



## 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

September 12, 2022

### 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:

**Discussion/action** regarding approval of the minutes of the Regular Meeting of August 22, 2022 and the minutes of the Special Meeting of August 31, 2022.

#### 4. Announcement of Events:

#### 5. Communications:

#### 6. Reports:

- A. General Manager-Verbal Report
- B. Finance Officer-Verbal Report
- C. Fire Chief-See Written Report
- D. Directors
- E. Committees

#### 7. Consent Agenda:

- A. Approval of Expenses in the amount of \$38,335.59.

#### 8. Old Business:

- A. **Discussion/possible action** regarding adopting Resolution No. 7, 2022 to accept the Cal Fire 2022 Rural Fire Capacity Grant.
- B. **Discussion/possible action** regarding adopting Resolution No. 9 to authorize execution of an installment purchase contract and execution of other necessary documents for Five-Star Bank loan.

**C. Discussion/possible action** to approve the second and final reading of the 2022-2023 Budget.

**9. New Business:**

**A. Discussion/possible action** regarding presentation by the McCloud Resource Center for use of the library.

**B. Discussion/possible action** regarding Resolution No. 8 to adopt the Siskiyou County Hazard Mitigation Plan.

**C. Discussion/possible action** regarding approval of use of commercial building at 801 Industrial Way, for a fertilizer business.

**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.**

**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 August 22, 2022

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. Five Directors (Richey, Hanson, Young, Zanni, Rorke) were present. Also present was Fire Chief Charlie Miller and District Secretary Jennifer Brunello. Finance Officer Mike Quinn and General Manager Amos McAbier were absent.

**1. Call to Order**

**2. Pledge of Allegiance.**

**3. Approval of Minutes:**

**A. Discussion/action** regarding approval of the minutes of the Regular Meeting of, August 08, 2022.

*Comment made that date of election for board members was incorrect. C. Richey made a motion to approve the Minutes of the regular meeting of August 08, 2022 with correction; seconded by M. Rorke. Motion passed with 5 ayes (Young, Zanni, Rorke, Hanson, and Richey.)*

**4. Announcement of Events:** None.

**5. Communications:** None

**6. Reports:**

**A. General Manager/Finance Officer:** Verbal Discussion of the Upper to Lower Elk Creek Project.  
*Tabled.*

**7. Consent Agenda:**

**A. Approval of Expenses** in the amount of \$430,149.88

*C. Young made a motion to approve expenses in the amount of \$430,149.88; seconded by M. Hanson. Motion passed with 5 ayes (Young, Hanson, Rorke, Zanni, Richey.)*

**8. Old Business:**

**A. Discussion/possible action** regarding acceptance of the 2022-2023 Budget.

*Tabled. Back to Finance and Audit for further review.*

**B. Discussion/possible action** regarding approval of Five-Star Bank loan for Upper to Lower Elk Creek Pipeline.

*M. Hanson made a motion to approve; seconded by M. Rorke. Motion passed with 5 ayes (Young, Zanni, Richey, Rorke, Hanson.)*

**9. New Business:**

**A Discussion/possible action** regarding Advanced Pay Funding Plan for the Urban and Multi-Benefit Drought Relief Agreement Grant.

*Tabled.*

**B. Discussion/possible action** regarding movement of funds from operating account to reserves account with pending audit designation.

*Tabled.*

**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.**

*Open session adjourned at 6:37 pm.*

**12. Convene a closed session.**

**13. Reconvene open session and announce any action taken.**

*Open session reconvened at 6:50 pm; No action taken.*

**14. Adjourn.**

*Meeting adjourned at 6:52 pm.*

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Catherine Young/President of the Board

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Jennifer Brunello/Secretary of the Board

**MINUTES OF A  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
August 31, 2022, at 6:00 PM**

*A Special meeting of the Board of Directors of the McCloud Community Services District was called to order at 6:00 p.m. Five Directors (Richey, Hanson, Rorke, Young, Zanni) were present. Fire Chief Charlie Miller was present. General Manager, Amos McAbier was absent. Finance Officer, Mike Quinn and District Secretary, Jennifer Brunello were also present.*

**1. Call to Order**

**2. Public Comment:** This time is provided to receive information from the public regarding issues that **do not** appear on the agenda.

**3. Consent Agenda:**

**A.** Approval of expenses in the amount of \$154,925.83.

*R. Zanni made a motion to approve expenses in the amount of \$154,925.83; seconded by M. Rorke. Motion passed with 5 ayes (Young, Richey, Zanni, Hanson, Rorke.)*

**4. Reports:**

**A.** General Manager/Finance Officer:

*Finance Officer Mike Quinn discussed the Upper to Lower Elk Creek Project.*

**5. Old Business:**

**A. Discussion/ possible action** regarding appointing District Project Engineer/Construction Manager to represent the District on Upper to Lower Elk Creek Project.

*R. Zanni made a motion to hire Jim Fitzgerald as Construction Manager/Project Engineer for the Upper to Lower Elk Creek Project; seconded by M. Hanson. Motion passed with 5 ayes (Young, Zanni, Hanson, Richey, Rorke.)*

**B. Discussion/possible action** regarding the percentage of money set aside from the Fire Department's Strike Team money for equipment replacement/repair.

*Finance and Audit Committee discussed that they came to agreement to set aside thirty percent.*

*R. Zanni made a motion to set aside thirty percent of Strike Team's money for future equipment maintenance and replacement; seconded by M. Hanson. Motion passed with 5 ayes (Young, Richey, Hanson, Rorke, Zanni.)*

**C. Discussion/possible action** regarding movement of funds from operating account to reserves account with pending audit designation.

*Tabled.*

**6. New Business:**

**A. Discussion/possible action** regarding Fourth (4<sup>th</sup>) Quarter Financials.

*Discussed. No Action taken.*

**B. Discussion/possible action** regarding Cal Fire 2022 Rural Fire Capacity Grant possibility.

*M. Hanson made a motion to have the District's fifty percent share of \$8,667 for the grant to come out of the supply budget; Seconded by R. Zanni. Motion passed with 5 ayes (Young, Richey, Hanson, Zanni, Rorke.)*

**C. Discussion/possible action** regarding Stipend Program for Ambulance Staffing.

*R. Zanni made a motion to approve the Stipend Program for Ambulance Staffing on a one-year trial basis; seconded by M. Hanson. Motion passed with 4 ayes (Richey, Zanni, Hanson, Rorke) and 1 no (Young.)*

**D. Discussion/possible action** regarding the first reading of the 2022-2023 Budget.

*No action taken.*

**4. Adjourn at 7:45 PM.**

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Catherine Young/President of the Board

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Jennifer Brunello/Secretary of the Board

# McCloud Fire Department Monthly Fire Chiefs Report

## August 2022

### FIRE CHIEF 1700

**Darrell "Charlie" Miller**  
(EMT-P) Engine Operator

### ASST. CHIEF/OPERATIONS 1701

**Trenton Vogus**  
(Firefighter/EMT-1) Engine Operator

### ASST. CHIEF/EMS DIRECTOR 1702

**Kirk Thomsen**  
(Firefighter/EMT -P) Engine Operator

### Recruitment/Retention Coordinator

**Sean Prouty (Firefighter/EMT-P)**

### DIV. CHIEF/TRAINING OFFICER 1705

**Nate Girard (EMT 1) Engine Operator**

### FIRE CAPTAIN 1706

**Steven Richardson (Wildland FF)**

### FIRE LIEUTENANT 1708

**Ben Garcia (Leave of absence)**

### SQUAD LIEUTENANT 1709

**OPEN**

### Firefighters

**Jettus Memmer (EMR)**  
Engine Operator

**Dan Fay (EMT-1)**  
(Amb/Engine Operator)

**Cindy Miller (EMT-1)**  
Engine Driver Trainee

**Nathan Masciola (1<sup>st</sup> Responder)**  
Engine Operator

**Joe Dewitt (EMR)**  
Engine Operator

**Mike Worthington (EMT-1)**  
Engine Operator

**James Lewis**  
Engine Operator (Trainee)

**Jaden Quiring**  
(Admin. Leave)

**Alisa Glenn**  
(Wildland FF & Amb. Driver)

**KC Chandler**  
(Wildland FF)

**Scott Oliver**  
(Wildland FF & Driver Trainee)

**Mike Mathes (Advanced EMT)**  
(Wildland FF)

### Auxiliary / Non-Firefighters, Drivers & Support Staff

**Peter Tolosano**  
(Battalion Chief)

**Donna Sager**  
(Battalion Chief)

**Ulliana Roseberry (EMT-1)**  
(Amb. & Engine Driver Trainee)

**Jessie Gray**  
(Wildland FF & Amb. Driver)

**Bob Masciola**  
(Ambulance Driver)

**Bruce French**  
(Ambulance Driver)

**Martin Glenn**  
(Amb. Driver Trainee)

**Amos McAbier**  
(Wildland FF & Engine Driver)

**Jerry Glynn**  
(Engine Driver)

**Merlin Huddleston**

**Parker Girard**

**Carolyn Glenn**

### Shift Firefighters

**Mike Mullet (EMT-1)**  
(Fire Captain)

**Justin Richardson**  
(Fire Captain)

**Bill Lachenmeyer (EMT-1)**  
(Wildland FF & Amb Driver)

**Orion Alley (EMT 1)**  
(USFS)

**Joel Lukenbill**  
Rope Rescue Technician

**CJ Palmer**  
(Dunsmuir FD)

# McCloud Fire Department Monthly Fire Chiefs Report

## August 2022

### Member Information

Total Department members including Auxiliary: 30

|                        |                       |             |
|------------------------|-----------------------|-------------|
| Total ALS Providers: 4 | Active: 4             | Inactive: 0 |
| Total EMT 1's: 9       | Active: 5             | Inactive: 0 |
| Members Resigned: 0    | Members Terminated: 0 |             |
| Shift Firefighters: 6  | Active: 3             |             |

Members on leave of absence: Ben Garcia (health), Jaden Quiring.

New Members: 2 (Martin Glenn as an auxiliary member. He will be training towards Firefighter. Carolyn Glenn as an Auxiliary member assisting with administrative tasks). Welcome to both.

### Personnel Response to Emergency Incidents

| PERSONNEL                             | COUNT     | PERCENTAGE |
|---------------------------------------|-----------|------------|
| <u>Dewitt, Joe</u>                    | 4         | 14.81 %    |
| <u>Fay, Dan P</u>                     | 9         | 33.33 %    |
| <u>French, Bruce D</u>                | 4         | 14.81 %    |
| <u>Girard, Parker</u>                 | 5         | 18.52 %    |
| <u>Glenn, Alisa</u>                   | 8         | 29.63 %    |
| <u>Glenn, Martin</u>                  | 2         | 7.41 %     |
| <u>Gray, Jessie</u>                   | 1         | 3.70 %     |
| <u>Lachenmeyer, William</u>           | 5         | 18.52 %    |
| <u>Lewis, James</u>                   | 2         | 7.41 %     |
| <u>Masciola, Nathan</u>               | 3         | 11.11 %    |
| <u>Mathes, Mike E</u>                 | 14        | 51.85 %    |
| <u>Memmer, Jettus</u>                 | 2         | 7.41 %     |
| <u>Miller, Cindy Ann</u>              | 5         | 18.52 %    |
| <u>Miller, Darrell "Charlie"</u>      | 13        | 48.15 %    |
| <u>Oliver, Scott</u>                  | 4         | 14.81 %    |
| <u>Prouty, Sean</u>                   | 10        | 37.04 %    |
| <u>Roseberry, Ulliana</u>             | 2         | 7.41 %     |
| <u>Vogus, Trenton</u>                 | 3         | 11.11 %    |
| <b>Sum of Individual Responses</b>    | <b>96</b> |            |
| <b>Total Incidents for Date Range</b> | <b>27</b> |            |

**Personnel Notes:** Ambulance and fire response scheduling remains our top priority. Several members responded on engines and as overhead to out of McCloud fires and at no times was McCloud left uncovered.



# McCloud Fire Department Monthly Fire Chiefs Report

## August 2022

| INCIDENT TYPE                                          | # INCIDENTS |
|--------------------------------------------------------|-------------|
| 111 - Building fire                                    | 3           |
| 141 - Forest, woods or wildland fire                   | 2           |
| 300 - Rescue, EMS incident, other                      | 1           |
| 320 - Emergency medical service, other                 | 1           |
| 321 - EMS call, excluding vehicle accident with injury | 11          |
| 322 - Motor vehicle accident with injuries             | 1           |
| 550 - Public service assistance, other                 | 1           |
| 551 - Assist police or other governmental agency       | 1           |
| 554 - Assist invalid                                   | 3           |
| 611 - Dispatched & cancelled en route                  | 3           |
| <b>Total Incidents</b>                                 | <b>27</b>   |

### Fire Calls

**Total Fires:** 5    Structure: 3    Vegetation: 2    Vehicle Fires: 0    Nuisance: 0

In Town: 3                      Mutual Aid/Auto Aid: 3                      Z.I.B. Area: 2

Fire Notes: 1 Garage fire in McCloud and 2 Mutual Aid Structure Fires. 1 Wildland fire on Hearst property and one in the Mt Shasta Forest Estates.

### Medical Calls

**Total Medical Calls:** 14 (includes traffic collisions) Traffic Collisions: 1 Non-Injury: 0

Transported by Medic 17: 12                      Paramedic Intercept: 0

Transported by MSAS: 1                      Non-Transport: 1                      BLS: 5                      ALS: 9

In Town: 9                      Mutual Aid/Auto Aid: 5                      Z.I.B. Area: 2

Medical Notes: Nothing to note.

### Miscellaneous Calls

**Total Miscellaneous Calls:** 8

HAZMAT: 0                      Lift Assist: 1                      Public Assist (other): 2

Rescue Calls: 0                      Smoke Check: 0                      Alarm Sounding: 0                      Gas Leak: 0

In Town: 3                      Mutual Aid/Auto Aid: 0                      Z.I.B. Area: 0

Miscellaneous call notes: Again, no calls were missed this month.

**Total Calls for service this calendar year: 233**

**Total ZIB Contract Calls this Fiscal Year: 2**

# McCloud Fire Department Monthly Fire Chiefs Report

**August 2022**

## **Station**

### **Station 17-Leatherman Fire Hall:**

Yardwork project continues. Flowers are dying due to water rationing.

## **Apparatus**

**Unit 1705 (Red Chevy Tahoe):** Responded to the McKinney Fire. Nothing mechanical to report.

**Unit 1701 (White Chevy Tahoe):** Responded to the McKinney Fire. Nothing mechanical to report.

**Utility 17 (Dodge Ram Pickup):** Brakes and Water Pump replaced at McKinney Fire in Yreka. FD paid for parts and labor was provided by CalFire.

**Squad 1740:** Nothing mechanical to report.

**Medic 17:** Battery issues continue.

**Engine 1711:** Good condition. Oil change needed.

**Engine 1712:** Good condition. Oil change needed. Nothing to report.

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

**Engine 1717:** Responded to the McKinney Fire. The engine was inspected by CalFire to allow us to rent the engine to CalFire or cover CalFire stations while it was on the McKinney Fire. During demobilization there was a leaking hose found. CalFire repaired the issue at no cause to us.

**Engine 1776:** Not in service yet.

# McCloud Fire Department Monthly Fire Chiefs Report

## August 2022

### Fire Department Drills

**#1 Fire:** (Thursday 6-10 pm)

Date: 8/04/2022      Topic: Mobile attack (Wildland)

**#2 Fire:** (Thursday 6-10 pm)

Date: 8/11/2022      Topic: Progressive Hoselays

**#3 Fire:** (Thursday 6-10 pm)

Date: 8/18/2022      Topic: Rope Rescue

**#4 Fire:** (Thursday 6-10 pm)

Date: 8/25/2022      Topic: Cancelled for Horseman's Community Meeting

**Training Notes:** See monthly training reports

**Community Involvement:** Pre-planning of the McCloud Hotel and the McCloud Mercantile.

**Ordinance 28 Issues:** None this month.

### Billing

**Siskiyou County Service Area 4/ZIB Billing (Yearly contract for \$30,000.00):**

Billed FY 21/22: \$30,000.00      \$22,500 Received      FY 22/23 Q1 to be billed Sept 1, 2022

**Siskiyou County Service Area 3 Stipend (Yearly Contract for \$11,000.00):**

Billed FY 21/22: \$11,000.00      \$0 Received      FY 22/23 to be billed Aug 1, 2023

**EF Recovery Accounts Receivable: \$634.69**

Billed (FY 22/23): \$186.25      Received (FY 22/23): \$0

**CALFIRE Agreement by Hire (AHB) Responses: Billed \$20,000.00      Received:\$0**

**USFS Agreement by Hire (AHB) Responses: Billed \$0.      Received:\$0**

**CA OES/CA Fire Assistance Agreement (CFAA): Billed \$      Received:\$0**

**Projected Department Revenue from Cal Fire, CFAA and USFS Responses:**

**Total FY 22/23 Dept Revenue: \$101,959.68**

# McCloud Fire Department Monthly Fire Chiefs Report

## August 2022

### Medical Billing:

#### Fiscal Year 21/22 Whitman Enterprises Billing Report

|                            | CHARGES              | MCARE WRITE DOWNS    | MCAL WRITE DOWNS    | OTHER CONTRACTUAL WRITE DOWNS | NET CHARGES         | PAYMENTS            | REFUNDS          | COLL ADJ    | NET PAYMENTS        | BAD DEBT WRITE OFFS | ADJUSTMENTS        | NEW A/R BALANCE |
|----------------------------|----------------------|----------------------|---------------------|-------------------------------|---------------------|---------------------|------------------|-------------|---------------------|---------------------|--------------------|-----------------|
| JULY '21                   | \$ 29,780.75         | \$ 9,805.84          | \$ 76.07            | \$ -                          | \$ 13,898.84        | \$ 8,110.94         | \$ -             | \$ -        | \$ 8,110.94         | \$ -                | \$ -               | \$ 69,493.75    |
| 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 '21               | \$ 11,298.60         | \$ 580.07            | \$ 7,704.39         | \$ -                          | \$ 3,014.14         | \$ 9,616.79         | \$ -             | \$ -        | \$ 9,616.79         | \$ -                | \$ -               | \$ 42,568.53    |
| DECEMBER '21               | \$ 28,188.50         | \$ 13,386.44         | \$ 3,308.09         | \$ -                          | \$ 11,498.97        | \$ 2,100.87         | \$ -             | \$ -        | \$ 2,100.87         | \$ -                | \$ -               | \$ 51,966.63    |
| JANUARY '22                | \$ 20,828.00         | \$ 7,626.35          | \$ 3,960.48         | \$ -                          | \$ 9,241.17         | \$ 5,312.80         | \$ -             | \$ -        | \$ 5,312.80         | \$ -                | \$ -               | \$ 55,895.00    |
| FEBRUARY '22               | \$ 18,872.05         | \$ 11,465.43         | \$ 141.51           | \$ -                          | \$ 7,265.11         | \$ 4,542.87         | \$ -             | \$ -        | \$ 4,542.87         | \$ -                | \$ (125.00)        | \$ 58,492.24    |
| MARCH '22                  | \$ 19,237.20         | \$ (476.24)          | \$ 9,797.72         | \$ -                          | \$ 9,915.72         | \$ 10,027.15        | \$ -             | \$ -        | \$ 10,027.15        | \$ -                | \$ -               | \$ 58,380.81    |
| APRIL '22                  | \$ 29,117.65         | \$ 11,630.26         | \$ 6,864.54         | \$ -                          | \$ 10,622.85        | \$ 1,888.71         | \$ -             | \$ -        | \$ 1,888.71         | \$ -                | \$ -               | \$ 67,114.95    |
| MAY '22                    | \$ 34,138.50         | \$ 14,436.89         | \$ 9,756.65         | \$ -                          | \$ 9,944.96         | \$ 9,202.78         | \$ -             | \$ -        | \$ 9,202.78         | \$ -                | \$ -               | \$ 67,857.13    |
| JUNE '22                   | \$ -                 | \$ -                 | \$ -                | \$ -                          | \$ -                | \$ -                | \$ -             | \$ -        | \$ -                | \$ -                | \$ -               | \$ -            |
| <b>YEAR TO DATE TOTALS</b> | <b>\$ 271,146.81</b> | <b>\$ 117,199.65</b> | <b>\$ 61,019.09</b> | <b>\$ -</b>                   | <b>\$ 92,928.07</b> | <b>\$ 82,799.58</b> | <b>\$ 466.45</b> | <b>\$ -</b> | <b>\$ 82,333.13</b> | <b>\$ -</b>         | <b>\$ (443.65)</b> |                 |

**(Fiscal year 21 / 22 ) Average Net Charges: \$7,744.00**

**(Fiscal year 21 / 22 ) Average Net Payments/Revenue: \$6,861.09**

#### Fiscal Year 22/23 Whitman Enterprises Billing Report

|               | CHARGES      | MCARE WRITE DOWNS | MCAL WRITE DOWNS | OTHER CONTRACTUAL WRITE DOWNS | NET CHARGES  | PAYMENTS     | REFUNDS | COLL ADJ | NET PAYMENTS | BAD DEBT WRITE OFFS | ADJUSTMENTS | NEW A/R BALANCE |
|---------------|--------------|-------------------|------------------|-------------------------------|--------------|--------------|---------|----------|--------------|---------------------|-------------|-----------------|
| JULY '22      | \$ 49,776.70 | \$ 20,291.68      | \$ 10,287.43     | \$ 2,479.64                   | \$ 16,717.95 | \$ 12,815.05 | \$ -    | \$ -     | \$ 12,815.05 | \$ -                | \$ -        | \$ 79,201.05    |
| AUGUST '22    | \$ -         | \$ -              | \$ -             | \$ -                          | \$ -         | \$ -         | \$ -    | \$ -     | \$ -         | \$ -                | \$ -        | \$ -            |
| SEPTEMBER '22 | \$ -         | \$ -              | \$ -             | \$ -                          | \$ -         | \$ -         | \$ -    | \$ -     | \$ -         | \$ -                | \$ -        | \$ -            |
| OCTOBER '22   | \$ -         | \$ -              | \$ -             | \$ -                          | \$ -         | \$ -         | \$ -    | \$ -     | \$ -         | \$ -                | \$ -        | \$ -            |
| NOVEMBER '22  | \$ -         | \$ -              | \$ -             | \$ -                          | \$ -         | \$ -         | \$ -    | \$ -     | \$ -         | \$ -                | \$ -        | \$ -            |
| DECEMBER '22  | \$ -         | \$ -              | \$ -             | \$ -                          | \$ -         | \$ -         | \$ -    | \$ -     | \$ -         | \$ -                | \$ -        | \$ -            |
| JANUARY '23   | \$ -         | \$ -              | \$ -             | \$ -                          | \$ -         | \$ -         | \$ -    | \$ -     | \$ -         | \$ -                | \$ -        | \$ -            |
| FEBRUARY '23  | \$ -         | \$ -              | \$ -             | \$ -                          | \$ -         | \$ -         | \$ -    | \$ -     | \$ -         | \$ -                | \$ -        | \$ -            |
| MARCH '23     | \$ -         | \$ -              | \$ -             | \$ -                          | \$ -         | \$ -         | \$ -    | \$ -     | \$ -         | \$ -                | \$ -        | \$ -            |
| APRIL '23     | \$ -         | \$ -              | \$ -             | \$ -                          | \$ -         | \$ -         | \$ -    | \$ -     | \$ -         | \$ -                | \$ -        | \$ -            |
| MAY '23       | \$ -         | \$ -              | \$ -             | \$ -                          | \$ -         | \$ -         | \$ -    | \$ -     | \$ -         | \$ -                | \$ -        | \$ -            |
| JUNE '23      | \$ -         | \$ -              | \$ -             | \$ -                          | \$ -         | \$ -         | \$ -    | \$ -     | \$ -         | \$ -                | \$ -        | \$ -            |

**(Fiscal year 22 / 23 ): Average Net Charges \$16,717.95**

**Average Net Payments/Revenue (Fiscal Year to Date): \$12,815.05**

**Outstanding Whitman Accounts Receivable as of July 15, 2022: \$79,201.05**

### General department message:

Medic 17 was staffed ALS at most times during January. No calls were unattended by department personnel.

Submitted By: *Darrell Miller*

Darrell "Charlie" Miller

Date: 9/07/2022

09/07/22  
12:41:54

MCCLOUD COMMUNITY SERVICES DISTRICT  
Claim Approval List  
For the Accounting Period: 9/22

Page: 1 of 6  
Report ID: AP100V

5 Star Bank  
\* ... Over spent expenditure

| Claim/ | Check      | Vendor #/Name/<br>Invoice #/Inv Date/Description                                                                    | Document \$/<br>Line \$ | Disc \$ | PO # | Fund Org Acct | Object | Proj | Cash<br>Account |
|--------|------------|---------------------------------------------------------------------------------------------------------------------|-------------------------|---------|------|---------------|--------|------|-----------------|
|        |            | *** Claim from another period ( 7/22) ****                                                                          |                         |         |      |               |        |      |                 |
| 11032  |            | 6 AQUA SIERRA CONTROLS INC.                                                                                         | 8,625.38                |         |      |               |        |      |                 |
|        |            | DFS SCADA System Software and Hardware Upgrade                                                                      |                         |         |      |               |        |      |                 |
|        | 32691      | 07/25/22 SCADA Sftwr & Hrdwr Upgrade                                                                                | 4,312.69*               |         |      | 2000 402000   | 392    |      | 101000          |
|        | 32691      | 07/25/22 SCADA Sftwr & Hrdwr Upgrade                                                                                | 4,312.69*               |         |      | 3000 402000   | 392    |      | 101000          |
|        |            | <b>Total for Vendor:</b>                                                                                            | <b>8,625.38</b>         |         |      |               |        |      |                 |
|        |            | *** Claim from another period ( 8/22) ****                                                                          |                         |         |      |               |        |      |                 |
| 11025  |            | 10 BAXTER AUTO PARTS                                                                                                | 246.85                  |         |      |               |        |      |                 |
|        |            | Brakes for the Service Truck                                                                                        |                         |         |      |               |        |      |                 |
|        | 1567413626 | 08/31/22 Brakes-Svc Trk 1/4th                                                                                       | 61.71*                  |         |      | 1050 403000   | 520    |      | 101000          |
|        | 1567413626 | 08/31/22 Brakes-Svc Trk 1/4th                                                                                       | 61.71*                  |         |      | 1090 403000   | 530    |      | 101000          |
|        | 1567413626 | 08/31/22 Brakes-Svc Trk 1/4th                                                                                       | 61.71*                  |         |      | 2000 403000   | 530    |      | 101000          |
|        | 156741326  | 08/31/22 Brakes-Svc Trk 1/4th                                                                                       | 61.72*                  |         |      | 3000 403000   | 530    |      | 101000          |
|        |            | <b>Total for Vendor:</b>                                                                                            | <b>246.85</b>           |         |      |               |        |      |                 |
|        |            | *** Claim from another period ( 8/22) ****                                                                          |                         |         |      |               |        |      |                 |
| 11016  |            | 11 BLACK BUTTE TRANSFER STATION                                                                                     | 4,474.90                |         |      |               |        |      |                 |
|        |            | August 2022 Dump Fees                                                                                               |                         |         |      |               |        |      |                 |
|        |            | Aug2022 09/02/22 Dump Fees                                                                                          | 4,474.90*               |         |      | 1090 405000   | 710    |      | 101000          |
|        |            | <b>Total for Vendor:</b>                                                                                            | <b>4,474.90</b>         |         |      |               |        |      |                 |
| 11020  |            | 12 BLACK MOUNTAIN SOFTWARE                                                                                          | 8,456.00                |         |      |               |        |      |                 |
|        |            | Annual Service and Support (Cloud Hosting, Utility Billing, ACH Automated, Accounting, Payroll, ACH Direct DEPOSIT) |                         |         |      |               |        |      |                 |
|        |            | 28334 09/01/22 Annual Service and Support                                                                           | 8,456.00*               |         |      | 1010 402000   | 396    |      | 101000          |
|        |            | <b>Total for Vendor:</b>                                                                                            | <b>8,456.00</b>         |         |      |               |        |      |                 |
|        |            | *** Claim from another period ( 8/22) ****                                                                          |                         |         |      |               |        |      |                 |
| 11024  |            | 1147 Dunsmuir Tire Shop                                                                                             | 1,133.90                |         |      |               |        |      |                 |
|        |            | 4 Tires for Service Truck F350                                                                                      |                         |         |      |               |        |      |                 |
|        | 22563      | 08/30/22 4 Tires Svc Trk F350 1/4th                                                                                 | 283.48*                 |         |      | 1050 403000   | 530    |      | 101000          |
|        | 22563      | 08/30/22 4 Tires Svc Trk F350 1/4th                                                                                 | 283.48*                 |         |      | 1090 403000   | 530    |      | 101000          |
|        | 22563      | 08/30/22 4 Tires Svc Trk F350 1/4th                                                                                 | 283.48*                 |         |      | 2000 403000   | 530    |      | 101000          |
|        | 22563      | 08/30/22 4 Tires Svc Trk F350 1/4th                                                                                 | 283.46*                 |         |      | 3000 403000   | 530    |      | 101000          |
|        |            | <b>Total for Vendor:</b>                                                                                            | <b>1,133.90</b>         |         |      |               |        |      |                 |

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MCCLOUD COMMUNITY SERVICES DISTRICT  
Claim Approval List  
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Report ID: AP100V

5 Star Bank  
\* ... Over spent expenditure

| Claim/ | Check      | Vendor #/Name/<br>Invoice #/Inv Date/Description                                                          | Document \$/<br>Line \$ | Disc \$                                    | PO # | Fund Org Acct | Object | Proj | Cash<br>Account |
|--------|------------|-----------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------|------|---------------|--------|------|-----------------|
|        |            |                                                                                                           |                         | *** Claim from another period ( 8/22) **** |      |               |        |      |                 |
| 11033  |            | 1007 MCCLOUD FIREMAN'S ASSOCIATION                                                                        | 618.66                  |                                            |      |               |        |      |                 |
|        |            | Reimburse for NAPA invoice charged to MCFA's Credit Card, 8/13/22                                         |                         |                                            |      |               |        |      |                 |
|        | 082114     | 08/13/22 NAPA Auto Repair                                                                                 | 618.66*                 |                                            | 3775 | 1040 403000   | 530    |      | 101000          |
|        |            | <b>Total for Vendor:</b>                                                                                  | <b>618.66</b>           |                                            |      |               |        |      |                 |
|        |            |                                                                                                           |                         | *** Claim from another period ( 7/22) **** |      |               |        |      |                 |
| 11021  |            | 1242 MCCLOUD HEALTHCARE CLINIC, INC.                                                                      | 180.00                  |                                            |      |               |        |      |                 |
|        |            | Work Related Physical                                                                                     |                         |                                            |      |               |        |      |                 |
|        | 22K25248   | 09/01/22 Pat. ID 205308 Work Physical                                                                     | 180.00*                 |                                            |      | 5004 402000   | 345    |      | 101000          |
|        |            |                                                                                                           |                         | *** Claim from another period ( 8/22) **** |      |               |        |      |                 |
| 11022  |            | 1242 MCCLOUD HEALTHCARE CLINIC, INC.                                                                      | 360.00                  |                                            |      |               |        |      |                 |
|        |            | Work Related Physical(s)                                                                                  |                         |                                            |      |               |        |      |                 |
|        | 22K25248   | 09/01/22 Pat. ID 167824 Work Physical                                                                     | 180.00*                 |                                            |      | 5004 402000   | 345    |      | 101000          |
|        | 22K25248   | 09/01/22 Pat. ID 167837 Work Physical                                                                     | 180.00*                 |                                            |      | 5004 402000   | 345    |      | 101000          |
|        |            | <b>Total for Vendor:</b>                                                                                  | <b>540.00</b>           |                                            |      |               |        |      |                 |
| 11018  |            | 416 MT SHASTA IT SERVICES                                                                                 | 800.00                  |                                            |      |               |        |      |                 |
|        |            | Sep 2022 IT Services                                                                                      |                         |                                            |      |               |        |      |                 |
|        | inv-0212   | 09/01/22 Sep IT Services                                                                                  | 800.00*                 |                                            |      | 1010 402000   | 396    |      | 101000          |
|        |            | <b>Total for Vendor:</b>                                                                                  | <b>800.00</b>           |                                            |      |               |        |      |                 |
|        |            |                                                                                                           |                         | *** Claim from another period ( 8/22) **** |      |               |        |      |                 |
| 11019  |            | 1219 Pace Analytical Services LLC                                                                         | 83.40                   |                                            |      |               |        |      |                 |
|        |            | August 2022 Drinking Water Moniitoring                                                                    |                         |                                            |      |               |        |      |                 |
|        | 2208894-28 | 08/31/22 Aug 2022 Drinking Water Mo                                                                       | 83.40*                  |                                            |      | 3000 402000   | 392    |      | 101000          |
|        |            | <b>Total for Vendor:</b>                                                                                  | <b>83.40</b>            |                                            |      |               |        |      |                 |
|        |            |                                                                                                           |                         | *** Claim from another period ( 8/22) **** |      |               |        |      |                 |
| 11031  |            | 1239 PACE SUPPLY CORP                                                                                     | 8,952.30                |                                            |      |               |        |      |                 |
|        |            | Upper to Lower Elk Springs - Field LOK Gasket, Restraining Couplings, Insulator Casings, Rubber End Seals |                         |                                            |      |               |        |      |                 |
|        | 2879328433 | 08/30/22 Gasket Lok, Coupling, Insu                                                                       | 9,135.00                |                                            |      | 5005 101630   |        |      | 101000          |
|        | 2879328433 | 08/30/22 Discount if received by 10                                                                       | -182.70                 |                                            |      | 5005 101630   |        |      | 101000          |
|        |            | <b>Total for Vendor:</b>                                                                                  | <b>8,952.30</b>         |                                            |      |               |        |      |                 |
|        |            |                                                                                                           |                         | *** Claim from another period ( 8/22) **** |      |               |        |      |                 |
| 11023  |            | 231 RAY-MAC MECHANICAL, INC.                                                                              | 395.88                  |                                            |      |               |        |      |                 |
|        |            | Fire House Air Conditioning Repair                                                                        |                         |                                            |      |               |        |      |                 |
|        | 107396     | 08/29/22 Fire Hse Air Cond. Repair                                                                        | 395.88*                 |                                            | 3777 | 1040 403000   | 510    |      | 101000          |
|        |            | <b>Total for Vendor:</b>                                                                                  | <b>395.88</b>           |                                            |      |               |        |      |                 |

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MCCLOUD COMMUNITY SERVICES DISTRICT  
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5 Star Bank  
\* ... Over spent expenditure

| Claim/                                     | Check      | Vendor #/Name/<br>Invoice #/Inv Date/Description | Document \$/<br>Line \$ | Disc \$ | PO #  | Fund Org Acct | Object | Proj | Cash<br>Account |
|--------------------------------------------|------------|--------------------------------------------------|-------------------------|---------|-------|---------------|--------|------|-----------------|
| *** Claim from another period ( 7/22) **** |            |                                                  |                         |         |       |               |        |      |                 |
| 11028                                      |            | 169 SOLANOS HOME IMPROVEMENT CNTR                | 191.09                  |         |       |               |        |      |                 |
|                                            |            | Employee Uniform Allowance                       |                         |         |       |               |        |      |                 |
|                                            | 300604     | 07/26/22 Employee Uniform Allowance              | 47.77*                  |         |       | 1050 402000   | 360    |      | 101000          |
|                                            | 300604     | 07/26/22 Employee Uniform Allowance              | 47.77*                  |         |       | 1090 402000   | 360    |      | 101000          |
|                                            | 300604     | 07/26/22 Employee Uniform Allowance              | 47.77*                  |         |       | 2000 402000   | 360    |      | 101000          |
|                                            | 300604     | 07/26/22 Employee Uniform Allowance              | 47.78*                  |         |       | 3000 402000   | 360    |      | 101000          |
| *** Claim from another period ( 8/22) **** |            |                                                  |                         |         |       |               |        |      |                 |
| 11030                                      |            | 169 SOLANOS HOME IMPROVEMENT CNTR                | 2,016.87                |         |       |               |        |      |                 |
|                                            | 302322     | 08/26/22 Tree Loppers & Oil for Alleys           | 65.94*                  |         | JERRY | 1050 403000   | 400    |      | 101000          |
|                                            | 302322     | 08/26/22 Tree Loppers & Oil for Alleys           | 65.94*                  |         | JERRY | 1090 403000   | 400    |      | 101000          |
|                                            | 302543     | 08/31/22 Lock for Gate, EE Gloves 1/4TH          | 11.87*                  |         | JERRY | 1050 403000   | 400    |      | 101000          |
|                                            | 302543     | 08/31/22 Lock for Gate, EE Gloves 1/4TH          | 11.87*                  |         | JERRY | 1090 403000   | 400    |      | 101000          |
|                                            | 302543     | 08/31/22 Lock for Gate, EE Gloves 1/4th          | 11.87*                  |         | JERRY | 2000 403000   | 400    |      | 101000          |
|                                            | 302543     | 08/31/22 Lock for Gate, EE Gloves 1/4th          | 11.85*                  |         | JERRY | 3000 403000   | 400    |      | 101000          |
|                                            | 300955     | 08/02/22 Mouse Trap for Lower Elk                | 10.06*                  |         | JERRY | 5003 403000   | 400    |      | 101000          |
|                                            | 254465     | 08/15/22 Wood for Mudd Creek Cribbng             | 1,827.47                |         | JAMES | 5005 101630   |        |      | 101000          |
|                                            |            | <b>Total for Vendor:</b>                         | <b>2,207.96</b>         |         |       |               |        |      |                 |
| *** Claim from another period ( 8/22) **** |            |                                                  |                         |         |       |               |        |      |                 |
| 11015                                      |            | 1240 VALLEY PACIFIC PETROLEUM                    | 1,487.00                |         |       |               |        |      |                 |
|                                            |            | Vehicle Fuel 8/16/22 - 8/31/22                   |                         |         |       |               |        |      |                 |
|                                            | CL22532192 | 08/31/22 Fire Engine 1717 41,598 8/              | 70.45*                  |         |       | 1040 403000   | 420    |      | 101000          |
|                                            | CL22532192 | 08/31/22 Fire Wt Tahoe 141,852 8/26              | 34.39*                  |         |       | 1040 403000   | 430    |      | 101000          |
|                                            | CL22532192 | 08/31/22 Slvr Ford 8/22/22 84,158 1              | 25.77*                  |         |       | 1050 403000   | 430    |      | 101000          |
|                                            | CL22532192 | 08/31/22 Slvr Ford 8/22/22 84,158 1              | 25.77*                  |         |       | 1090 403000   | 430    |      | 101000          |
|                                            | CL22532192 | 08/31/22 Slvr Ford 8/22/22 84,158 1              | 25.77*                  |         |       | 2000 403000   | 430    |      | 101000          |
|                                            | CL22532192 | 08/31/22 Slvr Ford 8/22/22 84,158 1              | 25.76*                  |         |       | 3000 403000   | 430    |      | 101000          |
|                                            | CL22532192 | 08/31/22 Svc Trk 8/29/22 69,553 1/4              | 38.61*                  |         |       | 1050 403000   | 430    |      | 101000          |
|                                            | CL22532192 | 08/31/22 Svc Trk 8/29/22 69,553 1/4              | 38.61*                  |         |       | 1090 403000   | 430    |      | 101000          |
|                                            | CL22532192 | 08/31/22 Svc Trk 8/29/22 69,553 1/4              | 38.61*                  |         |       | 2000 403000   | 430    |      | 101000          |
|                                            | CL22532192 | 08/31/22 Svc Trl 8/29/22 69,553 1/4              | 38.60*                  |         |       | 3000 403000   | 430    |      | 101000          |
|                                            | CL22532192 | 08/31/22 Slvr Ford 8/31/22 84,428 1              | 27.04*                  |         |       | 1050 403000   | 430    |      | 101000          |
|                                            | CL22532192 | 08/31/22 Slvr Ford 8/31/22 84,428 1              | 27.04*                  |         |       | 1090 403000   | 430    |      | 101000          |
|                                            | CL22532192 | 08/31/22 Slvr Ford 8/31/22 84,428 1              | 27.04*                  |         |       | 2000 403000   | 430    |      | 101000          |
|                                            | CL22532192 | 08/31/22 Slvr Ford 8/31/22 84,428 1              | 27.03*                  |         |       | 3000 403000   | 430    |      | 101000          |
|                                            | CL22532192 | 08/31/22 Rear Loader 8/19/22 19,788              | 207.36*                 |         |       | 1090 403000   | 420    |      | 101000          |
|                                            | CL22532192 | 08/31/22 Side Loader 8/22/22 23,797              | 201.45*                 |         |       | 1090 403000   | 420    |      | 101000          |

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MCCLOUD COMMUNITY SERVICES DISTRICT  
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5 Star Bank  
\* ... Over spent expenditure

| Claim/   | Check      | Vendor #/Name/<br>Invoice #/Inv Date/Description | Document \$/<br>Line \$ | Disc \$       | PO #             | Fund Org Acct       | Object    | Proj | Cash<br>Account |
|----------|------------|--------------------------------------------------|-------------------------|---------------|------------------|---------------------|-----------|------|-----------------|
|          | CL22532192 | 08/31/22 Side Loader 8/31/22 23,933              | 202.19*                 |               |                  | 1090 403000         | 420       |      | 101000          |
|          | CL22532192 | 08/31/22 Fire Medic 17 8/18/22                   | 41.36*                  |               |                  | 1040 403000         | 420       | 20   | 101000          |
|          | CL22532192 | 08/31/22 Fire Medic 17 8/21/22                   | 83.46*                  |               |                  | 1040 403000         | 420       | 20   | 101000          |
|          | CL22532192 | 08/31/22 Fire Medic 17 8/21/22                   | 63.35*                  |               |                  | 1040 403000         | 420       | 20   | 101000          |
|          | CL22532192 | 08/31/22 Fire Eng 1711 1,711mi 8/27              | 217.34*                 |               |                  | 1040 403000         | 420       |      | 101000          |
|          |            | <b>Total for Vendor:</b>                         | <b>1,487.00</b>         |               |                  |                     |           |      |                 |
| 11026    |            | 117 VYVE - MCSD                                  | 313.36                  |               |                  |                     |           |      |                 |
| Sep 2022 |            | Phone & Internet                                 |                         |               |                  |                     |           |      |                 |
| Sep2022  | 09/02/22   | Phone & Internet Service                         | 313.36*                 |               |                  | 1010 402000         | 320       |      | 101000          |
|          |            | <b>Total for Vendor:</b>                         | <b>313.36</b>           |               |                  |                     |           |      |                 |
|          |            | <b># of Claims</b>                               | <b>16</b>               | <b>Total:</b> | <b>38,335.59</b> | <b># of Vendors</b> | <b>14</b> |      |                 |



---

| <b>Fund/Account</b>                     | <b>Amount</b>      |
|-----------------------------------------|--------------------|
| 1010 GENERAL                            |                    |
| 101000 Operating Cash                   | \$9,569.36         |
| 1040 FIRE                               |                    |
| 101000 Operating Cash                   | \$1,524.89         |
| 1050 ALLEYS                             |                    |
| 101000 Operating Cash                   | \$562.19           |
| 1090 REFUSE                             |                    |
| 101000 Operating Cash                   | \$5,648.09         |
| 2000 SEWER                              |                    |
| 101000 Operating Cash                   | \$4,808.94         |
| 3000 WATER                              |                    |
| 101000 Operating Cash                   | \$4,892.29         |
| 5003 Elk Springhouse Project            |                    |
| 101000 Operating Cash                   | \$10.06            |
| 5004 Safer Grant                        |                    |
| 101000 Operating Cash                   | \$540.00           |
| 5005 Upper to Lower Elk Springs Project |                    |
| 101000 Operating Cash                   | \$10,779.77        |
| <b>Total:</b>                           | <b>\$38,335.59</b> |

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MCCLOUD COMMUNITY SERVICES DISTRICT  
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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: \$38,335.59

\_\_\_\_\_  
Signature #2

\_\_\_\_\_  
Signature #4

\_\_\_\_\_  
Signature #3

\_\_\_\_\_  
Signature #5

**MC CLOUD COMMUNITY SERVICES DISTRICT**

**RESOLUTION NO. 7, 2022**

**AUTHORIZING RESOLUTION**

AUTHORIZING THE GRANT APPLICATION, ACCEPTANCE, AND EXECUTION FOR THE DEPARTMENT OF FORESTRY AND FIRE PROTECTION AGREEMENT #7GF FOR SERVICES FROM THE DATE OF LAST SIGNATORY ON PAGE 1 OF THE AGREEMENT TO JUNE 30, 2023, UNDER THE VOLUNTEER CAPACITY PROGRAM OF THE COOPERATIVE FORESTRY ASSISTANCE ACT OF 1978.

**WHEREAS**, the Board of Directors of the McCloud Community Services District hereby approves the Agreement with the California Department of Forestry and Fire Protection dated as of the last signatory date on page 1 of the Agreement, and any amendments thereto.

**WHEREAS**, This Agreement provides for an award, during the term of this Agreement, under the Volunteer Fire Capacity Program of the Cooperative Fire Assistance Act of 1978 during the fiscal year 2022-23 up to, and no more than the amount of \$8,667.00.

**THEREFORE, BE IT RESOLVED** by the Board of Directors of the McCloud Community Services District as follows:

1. McCloud Community Services District Fire Chief, Darrell Miller, is hereby authorized and directed to sign and execute this Agreement and any amendments thereto.
2. The McCloud Community Services District Fire Chief is hereby authorized and directed to submit any required documents, invoices, and reports required to obtain funding.

**CERTIFICATION**

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at the meeting of the Board of Directors held on September 12, 2022.

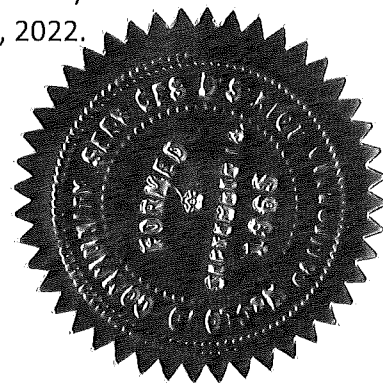
AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:




---

Catherine Young, President of the Board

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Jennifer Brunello, District Secretary

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**INSTALLMENT PURCHASE CONTRACT**

**between the**

**MCLOUD COMMUNITY SERVICES DISTRICT**

**and**

**FIVE STAR BANK**

**Dated as of September 1, 2022**

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**INSTALLMENT PURCHASE CONTRACT**

This **INSTALLMENT PURCHASE CONTRACT**, dated as of September 1, 2022 (this “Installment Purchase Contract”), is entered into by and between the **MC CLOUD COMMUNITY SERVICES DISTRICT** (the “District”), a community services district duly organized and validly existing under the laws of the State of California (the “State”), and **FIVE STAR BANK** (the “Lender”), a banking corporation duly organized and validly existing under the laws of the State.

**W I T N E S S E T H:**

WHEREAS, the District is authorized by the laws of the State of California, including, but not limited to Section 61060, subdivision (d) of the California Government Code, to purchase, or lease, or otherwise acquire, hold and enjoy, and lease or dispose of, real and personal property of every kind within or without the District through the execution of installment purchase contracts;

WHEREAS, the District proposes to finance certain improvements to the District’s water system, as more particular described in Exhibit A hereto (the “Project”);

WHEREAS, the District has requested and the Lender has agreed to assist the District in the financing of the Project;

WHEREAS, in order to finance the Project, the District is entering into this Installment Purchase Contract, pursuant to which the District will sell the Project to the Lender, but only to the extent the components of the Project can be legally transferred by the District;

WHEREAS, in order to provide moneys to pay the costs of acquiring, constructing and improving the Project, the District proposes to purchase the Project pursuant to this Installment Purchase Contract;

WHEREAS, the District has determined it is in the best interests of the District, and it is necessary and proper for the District’s purposes, that the District acquire the Project from the Lender in the manner described herein for the purposes of financing the Project as described herein, and that the District pay the Lender for the costs of acquiring the Project in the manner described herein;

WHEREAS, the District and the Lender have duly authorized the execution of this Installment Purchase Contract; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Installment Purchase Contract do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Contract.

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER



GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I.  
**DEFINITIONS**

Section 1.01. Definitions.

Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes hereof, and of any amendment hereof, and of any opinion or report or other document mentioned herein or therein, have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

“Acquisition,” “Acquire,” or “Acquired” means, with respect to the Project or the Enterprise, the acquisition or perfection of an ownership or capacity interest in the Project or the Enterprise, or the construction, financing, refinancing or ownership of the Project or the Enterprise.

“Acquisition Costs” with respect to the Project means the contract price paid or to be paid for the Acquisition of the Project.

“Advance” means each advance made by the Lender, pursuant to this Installment Purchase Contract, to the District, in accordance with the procedures set forth herein, on the Draw Down Date set forth on Exhibit B attached hereto in the amount set forth opposite such Draw Down Date, subject to the terms and conditions of this Installment Purchase Contract.

“Applicable Loan Rate” means the product of (a) .70 and (b) the Prime Rate plus 1.00.

“Available Commitment” means, on the Closing Date, an initial amount equal to \$2,500,000.00 less the initial Advance of \$51,000.00 on the Closing Date, and thereafter as adjusted from time to time as follows: (a) downward in an amount equal to any Advance (other than the initial Advance) made hereunder; and (b) downward to zero upon termination of the Commitment in accordance with the terms hereof.

“Authorized Officer” means the President of the Board of Directors of the District or the General Manager of the District.

“Bond Counsel” means Kutak Rock LLP or another firm of nationally recognized attorneys experienced in the issuance of obligations the interest on which is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended.

“Business Day” means any day other than a Saturday, Sunday or legal holiday or a day on which banks are authorized to be closed for business in California.

“Closing Date” means September \_\_, 2022.

“Commitment” means the obligation of the Lender, pursuant to this Installment Purchase Contract, to make future Advances of the unfunded portion of the Available Commitment and/or

to make Disbursements of amounts on deposit in the Project Fund subject to the terms and conditions of this Installment Purchase Contract.

“Commitment Termination Date” means the earliest to occur of (a) \_\_\_\_\_, 202\_, and (b) the date that Commitment terminates or the date the Available Commitment is reduced to zero in accordance with the terms hereof.

“Debt Service Account” means the account established in Section 3.04 hereof.

“Default Rate” means the then applicable interest rate on the principal amount of the Installment Payments plus 5.00% per annum.

“Determination of Taxability” means (a) the occurrence of any action that, in the judgment of the District, in reliance on the advice of Bond Counsel, will adversely affect the tax-exempt status of the interest component of the Installment Payments, (b) the failure to take any action that, in the judgment of the District, in reliance on the advice of Bond Counsel, is necessary to preserve the exemption from income taxation of the interest component of the Installment Payments, (c) a final judgment or order of a court of competent jurisdiction, or a final ruling or decision of the Internal Revenue Service, in any such case to the effect that the interest component of the Installment Payments is includable for federal income tax purposes in the gross incomes of the recipients thereof, or (d) the enactment of federal legislation that would cause the interest component of the Installment Payments to be includable for federal income tax purposes in the gross incomes of the recipients thereof. A judgment or order of a court of competent jurisdiction or a ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed (and is pending) and the time for filing such right of appeal or action has expired.

“District” means McCloud Community Services District, a community services district duly organized and existing under the constitution and laws of the State, and its successors and assigns.

“Draw Down Date” means each date for funding an Advance set forth on the draw down schedule attached as Exhibit B hereto, as such Exhibit B may be modified by the Lender.

“Due Date” means the date three (3) Business Days prior to an Installment Payment Date.

“Electronic Notice” means notice given through means of telecopy, facsimile transmission, e-mail or other similar electronic means of communication confirmed by writing or written transmission.

“Enterprise” means the District’s water system, including all facilities, works, properties and structures of the District for the collection, treatment, transmission, storage, and distribution of water and/or production of hydroelectric power, including all contractual rights to water supplies, transmission capacity supply, easements, rights-of-way and other works, property or structures necessary or convenient for such facilities, together with all additions, betterments, extension and improvements to such facilities or any part thereof hereafter acquired or constructed.

“Event of Default” means an event of default described in Section 7.01.

“Environmental Regulations” means all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, “CERCLA”), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, “RCRA”), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, “Title III”), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, “CWA”), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, “CAA”) and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601 et seq.) (together with the regulations promulgated thereunder, “TSCA”), and any state or local similar Laws and Regulations and any so-called local, state or federal “superfund” or “superlien” law and any other applicable state, local or federal environmental laws or regulations.

“Federal Securities” means direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States), or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

“Fiscal Consultant” means any consultant or firm of such consultants appointed by the District and who, or each of whom: (a) is judged by the District to have experience in matters relating to the financing of public projects; (b) is in fact independent and not under domination of the District; (c) does not have any substantial interest, direct or indirect, with the District other than as purchaser of any Parity Debt; and (d) is not connected with the District as an officer or employee of the District, but who may be regularly retained to make reports to the District.

“Fiscal Year” means the twelve-calendar month period ending on June 30 of each year, or any other annual accounting period hereafter selected and designated by the District as its Fiscal Year in accordance with applicable law.

“Generally Accepted Accounting Principles” means the uniform accounting and reporting procedures prescribed by the California State Controller or his successor for community service districts in the State of California, or failing the prescription of such procedures means Generally Accepted Accounting Principles as presented and recommended by the American Institute of Certified Public Accountants or its successor, or by the National Council on Governmental Accounting or its successor, or by any other generally accepted authority on such principles.

“Governmental Authority” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

“Gross Revenues” means for each Fiscal Year, all gross income and revenue received or receivable by the District from the ownership or operation of the Enterprise, determined in

accordance with Generally Accepted Accounting Principles, including all rates, fees and charges (including connection fees and charges) received by the District for Water Service and the other services of the Enterprise and all other income and revenue howsoever derived by the District from the ownership and operation of the Enterprise or arising from the Enterprise, and also including all income from the deposit or investment of any money in the Revenue Fund but excluding in all cases any proceeds of taxes and any refundable deposits made to establish credit and advances or contributions in aid of construction.

“Independent Certified Public Accountant” means any certified public accountant or firm of certified public accountants duly licensed and entitled to practice, and practicing as such appointed and paid by the District, and each of whom--

1. is in fact independent and not under the domination of the District;
2. does not have a substantial financial interest, direct or indirect, in the operations of the District; and
3. is not connected with the District as a board member, officer or employee of the District, but may be regularly retained to audit the accounting records of and make reports thereon to the District.

“Independent Engineer” means any registered engineer or firm of registered engineers of national reputation generally recognized to be well qualified in engineering matters relating to the Enterprise, appointed and paid by the District, and who or each of whom (1) is in fact independent and not under the domination of the District, (2) does not have a substantial financial interest, direct or indirect, in the operations of the District, and (3) is not connected with the District as a board member, officer or employee of the District, but may be regularly retained to make reports to the District.

“Installment Payments” means the interest and principal payments to be made by the District under and pursuant to this Installment Purchase Contract pursuant to Section 3.01 hereof.

“Installment Payment Date” means the first Business Day of each month.

“Insurance Consultant” means (a) the Risk Manager for the District or (b) any insurance consultant or firm of insurance consultants generally recognized to be well qualified in insurance consulting matters relating to the Enterprise and other municipal systems, appointed and paid by the District, and who or each of whom (1) is in fact independent and not under the control of the District, (2) does not have a substantial financial interest, direct or indirect, in the operations of the District, and (3) is not connected with the District as a Board member, officer, or employee of the District, but may regularly be retained to make reports to the District.

“Lender” means Five Star Bank, a banking corporation organized and existing under the laws of the State, and its successors and assigns.

“Maintenance and Operation Costs” of the Enterprise means the reasonable and necessary costs paid or incurred by the District for maintaining and operating the Enterprise, determined in accordance with Generally Accepted Accounting Principles, including all reasonable expenses of

management and repair and other expenses necessary to maintain and preserve the Enterprise in good repair and working order, and including all administrative costs of the District that are charged directly or apportioned to the operation of the Enterprise, such as salaries and wages of employees, overhead, taxes (if any), insurance premiums, and all other reasonable and necessary costs of the District or charges required to be paid by it to comply with the terms hereof, such as fees and expenses of Independent Certified Public Accountants, Independent Engineers, Fiscal Consultants and Insurance Consultants, but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, amortization of intangibles and intergovernmental transfers by the District which are not reimbursements or payments for overhead or other administrative expenses incurred by the District.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District, (b) the ability of the District to carry out its business in the manner conducted as of the date of this Installment Purchase Contract or to meet or perform its obligations under this Installment Purchase Contract on a timely basis, (c) the validity or enforceability of this Installment Purchase Contract , or (d) the exclusion of the interest component of the Installment Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes.

“Material Litigation” means any action, suit, proceeding, inquiry or investigation against the District in any court or before any arbitrator of any kind or before or by any Governmental Authority, of which the District has notice or knowledge and which, (a) if determined adversely to the District, may have a Material Adverse Effect; (b) seek to restrain or enjoin any of the transactions contemplated hereby or by this Installment Purchase Contract; or (c) may adversely affect (i) the exclusion of interest with respect to the Installment Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes; or (ii) the ability of the District to perform its obligations under this Installment Purchase Contract.

“Maturity Date” means September 1, 2025.

“Net Proceeds” means, when used with respect to any insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all reasonable expenses (including attorneys’ fees) incurred in the collection of such proceeds.

“Net Revenues” means, for any period, all Gross Revenues during such period less all Maintenance and Operation Costs during such period.

“Outstanding” means all Installment Payments except Installment Payments paid or deemed to have been paid within the meaning of Article VI.

“Parity Debt” means any bonds, notes or other obligations of the District payable from and secured by a pledge of and lien on a parity with the Installment Payments, which are hereafter issued or incurred by the District in accordance with Section 5.09.

“Parity Debt Documents” means, collectively, the indenture of trust, trust agreement or other document authorizing the issuance of any Parity Debt or any securities which evidence Parity Debt.

“Permitted Investments” means any certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by Federal Deposit Insurance Corporation, and any other investment approved by the Lender that is a legal investment under the laws of the State for the moneys proposed to be invested therein.

“Prime Rate” means the rate of interest published in *The Wall Street Journal* as the U.S. “prime rate,” on each Business Day. If *The Wall Street Journal* or a successor source publishes more than one Prime Rate on such Business Day, the Prime Rate shall be the highest of such Prime Rates. If *The Wall Street Journal* or a successor source publishes a correction or retraction of the Prime Rate, then the term “Prime Rate” shall mean the Prime Rate published in such correction or retraction. If the Prime Rate becomes unavailable during the term of this Installment Purchase Contract, the Lender may designate a substitute index after notifying the District; provided, that such substitute index is the same as the index that is being used by the Lender in its Prime Rate-based loans generally. The Lender’s internal records of applicable interest rates shall be determinative in the absence of manifest error.

“Project” means the additions, betterments, extensions and improvements to the District’s Enterprise as described in Exhibit A hereto.

“Revenue Fund” means the fund maintained by the District into which it deposits Gross Revenues.

“State” means the State of California.

“State Grant” means the grant from the State of \$4,207,198.00 pursuant to Grant Agreement No. 4600014625, dated June 2, 2022, between the State of California (Department of Water Resources) and the District to reimburse the District for the Acquisition of the Project.

“Taxable Rate” means a per annum interest rate equal to the Prime plus 1.00%.

“Tax Code” means the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, as the same may be amended from time to time, and any successor provisions of law. Reference to a particular section of the Tax Code shall be deemed to be a reference to any successor to any such section.

“Water Service” means the services furnished, made available, or provided by the Enterprise for the collection, treatment, transmission, storage, and distribution of water and production of hydroelectric power.

## ARTICLE II. ACQUISITION OF THE PROJECT

### Section 2.01. Acquisition of the Project.

The parties hereby confirm that the District currently has the rights to acquire title to the Project. The Lender agrees to use or permit the use of the proceeds received by the District pursuant to the terms of this Installment Purchase Contract for the payment, as herein provided, of the costs and expenses of the Acquisition of the Project and the expenses incidental thereto

(including reimbursement to the District for any such costs or expenses paid by it for the account of the Lender, including costs and expenses paid by the District prior to the date hereof).

The Lender, on the Closing Date, agrees to act as follows:

(i) The amount of \$23,500.00, representing the initial Advance by the Lender of \$51,000.00, less the Lender's origination fee with respect to the Installment Payments of \$12,500.00 and less Bond Counsel's fee of \$10,000.00, shall be deposited by the Lender into the Project Fund.

Pursuant to the terms of this Installment Purchase Contract, the District agrees to sell to the Lender all of its right, title and interest in and to the Project, but only to the extent the components of the Project may be legally transferred by the District, and the Lender agrees to purchase, from the District, from time to time components of the Project on the Draw Down Dates set forth on the draw down schedule attached as Exhibit B hereto, in the manner and in accordance with the provisions of this Installment Purchase Contract. In consideration for the Installment Payments as set forth in Article III, the Lender agrees to sell, and hereby sells, to the District, and the District agrees to purchase, and hereby purchases, from the Lender, from time to time components of the Project on the Draw Down Dates set forth on the draw down schedule attached as Exhibit B hereto, at the purchase prices set forth opposite such Draw Down Date on the draw down schedule attached as Exhibit B hereto and otherwise in the manner and in accordance with the provisions of this Installment Purchase Contract.

Subject to the terms and conditions of this Installment Purchase Contract and in reliance upon the representations, warranties and agreements set forth herein, including without limitation satisfaction of the conditions set forth below, the Lender agrees to make Advances to the District, on each Draw Down Date set forth on Exhibit B attached hereto occurring after the Closing Date and prior to the Commitment Termination Date, in the amount set forth opposite such Draw Down Date set forth on Exhibit B attached hereto (which shall be the purchase price of such component of the Project) but in any event not to exceed at any time outstanding the then-outstanding Available Commitment, in accordance with the procedures set forth below. The obligation of the Lender to make an Advance on any date is subject to the following conditions precedent: (a) all representations and warranties of the District set forth in this Installment Purchase Contract are true and correct as though made on the corresponding Draw Down Date, no Default or Event of Default shall have occurred and be continuing, and no event or change shall be in effect or shall have occurred that could reasonably be expected to have a Material Adverse Effect; (b) the Commitment and the obligation of the Lender to make Advances hereunder shall not have terminated pursuant to the terms of this Installment Purchase Contract; and (c) the aggregate amount of the Advance does not exceed the Available Commitment. Unless the District shall have otherwise previously advised the Lender in writing, the District shall be deemed to represent and warrant on each Draw Down Date that each such condition is satisfied on such Draw Down Date.

Subject to satisfaction of the conditions precedent set forth above, the Lender shall fund each Advance upon receipt from the District of a written request to make an Advance indicating the amount of such Advance and the date the Advance is to be made, which shall, unless waived by the Lender, be a date that is at least three (3) Business Days after the receipt by the Lender of the District's written request. The Lender, on each Draw Down Date, agrees to deposit in the

Project Fund the proceeds of the Advance made by the Lender pursuant to this Installment Purchase Contract. Upon funding of each Advance, the District agrees to sell to the Lender, and the Lender agrees to purchase from the District, the component of the Project with respect to the related Draw Down Date.

The District hereby covenants to use the proceeds received from the Lender pursuant to the Advances for the costs and expenses of the Project. The District may change the specifications of the Project, so long as such change does not substantially alter the nature of the Project.

All right, title and interest in each component of the Project purchased and sold in connection with an Advance shall vest in the Lender immediately upon funding of such Advance. Such vesting shall occur without further action by the Lender or District, and the Lender shall, if requested by the District, if necessary, to assure such automatic vesting, deliver any and all documents required to assure such vesting.

In the event the Lender fails to observe or perform any agreement, condition, covenant or term contained herein required to be observed or performed by it, the District may institute such action or proceeding against the Lender as the District may deem necessary to compel the observance or performance of such agreement, condition, covenant or term, or to recover damages for the nonobservance or nonperformance thereof; provided, however, that the District shall have no right to terminate this Installment Purchase Contract as a remedy to such failures. The District may, at its own cost and expense and in its own name or in the name of the Lender, prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to protect or secure its rights hereunder, and in such event the Lender agrees to cooperate fully with the District and to take all action necessary to effect the substitution of the District for the Lender in any action or proceeding if the District shall so request.

#### Section 2.02. Indemnification and Expenses of the Lender.

The District shall, to the extent permitted by law, indemnify and save the Lender, and its respective officers, agents, directors and employees, harmless from and against all claims, losses, liabilities, costs, expenses and damages, including legal fees and expenses, arising out of (a) the acceptance and performance of its duties hereunder, (b) the purchase or Acquisition of the Project or the District's use, maintenance, condition, management or operation of, or from any work or thing done on, the Project or the Enterprise by the District, including injury or damages to any persons or property arising therefrom, (c) any breach or default on the part of the District in the performance of any of its obligations under this Installment Purchase Contract, (d) any act of negligence of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Project or the Enterprise, or (e) any environmental claims or issues. No indemnification is made under this Section for willful misconduct or negligence by the Lender or its officers, agents, directors or employees. The provisions of this Section shall continue in full force and effect, notwithstanding the termination of the term of this Installment Purchase Contract for any reason.



Section 2.03. District to Acquire Project; Lender not Liable.

The District shall cause the Acquisition of the Project to be completed as soon as is reasonably practicable and in accordance with this Installment Purchase Contract and any applicable requirements of governmental authorities and law. The Lender and its directors, officers and employees shall not be liable to the District or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on, or about or relating to the Project, and in no event shall the Lender be liable for any incidental, indirect, special or consequential damage in connection herewith or arising hereunder.

Section 2.04. Disclaimer of the Lender.

The District acknowledges and agrees that the Lender makes no representation or warranty, express or implied, as to the Enterprise or the Project, except as expressly set forth in this Installment Purchase Contract. The District acknowledges that all risks relating to the Enterprise, the Project or the transactions contemplated hereby, are to be borne by the District, and the benefits of any and all implied warranties and representations of the Lender are hereby waived by the District.

Section 2.05. Project Fund.

The District hereby agrees to establish and maintain the Project Fund until the completion of the Acquisition of the Project. On the Closing Date, \$23,500.00 shall be deposited into the Project Fund. The District covenants that the Project Fund shall be maintained for the duration of this Installment Purchase Contract. The District hereby grants to the Lender a first priority security interest in the Project Fund.

ARTICLE III.  
**INSTALLMENT PAYMENTS, REVENUES AND ACCOUNTS**

Section 3.01. Payment of the Installment Payments.

(a) Installment Payments. The District shall make monthly interest payments on each Installment Payment Date based the outstanding amount of total Advances as set forth in Exhibit B hereto. Interest shall be begin to accrue on each Draw Down Date at the Applicable Loan Rate calculated on the basis of a year of 360 days and the actual days elapsed. On the Maturity Date, the District shall repay the total principal amount of the Advances, as set forth on Exhibit B hereto, together with interest thereon. The Installment Payments shall, subject to any rights of prepayment of the District provided in Article VI, be due in their entirety on the Maturity Date.

(b) Obligations Absolute. Each Installment Payment shall be payable to the Lender in accordance with the terms hereof and at the times required by this Section 3.01 in lawful money of the United States of America. In the event the District fails to make any of the payments required to be made by it under this Section 3.01, such payment shall continue as an obligation of the District until such amount shall have been fully paid and the District agrees to pay the same with the stated interest thereon at the rate set forth in the preceding paragraph. Subject to Section 8.01 hereof, the obligation of the District to make the Installment Payments is absolute

and unconditional, and until such time as all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made pursuant to Article VI hereof), the District will not, under any circumstances, discontinue, abate or suspend any Installment Payments required to be made by it under this Section 3.01 when due, whether or not the Enterprise or any part thereof is operating or operable or has been completed, or whether or not the Enterprise is condemned, damaged, destroyed or seized or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset, counterclaim, defense, recoupment, abatement, suspension, deferment or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement or covenant contained herein for any cause whatsoever.

Section 3.02. Interest Component of the Installment Payments.

The aggregate amount of the Advances outstanding hereunder shall bear interest from the Closing Date until the payment of the principal thereof and the prepayment premiums, if any, thereon, shall have been made or provided for in accordance with the provisions of Article VI hereof, whether at maturity, upon prepayment or otherwise. Interest accrued on the Advances outstanding hereunder from the Closing Date and from each Installment Payment Date to, but not including, the next succeeding Installment Payment Date shall be paid on each such succeeding Installment Payment Date and shall be computed at the Applicable Loan Rate on the basis of a year of 360 days and the actual days elapsed. In the event of an Event of Default hereunder, the interest component of the portion of the Installment Payments shall be calculated based on the Default Rate. In the event of a Determination of Taxability, the rate of interest on the Installment Payments shall be calculated at the Taxable Rate from the date of the Determination of Taxability.

Section 3.03. Establishment of Accounts.

The funds and accounts and flow of funds set forth in this Article III are hereby established and shall control to the extent inconsistent with any other terms of this Installment Purchase Contract.

Section 3.04. Pledges of Net Revenues and Other Funds; Debt Service Account.

The District hereby irrevocably pledges all the Net Revenues to the punctual payment of the Installment Payments and all payments with respect to Parity Debt, on a parity basis, and such Net Revenues, except as otherwise permitted herein, shall not be used for any other purpose while any of the Installment Payments are due hereunder. The pledge of Net Revenues to secure the Installment Payments and payments with respect to Parity Debt shall constitute a first lien on the Net Revenues, for the payment of such Installment Payments and payments with respect to Parity Debt in accordance with the terms hereof.

Pursuant to Section 5451 of the Government Code of the State of California, the pledge of the Net Revenues by the District for the repayment of the principal and interest components of the Installment Payments and prepayment premium, if any, constitutes a first lien and security interest which immediately attaches to such Net Revenues, and is effective and binding against the District, the Lender, their successors, creditors and all others asserting rights therein irrespective of whether

those parties have notice of the pledge, irrespective of whether such amounts are or may be deemed to be a fixture and without the need for physical delivery, recordation, filing or further act.

There is hereby established with the Lender an account known as the “Debt Service Account,” which the District shall maintain and hold in trust separate and apart from other funds held by it. Installment Payments made by the District shall be deposited in the Debt Service Account. Such payments shall be net of amounts already on deposit therein in excess of the amount required to accumulate therein pursuant to Section 3.01 above. The District shall transfer the money contained in the Debt Service Account at the following respective times in the following respective amounts in the following order of priority, each of which accounts the District hereby agrees to establish and maintain as follows, and the money in each of such accounts shall be disbursed only for the purposes and uses hereinafter authorized:

(a) Debt Service Account. All moneys in the Debt Service Account shall be used and withdrawn by the District solely for the purpose of paying Installment Payments to the Lender on each Installment Payment Date. The District hereby authorizes the Lender to make automatic deductions from the District’s operating account established with the bank to transfer amounts to the Debt Service Account each month and to apply an amount equal to the amount of the Installment Payments prior to the Due Date for such Installment Payments.

Section 3.05. Receipt and Deposit of Gross Revenues; Establishment and Maintenance of Accounts for Gross Revenues; Use and Withdrawal of Gross Revenues.

The District covenants and agrees that all Gross Revenues, when and as received, will be received and held by the District in trust hereunder for the benefit of the Lender and for the benefit of the holders of Parity Debt. All Gross Revenues will be deposited by the District in the Revenue Fund (which the District hereby covenants and agrees to maintain with the Lender so long as any Installment Payments are due hereunder) and will be accounted for and held in trust in the Revenue Fund; provided, the District may withdraw such amounts in the Revenue Fund as may be necessary to make refunds for amounts paid in advance for services provided by the Enterprise, which service was not thereafter made available or provided. All Gross Revenues held by the District shall be disbursed, allocated and applied solely to the uses and purposes set forth in this Article III, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

All Gross Revenues in the Revenue Fund shall be set aside or deposited by the District as follows in the following order of priority:

(a) Maintenance and Operation Costs of the Enterprise. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants to pay all Maintenance and Operation Costs of the Enterprise (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs of the Enterprise, the payment of which is not then immediately required) from the moneys in the Revenue Fund as they become due and payable.

(b) Debt Service. Installment Payments payable pursuant to Section 3.01 above and payments with respect to Parity Debt shall be paid in accordance with the terms hereof and

the terms of the Parity Debt Documents, without preference or priority, and in the event of any insufficiency of such moneys, ratably without any discrimination or preference.

(c) General Expenditures. All Gross Revenues not required to be withdrawn pursuant to the provisions of (a) and (b) above shall be used for expenditure for any lawful purpose of the District, including payment of any rebate requirement or any obligation subordinate to the payment of all amounts due hereunder.

Section 3.06. Investment of Funds.

Amounts on deposit in any fund or account created pursuant to this Installment Purchase Contract may be invested in Permitted Investments which will, as nearly as practicable, mature on or before the dates when such money is anticipated to be needed for disbursement hereunder. Interest or profit received on such investments shall be deposited to the Debt Service Account in which such investments are then held. In computing the amount in any fund or account, Permitted Investments shall be valued at market value, exclusive of accrued interest.

If at any time after investment therein, a Permitted Investment ceases to meet the criteria set forth in the definition of Permitted Investments and such obligation, aggregated with other non-conforming investments, exceeds five percent (5%) of invested funds, such Permitted Investment shall be sold or liquidated.

ARTICLE IV.  
**RESERVED**

ARTICLE V.  
**REPRESENTATIONS, COVENANTS AND WARRANTIES**

Section 5.01. Compliance with Installment Purchase Contract.

The District will not suffer or permit any material default by it to occur under this Installment Purchase Contract, but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by it.

Section 5.02. Observance of Laws and Regulations.

The District will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by it, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

Section 5.03. Prosecution and Defense of Suits.

The District will promptly, upon request of the Lender, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Project or any part thereof, whether now existing or hereafter developing; prosecute all actions, suits or other proceedings as may be appropriate for such purpose; and indemnify and save the Lender harmless from all cost, damage, expense or loss, including reasonable attorneys' fees, which the Lender may incur by reason of any such cloud, defect, action, suit or other proceeding.

Section 5.04. Accounting Records and Statements.

The District will keep proper accounting records in which complete and correct entries shall be made of all transactions made by the District relating to the receipt, deposit and disbursement of the Gross Revenues, Net Revenues and Installment Payments, and such accounting records shall be available for inspection by the Lender or its agent duly authorized in writing on any Business Day upon reasonable notice at reasonable hours.

Section 5.05. Further Assurances.

Whenever and so often as requested to do so by the Lender, the District will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Lender all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them by this Installment Purchase Contract.

Section 5.06. Against Encumbrances.

The District hereby represents that there is no pledge of or lien on Net Revenues senior to the pledge and lien securing the Installment Payments. The District will not make any pledge of or place any lien on the Net Revenues.

Section 5.07. Against Sale or Other Disposition of Property.

The District will not sell, lease, encumber or otherwise dispose of the Enterprise or any part thereof in excess of one-half of one percent of the book value of the Enterprise in any Fiscal Year, unless an Authorized Officer certifies that such sale, lease, encumbrance or disposition will not materially adversely affect the operation of the Enterprise or the Net Revenues; provided however, any real or personal property which has become non-operative or which is not needed for the efficient and proper operation of the Enterprise, or any material or equipment which has become worn out, may be sold or exchanged at not less than the fair market value thereof and the proceeds (if any) of such sale or exchange shall be deposited in the Revenue Fund.

The District will not enter into any agreement or lease which would impair the ability of the District to meet the covenant set forth in Section 5.16 hereof or which would otherwise impair the rights of the Lender or the operation of the Enterprise.

Section 5.08. Against Competitive Facilities.

To the extent permitted by law, the District covenants that it will not acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers and excluding any water system existing on the date of execution of this Installment Purchase Contract, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the District any water or utility system competitive with the Enterprise.

Section 5.09. Issuance of Parity Debt.

Only with the prior written consent of the Lender, the District may issue or incur any Parity Debt at any time and from time to time during the term of this Installment Purchase Contract; provided that, in addition to the written consent of the Lender, all of the following conditions precedent shall be satisfied prior to the issuance of such Parity Debt:

(a) no Event of Default has occurred and is continuing; and

(b) the Net Revenues, calculated in accordance with sound accounting principles, as shown by the books of the District for the most recent completed Fiscal Year for which audited financial statements of the District are available, or for any more recent consecutive 12-month period selected by the District, in either case verified by an Independent Certified Public Accountant or a Fiscal Consultant or shown in the audited financial statements of the District, at least equal 125% of the maximum amount of Installment Payments and maximum payments on outstanding Parity Debt (including the Parity Debt then proposed to be issued) coming due and payable in the current or any future Fiscal Year. For purposes of determining the amount of Net Revenues under this subsection (b), such amount may be increased by any or all of the following amounts as determined by the District:

(i) an allowance for Net Revenues from any additions or improvements to or extensions of the Enterprise to be made with the proceeds of such Parity Debt and also for Net Revenues from any such additions, improvements or extensions which have been made from moneys from any source but in any case which, during all or any part of the latest Fiscal Year, were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period in which each addition, improvement or extension is respectively to be in operation, all as shown by the certificate or opinion of a Fiscal Consultant retained by the District; and

(ii) an allowance for Net Revenues arising from any increase in the fees or charges made for service from the Enterprise which has become effective prior to the incurring of such Parity Debt but which, during all or any part of the latest Fiscal Year, was not in effect, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in fees or charges had been in effect during the whole of such Fiscal Year, all as shown by the certificate or opinion of a Fiscal Consultant retained by the District.

(c) All conditions to the issuance of such Parity Debt as set forth in the Parity Debt Documents must be met, and the District shall file with the Lender a written certificate to such effect, signed on behalf of the District by an Authorized Officer.

Section 5.10. Maintenance and Operation of the Enterprise; Budgets.

The District will maintain and preserve the Enterprise in good repair and working order at all times and will operate the Enterprise in an efficient and economical manner. The District will pay all Maintenance and Operation Costs of the Enterprise as they become due and payable.

Section 5.11. Payment of Claims.

The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Gross Revenues or any part thereof, or on any funds in the control of the District prior or superior to the lien of the Installment Payments or which might impair the security of this Installment Purchase Contract ; provided the District shall not be obligated to make such payment so long as the District contests such claim in good faith.

Section 5.12. Compliance with Contracts.

The District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, expressed or implied, required to be performed by it contained in all contracts for the use of the Enterprise and all other contracts affecting or involving the Enterprise to the extent that the District is a party thereto.

Section 5.13. Insurance.

(a) The District will procure and maintain insurance on the Enterprise with commercial insurers or through participation in a joint powers insurance authority, in such amounts, with such deductibles and against such risks (including accident to or destruction of the Enterprise) as are usually insurable in accordance with industry standards with respect to similar enterprises, but not exceeding \$25,000 per policy, and in a coverage amount which is not less than the unpaid principal balance of the Installment Payments and the principal component of any Parity Debt.

In the event of any damage to or destruction of the Enterprise caused by the perils covered by such insurance, the proceeds of such insurance shall be applied to the repair, reconstruction or replacement of the damaged or destroyed portion of the Enterprise. The District shall cause such repair, reconstruction or replacement to begin promptly after such damage or destruction shall occur and to continue and to be properly completed as expeditiously as possible, and shall pay out of the proceeds of such insurance all costs and expenses in connection with such repair, reconstruction or replacement so that the same shall be completed and the Enterprise shall be free and clear of all liens and claims, unless the District determines that such reconstruction, repair, or replacement is not necessary to the efficient or proper operation or use of the Enterprise and therefore determines not to reconstruct, repair, or replace such damaged or destroyed portion of the Enterprise. If such Net Proceeds exceed the costs of such reconstruction, repair, or replacement, then the excess Net Proceeds shall be deposited in such funds and accounts of the District as is permitted by law.

The District will procure and maintain commercial general liability insurance covering claims against the District for bodily injury or death, or damage to property, occasioned by reason

of the ownership or operation of the Enterprise, such insurance to afford protection in such amounts and against such risks as are usually covered in connection with similar enterprises.

The District will procure and maintain workers' compensation insurance against liability for compensation under the Workers' Compensation Insurance and Safety Act of California, or any act hereafter enacted as an amendment or supplement or in lieu thereof, such insurance to cover all persons employed in connection with the Enterprise.

The District shall pay or cause to be paid when due the premiums for all insurance policies required hereby.

Section 5.14. Books and Accounts; Financial Statements; Reporting Requirements.

(a) The District shall keep proper books of record and accounts of the Enterprise and the Debt Service Account all separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Enterprise and relating to the funds created by this Installment Purchase Contract. Said books shall, upon prior request, be subject to the inspection by the Lender, or its representatives authorized in writing, upon not less than three (3) Business Days' prior notice to the District.

(b) The District shall cause the books and accounts of the Enterprise, which shall include a statement of revenues and expenditures and changes in fund balances, a balance sheet and a statement of cash flow, to be audited annually by an Independent Certified Public Accountant, not more than 180 days after the close of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2022.

(c) The District shall send a copy of its audited financial statements to the Lender not more than 180 days after the close of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2022. Simultaneously with the delivery of such financial statements, the District shall deliver to the Lender a certificate signed by an Authorized Officer (i) stating that the District is in compliance with the covenants set forth in Section 5.16 relating to the rates and charges for the Enterprise for such Fiscal Year, and (ii) attesting that, subject to the provisions hereof, to the best of his/her knowledge, the District has kept, observed, performed and fulfilled every covenant, provision and condition applicable to the District contained in this Installment Purchase Contract, and no Event of Default has occurred, or if an Event of Default has occurred such certificate shall specify such event or condition, the nature and status thereof and any remedial steps taken or proposed to correct such event or condition.

(d) No later than thirty (30) days after its adoption, the District shall send to the Lender a copy of the annual budget of the Enterprise and any amendment or supplement thereto.

(e) The District shall immediately notify the Lender by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Installment Purchase Contract, together with a detailed statement by an Authorized Officer of the steps being taken by the District to cure the effect of such Event of Default.



(f) The District shall promptly notify the Lender in writing (i) of any action, suit or proceeding or any investigation, inquiry or similar proceeding by or before any court or other governmental authority, domestic or foreign, against the District or any of the Enterprise, the Gross Revenues or the Net Revenues which involve claims equal to or in excess of \$100,000 or that seeks injunctive relief; or (ii) of any loss or destruction of or damage to any portion of the Enterprise in excess of \$100,000.

(g) The District shall promptly notify the Lender in writing of any Material Litigation, or any investigation, inquiry or similar proceeding by any Governmental Authority with respect to any matter that relates to or could impact any of the Gross Revenues or Net Revenues.

(h) The District shall promptly notify the Lender in writing in the event of any termination or cancellation of any insurance policy which the District is required to maintain, or any uninsured or partially uninsured loss through liability or property damage, or through fire, theft or any other cause affecting the District property in excess of an aggregate of \$100,000.

(i) The District shall file with the Lender such additional information as the Lender may reasonably request in writing, within a reasonable period of time after the receipt of such written request by the District.

#### Section 5.15. Payment of Taxes and Compliance with Governmental Regulations.

The District will pay and discharge all taxes, assessments and other governmental charges, if any, which may hereafter be lawfully imposed upon the Enterprise or any part thereof or upon the Gross Revenues when the same shall become due and the District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Enterprise or any part thereof. However, the District shall not be required to make such payments, or to comply with any regulations or requirements, so long as the payment or validity or application thereof shall be contested in good faith.

#### Section 5.16. Amounts of Rates and Charges.

(a) To the fullest extent permitted by law, the District shall fix and prescribe, at the beginning of each Fiscal Year, rates and charges (including land based charges) for the Water Service provided by the Enterprise which are reasonably expected to be at least sufficient to yield during each Fiscal Year Net Revenues equal to one hundred twenty five percent (125%) of Installment Payments and any payments with respect to Parity Debt payable during such Fiscal Year.

(b) The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges are reasonably expected to be sufficient to meet the requirements of this Section 5.16.

#### Section 5.17. Collection of Rates and Charges.

The District will have in effect at all times rules and regulations requiring all users of the Enterprise to pay the assessments, rates, fees and charges applicable to the Enterprise provided or

made available to such users. Such rules and regulations shall also provide for the billing thereof and for a due date and a delinquency date for each bill.

Section 5.18. Eminent Domain Proceeds.

If all or any part of the Enterprise shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If (1) the District certifies (i) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions or improvements to the Enterprise proposed to be acquired by the District from any Net Proceeds, and (iii) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements, and (2) on the basis of such certificate, determines that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder and under any Parity Debt Documents will not be substantially impaired (which determination shall be final and conclusive); then the District shall promptly proceed with the acquisition of such additions, betterments, extensions or improvements substantially in accordance with such certification and such Net Proceeds shall be applied for the payment of the costs of such acquisition, and any balance of such Net Proceeds not required by the District for such purpose shall be deposited in such funds and accounts of the District as is permitted by law.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied to prepay the Installment Payments and the payments with respect to Parity Debt in the manner provided herein.

Section 5.19. Notification of Material Adverse Effect.

The District shall timely inform the Lender of any Material Adverse Effect upon learning of the existence of such an effect.

Section 5.20. Tax Covenants.

The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest with respect to the Installment Payments to become includable in gross income for federal income tax purposes. To that end, the District hereby makes the following specific covenants:

(a) The District hereby covenants that it shall not make or permit any use of the proceeds of this Installment Purchase Contract that may cause this Installment Purchase Contract to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The District covenants that the proceeds of this Installment Purchase Contract will not be used as to cause the proceeds of this Installment Purchase Contract to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(c) The District hereby designates this Installment Purchase Contract as a “qualified tax-exempt obligation” under Section 265(b)(3) of the Tax Code.

(d) The District covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause this Installment Purchase Contract to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

In furtherance of the covenants stated in this Section, the District shall comply with the requirements of the Tax Certificate executed in connection with this Installment Purchase Contract.

Section 5.21. No Priority for Additional Obligations; Compliance with Parity Debt Documents.

The District may not issue or incur any bonds or other obligations having any priority in payment of principal or interest out of the Net Revenues over the Installment Payments. The District shall observe and perform all of the covenants, agreements and conditions on its part required to be observed and performed under the Parity Debt Documents. The District shall not take or omit to take any action within its control which would, or which if not corrected with the passage of time would, constitute an event of default under any Parity Debt Documents.

Section 5.22. Against Encumbrances.

The District will not mortgage or otherwise encumber, pledge or place any charge or lien upon any of the Net Revenues except as provided in this Installment Purchase Contract and (except for the Parity Debt) will not issue any obligations secured by Net Revenues on a parity with, or senior to, the Installment Payments and Parity Debt; provided, that the District may issue subordinate obligations.

Section 5.23. Further Representations, Covenants and Warranties of the District.

The District represents, covenants and warrants to the Lender as follows:

(a) The District is a duly organized and validly existing community services district of the State of California.

(b) The Constitution and the laws of the State authorize the District to enter into this Installment Purchase Contract and to enter into the transactions contemplated hereby and to carry out its obligations under each of the aforesaid agreements, and the District has duly authorized and executed each of the aforesaid agreements in accordance with the laws of the State.

(c) The District is empowered to set rates and charges for services provided by the Enterprise provided to the users of the Enterprise without review or approval by any state or local governmental agency.

(d) This Installment Purchase Contract and the pledge of Net Revenues is a first lien and pledge on Net Revenues.

(e) Neither the execution and delivery of this Installment Purchase Contract or any documents contemplated hereby nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the District.

(f) No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Installment Payments or the consummation of the other transactions effected or contemplated herein or hereby. The District gives no representation or warranty with regard to compliance with Blue Sky or similar securities requirements.

(g) The District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under this Installment Purchase Contract or otherwise with respect to the Installment Payments. To the extent the District has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the District hereby waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Installment Purchase Contract or otherwise with respect to the Installment Payments.

(h) The District is in full compliance with all laws and regulations, including Environmental Regulations, and the District shall remain in compliance with such laws and regulations, including Environmental Regulations.

(i) The District shall not pledge or encumber its interest in the State Grant and shall apply the State Grant when received toward repayment in full of all outstanding Advances.

Section 5.24. Representations, Covenants and Warranties of the Lender.

The Lender represents, covenants and warrants to the District as follows:

(a) The Lender is duly organized and in good standing under the laws of the State of California, has full legal right, power and authority to enter into this Installment Purchase Contract and to carry out and consummate all transactions contemplated by hereby and by proper action has duly authorized the execution and delivery and due performance of this Installment Purchase Contract.

(b) The execution and delivery of this Installment Purchase Contract and the consummation of the transactions herein contemplated will not violate any provision of law, any order of any court or other agency of government, or any indenture, material agreement or other instrument to which the Lender is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Lender.

(c) The Lender will not assign this Installment Purchase Contract or its right to receive Installment Payments from the District, or its duties and obligations under this Installment Purchase Contract to any other person, firm or corporation, except to affiliates of the Lender or to banks, insurance companies or other financial institutions or their affiliates, including participation arrangements with such entities; provided, (i) no such assignment shall be made that would cause there to be more than 15 such assignees or any interest in the Installment Payments of less than \$100,000 and (ii) such assignee shall deliver a letter of representations to the District acceptable to the District and in substantially the same form delivered by the Lender in connection with the execution of this Installment Purchase Contract.

Section 5.25. Representations, Covenants and Warranties of the District and the Lender.

The District and the Lender represent, warrant and covenant that: (i) the transaction contemplated herein is an arm's length commercial transaction between the District and the Lender and its affiliates, (ii) in connection with such transaction, the Lender and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), an agent or a fiduciary of the District, (iii) the Lender and its affiliates are relying on the Bank exemption in the Municipal Advisor Rules, (iv) the Lender and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Lender, or any affiliate of the Lender, has provided other services or advised, or is currently providing other services or advising the District on other matters), (v) the Lender and its affiliates have financial and other interests that differ from those of the District, and (vi) each of the District and the Lender has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

ARTICLE VI.

**PREPAYMENT OF INSTALLMENT PAYMENTS**

Section 6.01. Prepayment.

(a) The District may prepay the unpaid principal balance of the Installment Payments in whole or in part, on any Installment Payment Date on or after November 1, 2022, without incurring any prepayment penalty.

(b) The District may or shall, as the case may be, prepay on any date from the Net Proceeds of insurance or condemnation awards, as provided herein, all or any part, of the principal amount of the unpaid Installment Payments, pro-rata among the remaining Installment Payments, at a prepayment price equal to the sum of the principal amount prepaid plus accrued and unpaid interest thereon to the date of prepayment, without premium.

In the event that a portion of the Installment Payments shall have been prepaid by the District pursuant to this section, the total amount of all future payments shall be reduced by the aggregate amount of Installment Payments so prepaid, as agreed to in writing by the Lender. The Lender shall provide the District a revised schedule of Installment Payments.

Notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including its obligations under Article III hereof, until the entire principal amount of the unpaid Installment Payments together with the interest accrued thereon, if any, and together with the ordinary and extraordinary fees, costs and expenses of the Lender, shall have been fully paid and the Installment Payments are no longer due hereunder (or provision for payment thereof shall have been made pursuant to Section 6.03 hereof).

Section 6.02. Method of Prepayment.

Before making any prepayment pursuant to Section 6.01, the District shall give written notice to the Lender specifying the date on which the prepayment will be made, which date shall be not less than thirty (30) days from the date such notice is given.

Section 6.03. Security Deposit.

Notwithstanding any other provision of this Installment Purchase Contract, the District may secure the payment of all or a portion of the Installment Payments by a deposit with the Lender or, at the Lender's sole option, a bank or trust company acceptable to the Lender, as escrow holder under an escrow deposit and trust agreement, of either (i) cash in an amount which is sufficient to pay such unpaid Installment Payments, including the principal and interest components thereof, in accordance with this Installment Purchase Contract, or (ii) non-callable Federal Securities or pre-refunded non-callable municipal obligations rated "AA" and "Aa" by S&P and Moody's, respectively, together with cash if required, in such amount as will, without reinvestment, in the opinion of an Independent Certified Public Accountant (which opinion shall be addressed to the Lender), together with interest to accrue thereon, be fully sufficient to pay such unpaid Installment Payments on their payment dates so that such Installment Payments shall be defeased; provided, that prior to any such deposit or defeasance, the District must provide an opinion of nationally recognized bond counsel addressed to the Lender to the effect that such deposit and defeasance will not cause the interest component of the Installment Payments to be included in gross income for federal income tax purposes. In the event of any shortfall, the District shall deposit from legally available funds such amounts as is necessary to make up such shortfall. In all cases, deposits of cash or Federal Securities made to secure the Installment Payments pursuant to this paragraph shall be kept in segregated escrow accounts or escrow subaccounts and such deposits shall not be commingled for any reason.

In the event of deposits pursuant to this Section 6.03 sufficient to fully defease all of the Installment Payments, and provided that all other amounts payable by the District hereunder have been paid in full, all obligations of the District under this Installment Purchase Contract shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all Installment Payments from the deposits made by District pursuant to this Section 6.03 and the obligation to pay amounts due to the Lender. Said deposits shall be deemed to be and each of the deposits shall constitute a separate special fund that may be used solely for the payment of the Installment Payments in accordance with the provisions of this Installment Purchase Contract, and pending such application shall be held in trust and pledged to and for the sole benefit of the Lender and any assignee or transferee of the Lender. The District hereby grants to the Lender a first priority security interest in any amounts so deposited.

ARTICLE VII.  
EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default and Events of Mandatory Acceleration; Acceleration of Maturities.

If one or more of the following events shall happen (an “Event of Default”):

(a) default shall be made in the due and punctual payment by the District of any Installment Payment when and as the same shall become due and payable;

(b) default shall be made by the District in the performance of any of the agreements or covenants contained herein required to be performed by it, and such default shall have continued for a period of thirty (30) days after the District shall have been given notice in writing of such default by the Lender;

(c) any financial statement or certificate furnished to the Lender in connection with the execution of this Installment Purchase Contract, or any representation or warranty made by the District shall prove to be incorrect, false or misleading in any material respect when furnished or made;

(d) the District shall file a petition seeking arrangement or reorganization under federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property;

(e) the occurrence of any event of default under and as defined in any Parity Debt Documents;

(f) this Installment Purchase Contract or any material provision of this Installment Purchase Contract shall at any time for any reason cease to be the legal, valid and binding obligation of the District or shall cease to be in full force and effect, or shall be declared to be unenforceable, invalid or void, or the validity or enforceability thereof shall be contested by the District, or the District shall renounce the same or deny that it has any further liability hereunder;

(g) the dissolution, termination of existence, insolvency or business failure of the District; or

(h) the occurrence of any event that has a Material Adverse Effect on the District or this Installment Purchase Contract;

then and in each and every such case during the continuance of such Event of Default the Lender may, by notice in writing to the District declare all of the principal amount of the unpaid Installment Payments and the accrued interest thereon to be due and payable immediately, and

upon any such declaration the same shall become immediately due and payable, anything herein to the contrary notwithstanding.

This provision, however, is subject to the condition that, except with respect to an Event of Default under subsection (d) above, if at any time after such principal amount of the unpaid Installment Payments and the accrued interest thereon shall have been so declared immediately due and payable and before the acceleration date or the date of any judgment or decree for the payment of the money due shall have been obtained or entered:

(1) the District shall deposit with the Lender a sum sufficient to pay (x) all delinquent Installment Payments then-due and owing and causing an Event of Default under subsection (a) above and the accrued interest thereon, with any interest due on such overdue installments, and (y) the reasonable expenses of the Lender incurred as the result of such Event of Default, and

(2) any and all other defaults known to the Lender (other than in the payment of such overdue principal amount of the unpaid Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Lender or provision deemed by the Lender to be adequate shall have been made therefor, then and in every such case the Lender, by written notice to the District, may rescind and annul such declaration of immediate payment of all of the principal amount of the unpaid Installment Payments and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

#### Section 7.02. Application of Funds Upon Default.

All moneys and investments in the funds and accounts held hereunder upon the date of the declaration of an Event of Default as provided in Section 7.01, and all Gross Revenues thereafter received shall be applied as follows:

(a) Unless the principal of all Installment Payments shall have become or shall have been declared due and payable:

First: To the payment to the persons entitled thereto of the interest portion of all Installments Payments, with interest on overdue installments, if lawful, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably according to the amounts due on such installment, to the persons entitled thereto without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any of the Installment Payments which shall have become due, with interest at their rate from the respective dates upon which they became due, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Installment Payments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the persons entitled thereto without any discrimination or privilege.



(b) If all of the Installment Payments shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the Installment Payments, with interest on overdue interest and principal, as aforesaid, without preference or priority over interest or of interest over principal or of any installment of interest over any other installment of interest, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Section 7.03. Other Remedies of the Lender.

The Lender may:

(a) by mandamus or other action or proceeding or suit at law or in equity enforce its rights against the District, or any board member, officer or employee thereof, and compel the District or any such board member, officer or employee to perform and carry out its or his duties under applicable law and the agreements and covenants contained herein required to be performed by it or him;

(b) by suit in equity enjoin any acts or things which are unlawful or violate the rights of the Lender;

(c) by suit in equity upon the happening of an Event of Default require the District and its board members, officers and employees to account as the trustee of an express trust; or

(d) by suit in equity, to seek the appointment of a receiver or other third party to operate the Enterprise and collect the Gross Revenues.

Section 7.04. Non-Waiver.

Nothing in this Article VII or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the Installment Payments to the Lender at the respective due dates or upon prepayment from the Gross Revenues, or, except as expressly provided herein, shall affect or impair the right of the Lender which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Lender shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Lender by applicable law or by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely, the parties shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 7.05. Remedies Not Exclusive.

No remedy herein conferred upon or reserved is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any other law.

ARTICLE VIII.  
**MISCELLANEOUS**

Section 8.01. Liability of District Limited.

Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Net Revenues for the payment of the Installment Payments or for the performance of any agreements or covenants contained herein required to be performed by it. The District may, however, but shall not be required to, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

The obligation of the District to make the Installment Payments and the other amounts due hereunder is a special obligation of the District payable solely from the Net Revenues and does not constitute a debt or pledge of the faith and credit of the District or of the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 8.02. Benefits of Installment Purchase Contract Limited to Parties.

Except as provided in Section 8.03, nothing contained herein, express or implied, is intended to give to any person other than the District or the Lender any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the District or the Lender shall be for the sole and exclusive benefit of the other party.

Section 8.03. Successor Deemed Included in All References to Predecessor.

Whenever the District or the Lender is named or referred to herein, such reference shall be deemed to include the successor and assigns to the powers, duties and functions that are presently vested in the District or the Lender, and all agreements and covenants required hereby to be performed by or on behalf of the District or the Lender shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 8.04. Waiver of Personal Liability.

No board member, officer or employee of the District or the Lender shall be individually or personally liable for the payment of the Installment Payments, but nothing contained herein shall relieve any board member, officer or employee of the District or the Lender from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 8.05. Article and Section Headings, Gender and References.

The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Installment Purchase Contract as a whole and not to any particular article, section, subdivision or clause hereof.

Section 8.06. Partial Invalidity.

If any one or more of the agreements or covenants or portions thereof contained herein required to be performed by or on the part of the District or the Lender shall be contrary to the law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The District and the Lender hereby declare that they would have executed this Installment Purchase Contract, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 8.07. Reserved.

Section 8.08. California Law.

This Installment Purchase Contract shall be construed and governed in accordance with the laws of the State of California.

Section 8.09. Notices.

All written notices to be given hereunder shall be given by certified mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time namely:

If to the District:                                    McCloud Community Services District  
                                                                                 P.O. Box 640  
                                                                                 McCloud, California 96057  
                                                                                 Attention: General Manager

If to the Lender:                                        Five Star Bank  
                                                                                 Attn: Erik Kapeller/Loan Servicing  
                                                                                 3100 Zinfandel Dr. #100  
                                                                                 Rancho Cordova, California 95670  
                                                                                 Telephone: (916) 851-5440

The parties hereto may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Unless otherwise requested by the parties, any notice required to be given hereunder in writing may be given by any form of Electronic Notice capable of making a written record.

Section 8.10. Effective Date.

This Installment Purchase Contract shall become effective upon its execution and delivery and shall terminate when all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Lender pursuant to Article VI hereof).

Section 8.11. Execution in Counterparts.

This Installment Purchase Contract may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 8.12. Amendments.

This Installment Purchase Contract may be amended in writing as may be mutually agreed by the District and the Lender in a signed writing. Any amendment made in violation of this Section 8.12 shall be a nullity and void.

Section 8.13. Expenses.

The fees and disbursements of Bond Counsel, the fees and disbursements of the financial advisor to the District, the cost of preparing the documents, fees of the counsel to the Lender and other miscellaneous expenses of the District incurred in connection with the execution and delivery of this Installment Purchase Contract , including CDIAC fees, shall all be the obligation of the District. The Lender shall have no responsibility for any expenses associated with the issuance of this Installment Purchase Contract, including, but not limited to, the expenses identified above as the obligation of the District.

Section 8.14. Restrictions on Agreement.

The District and the Lender understand that this Installment Purchase Contract shall not be, and the District and the Lender shall not cause this Installment Purchase Contract to be, (a) assigned a rating by any credit rating agency, (b) registered with The Depository Trust Company or any other securities depository, (c) offered pursuant to any type of offering document or official statement, (d) assigned a DTC-registered CUSIP number by Standard & Poor's CUSIP Service or (e) listed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website.

Section 8.15. Website Disclosure.

If the District elects or is required to post this Installment Purchase Contract and related documentation on a national public market repository, the District may do so with certain information redacted pursuant to this Section. With respect to any such posting, the District shall

provide such documentation to the Lender for review with reasonable advance notice prior to any posting deadline imposed by applicable law and shall consider in good faith reasonable redaction requests of the Lender Sensitive Data (defined below) that are provided within a reasonable period prior to such posting deadline. The District shall redact such “Bank Sensitive Data” as directed by the Lender. For the purpose of this Section, “Bank Sensitive Data” means signatures/names, account numbers, wire transfer and payment instructions and any other data that could be reasonably construed as sensitive information.

Section 8.16. Judicial Reference.

TO THE EXTENT PERMITTED BY LAW, THE LENDER AND THE DISTRICT HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INSTALLMENT PURCHASE CONTRACT OR ANY OF THE RELATED DOCUMENTS OR THE TRANSACTION CONTEMPLATED HEREBY OR THEREBY. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, THE LENDER AND THE DISTRICT HEREBY CONSENT TO THE ADJUDICATION OF ANY AND ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ANY AND ALL ISSUES IN SUCH REFERENCE WHETHER FACT OR LAW. THE LENDER AND THE DISTRICT REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL OF ITS CHOICE ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS INSTALLMENT PURCHASE CONTRACT MAY BE FILED AS A WRITTEN CONSENT TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

IN WITNESS WHEREOF, the parties hereto have executed and attested this Installment Purchase Contract by their officers thereunto duly authorized as of the day and year first written above.

MCCOUD COMMUNITY  
SERVICES DISTRICT

By \_\_\_\_\_  
Amos McAbier, General Manager

FIVE STAR BANK

By \_\_\_\_\_  
Erik Kapeller, Senior Vice President

[Signature Page to Installment Purchase Contract (Water)]

## **EXHIBIT A**

### **DESCRIPTION OF THE PROJECT**

The Project consists of the financing of the acquisition, construction and installation of approximately 6,300 linear feet of the collection and delivery system from the Upper Elk Spring to Lower Elk Spring, including the Upper Elk pipeline crossing Mud Creek, and other related improvements, .

## EXHIBIT B

### DRAW DOWN SCHEDULE

| <b>Draw Down Date</b> | <b>Draw Amount</b> |
|-----------------------|--------------------|
| 9/23/2022             | \$51,000.00        |
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|                       |                    |
| Total:                | \$                 |



## **RESOLUTION NO. 9**

### **A RESOLUTION OF THE MC CLOUD 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**

**WHEREAS**, McCloud Community Services District (the “District”) is a community services district duly organized and validly existing under the laws of the State of California;

**WHEREAS**, the District is authorized by the laws of the State of California, including, but not limited to Section 61060 of the California Government Code, to purchase, or lease, or otherwise acquire, hold and enjoy, real and personal property of every kind within or without the District through the execution of installment purchase contracts;

**WHEREAS**, the District desires to finance a portion of the cost of the acquisition, construction and installation of approximately 6,300 linear feet of the collection and delivery system from the Upper Elk Spring to Lower Elk Spring, including the Upper Elk pipeline crossing Mud Creek, and other related improvements, in connection with the District's water system (the “Project”);

**WHEREAS**, in order to finance the Project, the District desires to enter into an Installment Purchase Contract (Water) (the “Installment Purchase Contract”) with Five Star Bank (the “Bank”) in the form presented to this meeting, with such changes, insertions and omissions as are made in accordance with the terms of this Resolution; and, pursuant to which the District will sell the Project to the Bank in return for certain funds, which the District will use to finance the Project;

**WHEREAS**, pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), under certain circumstances, certain obligations the interest on which is excluded from federal income tax under Section 103 of the Code may be designated by the issuer thereof as “qualified tax-exempt obligations,” thereby allowing certain financial institutions that are holders of such qualified tax exempt obligations to deduct for federal income tax purposes a portion of such institution’s interest expense allocable to such qualified tax-exempt obligations, all as determined in accordance with Sections 265 and 291 of the Code;

**WHEREAS**, the Board of Directors of the District (the “Board”) wishes to designate the Installment Purchase Contract as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code;

**WHEREAS**, California Government Code Section 5852.1 (“Section 5852.1”) requires that the Board obtain from an underwriter, municipal advisor or private lender, and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Installment Purchase Contract, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the Installment Purchase Contract, (b) the sum of all fees and charges paid to third parties with respect to the Installment Purchase Contract, (c) the amount of proceeds of the Installment Purchase Contract expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Contract, and (d) the sum total of all debt service payments on the Installment

Purchase Contract calculated to the final maturity of the Installment Purchase Contract plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Contract (the “Good Faith Estimates”);

**WHEREAS**, in compliance with Section 5852.1, the Board obtained the required Good Faith Estimates and such Good Faith Estimates are disclosed and set forth on Exhibit A attached hereto; and

**WHEREAS**, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing and refinancing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

**NOW, THEREFORE**, the Board of Directors of the District **DOES HEREBY RESOLVE, DETERMINE AND ORDER:**

**Section 1.** All of the recitals herein contained are true and correct and the Board so finds.

**Section 2.** The form of Installment Purchase Contract submitted to this meeting and made a part hereof as though set forth herein is hereby approved. The President of the Board, and such other members of the Board as the President may designate, the General Manager of the District, and such other officers of the District as the President of the Board may designate (each an “Authorized Officer”) are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Installment Purchase Contract in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, with the advice and approval of the District’s General Counsel, such requirement or approval to be conclusively evidenced by the execution and delivery of the Installment Purchase Contract by such Authorized Officer. In connection therewith, the District approves the execution and delivery of the Installment Purchase Contract so long as the maturity of the Installment Payments (as defined in the Installment Purchase Contract) does not extend beyond October 1, 2025 and the principal component of the Installment Payments does not exceed \$2,500,000. The interest rate with respect to the Installment Payments shall be determined on the basis of the product of the (i) the Prime Rate plus 1.00% and (ii) .70, and computed on the basis of a year of 360 days and the actual days elapsed.

**Section 3.** The Installment Payments due under the Installment Purchase Contract are hereby designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. The Board hereby finds and determines that the aggregate face amount of all tax- exempt obligations (other than private activity bonds) issued by the District (and all subordinate entities thereof) during calendar year 2022 is not expected to exceed \$10,000,000.

**Section 4.** The Officers and staff of the District are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, agreements and certificates including but not limited to a tax certificate, fee agreement, costs of issuance agreement, custodian agreement or other agreement, which in consultation with District’s General Counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such Officers or staff members are hereby ratified and confirmed.

This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** at a regular meeting held on September 12, 2022.

---

President

ATTEST:

---

District Secretary

I, hereby certify that the foregoing Resolution No. \_\_\_\_\_ was passed and adopted at a regular meeting of said Board on the 12<sup>th</sup> day of September, 2022, by the following vote, to wit:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand this 12<sup>th</sup> day of September, 2022.

---

District Secretary

## Exhibit A

### GOOD FAITH ESTIMATES

The following information is provided in compliance with California Government Code Section 5852.1 with respect to the Installment Purchase Contract:

1. *True Interest Cost of the Installment Purchase Contract.* Assuming the maximum aggregate principal amount of the Installment Purchase Contract authorized to be issued is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Installment Purchase Contract, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Installment Purchase Contract, is 4.88276%.

2. *Finance Charge of the Installment Purchase Contract.* Assuming the maximum aggregate principal amount of the Installment Purchase Contract authorized to be issued is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the District's finance charge of the Installment Purchase Contract, which means the sum of all fees and charges paid to third parties from the principal amount of the Installment Purchase Contract, is \$23,500.

3. *Amount of Proceeds to be Received by the District.* Assuming the maximum aggregate principal amount of the Installment Purchase Contract authorized to be issued is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the District for sale of the Installment Purchase Contract less the finance charge of the Installment Purchase Contract described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Contract, is \$2,476,875.

4. *Total Payment Amount.* Assuming the maximum aggregate principal amount of the Installment Purchase Contract authorized to be issued is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Installment Purchase Contract plus the finance charge of the Installment Purchase Contract described in paragraph 2 above not paid with the proceeds of the Installment Purchase Contract, calculated to the final maturity of the Installment Purchase Contract, is \$2,869,805.56.



**McCloud Community Services District  
Preliminary 2022-23 Budget**

Item 8 C

|                                                                        | 1010<br>General   | 1020<br>Directors | 1040<br>Fire      | 1050<br>Alleys   | 1060<br>Lights   | 1070<br>Park     | 1080<br>Library | 1090<br>Refuse    | 2000<br>Sewer     | 3000<br>Water     | 2022/2023<br>Budget | 2021/2022<br>Actual | 2021/2022<br>Budget | \$<br>Difference    | %<br>Chng    |
|------------------------------------------------------------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|-----------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| <b>Revenue:</b>                                                        |                   |                   |                   |                  |                  |                  |                 |                   |                   |                   |                     |                     |                     |                     |              |
| Tax Revenue                                                            | \$ 78,000         | \$ -              | \$ 123,378        | \$ -             | \$ -             | \$ 46,586        | \$ 6,706        | \$ -              | \$ -              | \$ -              | \$ 254,670          | \$ 255,974          | \$ 254,670          | \$ 1,304            |              |
| Utility Fees                                                           | \$ -              | \$ -              | \$ -              | \$ 40,710        | \$ 19,408        | \$ -             | \$ -            | \$ 410,526        | \$ 545,580        | \$ 601,662        | \$ 1,617,886        | \$ 1,461,180        | \$ 1,564,141        | \$ (102,961)        |              |
| Ambulance                                                              | \$ -              | \$ -              | \$ 98,000         | \$ -             | \$ -             | \$ -             | \$ -            | \$ -              | \$ -              | \$ -              | \$ 98,000           | \$ 93,497           | \$ 85,000           | \$ 8,497            |              |
| Donations, Misc <span style="color:red">fn6</span>                     | \$ -              | \$ -              | \$ 144,000        | \$ -             | \$ -             | \$ 4,000         | \$ 1,000        | \$ 4,000          | \$ -              | \$ 7,000          | \$ 160,000          | \$ 789,850          | \$ 765,464          | \$ 24,386           |              |
| Grants <span style="color:red">fn8</span>                              | \$ -              | \$ -              | \$ 154,063        | \$ -             | \$ -             | \$ -             | \$ -            | \$ -              | \$ -              | \$ -              | \$ 154,063          | \$ -                | \$ 81,775           | \$ (81,775)         |              |
| <b>TOTAL REVENUE</b>                                                   | <b>\$ 78,000</b>  | <b>\$ -</b>       | <b>\$ 519,441</b> | <b>\$ 40,710</b> | <b>\$ 19,408</b> | <b>\$ 50,586</b> | <b>\$ 7,706</b> | <b>\$ 414,526</b> | <b>\$ 545,580</b> | <b>\$ 608,662</b> | <b>\$ 2,284,619</b> | <b>\$ 2,600,501</b> | <b>\$ 2,751,050</b> | <b>\$ (150,549)</b> | <b>-5.5</b>  |
| <b>Expenses:</b>                                                       |                   |                   |                   |                  |                  |                  |                 |                   |                   |                   |                     |                     |                     |                     |              |
| Salaries                                                               | \$ 225,213        | \$ 13,500         | \$ 87,157         | \$ 17,220        | \$ -             | \$ 23,524        | \$ 3,278        | \$ 49,585         | \$ 50,410         | \$ 76,319         | \$ 546,206          | \$ 866,733          | \$ 911,942          | \$ 45,209           |              |
| PERS                                                                   | \$ 14,990         | \$ -              | \$ 4,463          | \$ 1,241         | \$ -             | \$ 563           | \$ 4            | \$ 3,564          | \$ 2,625          | \$ 5,170          | \$ 32,620           | \$ 33,971           | \$ 29,598           | \$ (4,373)          |              |
| Payroll Taxes                                                          | \$ 20,991         | \$ -              | \$ 7,617          | \$ 1,465         | \$ -             | \$ 2,303         | \$ 451          | \$ 5,487          | \$ 3,332          | \$ 6,456          | \$ 48,102           | \$ 74,173           | \$ 77,983           | \$ 3,810            |              |
| Employee Hlth Benefits <span style="color:red">fn2</span>              | \$ 65,739         | \$ -              | \$ 20,551         | \$ 6,487         | \$ -             | \$ 2,954         | \$ 20           | \$ 18,874         | \$ 13,658         | \$ 27,093         | \$ 155,376          | \$ 115,436          | \$ 151,161          | \$ 35,725           |              |
| Workers Comp <small>(32893)</small> <span style="color:red">fn3</span> | \$ 2,462          | \$ -              | \$ 20,512         | \$ 1,216         | \$ -             | \$ 2,005         | \$ 20           | \$ 4,198          | \$ 2,737          | \$ 5,099          | \$ 38,249           | \$ 28,937           | \$ 36,194           | \$ 7,257            |              |
| Retiree Benefits Retirement <span style="color:red">fn1</span>         | \$ 50,667         | \$ -              | \$ -              | \$ -             | \$ -             | \$ -             | \$ -            | \$ -              | \$ -              | \$ -              | \$ 50,667           | \$ 42,495           | \$ 42,945           | \$ 450              |              |
| Retiree Benefits Health                                                | \$ 251,924        | \$ -              | \$ -              | \$ -             | \$ -             | \$ -             | \$ -            | \$ -              | \$ -              | \$ -              | \$ 251,924          | \$ 230,184          | \$ 241,900          | \$ 11,716           |              |
| <b>Total Employee Costs</b>                                            | <b>\$ 631,986</b> | <b>\$ 13,500</b>  | <b>\$ 140,300</b> | <b>\$ 27,629</b> | <b>\$ -</b>      | <b>\$ 31,349</b> | <b>\$ 3,773</b> | <b>\$ 81,708</b>  | <b>\$ 72,762</b>  | <b>\$ 120,137</b> | <b>\$ 1,123,144</b> | <b>\$ 1,391,929</b> | <b>\$ 1,491,723</b> | <b>\$ (368,579)</b> | <b>-24.7</b> |
| Insurance                                                              | \$ 49,019         | \$ -              | \$ 10,982         | \$ 2,200         | \$ -             | \$ 4,388         | \$ 394          | \$ 4,200          | \$ 6,371          | \$ 17,767         | \$ 95,321           | \$ 85,861           | \$ 83,018           | \$ (2,843)          |              |
| Telephone                                                              | \$ 6,800          | \$ -              | \$ 3,800          | \$ -             | \$ -             | \$ -             | \$ -            | \$ -              | \$ 400            | \$ 500            | \$ 11,500           | \$ 10,196           | \$ 10,955           | \$ 759              |              |
| Publications                                                           | \$ 50             | \$ -              | \$ -              | \$ -             | \$ -             | \$ -             | \$ -            | \$ -              | \$ -              | \$ -              | \$ 50               | \$ 412              | \$ 50               | \$ (362)            |              |
| Travel                                                                 | \$ 800            | \$ 500            | \$ 1,034          | \$ -             | \$ -             | \$ -             | \$ -            | \$ 500            | \$ 500            | \$ 1,000          | \$ 4,334            | \$ 3,197            | \$ 6,234            | \$ 3,037            |              |
| Hiring                                                                 | \$ 400            | \$ -              | \$ 1,600          | \$ -             | \$ -             | \$ -             | \$ -            | \$ 150            | \$ 300            | \$ 300            | \$ 2,750            | \$ 1,637            | \$ 4,600            | \$ 2,963            |              |
| Training                                                               | \$ 1,000          | \$ 2,000          | \$ 11,073         | \$ -             | \$ -             | \$ 200           | \$ -            | \$ 3,000          | \$ 3,000          | \$ 3,000          | \$ 23,273           | \$ 8,142            | \$ 14,950           | \$ 6,808            |              |
| Uniforms                                                               | \$ 500            | \$ -              | \$ 2,200          | \$ 200           | \$ -             | \$ 200           | \$ -            | \$ 300            | \$ 300            | \$ 300            | \$ 4,000            | \$ 9,596            | \$ 4,600            | \$ (4,996)          |              |
| Safety                                                                 | \$ 300            | \$ -              | \$ 1,000          | \$ 300           | \$ -             | \$ 300           | \$ 100          | \$ 400            | \$ 600            | \$ 600            | \$ 3,600            | \$ 1,983            | \$ 4,900            | \$ 2,917            |              |
| Memberships                                                            | \$ 5,000          | \$ -              | \$ 800            | \$ 800           | \$ -             | \$ -             | \$ -            | \$ -              | \$ 700            | \$ 800            | \$ 8,100            | \$ 6,172            | \$ 6,600            | \$ 428              |              |
| Volunteer Reimbursements <span style="color:red">fn8</span>            | \$ -              | \$ -              | \$ 105,900        | \$ -             | \$ -             | \$ -             | \$ -            | \$ -              | \$ -              | \$ -              | \$ -                | \$ 6,214            | \$ 25,600           | \$ 19,386           |              |
| Operating Lease                                                        | \$ 5,800          | \$ -              | \$ -              | \$ -             | \$ -             | \$ -             | \$ -            | \$ -              | \$ -              | \$ -              | \$ 5,800            | \$ 4,132            | \$ 6,600            | \$ 2,468            |              |
| Attorney                                                               | \$ 16,000         | \$ -              | \$ 2,000          | \$ -             | \$ -             | \$ -             | \$ -            | \$ -              | \$ -              | \$ 30,000         | \$ 48,000           | \$ 33,214           | \$ 47,000           | \$ 13,786           |              |
| Accountant                                                             | \$ 22,000         | \$ -              | \$ -              | \$ -             | \$ -             | \$ -             | \$ -            | \$ -              | \$ -              | \$ -              | \$ 22,000           | \$ 26,500           | \$ 56,670           | \$ 30,170           |              |
| Professional Services                                                  | \$ 8,000          | \$ -              | \$ 8,000          | \$ -             | \$ -             | \$ -             | \$ -            | \$ 600            | \$ 20,000         | \$ 5,500          | \$ 42,100           | \$ 97,714           | \$ 33,600           | \$ (64,114)         |              |
| Prof Svc-Ambulance <span style="color:red">fn5</span>                  | \$ -              | \$ -              | \$ 11,480         | \$ -             | \$ -             | \$ -             | \$ -            | \$ -              | \$ -              | \$ -              | \$ 11,480           | \$ 4,740            | \$ 6,800            | \$ 2,060            |              |
| IT Services                                                            | \$ 13,000         | \$ -              | \$ 3,500          | \$ -             | \$ -             | \$ -             | \$ -            | \$ -              | \$ -              | \$ -              | \$ 16,500           | \$ 20,585           | \$ 23,800           | \$ 3,215            |              |
| Advertising                                                            | \$ 1,200          | \$ -              | \$ 6,900          | \$ -             | \$ -             | \$ -             | \$ -            | \$ -              | \$ -              | \$ -              | \$ 1,000            | \$ 745              | \$ 3,700            | \$ 2,955            |              |
| Election Expense                                                       | \$ -              | \$ -              | \$ -              | \$ -             | \$ -             | \$ -             | \$ -            | \$ -              | \$ -              | \$ -              | \$ -                | \$ -                | \$ -                | \$ -                |              |
| <b>Total Other Costs</b>                                               | <b>\$ 129,869</b> | <b>\$ 2,500</b>   | <b>\$ 170,269</b> | <b>\$ 3,500</b>  | <b>\$ -</b>      | <b>\$ 5,088</b>  | <b>\$ 494</b>   | <b>\$ 9,150</b>   | <b>\$ 32,171</b>  | <b>\$ 59,767</b>  | <b>\$ 412,808</b>   | <b>\$ 321,040</b>   | <b>\$ 339,677</b>   | <b>\$ 18,637</b>    | <b>5.5</b>   |

|                                                                                                      | 1010       | 1020      | 1040       | 1050        | 1060       | 1070        | 1080       | 1090       | 2000       | 3000       |              |              |              |              |
|------------------------------------------------------------------------------------------------------|------------|-----------|------------|-------------|------------|-------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|
| To                                                                                                   | General    | Directors | Fire       | Alleys      | Lights     | Park        | Library    | Refuse     | Sewer      | Water      | TOTAL        | TOTAL        | TOTAL        | Difference   |
| Supplies                                                                                             | \$ 900     | \$ -      | \$ 55,241  | \$ 5,000    | \$ -       | \$ 1,100    | \$ -       | \$ 800     | \$ 3,900   | \$ 4,300   | \$ 71,241    | \$ 43,233    | \$ 35,200    | \$ (8,033)   |
| Office Supplies                                                                                      | \$ 9,000   | \$ -      | \$ 100     | \$ -        | \$ -       | \$ -        | \$ -       | \$ -       | \$ -       | \$ -       | \$ 9,100     | \$ 9,028     | \$ 5,600     | \$ (3,428)   |
| Postage & Delivery                                                                                   | \$ 3,600   | \$ -      | \$ 250     | \$ -        | \$ -       | \$ -        | \$ -       | \$ -       | \$ -       | \$ -       | \$ 3,850     | \$ 3,724     | \$ 5,200     | \$ 1,476     |
| Computer & IT Supplies                                                                               | \$ 1,000   | \$ -      | \$ 500     | \$ -        | \$ -       | \$ -        | \$ -       | \$ -       | \$ -       | \$ -       | \$ 1,500     | \$ 897       | \$ 3,100     | \$ 2,203     |
| Janitorial Supplies                                                                                  | \$ 1,000   | \$ -      | \$ -       | \$ -        | \$ -       | \$ 1,000    | \$ -       | \$ -       | \$ -       | \$ -       | \$ 2,000     | \$ 261       | \$ 2,100     | \$ 1,839     |
| Diesel                                                                                               | \$ 5,000   | \$ -      | \$ 9,200   | \$ 3,000    | \$ -       | \$ -        | \$ -       | \$ 13,800  | \$ 1,200   | \$ 1,800   | \$ 34,000    | \$ 37,068    | \$ 30,183    | \$ (6,885)   |
| Fuel                                                                                                 | \$ 4,000   | \$ -      | \$ 6,900   | \$ 2,000    | \$ -       | \$ 800      | \$ -       | \$ 700     | \$ 600     | \$ 2,400   | \$ 17,400    | \$ 13,389    | \$ 15,133    | \$ 1,744     |
| Heating Fuel                                                                                         | \$ 6,000   | \$ -      | \$ 6,600   | \$ -        | \$ -       | \$ 2,200    | \$ 800     | \$ -       | \$ -       | \$ -       | \$ 15,600    | \$ 13,016    | \$ 14,300    | \$ 1,284     |
| Power                                                                                                | \$ 3,400   | \$ -      | \$ 4,500   | \$ -        | \$ 18,000  | \$ 1,200    | \$ 1,200   | \$ -       | \$ -       | \$ -       | \$ 28,300    | \$ 23,673    | \$ 28,432    | \$ 4,759     |
| Building/Grounds (parking lot, paint)                                                                | \$ 1,000   |           | \$ 2,500   | \$ 5,500    | \$ -       | \$ 800      | \$ 2,000   | \$ -       | \$ -       | \$ 5,000   | \$ 16,800    | \$ 6,427     | \$ 108,300   | \$ 101,873   |
| Equip Maintenance <span style="color:red">fn4</span>                                                 | \$ 3,000   | \$ -      | \$ 12,000  | \$ 2,000    | \$ -       | \$ 500      | \$ -       | \$ 6,000   | \$ 3,000   | \$ 9,600   | \$ 36,100    | \$ 43,468    | \$ 28,150    | \$ (15,318)  |
| Vehicle Maint.                                                                                       | \$ 800     | \$ -      | \$ 7,700   | \$ 800      | \$ -       | \$ 500      | \$ -       | \$ 1,800   | \$ 1,000   | \$ 1,000   | \$ 13,600    | \$ 9,602     | \$ 21,100    | \$ 11,498    |
| <b>Total Supplies, Maintenance</b>                                                                   | \$ 38,700  | \$ -      | \$ 105,491 | \$ 18,300   | \$ 18,000  | \$ 8,100    | \$ 4,000   | \$ 23,100  | \$ 9,700   | \$ 24,100  | \$ 249,491   | \$ 203,786   | \$ 296,798   | \$ 93,012    |
|                                                                                                      |            |           |            |             | 137,981.02 |             |            |            |            |            |              |              |              |              |
| Interest/Principal Payments                                                                          | \$ -       | \$ -      | \$ -       | \$ -        | \$ -       | \$ -        | \$ -       | \$ -       | \$ -       | \$ -       | \$ -         | \$ -         | \$ -         | \$ -         |
| Administrative Fees                                                                                  | \$ -       | \$ -      | \$ -       | \$ -        | \$ -       | \$ -        | \$ -       | \$ -       | \$ 61,161  | \$ 101,619 | \$ 1,680     | \$ 164,460   | \$ 67,966    | \$ 158,727   |
| <b>Total Debt Service</b>                                                                            | \$ -       | \$ -      | \$ -       | \$ -        | \$ -       | \$ -        | \$ -       | \$ -       | \$ 61,161  | \$ 101,619 | \$ 1,680     | \$ 164,460   | \$ 72,571    | \$ 159,730   |
|                                                                                                      |            |           |            |             |            |             |            |            |            |            |              |              |              | 54.6         |
| Fees <span style="color:red">fn7</span>                                                              | \$ 600     | \$ -      | \$ 900     | \$ -        | \$ -       | \$ -        | \$ -       | \$ 52,000  | \$ 21,000  | \$ 7,600   | \$ 82,100    | \$ 71,110    | \$ 52,925    | \$ (18,185)  |
| Permits                                                                                              | \$ 600     | \$ -      | \$ 700     | \$ -        | \$ -       | \$ -        | \$ -       | \$ -       | \$ -       | \$ -       | \$ 1,300     | \$ -         | \$ 22,800    | \$ 22,800    |
| Director's Fees                                                                                      | \$ -       | \$ -      | \$ -       | \$ -        | \$ -       | \$ -        | \$ -       | \$ -       | \$ -       | \$ -       | \$ -         | \$ 12,908    | \$ -         | \$ (12,908)  |
| Property Tax                                                                                         | \$ 126     | \$ -      | \$ 70      | \$ -        | \$ -       | \$ 180      | \$ -       | \$ 60      | \$ -       | \$ 150     | \$ 586       | \$ 468       | \$ 436       | \$ (32)      |
| Fund Allocation of General/Director Costs                                                            | \$ -       | \$ -      | \$ 49,019  | \$ 24,509   | \$ -       | \$ 32,679   | \$ 8,170   | \$ 155,226 | \$ 261,434 | \$ 285,943 | \$ 816,981   | \$ -         | \$ -         | \$ -         |
| <b>Total Miscellaneous Costs</b>                                                                     | \$ 1,326   | \$ -      | \$ 50,689  | \$ 24,509   | \$ -       | \$ 32,859   | \$ 8,170   | \$ 207,286 | \$ 282,434 | \$ 293,693 | \$ 900,967   | \$ 84,486    | \$ 76,161    | \$ (8,325)   |
|                                                                                                      |            |           |            |             |            |             |            |            |            |            |              |              |              | -10.9        |
|                                                                                                      | \$ 816,981 | 100       | 6          | 3           | -          | 4           | 1          | 19         | 32         | 35         | \$ 100       |              |              |              |
| <b>TOTAL OPERATING EXPENSES</b>                                                                      |            |           | \$ 466,749 | \$ 73,938   | \$ 18,000  | \$ 77,396   | \$ 16,437  | \$ 382,405 | \$ 498,686 | \$ 499,377 | \$ 2,032,989 | \$ 2,073,812 | \$ 2,364,089 | \$ 290,277   |
| <b>OVER/UNDER FROM OPERATIONS</b>                                                                    | \$ 78,000  | \$ -      | \$ 52,692  | \$ (33,228) | \$ 1,408   | \$ (26,810) | \$ (8,731) | \$ 32,121  | \$ 46,894  | \$ 109,285 | \$ 251,630   | \$ 526,689   | \$ 386,961   | \$ (139,728) |
|                                                                                                      |            |           |            |             |            |             |            |            |            |            | \$ 251,630   |              |              | -36.1        |
|                                                                                                      |            |           |            |             |            |             |            |            |            |            |              |              |              |              |
| <b>Non Operating Revenue/Expense:</b>                                                                |            |           |            |             |            |             |            |            |            |            |              |              |              |              |
| Interest Income 1.5%                                                                                 | \$ 4,767   | \$ -      | \$ 5,267   | \$ 1,443    | \$ 6       | \$ 1,160    | \$ 49      | \$ 1,015   | \$ 15,486  | \$ 4,105   | \$ 33,298    | \$ 5,239     | \$ 7,136     | \$ -         |
| Interest Expense                                                                                     | \$ -       | \$ -      | \$ -       | \$ -        | \$ -       | \$ -        | \$ -       | \$ -       | \$ -       | \$ -       | \$ -         | \$ -         | \$ -         | \$ -         |
|                                                                                                      | \$ -       | \$ -      | \$ -       | \$ -        | \$ -       | \$ -        | \$ -       | \$ -       | \$ -       | \$ -       | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Total Non Operating Revenue/Expense</b>                                                           | \$ 4,767   | \$ -      | \$ 5,267   | \$ 1,443    | \$ 6       | \$ 1,160    | \$ 49      | \$ 1,015   | \$ 15,486  | \$ 4,105   | \$ 33,298    | \$ 5,239     | \$ 7,136     | \$ -         |
|                                                                                                      |            |           |            |             |            |             |            |            |            |            | \$ 33,298    |              |              |              |
| <b>NET INCOME/(LOSS) FROM OPERATIONS</b>                                                             | \$ 82,767  | \$ -      | \$ 57,959  | \$ (31,785) | \$ 1,414   | \$ (25,650) | \$ (8,682) | \$ 33,136  | \$ 62,380  | \$ 113,390 | \$ 284,928   | \$ 531,928   | \$ 394,097   | \$ (139,728) |
| <span style="color:red">fn1 19% increase in Retirees minimum payment</span>                          |            |           |            |             |            |             |            |            |            |            |              |              |              |              |
| <span style="color:red">fn2 Medical premiums based on 17.75% increase</span>                         |            |           |            |             |            |             |            |            |            |            |              |              |              |              |
| <span style="color:red">fn3 Fire Dept WC 27x325 Vol. 8x650 + employees</span>                        |            |           |            |             |            |             |            |            |            |            |              |              |              |              |
| <span style="color:red">fn4 Fire Dept increase in equipment inspections+replace pump</span>          |            |           |            |             |            |             |            |            |            |            |              |              |              |              |
| <span style="color:red">fn5 Wittman + CA ambulance fees</span>                                       |            |           |            |             |            |             |            |            |            |            |              |              |              |              |
| <span style="color:red">fn6 \$60k Strike team , \$24k CSA3, \$30k ZIB, \$17k RFC, \$23k gifts</span> |            |           |            |             |            |             |            |            |            |            |              |              |              |              |
| <span style="color:red">fn7 Refuse Dump Fees, sewer/water SWRCB fees</span>                          |            |           |            |             |            |             |            |            |            |            |              |              |              |              |
| <span style="color:red">fn8 FD points, Safer points, Ambulance plan</span>                           |            |           |            |             |            |             |            |            |            |            |              |              |              |              |
| <span style="color:red">fn9 Change FD to 6%, Refuse to 19, sew to 32 water to 35</span>              |            |           |            |             |            |             |            |            |            |            |              |              |              |              |
| <span style="color:red">fn10 30% Strike Team Vehicle reimbursement to setasides</span>               |            |           |            |             |            |             |            |            |            |            |              |              |              |              |
| <span style="color:red">fn11 Safer Grant with carryover of unused funds from 21/22</span>            |            |           |            |             |            |             |            |            |            |            |              |              |              |              |

**CASH, CAPITAL AND RESERVE BUDGET 2022/2023**

|                                                    | 1010<br>General | 1020<br>Directors | 1040<br>Fire | 1050<br>Alleys | 1060<br>Lights | 1070<br>Park | 1080<br>Library | 1090<br>Refuse | 2000<br>Sewer | 3000<br>Water | TOTAL        |
|----------------------------------------------------|-----------------|-------------------|--------------|----------------|----------------|--------------|-----------------|----------------|---------------|---------------|--------------|
| <b>EST LAIF BALANCE 6-30-2022</b>                  | \$ 317,782      | \$ -              | \$ 351,177   | \$ 96,172      | \$ 381         | \$ 77,301    | \$ 3,288        | \$ 67,658      | \$ 1,032,403  | \$ 273,680    | \$ 2,219,842 |
| <b>EST OPERATING BALANCE 6-30-2022</b>             | \$ 126,702      | \$ -              | \$ 349,521   | \$ 107,177     | \$ 3,741       | \$ 48,728    | \$ 3,069        | \$ 108,318     | \$ 395,766    | \$ 515,964    | \$ 1,658,986 |
| <b>EST CERBT BALANCE 6-30-2022</b>                 | \$ 367,268      | \$ -              | \$ -         | \$ -           | \$ -           | \$ -         | \$ -            | \$ 4,411       | \$ 14,860     | \$ 52,241     | \$ 438,780   |
| <b>BEGINNING CASH BALANCE 7-1-2022</b>             | \$ 811,752      | \$ -              | \$ 700,698   | \$ 203,349     | \$ 4,122       | \$ 126,029   | \$ 6,357        | \$ 180,387     | \$ 1,443,029  | \$ 841,885    | \$ 4,317,608 |
|                                                    |                 |                   |              |                |                |              |                 |                |               |               | \$ 4,317,608 |
| <b>OPERATING BALANCE 7-1-2022</b>                  | \$ 126,702      | \$ -              | \$ 349,521   | \$ 107,177     | \$ 3,741       | \$ 48,728    | \$ 3,069        | \$ 108,318     | \$ 395,766    | \$ 515,961    | \$ 1,658,983 |
| <b>NET INCOME/(LOSS) FROM OPERATIONS</b>           | \$ 82,767       | \$ -              | \$ 57,959    | \$ (31,785)    | \$ 1,414       | \$ (25,650)  | \$ (8,682)      | \$ 33,136      | \$ 62,380     | \$ 113,390    | \$ 284,928   |
| <b>CAPITAL OUTLAYS</b>                             | \$ -            | \$ -              | \$ 53,400    | \$ -           | \$ -           | \$ -         | \$ -            | \$ -           | \$ 12,000     | \$ -          | \$ 65,400    |
| <b>BALANCE TRANSFERS</b>                           | \$ 128,000      |                   | \$ 300,000   | \$ 40,000      | \$ -           | \$ -         | \$ -            | \$ 100,000     | \$ 350,000    | \$ 250,000    | \$ 1,168,000 |
| <b>RESERVE ASSIGNMENTS</b>                         | \$ -            |                   |              | \$ 217         | \$ 977         | \$ 232       | \$ 47           | \$ 15,757      | \$ 58,778     | \$ 143,231    | \$ 219,239   |
| <b>Projected Operating Cash Balance 6-30-23</b>    | \$ 81,469       | \$ -              | \$ 54,080    | \$ 35,175      | \$ 4,178       | \$ 22,846    | \$ (5,660)      | \$ 25,697      | \$ 37,368     | \$ 236,120    | \$ 491,272   |
|                                                    |                 |                   |              |                |                |              |                 |                |               |               | \$ 491,272   |
|                                                    |                 |                   |              |                |                |              |                 |                |               |               | \$ 491,272   |
| <b>CAPITAL OUTLAYS</b>                             |                 |                   |              |                |                |              |                 |                |               |               |              |
| Sewer Upgrades- Bio-solid Plan                     | \$ -            | \$ -              | \$ -         | \$ -           | \$ -           | \$ -         | \$ -            | \$ -           | \$ 12,000     | \$ -          | \$ 12,000    |
|                                                    |                 |                   |              |                |                |              |                 | \$ -           | \$ -          | \$ -          | \$ -         |
|                                                    |                 |                   |              |                |                |              |                 | \$ -           | \$ -          | \$ -          | \$ -         |
| Fire Department Safer PPE                          | \$ -            |                   | \$ 28,400    |                |                |              |                 |                |               |               | \$ 28,400    |
| Fire Department CFAA Wildland training,PPE         |                 |                   | \$ 25,000    |                |                |              |                 |                |               |               | \$ 25,000    |
|                                                    |                 | \$ -              | \$ -         |                |                |              |                 |                |               |               | \$ -         |
| <b>TOTAL CAPITAL OUTLAYS</b>                       | \$ -            | \$ -              | \$ 53,400    | \$ -           | \$ -           | \$ -         | \$ -            | \$ -           | \$ 12,000     | \$ -          | \$ 65,400    |
| <b>GAIN/LOSS SALE OF ASSETS</b>                    |                 |                   |              |                |                |              |                 |                |               |               |              |
| Book Value                                         | \$ -            | \$ -              | \$ -         | \$ -           | \$ -           | \$ -         | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         |
| Sale Price                                         | \$ -            | \$ -              | \$ -         | \$ -           | \$ -           | \$ -         | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         |
| <b>NET GAIN/LOSS SALE OF ASSETS</b>                | \$ -            | \$ -              | \$ -         | \$ -           | \$ -           | \$ -         | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         |
| <b>RESERVE ASSIGNMENT</b>                          |                 |                   |              |                |                |              |                 |                |               |               |              |
| Board Restricted                                   | \$ -            | \$ -              | \$ -         | \$ -           | \$ -           | \$ -         | \$ -            | \$ -           | \$ 13,986     | \$ 7,136      | \$ 21,122    |
| Committed (Board Approved Allocations) <b>fn10</b> | \$ -            | \$ -              | \$ 15,000    | \$ -           | \$ -           | \$ -         | \$ -            | \$ -           | \$ -          | \$ -          | \$ 15,000    |
| Committed (Rate Study Annual Reserve)              | \$ -            | \$ -              | \$ -         | \$ -           | \$ -           | \$ -         | \$ -            | \$ 5,841       | \$ 31,757     | \$ 121,077    | \$ 158,675   |
| Assigned (Operating Reserves) 5 year plan          | \$ -            | \$ -              | \$ -         | \$ 217         | \$ 977         | \$ 232       | \$ 47           | \$ 9,916       | \$ 13,035     | \$ 15,018     | \$ 39,442    |
| Assigned (Capital Reserves) 5 year plan            | \$ -            | \$ -              | \$ -         | \$ -           | \$ -           | \$ -         | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         |
| Unassigned (after all commitments met)             |                 | \$ -              | \$ -         | \$ -           | \$ -           | \$ -         | \$ -            | \$ -           | \$ -          | \$ -          | \$ -         |
| <b>TOTAL RESERVE ASSIGNMENTS</b>                   | \$ -            | \$ -              | \$ 15,000    | \$ 217         | \$ 977         | \$ 232       | \$ 47           | \$ 15,757      | \$ 58,778     | \$ 143,231    | \$ 234,239   |
|                                                    |                 |                   |              |                |                |              |                 |                |               |               | \$ 234,239   |
|                                                    |                 |                   |              |                |                |              |                 |                |               |               | \$ 234,239   |

|                                         | LAIF ACTIVITY |      |            |            |          |           |          |            |              |            |              |
|-----------------------------------------|---------------|------|------------|------------|----------|-----------|----------|------------|--------------|------------|--------------|
| Beginning Balance 7-1-2021              | \$ 317,782    | \$ - | \$ 351,177 | \$ 96,172  | \$ 381   | \$ 77,301 | \$ 3,288 | \$ 67,658  | \$ 1,032,403 | \$ 273,680 | \$ 2,219,842 |
| Interest                                | \$ 4,767      | \$ - | \$ 5,267   | \$ 1,443   | \$ 6     | \$ 1,160  | \$ 49    | \$ 1,015   | \$ 15,486    | \$ 4,105   | \$ 33,298    |
| Reserve Assignments                     | \$ -          | \$ - | \$ -       | \$ 217     | \$ 977   | \$ 232    | \$ 47    | \$ 15,757  | \$ 58,778    | \$ 143,231 | \$ 219,239   |
| Balance Transfers                       | \$ -          | \$ - | \$ 300,000 | \$ 40,000  | \$ -     | \$ -      | \$ -     | \$ 100,000 | \$ 350,000   | \$ 250,000 | \$ 1,040,000 |
| Withdrawal CERBT                        | \$ -          | \$ - | \$ -       | \$ -       | \$ -     | \$ -      | \$ -     | \$ -       | \$ -         | \$ -       | \$ -         |
| <b>NET LAIF ACTIVITY</b>                | \$ 4,767      | \$ - | \$ 305,267 | \$ 41,660  | \$ 983   | \$ 1,392  | \$ 96    | \$ 116,772 | \$ 424,264   | \$ 397,336 | \$ 1,292,537 |
| <b>PROJECTED LAIF BALANCE 6-30-2023</b> | \$ 322,549    | \$ - | \$ 656,444 | \$ 137,832 | \$ 1,364 | \$ 78,693 | \$ 3,384 | \$ 184,430 | \$ 1,456,667 | \$ 671,016 | \$ 3,512,379 |
|                                         |               |      |            |            |          |           |          |            |              |            | \$ 3,512,379 |
|                                         |               |      |            |            |          |           |          |            |              |            | \$ 3,512,379 |

| CERBT ACTIVITY                           |            |      |      |      |      |      |      |          |           |           |            |
|------------------------------------------|------------|------|------|------|------|------|------|----------|-----------|-----------|------------|
| Beginning Balance                        | \$ 367,268 |      |      |      |      |      |      | 4411     | 14860     | 52241     | \$ 438,780 |
| Deposits                                 | \$ 128,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ -     | \$ -      | \$ -      | \$ 128,000 |
| Earnings                                 | \$ -       | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ -     | \$ -      | \$ -      | \$ -       |
| Withdrawals                              | \$ -       | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ -     | \$ -      | \$ -      | \$ -       |
| <b>NET CERBT ACTIVITY</b>                | \$ 128,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ -     | \$ -      | \$ -      | \$ 128,000 |
| <b>PROJECTED CERBT BALANCE 6-30-2023</b> | \$ 495,268 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,411 | \$ 14,860 | \$ 52,241 | \$ 566,780 |
|                                          |            |      |      |      |      |      |      |          |           |           | \$ 566,780 |

|                           |            |      |            |            |          |            |            |            |              |            |              |
|---------------------------|------------|------|------------|------------|----------|------------|------------|------------|--------------|------------|--------------|
| <b>NET CASH 6-30-2023</b> | \$ 899,286 | \$ - | \$ 710,524 | \$ 173,007 | \$ 5,542 | \$ 101,539 | \$ (2,276) | \$ 214,538 | \$ 1,508,895 | \$ 959,377 | \$ 4,570,431 |
|                           |            |      |            |            |          |            |            |            |              |            | \$ 4,570,431 |



|                             |    |        |    |   |    |       |    |          |    |       |    |          |    |         |    |        |    |        |    |         |    |         |    |         |
|-----------------------------|----|--------|----|---|----|-------|----|----------|----|-------|----|----------|----|---------|----|--------|----|--------|----|---------|----|---------|----|---------|
| NET CASH CHANGE IN POSITION | \$ | 87,534 | \$ | - | \$ | 9,826 | \$ | (30,342) | \$ | 1,420 | \$ | (24,490) | \$ | (8,633) | \$ | 34,151 | \$ | 65,866 | \$ | 117,492 | \$ | 252,823 | \$ | 252,823 |
|-----------------------------|----|--------|----|---|----|-------|----|----------|----|-------|----|----------|----|---------|----|--------|----|--------|----|---------|----|---------|----|---------|

# MCCLLOUD COMMUNITY SERVICES DISTRICT ANNEX

## HAZARD MITIGATION PLAN POINT OF CONTACT

### Primary Point of Contact

Kevin Dalton, General Manager  
PO Box 640, 220 W. Minnesota Ave  
McCloud, California 96057  
Telephone: 530-964-2017  
e-mail Address: [mcsd@ci.mccloucdsd.ca.us](mailto:mcsd@ci.mccloucdsd.ca.us)

### Alternate Point of Contact

Public Works Superintendent  
PO Box 640, 220 W. Minnesota Ave  
McCloud, California 96057  
Telephone: 530-964-2017  
e-mail Address: [mcsd@ci.mccloucdsd.ca.us](mailto:mcsd@ci.mccloucdsd.ca.us)

## JURISDICTION PROFILE

The McCloud Community Services District was formed on August 24, 1965 to provide water, sewer, waste, fire, parks and lighting to the unincorporated area in Siskiyou County. A five-member elected Board of Directors governs the District's operations and appoints a General Manager to manage the administrative functions of the District. The Board assumes the responsibility of this plan and the General Manager will oversee its implementation. As of February 20, 2018 the District serves 741 water service connections and 633 sewer connections, with a current staff of 8. Funding comes primarily from rates and special assessments. The following is a summary of key information about the jurisdiction:

- **Population Served**—The District provides services to 1,101 persons as of March 2010.
- **Land Area Served**— The District service area consists of 1,700 acres or 2.58 square miles.
- **Value of Area Served**—The estimated value of the area served by the jurisdiction is \$93,057,681
- **Land Area Owned**—The District has ownership of approximately 80 acres.
- **List of Critical Infrastructure/Equipment Owned by the Jurisdiction:**
  - Fire Department—Apparatus and equipment housed in a facility located in a natural hazard risk zone. This is the equipment that is essential for delivery of services to the area should a natural hazard occur. 2-engines, 1- squad vehicle, 1-pumper, 1 ambulance and their contents. Estimated replacement cost \$1.5 million
  - Water System—25 miles of transmission and distribution pipeline in various diameters, including appurtenances, chlorination station, welded steel water storage tanks, pressure reducing stations and major maintenance equipment (938 Cat Loader, 6 yd. Dump Truck, John Deere Backhoe, Welder truck, flatbed truck and pickup trucks). Estimated cost \$30 million.
  - Sewer System—20 miles of sewer collection system with appurtenances and sewer collection ponds and major equipment (sewer vacuum truck) estimated cost \$15 million
- **Total Value of Critical Infrastructure/Equipment**—The total value of critical infrastructure and equipment owned by the jurisdiction is \$46.5 million
- **List of Critical Facilities Owned by the Jurisdiction:**
  - Intake Springs Structure—Primary source of water to the community, the structure is a reinforced concrete vault. Estimated Cost of Replacement \$250,000.

- Upper Elk Springs—Primary Source of water supply to the community—the structure is a reinforced concrete vault. Estimated Replacement Cost \$200,000.
- Lower Elk Springs—Secondary Source of water supply for the community—the structure is a wood frame structure with a concrete perimeter base. The spring is a gallery and barrier wall with an outlet structure. Estimated replacement Cost \$225,000.
- Transmission Mains from water sources, diameters of 12-inch, 14-inch and 16-inch Steel and ductile iron pipe. Estimated replacement cost \$4.5 million
- Distribution Mains for the town of McCloud. Estimated Cost of Replacement \$18.5 million
- Fire Hall Structure—Houses Fire fighters and equipment for emergency response Estimated Replacement Cost. \$400,000.
- 1.2 Million gallon welded steel water storage tank. Estimated Replacement Cost \$1.5 million.
- **Total Value of Critical Facilities**—The total value of critical facilities owned by the jurisdiction is \$25.575 million
- **Current and Anticipated Service Trends**—MCS D has seen a decline in permanent residency. This decline may be the age of the community and the poor economy. Should the economic condition change the possibility of development for commercial and light industry would increase along with new residential development.

## **JURISDICTION-SPECIFIC NATURAL HAZARD EVENT HISTORY**

Table 11-1 lists all past occurrences of natural hazards within the jurisdiction.

## **HAZARD RISK RANKING**

Table 11-2 presents the ranking of the hazards of concern.

## **APPLICABLE REGULATIONS AND PLANS**

The following existing codes, ordinances, policies or plans are applicable to this hazard mitigation plan:

- Emergency Response, Policy No. 3300

## **CLASSIFICATION IN HAZARD MITIGATION PROGRAMS**

The jurisdiction’s classifications under various hazard mitigation programs are presented in Table 11-3.

## **HAZARD MITIGATION ACTION PLAN AND EVALUATION OF RECOMMENDED INITIATIVES**

Table 11-4 lists the initiatives that make up the jurisdiction’s hazard mitigation plan. Table 11-5 identifies the priority for each initiative. Table 11-6 summarizes the mitigation initiatives by hazard of concern and the six mitigation types.

## **FUTURE NEEDS TO BETTER UNDERSTAND RISK/VULNERABILITY**

A detailed flood plan for Panther, Mud and Squaw Creeks should be re-investigated and a mitigation plan initiated with the necessary funding. This will ease the burden of high premiums for flood insurance, which does nothing for mitigating the situation. A straightforward plan should be realized with the necessary funding to begin flood mitigation to ensure safety for residents of the community of McCloud.

**TABLE 11-1.  
NATURAL HAZARD EVENTS**

| Type of Event  | Date     | Preliminary Damage Assessment |
|----------------|----------|-------------------------------|
| Severe Flood   | 7/1/2011 | \$3,500                       |
| Severe Weather | 3/8/2010 | Estimate Unavailable          |
| Severe Flood   | 1/4/1997 | Estimate Unavailable          |

**TABLE 11-2.  
HAZARD RISK RANKING**

| Rank | Hazard Type           | Risk Rating Score (Probability x Impact) |
|------|-----------------------|------------------------------------------|
| 1    | Severe winter Weather | 54                                       |
| 2    | Flood                 | 54                                       |
| 3    | Wild Fire             | 54                                       |
| 4    | Earthquake            | 36                                       |
| 5    | Drought               | 7                                        |
| 6    | Land Slide            | 30                                       |
| 7    | Volcano               | 18                                       |

**TABLE 11-3.  
COMMUNITY CLASSIFICATIONS**

|                   | Participating? | Classification | Date Classified |
|-------------------|----------------|----------------|-----------------|
| Public Protection | No             | --             | --              |
| Storm Ready       | No             | --             | --              |
| Firewise          | No             | --             | --              |

**TABLE 11-4.  
HAZARD MITIGATION ACTION PLAN MATRIX**

| Applies to new or existing assets                                                                                    | Hazards Mitigated | Objectives Met | Lead Agency | Estimated Cost | Sources of Funding            | Timeline   |
|----------------------------------------------------------------------------------------------------------------------|-------------------|----------------|-------------|----------------|-------------------------------|------------|
| <b>MCSD-1 - Inform and educate the public on hazard mitigation and preparedness via a District operated website.</b> |                   |                |             |                |                               |            |
| Existing                                                                                                             | All Hazards       | 1, 2, 5, 8     | MCSD        | \$7000<br>Low  | General Fund                  | Short-term |
| <b>MCSD-2—Relocate District owned critical facilities out of identified high hazard risk zones.</b>                  |                   |                |             |                |                               |            |
| Existing                                                                                                             | All Hazards       | 1, 2, 4, 6     | MCSD        | High           | FEMA Hazard Mitigation Grants | Long-term  |

**TABLE 11-4.  
HAZARD MITIGATION ACTION PLAN MATRIX**

| Applies to new or existing assets                                                                                                                                                                                                  | Hazards Mitigated | Objectives Met            | Lead Agency   | Estimated Cost     | Sources of Funding                                           | Timeline   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------------|---------------|--------------------|--------------------------------------------------------------|------------|
| <b>MCSD-3</b> —Collect improved data (hydrologic, topographic, geologic, volcanic, historic, etc.) to assess risks and vulnerabilities.                                                                                            |                   |                           |               |                    |                                                              |            |
| New and Existing                                                                                                                                                                                                                   | All Hazards       | 1, 2, 3, 4, 5, 7          | MCS D         | \$50,000<br>High   | Grants, General Fund                                         | Short-term |
| <b>MCSD-4</b> —Retrofit, rehabilitate, or replace vulnerable water system, storm water, and sewer facilities and infrastructure throughout the District.                                                                           |                   |                           |               |                    |                                                              |            |
| Existing                                                                                                                                                                                                                           | All Hazards       | 1, 2, 4, 6                | MCS D         | High               | FEMA Hazard Mitigation Grants, other grants                  | Long-term  |
| <b>MCSD-5</b> —Develop District continuity of operations plan and continuity of government plan.                                                                                                                                   |                   |                           |               |                    |                                                              |            |
| New                                                                                                                                                                                                                                | All Hazards       | 1, 3, 4, 7                | MCS D         | \$50,000<br>Medium | Grants, General Fund                                         | Short-term |
| <b>MCSD-6</b> —Design and construct drainage improvements along Panther Creek through the District to address repetitive damage from flooding on the adjacent roads and property.                                                  |                   |                           |               |                    |                                                              |            |
| Existing                                                                                                                                                                                                                           | Flood             | 1, 2, 4                   | County, MCS D | \$25,000<br>High   | FEMA Hazard Mitigation Grants, other grants                  | Short-term |
| <b>MCSD-7</b> —Continue to maintain compliance with the National Flood Insurance Program.                                                                                                                                          |                   |                           |               |                    |                                                              |            |
| New and existing                                                                                                                                                                                                                   | Flood             | 1, 2, 3, 7                | MCS D         | Low                | General Fund                                                 | Short-term |
| <b>MCSD-8</b> —Integrate goals, objectives, and initiatives of the Siskiyou County Hazard Mitigation Plan into existing district regulations and programs where appropriate.                                                       |                   |                           |               |                    |                                                              |            |
| Existing                                                                                                                                                                                                                           | All Hazards       | 1, 2, 3, 5, 7             | MCS D         | Low                | General Fund                                                 | Short-term |
| <b>MCSD-9</b> —Continue to support the implementation, monitoring, maintenance, and updating of this plan.                                                                                                                         |                   |                           |               |                    |                                                              |            |
| New and Existing                                                                                                                                                                                                                   | All Hazards       | All                       | MCS D         | Low                | General Fund, FEMA Hazard Mitigation Grant for 5-year update | Short-term |
| <b>MCSD-10</b> —Support County-wide initiatives identified in Volume 1 of this Plan                                                                                                                                                |                   |                           |               |                    |                                                              |            |
| New and Existing                                                                                                                                                                                                                   | All Hazards       | 1, 2, 3, 4, 5, 6, 7, 8, 9 | City          | Low                | District                                                     | Short Term |
| <b>MCSD-11</b> —Where appropriate, support retrofitting, purchase, or relocation of structures located in hazard-prone areas to protect structures from future damage, with repetitive loss and severe loss properties as priority |                   |                           |               |                    |                                                              |            |

**TABLE 11-4.  
HAZARD MITIGATION ACTION PLAN MATRIX**

|                                   |                   |                           |             |                |                                  |           |
|-----------------------------------|-------------------|---------------------------|-------------|----------------|----------------------------------|-----------|
| Applies to new or existing assets | Hazards Mitigated | Objectives Met            | Lead Agency | Estimated Cost | Sources of Funding               | Timeline  |
| New and Existing                  | All Hazards       | 1, 2, 3, 4, 5, 6, 7, 8, 9 | City        | High           | District, FEMA Mitigation Grants | Long Term |

**TABLE 11-5.  
MITIGATION STRATEGY PRIORITY SCHEDULE**

| Initiative | of Objectives Met | Benefits | Costs  | Do Benefits Equal or Exceed Costs? | Is Project Grant-Eligible? | Can Project Be Funded Under Existing Programs/Budgets? | Priority <sup>a</sup> |
|------------|-------------------|----------|--------|------------------------------------|----------------------------|--------------------------------------------------------|-----------------------|
| MCSD-1     | 4                 | Medium   | Low    | Yes                                | No                         | Yes                                                    | High                  |
| MCSD-2     | 4                 | High     | High   | Yes                                | Yes                        | No                                                     | Low                   |
| MCSD-3     | 6                 | High     | High   | Yes                                | No                         | No                                                     | High                  |
| MCSD-4     | 4                 | High     | High   | Yes                                | Yes                        | No                                                     | High                  |
| MCSD-5     | 4                 | Medium   | Medium | Yes                                | Yes                        | Yes                                                    | High                  |
| MCSD-6     | 3                 | High     | High   | Yes                                | Yes                        | No                                                     | High                  |
| MCSD-7     | 4                 | High     | Low    | Yes                                | No                         | Yes                                                    | High                  |
| MCSD-8     | 4                 | High     | Low    | Yes                                | Yes                        | Yes                                                    | High                  |
| MCSD-9     | 9                 | High     | Low    | Yes                                | Yes                        | Yes                                                    | High                  |
| MCSD-10    | 9                 | High     | Low    | Yes                                | No                         | Yes                                                    | High                  |
| MCSD-11    | 9                 | High     | High   | Yes                                | Yes                        | No                                                     | Medium                |

a. See Section 1.3 for definitions of high, medium and low priorities.

**TABLE 11-6.  
ANALYSIS OF MITIGATION INITIATIVES**

| Hazard Type    | Initiative Addressing Hazard, by Mitigation Type <sup>a</sup> |                                 |                                   |                                |                                |                        |
|----------------|---------------------------------------------------------------|---------------------------------|-----------------------------------|--------------------------------|--------------------------------|------------------------|
|                | 1. Prevention                                                 | 2. Property Protection          | 3. Public Education and Awareness | 4. Natural Resource Protection | 5. Emergency Services          | 6. Structural Projects |
| Dam Failure    | N/A                                                           | N/A                             | N/A                               | N/A                            | N/A                            | N/A                    |
| Drought        | MCSD-1                                                        | MCSD-2, MCSD-7                  | MCSD-1, MCSD-8, MCSD-10           | MCSD-3                         | MCSD-1, MCSD-8                 | MCSD-4                 |
| Earthquake     | MCSD-8                                                        | MCSD-7, MCSD-8, MCSD-11         | MCSD-1, MCSD-8, MCSD-10           | MCSD-3                         | MCSD-1, MCSD-8                 | MCSD-4                 |
| Flood          | MCSD-5, MCSD-6                                                | MCSD-2, MCSD-7, MCSD-9, MCSD-11 | MCSD-1, MCSD-8, MCSD-10           | MCSD-3                         | MCSD-1, MCSD-2, MCSD-3, MCSD-8 | MCSD-6, MCSD-7         |
| Landslide      | MCSD-6, MCSD-8                                                | MCSD-2, MCSD-7, MCSD-9, MCSD,11 | MCSD-1, MCSD-8, MCSD-10           | MCSD-3                         | MCSD-1, MCSD-2, MCSD-3, MCSD-8 | MCSD-6, MCSD-7         |
| Severe Weather | MCSD-8                                                        | MCSD-3, MCSD-9, MCSD-11         | MCSD-1, MCSD-8, MCSD-10           | MCSD-3                         | MCSD-1 MCSD-8, MCSD-9          | MCSD-4                 |
| Volcano        | MCSD-8                                                        | MCSD-3, MCSD-9, MCSD-11         | MCSD-1, MCSD-8, MCSD-10           | MCSD-3                         | MCSD-1, MCSD-8, MCSD-9         | MCSD-4                 |
| Wildfire       | MCSD-8                                                        | MCSD-3, MCSD-9, MCSD-11         | MCSD-1, MCSD-8, MCSD-10           | MCSD-3                         | MCSD-1, MCSD-8, MCSD-9         | MCSD-4                 |

a. See Section 1.3 for description of mitigation types

**RESOLUTION NO. 08, 2022**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCCLOUD COMMUNITY SERVICES DISTRICT  
AUTHORIZING ADOPTION OF THE SISKIYOU COUNTY, CALIFORNIA HAZARD MITIGATION PLAN**

**WHEREAS**, all jurisdictions within Siskiyou County have exposure to natural hazards that increase the risk to life, property, environment, and the County and local economy; and

**WHEREAS**, pro-active mitigation of known hazards before a disaster event can reduce or eliminate long-term risk to life and property; and

**WHEREAS**, a coalition of Siskiyou County municipalities with like planning objectives has been formed to pool resources and create consistent mitigation strategies within Siskiyou County; and

**WHEREAS**, the coalition has completed a planning process that engages the public, assesses the risk and vulnerability to the impacts of natural hazards, develops a mitigation strategy consistent with a set of uniform goals and objectives, and creates a plan for implementing, evaluating and revising this strategy.

**NOW, THEREFORE, BE IT RESOLVED** that the **MCSD**:

- 1) Adopts in its entirety, the Hazard Mitigation Plan (the “Plan”) as the jurisdiction’s Natural Hazard Mitigation Plan and resolves to execute the actions identified in the Plan that pertain to this jurisdiction.
- 2) Will use the adopted and approved portions of the Plan to guide pre- and post-disaster mitigation of the hazards identified.
- 3) Will coordinate the strategies identified in the Plan with other planning programs and mechanisms under its jurisdictional authority.
- 4) Will incorporate mitigation planning as an integral component of government and partner operations.

PASSED AND ADOPTED on this 12<sup>th</sup> day of September, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: \_\_\_\_\_

Jennifer Brunello, District Secretary

\_\_\_\_\_  
Catherine Young, President of the Board