

REGULAR BOARD MEETING AGENDA
December 20th, 2016 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 and approval of bills and claims for the month of November 2016.
 - b. Approval of the minutes of the Regular Board Meeting of November 15th, 2016.
 - c. Adoption of a resolution approving agreement with Saddle Creek II Maintenance Association for the sharing of costs related to irrigation water for certain common areas
 - d. Adoption of a Resolution removing signatories from district bank accounts and adding others
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. Appointment of Board officers including the positions of President, Vice president and Secretary for the 2017 calendar year.
 - b. Discussion regarding the development of an agreement with Castle and Cooke regarding the staffing and operation of the community entrance gate during 2017.
8. **PUBLIC HEARING – 2017 BUDGET**
The Board will conduct a public hearing to receive public input and comment regarding the adoption of the 2017 fiscal year budget effective January 1, 2017. Following the public hearing, the Board will consider adoption of a Resolution approving the 2017 budget.
 - a. Approval of a resolution establishing the District's appropriations limit (Gann Limit) for 2017.
 - b. Approval of a Resolution adopting the 2017 fiscal year budget effective January 1, 2017 – December 31, 2017.

9. PUBLIC HEARING – ADOPTION OF SPECIAL TAX BALLOT LANGUAGE

The Board will conduct a public hearing to receive public input and comment regarding the adoption of a resolution adopting intended ballot language and calling and providing for a special mailed ballot election for the adoption of a special tax to fund District operations and road improvements. Following the public hearing, the Board may consider adoption of a Resolution calling for the special mailed ballot election for a new (replacement) special tax.

- a. Approval of a resolution adopting intended ballot language and calling and providing for a special mailed ballot election to be held in said district on May 2, 2017 for the purpose of submitting to the qualified voters the question of the adoption of a special tax for maintaining facilities and providing services, and requesting the Board of Supervisors to consolidate with any other election conducted on said date, and requesting election services by the Calaveras County Elections Department.

10. 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 meeting agenda.

11. ADJOURNMENT

Saddle Creek Community Services District
Regular Meeting of December 20th, 2016

AGENDA SUPPORTING DATA

6. CONSENT CALENDAR

- a. Review of monthly financial report and approval of bills and claims for the month of November 2016.
- b. Approval of the minutes of the Regular Board Meeting of November 15th, 2016.
- c. Adoption of a resolution approving agreement with Saddle Creek II Maintenance Association for the sharing of costs related to irrigation water for certain common areas
- d. Adoption of a Resolution removing signatories from district bank accounts and adding others

Recommended Motion

I move to approve the Consent Calendar as presented.

Background

It is recommended that the Board approve the consent calendar in a single motion due to the non-controversial nature of the items under consideration.

Saddle Creek II Agreement

The proposed agreement with Saddle Creek II is exactly the same as presented to our Board at the November 2016 meeting. We had agreed to delay action on this item to provide the Association time to review the document; which they have. The agreement is to be effective January 1, 2017 and the additional cost for payment of a portion of the water bill is included in the 2017 budget.

Bank Signatories

In the future, we will be presenting a resolution each time bank signatories are added or removed; and will present this in conjunction with elections and appointments.



Saddle Creek Community Services District

Treasurer's Report

November 30, 2016

Saddle Creek Comm Srvs District

BALANCE SHEET

As of November 30, 2016

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 Umpqua Bank Checking	265,386
1020 Cash - Fund 2188	(48)
1080 Umpqua Bank CD Accounts	126,677
Total Bank Accounts	\$392,015
Total Current Assets	\$392,015
Fixed Assets	
1500 Capital Assets	13,050,601
1600 Accumulated Depreciation	(818,135)
Total Fixed Assets	\$12,232,466
TOTAL ASSETS	\$12,624,481
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	9,275
Total Accounts Payable	\$9,275
Credit Cards	
2040 CSDA Bank of the West MC	352
Total Credit Cards	\$352
Other Current Liabilities	
2100 Payroll Taxes Payable	221
2150 Accrued Payroll	9,384
Board of Equalization Payable	16
Total Other Current Liabilities	\$9,621
Total Current Liabilities	\$19,247
Total Liabilities	\$19,247
Equity	
3800 Developer Capital Contributions	12,198,796
3900 Retained Earnings	676,646
Net Income	(270,207)
Total Equity	\$12,605,234
TOTAL LIABILITIES AND EQUITY	\$12,624,481

SADDLE CREEK COMMUNITY SERVICES DISTRICT
FY 2016 MONTHLY BUDGET REPORT
November 2016

Code	Current Year - 2016			Prior Year - 2015		
	(Approved) FY 2016	(Expenditures) Month of October	(Expenditures) Year to Date	(Adjusted) FY 2015	(Expenditures) Month of October	(Expenditures) Year to Date - Prior Year
EXPENDITURES						
SERVICES AND SUPPLIES						
<u>ADMINISTRATION</u>						
OE01	Audit Expense	\$ 7,500	\$ -	\$ 7,500	\$ 7,500	\$ 7,500
OE02	Finance Expense	\$ 500	\$ 31	\$ 341	\$ 500	\$ 31
OE03	On-line Back-up/Notary Fees/Bonds	\$ 361	\$ -	\$ 327	\$ 351	\$ -
OE04	Legal Expenses	\$ 1,500	\$ -	\$ 200	\$ 1,500	\$ -
OE05	Management Fees	\$ 62,700	\$ 5,591	\$ 57,841	\$ 57,000	\$ 5,225
OE06	Insurance (Property Loss/Liability)	\$ 8,000	\$ -	\$ 8,274	\$ 8,000	\$ -
OE07	Miscellaneous/Contingency	\$ 2,000	\$ 549	\$ 906	\$ 2,000	\$ 352
OE08	Professional Development (Travel/Training)	\$ 6,000	\$ 76	\$ 6,932	\$ 6,000	\$ 770
OE09	Dues, Certifications & Subscriptions	\$ 4,000	\$ 99	\$ 4,027	\$ 4,000	\$ 323
OE10	Uniform Expenses	\$ 2,200	\$ 261	\$ 2,009	\$ 2,200	\$ 200
OE11	Electric Power/Water/Sewer	\$ 5,200	\$ 260	\$ 4,417	\$ 6,000	\$ 252
OE12	Telephone/Pager Service	\$ 4,000	\$ 360	\$ 3,719	\$ 5,000	\$ 331
OE13	Internet Service	\$ 1,200	\$ 90	\$ 809	\$ 1,200	\$ 90
OE14	Office Supplies/Postage	\$ 5,000	\$ 184	\$ 4,883	\$ 5,000	\$ 32
OE15	Office Equipment Repair/Replacement	\$ 3,000	\$ -	\$ 2,647	\$ 3,000	\$ -
OE31	Records Management Services	\$ 2,400	\$ -	\$ -	\$ 2,400	\$ -
OE26	County Fees/LAFCO	\$ 6,500	\$ -	\$ 3,009	\$ 6,000	\$ -
OE30	Reimbursable Maint/Repair Expense	\$ 19,500	\$ -	\$ 8,299	\$ 10,000	\$ -
PE03-1	Payroll Taxes - Administration	\$ -	\$ 320	\$ 5,392	\$ -	\$ -
PE06-1	Employee Wages - Administration	\$ -	\$ 4,104	\$ 62,855	\$ -	\$ -
	Total Administration	\$ 141,561	\$ 11,924	\$ 184,385	\$ 127,651	\$ 7,607
<u>COMMON AREAS</u>						
OE16	Gate Maintenance & Opener Purchase	\$ 4,000	\$ 175	\$ 3,610	\$ 4,000	\$ -
OE18	Landscape Supplies & Repairs	\$ 21,000	\$ -	\$ 22,112	\$ 21,000	\$ 67
OE19	Landscape Equipment Repair/Replacement	\$ 16,500	\$ -	\$ 16,418	\$ 10,000	\$ -
OE21	Landscape Equipment Gas & Oil	\$ 5,000	\$ -	\$ 5,609	\$ 7,000	\$ -
PE03 -2	Payroll Taxes - Common Areas	\$ -	\$ 1,119	\$ 9,541	\$ -	\$ -
PE06 -2	Employee Wages - Common Areas	\$ -	\$ 14,627	\$ 117,286	\$ -	\$ -
	Total Common Areas	\$ 46,500	\$ 15,921	\$ 174,576	\$ 42,000	\$ 67
<u>FIRE PROTECTION</u>						
	Fire Protection Services & Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
PE03-3	Payroll Taxes - Fire Protection	\$ -	\$ -	\$ 1,908	\$ -	\$ -
PE06-3	Employee Wages - Fire Protection	\$ -	\$ -	\$ 24,495	\$ -	\$ -
	Total Fire Protection	\$ -	\$ -	\$ 26,403	\$ -	\$ -

SADDLE CREEK COMMUNITY SERVICES DISTRICT
FY 2016 MONTHLY BUDGET REPORT
November 2016

Code	Current Year - 2016			Prior Year - 2015			
	(Approved) FY 2016	(Expenditures) Month of October	(Expenditures) Year to Date	(Adjusted) FY 2015	(Expenditures) Month of October	(Expenditures) Year to Date - Prior Year	
MOSQUITO ABATEMENT							
OE22-1	Mosquito Control Products	\$ 14,500	\$ 858	\$ 12,096	\$ 14,513	\$ 3,619	\$ 14,808
OE22-2	Mosquito Abatement Monitoring & Testing	\$ 3,000	\$ 93	\$ 3,617	\$ 3,000	\$ 478	\$ 2,449
OE22-3	Mosquito Abatement Vehicles Gas & Oil	\$ 11,000	\$ 1,045	\$ 6,834	\$ 13,000	\$ 2,487	\$ 10,189
OE22-4	Mosquito Abatement Equipment Maintenance	\$ 5,000	\$ -	\$ 5,658	\$ 5,890	\$ -	\$ 4,440
PE03-4	Payroll Taxes - Mosquito Abatement	\$ -	\$ -	\$ 1,120			
PE06-4	Employee Wages - Mosquito Abatement	\$ -	\$ -	\$ 14,616			
	Total Mosquito Abatement	\$ 33,500	\$ 1,997	\$ 43,941	\$ 36,403	\$ 6,584	\$ 31,886
STREETS							
OE17	Streets & Main Gate Lighting Maint/Repair	\$ 13,500	\$ -	\$ 12,944	\$ 13,500	\$ 6,412	\$ 13,443
PE03-5	Payroll Taxes - Streets	\$ -	\$ -	\$ 64			
PE06 -5	Employee Wages - Streets	\$ -	\$ -	\$ 823			
	Total Streets	\$ 13,500	\$ -	\$ 13,831	\$ 13,500	\$ 6,412	\$ 13,443
WETLANDS							
	Wetlands Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PE03-6	Employee Wages - Wetlands	\$ -	\$ -	\$ 121			
PE06-6	Payroll Taxes - Wetlands	\$ -	\$ -	\$ 1,591			
	Total Wetlands	\$ -	\$ -	\$ 1,712	\$ -	\$ -	\$ -
	TOTAL SERVICES & SUPPLIES	\$ 235,061	\$ 29,842	\$ 444,849	\$ 219,554	\$ 20,671	\$ 207,954
PERSONNEL EXPENDITURES							
PE01	Worker Compensation Insurance	\$ 16,035	\$ -	\$ 20,871	\$ 16,000	\$ -	\$ 17,882
PE02	Health Insurance	\$ 60,145	\$ 4,508	\$ 52,297	\$ 58,780	\$ 4,927	\$ 50,908
PE03	Payroll Taxes	\$ 22,311	\$ 1,438	\$ 18,122	\$ 28,000	\$ 1,604	\$ 18,736
PE04	Processing Fees	\$ 1,400	\$ 113	\$ 1,251	\$ 1,400	\$ 115	\$ 1,323
PE05	Directors Stipend	\$ 6,000	\$ -	\$ -	\$ 6,000	\$ -	\$ -
PE06	Employee Wages	\$ 255,712	\$ 18,731	\$ 221,932	\$ 253,000	\$ 20,889	\$ 223,225
			\$ 24,791	\$ 314,472			
	<i>Distributed to Service Areas</i>		\$ (20,170)	\$ (239,804)			
	TOTAL PERSONNEL	\$ 361,603	\$ 4,621	\$ 74,669	\$ 363,180	\$ 27,534	\$ 312,074
CAPITAL OUTLAY							
CO04	Vrisimo Flail Mower (2015) **		\$ -	\$ 2,146	\$ 8,000		
CO04	John Deere Tractor w/loader & Bucket (2016)	\$ 72,157					
	TOTAL CAPITAL OUTLAY	\$ 72,157	\$ -	\$ 2,146	\$ 8,000	\$ -	\$ -

SADDLE CREEK COMMUNITY SERVICES DISTRICT
FY 2016 MONTHLY BUDGET REPORT
November 2016

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	(Approved) FY 2016	(Expenditures) Month of October	(Expenditures) Year to Date	(Adjusted) FY 2015	(Expenditures) Month of October	(Expenditures) Year to Date - Prior Year
STUDIES AND ASSESSMENTS						
Landscape Design	\$ 12,000	\$ -	\$ 8,085			
Pavement Assessment	\$ 15,000	\$ -	\$ 4,500			
Financial Assessment	\$ 4,300	\$ -	\$ 4,000			
TOTAL STUDIES & ASSESSMENTS	\$ 31,300	\$ -	\$ 16,585	\$ -	\$ -	\$ -
DEBT SERVICE						
John Deere Financing	\$ 14,440	\$ 1,336	\$ 9,350			
TOTAL DEBT SERVICE	\$ 14,440	\$ 1,336	\$ 9,350			
TOTAL EXPENSES	\$ 714,561	\$ 35,799	\$ 547,599	\$ 590,734	\$ 48,205	\$ 520,027

***Mower purchased in 2015 traded in against a different mower in 2016. \$2146. is the difference in cost.*

PAYMENTS AND ASSESSMENTS RECEIVED

Assessment Income			Date Rec'd:	Amount:
Payment No. 1:			FY 2013-14	\$ 311,982
Payment No. 2:	up 2% from PY	\$ 262,765	Note Only	\$ 257,524
Payment No. 3: (Chg on Acct for 2017 LAFCO fee)	\$ (90)	\$ (90)		
Total Assessment Income	\$ 590,142	\$ (90)	\$ 572,275	\$ -
Reimbursement Income				
From:	For:			
G. Hebard	Personal Portion of Travel	\$ 96		\$ 248
SDRMA	Scholarship for Clerk Leadership		\$ 525	\$ 10,192
Castle & Cooke	Tractor/Equipment Repairs	\$ 7,857		\$ 6,841
Castle & Cooke	Gold Electric 9588	\$ 346		\$ 2,561
Total Reimbursement Income		\$ 8,299	\$ 10,000	\$ -
Other Income				
From:	For:			
Castle & Cooke	Weed Abatement	\$ 2,500		
Lot Owners	Weed Abatement	\$ 2,300	\$ 200	\$ 1,150
Lot Owners	Gate Openers/Cards	\$ 1,014		\$ 195
Umpqua Bank	CD Interest	\$ 39	\$ 39	\$ 224
Calaveras County	Interest Received	\$ 42		\$ 400
Various	Other Miscellaneous - Credit Due	\$ (415)		\$ 205
SDRMA	Purch Card Program Rebate	\$ 342		
Total Other Income		\$ 6,418	\$ 8,000	\$ 2,174
TOTAL PAYMENTS & ASSESSMENTS	\$ 611,276	\$ (9)	\$ 277,392	\$ 279,540
Net Income	\$ (103,285)	\$ (35,808)	\$ (270,207)	\$ (240,487)
Other Financing Sources/Uses				
John Deere Financing		\$ 72,157		
REVENUE (OVER) EXPENDITURES	\$ (31,128)	\$ (35,808)	\$ (270,207)	\$ (240,487)

Saddle Creek Comm Srvs District

CHECK DETAIL

November 2016

DATE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT
11/01/2016	October 2016	Kampa Community Solutions, LLC	Management Services	-5,225.00
11/01/2016	1759945	John Deere Financial	Tractor Payment	-1,335.71
11/01/2016	November	Intuit Full Service Payroll	Payroll Service Fees	-113.00
11/04/2016	DD	BRADLEY D NICKELL	Pay Period: 10/16/2016-10/31/2016	-797.78
11/04/2016	DD	DOLORES C BAKER	Pay Period: 10/16/2016-10/31/2016	-460.12
11/04/2016	DD	MICHELE L MENZIES	Pay Period: 10/16/2016-10/31/2016	-96.08
11/04/2016	DD	CODY L PONDER	Pay Period: 10/16/2016-10/31/2016	-863.94
11/04/2016	DD	HERNAN M HERNANDEZ	Pay Period: 10/16/2016-10/31/2016	-1,136.48
11/04/2016	DD	Gregory Hebard	Pay Period: 10/16/2016-10/31/2016	-2,194.59
11/04/2016	DD	Ralph M. McGeorge	Pay Period: 10/16/2016-10/31/2016	-1,495.60
11/05/2016	2019	California State Disbursement Unit	Garnishments Payable	-118.50
11/09/2016		CA EDD	Tax Payment for Period: 11/02/2016-11/04/2016	-380.66
11/09/2016		IRS	Tax Payment for Period: 11/02/2016-11/04/2016	-2,548.57
11/15/2016	2028	VALLEY ENTRY SYSTEMS, INC.	Gate Maintenance	-175.00
11/15/2016	2026	Turf Star, Inc.	Mosquito Abatement Vehicle Main/Repair	-361.59
11/15/2016	2032	SDRMA-Health Ins.	Health Insurance Monthly Premium	-4,508.40
11/15/2016	2027	Bank of the West	Credit Card Payment	-7,153.85
11/15/2016	2033	Merced County Mosquito Abatement District	Continuing Education	-148.00
11/18/2016	2039	MICHELE L MENZIES	Pay Period: 11/01/2016-11/15/2016	-101.73
11/18/2016	2035	DOLORES C BAKER	Pay Period: 11/01/2016-11/15/2016	-637.98
11/18/2016	2040	BRADLEY D NICKELL	Pay Period: 11/01/2016-11/15/2016	-797.80
11/18/2016	2037	HERNAN M HERNANDEZ	Pay Period: 11/01/2016-11/15/2016	-870.54
11/18/2016	2036	Gregory Hebard	Pay Period: 11/01/2016-11/15/2016	-2,194.60
11/18/2016	2038	Ralph M. McGeorge	Pay Period: 11/01/2016-11/15/2016	-1,495.60
11/18/2016	2041	CODY L PONDER	Pay Period: 11/01/2016-11/15/2016	-944.58
11/20/2016	2029	California State Disbursement Unit		-118.50
11/23/2016		IRS	Tax Payment for Period: 11/16/2016-11/18/2016	-2,523.68
11/23/2016		CA EDD	Tax Payment for Period: 11/16/2016-11/18/2016	-377.93
11/28/2016	10/7-11/6/2016	PG&E - 7193		-260.18

**WATER UTILITY COST SHARING AGREEMENT BETWEEN
SADDLE CREEK COMMUNITY SERVICES DISTRICT
AND
SADDLE CREEK II MAINTENANCE ASSOCIATION**

This Water Utility Cost Sharing Agreement (“Agreement”) is entered into on the 1st Day of January, 2017 by and between Saddle Creek Community Services District, a political subdivision of the State of California and a community services district formed pursuant to the provisions of California Government Code section 61000 et seq., hereinafter referred to as “District” and Saddle Creek II Maintenance Association, a nonprofit homeowners association located within the District boundaries, hereinafter referred to collectively as “SCII”.

RECITALS

1. SECTION 1- Tthe District is responsible for operation and maintenance of the Saddle Creek community roads and the adjacent common landscaped and improved areas; and
2. SECTION 2 - Certain common areas located in the SCII are watered by a common irrigation system shared with the Saddle Creek Community Services District (District); and
3. SECTION 3 - The District has historically paid the cost of electrical services which powers irrigation timers serving the above described common areas, and SCII has historically paid the cost of water utility service to the common area property; and
4. SECTION 4 - The cost of both water and electrical services have increased to the respective entities, and SCII and District (Parties) have agreed to develop an alternate method of accounting for water and electrical expenses serving the common areas; and
5. SECTION 5 - The Parties have conducted a site evaluation and negotiated the terms and conditions contained below regarding the payment of costs related to common area irrigation.

NOW, THEREFORE, in consideration of the authorities and responsibilities of the District as detailed above, the promises, mutual obligations and agreements herein contained, the parties hereby agree as follows:

1. Water Utility Costs. The water service account serving the common area irrigated by the Parties shall remain in the name of and maintained in good standing by the Saddle Creek II Maintenance Association. On a monthly basis, SCII shall submit to the District the water utility billing for the common area property, with evidence that the bill has been paid current. The District shall reimburse SCII for 12% of the cost of the monthly water bill for the common area property. Reimbursement will be made as quickly as possible in conjunction with the District's normal processing of payables.
2. Electricity Costs. The District shall continue to pay 100% of the cost of PG&E meter #1005391982 as billed for the common area irrigation timers.
3. Irrigation System Maintenance. The District and SCII shall maintain responsibility for operation and maintenance of their respective irrigation system components, and shall maintain such systems in good working order to ensure operating efficiency and compliance with water conservation and use requirements of the water provider. Irrigation system leak repairs and other water wasting system defects shall be repaired by the responsible party as quickly as possible but in no case in excess of seven days of written notification of the leak.
4. Irrigation System Modifications/Notifications. Either party proposing modifications to their respective common area irrigation system in a manner that may change water use shall notify the other party in advance. Either party may request an evaluation of respective water usage by the other party when irrigation system modifications are completed.
5. Billing Disputes. In the event there is disagreement regarding responsibility for excessively high water usage caused by leaks or improper operation, the parties

agree to meet and evaluate the cause of the overage, and apply the proportional share of the overage cost to the responsible party. If responsibility for the overage cannot be determined, the District shall reimburse the normal 12% of costs and the Parties shall closely monitor and adjust operations and maintenance to ensure that overages do not occur in the future.

6. Term of Agreement. This Agreement shall be effective for a period of one year from the date of its execution by both parties. It is the intent of the parties hereto to renew this agreement on an annual basis to reflect current operating conditions and expenses.
7. Termination. This agreement will terminate at the end of the Term unless extended by the parties.
8. Amendments. This Agreement may be amended only by a written amendment signed by both SCII and District.
9. Notices. All notices hereunder must be in writing and, unless otherwise provided herein, shall be deemed valid if sent by certified mail, return receipt requested, addressed as follows (or to any other mailing address which the party to be notified may designate to the other party by such notice.).

Should SCII or District have a change of address, the other party shall immediately be notified as provided in this paragraph of such change.

District: Saddle Creek Community Services District
Attention: General Manager
1000 Saddle Creek Dr
Copperopolis, California 95228

SCII: _____

10. Successors and assigns. This agreement shall inure to the benefit of future successors of SCII; who shall have the same rights and obligations under this agreement.

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

SADDLE CREEK COMMUNITY SERVICES DISTRICT

Peter J. Kampa, General Manager

Saddle Creek II Maintenance Association

By: _____

RESOLUTION NO. 2016-____

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SADDLE CREEK COMMUNITY SERVICES DISTRICT
APPROVING AGREEMENT WITH SADDLE CREEK II
MAINTENANCE ASSOCIATION REGARDING COMMON AREA
WATER UTILITY EXPENSES**

WHEREAS, the District is responsible for operation and maintenance of the Saddle Creek community roads and the adjacent common landscaped and improved areas; and

WHEREAS, certain common areas located in the Saddle Creek II Maintenance Association (SCII) are watered by a common irrigation system shared with the Saddle Creek Community Services District (District); and

WHEREAS, the District has historically paid the cost of electrical services which powers irrigation timers serving the above described common areas, and SCII has historically paid the cost of water utility service to the common area property; and

WHEREAS, the cost of both water and electrical services have increased to the respective entities, and SCII and District (Parties) have agreed to develop an alternate method of accounting for water and electrical expenses serving the common areas; and

WHEREAS, the Parties have conducted a site evaluation and negotiated an agreement to memorialize their mutual understanding or the terms and conditions of the payment of costs related to common area irrigation, and said agreement is attached hereto and incorporated herein for Board consideration.

NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE SADDLE CREEK COMMUNITY SERVICES DISTRICT DOES HEREBY approve the attached Agreement with Saddle Creek II Maintenance Association for the sharing of costs associated with common area irrigation within SCII.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Saddle Creek Community Services District on December 20, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

CERTIFICATE OF SECRETARY

I, Michele Menzies, 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 December 20, 2016.

DATED: _____.

SADLE CREEK COMMUNITY SERVICES DISTRICT

RESOLUTION 2016-xx

**Resolution to update Signature Cards
On All District Bank Accounts**

WHEREAS, the District has had a change in Directors and Staff which requires an update to all banking accounts to reflect the current Board of Directors and Staff for the purpose of conducting District banking business; and

NOW THEREFORE IT IS RESOLVED, that the Board of Directors update the District bank accounts, and the Local Agency Investment Fund account to include current Directors and approved staff as authorized agents and signers on the District accounts.

BE IT RESOLVED, on this 20th day of December, 2016 the Board of Directors for the Saddle Creek Community Services District have agreed to update the signature cards for the financial institutions as follows as Authorized Signers/Agents and all other bank previous signers shall be removed:

Staff

Peter Kampa, General Manager

Directors

Ken Albertson
Larry Hoffman
Darlene DeBaldo
Roger Golden
Sue Russ

WHEREFORE, this resolution was passed and adopted this 20th day of December 2016 at the Regular Meeting by the Board of Directors by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Attest:

President - Board of Directors

Michele Menzies, Board Clerk

CERTIFICATE OF SECRETARY

*I, Michele Menzies, Clerk of Saddle Creek **Community Services District**, do hereby certify that the foregoing Resolution was duly and regularly updated on the 20th day of December, 2016 at the Regular Meeting of the Board of Directors.*

Michele Menzies, Board Clerk

Saddle Creek Community Services District

Regular Meeting of December 20th, 2016

AGENDA SUPPORTING DATA

7. DISCUSSION AND ACTION ITEMS

- a. Appointment of Board officers including the positions of President and Vice President for the 2017 calendar year.

Recommended Motion

Staff recommends the following motion:

*I move to appoint director _____ to the office of Board President, and
_____ -to the office of Board Vice President.*

Background

It is customary and the policy of the Board that in January of each year, the board conduct an annual organizational meeting in which the appointment of Board President and Vice President is made. The applicable section of the Government Code is included below for reference. Due to the 45 day requirement in law, this item is presented at this meeting for consideration. The Board can appoint officers at either its December or January meeting.

The Board is not bound by law to follow its own existing protocol with regard to the appointment of officers, and there is also no legal guidance or industry standard on how officer appointments are made.

Government Code 61043 simply states:

- (a) Within 45 days after the effective date of the formation of a district, the board of directors shall meet and elect its officers. Thereafter, within 45 days after each general district or unopposed election, the board of directors shall meet and elect the officers of the board of directors. A board of directors may elect the officers of the board of directors annually.
- (b) The officers of a board of directors are a president and a vice president. The president shall preside over meetings of the board of directors and the vice president shall serve in the president's absence or inability to serve.
- (c) A board of directors may create additional offices and elect members to those offices, provided that no member of a board of directors shall hold more than one office.

Saddle Creek Community Services District

Regular Meeting of December 20th, 2016

AGENDA SUPPORTING DATA

7. CONSENT CALENDAR

- a. Discussion regarding the development of an agreement with Castle and Cooke regarding the staffing and operation of the community entrance gate during 2017.

Recommended Motion

This item is for discussion and direction to staff only and therefore no specific motion is needed at this time.

Background

In an agreement dated June 7, 2016, Castle & Cooke agreed to fund staffing of the entrance gate Friday evening through Sunday evening of each week to accommodate uninterrupted and convenient public access to the golf course and its facilities during operating hours. The agreement also required that Castle & Cooke budget for the cost of relocating or reconstructing the entrance gates in locations to allow full access to the golf course while restricting traffic flow to the residential areas.

Castle & Cooke was also allowed to propose alternate solutions to the gate operation and was required to respond to the District with a decision in October 2016. We were notified by email from Scott Thayer of Castle & Cooke that the decision was to fund the staffing necessary to have an attendant at the entrance gate during all hours the golf course is open, seven days per week. C&C proposes to increase the staffing starting January 1, 2016.

The current agreement primarily contemplates the action of moving the gates, and a revised agreement is now necessary to reflect Castle & Cooke's commitment to increase gate staffing. At this meeting, we seek input from the Board on draft agreement terms and conditions by addressing the following questions:

1. What is the agreement term, in years?
2. The proposal in the beginning is to staff Sunday – Thursday: 6:45 a.m. to 5:00 p.m.; and Friday and Saturday: 6:45 a.m. to 8:00 p.m. Castle & Cooke would like the ability to modify those days and or hours in the future. Can we support modifications with the understanding that the gate is on automatic/closed operation for all unattended hours and with 30 days advance notification to the District? Castle & Cooke has recommended a 10 day advance notification.
3. To start, C&C will hire and pay the gate staff as normal, but would like the opportunity for an option for the CSD to handle this. Does the agreement provide for CSD hiring and funding of staff with reimbursement from Castle & Cooke?

If there are other conditions such as continued pursuit of the gate relocation options, this is the appropriate meeting in which to detail such provisions. With Board direction, an agreement will be developed for consideration at our January meeting. Castle & Cooke's obligation to begin staffing the increased schedule will not be affected by the timeline for development of this agreement and is to begin on January 1.

Saddle Creek Community Services District
Regular Meeting of December 20th, 2016

AGENDA SUPPORTING DATA

8. PUBLIC HEARING – 2017 BUDGET

- a. Approval of a resolution establishing the District's appropriations limit (Gann Limit) for 2017.

Recommended Motion

I move to approve a resolution establishing the District's appropriations limit (Gann Limit) for 2017.

Background

Proposition 4, which was co-sponsored by Proposition 13 author Paul Gann and commonly known as the Gann Initiative, was passed by California voters in 1979. It established Article XIII B of the State Constitution and set limits on the growth of most appropriations from tax sources made by the state and affected local governmental entities. Most local governments and districts are subject to the limit. Starting in the 1980-81 fiscal year, Article XIII B limited the annual growth of applicable appropriation levels to calculated percentages, above the previous year's level, based upon regional population growth and the rate of inflation as measured by the lower of the percentage change in the Consumer Price Index, CPI, or California's per capita personal income.

Types of revenue subject to the Article XIII B limit included tax revenues, interest earnings on invested tax revenues, and proceeds from regulatory and service licenses, fees and charges that exceed costs to cover administration and services provided. Appropriations for debt service and compliance with court orders and federal mandates were exempt from the limit. Voters within a jurisdiction were allowed to authorize an increase in the limit; however any increase approved could only be in effect for a maximum of four years. After four years, voters could approve another increase, otherwise the limit would return to the level it would have been without the first increase. The article further specified that tax revenues in excess of the limits were to be returned to taxpayers in the form of lower tax rates or reduced fee schedules.

In 1988 Proposition 98 allowed excess appropriations to be transferred to K-14 schools, up to 4 per cent of the schools minimum funding base. Proposition 99, also passed in 1988, increased taxes on cigarette and tobacco products and made these tax revenues exempt from the Article XIII B limit.

More comprehensive changes were implemented in 1990 with the approval of Proposition 111. One of the most significant changes under 111 was to extend the appropriations limit restriction to a two-year period. Excess revenues received in one year could be carried over to the following

year, preventing a rebate if the revenues fell below the limit in the second year. The effect was to create a two year average, allowing the State and local entities more flexibility in managing appropriations and expenditures. In addition, Proposition 111 covered a gap in previous legislation that left the State and local governments open to spending limits that could prevent adequate funding of multi-year capital outlays and sufficient response to emergencies such as natural disasters. Subsequently costs associated with recovery from natural disasters and for qualified capital outlays were exempt from the Article VIII B limits.

The net effect of the three propositions was to soften the appropriations limit, adding new exemptions, allowing for a two-year average against the limit and increasing the funding available to schools. However, the State and each affected local governmental entity, must plan and budget against the Gann limit as it remains a binding constraint on governmental appropriations.

Discussion

State law (Sections 7902(b) and 7910 of the Government Code) requires each local government agency to determine during each fiscal year the appropriations limit pursuant to Article XIII-B of the California Constitution applicable during the following fiscal year. The limit must be adopted at a regularly scheduled meeting and the documentation used in determining the limit must be made available for fifteen days prior to such meeting.



May 2016

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

The California Revenue and Taxation Code, section 2227, requires the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2016, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2016-17. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2016-17 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. The Revenue and Taxation Code, section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The Code and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2016.**

Please Note: Prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN
Director
By:

AMY COSTA
Chief Deputy Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2016-17 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2016-17	5.37

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2016-17 appropriation limit.

2016-17:

Per Capita Cost of Living Change = 5.37 percent
 Population Change = 0.90 percent

Per Capita Cost of Living converted to a ratio: $\frac{5.37 + 100}{100} = 1.0537$

Population converted to a ratio: $\frac{0.90 + 100}{100} = 1.0090$

Calculation of factor for FY 2016-17: $1.0537 \times 1.0090 = 1.0632$

Fiscal Year 2016-17

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2015 to January 1, 2016 and Total Population, January 1, 2016

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2015-2016	1-1-15	1-1-16	1-1-2016
Calaveras				
Angels City	0.72	4,016	4,045	4,045
Unincorporated	-0.25	41,179	41,078	41,162
County Total	-0.16	45,195	45,123	45,207

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

RESOLUTION 2016-__
A RESOLUTION OF THE SADDLE CREEK COMMUNITY SERVICES DISTRICT
ADOPTING FISCAL YEAR 2017 APPROPRIATIONS LIMIT

WHEREAS, Article XIII B of the Constitution of the State of California was established in November of 1979 with the passage of Proposition 4 establishing a limit on spending by public agencies, including Special Districts, of funds from proceeds of taxes; and,

WHEREAS, Government Code Section 7901(a) and (b) states a special district use the “Change in California per capita personal income” as published by the United States Department of Commerce in the Survey of Current Business and “Change in population” as estimated by the State of California Department of Finance pursuant to Section 2228 of the Revenue and Taxation Code of each special district; and,

WHEREAS, the annual calculation of the appropriations limit shall be reviewed as part of the annual financial audit per Section 1.5 of Article XIII B of the Constitution of the State of California; and,

WHEREAS, the fiscal 2017 proposed budget of \$97,230. is well below the calculated appropriations limit of \$1,286,189.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Saddle Creek Community Services District, that in accordance with Article XIII B of the California Constitution and Government Code Section 7901and (a) and (b), the Saddle Creek Community Services District does hereby adopt the appropriation limit for 2017 of \$1,286,189., as reflected in Exhibit A;

AND BE IT FURTHER RESOLVED that pursuant to Article XIII B Section 1.5 of the Constitution of the State of California, the annual calculation of the appropriations limit will be reviewed as part of the annual financial audit;

AND BE IT FURTHER RESOLVED that the General Manager will provide copies of this resolution along with the appropriate attachments to interested citizens of this district pursuant to Government Code Section 7910.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Saddle Creek Community Services District on December 20, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

CERTIFICATE OF SECRETARY

I, Michele Menzies, 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 December 20, 2016.

DATED: _____.

EXHIBIT A

Calculation of Limit

APPROPRIATIONS LIMIT FISCAL YEAR 2016 \$1,223,660

ADJUSTMENT FACTORS

Percentage Population Change - Unincorporated Calaveras County:

.21% - This Population Change percentage represents an average of the change in the population over the prior year within the unincorporated areas of Calaveras County per the Demographic Research Unit of the California Department of Finance.

Converted to a decimal $(-.21 + 100) / 100 =$ 0.9975

Percentage Per capital Change in Personal Income - California

5.37% The Per Capita Change in Personal Income percentage represents the change in per capita personal income over the prior year per the Demographic Research Unit of the California Department of Finance.

Converted to a decimal $(5.37 + 100) / 100 =$ 1.0537

TOTAL ADJUSTMENT (the product of the two) 1.0511 \$62,529

APPROPRIATIONS LIMIT FISCAL YEAR 2017 \$1,286,189

Saddle Creek Community Services District
Regular Meeting of December 20th, 2016

AGENDA SUPPORTING DATA

8. PUBLIC HEARING – 2017 BUDGET

- b. Approval of a Resolution adopting the 2017 fiscal year budget effective January 1, 2017 – December 31, 2017

Recommended Motion

I move to approve the Resolution adopting the 2017 fiscal year budget effective January 1, 2017.

Background

The Board has previously considered the draft 2017 budget at its October, November and December 13 meetings and has provided direction to staff on proposed assumptions, criteria and necessary modifications in the budgeted appropriations to allow for final approval at this meeting.

Several budget highlights include:

- Propose to not fill one field maintenance position to help balance revenue and expense
- 2% revenue increase from special taxes
- Continue operations at a level consistent with the past six months
- Contract for design and construction of landscape restorations to repair drought damage throughout the community
- No funding for road improvements including design or construction of pavement projects

In the event that the road special tax is approved, staff will propose an amended budget for adoption by July 1, 2017 which will include funding to expedite the planned road improvement projects to be prepared for construction in fall 2017 or spring 2018.

**SADDLE CREEK COMMUNITY SERVICES DISTRICT
DRAFT 2017 BUDGET**

	General Fund					
	2014 Budgetary Basis Actuals	2015 Adjusted Budget	2015 Budgetary Basis Actuals	2016 Adopted Budget	2016 Projected Budgetary Actuals	2017 Proposed Budget
Special Tax Assessments	\$ 567,225	\$ 572,275	\$ 578,571	\$ 590,142	\$ 590,147	\$ 601,900
Total Other Revenue	\$ 7,355	\$ 8,000	\$ 5,596	\$ 1,634	\$ 7,067	\$ 6,400
Reimbursement for Maintenance and Repair	\$ 4,204	\$ 10,000	\$ 19,842	\$ 19,500	\$ 8,299	\$ 10,500
TOTAL REVENUE	\$ 578,784	\$ 590,275	\$ 604,009	\$ 611,276	\$ 605,513	\$ 618,800

EXPENDITURES - SERVICES AND SUPPLIES

Administration Expenses

Audit Expenses	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Accounting & Bookkeeping	\$ 6,556	\$ 500	\$ 278	\$ 500	\$ 372	\$ 500
On-line Back-up/Notary Fees/Bonds	\$ 351	\$ 351	\$ 361	\$ 361	\$ 326	\$ 360
Legal Expenses	\$ 500	\$ 1,500	\$ -	\$ 1,500	\$ 200	\$ 1,500
Management Fees	\$ 28,500	\$ 57,000	\$ 59,850	\$ 62,700	\$ 63,249	\$ 65,500
Insurance (Property Loss/Liability)	\$ 6,359	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,274	\$ 8,500
Miscellaneous/Contingency	\$ 4,738	\$ 2,000	\$ 2,155	\$ 2,000	\$ 921	\$ 2,000
Professional Development (Travel/Training)	\$ 5,268	\$ 6,000	\$ 6,809	\$ 6,000	\$ 6,931	\$ 8,500
Dues, Certificates & Subscriptions	\$ 3,491	\$ 4,000	\$ 4,127	\$ 4,000	\$ 4,039	\$ 4,500
Uniform Expenses	\$ 1,932	\$ 2,200	\$ 1,964	\$ 2,200	\$ 2,209	\$ 2,200
Electric Power/Water/Sewer	\$ 5,016	\$ 6,000	\$ 4,708	\$ 5,200	\$ 6,107	\$ 9,000
Telephone Service	\$ 4,233	\$ 5,000	\$ 4,062	\$ 4,000	\$ 4,832	\$ 5,000
Internet Service	\$ 1,036	\$ 1,200	\$ 1,169	\$ 1,200	\$ 1,079	\$ 1,100
Office Supplies/Postage	\$ 4,870	\$ 5,000	\$ 5,017	\$ 5,000	\$ 5,184	\$ 5,000
Office Equipment Repair/Replacement	\$ 2,062	\$ 3,000	\$ 3,974	\$ 3,000	\$ 2,647	\$ 5,000
County Fees/LAFCO	\$ 5,758	\$ 6,000	\$ 6,206	\$ 6,500	\$ 5,928	\$ 6,500
Records Management Services		\$ 2,400	\$ -	\$ 2,400	\$ -	\$ 2,400
Reimbursable Maint/Repair Expense	\$ 4,204	\$ 10,000	\$ 19,242	\$ 19,500	\$ 8,299	\$ 10,500
Total Administration Expenses	\$ 92,374	\$ 127,651	\$ 135,422	\$ 141,561	\$ 128,098	\$ 145,560

Streets Expenses

Streets, Sidewalks & Lighting Maintenance	\$ 12,640	\$ 13,500	\$ 13,599	\$ 13,500	\$ 12,944	\$ 13,500
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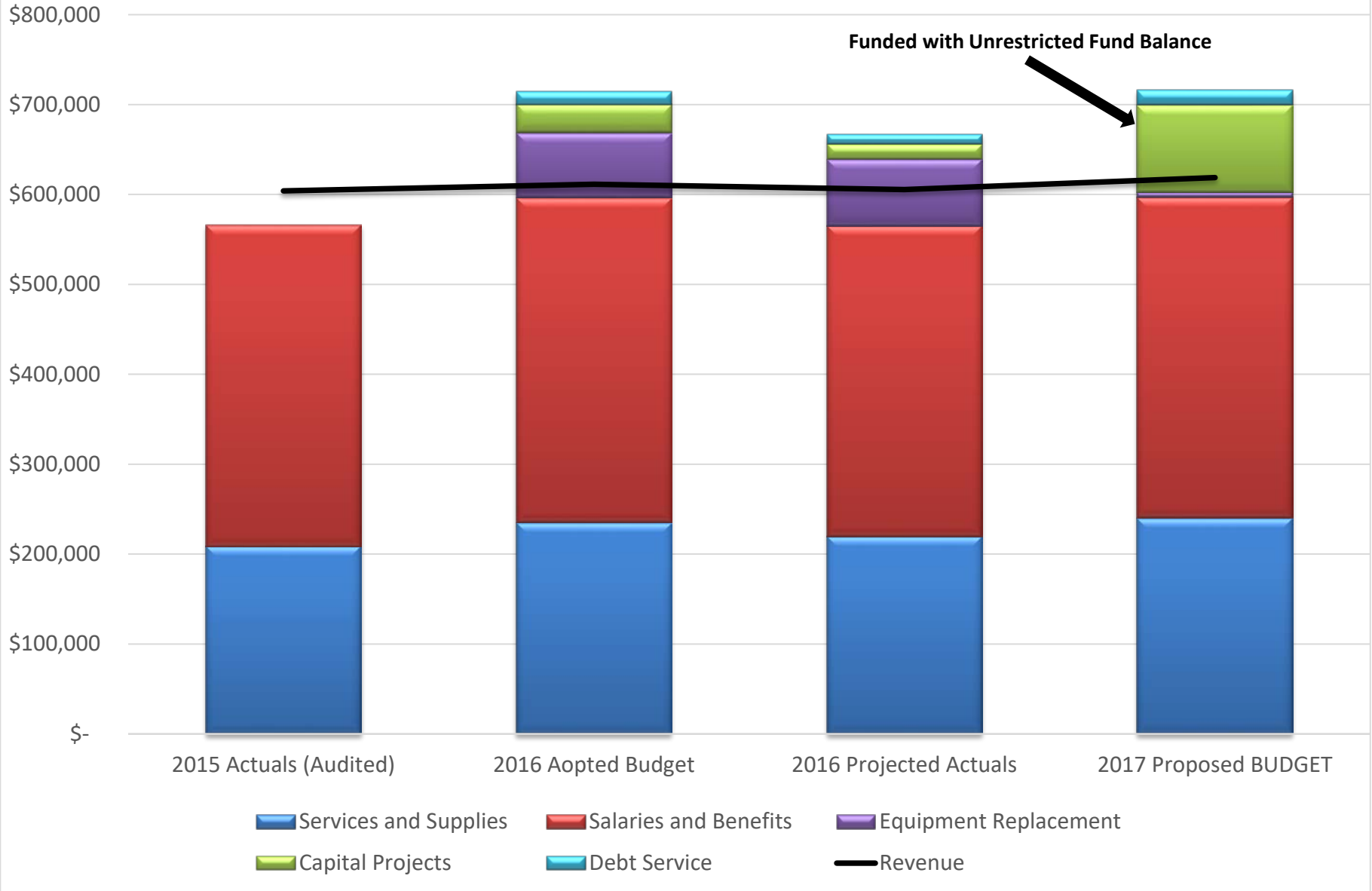
**SADDLE CREEK COMMUNITY SERVICES DISTRICT
DRAFT 2017 BUDGET**

	2014 Budgetary Basis Actuals	2015 Adjusted Budget	2015 Budgetary Basis Actuals	2016 Adopted Budget	2016 Projected Budgetary Actuals	2017 Proposed Budget
Common Areas Expenses						
Gate Maintenance & Opener Purchase	\$ 3,020	\$ 4,000	\$ 3,793	\$ 4,000	\$ 3,610	\$ 4,000
Landscape Supplies & Repairs	\$ 20,868	\$ 21,000	\$ 21,043	\$ 21,000	\$ 22,112	\$ 22,110
Landscape Equipment Repair/Replacement	\$ 16,493	\$ 10,000	\$ 12,204	\$ 16,500	\$ 16,418	\$ 16,500
Landscape Equipment Gas & Oil	\$ 6,582	\$ 7,000	\$ 4,924	\$ 5,000	\$ 5,609	\$ 5,000
Total Common Areas Expense	\$ 46,963	\$ 42,000	\$ 41,964	\$ 46,500	\$ 47,749	\$ 47,610
Mosquito Abatement Expenses						
Mosquito Control Products	\$ 17,673	\$ 14,513	\$ 14,952	\$ 14,500	\$ 13,127	\$ 14,500
Mosquito Abatement Monitoring & Testing	\$ 1,823	\$ 3,000	\$ 2,850	\$ 3,000	\$ 3,617	\$ 3,000
Mosquito Abatement Vehicle Gas & Oil	\$ 10,222	\$ 13,000	\$ 10,489	\$ 11,000	\$ 8,333	\$ 11,000
Mosquito Abatement Vehicle Maintenance	\$ 5,890	\$ 5,890	\$ 4,488	\$ 5,000	\$ 5,658	\$ 5,000
Total Mosquito Abatement Expense	\$ 35,608	\$ 36,403	\$ 32,778	\$ 33,500	\$ 30,735	\$ 33,500
Audit Adjustment - Accruals	\$ 13,793		\$ (14,743)			
TOTAL SERVICES AND SUPPLIES	\$ 201,378	\$ 219,554	\$ 209,020	\$ 235,061	\$ 219,527	\$ 240,170
EXPENDITURES - SALARY AND BENEFITS						
Workers' Compensation Insurance (13)	\$ 10,787	\$ 16,000	\$ 17,882	\$ 16,035	\$ 20,871	\$ 20,300
Health Insurance (6)	\$ 49,533	\$ 58,780	\$ 56,319	\$ 60,145	\$ 56,805	\$ 57,550
Payroll Taxes (13)	\$ 20,316	\$ 28,000	\$ 21,433	\$ 22,311	\$ 19,611	\$ 21,410
Processing Fees (13)	\$ 1,376	\$ 1,400	\$ 1,438	\$ 1,400	\$ 1,364	\$ 1,400
Directors' Stipend (5)	\$ 5,200	\$ 6,000	\$ 5,500	\$ 6,000	\$ 6,000	\$ 6,000
Employee Wages (8)	\$ 224,385	\$ 253,000	\$ 245,506	\$ 255,712	\$ 240,915	\$ 250,400
Audit Adjustment - Accruals	\$ (9,776)		\$ 9,237			
TOTAL SALARIES AND BENEFITS	\$ 301,821	\$ 363,180	\$ 357,315	\$ 361,603	\$ 345,567	\$ 357,060
EXPENDITURES - EQUIPMENT REPLACEMENT						
John Deere Tractor w/loader & Bucket				\$ 72,157	\$ 74,303	
Vrisimo Flail Mower		\$ 8,000				
2" SDS Max Rotary Hammer with attachments		\$ -	\$ -	\$ -		
Workman MDX Cart	\$ 22,768	\$ -	\$ -	\$ -		
Workman HD w/dump bed	\$ 17,499			\$ -		
1/2 ton Pickup	\$ 30,799					
John Deere Rotary Tiller						\$ 5,200
TOTAL EQUIPMENT REPLACEMENT	\$ 71,066	\$ 8,000	\$ -	\$ 72,157	\$ 74,303	\$ 5,200

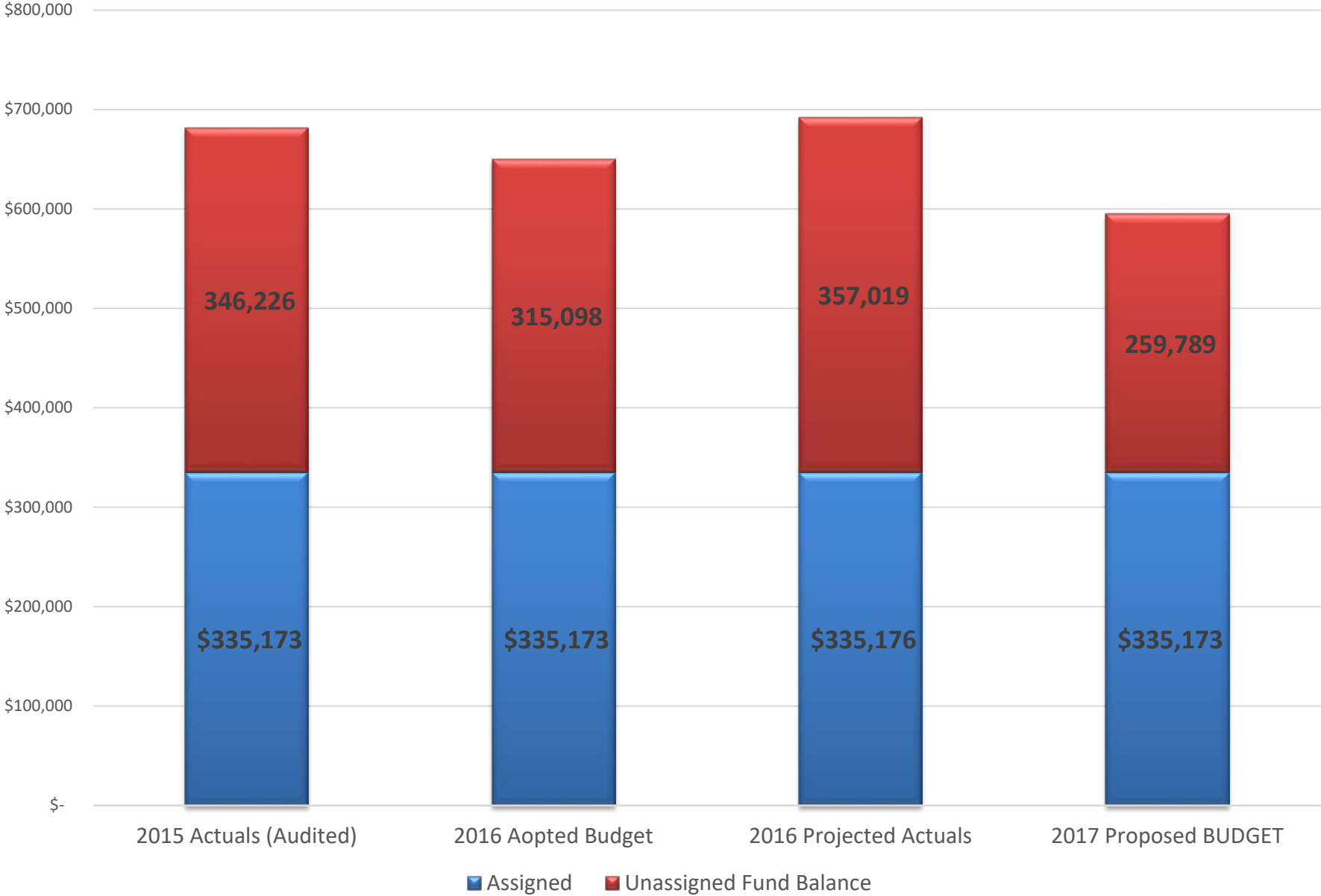
**SADDLE CREEK COMMUNITY SERVICES DISTRICT
DRAFT 2017 BUDGET**

	2014 Budgetary Basis Actuals	2015 Adjusted Budget	2015 Budgetary Basis Actuals	2016 Adopted Budget	2016 Projected Budgetary Actuals	2017 Proposed Budget
EXPENDITURES - CAPITAL PROJECTS						
Landscape Design		\$ -	\$ -	\$ 12,000	\$ 8,295	\$ 20,000
Re-seeding and Irrigation Renovation Contract						\$ 60,000
Pavement Assessment		\$ -	\$ -	\$ 15,000	\$ 4,500	
Parcel Tax Implementation		\$ -	\$ -	\$ 4,300	\$ 4,000	\$ 17,500
TOTAL CAPITAL PROJECTS	\$ -	\$ -	\$ -	\$ 31,300	\$ 16,795	\$ 97,500
DEBT SERVICE						
Lease/Purchase Tractor		\$ -	\$ -	\$ 14,440	\$ 10,686	\$ 16,100
TOTAL DEBT SERVICE				\$ 14,440	\$ 10,686	\$ 16,100
TOTAL EXPENDITURES						
	\$ 574,265	\$ 590,734	\$ 566,335	\$ 714,561	\$ 666,877	\$ 716,030
OTHER FINANCING SOURCES						
John Deere Financing				\$ 72,157	\$ 72,157	
REVENUE (OVER) UNDER EXPENDITURES						
Revenue (Over) Under Expenditures	\$ 4,519	\$ (459)	\$ 37,674	\$ (31,128)	\$ 10,793	\$ (97,230)
Funds (from) to Unassigned Fund Balance	\$4,519	(\$459)	\$37,674	(\$31,128)	\$10,793	(\$97,230)

Expenditures



Fund Balances



**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
SADDLE CREEK COMMUNITY SERVICES DISTRICT
ADOPTING THE 2017 FISCAL YEAR BUDGET**

The Board of Directors of the Saddle Creek Community Services District does hereby find and declare as follows:

WHEREAS, the Saddle Creek Community Services District (“District”) is a California community services district formed and existing under the provisions of the California Community Services District Law, codified at Government Code §§ 61000-61144, and all acts and laws amendatory thereof or supplementary thereto, and possessing all the powers thereof; and

WHEREAS, District staff has prepared a draft 2017 budget in accordance with District policy and Generally Accepted Accounting Principles and all relevant laws and standards which apply thereto; and

WHEREAS, a Notice of Public Hearing was published in the local newspaper in accordance with the requirements of California Government Code 6066 and a copy the certification of said publication is on file with the District; and

WHEREAS, the draft budget was duly presented to the Board of Directors on December 20, 2016 and at which time Board and public input was considered in the adoption of the budget.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SADDLE CREEK COMMUNITY SERVICES DISTRICT that this resolution was passed and adopted on this 20th day of December 2016 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Sue Russ– Board President

ATTEST:

Michele Menzies/ Clerk

CERTIFICATE OF SECRETARY

I, Michele Menzies, as the Secretary of the Saddle Creek Community Services District, do hereby certify that the foregoing Resolution was duly and regularly adopted on the 20th day of December 2016 at the Regular Meeting of the Board of Directors.

Michele Menzies, Clerk



32605 Temecula Parkway, Suite 100
 Temecula, CA 92592

Toll free: 800.676.7516 (P) 951.296.1997

nbsgov.com

To: Saddle Creek Community Services District

From: Stephanie Parson and Tim Seufert, NBS

Date: December 16, 2016

RE: Proposed Special Tax Rate Structure

The Saddle Creek Community Services District (“Saddle Creek CSD”) is looking to establish a special tax to fund ongoing services and capital improvement projects. This new special tax will replace an existing special tax that was established back in 2000. When the tax rate for the original special tax was developed, it was based upon a projected development of over 1,100 homes. Unfortunately, development has not occurred as anticipated, and the Saddle Creek CSD needs a reliable and stable funding source to cover the annual operating shortfall and to provide for necessary capital improvements.

According to data obtained from the Calaveras County Auditor-Controller’s office, the 2016/17 total special tax levy amount for the existing Saddle Creek CSD parcel tax is \$595,403.20. The 2016/17 special tax rate per residential lot, created by a recorded subdivision map, is \$1,063.22. There is no special tax levied upon large lot undeveloped property, the sports club property, or the golf course property.

Saddle Creek CSD provided NBS a proposed operating budget for the next five years in order to develop possible special tax rates. The proposed calendar year operating budgets are summarized in the table below:

Description	2018	2019	2020	2021	2022
Operational Expenses	\$386,734	\$399,265	\$412,423	\$426,240	\$447,552
Personnel Expenses	455,057	482,331	514,024	547,852	575,245
Capital Outlay	225,743	226,481	227,235	228,003	228,786
Reserves	65,008	66,695	68,466	70,326	71,733
Total:	\$1,358,285	\$1,401,253	\$1,449,383	\$1,500,424	\$1,552,102

Proposed Special Tax Benefit Factors:

In developing the tax rate structure for the new special tax, the large lot undeveloped property, the sports club property, and the golf course property were included in the analysis. Similar to the existing special tax, all residential lots, created by a recorded subdivision map, are levied at the same special tax rate. Using the residential lot as the basis for the tax rate analysis, special tax rates were developed for the other land use categories within the Saddle Creek CSD. For purposes of this tax rate analysis, residential lots within the Saddle Creek CSD are assigned 1.00 benefit factor per residential lot.

Large Lot Undeveloped Property

Large lot undeveloped property represents the vacant land within Saddle Creek CSD that needs to be further subdivided before a building permit can be issued upon the property. The Saddle Creek Specific Plan projected construction at densities of 1.50 to 1.86 dwelling units per acre, or an average density of 1.68 dwelling units per acre. Comparing this average density to the benefit factors assigned for residential

lots, it is determined that the large lot undeveloped property will receive a benefit factor of 1.68 per acre. However, the large lot undeveloped property does not benefit from the ongoing services and planned capital improvements in the same way that residential property benefits. To recognize this reduction in benefit, the large lot undeveloped property's benefit factor has been adjusted to 25% of the calculated benefit factor. The assigned benefit factor for large lot undeveloped property is 0.42 per acre.

Description	Benefit Factor Calculation
Calculated Benefit Factor	1.68 per acre
Benefit Percentage	25%
Assigned Benefit Factor	0.42 per acre

Sports Club Property

Benefit factors for the sports club property and the golf course property were established by utilizing trip generation information. Residential estate housing property generates 12 trips per dwelling unit. Again, using the average density of 1.68 dwelling units per acre identified above, the residential property generates approximately 20 trips per acre. Indoor recreational facilities also generate approximately 30 trips per acre. However, the assigned benefit factor for the sports club property must take into consideration that the Saddle Creek sports club is exclusive to property owners of Saddle Creek and guests staying at the Lodge Bungalows. To recognize the limited benefit from the capital improvements and services, from non-homeowner guests of the sports club, the calculated benefit factor of 1.00 has been adjusted to 25% of the calculated rate. The assigned benefit factor for the sports club property is 0.25 per acre.

Description	Benefit Factor Calculation
Sports Club Trip Generation per acre	30
Residential Trip Generation per acre	20
Calculated Benefit Factor	1.50 per acre
Benefit Percentage	25%
Assigned Benefit Factor	0.375 per acre

Golf Course Property

Again, using trip generation information, golf courses generate approximately 600 trips per golf course, which is 50 times more trips than that of a residential dwelling unit. The Saddle Creek Golf Club is not a private course that is exclusive to the residents of only Saddle Creek, but is a public golf course that is open to everyone. Similar to the sports club property, it is recognized that there are some golfers who are also residents within the Saddle Creek development. To account for those golfers who may also be homeowners within Saddle Creek, and to provide a comparison, the calculated benefit factor for the golf course property has been adjusted to 75% of the calculated rate. The assigned benefit factor for the golf course property is 37.50 per golf course property.

Description	Benefit Factor Calculation
Golf Course Trip Generation	600
Residential Trip Generation	12
Calculated Benefit Factor	50.00 per course
Benefit Percentage	75%
Assigned Benefit Factor	37.50 per course

The table below recaps the assigned benefit factors for property within the Saddle Creek CSD.

Land Use Category	Benefit Factor	Special Tax Levied Per
Residential Lot	1.00	Lot
Large Lot Undeveloped Property	0.42	Acre
Sports Club Property	0.375	Acre
Golf Course Property	25.00	Parcel(1)
Common Area / Roads	0.00	Parcel

- (1) The golf course property special tax will be assigned and levied upon the developed parcel that includes the Saddle Creek Lodge, currently parcel 055-051-067. If that parcel changes in future years, the special tax shall be levied on the successor parcel that includes the Saddle Creek Lodge.

Proposed Special Tax Rates:

Applying the assigned benefit factors from above, special tax rates were developed. For purposes of this analysis, the annual special tax rates were assumed to escalate by 2% each year. Although, Saddle Creek CSD should consider an annual escalator that is similar to the escalator in place for the existing special tax, but also include a minimum annual increase of 2%. In order to achieve sufficient special tax revenue to cover the proposed budget for each of the upcoming five years, the 2017/18 special tax rates are:

Land Use Category	2017/18 Special Tax Rate	Tax Levied Per
Residential Lot	\$1,703	Lot
Large Lot Undeveloped Property	720	Acre
Sports Club Property	640	Acre
Golf Course Property	63,860	Parcel(1)
Common Area / Roads	0	Parcel

- (1) The golf course property special tax will be assigned and levied upon the developed parcel that includes the Saddle Creek Lodge, currently parcel 055-051-067. If that parcel changes in future years, the special tax shall be levied on the successor parcel that includes the Saddle Creek Lodge.

Proposed Special Tax Revenue:

Applying the above special tax rates to each parcel within the Saddle Creek CSD, the proposed 2017/18 special tax revenue generated by each land use category is shown below.

Land Use Category	Proposed 2017/18 Special Tax Revenue
Residential Lot	\$953,680
Large Lot Undeveloped Property	191,470
Sports Club Property	63,860
Golf Course Property	2,016
Common Area / Roads	0
Total:	\$1,211,026

The special tax revenue exceeds the proposed 2018 calendar year budget amount by over 8%. However, with the annual escalation applied to the special tax rates, these escalated tax rates will provide sufficient revenue to meet the proposed budget for calendar year 2022. The annual difference between the special tax revenue generated and the proposed budget is provided in the table below.

Description	2018	2019	2020	2021	2022
Proposed Budget	\$1,132,542	\$1,174,772	\$1,222,148	\$1,272,421	\$1,323,316
Special Tax Revenue(1)	\$1,224,347	\$1,248,834	\$1,273,810	\$1,299,287	\$1,325,272
<i>Difference</i>	<i>\$91,805</i>	<i>\$74,062</i>	<i>\$51,662</i>	<i>\$26,866</i>	<i>\$1,956</i>

(1) Based on the timing of the apportionment of funds from Calaveras County, the special tax revenue that will cover the calendar year budget is based upon 45% of the current fiscal year special tax revenue levied and 55% of the subsequent fiscal year special tax revenue levied.

It should be noted that the Saddle Creek CSD does not need to levy the full special tax amount in a given fiscal year. If there are sufficient reserves in place, Saddle Creek CSD can levy an amount that is less than the maximum to cover the annual costs for that particular fiscal year. For example, in 2017/18, the Saddle Creek CSD could levy approximately 92% of the maximum special tax rate or \$1,578 per residential lot.

Next Steps:

The Saddle Creek CSD needs to approve the special tax rate structure. Once approved, the necessary steps will be taken to provide the Calaveras County Election's Office with the necessary documentation to conduct the election.

Saddle Creek Community Services District
2017 Road Improvements Special Tax Calculations

Estimated Budget	2017	2018	2019	2020	2021	2,022
Operational Expenses	\$256,270	\$386,734	\$399,265	\$412,423	\$426,240	\$447,552
Personnel Expenses	357,060	455,057	482,331	514,024	547,852	575,245
Capital Outlay						
Road Improvements	17,500	131,000	131,000	131,000	131,000	130,000
Equipment Replacement	5,200	36,920	37,658	38,412	39,180	39,963
Landscape Improvements	80,000	57,823	57,823	57,823	57,823	57,823
Reserves	0	65,008	66,695	68,466	70,326	71,733
Total Budget:	\$716,030	\$1,132,541	\$1,174,773	\$1,222,148	\$1,272,421	\$1,322,316

0

Special Tax Revenue	Taxable Units/Acres	Calculated By Fiscal Year					
		2017	2018	2019	2020	2021	2,022
Residential Lot (Units)	560		\$953,680	\$972,754	\$992,209	\$1,012,053	\$1,032,294
Undeveloped Large Lot (Acres)	265.93		191,470	195,299	199,205	203,189	205,221
Golf Course (Site)	1		63,860	65,137	66,440	67,769	69,124
Sports Club (Acres)	3.15		2,016	2,056	2,097	2,139	2,182
			\$1,211,026	\$1,235,246	\$1,259,951	\$1,285,150	\$1,308,821

		Calculated By Calendar Year					
		2017	2018	2019	2020	2021	2,022
	45% of Current	267,931	\$544,962	\$555,861	\$566,978	\$578,318	\$588,970
	55% of Next FY	666,064	\$679,385	\$692,973	\$706,833	\$719,852	\$734,249
Total Special Tax Revenue:		933,995	1,224,347	1,248,834	1,273,810	1,298,169	1,323,218

Special Tax Revenue Over Expenses (Under)	\$217,965	\$91,806	\$74,061	\$51,662	\$25,748	\$902
Special Tax on Large Lot Undeveloped, Sports Club and Golf Course		\$257,346	\$262,493	\$267,742	\$273,097	\$276,527

Land Use Categories	Benefit Unit Assignment	Special Tax Rate
Residential Lot (Units)	1.00	\$1,703
Undeveloped Large Lot (Acres)	0.42	\$720
Golf Course (Site)	37.50	\$63,860
Sports Club (Acres)	0.375	\$640

Saddle Creek Community Services District
2017 Road Improvements Special Tax Calculations

Land Use	Lot Size	Proposed Special Tax	2016/17 CSD Levy	2016/17 CFD Levy	2016/17 AD Levy	APN
Large Lot Undeveloped Property	20.730	\$14,926	NA	\$10,381	\$6,795	055-051-024-000
Large Lot Undeveloped Property	20.460	14,731	NA	10,246	8,859	055-051-025-000
Large Lot Undeveloped Property	21.150	15,228	NA	10,591	12,101	055-051-026-000
Large Lot Undeveloped Property	21.080	15,178	NA	10,556	15,933	055-051-028-000
Large Lot Undeveloped Property	10.290	7,409	NA	NA	21,038	055-051-035-000
Large Lot Undeveloped Property	26.970	19,418	NA	13,506	28,377	055-051-057-000
Large Lot Undeveloped Property	35.090	25,265	NA	17,572	31,942	055-051-059-000
Large Lot Undeveloped Property	21.720	15,638	NA	10,877	8,990	055-051-060-000
Large Lot Undeveloped Property	34.420	24,782	NA	17,237	14,240	055-051-061-000
Large Lot Undeveloped Property	23.600	16,992	NA	11,818	9,769	055-051-062-000
Large Lot Undeveloped Property	30.420	21,902	NA	4,817	6,795	055-051-068-000
Sports Club Property	3.150	2,016	NA	1,114	1,481	055-077-010-000
Golf Course Property	N/A	63,860	NA	58,781	84,316	055-051-067-000
Golf Course Property	N/A	NA	NA	15,875	33,082	055-051-027-000
Golf Course Property	N/A	NA	NA	25,423	NA	055-051-050-000
Totals:		\$257,346		\$218,794	\$283,719	
Total District Levy Amounts:		\$1,211,026		\$592,828	\$600,171	
% of Total District Levy Amount		21%		37%	47%	

RESOLUTION NO. 2016-

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SADDLE CREEK COMMUNITY SERVICES DISTRICT ADOPTING INTENDED BALLOT LANGUAGE, AND CALLING AND PROVIDING FOR A SPECIAL MAILED BALLOT ELECTION TO BE HELD IN SAID DISTRICT ON MAY 2, 2017 FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED VOTERS THE QUESTION OF THE ADOPTION OF A SPECIAL TAX FOR MAINTAINING FACILITIES AND PROVIDING SERVICES, AND REQUESTING THE BOARD OF SUPERVISORS TO CONSOLIDATE WITH ANY OTHER ELECTION CONDUCTED ON SAID DATE, AND REQUESTING ELECTION SERVICES BY THE CALAVERAS COUNTY ELECTIONS DEPARTMENT

WHEREAS, The Saddle Creek Community Services District Board of Directors (the "Board") is authorized and charged to provide ongoing services and maintenance of Saddle Creek Community Services District (the "District") owned facilities, more fully described in Exhibit "A" to this Resolution; and

WHEREAS, the District's current funding sources are inadequate to fund the desired levels of operation and maintenance, more fully described in Exhibit "A" to this Resolution (the "Operation and Maintenance Services"); and

WHEREAS, the Board has determined that it is in the best interests of the District's citizens to ensure the ongoing and long-term fiscal integrity of the District while continuing to provide the appropriate levels of Operation and Maintenance Services for the local community; and

WHEREAS, the Board desires to responsibly increase the funds available for Operation and Maintenance Services by proposing a balloted special tax to the local community; and

WHEREAS, the Board has determined that, in light of the increased demands on District Operation and Maintenance Services, to request the support and approval by the voters to impose a new special tax on taxable real property within the District to provide revenues that can be used for the Operation and Maintenance Services provided by the District, and

WHEREAS, pursuant to the provisions of Government Code sections 50075-50077.5, the Board is authorized to adopt this resolution which shall, subject to the approval of the voters impose a special tax, which shall be applied against all taxable real property within the District; and

WHEREAS, the Board has also determined that it is in the best interest of the community to seek voter approval, which will require approval by two-thirds voters voting thereon, for the proposed special tax in order to be able to provide the appropriate Operation and Maintenance Services; and

WHEREAS, if approved by the voters, the proposed special tax will be used solely for the purpose of maintaining and improving the current level of Operation and Maintenance Services within the District, with all funds staying in the local community comprised of the District's boundaries.

WHEREAS, if the new proposed special tax is approved by the voters, it shall replace in its entirety the existing Saddle Creek CSD special tax approved by the voters in 2001.

NOW THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE SADDLE CREEK COMMUNITY SERVICES DISTRICT DOES HEREBY AS FOLLOWS:

It is the determination of the District that the question of the special tax will be put to the voters in the District at a special mailed ballot election to be held on the 2nd day of May, 2017. The special tax shall not become effective unless approved by two-thirds of the registered voters of the District voting thereon, at which election the issue to be presented to the voters shall be:

To maintain Saddle Creek Community Services District owned facilities and easements including but not limited to roadways, storm drains, landscaping, lighting, parks, security, weed and mosquito abatement, reserves, and administration, shall a special tax at \$1,703 per residential lot; \$720 per acre for large lot undeveloped property, \$640 per acre for sports club property, and \$63,860 per golf course property, including an annual adjustment as set forth in Exhibit "A" of the Saddle Creek Community Services District Resolution, be adopted without expiration.

Section 1. Consolidation of Election. An election is hereby called for the purpose of submitting to the qualified voters within the District, the question of the adoption of a special tax for Operation and Maintenance Services. This election shall be consolidated with any other applicable election conducted on the same day.

Section 2. Use of Funding. If approved by the voters, the special tax will be used solely for the purpose of supporting and providing Operation and Maintenance Services within the District and for any incidental expenses related to the collection of the special tax.

Section 3. Election Services and Canvassing. The District authorizes and directs the Elections Department, at District expense, to provide all necessary election services and to canvass the results of said election.

Section 4. Election Costs. Pursuant to Elections Code Section 10002, the District shall reimburse Calaveras County in full for the services performed upon presentation of a bill to the District.

Section 5. Special Tax Imposed. An annual special tax on each taxable parcel within the District is hereby imposed as follows, and is more fully described in Exhibit "A" to this Resolution:

Land Use Category	Fiscal Year 2017-18 Special Tax Rate
Residential Lot	\$1703 per Residential Lot
Large Lot Undeveloped Property	\$720 per Acre or Portion Thereof
Sports Club Property	\$640 per Acre or Portion Thereof
Golf Course Property	\$63,860 per Parcel

Section 6. Inflation Adjustment. The Board will annually adjust the maximum special tax rate by the greater of the annual change in the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco-Oakland-San Jose Area, as measured as of the month of December in the calendar year which ends in the previous fiscal year, or two percent (2%).

Section 7. Special Tax Rate. This special tax shall replace the special tax levied for the same purposes as approved by the voters on May 23, 2000. The Board shall determine annually, based on a budget recommended to the Board, whether the special tax rate shall be revised to reflect changes in charges and costs, up to the maximum set forth in Sections 5 and 6 hereof. If the Board determines that the special tax rate shall be revised at a rate lower than the maximum set forth in Section 5 and 6 hereof, it shall so revise said special tax rate by resolution passed by the Board.

Section 8. Increase of Appropriations Limit. Pursuant to Article XIII B of the California Constitution, the appropriations limit of the District shall be increased in the amount equal to the proceeds of the special tax. The increase in the District's spending limit shall be deemed effective beginning in the 2017-18 fiscal year.

Section 9. Method of Collection. The special tax imposed by this ballot measure is due from each owner of record of a parcel within the District as reflected upon the rolls of the County Assessor at the same time ad valorem tax is due and is to be collected in the same manner. The Calaveras County Tax Collector shall collect the tax and any penalty or interest due hereunder. The full amount due under this special tax shall constitute a debt to the District.

Section 10. Appeals. Any property owner who is assessed a special tax as provided for herein may appeal any determination by the District concerning the nature of the use of the property or the calculation of the amount of the tax by filing a notice of appeal with the District offices. Any such appeal shall be filed by December 1st of the calendar year for which the special tax is levied.

Section 11. Separate Accounting and Expenditure. The special tax revenues shall be deposited into a separate account held by the District, in accordance with Government Code Section 50075.1, and shall be expended according to a budget developed annually by the District staff and approved and adopted by the Board.

Section 12. Annual Reporting. The District's chief fiscal officer will cause to be filed an annual report with its Board no later than January 1, 2018, and at least once a year thereafter. The report shall include the amount of special tax revenues collected and expended, and which shall otherwise comply with the accountability measures established in Government Code Sections 50075.1 et seq and 12463.2.

Section 13. Effective Date. This special tax shall be deemed established and shall be in effect as of the day following the election date of May 2, 2017, upon certification of the election results evidencing approval by at least two-thirds of the participating registered voters, and approved by the Board. The special tax shall be levied against all taxable real property within the District beginning with the 2017-2018 fiscal year. If approved by the voters, the special tax shall continue until repealed by the Board or by the voters.

Section 14. Validation. Pursuant to the provisions of Government Code Section 50077.5 any judicial action or proceeding to attack, review, set aside, void or annul this resolution and/or the approval of the subject special property tax and/or increase in the spending limitation pertaining to the special property tax shall be commenced, if at all, within 60 days of the date of the adoption hereof.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Saddle Creek Community Services District, County of Calaveras, held on the 20th day of December, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Exhibit "A"
To
Resolution No. 2016-

Section 1. Findings

The Board, hereby finds and declares that the District's ability to provide services depends upon the availability of funds to support those services. The special tax levied here, if approved by a two-thirds vote of the voters, will provide for a dedicated and secure funding source to provide necessary services to the District. This special tax is intended to also create reserve funds thereby permitting periodic maintenance of capital facilities.

Section 2. Authorized Operations, Maintenance and Services

Special tax revenues collected under the provisions of this special tax measure shall be deposited in a special fund and shall be used only for the provision of services, including the creation of reserve funds for the repair and replacement of District-owned and/or controlled facilities.

Authorized District services include:

- (1) Pavement condition improvement and maintenance of all District roadways,
- (2) Maintenance and improvement of those storm drain facilities dedicated to and accepted by the District or otherwise owned by the District,
- (3) Operations and maintenance of District-owned lighting for streets and pathways,
- (4) Operating the District-owned privacy gates located at the entrances to Saddle Creek,
- (5) Operating the communication system to maintain contact with the internal and external public safety personnel,
- (6) Monitoring, controlling and registering guests that are invitees of District customers and other visitors within the District,
- (7) Weed and Mosquito Abatement,
- (8) Landscape maintenance of ponds, wetland areas and related features and appurtenances,
- (9) Maintenance and replacement of landscaping along and within the roads owned by the District,
- (10) Ordinary maintenance of park facilities,
- (11) Purchase, repair, replacement and maintenance of the vehicles, tools and equipment to support District services,
- (12) Administrative services, including but not limited to staffing, consultants, legal fees and insurance,
- (13) Reimbursement of the County for collecting the special tax, and for other administrative services provided to the District for which the County is authorized by law to seek reimbursement.

Section 3. Definitions

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final subdivision map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS.

“CPI” means the annual change in the Consumer Price Index published by the U.S. Bureau of Labor Statistics for All Urban Consumers in the San Francisco-Oakland-San Jose Area, as measured as of the month of December in the calendar year which ends in the previous fiscal year. In the event this index ceases to be published, the CPI shall be another index that is reasonably comparable to the Consumer Price Index for the San Francisco-Oakland San Jose Area.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Golf Course Parcel” means the developed parcel in the District that includes the Saddle Creek Lodge, currently Calaveras County Assessor’s Parcel No. 055-051-067. If this parcel changes in future years, the assigned Golf Course Property special tax shall be levied on the successor parcel that includes the Saddle Creek Lodge development.

“Golf Course Property” means the taxable land within the District that includes the site of the Saddle Creek Golf Resort.

“Large Lot Undeveloped Property” means taxable vacant land within the District that needs to be further subdivided into smaller lots before building permits can be issued upon the property.

“Residential Lot” shall mean each lot with or without a structure, created by the recordation of a subdivision map, and created for residential use.

“Sports Club Property” means the taxable land within the District that includes the site of the Saddle Creek Sports Club.

Section 3. Special Tax Rate

If approved by the voters, commencing July 1, 2017, taxable property, based upon land use classification, within the District shall be subject to the a special tax in accordance with the table below:

Land Use Category	Fiscal Year 2017-18 Special Tax Rate(1)
Residential Lot	\$1703 per Residential Lot
Large Lot Undeveloped Property	\$720 per Acre or portion thereof
Sports Club Property	\$640 per Acre or portion thereof
Golf Course Property	\$63,860 per Golf Course Parcel

(1) Subject to automatic annual adjustments described in Section 4.

For Fiscal Year beginning July 1, 2017, and annually thereafter, the Board may elect to impose a lesser special tax than the authorized maximum special tax rate applicable for the Fiscal Year. If necessary to meet expenses, the Board may at any time adjust the actual special tax rate during a Fiscal Year so long as the actual special tax rate does not exceed the maximum allowable special tax rate for that Fiscal Year.

Section 4. Automatic Adjustment

Commencing July 1, 2018 and every July 1 thereafter, the special tax rates specified in Section 3 shall be automatically adjusted by CPI or a minimum of two percent (2%). Regardless of whether the special tax rate has been reduced to an amount below the maximum special tax rate pursuant

to Section 3, otherwise allowed, the special tax rate applicable for the following year shall be the maximum special tax rate that would have otherwise been levied. The General Manager of the District shall maintain a current schedule of the maximum special tax rates, based on the yearly increase specified herein, and shall make the same available to any interested person upon request.

Section 5. Collection

For Fiscal Year 2017-18 and thereafter, the special tax shall be collected twice annually, with the Calaveras County property tax bill. The special tax approved by the voters on May 23, 2000 shall remain in place and levied until the first levy of the new special tax, at which time it shall cease to be charged going forward. The District may, at the sole discretion of the District, directly bill the special tax, may collect the special taxes at a different time or in a different manner as necessary to meet its financial obligations. Any unpaid taxes shall be subject to the same penalties for non-payment as are other District taxes, fees and/or charges.

Section 6. Appeals

Any landowner or resident who feels that the classification of their property is in error may file a notice with the Secretary to the Board, appealing the classification of the special tax. A representative of the District will then review the appeal, and if necessary, meet with the applicant. If the findings of the District's representative verify that the classification of the property should be changed, then as appropriate, the classification and special tax levy shall be corrected. If the landowner or resident feels that the findings of the District's representative are in error, the landowner or resident may file an appeal with the Board. The findings and determinations of the Board, made after affording the landowner or resident opportunity to be heard by the Board, shall be final and conclusive.

Section 7. Exemptions

Property owned by a public entity or property with public or utility easements making impractical their utilization for any use other than the purposes set forth in the easement is not subject to this special tax.

Section 8. Interpretation

Interpretations may be made by the Board by resolution for purpose of clarifying any vagueness or ambiguity as it relates to the special tax.

Section 9. Severability

If any provision of this special tax measure or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provision of application, and to this end the provisions of this special tax measure are declared to be severable.

Section 10. Term of Special Tax

The special tax shall be levied commencing in Fiscal Year 2017-18 and shall be levied in perpetuity, unless and until such time the District determines that special tax revenues are no longer needed.