources Code section 14504 as of May 1, 2021~~ means any of the following products if those products are in liquid, ready-to-drink form, and are intended for human consumption: beer and other malt beverages; wine and distilled spirit coolers; carbonated water, including soda and carbonated mineral water; noncarbonated water, including noncarbonated mineral water; carbonated soft drinks; noncarbonated soft drinks and "sport" drinks; coffee and tea drinks; carbonated fruit drinks; or vegetable juice in beverage containers of 16 ounces or less.

"Beverage Container" means an individual, separate bottle, can, jar, carton, or other receptacle, however denominated, in which a Beverage is sold, and which is constructed of metal, glass, or plastic, or other material, or any combination of these materials, but does not include cups or other similar open or loosely sealed receptacles~~has the meaning provided in Public Resources Code section 14505 as of May 1, 2021.~~

"Beverage Manufacturer" means any person who bottles, cans, or otherwise fills Beverage Containers for sale to distributors, dealers, or consumers and produces more than 50,000 gallons of Beverage for sale outside of the District's service area in

~~a 12-month period has the meaning provided in Public Resources Code section 14506 as of May 1, 2021.~~

“Beverage Bottling Uses” – The provision of Extraordinary Water Service to a Beverage Manufacturer.

“Extraordinary Water Service” – Water service and facilities provided for extraordinary purposes not historically served by the District on a permanent basis and the water available thereto.

3.2. Section 4.01.2 is added as follows:

Notwithstanding anything in this Ordinance to the contrary, Beverage Manufacturers are a separate and distinct class of water users from the users identified in Section 4.01. Service for Beverage Bottling Uses is subject to Section 4.05.

3.3. Section 4.05 “Service to Beverage Manufacturers” is added as follows:

4.05 Service to Beverage Manufacturers

Water service to a Beverage Manufacturer for Beverage Bottling Uses shall be subject to all of the following conditions:

- a. The availability of surplus water above the amounts necessary to meet the reasonable needs of Regular Water Service customers for beneficial uses within the District;
- b. Compliance with all rules applicable to water service by the District, to the extent not inconsistent with this section;
- c. Compliance with the California Environmental Quality Act; and,
- d. Execution of one or more written agreements approved by the Beverage Manufacturer and the District’s Board of Directors that set forth the water rates, charges, and other terms applicable to the service.

3.4. Except as expressly amended by this ordinance, all other provisions of Ordinance No. 23 remain unchanged and in full force and effect.

SECTION 4 SEVERABILITY

If any provision, paragraph, word, section or article of this Ordinance is invalidated, the remaining provisions, paragraphs, words, and sections shall not be affected and shall continue in full force and effect.

SECTION 5 INCONSISTENCY

To the extent that the terms and provisions of this Ordinance may be inconsistent or in conflict with the terms or provisions of any prior District ordinances, resolutions, rules or regulations governing the same subject, the terms of this Ordinance shall prevail with

respect to the subject matter thereof, and such inconsistent or conflicting provisions of prior ordinances, resolutions, rules or regulations are hereby repealed.

SECTION 6 EFFECTIVE DATE

This Ordinance is effective 30 days after **XXX**, 2021.

SECTION 7 PUBLICATION AND POSTING

Within 15 days after this Ordinance's passage, it shall be published once, with the names of the members voting for and against the Ordinance, in a newspaper published in Siskiyou County.

Passed and adopted at a meeting of the Board of Directors of McCloud Community Services District on this ____ day of ___, 2021, at McCloud, California by the following vote:

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

Chair, Board of Directors
McCloud Community Services District

Attest:

Secretary, Board of Directors
McCloud Community Services District



Taylor Houseman
 162 Harbor Court
 Pittsburg Ca. 94565

Ph: (800) 464-6866
Fax: (925) 432-0428
Sales - Service - Parts
Sales Agreement
 License #595077

Cust #	40041
Quote #	AAAQ19755
Date	04/30/21
Quote Expires	05/26/21

Sold To: McCloud Fire Department
 Darrell Miller
 409 Tucci Ave
 Mccloud, CA 96057

Phone: (530)964-2017
Fax:

Ship To: McCloud Fire Department
 Darrell Miller
 409 Tucci Ave
 Mccloud, CA 96057

Phone: (530)964-2017
Fax:

Sales Rep		Ship VIA	F.O.B.	Terms*	PO#
Scott		Company Vehicle	Origin	COD	
Item	Qty	Description		Unit Price	Ext. Price

For installation cost to be good, would have to do on site visit to finalize installation cost. This quote does not include prevailing wage. Customer is responsible for all utilities - Water, Drain and Electrical. Customer has Cad 5 cable. Node number 250 for software. Customer will need to download app from FireLinc in apple store.



1	UWT045D40LX	UniMac Washer 45lb Capacity High 100 G-Force Extraction 48 Cycle Programmable Control 5 Years Manufacturer Limited Warranty on Basket, Bearings, Frame & Seal 3 Years Manufacturer Limited Warranty on all other Parts See Manufacturer's Policy for Further Details 200-240/50-60/1-3ph With Spray Rinse, No Soap Box	\$12,347.20	\$12,347.20
1	F8676201	Network Board for FireLinc.	\$138.00	\$138.00
1	205223P	Ethernet Gateway Box - it communicate with the washer extractor.	\$450.00	\$450.00
1	THLABOR	Installation Labor Within 3 feet of machine connections, Start-up & Training	\$1,695.00	\$1,695.00
2	THTRAVEL	Travel Fee & Tolls	\$495.00	\$990.00
2	Lodging	Lodging and Meals per person - 151.00 per diem.	\$151.00	\$302.00
SubTotal				\$15,922.20
Sales Tax				\$1,031.47

Total	\$16,953.67
Deposit (Remit to Taylor Houseman Inc).	\$0.00
Balance due immediately upon delivery of equipment.	\$16,953.67

(Buyer) _____ (Title) _____ (Date) _____
 To accept this agreement, sign all pages and fax back to 925 432-0428
 See Detail Sheet and Contract of Sale for additional Terms & Conditions
 Permits, Fees, Licenses, Engineering and Architectural Fees not Included.
 Quote shows cash discount, actual price is 3% higher.
 If quote does not contain sales tax or have the correct sales tax you will be assessed local sales tax per CA BOE on final invoice. Quote does not include Prevailing Wage rates unless otherwise specified.

Payment Information	
Account Payable Contact:	_____
Address:	_____
Phone:	_____
Email:	_____

**MINUTES OF A
REGULAR MEETING OF THE BOARD OF DIRECTORS
June 14, 2021**

A regular meeting of the Board of Directors of the McCloud Community Services District was called to order at 6:00 p.m. at the Scout Hall. Directors C. Richey, M. Rorke, R. Zanni were present. C. Young and M. Hanson were absent. General Manager Amos McAbier, Public Works Superintendent Richie Fessler, Finance Officer Mike Quinn and District Secretary Andrea Mills were present. Fire Chief Charlie Miller was absent.

1. Pledge of Allegiance

2. Roll Call and Attendance

R. Zanni led the meeting, C. Richey and M. Rorke were present. C. Young and M. Hanson were absent.

3. Approval of Minutes: Discussion/action regarding approval of the minutes of the Regular Meeting of May 24, 2021

R. Zanni made a motion to approve the minutes of the Regular Meeting of May 24, 2021; seconded by M. Rorke. Motion passed with 3 Ayes (Zanni, Rorke, Richey) 2 Absent (Young, Hanson).

4. Announcement of Events:

Shareen announced that the annual Dutch Oven cook-off will be held at the Horseman's on Saturday June 19, 2021.

5. Communications: *None*

6. Reports:

A. General Manager

Amos McAbier went over his thoroughly written report. M. Rorke questioned the quantity of repairs done to the garbage truck this year and requested the total repair costs spent this year.

B. Finance Officer

C. Richey requested the budget be tabled until changes were made to make it more accurate. Mike Quinn discussed the benefits (cost savings) of refinancing existing loans with Five Star Bank. An audience member expressed the need for a local bank and the possibility of changing local banks as well if the Districts needs are not being met with the current.

C. Fire Chief

Charlie Miller was absent. On his behalf was Cindy Miller, Firefighter/EMT. The Fire Department crew has been very busy with more than one hundred hours of Wildland Fire training in the last month. Please see Fire Chiefs report for all the hard work our volunteers have done last month.

D. Public Works Superintendent-no report

E. Directors- No report

F. Committees- No reports

7. Consent Agenda:

A. Approval of Expenses in the amount of \$10,446.17

B. Approval of the second reading of MCSD Policy 1062 Park Fee Schedule

R. Zanni made a motion to approve the consent agenda, claims in the amount of \$10,446.17 and MCSD Policy 1062 Park Fee Schedule: seconded by M. Rorke. Motion passed with 3 Ayes (Zanni, Rorke, Richey) 2 Absent (Young, Hanson).

8. Old Business:

A. Discussion/possible action regarding rescinding MCSD Resolution No. 6, 2016, A Resolution of Application Requesting Initiation of LAFCO Proceedings to Annex Certain Territory.

R. Zanni made a motion to rescind MCSD Resolution No. 6, 2016, A Resolution of Application Requesting Initiation of LAFCO Proceedings to Annex Certain Territory; seconded by M. Rorke. Motion passed with 3 Ayes (Zanni, Rorke, Richey) 2 Absent (Young, Hanson).

B. Discussion of update on Attorney findings regarding the drainage ditch from the water tanks.

Amos McAbier reported on the findings regarding the drainage ditch from the water tanks and will be reporting back with approximate costs involved in running 400' of piping from the tanks within our easement.

9. New Business:

A. Discussion/ possible action regarding the approval of the first reading of MCSD Policy 2192- Substance Abuse

Tabled until cost analysis is provided to the Board.

B. Discussion/possible action regarding the approval of the first reading of MCSD Policy 2093-District Cellular Phones.

C. Richey made a motion to approve the first reading of MCSD Policy 2093-District Cellular Phones; seconded by M. Rorke. Motion passed with 3 Ayes (Zanni, Rorke, Richey) 2 Absent (Young, Hanson).

C. Discussion/possible action regarding the approval of the first reading of MCSD Policy 2094-Personal Cellular Phone and PDA Policy.

M. Rorke made a motion to approve the first reading of MCSD Policy 2094-Personal Cellular Phone and PDA Policy; seconded by C. Richey. Motion passed with 3 Ayes (Zanni, Rorke, Richey) 2 Absent (Young, Hanson).

D. Discussion/possible action regarding the acceptance of the Jenny Jones Hero's Grant for \$15,000.00 for the purchase of a laundry washer-extractor and associated software for the MCSD Fire Department.

R. Zanni made a motion to accept the Jenny Jones Hero's Grant for \$15,000.00 for the purchase of a laundry washer-extractor and associated software for the MCSD Fire Department including the acceptance of the sales agreement not to exceed \$16,953.67 and that a letter of thanks be drafted and sent to the appropriate people and be signed by the Fire Chief and all members of the Board. seconded by C. Richey. Motion passed with 3 Ayes (Zanni, Rorke, Richey) 2 Absent (Young, Hanson). Any amount over \$15,000.00 will be covered by the Fireman's association and/or MCSD. M. Rorke requested a letter from the manufacturer stating that the warranty will not be voided if they do not install it.

E. Discussion/possible action regarding the acceptance of the Sundial Fund of Marin Community Foundation Grant for \$39,500.00 for an EKG monitor for the MCSD Fire Department.

R. Zanni made a motion to accept of the Grant from the Sundial Fund of Marin Community Foundation for \$39,500.00 for an EKG monitor for the MCSD Fire Department and that we accept the quote from Stryker Medical in the amount of \$39,257.98, send a thank you letter and authorize the general manager to sign the contract on behalf of the District; seconded by M. Rorke. Motion passed with 3 Ayes (Zanni, Rorke, Richey) 2 Absent (Young, Hanson).

10. Public Comment: This time is provided to receive information from the public regarding issues that **do not** appear on the agenda (persons addressing the Board will be asked to step up to the podium and will be limited to three minutes or depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board).

Public comment was made regarding the safety of the intersection of Squaw Valley Road and Highway 89 with increasing numbers of vehicle accidents at that location. Resident was instructed to contact CalTrans District 2 with concerns.

11 Adjourn Open Session at 7:24 PM

Because there were two Board Members absent the Closed Session was tabled until next meeting.

Catherine Young/President of the Board

Andrea Mills/Secretary of the Board

GOVERNMENTAL CERTIFICATE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$600,000.00	11-15-2021	12-15-2022	12317354	8 / 200	MAA2032	EMK	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Any item above containing "****" has been omitted due to text length limitations.

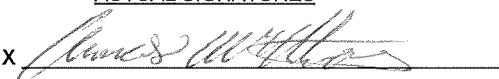
Entity: McCloud Community Services District 220 W. Minnesota Ave. McCloud, CA 96057-0000	Lender: Five Star Bank Rancho Cordova Office 3100 Zinfandel Drive #100 Rancho Cordova, CA 95670
---	---

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE ENTITY'S EXISTENCE. The complete and correct name of the governmental entity is McCloud Community Services District ("Entity"). The Entity is a governmental entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws and regulations of the State of California. The Entity has the full power and authority to own its properties and to transact the business and activities in which it is presently engaged or presently proposes to engage. The Entity maintains an office at PO Box 640, McCloud, CA 96057-0000. The Entity shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of the Entity and any other governmental or quasi-governmental authority or court applicable to the Entity and the Entity's business activities.

CERTIFICATES ADOPTED. At a meeting of the appropriate governing body of the Entity, duly called and held on **November 15, 2021**, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Certificate were adopted.

OFFICIAL. The following named person is an Official of McCloud Community Services District:

<u>NAMES</u>	<u>TITLES</u>	<u>AUTHORIZED</u>	<u>ACTUAL SIGNATURES</u>
Amos McAbier	General Manager	Y	X 

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Entity. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Entity:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Entity and Lender, such sum or sums of money as in his or her judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Entity's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Entity's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Entity or in which the Entity now or hereafter may have an interest, including without limitation all of the Entity's real property and all of the Entity's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Entity to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Entity or in which the Entity may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Entity's account with Lender, or to cause such other disposition of the proceeds derived therefrom as he or she may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as the Official may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Certificate. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from the Entity, at Lender's address shown above, written notice of revocation of such authority: **Amos McAbier, General Manager of McCloud Community Services District; Michael Quinn, Finance Director of McCloud Community Services District.**

ASSUMED BUSINESS NAMES. The Entity has filed or recorded all documents or filings required by law relating to all assumed business names used by the Entity. Excluding the name of the Entity, the following is a complete list of all assumed business names under which the Entity does business: **None.**

NOTICES TO LENDER. The Entity will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Entity's name; (B) change in the Entity's assumed business name(s); (C) change in the structure of the Entity; (D) change in the authorized signer(s); (E) change in the Entity's principal office address; (F) change in the Entity's principal residence; or (G) change in any other aspect of the Entity that directly or indirectly relates to any agreements between the Entity and Lender.

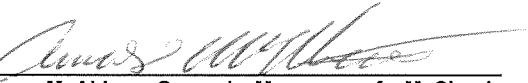
CERTIFICATION CONCERNING OFFICIALS AND CERTIFICATES. The Official named above is duly elected, appointed, or employed by or for the Entity, as the case may be, and occupies the position set opposite his or her respective name. This Certificate now stands of record on the books of the Entity, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Certificate and performed prior to the passage of this Certificate are hereby ratified and approved. This Certificate shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Entity's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Certificate, and I personally and on behalf of the Entity certify that all statements and representations made in this Certificate are true and correct. This Governmental Certificate is dated November 15, 2021.

CERTIFIED TO AND ATTESTED BY:

X 
Amos McAbier, General Manager of McCloud
Community Services District

X _____
Catherine Young, President of McCloud Community
Services District

X _____
Andrea Mills, Secretary of McCloud Community
Services District

NOTE: If the Official signing this Certificate is designated by the foregoing document as one of the officials authorized to act on the Entity's behalf, it is advisable to have this Certificate signed by at least one non-authorized official of the Entity.

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$600,000.00	11-15-2021	12-15-2022	12317354	8 / 200	MAA2032	EMK	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Any item above containing "****" has been omitted due to text length limitations.

Borrower: McCloud Community Services District
220 W. Minnesota Ave.
McCloud, CA 96057-0000

Lender: Five Star Bank
Rancho Cordova Office
3100 Zinfandel Drive #100
Rancho Cordova, CA 95670

Principal Amount: \$600,000.00

Date of Note: November 15, 2021

PROMISE TO PAY. McCloud Community Services District ("Borrower") promises to pay to Five Star Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Six Hundred Thousand & 00/100 Dollars (\$600,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on December 15, 2022. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning January 15, 2022, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any late charges; and then to any unpaid collection costs. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing. All payments must be made in U.S. dollars and must be received by Lender consistent with any written payment instructions provided by Lender. If a payment is made consistent with Lender's payment instructions but received after 4:00 pm Pacific Time, Lender will credit Borrower's payment on the next business day.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the Prime Rate as published in the West Coast Edition of the Wall Street Journal as quoted on <https://markets.wsj.com> (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.250% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 1.000 percentage point over the index (the "Margin"), adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 4.250%. If Lender determines, in its sole discretion, that the Index has become unavailable or unreliable, either temporarily, indefinitely, or permanently, during the term of this Note, Lender may amend this Note by designating a substantially similar substitute index. Lender may also amend and adjust the Margin to accompany the substitute index. The change to the Margin may be a positive or negative value, or zero. In making these amendments, Lender may take into consideration any then-prevailing market convention for selecting a substitute index and margin for the specific Index that is unavailable or unreliable. Such an amendment to the terms of this Note will become effective and bind Borrower 10 business days after Lender gives written notice to Borrower without any action or consent of the Borrower. **NOTICE:** Under no circumstances will the interest rate on this Note be less than 4.250% per annum or more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in this Note.

PREPAYMENT. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Five Star Bank, Rancho Cordova Office, 3100 Zinfandel Drive #100, Rancho Cordova, CA 95670.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, the interest rate on this Note shall, if permitted under applicable law, immediately become 18.000%.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. Borrower also will pay any court costs, in addition to all other sums provided by law.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of California.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Sacramento County, State of California.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein:

(A) a Commercial Security Agreement dated November 15, 2021 made and executed between McCloud Community Services District and Lender on collateral described as: All Revenues of the Grantors Fire Fund, plus related accounts, deposit accounts, and chattel paper related thereto.

LINE OF CREDIT. This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Advances under this Note may be requested either orally or in writing by Borrower or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **Amos McAbier, General Manager of McCloud Community Services District, and Michael Quinn, Finance Director of McCloud Community Services District.** Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

DISPUTE RESOLUTION. Borrower and Lender desire to resolve quickly and efficiently any disputes that might arise between them. For any controversy, claim or judicial action arising from or relating to this Note or any related agreement, transaction or conduct, whether sounding in contract, tort or otherwise:

Judicial Reference. Where an action is pending before a court of any judicial district of the State of California, Borrower and Lender shall each have the right to require that all questions of fact or law be submitted to general reference pursuant to California Code of Civil Procedure Section 638 et seq., and any successor statutes thereto.

(1) A single referee who is a retired superior court judge shall be appointed by the court pursuant to Code of Civil Procedure 640 and shall preside over the reference proceeding. If Borrower and Lender do not agree upon the referee, each of them may submit to the court up to three nominees who are retired superior court judges.

(2) If Borrower and Lender do not agree on how the payment of the referee's fees and expenses will be shared, the court may apportion such fees and expenses between Borrower and Lender in a fair and reasonable manner that is consistent with Code of Civil Procedure Section 645.1.

(3) Borrower and Lender shall be entitled to discovery, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge.

(4) The referee's statement of decision shall contain written findings of fact and conclusions of law, and the court shall enter judgment thereon pursuant to Code of Civil Procedure Sections 644(a) and 645. The decision of the referee shall then be appealable as if made by the court.

No provision of this section shall limit the right of any party to exercise self-help remedies, to foreclose against or sell any real or personal property collateral or to obtain provisional or ancillary remedies, such as injunctive relief or appointment of a receiver, from a court of competent jurisdiction before, after, or during the pendency of any reference proceeding. The exercise of a remedy does not waive the right of either party to resort to reference.

Jury Trial Waiver. In any action pending before any court of any jurisdiction, Borrower waives, and Lender shall not have, any right to a jury trial.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: Five Star Bank Note Department 3100 Zinfandel Drive #100 Rancho Cordova, CA 95670.

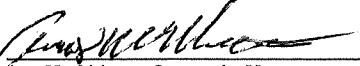
GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

MCCLLOUD COMMUNITY SERVICES DISTRICT

By: 
Amos McAbier, General Manager of McCloud
Community Services District

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$600,000.00	11-15-2021	12-15-2022	12317354	8 / 200	MAA2032	EMK	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: McCloud Community Services District
220 W. Minnesota Ave.
McCloud, CA 96057-0000

Lender: Five Star Bank
Rancho Cordova Office
3100 Zinfandel Drive #100
Rancho Cordova, CA 95670

LOAN TYPE. This is a Variable Rate Nondisclosable Draw Down Line of Credit Loan to a Government Entity for \$600,000.00 due on demand and, if no demand, on December 15, 2022.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- Personal, Family, or Household Purposes or Personal Investment.
- Business (Including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: Fund Payroll.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$600,000.00 as follows:


Other Disbursements:	\$597,000.00
\$597,000.00 Undisbursed Loan Proceeds	
Total Financed Prepaid Finance Charges:	\$3,000.00
\$3,000.00 Loan Origination	
Note Principal:	\$600,000.00

AUTOMATIC PAYMENTS. Borrower hereby authorizes Lender automatically to deduct from Borrower's Demand Deposit - Checking account, numbered 4516567, the amount of any loan payment. If the funds in the account are insufficient to cover any payment, Lender shall not be obligated to advance funds to cover the payment. At any time and for any reason, Borrower or Lender may voluntarily terminate Automatic Payments.

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED NOVEMBER 15, 2021.

BORROWER:

MC CLOUD COMMUNITY SERVICES DISTRICT

By: 
Amos McAbier, General Manager of McCloud
Community Services District

NOTICE OF FINAL AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$600,000.00	11-15-2021	12-15-2022	12317354	8 / 200	MAA2032	EMK	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: McCloud Community Services District
 220 W. Minnesota Ave.
 McCloud, CA 96057-0000

Lender: Five Star Bank
 Rancho Cordova Office
 3100 Zinfandel Drive #100
 Rancho Cordova, CA 95670

BY SIGNING THIS DOCUMENT EACH PARTY REPRESENTS AND AGREES THAT: (A) THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES, (B) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES, AND (C) THE WRITTEN LOAN AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.

As used in this Notice, the following terms have the following meanings:

Loan. The term "Loan" means the following described loan: a Variable Rate Nondisclosable Draw Down Line of Credit Loan to a Government Entity for \$600,000.00 due on demand and, if no demand, on December 15, 2022.

Loan Agreement. The term "Loan Agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents, or commitments, or any combination of those actions or documents, relating to the Loan, including without limitation the following:

LOAN DOCUMENTS

- | | |
|--|---|
| <ul style="list-style-type: none"> - Governmental Certificate: McCloud Community Services District - CA Commercial Security Agreement: Collateral owned by McCloud Community Services District - Disbursement Request and Authorization | <ul style="list-style-type: none"> - Business Loan Agreement - Promissory Note - CA National UCC Financing Statement (Rev. 05/22/02): Collateral owned by McCloud Community Services District - Notice of Final Agreement |
|--|---|

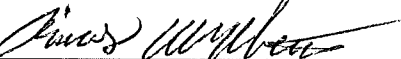
Parties. The term "Parties" means Five Star Bank and any and all entities or individuals who are obligated to repay the loan or have pledged property as security for the Loan, including without limitation the following:

Borrower: McCloud Community Services District
Grantor(s): McCloud Community Services District

Each Party who signs below, other than Five Star Bank, acknowledges, represents, and warrants to Five Star Bank that it has received, read and understood this Notice of Final Agreement. This Notice is dated November 15, 2021.

BORROWER:

MC CLOUD COMMUNITY SERVICES DISTRICT

By: 
 Amos McAbier, General Manager of McCloud Community Services District

LENDER:

FIVE STAR BANK

X _____
 Authorized Signer



Name of Business/Individual (Indicate if DBA) MCCLOUD COMMUNITY SERVICES DISTRICT	Federal Tax ID No.	Application Date 10-13-2021
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Legal Entity

Individual
 C-Corporation
 Limited Partnership
 Other
 Limited Liability Company
 S-Corporation
 General Partnership
 Non-Profit
 Trust
 Limited Liability Partnership

Physical Address (required by U.S.A. Patriot Act) 220 W. Minnesota Ave, McCloud, CA 96057	Telephone Number
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Mailing Address (if Different)	Fax Number
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Type of Loan Requested (SBA, Term, Line of Credit, Comm RE, etc) Line of Credit / Revenue Anticipation Note	Amount Requested \$600,000	Term Requested 12 months
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Purpose of Loan Requested (please be specific)
To support payroll costs within the Fire Fund, associated with wildfire assistance payments to be reimbursed by the State & Federal authorities.

Collateral
Revenue Pledge on Fire Fund / fire fund operating assets

Type of Business

Manufacturer
 Wholesale/Distributor
 Retailer
 Service
 Other

Year Business Started	Number of Employees	Current Bank Five Star Bank
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Principals		Title	% Ownership	SSN
Name	Mike Quinn	Director of Finance	N/A	N/A
Address	220 W. Minnesota Ave, McCloud, CA 96057			
Name				
Address				
Name				
Address				
Name				
Address				

Are accounts receivables or inventory pledged as collateral to another lender? Yes No

Do you manufacture, use or store hazardous or toxic chemical material or waste? Yes No

Is the business or its owners a party to any claim or lawsuit? Yes No

Has the business or its owners ever declared bankruptcy? Yes No

Is the business a guarantor, endorser, or co-maker on any debts? Yes No

Is the Borrower or any Guarantor a director of any bank? Yes No

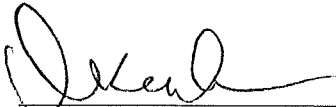
If your application for business credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, please contact Five Star Bank, Loan Servicing Department, 3100 Zinfandel Drive #100, Rancho Cordova, CA 95670 within 60 days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request.

NOTICE: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Deposit Insurance Corporation, Consumer Response Center, 1100 Walnut St., Box #11, Kansas City, MO 64106.

CUSTOMER IDENTIFICATION NOTICE (USA PATRIOT ACT): To help the government fight the funding of terrorism and money laundering activities. Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, physical address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents

NOTICE OF RIGHT TO RECEIVE COPY OF APPRAISAL: You have a right under Section 11423 of the California Business and Professional Code to a copy of the appraisal report obtained by this Bank in support of your application for credit provided that you have paid for this appraisal. You may obtain a copy of this appraisal by writing us at: Five Star Bank, Loan Servicing, 3100 Zinfandel Drive #100, Rancho Cordova, CA. 95670. We must hear from you no later than 90 days after we notify you about the action taken on your application or if you withdraw your loan request. If you have paid for the appraisal and request a copy, we will send you a copy at the address shown on your documentation. You are only entitled to receive a copy of the appraisal for purposes of evaluating your pending request for an extension of credit with this Bank.

The undersigned certifies that he/she/they are authorized to sign this loan application on behalf of the Applicant and that all statements in this Application and on all information provide in support of this application are true, correct and complete to his/her/their knowledge. The undersigned authorizes FIVE STAR BANK (Bank) to make such inquiries and gather information as the Bank deems necessary and reasonable concerning any information provided to the Bank on the Application or on any information provided. I (we), the undersigned, hereby authorize Five Star Bank or its designee to obtain my (our) past and current credit information for the purpose of granting a Business or Commercial Real Estate loan. This information and documentation includes but is not limited to, my/our past and present employment status, deposit accounts, copies of income tax returns, assets and liabilities, and credit record. I (we) hereby instruct and authorize that a photo static copy of this authorization in place of the original may be used for the purpose of verification and/or re-verification of data contained within my application. The undersigned further agrees to notify the Bank promptly of any material change in any such information. The undersigned also acknowledges that intentional and/or negligent misrepresentations of information may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, and liability for monetary damages to the Lender.



Michael Quinn

Director of Finance

10-13-2021

Signature of Applicant

Name of Applicant (Print)

Title

Date

Signature of Applicant

Name of Applicant (Print)

Title

Date

Signature of Applicant

Name of Applicant (Print)

Title

Date

Signature of Applicant

Name of Applicant (Print)

Title

Date

BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$600,000.00	11-15-2021	12-15-2022	12317354	8 / 200	MAA2032	EMK	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Any item above containing "****" has been omitted due to text length limitations.

Borrower: McCloud Community Services District
220 W. Minnesota Ave.
McCloud, CA 96057-0000

Lender: Five Star Bank
Rancho Cordova Office
3100 Zinfandel Drive #100
Rancho Cordova, CA 95670

THIS BUSINESS LOAN AGREEMENT dated November 15, 2021, is made and executed between McCloud Community Services District ("Borrower") and Five Star Bank ("Lender") on the following terms and conditions. Borrower has received prior commercial loans from Lender or has applied to Lender for a commercial loan or loans or other financial accommodations, including those which may be described on any exhibit or schedule attached to this Agreement. Borrower understands and agrees that: (A) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of November 15, 2021, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until such time as the parties may agree in writing to terminate this Agreement.

LINE OF CREDIT. The Indebtedness contemplates multiple loan advances. Advances under the Indebtedness, as well as directions for payment from Borrower's accounts, may be requested either orally or in writing by Borrower. Lender may, but need not require that all non-written requests be confirmed in writing. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person as described in the "Advance Authority" section below or (B) credited to any of Borrower's accounts with Lender.

ADVANCE AUTHORITY. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **Amos McAbier, General Manager of McCloud Community Services District, and Michael Quinn, Finance Director of McCloud Community Services District.**

CONDITIONS PRECEDENT TO EACH ADVANCE. Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

Loan Documents. Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) Security Agreements granting to Lender security interests in the Collateral; (3) financing statements and all other documents perfecting Lender's Security Interests; (4) evidence of insurance as required below; (5) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel, may require.

Payment of Fees and Expenses. Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

Representations and Warranties. The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

No Event of Default. There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.

REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any Indebtedness exists:

Organization. Borrower is a governmental entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. Borrower is duly authorized to transact business in all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains an office at PO Box 640, McCloud, CA 96057-0000. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's business activities.

Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business:
None.

Authorization. Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

Financial Information. Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

Legal Effect. This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

Properties. Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

Hazardous Substances. Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that: (1) During the period of Borrower's ownership of the Collateral, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from any of the Collateral. (2) Borrower has no knowledge of, or reason to believe that there has been (a) any breach or violation of any Environmental Laws; (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Collateral by any prior owners or occupants of any of the Collateral; or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters. (3) Neither Borrower nor any tenant, contractor, agent or other authorized user of any of the Collateral shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from any of the Collateral; and any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws. Borrower authorizes Lender and its agents to enter upon the Collateral to make such inspections and tests as Lender may deem appropriate to determine compliance of the Collateral with this section of the Agreement. Any inspections or tests made by Lender shall be at Borrower's expense and for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Collateral for hazardous waste and Hazardous Substances. Borrower hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the Collateral. The provisions of this section of the Agreement, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the termination, expiration or satisfaction of this Agreement and shall not be affected by Lender's acquisition of any interest in any of the Collateral, whether by foreclosure or otherwise.

Litigation and Claims. No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

Taxes. To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

Lien Priority. Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

Binding Effect. This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

Notices of Claims and Litigation. Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

Financial Records. Maintain its books and records in accordance with GAAP, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

Financial Statements. Furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than 180 days after the end of each fiscal year, Borrower's balance sheet and income statement for the year ended, audited by a certified public accountant satisfactory to Lender.

All financial reports required to be provided under this Agreement shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Borrower as being true and correct.

Additional Information. Furnish such additional information and statements, as Lender may request from time to time.

Insurance. Maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies acceptable to Lender. Borrower, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Borrower or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest for the Loans, Borrower will provide

Lender with such lender's loss payable or other endorsements as Lender may require.

Insurance Reports. Furnish to Lender, upon request of Lender, reports on each existing insurance policy showing such information as Lender may reasonably request, including without limitation the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the properties insured; (5) the then current property values on the basis of which insurance has been obtained, and the manner of determining those values; and (6) the expiration date of the policy. In addition, upon request of Lender (however not more often than annually), Borrower will have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of any Collateral. The cost of such appraisal shall be paid by Borrower.

Other Agreements. Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

Loan Proceeds. Use all Loan proceeds solely for Borrower's business operations, unless specifically consented to the contrary by Lender in writing.

Taxes, Charges and Liens. Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP.

Performance. Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

Operations. Maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel; provide written notice to Lender of any change in executive and management personnel; conduct its business affairs in a reasonable and prudent manner.

Environmental Studies. Promptly conduct and complete, at Borrower's expense, all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance, or any waste or by-product of any substance defined as toxic or a hazardous substance under applicable federal, state, or local law, rule, regulation, order or directive, at or affecting any property or any facility owned, leased or used by Borrower.

Compliance with Governmental Requirements. Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Inspection. Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

Environmental Compliance and Reports. Borrower shall comply in all respects with any and all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on Borrower's part or on the part of any third party, on property owned and/or occupied by Borrower, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authorities; shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice, summons, lien, citation, directive, letter or other communication from any governmental agency or instrumentality concerning any intentional or unintentional action or omission on Borrower's part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

Additional Assurances. Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

Indebtedness and Liens. (1) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur or assume indebtedness for borrowed money, including capital leases, (2) sell, transfer, mortgage, assign, pledge, lease,

grant a security interest in, or encumber any of Borrower's assets (except as allowed as Permitted Liens), or (3) sell with recourse any of Borrower's accounts, except to Lender.

Continuity of Operations. (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge or restructure as a legal entity (whether by division or otherwise), consolidate with or acquire any other entity, change its name, convert to another type of entity or redomesticate, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) make any distribution with respect to any capital account, whether by reduction of capital or otherwise.

Loans, Acquisitions and Guaranties. (1) Loan, invest in or advance money or assets to any other person, enterprise or entity, (2) purchase, create or acquire any interest in any other enterprise or entity, or (3) incur any obligation as surety or guarantor other than in the ordinary course of business.

Agreements. Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

CESSATION OF ADVANCES. If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (B) Borrower or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender; or (E) Lender in good faith deems itself insecure, even though no Event of Default shall have occurred.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Loan.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default on Indebtedness, is curable and if Borrower or Grantor, as the case may be, has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured if Borrower or Grantor, as the case may be, after Lender sends written notice to Borrower or Grantor, as the case may be, demanding cure of such default: (1) cure the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

EFFECT OF AN EVENT OF DEFAULT. If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all Indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

FINANCIAL STATEMENTS AND TAX RETURNS. Borrower and/or Guarantor hereby agrees to furnish Lender with current financial statements, tax returns and other related information at such frequencies and in such detail as Lender may reasonably request. Borrower and/or Guarantor hereby understands that if Borrower and/or Guarantor does not provide Lender with requested information within 60 days from date of Lender's request, Lender shall change the loan rate to the default rate as stated in your Promissory Note and the earning rate of the loan shall remain at the default rate until such time that Lender has received any and all items requested.

DEPOSITORY RELATIONSHIP . Borrower to maintain a bona fide depository relationship with Lender during the term of the loan. In addition, all loan payments will be automatically withdrawn from and all advances will be deposited to Borrower's deposit account with Lender.

CERTIFICATION OF FINANCIAL STATEMENT . Any and all financial statements provided by Borrower and/or Guarantor to Lender are hereby certified to be a true and accurate statement of the financial condition of Borrower and/or Guarantor as of the date of its preparation, and there have been no material changes since that or those dates. Borrower and/or Guarantor hereby understands that Lender is relying on the information contained in any and all financial statements that Borrower and/or Guarantor has provided to Lender (including any designation of Borrower and/or Guarantor's property as separate or community property) in deciding to give or continue any/or all financial accommodation(s) or extension(s) of credit, Borrower and/or Guarantor has or may have with Lender, unless Borrower and/or Guarantor otherwise notifies Lender in writing. If this statement is not true and correct in any material respect and/or, if Borrower and/or Guarantor fails to notify Lender of any material change, if Borrowing entity should terminate or any Borrower and/or Guarantor shall die or file bankruptcy, if any other creditor tries to seize Borrower and/or Guarantor's property, or if any adverse change occurs in Borrower and/or Guarantor's financial condition, at your election any or all of my indebtedness and obligation to you, direct or contingent, shall become immediately due and payable without demand or notice. Lender may retain and verify the financial statement(s) and this certification. Borrower and/or Guarantor understands that from time to time, the Lender may receive information about Borrower and/or Guarantor from others and may answer questions and requests from others seeking credit and experience information about Borrower and/or Guarantor and Borrower and/or Guarantor's relationship with Lender. The Lender will make every effort to protect Borrower and/or Guarantor's confidential relationship in handling other requests, like those from government agencies. If this is a joint certification, these representations and promises are from each of us. Lender is authorized to make any investigation of Borrower and/or Guarantor's credit and/or employment status, either directly or through any agency employed by the Lender. Lender may disclose to any other qualified interested parties Lender's experience with Borrower and/or Guarantor's loan account. Borrower and/or Guarantor fully understands that it is a federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1014. Borrower and/or Guarantor has read, understand(s) and agree to make these representations and certifications.

FINANCIAL STATEMENTS AND TAX RETURNS . Borrower and/or Guarantor hereby agrees to furnish Lender with current financial statements, tax returns and other related information at such frequencies and in such detail as Lender may reasonably request. Borrower and/or Guarantor hereby understands that if Borrower and/or Guarantor does not provide Lender with requested information within 60 days from date of Lender's request, Lender shall change the loan rate to the default rate as stated in your Promissory Note and the earning rate of the loan shall remain at the default rate until such time that Lender has received any and all items requested.

CERTIFICATION OF TAX RETURNS . Any and all tax returns provided by Borrower and/or Guarantor to Lender are hereby certified to be a true and accurate statement of the financial condition of Borrower and/or Guarantor as of the date of its preparation, and there have been no material changes since that or those dates. Borrower and/or Guarantor hereby understands that Lender is relying on the information contained in any and all tax returns that Borrower and/or Guarantor has provided to Lender (including any designation of Borrower and/or Guarantor's property as separate or community property) in deciding to give or continue any/or all financial accommodation(s) or extension(s) of credit, Borrower and/or Guarantor has or may have with Lender, unless Borrower and/or Guarantor otherwise notifies Lender in writing. If this statement is not true and correct in any material respect and/or, if Borrower and/or Guarantor fails to notify Lender of any material change, if Borrowing entity should terminate or any Borrower and/or Guarantor shall die or file bankruptcy, if any other creditor tries to seize Borrower and/or Guarantor's property, or if any adverse change occurs in Borrower and/or Guarantor's financial condition, at your election any or all of my indebtedness and obligation to you, direct or contingent, shall become immediately due and payable without demand or notice. Lender may retain and verify the tax returns and this certification. Borrower and/or Guarantor understands that from time to time, the Lender may receive information about Borrower and/or Guarantor from others and may answer questions and requests from others seeking credit and experience information about Borrower and/or Guarantor and Borrower and/or Guarantor's relationship with Lender. The Lender will make every effort to protect Borrower and/or Guarantor's confidential relationship in handling other requests, like those from government agencies. If this is a joint certification, these representations and promises are from each of us. Lender is authorized to make any investigation of Borrower and/or Guarantor's credit and/or employment status, either directly or through any agency employed by the Lender. Lender may disclose to any other qualified interested parties Lender's experience with Borrower and/or Guarantor's loan account. Borrower and/or Guarantor fully understands that it is a federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1014. Borrower and/or Guarantor has read, understand(s) and agree to make these representations and certifications.

FINANCIAL COVENANTS . Borrower agrees to the following financial covenants, as measured by Lender as stated below:

- Maintain a minimum Debt Service Coverage Ratio of 1.25:1.00 on an annual basis within the Fire Fund.

LINE ADVANCE CONDITION: Bank will advance 80% of calculated payroll costs for wildfire assistance, as supported by timesheets or other Bank approved documentation submitted to the State for reimbursement.

PRINCIPAL PAYMENT CONDITION: Receipt of wildfire payments from the State of California or other agencies will be deposited into account # _____ with Lender and will be first applied to any outstanding principal balance of the Loan. Any excess funds from said payments, if any, will then be available to the District for other Fire Fund purposes.

DISPUTE RESOLUTION. Trustor and Beneficiary desire to resolve quickly and efficiently any disputes that might arise between them. For any controversy, claim or judicial action arising from or relating to this Deed of Trust, any Related Documents or any related transaction or conduct, whether sounding in contract, tort or otherwise:

Judicial Reference. Where an action is pending before a court of any judicial district of the State of California, Trustor and Beneficiary shall each have the right to require that all questions of fact or law be submitted to general reference pursuant to California Code of Civil Procedure Section 638 et seq., and any successor statutes thereto.

(1) A single referee who is a retired superior court judge shall be appointed by the court pursuant to Code of Civil Procedure 640 and shall preside over the reference proceeding. If Trustor and Beneficiary do not agree upon the referee, each of them may submit to the court up to three nominees who are retired superior court judges.

(2) If Trustor and Beneficiary do not agree on how the payment of the referee's fees and expenses will be shared, the court may apportion such fees and expenses between Trustor and Beneficiary in a fair and reasonable manner that is consistent with Code of Civil Procedure Section 645.1.

(3) Trustor and Beneficiary shall be entitled to discovery, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge.

(4) The referee's statement of decision shall contain written findings of fact and conclusions of law, and the court shall enter judgment thereon pursuant to Code of Civil Procedure Sections 644(a) and 645. The decision of the referee shall then be appealable as if made by the court.

No provision of this section shall limit the right of any party to exercise self-help remedies, to foreclose against or sell any real or personal property collateral or to obtain provisional or ancillary remedies, such as injunctive relief or appointment of a receiver, from a court of competent jurisdiction before, after, or during the pendency of any reference proceeding. The exercise of a remedy does not waive the right of either party to resort to reference.

Jury Trial Waiver. In any action pending before any court of any jurisdiction, Trustor waives, and Beneficiary shall not have, any right to a jury trial.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Consent to Loan Participation. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

Choice of Venue. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Sacramento County, State of California.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Subsidiaries and Affiliates of Borrower. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

Survival of Representations and Warranties. Borrower understands and agrees that in extending Loan Advances, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the extension of Loan Advances and delivery to Lender of the Related Documents, shall be continuing in nature, shall be deemed made and redated by Borrower at the time each Loan Advance is made, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

Advance. The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a line of credit or multiple advance basis under the terms and conditions of this Agreement.

Agreement. The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

Borrower. The word "Borrower" means McCloud Community Services District and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

GAAP. The word "GAAP" means generally accepted accounting principles.

Grantor. The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means Five Star Bank, its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

Note. The word "Note" means the Promissory Note in the original principal amount of \$600,000.00 dated November 15, 2021, along with all other Promissory Notes executed by Borrower and/or Trustor in favor of Lender, together with all renewals of, extensions of, modifications of, refinancing of, consolidations of, and substitutions of any Promissory Note or Agreement.

Permitted Liens. The words "Permitted Liens" mean (1) liens and security interests securing Indebtedness owed by Borrower to Lender; (2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens"; (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

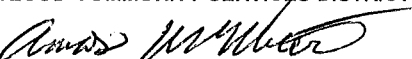
Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.

Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED NOVEMBER 15, 2021.

BORROWER:

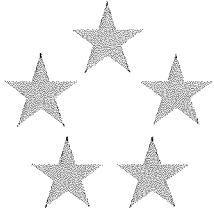
MCCLOUD COMMUNITY SERVICES DISTRICT

By: 
Amos McAbier, General Manager of McCloud
Community Services District

LENDER:

FIVE STAR BANK

By: _____
Authorized Signer



FIVE STAR BANK

These Disclosures Are For All Real Estate Loan Applicants to Keep

(Please retain these for your records, and do not return with your application)

ECOA NOTICE:

The Federal Equal Credit Opportunity Act (ECOA) prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning creditor is the Federal Deposit Insurance Corporation, Consumer Response Center, 1100 Walnut St, Box #11, Kansas City, MO 64106.

CUSTOMER IDENTIFICATION NOTICE (USA PATRIOT ACT):

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

APPRAISAL NOTICES:

1st Liens on Residential Dwellings - We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.

Junior Liens on Residential Dwellings, and/or Liens on Commercial Property – You have the right under Section 11423 of the California Business and Professional Code to a copy of the appraisal report obtained by this Bank in support of your application for credit, provided that you have paid for this appraisal. You may obtain a copy of this appraisal by writing us at: Five Star Bank, Loan Servicing, 3100 Zinfandel Drive #100, Rancho Cordova, CA 95670. We must hear from you no later than 90 days after we notify you about the action taken on your application or if you withdraw your loan request. If you have paid for the appraisal and request a copy, we will send you a copy at the address shown on your documentation. You are only entitled to receive a copy of the appraisal for purposes of evaluation your pending request for an extension of credit with this Bank.

DECLINED APPLICATION NOTICE:

If your application for business credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement please contact Five Star Bank, Loan Servicing, 3100 Zinfandel Drive #100, Rancho Cordova, CA 95670 within 60 days from the date you are notified of our decision. We will send you a written statement of the reasons for the denial within 30 days of receiving your request.

QUESTIONS?

If you have any questions about these notices, please contact your Loan Officer or call (916) 640-1500 and ask for the Chief Regulatory Officer.

COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$600,000.00	11-15-2021	12-15-2022	12317354	8 / 200	MAA2032	EMK	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Any item above containing "****" has been omitted due to text length limitations.

Grantor: McCloud Community Services District
220 W. Minnesota Ave.
McCloud, CA 96057-0000

Lender: Five Star Bank
Rancho Cordova Office
3100 Zinfandel Drive #100
Rancho Cordova, CA 95670

THIS COMMERCIAL SECURITY AGREEMENT dated November 15, 2021, is made and executed between McCloud Community Services District ("Grantor") and Five Star Bank ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement:

All Revenues of the Grantors Fire Fund, plus related accounts, deposit accounts, and chattel paper related thereto.

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the structure of the entity Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's principal residence; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. At the time any account becomes subject to a security interest in favor of Lender, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor, for merchandise held subject to delivery instructions or previously shipped or delivered pursuant to a contract of sale, or for services previously performed by Grantor with or for the account debtor. So long as this Agreement remains in effect, Grantor shall not, without Lender's prior written consent, compromise, settle, adjust, or extend payment under or with regard to any such Accounts. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts or general intangibles, the records concerning the Collateral) at Grantor's address shown above, or at the location specified in the Collateral definition in this Agreement, or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

Removal of the Collateral. Except in the ordinary course of Grantor's business, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

Inspection of Collateral. Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the Indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the Indebtedness and the satisfaction of this Agreement.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral if the estimated cost of repair or replacement exceeds \$25,000.00, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the Indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the Indebtedness.

Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement.

GRANTOR'S RIGHT TO POSSESSION AND TO COLLECT ACCOUNTS. Until default and except as otherwise provided below with respect to accounts, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. Until otherwise notified by Lender, Grantor may collect any of the Collateral consisting of accounts. At any time and even though no Event of Default exists, Lender may exercise its rights to collect the accounts and to notify account debtors to make payments directly to Lender for application to the Indebtedness. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of any Event of Default.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or ability to perform Grantor's obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or guarantor, endorser, surety, or accommodation party dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment, is curable and if Grantor has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the California Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

DISPUTE RESOLUTION. Grantor and Lender desire to resolve quickly and efficiently any disputes that might arise between them. For any controversy, claim or judicial action arising from or relating to this Agreement, any Related Documents or any related transaction or conduct, whether sounding in contract, tort or otherwise:

Judicial Reference. Where an action is pending before a court of any judicial district of the State of California, Grantor and Lender shall each have the right to require that all questions of fact or law be submitted to general reference pursuant to California Code of Civil Procedure Section 638 et seq., and any successor statutes thereto.

(1) A single referee who is a retired superior court judge shall be appointed by the court pursuant to Code of Civil Procedure 640 and shall preside over the reference proceeding. If Grantor and Lender do not agree upon the referee, each of them may submit to the court up to three nominees who are retired superior court judges.

(2) If Grantor and Lender do not agree on how the payment of the referee's fees and expenses will be shared, the court may apportion such fees and expenses between Grantor and Lender in a fair and reasonable manner that is consistent with Code of Civil Procedure Section 645.1.

(3) Grantor and Lender shall be entitled to discovery, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge.

(4) The referee's statement of decision shall contain written findings of fact and conclusions of law, and the court shall enter judgment thereon pursuant to Code of Civil Procedure Sections 644(a) and 645. The decision of the referee shall then be appealable as if made by the court.

No provision of this section shall limit the right of any party to exercise self-help remedies, to foreclose against or sell any real or personal property collateral or to obtain provisional or ancillary remedies, such as injunctive relief or appointment of a receiver, from a court of competent jurisdiction before, after, or during the pendency of any reference proceeding. The exercise of a remedy does not waive the right of either party to resort to reference.

Jury Trial Waiver. In any action pending before any court of any jurisdiction, Grantor waives, and Lender shall not have, any right to a jury trial.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Sacramento County, State of California.

Preference Payments. Any monies Lender pays because of an asserted preference claim in Grantor's bankruptcy will become a part of the Indebtedness and, at Lender's option, shall be payable by Grantor as provided in this Agreement.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Power of Attorney. Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

Waiver of Co-Obligor's Rights. If more than one person is obligated for the Indebtedness, Grantor irrevocably waives, disclaims and relinquishes all claims against such other person which Grantor has or would otherwise have by virtue of payment of the Indebtedness or any part thereof, specifically including but not limited to all rights of indemnity, contribution or exoneration.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

Borrower. The word "Borrower" means McCloud Community Services District and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

Grantor. The word "Grantor" means McCloud Community Services District.

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means Five Star Bank, its successors and assigns.

Note. The word "Note" means the Promissory Note in the original principal amount of \$600,000.00 dated November 15, 2021, along with all other Promissory Notes executed by Borrower and/or Trustor in favor of Lender, together with all renewals of, extensions of, modifications of, refinancing of, consolidations of, and substitutions of any Promissory Note or Agreement.

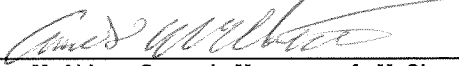
Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED NOVEMBER 15, 2021.

GRANTOR:

MCCLOUD COMMUNITY SERVICES DISTRICT

By: 
Amos McAbier, General Manager of McCloud
Community Services District