

BOARD OF DIRECTORS REGULAR MEETING AGENDA

June 18, 2019 2:00 PM

Saddle Creek Lodge

1001 Saddle Creek Drive, Copperopolis, CA

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. CHANGES TO ORDER OF AGENDA

5. PUBLIC COMMENT (Each speaker is limited to two (2) minutes)

Members of the public are appreciated for taking the time to attend this meeting and provide comments on matters of District business. Any member of the public may address the Board relating to any matter within the Board's jurisdiction. This need not be related to any item on the agenda; however, the Board cannot act on an item unless it was noticed on the agenda.

6. CONSENT CALENDAR

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

- a) Review of monthly financial report, approval of bills and claims for the month of May 2019.
- b) Approval of the minutes from the Regular Board Meeting held May 26, 2019.

7. DISCUSSION AND ACTION ITEMS

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

- a) Consideration of solutions and actions related to the storm drain odor occurring on Rockridge
- b) Adoption of a Resolution approving a revised fee schedule including Engineering fee's with 10% administrative markup
- c) Adoption of the 5-Year Road Maintenance Program and related annual improvements for the purpose of final budget development
- d) Adoption of a Resolution approving the Preliminary Budget for the 2019/2020 fiscal year effective July 1, 2019, and set the date for a budget public hearing and final budget adoption
- e) Consideration of draft terms and conditions of an Memorandum of Agreement/Understanding with CV Partners, Inc. regarding equipment and property donations, joint operating expenses, community common area maintenance responsibilities, utility costs and related expenses

8. STAFF AND DIRECTOR REPORTS:

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

- General Manager's Report
- Site Manager's verbal report

9. ADJOURNMENT

Agenda Materials: May be viewed on the bulletin boards outside the Saddle Creek Pro Shop, on the Sports Club Bulletin Board, in the viewing box outside the CSD main office and at the CSD Website typically three days preceding each meeting date. Materials will also be available at the meeting.

Americans with Disabilities Act Compliance: If you require special assistance to participate in Board Meetings, please contact the CSD Clerk at (209) 785-0100. Advance notification will enable the District to make reasonable arrangements to insure accessibility.

BOARD OF DIRECTORS SPECIAL MEETING MINUTES

May 28, 2019 2:00 PM

Saddle Creek SPORTS CENTER

1001 Saddle Creek Drive, Copperopolis, CA

1. **CALL TO ORDER** President DeBaldo, Vice President Golden, Director Golden, Director Kurtz, Director Abertson- **ABSENT**, Genral Manger Kampa, Board Clerk McCutchen, Site Supervisor McGeroge
2. **ROLL CALL**
3. **PLEDGE OF ALLEGIANCE**
4. **CHANGES TO ORDER OF AGENDA-None**
5. **PUBLIC COMMENT**

6. **CONSENT CALENDAR**
 - a) Review of monthly financial report, approval of bills and claims for the month of April 2019.
 - b) Approval of the minutes from the Regular Board Meeting held April 16, 2019.
Item c was pulled from the Consent Calendar. Motion made by Director Hoffman to approve the consent calendar item a & b, second made by Director Golden, motion passes unanimously.
 - c) Adoption of a Resolution Ratifying Agreement with Marks Seeding Services, Inc. for the Entrance Hydroseed Project.
Motion made by Director Hoffman to approve the consent calendar item c, second made by Director Golden, motion passes unanimously.

7. **DISCUSSION AND ACTION ITEMS**

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

 - d) Presentation, Review and Acceptance of the 2017/2018 Fiscal Year Audited Financial Statements. **Motion made by Director Hoffman to accept the review of the audited financial statements, second made by Director Golden, motion passes unanimously.**
 - a) Consideration of Approval of the Five Year Road Maintenance Plan and Direct Staff to Proceed with Planning, Design and Construction of the 2019/20 Projects. **Motion made by Director Golden to accept the five year report with revisions, second made by Director Hoffman, motion passes unanimously.**
 - b) Review of the Preliminary Draft 2019/20 Fiscal Year Budget Planned for Adoption June 18,2019 **Motion made by Director Hoffman to prepare the preliminary draft 2019/20 fiscal year budget to evaluate funding the entire road project with a loan, and the effect on the budget of levying the special tax at the previously planned, lower rate, and schedule the budget for adoption June 18, 2019, second made by Director Golden, motion passes unanimously.**

8. **STAFF AND DIRECTOR REPORTS:**

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

 - General Manager's Report
 - Update on cost impact for more frequent updating of facebook and website
 - Update report on CSDA Legislative Action Days on May 21, 22, 2019

- Site Manager's verbal report
 - Meeting Agenda posting location installed outside guard shack

9. ADJOURNMENT 4:02pm

Agenda Materials: May be viewed on the bulletin boards outside the Saddle Creek Pro Shop, on the Sports Club Bulletin Board, in the viewing box outside the CSD main office and at the CSD Website typically three days preceding each meeting date. Materials will also be available at the meeting.

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Saddle Creek Community Services District

Treasurer's Report

May 31, 2019

Saddle Creek Comm Srvs District
Treasurer's Report
MAY 2019

Statement of Cash Flows

For the 11 Months Ending May 31, 2019

	Umpqua Bank Checking	2018 Road Improvement Project	Calaveras Co Fund 2188	LAIF	YTD Total
Net Income	54,069	(700,006)	(46,606)	2,149	(690,394)
OPERATING ACTIVITIES					
Adjustments to reconcile Net Income to Net Cash provided by Operations:					
1200 Accounts Receivable	(263)				(263)
2000 Accounts Payable	42,949				42,949
2050 Umpqua CSDA Visa	7,620				7,620
2100 Payroll Taxes Payable	6,137				6,137
2110 Garnishments Payable	(179)				(179)
2150 Accrued Payroll	14,074				14,074
2200 Sales Tax Payable	(2)				(2)
Net cash provided by operating activities	124,405	(700,006)	(46,606)	2,149	(620,058)
FINANCING ACTIVITIES					
2500 Lease Payable - John Deere	54,970				54,970
Net cash increase for period	179,375	(700,006)	(46,606)	2,149	(565,088)
Cash at beginning of period (7/1/2018)	543,490	700,006	46,632	100,000	1,390,128
Cash at end of period	722,865	-	26	102,149	825,040

**Saddle Creek Comm Srvs District
Treasurer's Report
May 2019**

Cash Flow Projection

FY 2018-19									
May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	

REGULAR CHECKING

Beginning Checking Account Balance	\$ 463,055	\$ 722,865	\$ 616,077	\$ 554,725	\$ 523,374	\$ 462,023	\$ 400,671	\$ 339,320	\$ 277,969
Deposits									
Assessments	\$ 407,427			\$ 30,000					
Other Income	\$ 1,100								
Disbursements									
Paychecks	\$ 11,017	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000
Payroll Taxes	\$ 8,537 (9)	\$ 8,200	\$ 8,200	\$ 8,200	\$ 8,200	\$ 8,200	\$ 8,200	\$ 8,200	\$ 8,200
Checks Written									
Other Operating & Admin Costs	\$ 23,269	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000
Bonuses - IRA payments									
Property Liability Insurance		\$ 10,760							
Worker's Comp Insurance		\$ 12,975							
New Lease payments	\$ 1,051 (2)	\$ 1,051	\$ 1,051	\$ 1,051	\$ 1,051	\$ 1,051	\$ 1,051	\$ 1,051	\$ 1,051
Capital Outlay	\$ - (3)	8802	<i>(Budget for this period is unknown at this time)</i>						
Projects Costs			<i>(Radar Unit)(Spray Rig)</i>						
Human Resources Practioners	\$ -	\$ 1,000	<i>(Budget for this period is unknown at this time)</i>						
Willdan	\$ 950		<i>(Budget for this period is unknown at this time)</i>						
NBS			<i>(Budget for this period is unknown at this time)</i>						
SDFA (Road Construction Loan)	\$ 83,745 (4)								
Landscape Architect	\$ 9,904 (5)	\$ 11,900	<i>(Budget for this period is unknown at this time)</i>						
Credit Card Payments	\$ 8,061	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000
ACS Debits - (Utilities, Lease Pymts,P/R processing)	\$ 2,182	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
Total Disbursements	\$ 148,717	\$ 106,788	\$ 61,351	\$ 61,351	\$ 61,351	\$ 61,351	\$ 61,351	\$ 61,351	\$ 61,351
Ending Checking Account Balance	\$ 722,865	\$ 616,077	\$ 554,725	\$ 523,374	\$ 462,023	\$ 400,671	\$ 339,320	\$ 277,969	\$ 216,617
check \$	-								
Check \$	-								

- (2) New \$55K lease for Compact tractor per Budget
- (3) \$1450.- Shed and \$10698. for trailer both within budget
- (4) Loan payment due May 4, 2019
- (5) Prelim Design \$25K, \$2K contingency - Budget

NOTE: This cash flow projection uses estimates of outlays using information available at the time of preparation

Saddle Creek Comm Srvs District

BALANCE SHEET

As of May 31, 2019

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 Umpqua Bank Checking	722,865
1020 Cash - Fund 2188	26
1040 Local Agency Investment Fund (LAIF)	102,149
Total Bank Accounts	\$825,040
Accounts Receivable	
1200 Accounts Receivable	50
Total Accounts Receivable	\$50
Other Current Assets	
1300 A/R CLEARING	213
Total Other Current Assets	\$213
Total Current Assets	\$825,304
Fixed Assets	
1500 Capital Assets	
1501 Equipment	397,708
1503 Roads	2,360,462
1504 Easements	10,344,000
1505 Buildings	79,000
Total 1500 Capital Assets	13,181,170
1550 Construction in Progress	39,718
1600 Accumulated Depreciation	
1601 Equipment	-265,516
1603 Roads	-782,098
1605 Buildings	-22,120
Total 1600 Accumulated Depreciation	-1,069,734
Total Fixed Assets	\$12,151,155
TOTAL ASSETS	\$12,976,459
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	42,949
Total Accounts Payable	\$42,949
Credit Cards	
2050 Umpqua CSDA Visa	7,520
Total Credit Cards	\$7,520
Other Current Liabilities	
2100 Payroll Taxes Payable	1,211
2150 Accrued Payroll	14,074
2200 Sales Tax Payable	-1

	TOTAL
Total Other Current Liabilities	\$15,284
Total Current Liabilities	\$65,753
Long-Term Liabilities	
2500 Lease Payable - John Deere	97,387
2600 Series 2018 Installment Sale	700,000
Total Long-Term Liabilities	\$797,387
Total Liabilities	\$863,140
Equity	
3800 Developer Capital Contributions	12,198,796
3900 Fund Balance	604,916
Net Income	-690,394
Total Equity	\$12,113,318
TOTAL LIABILITIES AND EQUITY	\$12,976,459

SADDLE CREEK COMMUNITY SERVICES DISTRICT
 FY 2018-19 MONTHLY BUDGET REPORT ANALYSIS

May 2019

		ACTUALS			BUDGET		
		Last Year Jul-May	This Year Jul-May	Variance Inc/ (Decr)	This year's BUDGET	\$ Budget Remaining	% Budget Remaining
EXPENDITURES							
SERVICES AND SUPPLIES							
ADMINISTRATION							
OE01	Audit Expense		\$ 11,500	\$ 11,500	\$ 11,700	\$ 200	2%
OE02	Finance Expenses	\$ 416	\$ 422	\$ 6	\$ 600	\$ 178	30%
OE02-1	Parcel Tax Implementation	\$ 3,387	\$ 4,354	\$ 967	\$ 5,500	\$ 1,146	21%
OE03	Advertising	\$ 906	\$ 378	\$ (528)	\$ 500	\$ 122	24%
OE04	Legal Expenses	\$ 750	\$ 1,575	\$ 825	\$ 1,700	\$ 125	7%
OE05	Management Fees	\$ 55,972	\$ 69,559	\$ 13,587	\$ 69,400	\$ (159)	0%
OE06	Insurance (Property Loss/Liability)	\$ 10,430	\$ 10,767	\$ 337	\$ 9,500	\$ (1,267)	-13%
OE07	Miscellaneous/Contingency	\$ 4,576	\$ 3,189	\$ (1,388)	\$ 8,000	\$ 4,811	60%
OE08	Professional Development (Travel/Training)	\$ 11,101	\$ 10,013	\$ (1,087)	\$ 11,000	\$ 987	9%
OE09	Dues, Certifications & Subscriptions	\$ 7,608	\$ 7,617	\$ 9	\$ 7,300	\$ (317)	-4%
OE10	Uniform Expenses	\$ 2,692	\$ 3,055	\$ 363	\$ 3,000	\$ (55)	-2%
OE11	Electric Power/Water/Sewer	\$ 5,185	\$ 9,433	\$ 4,248	\$ 5,800	\$ (3,633)	-63%
OE12	Telephone/Internet Service	\$ 5,554	\$ 6,072	\$ 517	\$ 6,000	\$ (72)	-1%
OE14	Office Supplies/Postage	\$ 6,134	\$ 4,739	\$ (1,395)	\$ 5,700	\$ 961	17%
OE15	Office Equipment Repair/Replacement	\$ 5,916	\$ 6,796	\$ 880	\$ 8,000	\$ 1,204	15%
OE21	Office Equipment Lease	\$ 2,042	\$ 2,253	\$ 211	\$ 2,700	\$ 447	17%
OE26	County Fees/LAFCO	\$ 9,642	\$ 5,602	\$ (4,040)	\$ 10,500	\$ 4,898	47%
OE29	Accounting Services		\$ 3,600				
OE30	Reimbursable Maint/Repair Expense	\$ 4,352	\$ 690	\$ (3,662)	\$ 3,000	\$ 2,310	77%
OE41	HR Consultant	\$ 4,000	\$ 6,900	\$ 2,900	\$ 6,000	\$ (900)	-15%
PE03-1	Payroll Taxes - Administration	\$ 9,774	\$ 12,814	\$ 3,040	\$ -		
PE06-1	Employee Wages - Administration	\$ 110,140	\$ 121,475	\$ 11,335	\$ -		
	Total Administration	\$ 260,575	\$ 302,802	\$ 42,227	\$ 175,900	\$ 10,987	6%
COMMON AREAS				\$ -		\$ -	
OE16	Gate Maintenance & Opener Purchase	\$ 15,417	\$ 18,435	\$ 3,018	\$ 18,400	\$ (35)	0%
OE17	Streets/Sidewalks/Lighting Maint & Repair	\$ 6,529	\$ 17,463	\$ 10,934	\$ 11,100	\$ (6,363)	-57%
OE17-2	Storm Drains		\$ 2,182	\$ 2,182			
PE03-5	Payroll Taxes - Streets	\$ 6	\$ 740	\$ 734	\$ -		
PE06 -5	Employee Wages - Streets	\$ 80	\$ 9,426	\$ 9,345	\$ -		
OE18-1	Landscape Supplies & Repairs	\$ 27,514	\$ 29,677	\$ 2,163	\$ 29,900	\$ 223	1%
OE18-3	Landscape Equipment Gas & Oil	\$ 5,156	\$ 6,432	\$ 1,276	\$ 5,500	\$ (932)	-17%
OE18-4	Landscape Equipment Repair/Replacement	\$ 17,375	\$ 15,786	\$ (1,589)	\$ 17,500	\$ 1,714	10%
PE03-2	Payroll Taxes - Common Areas	\$ 11,038	\$ 14,254	\$ 3,217	\$ -		

SADDLE CREEK COMMUNITY SERVICES DISTRICT
 FY 2018-19 MONTHLY BUDGET REPORT ANALYSIS
 May 2019

		ACTUALS			BUDGET		
		Last Year Jul-May	This Year Jul-May	Variance Incl/ (Decr)	This year's BUDGET	\$ Budget Remaining	% Budget Remaining
EXPENDITURES							
PE06 -2	Employee Wages - Common Areas	\$ 136,569	\$ 172,589	\$ 36,021	\$ -		
	Total Common Areas	\$ 219,684	\$ 286,985	\$ 67,301	\$ 82,400	\$ (5,394)	-7%
MOSQUITO ABATEMENT				\$ -			
OE22-1	Mosquito Control Products	\$ 12,146	\$ 15,553	\$ 3,408	\$ 16,000	\$ 447	3%
OE22-2	Mosquito Abatement Monitoring & Testing	\$ 3,577	\$ 3,462	\$ (115)	\$ 3,800	\$ 338	9%
OE22-3	Mosquito Abatement Vehicles Gas & Oil	\$ 6,755	\$ 10,103	\$ 3,348	\$ 11,600	\$ 1,497	13%
OE22-4	Mosquito Abatement Equipment Maintenance	\$ 9,250	\$ 6,559	\$ (2,691)	\$ 9,200	\$ 2,641	29%
PE03-4	Payroll Taxes - Mosquito Abatement	\$ 900	\$ 1,291	\$ 391			
PE06-4	Employee Wages - Mosquito Abatement	\$ 11,585	\$ 16,496	\$ 4,910			
	Total Mosquito Abatement	\$ 44,213	\$ 53,465	\$ 9,251	\$ 40,600	\$ 4,923	12%
	<i>Less: Distributed Payroll to Service Areas</i>	\$ (280,092)	\$ (349,085)	\$ (68,993)			
	TOTAL SERVICES & SUPPLIES	\$ 244,381	\$ 294,167	\$ 49,786	\$ 298,900	\$ 10,515	4%
PERSONNEL COSTS				\$ -		\$ -	
PE01	Worker Compensation Insurance	\$ 12,407	\$ 13,536	\$ 1,129	\$ 14,700	\$ 1,164	8%
PE02	Health Insurance	\$ 39,075	\$ 44,566	\$ 5,491	\$ 73,800	\$ 29,234	40%
PE03	Payroll Taxes	\$ 21,718	\$ 29,100	\$ 7,381	\$ 28,600	\$ (500)	-2%
PE04	Processing Fees	\$ 1,283	\$ 1,587	\$ 304	\$ 1,900	\$ 313	16%
PE05	Directors Stipend	\$ 5,600	\$ 6,500	\$ 900	\$ 6,000	\$ (500)	-8%
PE06	Employee Wages	\$ 258,374	\$ 319,985	\$ 61,612	\$ 351,400	\$ 31,415	9%
	TOTAL PERSONNEL COSTS	\$ 338,458	\$ 415,274	\$ 76,816	\$ 476,400	\$ 61,126	13%
EQUIPMENT OUTLAY				\$ -			
	(1) Cart & (1) Fogger	\$ 28,960		\$ (28,960)			
CO04	Trailer/Spray Rig/Tractor		\$ 65,667		\$ 67,700	\$ 2,033	3%
CO09	Carport		\$ 11,605		\$ 12,000	\$ 395	3%
CO04	Radar Unit			\$ -	\$ 6,800	\$ 6,800	100%
	TOTAL EQUIPMENT OUTLAY	\$ 28,960	\$ 77,273	\$ 48,313	\$ 86,500	\$ 9,227	11%
CAPITAL OUTLAY/STUDIES/ASSESEMENTS				\$ -			
OE53-2	Landscape Design		\$ 9,904	\$ 9,904	\$ 25,875	\$ 15,971	62%
OE53-1	Landscape Improvements	\$ 35,927	\$ 7,916	\$ (28,012)	\$ -	\$ (7,916)	
OE51-4	Road Improvement (1)		\$ 718,875	\$ 718,875	\$ 724,063	\$ 5,188	1%
OE51-1	Road Project Design/Mgmt (Willdan)	\$ 38,743	\$ 57,307	\$ 18,564	\$ 56,762	\$ (545)	-1%
	TOTAL STUDIES & ASSESSMENTS	\$ 74,670	\$ 794,002	\$ 719,331	\$ 806,700	\$ 12,698	2%

SADDLE CREEK COMMUNITY SERVICES DISTRICT
FY 2018-19 MONTHLY BUDGET REPORT ANALYSIS

May 2019

	ACTUALS			BUDGET		
	Last Year Jul-May	This Year Jul-May	Variance Incl/ (Decr)	This year's BUDGET	\$ Budget Remaining	% Budget Remaining
EXPENDITURES						
DEBT SERVICE			\$ -			
OE20 John Deere Financing	\$ 14,693	\$ 18,898	\$ 4,205	\$ 16,100	\$ (2,798)	-17%
OE21 John Deere Financing				\$ 12,300		
Series 2018 Installment Sale		\$ 83,745		\$ 83,800		
TOTAL DEBT SERVICE	\$ 14,693	\$ 102,643	\$ 87,950	\$ 112,200	\$ (2,798)	-2%
TOTAL EXPENSES	\$ 701,161	\$ 1,683,358	\$ 982,197	\$ 1,780,700	\$ 90,769	5%

PAYMENTS AND ASSESSMENTS RECEIVED						
<u>Assessment Income</u>						
Pymt No. 3: (5%) Aug 2017 (FY18)	\$ 29,983		\$ (29,983)	\$ 51,275	\$ 51,275	
Pymt No. 1: (55%) Feb 2018 (FY19)	\$ 508,738	\$ 567,157	\$ 58,419	\$ 564,025	\$ (3,132)	
Pymt No. 2: (40%) May 2018 (FY19)	\$ 370,308	\$ 407,427	\$ 37,119	\$ 410,200	\$ 2,773	
Total Assessment Income	\$ 909,029	\$ 974,584	\$ 28,436	\$ 1,025,500	\$ 50,916	
<u>Reimbursement Income</u>						
Total Reimbursement Income			\$ -	\$ -	\$ -	
<u>Other Income</u>						
IN03 Weed Abatement	\$ 12,500	\$ 12,575				
IN05 Investment Interest	\$ 1,009	\$ 2,305				
IN30 Exp Reimbursement Income	\$ 8,468	\$ 774				
IN41 Gate Opener Income	\$ 1,067	\$ 670				
IN59 Rebates	\$ 2,435	\$ 2,057				
Total Other Income	\$ 25,479	\$ 18,381	\$ (7,099)	\$ 3,000	\$ (15,381)	
TOTAL PAYMENTS & ASSESSMENTS	\$ 934,508	\$ 992,965	\$ 58,457	\$ 1,036,200	\$ 43,235	
Net Income	\$ 233,347	\$ (690,394)	\$ (923,741)	\$ (744,500)	\$ (54,106)	
<u>Other Financing Sources & Uses</u>						
Budget Balance		\$ 700,000		\$ 708,500	\$ -	

(1) \$36,000 has been added to the Road Project budget per Resolution #2018-16
Oct-18

Saddle Creek Comm Srvs District

TRANSACTION REPORT

May 2019

DATE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
Umpqua Bank Checking				
Beginning Balance				
05/01/2019	2470	Kampa Community Solutions, LLC	April 2019	-5,962.18
05/01/2019		John Deere Financial	Tractor Payment	-1,335.71
05/01/2019		John Deere Financial	Tractor Payment	-1,051.30
05/03/2019	DD	Ralph M. McGeorge	Pay Period: 04/16/2019-04/30/2019	-1,952.89
05/03/2019	DD	MICHAEL S STROMBERG	Pay Period: 04/16/2019-04/30/2019	-1,174.26
05/03/2019	DD	DAMON H WAITE	Pay Period: 04/16/2019-04/30/2019	-1,104.39
05/03/2019	DD	Gregory Hebard	Direct Deposit 2	-50.00
05/03/2019	DD	JEROD S MCELROY	Pay Period: 04/16/2019-04/30/2019	-1,104.38
05/03/2019	DD	NICOLE D MC CUTCHEN	Pay Period: 04/16/2019-04/30/2019	-1,498.56
05/03/2019	DD	BRADLEY S KURTZER	Pay Period: 04/16/2019-04/30/2019	-494.90
05/03/2019	DD	Gregory Hebard	Pay Period: 04/16/2019-04/30/2019	-2,437.40
05/03/2019	dm	Intuit Full Service Payroll	Payroll Processing Fee	-141.00
05/03/2019	DD	KYLE W CEARLEY	Pay Period: 04/16/2019-04/30/2019	-1,200.68
05/06/2019	dm	SDU Child Support	Garnishment	-103.00
05/08/2019		CA EDD	Tax Payment for Period: 05/01/2019-05/03/2019	-648.28
05/08/2019		IRS	Tax Payment for Period: 05/01/2019-05/03/2019	-3,630.34
05/20/2019	DD	Ralph M. McGeorge	Pay Period: 05/01/2019-05/15/2019	-1,952.89
05/20/2019	DD	MICHAEL S STROMBERG	Pay Period: 05/01/2019-05/15/2019	-1,229.26
05/20/2019	DD	DAMON H WAITE	Pay Period: 05/01/2019-05/15/2019	-1,104.37
05/20/2019	DD	JEROD S MCELROY	Pay Period: 05/01/2019-05/15/2019	-1,104.38
05/20/2019	DD	NICOLE D MC CUTCHEN	Pay Period: 05/01/2019-05/15/2019	-1,345.38
05/20/2019	DD	BRADLEY S KURTZER	Pay Period: 05/01/2019-05/15/2019	-649.69
05/20/2019	DD	Gregory Hebard	Direct Deposit 2	-50.00
05/20/2019	DD	Gregory Hebard	Pay Period: 05/01/2019-05/15/2019	-2,437.40
05/20/2019	DD	KYLE W CEARLEY	Pay Period: 05/01/2019-05/15/2019	-1,200.68
05/21/2019	dm	SDU Child Support	Garnishment	-103.00
05/24/2019		IRS	Tax Payment for Period: 05/18/2019-05/21/2019	-3,619.12
05/24/2019		CA EDD	Tax Payment for Period: 05/18/2019-05/21/2019	-639.13
05/28/2019	2478	MVCAC	Invoice #7360952	-120.00
05/28/2019	2479	DMV Renewal	License #57LP20	-52.00
05/28/2019	2480	ORR Design Office	Invoice #01	-9,904.00
05/28/2019	2481	Turf Star, Inc.	Invoice #7060779-00	-350.82
05/28/2019	2482	SDRMA-Health Ins.	Invoice #28964	-4,014.72
05/28/2019	2483	Cisco Fire Sprinklers Inc	Invoice #E5049	-240.00
05/28/2019	2477	Vector-borne Surveillance Account	Recertification Fee Invoice for Ralph & Greg	-286.00
05/28/2019	2475	Jim Wilson Excavation	Statement #'s 3315 & 330	-2,292.00
05/28/2019	2474	City National Bank	Installment Sale Agreement #17-003	-83,745.26

DATE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
05/28/2019	2473	Willdan	Invoice #00329392	-950.00
05/28/2019	2476	Saddle Creek 2	12% CCWD reimbursement	-194.12
05/28/2019	dm	Umpqua Bank Commerical CC	Umpqua CSDA Visa	-8,061.44
05/29/2019	dm	PG&E - 7193	Utilities	-354.39
05/31/2019	384515102	USBank Equipment Finance	Copier Lease Payment	-144.79
Total for Umpqua Bank Checking				\$ -150,034.11
TOTAL				\$ -150,034.11

Saddle Creek Comm Srvs District
1000 Umpqua Bank Checking, Period Ending 05/31/2019

RECONCILIATION REPORT

Reconciled on: 06/06/2019

Reconciled by: Ever Ventura

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance.....	478,280.51
Checks and payments cleared (38).....	-52,155.07
Deposits and other credits cleared (5).....	409,843.85
Statement ending balance.....	<u>835,969.29</u>
Uncleared transactions as of 05/31/2019.....	-113,104.44
Register balance as of 05/31/2019.....	722,864.85
Cleared transactions after 05/31/2019.....	0.00
Uncleared transactions after 05/31/2019.....	-16,823.66
Register balance as of 06/06/2019.....	<u>706,041.19</u>

Details

Checks and payments cleared (38)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
12/18/2018	Bill Payment	2394	Saddle Creek II HOA	-875.73
12/18/2018	Bill Payment	2421	Saddle Creek II HOA	-441.02
02/19/2019	Bill Payment	2435	Mike Stromberg	-43.09
03/19/2019	Bill Payment	2453	Hensley's Mfg. Direct Metal R...	-1,450.11
04/16/2019	Bill Payment	2468	Mo-Cal Office Solutions, Inc	-143.18
04/25/2019	Check	2471	Saddle Creek 2	-875.73
04/25/2019	Check	2472	Saddle Creek 2	-441.02
05/01/2019	Bill Payment	2470	Kampa Community Solutions, ...	-5,962.18
05/01/2019	Expense		John Deere Financial	-1,335.71
05/01/2019	Expense		John Deere Financial	-1,051.30
05/03/2019	Check	DD	KYLE W CEARLEY	-1,200.68
05/03/2019	Check	DD	Gregory Hebard	-2,437.40
05/03/2019	Check	DD	Gregory Hebard	-50.00
05/03/2019	Check	DD	BRADLEY S KURTZER	-494.90
05/03/2019	Check	DD	NICOLE D MC CUTCHEN	-1,498.56
05/03/2019	Check	DD	JEROD S MCELROY	-1,104.38
05/03/2019	Check	DD	Ralph M. McGeorge	-1,952.89
05/03/2019	Check	DD	MICHAEL S STROMBERG	-1,174.26
05/03/2019	Check	DD	DAMON H WAITE	-1,104.39
05/03/2019	Expense	dm	Intuit Full Service Payroll	-141.00
05/06/2019	Expense	dm	SDU Child Support	-103.00
05/08/2019	Check		CA EDD	-648.28
05/08/2019	Check		IRS	-3,630.34
05/20/2019	Check	DD	Gregory Hebard	-2,437.40
05/20/2019	Check	DD	DAMON H WAITE	-1,104.37
05/20/2019	Check	DD	MICHAEL S STROMBERG	-1,229.26
05/20/2019	Check	DD	KYLE W CEARLEY	-1,200.68
05/20/2019	Check	DD	Ralph M. McGeorge	-1,952.89
05/20/2019	Check	DD	Gregory Hebard	-50.00
05/20/2019	Check	DD	BRADLEY S KURTZER	-649.69
05/20/2019	Check	DD	NICOLE D MC CUTCHEN	-1,345.38
05/20/2019	Check	DD	JEROD S MCELROY	-1,104.38
05/21/2019	Expense	dm	SDU Child Support	-103.00
05/24/2019	Check		CA EDD	-639.13
05/24/2019	Check		IRS	-3,619.12
05/28/2019	Expense	dm	Umpqua Bank Commerical CC	-8,061.44
05/29/2019	Expense	dm	PG&E - 7193	-354.39
05/31/2019	Expense	384515102	USBank Equipment Finance	-144.79

Total

Deposits and other credits cleared (5)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/13/2019	Deposit		SDRMA Loss Prevention Allo...	1,000.00
05/13/2019	Deposit		Calaveras County	407,427.10
05/13/2019	Deposit		Janel Heath & Tim O'Neill	100.00
05/31/2019	Journal	2019 wcpa 7		441.02
05/31/2019	Journal	2019 wcpa 7		875.73
Total				409,843.85

Additional Information

Uncleared checks and payments as of 05/31/2019

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
11/01/2018	Check	2374	BRADLEY D NICKELL	-257.97
03/19/2019	Bill Payment	2450	Cunningham Manufacturing	-10,697.55
05/28/2019	Bill Payment	2473	Willdan	-950.00
05/28/2019	Bill Payment	2482	SDRMA-Health Ins.	-4,014.72
05/28/2019	Bill Payment	2481	Turf Star, Inc.	-350.82
05/28/2019	Bill Payment	2480	ORR Design Office	-9,904.00
05/28/2019	Bill Payment	2479	DMV Renewal	-52.00
05/28/2019	Bill Payment	2483	Cisco Fire Sprinklers Inc	-240.00
05/28/2019	Bill Payment	2478	MVCAC	-120.00
05/28/2019	Bill Payment	2477	Vector-borne Surveillance Acc...	-286.00
05/28/2019	Bill Payment	2476	Saddle Creek 2	-194.12
05/28/2019	Bill Payment	2475	Jim Wilson Excavation	-2,292.00
05/28/2019	Bill Payment	2474	City National Bank	-83,745.26
Total				-113,104.44

Uncleared checks and payments after 05/31/2019

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
06/01/2019	Bill Payment	2484	Kampa Community Solutions, ...	-5,962.18
06/05/2019	Check	DD	JEROD S MCELROY	-1,197.14
06/05/2019	Check	DD	NICOLE D MC CUTCHEN	-744.58
06/05/2019	Check	DD	BRADLEY S KURTZER	-649.67
06/05/2019	Check	DD	DAMON H WAITE	-1,197.14
06/05/2019	Check	DD	Gregory Hebard	-2,437.48
06/05/2019	Check	DD	KYLE W CEARLEY	-1,299.77
06/05/2019	Check	DD	MICHAEL S STROMBERG	-1,332.73
06/05/2019	Check	DD	Ralph M. McGeorge	-1,952.97
06/05/2019	Check	DD	Gregory Hebard	-50.00
Total				-16,823.66

Saddle Creek Comm Srvs District

CREDIT CARD - TRANSACTION DETAIL BY ACCOUNT

May 2019

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
1300 A/R CLEARING					
05/06/2019	Expense		Amazon	Nicole personal purchase to be paid back	27.42
05/20/2019	Expense		Amazon	Bradley personal purchase to be paid back	38.42
05/20/2019	Expense		Amazon	Bradley personal purchase to be paid back	19.87
05/22/2019	Expense		Amazon	Bradley personal purchase to be paid back	127.63
Total for 1300 A/R CLEARING					\$213.34
2050 Umpqua CSDA Visa					
05/01/2019	Expense		Hunt & Sons, Inc.	Mosquito supplies	500.15
05/02/2019	Expense		Drifters Marina & Grill		56.99
05/02/2019	Expense		Sonora Airco Gas & Gear	Mosquito supplies	425.45
05/02/2019	Expense		Calaveras Lumber	Landscape supplies	524.15
05/03/2019	Expense		Amazon	Office supplies	14.92
05/03/2019	Expense		Verizon Wireless	Verizon telephone	106.26
05/05/2019	Expense		California Waste Recovery Systems	Mosquito supplies	72.58
05/06/2019	Expense		Amazon		27.42
05/07/2019	Expense		Cal Traffic	Office Equipment	488.77
05/07/2019	Expense		McDillard's Feed & Supply	Mosquito supplies	58.00
05/07/2019	Expense		Amazon	Office supplies	6.49
05/07/2019	Expense		Union 76	Gas - Meeting	82.05
05/12/2019	Expense		Intuit - QBO Online		30.99
05/12/2019	Expense		Aramark Uniform Service		210.25
05/12/2019	Expense		Microsoft Office	Microsoft 360 Subscription	12.50
05/14/2019	Expense		Hughson Farm Supply		614.46
05/14/2019	Expense		Modesto Airco Gas & Gear		139.58
05/15/2019	Expense		Hunt & Sons, Inc.	Mosquito supplies	953.42
05/15/2019	Expense		Hughson Farm Supply		44.31
05/15/2019	Expense		Calaveras Telephone Co.	Calaveras utilities	342.52
05/16/2019	Expense		Rinaldi's		28.84
05/20/2019	Expense		Amazon		38.42
05/20/2019	Expense		Amazon		19.87
05/22/2019	Expense		Lewis Port USA Racing	Real Estate Signs	64.35
05/22/2019	Expense		Amazon		127.63
05/22/2019	Expense		AMCA (American Mosquito Control Assn)		525.00
05/30/2019	Expense		Young's Copper Ace Hardware		1,948.07
05/30/2019	Expense		Griff's BBQ & Grill		56.84
Total for 2050 Umpqua CSDA Visa					\$7,520.28
TE TOTAL EXPENSES					
1SS SERVICES & SUPPLIES					
AE Administrative Expenses					
OE02 Finance Expenses					
05/12/2019	Expense		Intuit - QBO Online	Monthly QuickBooks Online Fee	30.99
Total for OE02 Finance Expenses					\$30.99
OE08 Professional Development					

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
05/02/2019	Expense		Drifters Marina & Grill	Mosquito Fogging Scott & Greg	56.99
05/07/2019	Expense		Union 76		82.05
05/16/2019	Expense		Rinaldi's	Lunch for mosquito test staff	28.84
05/30/2019	Expense		Griff's BBQ & Grill		56.84
Total for OE08 Professional Development					\$224.72
OE09 Dues, Certs, Bonds & Subscriptions					
05/22/2019	Expense		AMCA (American Mosquito Control Assn)	Legislative Advocacy & Sustaining Govt	525.00
05/30/2019	Expense		Young's Copper Ace Hardware		1,948.07
Total for OE09 Dues, Certs, Bonds & Subscriptions					\$2,473.07
OE12 Telephone					
05/03/2019	Expense		Verizon Wireless		106.26
05/15/2019	Expense		Calaveras Telephone Co.		342.52
Total for OE12 Telephone					\$448.78
OE14 Office Supplies/Postage					
05/03/2019	Expense		Amazon		14.92
05/12/2019	Expense		Microsoft Office		12.50
05/22/2019	Expense		Lewis Port USA Racing	Sign Sales	64.35
Total for OE14 Office Supplies/Postage					\$91.77
OE15 Office Equipment Repair/Replace					
05/07/2019	Expense		Amazon		6.49
05/07/2019	Expense		Cal Traffic		488.77
Total for OE15 Office Equipment Repair/Replace					\$495.26
Total for AE Administrative Expenses					\$3,764.59
OE Operational Expenses					
OE18 Common Areas					
OE18-3 Landscape Equipment Gas & Oil					
05/15/2019	Expense		Hunt & Sons, Inc.	Invoice #51732	380.58
Total for OE18-3 Landscape Equipment Gas & Oil					\$380.58
OE18-4 Landscape Equip Repair/Replace					
05/02/2019	Expense		Calaveras Lumber		524.15
05/14/2019	Expense		Hughson Farm Supply	Equipment repairs	614.46
05/15/2019	Expense		Hughson Farm Supply	Equipment repairs	44.31
Total for OE18-4 Landscape Equip Repair/Replace					\$1,182.92
Total for OE18 Common Areas					\$1,563.50
OE22 Mosquito Abatement Expense					
OE22-1 Mosquito Control Products					
05/02/2019	Expense		Sonora Airco Gas & Gear		425.45
05/05/2019	Expense		California Waste Recovery Systems		72.58
Total for OE22-1 Mosquito Control Products					\$498.03
OE22-2 Mosquito Abatement Monitor/Test					
05/07/2019	Expense		McDillard's Feed & Supply		58.00
05/12/2019	Expense		Aramark Uniform Service		210.25
Total for OE22-2 Mosquito Abatement Monitor/Test					\$268.25
OE22-3 Mosquito Abate Vehicles Gas/Oil					
05/01/2019	Expense		Hunt & Sons, Inc.		500.15
05/15/2019	Expense		Hunt & Sons, Inc.	Invoice #49289	572.84
Total for OE22-3 Mosquito Abate Vehicles Gas/Oil					\$1,072.99

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
OE22-4 Mosquito Abatement Equip Maint					
05/14/2019	Expense		Modesto Airco Gas & Gear	Mosquito supplies	139.58
Total for OE22-4 Mosquito Abatement Equip Maint					\$139.58
Total for OE22 Mosquito Abatement Expense					\$1,978.85
Total for OE Operational Expenses					\$3,542.35
Total for 1SS SERVICES & SUPPLIES					\$7,306.94
Total for TE TOTAL EXPENSES					\$7,306.94

Saddle Creek Community Services District
SCHEDULE

2019-20 FEE

Weed Abatement fee	\$ 75.00
Late payment Fee for Weed Abatement	\$ 25.00
Gate Key Card (each)	\$ 10.00
Gate Clicker (each)	\$ 50.00
Gate damage administrative fee	\$ 250.00
Gate damage repair costs	At cost of repair
Encroachment permit fee	\$ 25.00
Easement encroachment administrative fee	\$ 100.00
Easement encroachment fine - 1st Offense	\$ 200.00
Easement encroachment fine - 2nd Offense	\$ 250.00
Surveyor fee for encroachment issues	\$ 500.00
Professional Fees such as Engineering, surveying or Legal	At cost plus 10%

DRAFT

Saddle Creek Community Services District

Special Meeting of June 18, 2019

AGENDA SUPPORTING DATA

7. DISCUSSION AND ACTION ITEMS

c) Adoption of the 5-Year Road Maintenance Program and related annual improvements for the purpose of final budget development

Recommended Motion

I move to approve the Five Year Road Maintenance Plan as amended

Background

The Board has directed the preparation of a five year road maintenance program and we have entered into contract with Willdan Engineering to conduct the analysis and prepare the report. The draft five year road report was publicly distributed in mid-May 2019, and was reviewed and discussed in detail during the May 28, 2019 special meeting. Based on public and Board input, the draft report was revised for accuracy, clarity and to serve as an historical record of road management. The revised final draft is attached herein for consideration.

The plan, once adopted in conjunction with the annual budget, serves as the roadmap and funding for management to implement continuous improvements to the Saddle Creek roads. If the plan is not adopted, staff seeks guidance from the Board on expectations for a modified prioritization model.



Saddle Creek Community Services District
Five Year Capital Improvement Program – Street Repaving

May 2019

Peter Rei, PE, PLS



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2. Spreadsheet – Saddle Creek Subdivision, Roadways by Neighborhood	
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1. Pavement Condition Assessment for Saddle Creek Community Services District, June 2016, Peter Rei, PE	
2. Technical Memorandum – Pavement Evaluation for Saddle Creek Resort, August 2006, Jon K. Lynch, PE	

Executive Summary

This Capital Improvement Program is a further refinement of the Pavement Condition Assessment Report prepared for the District by Peter Rei in June 2016 and the Technical Memorandum entitled Pavement Evaluation for Saddle Creek Resort prepared by Jon K. Lynch in 2006.

The 2006 Pavement Evaluation for Saddle Creek, prepared in 2006 by Jon K. Lynch PE, reported a Pavement Condition Index (PCI) of 78 based on field observations of the pavement conditions at that time using the Metropolitan Transportation Commissions Street Saver program and rating methodology.

This 2016 report was compiled from field Pavement Condition surveys of all Saddle Creek Community Services District subdivision roads performed in Spring 2016. The results of those 2016 field observations were also compiled using the Metropolitan Transportation Commissions Street Saver program and rating methodology.

The 2016 Pavement Condition survey results indicated that the average PCI of the Saddle Creek Community Services District roadways at that time was 62 with 31.4 % of the roadways determined to be in Poor or Very Poor condition at the time of the field surveys in Spring 2016. This deterioration of the average PCI score from 78 in 2006 to 62 in 2016 indicates that the overall average condition of the District's pavements, caused by an ongoing lack of maintenance, has now deteriorated to a level well below the desired average PCI of 80 to ensure that yearly maintenance costs are kept to a manageable level.

The intent of this Five-Year Capital Improvement Program is to use the results of the Spring 2016 field observations of roadway conditions to provide recommendations for future pavement improvements beginning in 2019 and beyond.

In Summer 2018 the District advertised a project which included the grinding and repaving of the Resort Entrance Road, the Resort Roundabout, the entire length of Saddle Creek Drive and a majority of Oak Creek Drive. Important takeaways from the 2018 project are:

- The bids received were much higher than the Engineers Estimate. This is likely due to the fact that the project was advertised for bids during the busy summer construction season as opposed to the less busy winter season. Typically, winter season bids are lower as contractors are trying to determine their project schedules for the following construction season as opposed to attempting to add additional projects to an already busy workload in the summer.
- Only 3 contractors submitted bids for the 2018 project.
- Based on the pricing of the construction bids received by the District for the 2018 project it appears that the District can anticipate roadway construction costs at Saddle Creek being significantly higher than they are for similar projects in the Modesto/Stockton area.
- Future project construction cost estimates are recommended to be based on the actual bid prices received in 2018 as these costs more accurately forecast what the District will likely pay for future pavement projects.

Actual per square foot prices from the District's 2018 Paving Project were used to calculate expected costs for future paving projects. These 2018 prices are then factored up by the following amounts to account for all costs that are included in the total construction cost:

- 20% for the cost of Traffic Control, Signing/Striping, Contractor Mobilization/Demobilization, Water Pollution Control requirements, Insurance, Bonding costs, etc.
- 15% for project engineering including design and construction management.
- 5% per year to account for inflation

Using this approach, this report calculates that \$1,330,242 (2019 dollars) is the total cost that would be expected if the entire project to repave all of the remaining roadways in the subdivision was planned to be done in 2019.

Yearly project recommendations can be found in the body of the report starting at page 10, with a Five-Year Summary on page 16.

Spreadsheets listing the Pavement Condition Index for each roadway within the subdivision, and total estimates by neighborhood can be found in the attachments.

History of Past Road Maintenance

Until 2018, Castle & Cooke (C&C) maintained ownership of the resort and had plans for additional land development in the area. C&C had made numerous verbal commitments to the District to make repairs and improvements to the community roads, but the economic/housing downturn of the mid 2000's resulted in stalled development plans and lack of investment in road maintenance by C&C. The first pavement report was completed in 2006 to establish a firm negotiating position with C&C regarding the need to maintain the roads; however, they made no investments. Beginning in 2015, following continued deterioration of the roads, the District commissioned an update of the pavement report to begin establishing financial and implementation plans for improvements. The report was completed by the District in 2016 and Measure A special tax proposal developed soon thereafter to fund road and other service improvements.

Introduction

At the request of the Saddle Creek Community Services District Board of Directors Willdan Engineering is pleased to provide the District with this Five-Year Capital Improvement Program for the resurfacing of the District's roadways. This Capital Improvement Program is a further refinement of the Pavement Condition Assessment Report prepared for the District by Peter Rei in June 2016 and the Technical Memorandum entitled Pavement Evaluation for Saddle Creek Resort prepared by Jon W. Lynch in 2006.

The 2016 report was compiled from field Pavement Condition surveys of all Saddle Creek Community Services District subdivision roads performed in Spring 2016. The goal of the 2016 Report was to provide the District Board of Directors with estimates of the cost to bring all of the District's roadways up to a minimum Pavement Condition Index (PCI) of 80.

The results of the 2016 Report were then used by District staff to create Roadway Assessment, to be voted upon by the residents, in order to raise the funds to pay for the anticipated costs. That Assessment was approved by the residents in May 2017.

Following the approval of the Assessment Willdan Engineering was retained to assist the District in the design and construction of pavement improvements for the first year of the Assessment. Those improvements included the grinding and repaving of the Resort Entrance Road, the Resort Roundabout,

the entire length of Saddle Creek Drive and a majority of Oak Creek Drive in Summer 2018. This Five-Year Capital Improvement Program is intended to provide recommendations for future pavement improvements beginning in 2019 and beyond.

2016 Pavement Condition Ratings

The 2016 Pavement Condition survey results indicated that the average PCI of the Saddle Creek Community Services District roadways at that time was 62 with 31.4 % of the roadways determined to be in Poor or Very Poor condition at the time of the field surveys in Spring 2016. This indicates that the District's roadways are well below the desired average PCI of 80 to ensure that yearly maintenance costs are kept to a manageable level. The primary reason for the lower average PCI score was the lack of routine maintenance of the District's roadways since they were originally constructed beginning with the construction of Resort Entrance Road, the Resort Roundabout, the entire length of Saddle Creek Drive and Oak Creek Drive in 1995. Various phases of the subdivision have continued to be built since 1995 with the most recent roadway construction being the Quail Ridge neighborhood in 2014.

The 2016 Report utilized the Metropolitan Transportation Commission (MTC) Pavement Analysis tool to calculate the expected cost to improve the average PCI score for the District's roadways from 62 to a minimum of 80. The estimate determined that it will require approximately \$560,000 in 2016 dollars to result in the desired improvement in the average PCI. The \$560,000 estimate was based on the cost of construction for the actual pavements and did not include the additional costs of engineering, contractor mobilization and profit, restriping and other associated costs.

2018 Repaving Project

The 2018 Repaving Project was the first roadway construction project to utilize Measure A funds. Following discussion with District staff Willdan was instructed to prepare a project which included the grinding and repaving of the Resort Entrance Road, the Resort Roundabout, the entire length of Saddle Creek Drive and a majority of Oak Creek Drive. The reason for the selection of these roadways for the first project was that they are the main roadways within the subdivision. These roadways carry more traffic, and experience more heavy truck loads than any other roadways. They also provide the access to all neighborhoods for residents of the District and also to the resort for guests.

In addition, the remaining portion of Oak Creek Drive was selected to receive a Microsurfacing treatment. The estimated cost by Willdan Engineering of the project was \$533,130.00. This estimate was based on recent projects of a similar nature constructed in the San Joaquin Valley area. The District received three bids. The lowest bid was submitted by T&S West out of Stockton at \$726,330.00.

Following receipt of that bid Willdan Staff and representatives of T&S jointly performed a "value engineering" of the project plans and specifications. The intent of the value engineering effort was to determine if there were any changes to the project that the contractor could identify which could reduce the cost of the project without sacrificing the quality of the project or the long-term performance of the roadway improvements. Specific items that were identified were elimination of a leveling course prior to construction of the final overlay, replacement of the specified pavement fabric and oil with less expensive , and more readily available alternatives and elimination of the need to adjust a sewer manhole following construction. Using the results of the value engineering effort the contractor and the District were able to

agree on a reduction of \$123,540 from the original bid price which reduced the project cost to \$602,790. The contract was then awarded by the District to T&S for \$602,790.

During the design phase of the project District maintenance staff identified an historic drainage problem on Oak Creek Drive. Willdan was directed by the District to include a bid item in the project to address what was believed by District staff to be a 20 foot stretch of clogged storm drain pipe. In their bid T&S identified a cost of \$9,000 to dig up and replace 20 feet of damaged storm drain pipe.

After construction of the project commenced the contractor dug up the area identified and discovered that the drainage problem was much larger than District staff originally believed. During the original construction of the subdivision it appears that approximately 140 feet of the storm drain pipe on Oak Creek Drive was crushed, causing frequent flooding problems in the immediate area during heavy rainstorms. The replacement of this crushed drainage pipe, along with a few other minor discoveries required an additional \$146,373.00 to the cost of the project.

Due to this large increase in cost a second value engineering effort was initiated with T&S to find an acceptable way to reduce the cost closer to the District's budgeted resources. That second value engineering effort further modified the original scope of the project by removing paving fabric from the Resort Roundabout, removing the Microsurfacing for a portion of Oak Creek Drive, and reducing the amount of dig-outs of failed pavement in some areas.

Important takeaways from the 2018 project are:

- Only 3 contractors submitted bids for the 2018 project. This is likely due to the strong economy resulting in many paving contractors being very busy and the fact that the project was advertised during the busy summer construction season when most contractors already had a full program of projects for the year.
- Based on the pricing of the construction bids received by the District for the 2018 project it appears that the District can anticipate roadway construction costs at Saddle Creek being significantly higher than they are for similar projects in the Modesto/Stockton area.
- Unanticipated stormdrain repairs diverted a large amount of funding originally slated for roadway resurfacing to repair the drainage problems.
- The reduction of pavement fabric and the reduction in the amount of failed pavement to be dug out prior to the new pavement being constructed, in order to help reduce the cost of the project may have contributed to some premature pavement cracking in the Resort Roundabout area.
- Future project construction cost estimates are recommended to be based on the actual bid prices received in 2018 as these costs more accurately forecast what the District will likely pay for future pavement projects, and not on MTC program estimates.

Comparison of the Estimated costs from the 2016 Report and the 2019 Five Year Capital Improvement Program

Estimated Construction Costs

Based on the lessons learned from the 2018 Pavement contract Willdan staff revised the method used to estimate the construction costs for future pavement restoration projects. The revised approach continues

to utilize the Pavement Condition ratings observed from the field investigations performed in Spring 2016 as the basis for what the appropriate treatment for each individual roadway segment should be. However, instead of using the MTC program estimates of cost as was done in the 2016 Pavement Report, the Five-Year Capital Improvement Program uses actual per square foot bid prices received by the District for the resurfacing project on Saddle Creek Drive and Oak Creek Drive in Summer 2018. These actual per square foot prices are then factored up by the following amounts to account for all costs that are included in the total construction cost:

- 20% for the cost of Traffic Control, Signing/Striping, Contractor Mobilization/Demobilization, Water Pollution Control requirements, Insurance, Bonding costs, etc.
- 15% for project engineering including design and construction management.
- 5% per year to account for inflation

Using this approach, \$1,330,242 (2019 dollars) is the total cost that would be expected if the entire project to repave all of the remaining roadways in the subdivision was planned to be done in 2019.

It is important to note that this 2019 estimate cannot be directly compared to the \$560,000 estimate in the 2016 report. The 2016 Report Estimate was aimed at determining how much funding would be necessary to improve the PCI from an average of 62 in 2016 to an average of 80 at some point in the future. By contrast, the 2019 estimate is the total cost that would be expected if the entire project to repave all of the roadways in the subdivision was done this year. If that were to actually occur the average PCI for the subdivision would be very close to 100 due to all of the roadways being newly resurfaced, as opposed to the average PCI of 80 in the 2016 Report.

It is not anticipated that construction of all roads in this year will actually occur. However, the \$1,330,242 figure is a useful measure, using 2018 actual bid prices as the basis, to better estimate the total amount of deferred maintenance for all roadways within the subdivision.

Methods of Selecting Candidate Projects

There is no one correct way to address the process of selecting roadways for the first five years of the Capital Improvement Program. There are several factors to be considered when trying to prioritize roadway investments. Some examples of these factors are:

- The amount of current year and future year budgetary resources available
- The overall volume of traffic experienced by a particular roadway as opposed to another
- The volume of heavy loads that a roadway will experience (propane trucks, garbage trucks, construction vehicles)
- Special usages of a particular roadway (Access to maintenance facilities, propane farms etc.)
- The age of the roadway
- Past roadway maintenance history
- The specific types of roadway distress that are observed (cracking, rutting, potholes, etc.)
- The relative cost of the various potential roadway treatments
- Construction related issues for the contractor
- Balancing short term improvements vs. long term maintenance costs following construction
- Minimizing disruption and inconvenience to residents during construction

Listed below are a few of the most common approaches which local agencies use to select projects:

1. “Worst First” Project Selection

This approach favors spending the majority of available yearly financial resources to repair the roadways with the most severe damage and the lowest PCI ratings.

Advantages of this approach

The primary advantage of this approach is the long overdue repair of badly deteriorated roadways.

Disadvantages of this approach

Due to the advanced deterioration of older, heavily damaged roadways the cost per square foot to reconstruct these roadways is very high. Focusing all, or a large amount, of available yearly paving resources on heavily damaged roadways results in a much lower amount of square footage of roadways repaired as compared with allocating the same amount of available yearly paving resources for a preventative treatment on a much larger amount of square footage for roadways with less severe problems.

At the same time, when less severely damaged roadways are made to wait longer for life-extending treatments the slow deterioration of those roadways will continue. This delay leads to higher future costs to repair those less damaged roadways as compared to current costs, due to the advanced level of deterioration over time.

By contrast, a severely damaged roadway costs essentially the same amount to repair now as it will in the future as the deterioration has already progressed to a point where much greater (and more expensive) repavement treatments are required to bring the surface back up to desired standards.

A useful analogy is to consider is the life expectancy of a vehicle which receives regular maintenance as compared to a vehicle which does not. The cost of repairing, or completely replacing, the vehicle that does not receive regular maintenance is very high. By contrast, the cost to perform regular maintenance of a vehicle keeps the vehicle in good operating condition for a much longer period of time and at a reduced overall long-term cost. The same principle applies to roadways.

2. “Most Long-Term Cost-Effective” Project Selection

Advantages of this approach

This approach to project selection relies on the savings experienced by fixing a roadway in fair to good condition before it deteriorates to a point where more costly repairs are necessary. Rigid application of this method of project selection reduces the long-term overall cost of projects constructed to the lowest possible amount.

Disadvantages of this approach

Due to the focus on reducing long-term maintenance costs the roadway projects selected using this approach will often not address badly damaged roadways as the best use of funding, particularly if there are roadways that are other roadways that are just beginning to show deterioration. These roadways can be improved with seal coat and Microsurfacing projects which will extend their life for a much lower per square foot cost. This allows the same amount of funding to treat a much larger surface area for any given yearly project.

However, this approach may also be difficult politically for residents who have badly damaged roadways who have to wait longer for repairs to their roadway to understand and accept if the selected treatment for that particular year is not complete reconstruction of badly damaged roadways.

3. “Similar Treatment” Project Selection

Advantages of this approach

This method of project selection favors the grouping of multiple roadway locations that need the same type of roadway treatment into a combined project for a specific yearly project. Doing so reduces the variety of the work that the contractor is required to perform, and also helps to reduce the contractor’s mobilization costs by focusing on one type of roadway treatment for an entire project for that particular year.

Disadvantages of this approach

This approach may also be difficult politically for residents who have badly damaged roadways who have to wait longer for repairs to their roadway to understand and accept if the selected treatment for that particular year is not complete reconstruction of badly damaged roadways.

4. “Specified Yearly Percentage Combination” of the other Project Selection Methods

Advantages of this approach

Many agencies opt to combine several of the above approaches to Project Selection in order to provide a good overall cost-effective program, but also make some progress on the most damaged roadways at the same time. It is common to split the funding using 60% of available yearly funding for pavement maintenance treatments (seals and microsurfacing projects which prolong the life of roadways that are in good shape overall but need a treatment to prolong their life) and 40% for pavement reconstruction treatments for badly damaged roadways (grind, dig-out and replace projects). Each agency may have a different ratio between the two objectives, but the intent is to try to make progress on both needs simultaneously.

Disadvantages of this approach

As with some of the other approaches this method of project selection may delay needed reconstruction efforts on badly damaged roadways in favor of spending some of the resources on life-extending treatments for roadways that are less damaged.

Recommended Project Selection Method for the Five-Year 2019 Five-Year Capital Improvement Program

Willdan Engineering recommends the District select the “Similar Treatment” project selection method described above. It is clearly important to maximize the cost-effective use of the funding that the District receives for the resident’s Roadway Assessment dollars. However, it is equally important that the type of project being constructed in any one year be the same type of treatment to reduce the increased cost of contractor mobilization which is required when multiple treatments are to be constructed as part of the same contract.

Willdan also recommends that projects be grouped by neighborhood if at all possible. Doing so provides an area-wide improvement to an entire neighborhood at one time. This approach also isolates the disturbance to residents of other neighborhoods during construction as the work is only occurring in one neighborhood for that construction season.

Funding Available

It is Willdan’s understanding that the amount of funding that the District is able to utilize on a yearly basis is approximately \$130,000 per year. This amount of funding will definitely make a positive difference in improving the conditions of the pavements within the subdivision, however it is not large enough to cover the cost of pavement replacement costs for both badly damaged roadways and the life-extending maintenance treatments for less damaged roadways in the same year unless augmented with other resources.

If possible, Willdan recommends that the District consider ways to allocate additional funding on a yearly basis. This will allow projects to be completed for an entire neighborhood in a single year. As the size and area of pavement for each neighborhood is different the costs vary considerably from neighborhood to neighborhood in order to create only one project. This will mean finding funding in an amount greater than \$130,000 for some of the yearly projects.

Five-Year 2019 Capital Improvement Program Recommendations

2019 (Year 1)

Recommended Base Project:

Microsurfacing of the entire length of Knolls Drive (2016 PCI = 77)

Area to be Treated (base project): 139,300 square feet (11.2% of entire subdivision paved area)

Estimated Construction Cost (including supplemental, inflation and engineering): \$123,751 (2019 \$)

Recommended Expanded Project:

Recommended Base Project and addition of the following roadways:

Microsurfacing of Knolls Court (2016 PCI = 71)

Microsurfacing of Mossy Woods Court (2016 PCI = 77)

Microsurfacing of Vista Knolls Court (2016 PCI = 76)

Microsurfacing of Wildflower Court (2016 PCI = 73)

Microsurfacing of Mitchell Lake Lane (2016 PCI = 74)

Microsurfacing of Mitchell Lake Court (2016 PCI = 70)

Area to be Treated (expanded project): 246,000 square feet (17.0% of entire subdivision paved area)

Estimated Construction Cost with all Courts: \$219,340 (2019 \$)

Rationale for the selected project:

- The Knolls and The Cottages are two of the oldest neighborhoods in the Saddle Creek development. District staff indicate that they were built in 1998.
- The roadways, including courts, in the Knolls neighborhood had an average PCI of 75 in 2016.
- The roadways, including Mitchell Lane Court in the Cottages neighborhood had an average PCI of 72 in 2016. These PCI ratings have now deteriorated in the past three years somewhat. PCI's of less than 80 indicate a roadway that will begin to deteriorate at a faster pace, with an increased cost to repair that accelerated deterioration at a later date. A Microsurfacing treatment at this time will avoid additional costly repaving if the roadways continue to deteriorate.
- Completing all of the re-surfacing for both neighborhoods will localize the construction and reduce the inconvenience to subdivision residents who do not live in these two neighborhoods.

Five-Year 2019 Capital Improvement Street Repaving Program Recommendations

2020 (Year 2)

Recommended Base Project:

Complete Resurfacing of Hawkridge Drive from the 1995 end of road to Oak Creek Drive (2016 PCI = 51)

Complete Resurfacing of Redtail Court (2016 PCI = 53)

Complete Resurfacing of Falcon Court (2016 PCI = 74)

Area to be Treated (base project): 39,860 square feet (3.2% of entire subdivision paved area)

Estimated Construction Cost (including supplemental, inflation and engineering): \$109,326 (2019 \$)

Recommended Expanded Project:

Recommended Base Project and addition of the following roadways:

Complete Resurfacing of Blue Oak Court (2016 PCI = 50)

Complete Resurfacing of White Oak Court (2016 PCI = 45)

Area to be Treated (expanded project): 62,060 square feet (5.0% of entire subdivision paved area)

Estimated Construction Cost (including supplemental, inflation and engineering): \$170,215 (2019 \$)

Rationale for the selected project:

- The portion of Hawkridge Drive, Red Tail Court, Falcon Court, Blue Oak Court and White Oak Court are some of the oldest roadways in the Saddle Creek development. District staff indicate that they were built in 1995 as part of the original construction of Oak Creek Drive.
- The portion of Hawkridge Drive, Red Tail Court and Falcon Court roadways had an average PCI of 41 in 2016.
- There is evidence of considerable “alligator cracking” on several portions of the roadway. This indicates a failure in the base layer supporting the asphalt surface above. This roadway has deteriorated to the point that a Microsurfacing is no longer the recommended treatment and a grinding of the pavement along with selected dig-outs and repaving is necessary to bring the roadway back up to desired standards.

Five-Year 2019 Capital Improvement Street Repaving Program Recommendations

2021 (Year 3)

Recommended Project:

Microsurfacing of the portion of Oak Creek Drive that was deleted from the 2018 project (2016 PCI = 80)

Microsurfacing of Oakwood Place to Old Cul-De-Sac (beginning of Hawkridge Drive) (2016 PCI = 81)

Microsurfacing of Oakwood Court (2016 PCI = 83)

Microsurfacing of Falling Leaf Lane (2016 PCI = 81)

Microsurfacing of Leaf Crest Court (2016 PCI = 82)

Area to be treated: 150,100 square feet (12.1% of entire subdivision paved area).

Estimated Total Construction Cost (including supplemental, inflation and engineering): \$133,345

Rationale for the selected project:

- The Oakwood neighborhood was constructed in 2004 according to District staff.
- The roadways, including courts, in the Oakwood neighborhood had an average PCI of 81 in 2016. A Microsurfacing treatment at this time will avoid additional costly repaving if the roadways continue to deteriorate.
- Completing all of the re-surfacing for only this neighborhood will localize the construction and reduce the inconvenience to subdivision residents who do not live in this specific neighborhood.

Five-Year 2019 Capital Improvement Street Repaving Program Recommendations

2022 (Year 4)

Recommended Base Project:

Complete Resurfacing of the entire length of Rockridge Lane (2016 PCI = 44)

Area to be Treated (base project): 79,700 square feet (6.4% of entire subdivision paved area)

Estimated Construction Cost (including supplemental, inflation and engineering): \$218,597 (2019 \$)

Recommended Expanded Project:

Recommended Base Project and addition of the following roadways:

Complete Resurfacing of Rockridge Court (2016 PCI = 26)

Complete Resurfacing of Quail Meadows Court (2016 PCI = 53)

Microsurfacing of Quail Meadows Lane (2016 PCI = 76)

Microsurfacing of Pebble Court (2016 PCI = 85)

Area to be Treated (expanded project): 135,900 square feet (11.0% of entire subdivision paved area)

Estimated Construction Cost (including supplemental, inflation and engineering): \$313,771 (2019 \$)

Rationale for the selected project:

- The Rockridge neighborhood is one the oldest neighborhoods in the Saddle Creek development. District staff indicate that it was built in 2001.
- The roadways, including courts, in the Rockridge neighborhood had an average PCI of 41 in 2016.
- There is evidence of considerable “alligator cracking” on several portions of the roadway. This indicates a failure in the base layer supporting the asphalt surface above. This roadway has deteriorated to the point that a Microsurfacing is no longer the recommended treatment and a grinding of the pavement along with selected dig-outs and repaving is necessary to bring the roadway back up to desired standards.

Five-Year 2019 Capital Improvement Street Repaving Program Recommendations

2023 (Year 5)

Recommended Base Project: Microsurfacing of Saddle Creek Lane (2016 PCI = 74)
Microsurfacing of Glen Side Court (2016 PCI = 81)
Microsurfacing of Glen View Court (2016 PCI = 68)
Complete resurfacing of Copper Glen Terrace (2016 PCI = 42)
Complete resurfacing of Copper Glen Court (2016 PCI = 55)

Area to be Treated (base project): 106,500 square feet (8.6% of entire subdivision paved area)

Estimated Construction Cost (including supplemental, inflation and engineering): \$144,495 (2019 \$)

Recommended Expanded Project:

Recommended Base Project and addition of the following roadways:

Cape Seal of Entry Road
Cape Seal of Resort Roundabout
Cape Seal of Saddle Creek Drive
Cape Seal of Oak Creek Drive

Area to be Treated (expanded project): 396,500 square feet 32.0% of entire subdivision paved area)

Estimated Construction Cost (including supplemental, inflation and engineering): \$311,245 (2019 \$)

Rationale for the selected project:

- District staff indicate that the Glens neighborhood was built in 2001. While many of the other neighborhoods are older than the Glens, the roadways are beginning to show their age.
- The Entry Road, Resort Roundabout, Saddle Creek Drive and Oak Creek Drive roadways were resurfaced in 2018. In 2013 they will have been in place for 5 years. It is strongly recommended that a seal coat be applied every 5 years on all resurfaced roadways to help prolong their useful life and prevent more costly resurfacing from being required.

Remaining Roadways for future years

<u>Year</u>	<u>Year Built</u>	<u>Area Treated</u>	<u>Estimated Cost (2019 \$)</u>
Grandview Court (2016 PCI = 75)	1995	6,800 sq. ft.	\$ 6,041 (Microsurfacing)**
Flagstone Court (2016 PCI = 61)	1995	5,900 sq. ft.	\$ 16,182 (Grind and Replace)
Greenstone Court (2016 PCI = 51)	1995	11,500 sq. ft.	\$ 31,542 (Grind and Replace)
Wood Duck Court (2016 PCI = 51)	1995	8,100 sq. ft.	\$ 22,216 (Grind and Replace)
Summit Lane (2016 PCI = 54)	2001	32,900 sq. ft.	\$ 90,236 (Grind and Replace)
Summit Court (2016 PCI = 53)	2001	11,400 sq. ft.	\$ 31,267 (Grind and Replace)
Hawkridge Drive (Newer Part) (2016 PCI = 81)	2011	99,040 sq. ft.	\$ 87,985 (Microsurfacing)**
Hawkridge Court (2016 PCI = 82)	2011	15,400 sq. ft.	\$ 13,681 (Microsurfacing)**
Quail Creek Drive (2016 PCI = 82)	2014	50,000 sq. ft.	\$ 44,419 (Microsurfacing)**
Quail Covey Court (2016 PCI = 82)	2014	6,200 sq. ft.	\$ 5,508 (Microsurfacing)**
Total Roadways Untreated In first 5 Years		247,240 sq. ft. (20.0%)	\$349,077

** Specific treatment for these roadways needs to be re-evaluated prior to placement of Microsurfacing in future years to ensure that this is still the appropriate treatment for the roadway based on additional pavement deterioration over time.

Summary of Five-Year Capital Improvement Plan Recommendations

<u>Year</u>	<u>Neighborhood</u>	<u>Year Built</u>	<u>Area Treated</u>	<u>Estimated Cost (2019 \$)</u>
2018 (Year 0)	Main Roads	1995	290,000 sq. ft. (23.4%)	Completed
2019 (Year 1)	Knolls	1998	246,900 sq. ft. (19.9%)	\$219,340
2020 (Year 2)	Upper Hawkridge	1995	62,060 sq. ft. (5.0%)	\$170,215
2021 (Year 3)	Oakwood	2004	150,100 sq. ft. (12.1%)	\$133,345
2022 (Year 4)	Rockridge	2001	135,900 sq. ft. (11.0%)	\$313,771
2023 (year 5)	Glens	2007	106,500 sq. ft. (8.6%)	\$144,495 (base project)
Sub -Total Roadways Treated			1,017,600 sq. ft. (80.0%)	\$981,165
Sub-Total Roadways Untreated			247,240 sq. ft. (20.0%)	\$349,077
Total			1,268,740 sq. ft. (100.0%)	\$1,330,242

Attachments

Saddle Creek Community Services District

Regular Board Meeting June 18, 2019

AGENDA SUPPORTING DATA

7. DISCUSSION AND ACTION ITEMS

- d) Adoption of a Resolution approving the Preliminary Budget for the 2019/2020 fiscal year effective July 1, 2019, and set the date for a budget public hearing and final budget adoption

Recommended Motion

Staff recommends adoption of a Resolution approving the Preliminary Budget for the 2019/2020 fiscal year effective July 1, 2019, and set the date for a budget public hearing and final budget adoption

Background

During the May Board meeting, the Board of Directors reviewed a preliminary draft of the 2019/20 fiscal year budget. Following significant discussion, direction was given to staff to provide alternative funding scenarios to balance the budget and provide the desired level of revenue and services. In addition, staff was directed to evaluate the cost and opportunities to fund the entire 5 year project with a loan, and to prepare a budget option with the special tax levy at the planned amount of the existing special tax rate, increased by the cost of living index, plus \$100.

Due to the major decisions remaining to adopt a final budget and the legally required timeline of budget adoption prior to July 1, staff recommends adoption of a Preliminary budget at this meeting, and to set a public hearing date for adoption of the final budget in July 2019.

Included herein is the draft Preliminary 2019/2020 budget, assuming the levy of the special tax at \$1750 per residential parcel and multiplier thereof for non-residential. We evaluated the budgetary impact of levying the special tax at the three different rates identified in the tables below:

Land Use Category	Option 1 Rates	Option 2 Rates	Option 3 Rates
Residential Lot	\$1,578.88	\$1,750.00	\$1,832.00
Large Lot Undeveloped Property	667.50	739.85	774.52
Sports Club Property	593.34	657.65	688.47
Golf Course Property	59,205.67	65,622.42	68,697.30

Land Use Category	Option 1 Total Levy Amounts	Option 2 Total Levy Amounts	Option 3 Total Levy Amounts
Golf Course Property	\$59,205.67	\$65,622.42	\$68,697.30
Large Lot Undeveloped Property	177,508.25	196,748.26	205,968.04
Residential Lot	884,172.80	980,000.00	1,025,920.00
Sports Club Property	1,869.02	2,071.59	2,168.68
Grand Total	\$1,122,755.74	\$1,244,442.27	\$1,302,754.02

Based on the amount of revenue generated under each scenario above, we evaluated the estimated amount of total funding available under each scenario when the same amount of operating expenses are deducted from available revenue. The table below identifies the amount of funding needed annually to pay the estimated debt service if we were to fund the entire estimated project in 2020, or if we were to fund the work out of our annual cash on an equal basis over a six year period (five plus the remaining roads in year six). The evaluation assumes a 5% construction cost increase from 2019 to 2020, and a 10% contingency has been added for safety.

Full Road Project Estimated Cost 2019		\$	1,330,242
Full Road Project Estimated Cost 2020		\$	1,396,754
Contingency 10%		\$	1,536,430
Debt Payment (10 years @ 3.4%)		\$	184,000
Pay as You Go (6 years)		\$	256,072
		Debt	Pay As You Go
Measure A	Total Revenue	Revenue Over	Revenue Over
Levy Rate	Available**	(Under) Expenses	(Under) Expenses
\$ 1,579	\$ 121,880	\$ (62,120)	\$ (134,192)
\$ 1,750	\$ 243,621	\$ 59,621	\$ (12,451)
\$ 1,832	\$ 301,878	\$ 117,878	\$ 45,806
** Revenue available for roads and infrastructure reserves			

Option 1 (\$1579) does not provide adequate funding for debt service for the total project, to fund the average annual cash for pay-as-you-go, or cover the cost of the recommended first year expanded project (as detailed in the 5-year report). Option 1 would provide adequate cash to fund the first year base project, with no contingency. Option 1 provides no funding for contingencies or infrastructure reserves.

Option 2 (\$1750) provides adequate funding for debt service for the entire project, assuming we can secure a loan at terms comparable to 2018. Option 2 also provides nearly enough funding for the 6-year average cash Pay/Go alternative, and covers the estimated cost of the first year expanded project with an acceptable contingency. Option 2 appears to allow cash funding of the projects on an annual basis, thus saving an estimated \$300,000 in interest costs. Option 2 provides adequate funding for contingencies and if reasonable loan funding is found for the total project, will provide cash for infrastructure/road reserves.

Option 3 (\$1832) is the maximum allowable levy rate for the 2019/20 year, and provides adequate funding for debt service for the entire project, the 6-year average cash Pay/Go alternative, and covers the estimated cost of each year’s expanded project with an acceptable contingency. Option 3 allows cash funding of the projects on an annual basis, thus saving an estimated \$300,000 in interest costs. Option 3 provides adequate funding for contingencies and will provide cash for infrastructure/road and/or landscape improvement reserves.

Based on the priorities of the District and intent of Measure A, staff recommends levy of the special tax at Option 2 (\$1750) in 2019/20 and to secure firm loan quotes and conditions while we are completing the engineering design for the entire project in the upcoming fiscal year. In consideration of this recommendation, the agenda materials include a revised 2019/2020 budget proposal that includes levy of the Measure A Special Tax at the rate of \$1750.

Saddle Creek Community Services District
2019-20 Proposed BUDGET WORKSHEET

6/15/2019

Income

	Budget	Projected Actuals 6-30-2019	Proposed BUDGET	Proposed Change	Proposed Change Notes
IN01 Assessments	1,025,500.00	975,684.10	1,244,497	218,997.00	Proposed levy at \$1750 per parcel
IN05 Interest Income		2,766.00	2,900	2,900.00	
IN06 Interest - County		0.00	0	0.00	
IN07 Rebates Received		1,268.40	1,300	1,300.00	
IN30 Expense Reimbursement Revenue	7,700.00	928.80	1,000	(6,700.00)	
IN41 Gate Opener Income		684.00	700	700.00	
IN59 Other Misc. Revenue	3,000.00	0.00	0	(3,000.00)	
Services		15,060.00	15,800	15,800.00	
TOTAL INCOME	\$ 1,036,200.00	\$ 996,391.30	\$1,266,197.00	\$ 229,997.00	

Expenses

Services & Supplies

Administrative Expenses

OE01 Audit Expense	11,700.00	11,500.00	8,000	(3,700)	Based on prior Audits, prior to last one	
OE02 Finance Expenses	600.00	469.20	500	(100)		
OE02-1 Financial Assessment (NBS)	5,500.00	5,224.80	5,500	0		
OE03 Advertising	500.00	453.60	500	0		
OE04 Legal Expenses	1,700.00	1,800.00	1,900	200		
OE05 Management Fees	69,400.00	76,316.40	77,000	7,600		
OE41 HR Consultant	6,000.00	7,680.00	6,000	0		
OE06 Insurance (Prop Loss & Liab)	9,500.00	10,169.15	10,700	1,200		
OE07 Miscellaneous/Contingency	8,000.00	3,826.80	4,000	(4,000)		
OE08 Professional Development	11,000.00	11,746.80	12,300	1,300		
OE09 Dues, Certs, Bonds & Subscriptions	7,300.00	5,139.60	5,400	(1,900)		
OE10 Uniform Expense	3,000.00	3,666.00	3,800	800		
OE11 Electric Power/Water/Sewer	5,800.00	12,474.00	13,100	7,300		Saddle Creek II Agreement + office
OE12 Telephone & Internet	6,000.00	6,747.60	7,100	1,100		
OE14 Office Supplies/Postage	5,700.00	5,550.00	5,800	100.00		
OE15 Office Equipment Repair/Replace	8,000.00	7,561.20	7,900	(100.00)		

Saddle Creek Community Services District
2019-20 Proposed BUDGET WORKSHEET

6/15/2019

	Budget	Projected Actuals 6-30-2019	Proposed BUDGET	Proposed Change	Proposed Change Notes
OE21 Office Equipment Lease	2,700.00	2,529.60	2,700	0.00	\$1,800 monthly fees
OE26 County Fees/LAFCO	10,500.00	6,722.40	7,100	(3,400.00)	
Accounting Services		0.00	21,600	21,600.00	
OE30 Reimbursable Maintenance Exp	3,000.00	828.00	900	(2,100.00)	
Total Administrative Expenses	\$ 175,900.00	180,405.15	\$ 201,800.00	\$ 25,900.00	

Common Areas

OE16 Gate Maint/Repair/Staff/Openers	18,400.00	21,942.00	23,000.00	4,600.00	SCCSD to begin paying for fuel
OE18 Landscape Supplies & Repairs	29,900.00	35,612.40	37,400.00	7,500.00	
OE18-3 Landscape Equip Gas & Oil	5,500.00	7,261.20	12,500.00	7,000.00	
OE18-4 Landscape Equipment Repair & Replacement	17,500.00	17,523.60	18,400.00	900.00	
Total Common Areas	\$ 71,300.00	82,339.20	\$ 91,300.00	\$ 20,000.00	

OE22 Mosquito Abatement Expense

OE22-1 Mosquito Control Products	16,000.00	18,066.00	19,000.00	3,000.00	SCCSD to begin paying for fuel
OE22-2 Mosquito Abatement Monitor/Test	3,800.00	3,831.60	4,000.00	200.00	
OE22-3 Mosquito Abate Vehicles Gas/Oil	11,600.00	10,773.60	18,600.00	7,000.00	
OE22-4 Mosquito Abatement Equip Maint	9,200.00	7,620.00	8,000.00	(1,200.00)	
Total OE22 Mosquito Abatement Expense	\$ 40,600.00	40,291.20	\$ 49,600.00	\$ 9,000.00	

Total OE17 Streets

Total Services & Supplies

Total OE17 Streets	\$ 11,100.00	\$ 23,574.00	\$ 24,800.00	\$ 13,700.00	7%
Total Services & Supplies	\$ 298,900.00	\$ 326,609.55	\$ 367,500.00	\$ 68,600.00	100%

PE Personnel Expense

PE01 Workers' Compensation Insurance	14,700.00	13,288.47	17,600.00	2,900.00	See Payroll Info Worksheet
PE02 Health Insurance	73,800.00	48,661.20	75,900.00	2,100.00	See Payroll Info Worksheet
PE03 Payroll Taxes	28,600.00	32,283.60	27,600.00	(1,000.00)	8% of projected wages
PE04 Processing Fees	1,900.00	1,735.20	1,800.00	(100.00)	Actual plus 5%
PE05 Directors' Stipend	6,000.00	7,800.00	6,000.00	0.00	See Payroll Info Worksheet
PE06 Employee Wages	351,400.00	349,887.60	344,800.00	(6,600.00)	See Payroll Info Worksheet
Total Salaries & Benefits	\$ 476,400.00	\$ 453,656.07	\$ 473,700.00	\$ (2,700.00)	

Saddle Creek Community Services District
2019-20 Proposed BUDGET WORKSHEET

6/15/2019

Budget	Projected Actuals 6-30-2019	Proposed BUDGET	Proposed Change	Proposed Change Notes
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Equipment Replacement

CO04 Shop/Grounds Equipment	67,700.00	65,667.00	0.00	(67,700.00)	
24' Flat Bed Trailer w/Tail gate			0.00	0.00	
Radar Unit	6,800.00	0.00	0.00	(6,800.00)	
Spray Rig			0.00	0.00	
John Deer Tractor - to replace old C&C tractor			0.00	0.00	
Equipment Storage Car Port	12,000.00		0.00	(12,000.00)	
Total Equipment Replacement	\$ 86,500.00	\$ 77,272.00	\$ -	\$ (86,500.00)	

Capital Projects

OE53-2 Landscape Improvements		7,915.50	0.00	0.00	
OE53-1 Landscape Design/Survey	25,875.00	11,884.80	0.00	(25,875.00)	
Total Landscape Project	\$ 25,875.00	11,884.80	\$ -	\$ (25,875.00)	
OE51-4 Road Improvements	724,063.00	718,875.00	207,077.53	(516,985.47)	
OE51-1 Road Project Design & Constr Mgmt	56,762.00	57,307.00	36,543.09	(20,218.91)	
OE51-2 Road Project Administration (SCCSD)		0.00	0.00	0.00	
OE51-3 Road Improvement Contingency		0.00	0.00	0.00	
Office Building Paint			10,437.00	10,437.00	
Office Building Siding and Trim			12,000.00	12,000.00	
Total Road Improvement Project	\$ 780,825.00	776,182.00	\$ 266,057.62	\$ (514,767.38)	
Total Capital Projects	\$ 806,700.00	\$ 788,066.80	\$ 266,057.62	\$ (540,642.38)	

Debt Service

OE20 John Deere Financing	16,100.00	21,285.02	16,028.52	(71.48)	Per amortization schedule
OE21 John Deere Financing	12,300.00	0.00	12,615.60	24,915.60	Per amortization schedule
Series 2018 Install Pymts (Road Improv Loan)	83,800.00	83,745.00	83,745.26	(54.74)	Per amortization schedule
Total Debt Service	\$ 112,200.00	\$ 105,030.02	\$ 112,389.38	\$ 24,789.38	

TOTAL EXPENDITURES	\$ 1,780,700.00	\$ 1,750,634.44	\$ 1,219,647.00	\$ (536,453.00)	
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Saddle Creek Community Services District
2019-20 Proposed BUDGET WORKSHEET

6/15/2019

Other Financing Sources/(Uses)

	Budget	<i>Projected Actuals 6-30-2019</i>	Proposed BUDGET	Proposed Change	Proposed Change Notes
New Tractor Lease/ purchase	55,000.00	55,000.00	0.00	(55,000.00)	Per approved Schedule
Road Loan Draw down	700,000.00	700,000.00	0.00	(700,000.00)	
Equipment Replacement Reserve	(10,500.00)	(756.86)	(46,550.00)	(36,050.00)	
	\$ 744,500.00	\$ 754,243.14	\$ (46,550.00)	\$ (791,050.00)	
Excess of revenues over expenditures	\$ -	\$ -	\$ -	\$ (24,600.00)	

**SADDLE CREEK COMMUNITY SERVICES DISTRICT
RESOLUTION NO. ____**

ADOPTING THE FISCAL YEAR 2019/20 PRELIMINARY BUDGET

WHEREAS, the Saddle Creek Community Services District desires to manage its fiscal affairs according to an adopted budget; and

WHEREAS, in accordance with California Government Code Section 61110 et seq the Board of Directors desires to adopt a Preliminary Budget for the 2019/20 Fiscal Year, effective July 1; and

WHEREAS, the Board has reviewed the draft Fiscal Year 2019/20 Budget at a public meeting held on May 28, 2019, and provided direction to management in preparation of the Preliminary budget currently under consideration; and

WHEREAS, the District will consider the adoption of the Final Fiscal Year 2019/20 Budget prior to September 1, 2018;

NOW, THEREFORE, BE IT RESOLVED, by the District Board of Directors that:

1. The Preliminary 2019/20 Fiscal Year Budget is hereby approved and expenditures contained therein authorized in accordance with District policy; and
2. A Public Hearing is hereby called on July 16, 2019 to consider public input and comments on the Final Fiscal Year 2019/20 Budget prior to its adoption; and
3. The General Manager shall publish the Notice of Public Hearing as required by law; and
4. The General Manager shall prepare the Final Fiscal Year 2019/20 Budget.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Saddle Creek Community Services District on June 18, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Darlene DeBaldo, President

ATTEST:

Peter Kampa, Board Secretary

CERTIFICATE OF SECRETARY

I, Peter J. Kampa, the duly appointed and acting Secretary of the Board of Directors of the Saddle Creek Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Saddle Creek Community Services District, duly called and held on June 18, 2019.

DATED: _____.

LOAN AMORTIZATION SCHEDULE

ENTER VALUES

<i>Loan amount</i>	\$1,536,429.40
<i>Annual interest rate</i>	3.40%
<i>Loan period in years</i>	10
<i>Number of payments per year</i>	1
<i>Start date of loan</i>	7/1/2020
<i>Optional extra payments</i>	\$0.00

LOAN SUMMARY

<i>Scheduled payment</i>	\$183,812.40
<i>Scheduled number of payments</i>	10
<i>Actual number of payments</i>	1
<i>Total early payments</i>	\$0.00
<i>Total interest</i>	\$301,694.59

LENDER NAME

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULE D PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	CUMULATIVE INTEREST
1	7/1/2020	\$1,536,429.40	\$183,812.40	\$0.00	\$183,812.40	\$131,573.80	\$52,238.60	#####	\$52,238.60
2	8/1/2020	\$1,404,855.60	\$183,812.40	\$0.00	\$183,812.40	\$136,047.31	\$47,765.09	#####	\$100,003.69
3	9/1/2020	\$1,268,808.29	\$183,812.40	\$0.00	\$183,812.40	\$140,672.92	\$43,139.48	#####	\$143,143.17
4	10/1/2020	\$1,128,135.38	\$183,812.40	\$0.00	\$183,812.40	\$145,455.80	\$38,356.60	\$982,679.58	\$181,499.77
5	11/1/2020	\$982,679.58	\$183,812.40	\$0.00	\$183,812.40	\$150,401.29	\$33,411.11	\$832,278.29	\$214,910.88
6	12/1/2020	\$832,278.29	\$183,812.40	\$0.00	\$183,812.40	\$155,514.94	\$28,297.46	\$676,763.35	\$243,208.34
7	1/1/2021	\$676,763.35	\$183,812.40	\$0.00	\$183,812.40	\$160,802.44	\$23,009.95	\$515,960.90	\$266,218.30
8	2/1/2021	\$515,960.90	\$183,812.40	\$0.00	\$183,812.40	\$166,269.73	\$17,542.67	\$349,691.18	\$283,760.97
9	3/1/2021	\$349,691.18	\$183,812.40	\$0.00	\$183,812.40	\$171,922.90	\$11,889.50	\$177,768.28	\$295,650.47
10	4/1/2021	\$177,768.28	\$183,812.40	\$0.00	\$177,768.28	\$171,724.16	\$6,044.12	\$0.00	\$301,694.59

Saddle Creek Community Services District

Special Meeting of June 18, 2019

AGENDA SUPPORTING DATA

7. DISCUSSION AND ACTION ITEMS

e) Consideration of draft terms and conditions of an Memorandum of Agreement/Understanding with CV Partners, Inc. regarding equipment and property donations, joint operating expenses, community common area maintenance responsibilities, utility costs and related expenses

Recommended Motion

I move to place this matter, negotiation of an Memorandum of Agreement with CV Partners, Inc on the July 2019 board agenda for discussion of real property negotiations in closed session.

Background

As you are aware, the District had many “handshake” agreements with Castle & Cooke, the prior owner of the Saddle Creek development and resort. The agreements spanned from commitments by C&C to make improvements or repairs to roads and infrastructure, to the loaning of tools and facilities, meeting space, and supplies. Attached hereto are items and issues currently being discussed. Ultimately, both CV Partners and SCCSD wish to draft an Memorandum of Agreement (MOA/MOU) to reflect our positions on these and other matters.

This agenda item is intended to be purely informational regarding the items being discussed between SCCSD and CV Partners, Inc. Any formal discussion among the Board in the form of negotiation should be conducted in closed session between only the Board and management, for obvious reasons. At this time, we believe it would be beneficial to hear from CV Partners representatives in public, and the public in general regarding their thoughts and concerns related to these long standing matters.

Again, specific feedback in terms of negotiation should not be given in open session.

Saddle Creek CSD/CV Partners

Working Draft MOU Terms and Conditions, Version 1

March 27, 2019

1. CSD office property/CCWD lease

- a. CSD to pay proportional share of lease cost
- b. Propose amount based on number of employees

2. Office Building and Equipment ownership

- a. CV to donate building trailer, two tractors and water truck to CSD
 - i. CSD to Water street trees on CV properties and culdesacs where no irrigation exists
 - ii. CSD to provide water truck for fire prevention/suppression purposes
 - iii. Determine value of trailer and equipment for CV tax purposes
- b. CSD to pay proportional share of water and power bills for building based on # of employees
- c. CSD to reimburse CV for fuel costs related to Mosquito abatement, general common area maintenance, storm drains

3. Gate operations and location

- a. CV funds gate attendant as desired with gate closed during off hours
- b. CSD owns the physical building and ROW
- c. CSD pays electrical, water and sewer, phone for the building
- d. CV to consider gate relocation, at their expense at future date to provide unfettered access to commercial

4. Construction gate ownership and operation

- a. CV owns equipment, provides power and phone cost
- b. CSD operates and manages access and maintenance
- c. To be improved to CSD standards and dedicated for ownership in future; or eliminated if alternate access provided in future development

5. Water Meters and Accounts

- a. All common area water meters in the name of CV and paid by them to keep community watered and looking saleable
- b. Work cooperatively to transfer ownership of private irrigation and landscape areas to appropriate property owner(s)
- c. CSD to continue to maintain common areas as currently configured
 - i. Site plan to be developed depicting areas

- d. CSD funds and provides responsible operation and maintenance of irrigation system and landscape
 - e. CSD continues to pay partial share of cost on irrigation meter serving Saddle Creek 2; which is in their name
- 6. Stormwater management – CSD responsible for DI, culverts and related infrastructure.**
- a. CV responsible for stormwater management outside of road ROW
 - b. Standards on culvert exit to be modified for future projects to avoid erosion
 - c. CV to assist in troubleshooting and implementing a remedy for odor on occurring Rockridge, and to be responsible for pond improvements if determined necessary/responsible for odor
- 7. Wetlands and 404 Permit Management –**
- a. 404 Permit, Compliance Administration is CSD responsibility
 - b. CV to provide pond maintenance records, water quality results
 - c. Maintenance and Inspection Plan to be developed collaboratively between CSD and CV regarding operating responsibility
 - i. General inspection provided by CSD
 - ii. Improvements and major maintenance provided by CV under CSD guidance
 - d. CV to maintain and comply with NPDES General Permit currently in place in Golf Resort name (Aquatic Pesticides)
 - i. Resort owns wetland property and permit responsibility
 - e. CSD monitors and enforces pond water levels (water supplied/paid from GC contract with CCWD); see Roger Pito wetlands report 2016
- 8. Wildlife habitat easements**
- a. CSD responsible for administration/encroachment under deed restriction
 - b. CSD performs cleaning, weed management and mowing
 - i. Fee for service charged to those who either do not maintain or contract with CSD
- 9. Operation of roads**
- a. Roads maintenance the responsibility of CSD
 - i. Encroachment permit may be required for heavy construction equipment/work
 - b. CV to assist financially when road improvement priorities/work scope are adjusted to suit development/sales needs
 - c. CSD to review road maintenance plans and priorities with CV
- 10. Common area maintenance**
- a. CSD pays electricity for irrigation timers
 - b. CSD Operates and maintains irrigation

- c. CSD Maintains Landscaping
- d. CV pays for water
- e. CV to assist financially when landscape improvement priorities/work scope are adjusted to suit development/sales needs

11. Open space parcels

- a. CV pays water and power for irrigation
- b. CSD maintains irrigation and landscape