

Cortina Community Services District
PO Box 43
Arbuckle CA 95912

Karl Drexel, General Manager
(707) 318-7369
karl@kdmanagement.us



Rod Bradford, Chairman
Karen Gage, Secretary
Dolores Gomez, Director
Kimberly Valles, Director
Jesika Johnson, Director

AGENDA

Regular Meeting

MONDAY, DECEMBER 28, 2020 – 6:00 P.M.

Arbuckle Golf Club

5918 Hillgate Rd, Arbuckle, CA 95912

Due to the COVID-19 Virus, and the State of Emergency issued by the State of California and Colusa County, with authorization from the Governor's Executive Order allowing local governments to hold meetings via teleconference and to make meetings accessible electronically, this meeting will be held remotely through the web platform zoom.com. The Call-in number for anybody without access to a computer and internet is:

+1 669 900 9128 US (San Jose)

Log on to [Zoom.com](https://zoom.com) in order to access the meeting via computer.

Meeting Name: Cortina CSD Board Meeting

Meeting URL: <https://us02web.zoom.us/j/81272444854>

Meeting ID: 812 7244 4854

No Password Needed

Contact Karl Drexel at karl@kdmanagement.us (707) 318-7369 with any questions or problems.

1. CALL TO ORDER AND ESTABLISH QUORUM:

Cortina CSD Board of Directors Roll Call: Chair: Bradford_____ Members: Gage_____ Gomez_____ Valles _____ Johnson_____

2. PLEDGE OF ALLEGIANCE:

3. PUBLIC COMMENTS: (Each speaker is limited to two 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 District's jurisdiction. This need not be related to any item on the agenda; however, the Board with cannot act on an item unless it was noticed on the agenda

4. NEWLY ELECTED COUNCIL MEMBERS

- a) Introduce newly elected council members
- b) Administer Oath of Office
- c) Accept Appointment Certification
- d) Election of Officers: Board President and Vice President for two-year term

P.O. Box 43
Arbuckle, CA 95912

Ph 707/318-7369 • Fax 707/575-4306 • e-mail karl@kdmanagement.us

5. CONSENT CALENDAR:

Items listed on the consent agenda are considered routine and may be enacted in one motion. Any item may be removed for discussion at the request of the Board or the Public.

- a) Approval of Minutes: Regular Meeting November 23, 2020
- b) Ratification of Disbursements: November 1 through November 30, 2020
- c) Approve Payables for December 2020
- d) Review Local Agency Special Tax and Bond SB 165 Report
- e) Review YTD Financials through December 20, 2020

6. DISCUSSION / REPORTS: ACTION ITEMS:

- a) Update Storm Drain Cleaning Project and Authorize GM to engage the best prospect.
- b) Discuss and Approve No Trespassing Signs for Flood Control pond in Reddington Ranch and No Dumping sign for yard clippings and other trash
- c) Discuss New Landscaping service and contract
- d) Discuss and Approve new Mail and Bill Pay Procedures

7. CORRESPONDENCE, STAFF and BOARD MEMBER REPORTS:

- a) CSDA Board Member Handbook
- b) Prentice Long Fee Agreement
- c) Richardson Engagement Letter
- d) KD Management Monthly Report

8. ADJOURNMENT:

Meeting agendas and written materials supporting agenda items, if produced, can be received by the public for free in advance of the meeting by any of the following options:

- A paper copy mailed pursuant to a written request and payment of associated mailing fees
- An electronic copy received by email. Note – if you would like electronic copies please email the board at ArbuckleCCSD@gmail.com prior to the Board meeting
- On the CSD Website on the Friday proceeding each regular meeting date. A limited amount of meeting 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 board at ArbuckleCCSD@gmail.com. Advance notification will enable the District to make reasonable arrangements to insure accessibility.

The next Cortina CSD Board Meeting is scheduled to be held on January 25, 2021 at 6:00 p.m. at Arbuckle Golf Club.

**NEW BOARD MEMBERS
OATH AND ELECTION OF OFFICERS**



CORTINA COMMUNITY SERVICES DISTRICT

TO: CORTINA BOARD OF DIRECTORS

MEETING DATE: DECEMBER 28, 2020

FROM: KARL DREXEL, GENERAL MANAGER

SUBJECT: ADMINISTER THE OATH OF OFFICE AND ELECTION OF OFFICERS

BACKGROUND:

The Colusa County Board of Supervisors appointed 3 members to the Cortina Community Services District in lieu of an election. Those three people were Rod Bradford and Delores Gomez to four-year terms ending in 2024 and Kimberly Valles to a two-year seat ending in 2022. The Board of Supervisors also appointed Jesika Johnson to a two-year vacant seat ending in 2022. CONGRATULATIONS to all of the new members.

In order to assume office, each member must take the Oath of Office per Government Code Section 1360.

§ 1360. Unless otherwise provided, following any election or appointment and before any officer enters on the duties of his or her office, he or she shall take and subscribe the oath or affirmation set forth in Section 3 of Article XX of the Constitution of California.
(Amended by Stats. 2017, Ch. 387, Sec. 2. (SB 205) Effective January 1, 2018.)

Also, per Government Code Section 61043, we are required to appoint officers of the Board after each election for a two-year term. A Board may elect officers for one-year terms by Resolution.

§ 61043. (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.

(Added by Stats. 2005, Ch. 249, Sec. 3. Effective January 1, 2006.)

RECOMMENDATION:

Staff recommends the Board of Directors appoint amongst themselves a President and Vice President (or Chair and Vice Chair) to two-year terms.



Colusa County Elections Department
Division of the Clerk-Recorder Registrar
Rose Gallo-Vasquez, County Clerk

November 30, 2020

CORTINA COMMUNITY SERVICES DISTRICT
KARL DREXEL, GENERAL MANAGER
PO BOX 43
ARBUCKLE, CA 95912

Re: Certificates of Appointment and Oath of Office

Dear Karl,

On October 27, 2020 at a regular meeting, the Colusa County Board of Supervisors passed Resolution 20-044 appointing Cortina Community Services District Directors, pursuant to Elections Code Section 10515. et seq. A copy of the resolution is enclosed for your records.

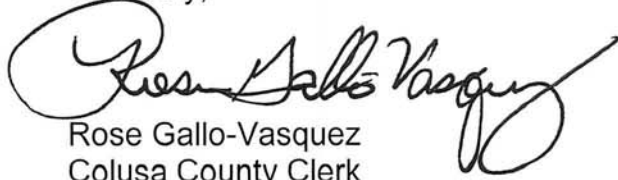
Enclosed please find an original Certificate of Appointment and Oath of Office for each newly appointed director. Please return the completed original form to this office for filing. Oaths may be administered by 1) The District Secretary, 2) The County Clerk, Deputy Clerk, Clerk to the Board of Supervisors, or 3) A Notary. A director cannot conduct any district business until he/she is sworn in.

The enclosed Certificate of Appointment should be provided to the newly appointed officeholders.

As a reminder, be advised that you must update your Statement of Facts by Public Agency form with the Secretary of State and provide a copy to the County Clerk whenever there are any changes to your board since your last filing. This includes new board members as well as changes as to the chairman, president, or other presiding officer.

Should you have any questions, please do not hesitate to contact me at 458-0513.

Sincerely,


Rose Gallo-Vasquez
Colusa County Clerk

Certificate of Appointment

In Lieu of Election, EC 10515

STATE OF CALIFORNIA

ss.

COUNTY OF COLUSA

I, *Rose Gallo-Vasquez*, County Clerk-Recorder Registrar of Voters of said County hereby certify that at a regular meeting of said Board of Supervisors, held at Colusa, in said County, on the 27th day of October 2020,

Rod Bradford, was appointed to the
Cortina Community Services District
Term: December 4, 2020 thru December 6, 2024

as appears in the records of said Board of Supervisors now in my custody.

IN WITNESS WHEREOF, I hereunto affix my hand and Seal this 30th day of November 2020



Rose Gallo-Vasquez, County Clerk-Recorder
Registrar of Voters

OATH OF OFFICE

STATE OF CALIFORNIA

ss.

COUNTY OF COLUSA

I, **Rod Bradford**, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Subscribed and sworn
to before me this

Rod Bradford

_____ day of _____, 2020

Signature and title of person administering oath

Certificate of Appointment

In Lieu of Election, EC 10515

STATE OF CALIFORNIA

ss.

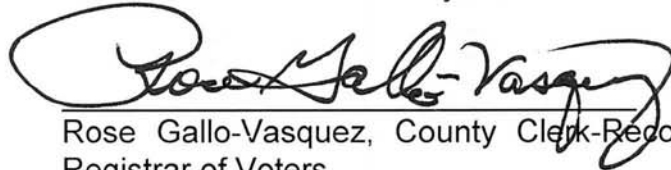
COUNTY OF COLUSA

I, *Rose Gallo-Vasquez*, County Clerk-Recorder Registrar of Voters of said County hereby certify that at a regular meeting of said Board of Supervisors, held at Colusa, in said County, on the 27th day of October 2020,

Maria Dolores Gomez, was appointed to the
Cortina Community Services District
Term: December 4, 2020 thru December 6, 2024

as appears in the records of said Board of Supervisors now in my custody.

IN WITNESS WHEREOF, I hereunto affix my hand and Seal this 30th day of November 2020



Rose Gallo-Vasquez, County Clerk-Recorder
Registrar of Voters

OATH OF OFFICE

STATE OF CALIFORNIA

ss.

COUNTY OF COLUSA

I, **Maria Dolores Gomez**, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Subscribed and sworn
to before me this

Maria Dolores Gomez

_____ day of _____, 2020

Signature and title of person administering oath

Certificate of Appointment

In Lieu of Election, EC 10515

STATE OF CALIFORNIA

ss.

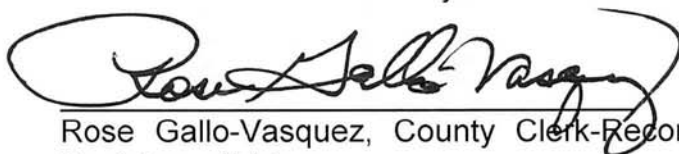
COUNTY OF COLUSA

I, *Rose Gallo-Vasquez*, County Clerk-Recorder Registrar of Voters of said County hereby certify that at a regular meeting of said Board of Supervisors, held at Colusa, in said County, on the 27th day of October 2020,

Kimberly J. Valles, was appointed to the
Cortina Community Services District
Term: December 4, 2020 thru December 2, 2022

as appears in the records of said Board of Supervisors now in my custody.

IN WITNESS WHEREOF, I hereunto affix my
hand and Seal this 30th day of November 2020



Rose Gallo-Vasquez, County Clerk-Recorder
Registrar of Voters

OATH OF OFFICE

STATE OF CALIFORNIA

ss.

COUNTY OF COLUSA

I, **Kimberly J. Valles**, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Subscribed and sworn
to before me this

Kimberly J. Valles

_____ day of _____, 2020

Signature and title of person administering oath

Certificate of Appointment

In Lieu of Election, EC 10515

STATE OF CALIFORNIA

SS.

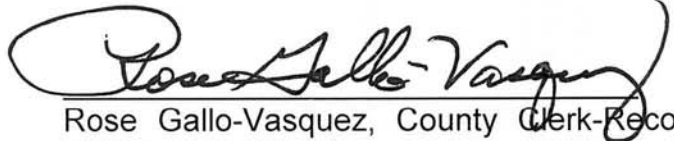
COUNTY OF COLUSA

I, *Rose Gallo-Vasquez*, County Clerk-Recorder Registrar of Voters of said County hereby certify that at a regular meeting of said Board of Supervisors, held at Colusa, in said County, on the 27th day of October 2020,

Jessika Johnson, was appointed to the
Cortina Community Services District
Term: December 4, 2020 thru December 2, 2022

as appears in the records of said Board of Supervisors now in my custody.

IN WITNESS WHEREOF, I hereunto affix my
hand and Seal this 30th day of November 2020



Rose Gallo-Vasquez, County Clerk-Recorder
Registrar of Voters

OATH OF OFFICE

STATE OF CALIFORNIA

SS.

COUNTY OF COLUSA

I, **Jessika Johnson**, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Subscribed and sworn
to before me this

Jessika Johnson

_____ day of _____, 2020

Signature and title of person administering oath

Certificate of Appointment

In Lieu of Election, EC 10515

STATE OF CALIFORNIA

COUNTY OF COLUSA

SS.

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Rod Bradford, was appointed to the
Cortina Community Services District
Term: December 4, 2020 thru December 6, 2024

as appears in the records of said Board of Supervisors now in my custody.

IN WITNESS WHEREOF, I hereunto affix my hand and Seal
this 30th day of November 2020


Rose Gallo-Vasquez, County Clerk-Recorder
Registrar of Voters

Certificate of Appointment

In Lieu of Election, EC 10515

STATE OF CALIFORNIA

COUNTY OF COLUSA

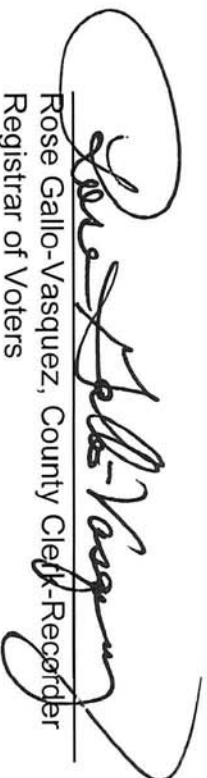
SS.

I, Rose Gallo-Vasquez, County Clerk-Recorder Registrar of Voters of said County hereby certify that at a regular meeting of said Board of Supervisors, held at Colusa, in said County, on the 27th day of October 2020,

Maria Dolores Gomez, was appointed to the
Cortina Community Services District
Term: December 4, 2020 thru December 6, 2024

as appears in the records of said Board of Supervisors now in my custody.

IN WITNESS WHEREOF, I hereunto affix my hand and Seal
this 30th day of November 2020



Rose Gallo-Vasquez, County Clerk-Recorder
Registrar of Voters

Certificate of Appointment

In Lieu of Election, EC 10515

STATE OF CALIFORNIA

COUNTY OF COLUSA

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Rose Gallo-Vasquez, County Clerk-Recorder
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In Lieu of Election, EC: 10515

STATE OF CALIFORNIA

COUNTY OF COLUSA

SS.

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Jessika Johnson, was appointed to the
Cortina Community Services District
Term: December 4, 2020 thru December 2, 2022

as appears in the records of said Board of Supervisors now in my custody.

IN WITNESS WHEREOF, I hereunto affix my hand and Seal
this 30th day of November 2020



Rose Gallo-Vasquez, County Clerk-Recorder
Registrar of Voters

RESOLUTION NO. 20-044

**A RESOLUTION OF THE COLUSA COUNTY BOARD OF SUPERVISORS
APPOINTING DIRECTORS TO SPECIAL DISTRICTS PURSUANT TO
ELECTIONS CODE SECTION 10515**

WHEREAS, California Elections Code Section 10515 states that if a Declaration of Candidacy has been filed by only one person, by no person, or if the number of persons who have filed does not exceed the number of offices to be filled, the supervising authority of the County shall make appointments to the District;

WHEREAS, the Office of County Clerk and Registrar of Voters of the County of Colusa has reviewed the candidate filings for the November 3, 2020 General Election and has determined that one or all of the conditions under Elections Code section 10515 exist and has submitted a related Certificate of Facts to the Board of Supervisors;

WHEREAS, the Board of Supervisors is required to appoint candidates to offices which qualify under section 10515 of the Elections Code; and

WHEREAS, in certain cases in which there is a vacant office and no declared candidates for the vacant office, letters recommending appointments to the qualifying offices have been submitted by the Districts and are on file in the Office of the County Clerk.

NOW, THEREFORE, BE IT RESOLVED that the Colusa County Board of Supervisors makes the following appointments in accordance with California Elections Code section 10515:

| Section 1 – Appointment of candidates in-lieu of election | | |
|--|----------------|-----------------------|
| Arbuckle College City Fire Protection District | | |
| 3 offices to be filled, 3 candidates filed Charles Manhart, Charles Grimmer, Clarke Ornbaun | 4-year term | 12/4/2020 – 12/6/2024 |
| Cortina Community Services District | | |
| 2 offices to be filled, 2 candidates filed Rod Bradford, Maria Dolores Gomez | 4-year term | 12/4/2020 – 12/6/2024 |
| 2 offices to be filled, 1 candidate filed Kimberly J. Valles | 2-year term | 12/4/2020 – 12/2/2022 |
| Maxwell Public Utility District | | |
| 2 offices to be filled, 1 candidate filed Carmen J. Parra | 4-year term | 12/4/2020 – 12/6/2024 |
| Maxwell Recreation and Park District | | |
| 3 offices to be filled, 3 candidates filed | | |

| | | |
|--|-------------|-----------------------|
| Thomas Kyle Miller, Becky M. Azevedo, Daniel Azevedo | 4-year term | 12/4/2020 – 12/6/2024 |
| 1 office to be filled, 1 candidate filed Sharol M. Kuska | 2-year term | 12/4/2020 – 12/2/2022 |

Section 2 – Appointments, per recommendations, for vacant offices with no candidates

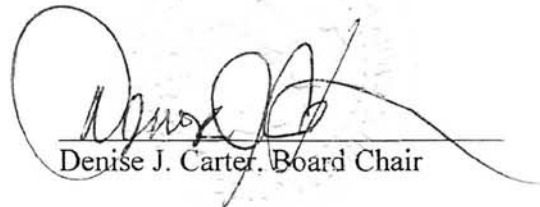
| | | |
|--|-------------|-----------------------|
| Maxwell Fire Protection District | | |
| Jack Barrett Jr., DJ Mathis, Dave Wells, | 4-year term | 12/4/2020 – 12/6/2024 |
| Maxwell Public Utility District | | |
| Kenneth Cohen | 4-year term | 12/4/2020 – 12/6/2024 |
| Cortina Community Services District | | |
| Jesika Johnson | 2-year term | 12/4/2020 – 12/2/2022 |

PASSED AND ADOPTED this 27th day of October, 2020 by the following vote:

AYES: Supervisors John D. Loudon, Kent S. Boes, J. Merced Corona, Gary J. Evans, and Denise J. Carter.

NOES: None.

ABSENT: None.

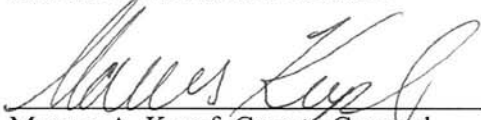


Denise J. Carter, Board Chair

ATTEST: Wendy G. Tyler, Clerk of the Board of Supervisors

By 
Melissa Kitts, Deputy

APPROVED AS TO FORM:


Marcos A. Kropf, County Counsel

CONSENT CALENDAR

Cortina Community Services District
 P.O. Box 43
 Arbuckle, CA 95912

DIRECTORS
 Rod Bradford, Chair
 Darrell Davis, Vice-chair
 Karen Gage, Secretary
 Dolores Gomez, Director
 Open, Director

DRAFT

Meeting of the Board of Directors
 Arbuckle Golf Course
 5918 Hillgate Rd., Arbuckle, CA 95912
 November 23, 2020 at 6:00 pm

DRAFT

Minutes

1. CALL TO ORDER and ESTABLISH QUORUM – 6:15 pm
 Cortina CSD Board of Directors Roll Call: Chair: Bradford Members:
 Gage Davis
 Gomez Vacant

2. PLEDGE OF ALLEGIANCE
3. PUBLIC COMMENT – None
4. CONSENT CALENDAR

- a) Approval of Minutes: Regular Meeting October 26, 2020
- b) Ratification of Disbursements: October 1 through October 31, 2020
- c) Approve Payables for November 2020
- d) Review YTD Financials through November 18, 2020

| | | | |
|-----------------|--|---------------------|------------|
| Motion made by: | Dolores Gomez | Motion seconded by: | Karen Gage |
| Ayes: | Rod Bradford, Dolores Gomez, Karen Gage, | Noes: | None |
| Abstained: | None | Absent | None |

2. DISCUSSION AND ACTION ITEMS

- a) Notice of Completion – Road Project Phase 1. After inspection of initial work, re-work was required on William and Asa Lane. A final inspection was conducted okayed by Peter Rei and Karl Drexel. Rod Bradford approved the completion of Phase 1.

- b) Review Qualifications for Legal Services for District Counsel and Authorize General Manager to engage the best prospect.

| | | | |
|-----------------|--|---------------------|---------------|
| Motion made by: | Karen Gage | Motion seconded by: | Dolores Gomez |
| Ayes: | Rod Bradford, Dolores Gomez, Karen Gage, | Noes: | None |
| Abstained: | None | Absent | None |

- c) Review Qualifications for On-Call Engineering Services and Authorize General Manager to engage the best prospect.

| | | | |
|-----------------|--|---------------------|------------|
| Motion made by: | Dolores Gomez | Motion seconded by: | Karen Gage |
| Ayes: | Rod Bradford, Dolores Gomez, Karen Gage, | Noes: | None |
| Abstained: | None | Absent | None |

- d) Review Proposals for Audit Services and Authorize General Manager to engage the best prospect.

| | | | |
|-----------------|--|---------------------|---------------|
| Motion made by: | Karen Gage | Motion seconded by: | Dolores Gomez |
| Ayes: | Rod Bradford, Dolores Gomez, Karen Gage, | Noes: | None |
| Abstained: | None | Absent | None |

Cortina Community Services District

P.O. Box 43
Arbuckle, CA 95912

DIRECTORS

Rod Bradford, Chair
Darrell Davis, Vice-chair
Karen Gage, Secretary
Dolores Gomez, Director
Open, Director

e) Discuss and approve Storm Drain Cleaning Project and Authorize GM to engage the best prospect.

| | | | |
|-----------------|--|---------------------|---------------|
| Motion made by: | Karen Gage | Motion seconded by: | Dolores Gomez |
| Ayes: | Rod Bradford, Dolores Gomez, Karen Gage, | Noes: | None |
| Abstained: | None | Absent | None |

8. STAFF AND DIRECTORS REPORTS - None

9. ADJOURNMENT 6:50 pm - Next meeting will be a Regular Meeting to be held on December 28, 2020 at 6 pm at the Arbuckle Golf Course

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Americans with Disabilities Act Compliance: If you require special assistance to participate in Board Meetings, please contact the board at ArbuckleCCSD@gmail.com. Advance notification will enable the District to make reasonable arrangements to insure accessibility.

Cortina Community Services District
November Disbursements
November 2020

| Name | Memo | Class | Amount |
|--|------------------------------|--------------------------|-------------------------|
| Arbuckle PUD | Water Service | 03511 - Reddington Ranch | 304.34 |
| Arbuckle PUD | Water Service | 03512 - River Glen | 138.87 |
| Botanica Landscaping | Landscape Maintenance - Sept | 03511 - Reddington Ranch | 2,236.00 |
| Botanica Landscapes | Landscape Maintenance - Oct | 03511 - Reddington Ranch | 2,236.00 |
| Botanica Landscapes | Non Scheduled Work | 03511 - Reddington Ranch | 843.00 |
| Botanica Landscapes | Landscape Maintenance - Sept | 03512 - River Glen | 659.00 |
| Botanica Landscapes | Landscape Maintenance - Oct | 03512 - River Glen | 659.00 |
| Botanica Landscapes | Non-Scheduled Work | 03512 - River Glen | 562.00 |
| California Special Districts Association | Annual Dues | 03511 - Reddington Ranch | 442.20 |
| California Special Districts Association | Annual Dues | 03512 - River Glen | 120.60 |
| California Special Districts Association | Annual Dues | 03513 - Wildwood | 107.20 |
| KD Management | GM Services | 03511 - Reddington Ranch | 3,003.00 |
| KD Management | GM Services | 03512 - River Glen | 819.00 |
| KD Management | GM Services | 03513 - Wildwood | 728.00 |
| Maloo Law Group | Retainer | 03511 - Reddington Ranch | 330.00 |
| Maloo Law Group | Retainer | 03512 - River Glen | 90.00 |
| Maloo Law Group | Retainer | 03513 - Wildwood | 80.00 |
| NBS | County Filing | 03511 - Reddington Ranch | 1,589.28 |
| NBS | County Filing | 03512 - River Glen | 433.45 |
| NBS | County Filing | 03513 - Wildwood | 385.28 |
| PGE | Street Lights - Sept | 03511 - Reddington Ranch | 423.44 |
| PGE | Irrigation Controller - Sept | 03511 - Reddington Ranch | 9.86 |
| PGE | Street Lights - Oct | 03511 - Reddington Ranch | 423.83 |
| PGE | Irrigation Controller - Oct | 03511 - Reddington Ranch | 10.51 |
| PGE | Street Lights - Sept | 03512 - River Glen | 162.06 |
| PGE | Irrigation Controller - Sept | 03512 - River Glen | 9.86 |
| PGE | Street Lights - Oct | 03512 - River Glen | 162.21 |
| PGE | Irrigation Controller - Oct | 03512 - River Glen | 10.51 |
| PGE | Street Lights - Sept | 03513 - Wildwood | 92.60 |
| PGE | Street Lights - Oct | 03513 - Wildwood | 92.69 |
| Streamline | Web Hosting - Sept | 03511 - Reddington Ranch | 33.00 |
| Streamline | Web Hosting - Oct | 03511 - Reddington Ranch | 33.00 |
| Streamline | Web Hosting - Sept | 03512 - River Glen | 9.00 |
| Streamline | Web Hosting - Oct | 03512 - River Glen | 9.00 |
| Streamline | Web Hosting - Sept | 03513 - Wildwood | 8.00 |
| Streamline | Web Hosting - Oct | 03513 - Wildwood | 8.00 |
| | | | <u>17,263.79</u> |

Cortina Community Services District
December Payables
December 2020

| <u>Name</u> | <u>Memo</u> | <u>Class</u> | <u>Amount</u> |
|---------------------|--|--------------------------|--------------------------|
| Arbuckle PUD - Nov | Water Service | 03511 - Reddington Ranch | 300.45 |
| Arbuckle PUD - Dec | Water Service | 03511 - Reddington Ranch | 296.70 |
| Arbuckle PUD - Nov | Water Service | 03512 - River Glen | 137.18 |
| Arbuckle PUD - Dec | Water Service | 03512 - River Glen | 54.60 |
| Botanica Landscapes | Landscape Maintenance | 03511 - Reddington Ranch | 2,236.00 |
| Botanica Landscapes | Landscape Maintenance | 03512 - River Glen | 659.00 |
| Botanica Landscapes | Replace (2) missing valve lids & repair a broken main line leak at Almond Ave. | 03511 - Reddington Ranch | 1,070.47 |
| Botanica Landscapes | Repaired & respliced wires, test & repair vandalized sprinklers and damage from treeroots. | 03511 - Reddington Ranch | 1,190.23 |
| Botanica Landscapes | Replace/Install new 12-station controller, Repaired & flushed system | 03512 - River Glen | 976.90 |
| Botanica Landscapes | Replace vandalized valve lids Repair broken pipe due to the tree roots Excavate soil, cut roots and repair | 03512 - River Glen | 326.12 |
| Botanica Landscapes | Repair leak due to tree roots Tree Work-Fallen dead Oak tree | 03512 - River Glen | 237.32 |
| Pavement Coatings | Road Repair Project | 03511 - Reddington Ranch | 1,065.00 |
| Pavement Coatings | Road Repair Project | 03513 - Wildwood | 82,158.07 |
| PGE | Street Lights | 03511 - Reddington Ranch | 42,323.85 |
| PGE | Street Lights | 03512 - River Glen | 423.84 |
| PGE | Street Lights | 03513 - Wildwood | 162.00 |
| PGE | Irrigation Control | 03511 - Reddington Ranch | 93.00 |
| PGE | Irrigation Control | 03512 - River Glen | 9.53 |
| KD Management | GM Services | 03511 - Reddington Ranch | 9.53 |
| KD Management | GM Services | 03512 - River Glen | 3,003.00 |
| KD Management | GM Services | 03513 - Wildwood | 819.00 |
| KD Management | Per Diem | 03511 - Reddington Ranch | 728.00 |
| KD Management | Per Diem | 03512 - River Glen | 132.00 |
| KD Management | Per Diem | 03513 - Wildwood | 36.00 |
| Streamline | Web Hosting | 03511 - Reddington Ranch | 32.00 |
| Streamline | Web Hosting | 03512 - River Glen | 33.00 |
| Streamline | Web Hosting | 03513 - Wildwood | 9.00 |
| Wildan Engineering | Project Management | 03511 - Reddington Ranch | 8.00 |
| | | 03513 - Wildwood | 550.92 |
| | | | 283.81 |
| | | | <u>139,364.52</u> |

LOCAL AGENCY SPECIAL TAX AND BOND ACCOUNTABILITY ACT

Senate Bill 165, filed with the Secretary of State on September 19, 2000, enacted the Local Agency Special Tax and Bond Accountability Act (the “Act”). This Act requires that any local special tax or local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, require that the proceeds of the special tax be applied to those purposes, require the creation of an account into which the proceeds shall be deposited, and require an annual report containing specified information concerning the use of the proceeds. The Act only applies to any local special tax measure or local bond measure adopted on or after January 1, 2001 in accordance with Section 50075.1 or Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation of the Special Tax District and others are handled through annual reports. This Section of this report intends to comply with Section 50075.3 of the California Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all of the following:

1. The amount of funds collected and expended.
2. The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1.”

The requirements of the Act apply to the Funds for the following:

Cortina Community Services District Community Facilities District No. 2006-1

Purpose of Special Tax

Community Facilities District No. 2006-1 was formed to finance the costs and expenses of providing police and fire public safety services to property owners within the District. The District may also finance or fund the compensation of employees and contractors, supplies, materials, equipment, lease or rental fees for equipment or building space, contracts, or any other costs associated with the provision of services authorized by the District.

The Service Projects are ongoing on an annual basis.

Collections & Expenditures

| Fund Name | Initial Deposit | Total Amount Collected ⁽¹⁾ | 6/30/2020 Balance | Amount Expended ⁽²⁾ |
|------------------|------------------------|--|--------------------------|---------------------------------------|
| Special Tax Fund | \$0.00 | \$140,845.52 | \$53,037.81 | \$87,807.71 |

(1) Amount collected during Fiscal Year 2019/20, including interest earned and transfers between funds.

(2) Amount Expended is difference between Total Amount Collected and 6/30/2020 Balance.

Cortina Community Services District

Profit & Loss by Class

July 1 through December 20, 2020

Agenda Item 5e

| | <u>03511 - Reddington Ranch</u> | <u>03512 - River Glen</u> | <u>03513 - Wildwood</u> | <u>TOTAL</u> |
|--|---------------------------------|---------------------------|-------------------------|-------------------|
| Ordinary Income/Expense | | | | |
| Expense | | | | |
| 53240 · Reimburse Expenses - Per Diem | 264.00 | 72.00 | 64.00 | 400.00 |
| 53229 · Indirect Overhead Costs | 827.50 | 906.65 | 471.25 | 2,205.40 |
| 53110 · Dues and Subscriptions | 442.20 | 120.60 | 107.20 | 670.00 |
| 53130 · Maintenance - Bldgs and Grounds | 10,304.62 | 3,293.27 | 100.69 | 13,698.58 |
| 53170 · Office Expense | 4.11 | 0.00 | 85.28 | 89.39 |
| 57010 · Office Equipment | | | | |
| 57014 · Printer <5,000 | 249.47 | 68.04 | 60.48 | 377.99 |
| Total 57010 · Office Equipment | 249.47 | 68.04 | 60.48 | 377.99 |
| 53180 · Professional Services | | | | |
| 53182 · Consulting | 12,012.00 | 3,276.00 | 2,912.00 | 18,200.00 |
| 53183 · Engineering | 7,121.36 | 1,942.19 | 1,726.38 | 10,789.93 |
| 53184 · Legal | 1,320.00 | 360.00 | 400.00 | 2,080.00 |
| 53180 · Professional Services - Other | 1,609.74 | 439.03 | 395.20 | 2,443.97 |
| Total 53180 · Professional Services | 22,063.10 | 6,017.22 | 5,433.58 | 33,513.90 |
| 53190 · Publications and Legal Notices | 168.30 | 45.90 | 40.80 | 255.00 |
| 53260 · Utilities | | | | |
| 53262 · Street Lights | 1,694.16 | 648.38 | 463.10 | 2,805.64 |
| 53263 · Irrigation Controller | 40.41 | 40.41 | 0.00 | 80.82 |
| 53264 · Water Service | 1,717.04 | 529.12 | 0.00 | 2,246.16 |
| Total 53260 · Utilities | 3,451.61 | 1,217.91 | 463.10 | 5,132.62 |
| 53265 - Web Hosting | 165.00 | 45.00 | 48.00 | 258.00 |
| Total Expense | 37,939.91 | 11,786.59 | 6,874.38 | 56,600.88 |
| Net Ordinary Income | -37,939.91 | -11,786.59 | -6,874.38 | -56,600.88 |
| Net Income | -37,939.91 | -11,786.59 | -6,874.38 | -56,600.88 |

DISCUSSION / REPORTS

ACTION ITEMS



CORTINA COMMUNITY SERVICES DISTRICT

TO: CORTINA BOARD OF DIRECTORS

MEETING DATE: DECEMBER 28, 2020

FROM: KARL DREXEL, GENERAL MANAGER

SUBJECT: STORM DRAIN HYDRO FLUSHING

BACKGROUND:

After inspecting the Phase 1 road project, it was highly recommended that we have the storm drains professionally cleaned by hydro-flushing them through the grates for all three developments to protect the new surface and to protect further damage to the roads that have not been repaired in the case of high rains this winter. I have been contacting local companies that do this kind of work and have received two proposals. One proposal was for \$16,065 and another one for \$71,000. I declined to accept either proposal.

I have reached out to our new Engineering Firm California Engineering Company for assistance in finding local companies that do this type of work and will continue to try and get additional bids, but it may not get done this winter.

RECOMMENDATION:

No action necessary.



Mr. Rooter Plumbing of Sacramento
8701 Kiefer Blvd., Sacramento
California, USA, 95826
916-379-0616

Estimate 63544017
Job 63543633
Estimate Date 11/17/2020
Technician Chris Allton
Customer PO

Billing Address
KD Management
PO Box 43
Arbuckle, CA 95912 USA

Job Address
KD Management
PO Box 43
Arbuckle, CA 95912 USA

Estimate Details

Proposal: Mr. Rooter Plumbing proposes to hydro-scrub with the large jetting machine up to 4000 psi through the storm grates. Price includes labor, equipment and taxes.

-\$350.00 for each grate
-(25) grates \$8,750.00 **54 Grates - \$18,900**

Commercial discount: -\$1,310.00 **15% - \$2,835**

Total Price: \$7,440.00 **\$16,065**

| Task # | Description | Quantity | Your Price | Your Total |
|--------|---|----------|------------|-----------------------------|
| C1305 | Hydro-Scrub High Pressure up to 4,000 PSI-(25 grates) | 1.00 | \$7,440.00 | \$7,440.00 |
| | | | | Sub-Total \$7,440.00 |
| | | | | Tax \$0.00 |
| | | | | Total \$7,440.00 |

Thank you for your business.

IMPORTANT NOTICE: You and your service professional are responsible for meeting the Terms and Conditions of this contract. If you sign this contract and you fail to meet the terms and conditions of this contract, you may lose legal ownership rights to your home. I agree that initial price quoted prior to the start of work does not include any additional or unforeseen tasks, nor materials which may be found to be necessary to complete repairs or replacements. I also agree to hold Mr. Rooter Plumbing® or its assigns harmless for parts deemed corroded, unusable or unreliable for completion of stated work to be done. I hereby authorize Mr. Rooter Plumbing® to perform proposed work and agree to all agreement conditions as displayed and further acknowledge that this invoice is due upon receipt. Independently owned and operated franchise. Amount to Authorize: \$7,440.00

**Proposal for:
Storm Drain Hydrojetting In Arbuckle**

from

M. C. Dixon, Inc.

P. O. Box 188, Middletown, CA 95461

(707) 322-0912

License: A-628125 Type: General Engineering

Bid Date: 12/02/2020

Time: 2:00PM

Quote Number: 20-126

Jobsite Address: Arbuckle, CA

M.C. Dixon will provide all the equipment, materials and labor for the following scope of work based on site visit by Gary and Max with Karl. Underground drawings for Reddington Ranch dated 5/10/06, Riverglenn dated 7/12/05 and Wildwood Estates dated 5/02/05.

| Item | Description | Total Price |
|---------------------------------|---|-------------------------|
| Storm Drain Hydrojetting | | |
| | Hydrojet storm drain main lines and curb inlets for the Wildwood Estates, Riverglenn and Reddington Ranch Communities. Up to 11,750LF. Overnight charges included. Prevailing wage excluded. Dump fees and water charges excluded. NOTE: Dump site is in Maxwell. Approx. 1 hour round trip. | |
| 01 | Vacuum Trailer With 3 Man Crew Vacuum out debris as lines are being flushed. | 39,344.00 |
| 02 | Hydrojetting Hydrojetting and flush on mainlines. | 32,340.00 |
| | Total: | <u>71,684.00</u> |
| <hr/> | | |
| | Total For Storm Drain Hydrojetting | 71,684.00 |
| | Total: | <u><u>71,684.00</u></u> |

Attachment Enclosed

12/04/2020 1:35 pm

Estimator: Max Dixon



CORTINA COMMUNITY SERVICES DISTRICT

TO: CORTINA BOARD OF DIRECTORS

MEETING DATE: DECEMBER 28, 2020

FROM: KARL DREXEL, GENERAL MANAGER

SUBJECT: NO TRESPASSING AND NO DUMPING SIGNS

BACKGROUND:

It was brought to my attention last month that there was a tire swing and wood swing hanging from a tree on the outside edge of the Flood Retention Basin north of the Reddington Ranch development. I contacted the owners of the residence on the north boundary of the flood pond whose property the tree belongs to. They said they did not install the swings but would be willing to remove them from their tree. They told me people are always coming into the flood area from the development and in order to preclude this from reoccurring that No Trespassing signs might be installed. Even though the tree is not on CSD property the swings attached to the tree are and the liability of an injury would probably be on the CSD. In addition to using the swings, the property owner thought that some might be meeting under the tree and doing drugs and drinking.

Additionally, there are people in Reddington Ranch and River Glen that have been dumping their lawn clippings and other trash over the wall into the landscape areas in River Glen and in the Reddington Ranch Flood Control areas. I have not had an opportunity to walk the path behind the houses to see if they are dumping there as well.

I am working on a letter to the community that I can try and explain the necessity to stay out of the Flood Control areas and that dumping of trash is not allowed anywhere. However, I believe it may not be enough and that posting signs throughout the area would be a deterrent and a necessary step to limit the District's liability in case of an accident.

RECOMMENDATION:

Staff recommends the Board authorize the placement of No Trespassing and No Dumping signs in strategic locations to be determined in all developments.



CORTINA COMMUNITY SERVICES DISTRICT

TO: CORTINA BOARD OF DIRECTORS

MEETING DATE: DECEMBER 28, 2020

FROM: KARL DREXEL, GENERAL MANAGER

SUBJECT: LANDSCAPE CHANGES AND MAINTENANCE CONTRACT

BACKGROUND:

Since there has been so much problem with our landscaping and maintenance contractor, I have been in contact with our new Engineer, California Engineering Company, for some leads on Landscape architects and designers that can recommend what type of landscaping might be the best in the Developments. I figured as long as we have to put out RFPs for Maintenance, including road maintenance and street sweeping, we might as well determine if we even have a good design and system. There seems to be a lot of breakage, vandalism and root damage, so we need to see what we can do to reduce or eliminate those types of problems. If there are any recommendations for a new contract, staff would like to hear about them. Maybe we can include Wildwood in a maintenance agreement to keep the weeds down. I am working on a weed Ordinance for the District, which would put the land owners on the hook for that kind of maintenance.

RECOMMENDATION:

No action necessary. Information for discussion only.



CORTINA COMMUNITY SERVICES DISTRICT

TO: CORTINA BOARD OF DIRECTORS

MEETING DATE: DECEMBER 28, 2020

FROM: KARL DREXEL, GENERAL MANAGER

SUBJECT: DISCUSS AND APPROVE MAIL HANDLING PROCEDURES

BACKGROUND:

The District Secretary receives mail at the Arbuckle Post Office and checks the mail weekly, or more often, as necessary. She opens the mail, and reviews it. Invoices are matched with a warrant request and she goes around to get signatures for the Board and forwards the warrant requests to the County for payment. She also scans the mail that she can scan and forwards copies to the General Manager via email. Large parcels and documents are too unwieldy to scan on a single page scanner, so those are filed at her home. When possible, if needed, the GM can pick them up at the next Board meeting, but action might be necessary before that. She does all of this without pay along with transcribing the minutes of our meetings.

In a CSD, without a paid Board Secretary, the General Manager usually acts as Board Secretary, and even in those rare cases where a Board member acts as Secretary, the mail is available to the GM at all times, files are kept in a central location for access, and bulk mail items are distributed daily. That is not the case with the Cortina CSD since there is no central District office.

I presented the suggestion to Karen, and she asked that we discuss it here, that we put a six-month forwarding notice with the post office and have all mail forwarded to my office in Mt Shasta. This way I will see important mail in a timely manner, can copy and make files for distribution as necessary and can keep files from cluttering up Karen's home. We can discuss how warrants are handled or continue to have Karen do them; or we can authorize the General Manager to sign on behalf of the District and forward all requests to the County.

At some point we might even consider using our own bank and investment accounts and not use the County at all, but I do not think we are ready for that just yet.

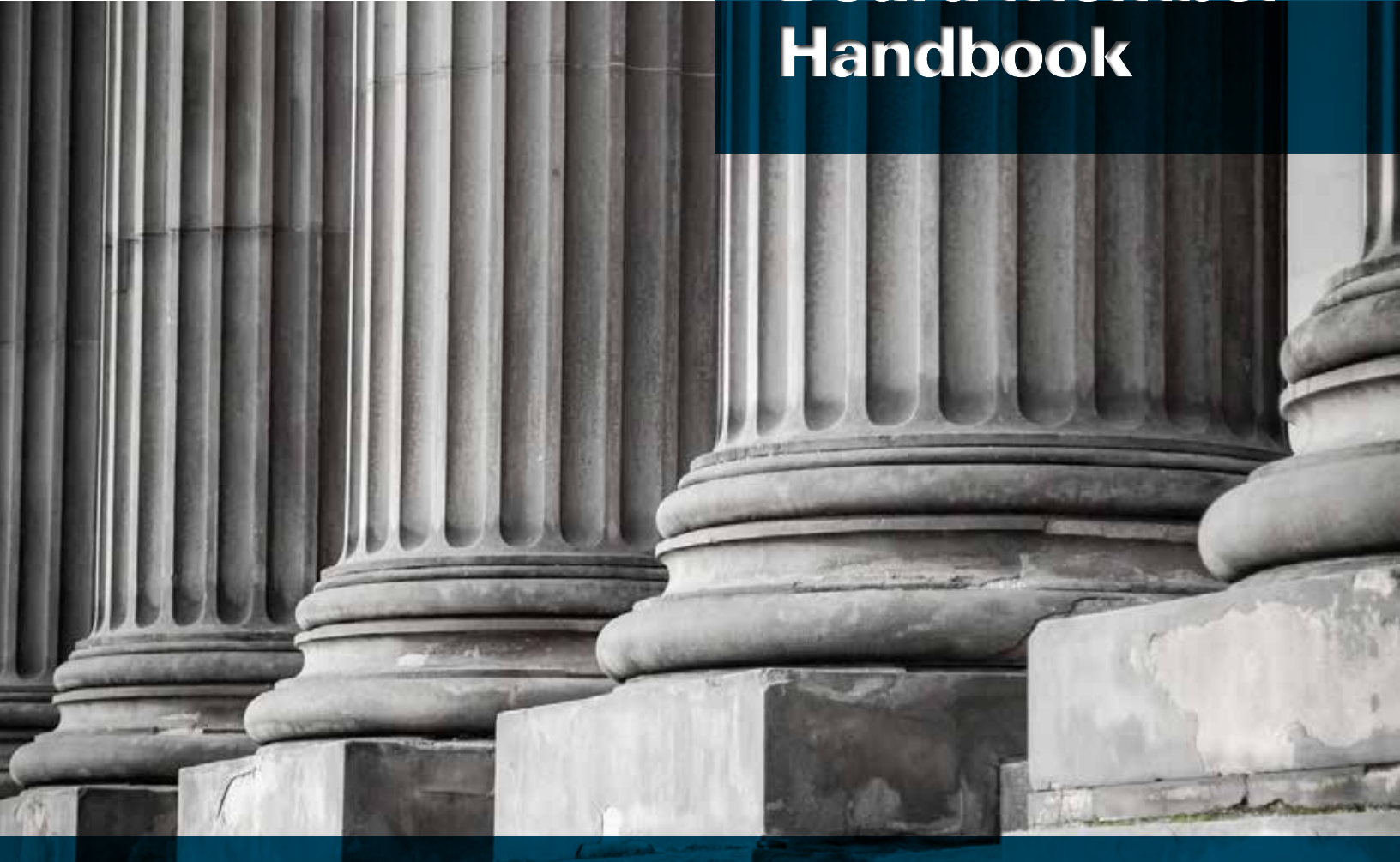
RECOMMENDATION:

Staff recommends the Board of Directors authorize the General Manager to receive the mail at his Mt Shasta Office by having the Post Office forward all mail for the next six months. I also recommend the Board authorize me to be the signer on warrant request, eliminating the need for signature gathering every time a warrant request is issued. This will also improve the County's ability to get payments out in a timely manner and all vendors get paid in a timely manner.

CORRESPONDENCE & REPORTS

SPECIAL DISTRICT

Board Member Handbook



A California Special Districts Association Publication ©2019



CSDA

You have been elected or appointed to a special district board by your community. This is a tremendous honor that comes with much responsibility.



Printing made possible by the California Special Districts Alliance, a partnership between CSDA, the CSDA Finance Corporation, and the Special District Risk Management Authority (SDRMA).

What do You Need to Know as a Special District Board Member?

You have been elected or appointed to a special district board by your community. This is a tremendous honor that comes with much responsibility. The mission of the California Special Districts Association (CSDA) is to provide you and your district with the resources necessary to best meet this responsibility. This handbook will serve as a fundamental guide in this endeavor.

Your special district may refer to its board members as trustees, directors, commissioners, or another similar term. For simplicity and readability, this handbook

will use the term “board member” as a universal term for all special districts. The handbook will focus on the commitments, responsibilities, and resources that are relevant to all board members of every type of special district.

As a board member for a special district, you have committed to represent the best interests of your community, ensure the delivery of essential local services and infrastructure, and faithfully serve the public good while upholding the law. This is a high calling that depends upon mutual trust, support, and collaboration with your fellow board members, your district’s professional staff, and the network of special district leaders you will develop through CSDA.



First steps board members should take after election or appointment include:

- Meet with the district’s general manager and legal counsel
- Ask the general manager and/or finance officer for an overview of the most recently approved budget and audit
- Take a tour of the district facilities
- Read your district’s enabling act found in California’s statutory codes
- Review your district’s most recent municipal services review (MSR) published by the local agency formation commission (LAFCO)
- Register for board member training at csda.net

About Special Districts

As a special district board member, you will often be asked, “What is a special district?” People sometimes do not realize how many of their essential services are provided by special districts, and they often do not understand what a special district is, how it functions, or even why it exists. Here are few answers to some frequently asked questions you’ll encounter as a board member.

What is a “special district”?

An independent special district is a local form of government that is created, funded, and overseen by a community’s residents to provide a new or enhanced level of service and infrastructure to a community. Like counties and cities, special districts are an independent form of local government. Special districts are not school districts, community college districts, joint powers authorities, assessment districts, community facilities districts, “Mello-Roos” districts, or improvement districts.

Why are special districts formed?

Special districts are formed when a community decides a specific type of service is needed and the community wants the service to be maintained with local control. The first special district in California, the Turlock Irrigation District, was established in 1887. Local farmers needed a way to access the local water supply and the Wright Act was passed by the Legislature to provide the legal foundation for water districts, and many other special districts.

The Legislature continued to develop new types of special districts as tools to help local residents come together to solve community problems and needs. Ultimately, special districts are formed by the community for the community. Special districts empower residents to find local solutions to fit the unique needs of their community.

What types of special districts exist?

There are many types of special districts that can be established to fit the specific needs of a community. Some district types include:

- Airport
- Cemetery
- Community Services
- Fire Protection
- Harbor and Port
- Healthcare
- Irrigation
- Library
- Mosquito and Pest Abatement
- Recreation and Park
- Resource Conservation
- Sanitation
- Transit
- Utility
- Veterans Memorial
- Water

How many special districts are there?

There are just over 2,000 independent special districts throughout California. They vary in size and some may serve a community of hundreds of thousands while others serve only a few hundred. Special districts are created to fit the size of the community they serve.

How are special districts governed?

Independent special districts are governed by a board of directors that is elected by the community or appointed to fixed terms by one or more other locally elected governing bodies. Board members are responsible for setting the policies that ensure special districts continue to function and serve the community. It is also important to distinguish independent special districts from dependent special districts. Unlike independent special districts, dependent districts are indirectly governed by other government entities, such as city councils or county boards of supervisors. This is because dependent special district board members include ex-officio members from another legislative body or board members who are appointed to non-fixed terms. Ex-officio board members serve on the special district board only by virtue of their participation on another board. Board members appointed to non-fixed terms serve at the pleasure of another governing body. In other words, they may be replaced at any time and are not entitled to a full four-year term.



To expand your knowledge further, visit csda.net to find the *About Special Districts Guide* and the *Special District Formation Guide* to learn more about special districts and how they are formed.



Special districts and their board members are subject to a number of laws established to ensure special districts remain transparent and accountable to their communities. These laws are discussed in greater detail later in this handbook under the chapter, *Accountability and Transparency*.

How are special districts funded?

Special districts utilize many different funding sources to establish and maintain their services and overall infrastructure. Some districts receive enterprise revenues that are collected as fees for services such as water, sewer, or electricity. Special districts can also receive non-enterprise revenues that include one percent ad valorem property tax, parcel taxes, or benefit assessments that are approved by the community. Frequently, special districts will receive a combination of enterprise and non-enterprise revenues in order to best meet the needs of their community.

What makes special districts so “special”?

As a board member who dedicates time and effort to your local special district, you understand and know from firsthand experience what makes special districts so special. It’s the connection to the community, the focused specialized service, and the commitment of local residents such as yourself that distinguishes special districts from other forms of government.

To raise awareness and understanding of special districts, CSDA established the Districts Make the Difference public outreach campaign. Resources are available at DistrictsMakeTheDifference.org to explain special districts and include:

- Videos
- Fact sheets
- Infographics
- Posters
- Brochures



Good Governance

Special district boards are the voice of the community. Every elected or appointed public official needs to care about governance—it is the essence of what boards do. Governance is taking the wishes, needs, and desires of the community and transforming them into policies that govern the district.

The success of your district, and special districts as a form of government, depends largely upon how well you do your job as a board member. If the board does not respond to the needs of the community and govern its district effectively, it will erode the public trust, jeopardize public support of district services, and may even threaten the existence of the district itself.

Effective Governance Model

The good news is that a lot of work has been done on effective governance. Based upon a model developed by the California School Boards Association and adapted by CSDA for special districts, there are three critical dimensions that interact to determine how a board operates and its effectiveness as an organization:

1. The board as an organizational entity;
2. Individuals who together make up the board; and
3. Specific jobs the board must perform.

These are the core components of effective special district governance: a competency-based group of individual citizens coming together as an effective team to accomplish the specific responsibilities that only governing boards can do on behalf of their community.

The Board as an Organizational Entity

Any board, public or private, nonprofit or corporate, exists as an organizational entity, with its own unique organizational culture, norms, values, and operating style. There are attributes or characteristics that are consistently present in boards that operate in a highly effective way.

Effective boards become known as effective because they operate in an organizational environment of trust, honesty, and openness. These boards exhibit, as a team, the following characteristics:

- Recognize all board members as equally legitimate—no matter how different or difficult an individual may be.
- Strive to maintain a “no secrets, no surprises” operating norm.
- Acknowledge that conflicts and differences are inevitable, not necessarily “bad”, and must be faced and analyzed.
- Immediately turn to solutions rather than playing the “gotcha” game.
- Treat all staff with dignity and respect.
- Treat all community members with dignity and respect, even in the face of criticism and opposition.
- Exhibit creative thinking, know how to handle failure as well as success, encourage risk taking, and create a climate of support for excellence.
- Accept collective responsibility for the conduct, behavior, and effectiveness of the board.

Individuals Who Together Make up the Board

While boards develop unique organizational cultures, they are, after all, composed of individuals. These individuals and their values, skills, and knowledge shape how boards operate at any given time. Individuals also determine whether the board will sustain effective behavior as a group expectation.

Not everyone who serves on a special district board becomes an effective board member or leader. Those who do become effective board members also become highly valued community leaders. When an entire board is composed of truly effective board members, rather than individuals, the board becomes highly effective.

So, how are highly valued community leaders different than individuals who just serve on boards? They think about governance differently by understanding the fundamental role

Governance is taking the wishes, needs, and desires of the community and transforming them into policies that govern the district.



The most effective board members maintain the following priorities:

- Serve the public
- Support the staff as they carry out direction
- Respect fellow board members
- Seek consensus



of effective governance and the citizen leader. Effective board members exhibit the following characteristics:

- Recognize that the board, not the individual board member, governs the special district—the authority of any one board member rests only with the board as a whole.
- Heed caution when someone attempts to impose their own agenda on the district rather than working to build support for an institutional agenda.
- Appreciate that how a board member governs is as important as what a board member does—that manners make a huge difference.
- Establish trust and treat everyone with the same respect with which the board member expects others to treat them.
- Respect the diversity of perspectives and styles.
- Operate in a transparent fashion, while always keeping confidential information confidential.

Specific Jobs the Board Must Perform

We know that effective boards have strong competency-based cultures and that individual effective board members have strong governance skills, but the next question is: “To do what?” The third dimension of a board addresses the governing body’s specific responsibilities. Special district boards have certain duties that no one else in the organization or the community can perform.

In the next chapter, *Primary Roles and Responsibilities*, we will explore these duties, but first we must acknowledge one of the biggest challenges to special districts—how board members can learn and demonstrate competency.

Training and Development

We all have room to learn the governance skills required to be an effective special district leader. To do so, we must establish a culture of participation in our special district community. Just as we expect our staff to be involved in their profession, to learn and develop new skills, so too must we as effective board members learn to hone our governance skills.

We must lead by example and encourage our colleagues to branch out and learn the skills of governance. We must establish a culture of continuing education in the special district community. This includes both required trainings and recommended trainings.

Required Trainings

Every special district board member is required by law to complete ethics training and sexual harassment prevention training at least once every two years.

Ethics training is mandated by Government Code Section 53235 et. seq., which is popularly referred to by its enacting legislation, AB 1234 (Salinas) of 2005. Special district board members must receive the required two-hour training within

one year of their first day of service, and then every two years thereafter. A board member who serves more than one agency shall satisfy the requirements once every two years, regardless of how many boards they serve on.

All ethics trainings must cover laws related to conflicts of interest, gifts, reimbursements, government transparency, and fair processes, including but not limited to incompatible offices and competitive bidding practices.

Sexual harassment prevention training is mandated by Government Code 53237 et. seq., which was enacted by AB 1661 (McCarty) of 2016. Special district board members must receive the required two-hour training within the first six months of taking office, and then at least once every two years thereafter.

All sexual harassment prevention trainings must include practical guidance regarding the federal and state statutory provisions concerning the prohibition against, and the prevention and correction of, sexual harassment and the remedies available to victims. The training includes practical examples aimed at instructing the board member in the prevention of sexual harassment, discrimination, and retaliation.

CSDA offers various forms of online and in-person ethics and sexual harassment prevention training opportunities. You can register online at csda.net.

Recommended Trainings

It is recommended that every newly elected or appointed special district board member attend CSDA's workshops that introduce the topic of governance. CSDA strives to offer these opportunities in various locations throughout the state annually.

As a longer-term goal, during your first term in office it is also recommended you obtain the Recognition in Special District Governance certificate from the Special District Leadership Foundation (SDLF). This recognition was designed to honor special district board members and is comprised of two distinct parts: the completion of the Special District Leadership Academy and 10 hours of continuing education.

The Special District Leadership Academy consists of four courses: Governance Foundations, Setting Direction/Community Leadership, Board's Role in Human Resources, and Board's Role in Finance and Fiscal Accountability. The four courses are unique from any other courses on special district governance in that they are curriculum that has been created by special districts and agreed upon as what governing officials of special districts should know. SDLF has endorsed the Academy as the core special district governance training in California.

SDLF is a 501(c)(3) organization formed to provide recognition and certification opportunities to special district officials and employees to enhance service to the public. It is dedicated to excellence in local government. You can learn more about SDLF at sdlf.org.



*Learn more
about CSDA's
professional
development
offerings at
csda.net.*

VISIT CSDA.NET FOR DATES AND LOCATIONS

ACHIEVING DISTRICT GOALS... TOGETHER.

A Comprehensive Governance Leadership Conference for Elected and Appointed Directors/Trustees.

SDLA

Special District
Leadership Academy Conference



SDRMA

presented by
CSDA and
co-sponsored
by SDRMA





Primary Roles and Responsibilities

One of the first and most important distinctions to make in your work as a board member is the difference between your responsibilities and those of the general manager and staff. Clearly understanding and respecting these roles, and how they interact, is critical to the long-term success and sustainability of your special district.

Role of a Board Member

One of the most significant responsibilities as a board member is to understand that the board is a team and you need to work together as such. Understanding the dynamics of the group, as well as the individual perspectives and opinions of your fellow board members, is crucial to the success of the team, the district, and community you represent. This united approach will help to strengthen the district and provide the grounds for maintaining a clear vision of the future, a unity of purpose, and a cohesive board.

The specific responsibilities of the board are clustered into five areas:

1. Setting the direction for the district;
2. Establishing and supporting the policies and structure of the district;
3. Overseeing the financial resources necessary to fund the district;
4. Guiding employee relations policy, including the hiring and supervising of the general manager who, in turn, operates the district and hires/manages its staff; and
5. Serving as community leaders who communicate effectively on behalf of the district.

Setting Direction

The board establishes the special district's mission and vision. In building a mission statement, the board must clearly understand the purpose of the district and answer the question of "why?" Why does the district exist? It will also be helpful for the board to identify core values that guide the district in its mission.

When developing a vision statement, the board must answer the question of "what?" What would the district look like should it accomplish its mission to the fullest extent? Doing so requires agreement on the board as to what the future of the district should look like.

With a mission and vision as its foundation, the board sets direction through the district's strategic plan, which may guide the development of more specific objectives for implementation by the general manager and staff. In developing a strategic plan, the board will evaluate the present, anticipate the future, and prioritize goals that must be accomplished to achieve the vision. Strategic plans should be reviewed periodically and adjusted appropriately.

Establishing Policies

Policies are written statements specifying the manner in which the district's business is conducted. The board's job is to develop, maintain, revise, and enforce the district's policies. These policies provide needed direction for the general manager and staff, and for the constituents of the district.

One may view a special district's enabling act in California statute as the framework or "constitution" the district must operate under as a "subdivision of the state." However, independent special districts are not state entities, nor are they entities of a city or county. They are independent local governments, which are separate legal entities similar to other municipalities. Board-approved policies, resolutions, and ordinances are the tools by which boards direct the district in achieving its mission and securing its vision within the boundaries of its enabling act.

Board policies should guide district governance, such as board meetings, agendas, and minutes, board conduct, and rules of order. Policies should also be adopted

concerning district finances, personnel, communications, and other key functions.

While policies are approved by the board and may be requested by the board, they are typically drafted and recommended by staff. Sometimes this is done with review and direction of a board subcommittee.

Overseeing Finances

Boards ensure sound fiscal policy exists and that practices and controls are in place so that the district, board, general manager, and staff have direct accountability to their constituents. Furthermore, the board will approve an annual budget and request and approve periodic reports on the fiscal status of the district.

Commensurate with the board's role in financial oversight and fiduciary responsibilities, it should establish a financial reserve policy and capital improvement plan (CIP). It will also approve contracts of certain size and scope according to State law and board policy. To ensure adequate funding to provide quality services and infrastructure to its community, the board must impose sufficient rates, fees, and taxes.

Guiding Employee Relations

The board's charge is to support and assess the performance of the general manager, approve personnel policies, establish salary structure and benefits packages, approve memorandums of understanding (MOUs) negotiated with labor, approve job descriptions and organizational structure, and establish a

strong communications link between the board and general manager.

One of the most important decisions a board will ever make is the hiring of a general manager. Other than a district's general counsel and some rare additional exceptions for large special districts, the general manager is the only individual the board hires and supervises.

The general manager is responsible for hiring and supervising all other staff, sometimes through senior or mid-level managers in larger districts. Empowering the general manager to successfully carry out this key duty is critical to the success of the district. This should include a fair and constructive annual general manager evaluation process.

Serving as Community Leaders

A district and its board are linked in the eyes of the public and often seen as one and the same. Therefore, the conduct of board members reflects upon the district and the community it serves. This holds true during board meetings and formal district events, as well as during other interactions with community, the media, businesses, and other levels of government. Even the personal lives and behaviors of a board member can impact the perception and effectiveness of the district.

In your role as a board member, your board may designate you to formally represent your board to other organizations or participate in ceremonial events. Boards will often establish policies to guide such situations. It is



To expand your knowledge further, visit csda.net to find CSDA's *Sample Policy Handbook* and *Special District Reserve Guidelines* to learn more.

important to distinguish when you are speaking on behalf of the board and when you are speaking as an individual. However, as a public official, you should recognize that people will often construe your speech and actions as representative of your district, its staff, and your fellow board members regardless of the manner, time, and place in which they occur. This reality should lead board members to be thoughtful, intentional, and unified, not to be silent or absent.

It is a mistake for a special district to attempt to “fly under the radar.” Transparency is essential to democracy, and scrutiny is inevitable in government. This will be covered more in the next chapter, *Accountability and Transparency*, but here it is important to note that board members play a key role in a special district’s public outreach and engagement efforts. If a special district and its leaders are not telling the story of the district, somebody else will.

Role of the General Manager and Staff

The general manager is the executive staff officer of the district and for the board. This individual administers the district, providing day-to-day leadership, and maintains exclusive management and control of the operations and works of the district within State law and the policies of the board. In some districts, this position may be referred to as the district administrator, chief executive officer, executive director, district director, or another title. For the purposes of this handbook, it will be referred to as general manager.

Overarching best practices for a general manager include:

1. Developing and delivering reports to keep the board of directors and public well-informed of district operations and the status of district goals;
2. Providing recommendations on actions requiring board approval, including policies, resolutions, ordinances, and other matters;
3. Maintaining and advancing the operations of the district and implementing those policies, strategies, and directives approved by the board; and
4. Playing an active role in moving the district forward in serving its mission, carrying out its strategic plan, and attaining its vision.

As noted previously, the general manager has authority over and directs all employees, including hiring, supervision, evaluations, promotions, disciplinary actions, and terminations. All directives for staff should be given by the general manager or designated supervisor within the district. Authority may be delegated to other staff or consultants at the general manager’s discretion.

The general manager should dutifully and faithfully carry into effect the lawfully expressed policies of the board, including planning the short, medium, and long-term work program for the district, facilitating constructive and harmonious board relations, preparing and managing the district budget, conducting studies, and delivering written and oral presentations.



Visit sdlf.org to download the **SDLF High Performing District Checklist to provide special districts with best practices related to the areas of finance and human resources.**



Best practices that make the best board members:

- Do your homework: Read all board packets and materials in advance of meetings.
- Don’t play “gotcha”: Share questions with the general manager in advance of the board meeting.
- Listen first, speak second: Prioritize understanding the perspectives of others.
- Build an expertise: Find an important issue that other board members are not already invested in and become a leader, such as on LAFCO, environmental sustainability, etc.
- Stick to principles, not positions: Develop strong and well-considered principles, rather than digging heels into one position of a false dichotomy.
- Oppose the action, not the implementation: When necessary, vote “No” on a board agenda item, but don’t undermine or obstruct the successful implementation of board-approved decisions. Support and respect the actions of the board as a whole.





Accountability and Transparency

The residents of the district, as voters, owners, constituents, and customers of the district, possess the ultimate responsibility for its oversight and direction. The board is elected or appointed to serve as the voice of these residents. There are a host of legal requirements designed to ensure special districts remain accountable and transparent to its residents.

While special district boards must meet all mandated State laws, they should strive to exceed these requirements and set an example to other governments and organizations.

Legal Requirements

Significant mandates have been placed upon special districts by the State Legislature, which often exceed the standards for the State and some other local agencies. These legal requirements include, but are not limited to:

- Website Maintenance
- Open and Public Meetings under the Ralph M. Brown Act
- Public Records under the California Public Records Act
- Regular Financial Audits
- Finances and Compensation Posted Online
- Ethics Training for Board Members
- Conflict of Interest Compliance under the Political Reform Act

Websites

Beginning January 1, 2020 every special district must maintain a website, per Government Code Section 53087.8. All special district websites must display district contact information, agendas, state-mandated financial transaction and compensation reports, and a report of the district's enterprise systems. An exemption is available for special districts that pass an annual resolution detailing evidence of a hardship.

Open and Public Meetings

Per the Ralph M. Brown Act (Brown Act), special district board meetings must be accessible to the public. To facilitate access and participation, special districts must post their regular meeting agendas at least 72 hours in advance in a publicly accessible location and on their website. The board may only act on issues included in the agenda and the public must be permitted to address the board. The Brown Act includes myriad provisions and exceptions and has been the subject of significant litigation. It is recommended that board members read the Brown Act, found at Government Code Section 54950 et. seq., in its entirety and consult district legal counsel as necessary.

Public Records

As required by the California Public Records Act (CPRA), found in Government Code 6250 et. seq., special district records are subject to public review and scrutiny. The public may request copies of records in the possession of a special district, including records on a board member's personal device or account that are related to district business. Districts may charge a reasonable fee for the cost of printing and paper, but the district may not charge for staff time in producing such copies. As with the Brown Act, the CPRA includes numerous provisions and exceptions and is shaped by countless lawsuits. It is recommended special districts consult legal counsel as necessary in response to specific public records act requests.

Financial Audits

Government Code Section 26909 mandates regular audits of special districts by the county auditor-controller or a certified public accountant. The audit must be filed with the state controller and county auditor-controller.

Online Financial and Compensation Reports

Since 1949, special districts have been required to submit a financial transaction report to the state controller. In 2014, legislation additionally required completion of a compensation report and required that both the compensation report and financial transaction reports be posted or linked to

a conspicuous place on each special district’s website. The state controller now provides all of this information in an open data format at www.bythenumbers.ca.gov and www.publicpay.ca.gov.

Ethics Training

In 2005, the State enacted AB 1234 (Salinas) mandating special district board members complete at least two hours of training in general ethics principles and ethics laws every two years. Board members have an obligation to conduct business in an ethical manner and make decisions that are in the best interests of their constituents. Building and maintaining the public’s trust requires you to avoid any situation where your self-interest may come first.

Conflict of Interest Compliance

Passed by voters via Proposition 9 in 1974, the Political Reform Act (PRA) is designed to ensure elections are fair and government officials serve all citizens equally. The PRA generally governs political campaign spending and contributions, as well as a variety of ethics rules, including conflicts of interest. It prohibits a special district official from making, participating in making, or influencing a decision in which the official knows or has reason to know the decision will have a material financial effect on the official’s economic interests, with limited exceptions.

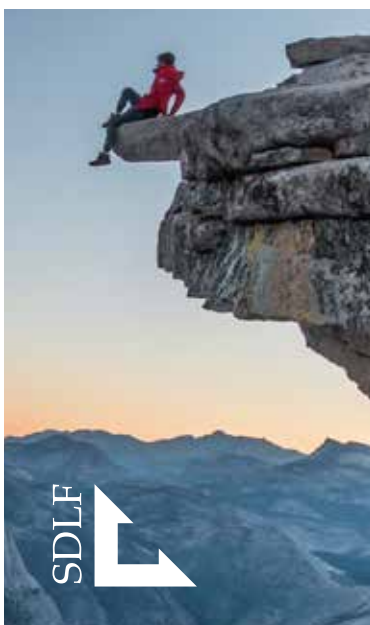
Third Party Oversight, Review, and Regulation

In addition to the legal requirements adhered to by special districts, there are a number of entities and programs, which provide varying levels of oversight, review, or regulation:

- Local Agency Formation Commission
- County Auditor-Controller
- County Civil Grand Jury
- County District Attorney and State Attorney General
- State Controller
- State Auditor
- State Treasurer
- State Fair Political Practices Commission
- Other State Regulators

Best Practices

Many special districts go beyond State mandated legal requirements to promote accountability and transparency. To facilitate and recognize best practices among special districts, the Special District Leadership Foundation (SDLF) has established a District Transparency Certificate of Excellence as well as other programs and scholarships. Visit sdlf.org to review the programs and download an application.



*Learn more
about **SDLF**
Programs &
Scholarships
at sdlf.org.*



Legislative Advocacy, Media Outreach, and Public Engagement

The decisions you make and the actions you take as a board member directly impact your community and the services they receive. It is equally true that districts are affected when board members do not make crucial decisions or fail to take action.

As a board member, you are an advocate for your district and your community. You will have to balance a number of responsibilities throughout your term. However, there are several simple yet influential ways you can take action as a board member.

Engage with the Capitol

Extensive travel to Sacramento is not necessary to effectively engage with the Capitol. Likely the most important way board members can partake in advocacy efforts is to submit letters of support or opposition when CSDA sends out a “Call-to-Action.”

Throughout the legislative session, CSDA closely analyzes and tracks any bill that may impact special districts. When an especially important bill arises, CSDA will issue a “Call-to-Action” and request letters so the Capitol hears the voice of special districts. Make sure your district’s voice is heard and work with others at your district to write support and opposition letters on behalf of your district.

Meeting with your legislators is another valuable way of advocating for your district and engaging with the Capitol. There are times throughout the year when legislators leave the Capitol and return to their legislative districts. During these legislative recesses, do your best to schedule a meeting with your legislator and their staff. Just as you represent your community as a special district board member, your legislator represents you, your special district, and your community. Make sure your legislator knows what issues are important to your district and how your district is impacted by legislation. The more legislators know about the special districts they represent, the more educated they will be when creating legislation that affects all special districts.

Once you’ve met with your legislators, let CSDA know which legislators you have a relationship with so that CSDA can coordinate grassroots activities on key votes in the State Legislature. Do this by completing the Grassroots Mobilization Survey at csda.net/take-action.

Engage with the Media

During your term as a special district board member, you will likely have to interact with the media. Do not be intimidated by the idea of communicating with the press. It is vital that you help inform the media’s narrative regarding your district. You do not want the only media mentions for your district to be one-sided or unfairly skewed against your district. The only way to ensure your district has a voice in what the media covers is for your district to be proactive. Be sure that any media outreach you undertake is in line with your board policies and/or protocols. Every special district should have a media protocol that determines who should serve as a spokesperson for the district under different circumstances. It is important to work as a team and support a clear and consistent message from your district.

Press releases should be utilized as a way to inform the press of particularly significant events. A few opportunities to send out press releases include when your district receives an award, after new board members are elected, or after a major project is successfully completed. Encourage your district to send out timely press releases in accordance with your board policy. You should also be looking for the best opportunities for your district to interact with the media. Not everything will be compelling to the media, but the media cannot acknowledge your district’s positive achievements if they are not informed. Media advisories are another way to engage with the media. If your district is hosting an event, encourage the general manager or district staff to send out an invitation to local reporters. Sometimes allowing the media to see for themselves helps garner positive press for your district. Also, inviting the media to your district allows you and other district representatives to build a working relationship with the



Throughout the year, CSDA maintains multiple resources to ensure you can stay up to date on the latest legislative issues impacting special districts. Explore the following resources:

- **Advocacy News:** Provides real-time notifications or daily summaries of legislative updates directly to your inbox. Join Advocacy News at csda.net/advocate/advocacy-blog.
- **Take Action Page:** Lists the most pressing legislative issues and provides background information and next steps for your district. Visit the Take Action page at csda.net/advocate/take-action.
- **Legislative Roundup:** Biannual webinar, free to CSDA members, connecting members with CSDA’s lobbyists for a live update and Q and A on the latest events in Sacramento.

reporters in your community. You want to serve as a resource to the media so when reporters have questions, they reach out for your district's perspective.

You may also want to suggest your district's media policy and/or protocol includes standard talking points for district representatives to reference when working with the media. Maintaining consistent messaging with the media will lend a level of credibility and reliability that the media will remember when writing about your district. As the media's understanding of your district grows, you should notice more accurate and informed press attention for your district.

Engage with Your Community

Special districts provide essential services to millions of Californians. Yet, many people have not heard of special districts or do not understand what a special district truly is. Polling shows that as soon as people understand the services provided and maintained by special districts, their perceived value of special districts rises exponentially. As a board member, you can help the public understand your district and its important role in your community.

Social Media

There are numerous ways to interact and connect with the community you serve. In today's world, most community members are on some form of social media. Although social media can be time consuming for you and district staff, it is worthwhile. A district policy or protocol should guide who is responsible for posting on behalf of the district. Typically, this is assigned to a member of the staff and board members may engage by liking and/or sharing district posts from their personal accounts.

Social media can provide an instant connection with your community. Instead of forcing local residents to go looking for information, you can make important information immediately available on social media.

Engaging on social media does not require continuous posts to all platforms throughout the day. Instead, post to social media when you have something you need and want to share with the

public. Post about any community events where your district will be represented. Share a quick fact or update about your district that may interest your community.

Even if you do not frequently post to social media, monitor your accounts to see if people make comments, have questions, or provide suggestions. You may choose not to respond to comments on social media but at least you are aware of what your community is saying. People may voice something on social media that they would not ordinarily say in person or in a more formal setting. At times, people may post negative comments but with social media, engagement is ultimately the goal. Social media starts an ongoing conversation with your community.

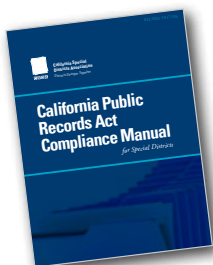
Community Events

Another effective way to engage with your community is with community events. As a board member, you can encourage your district to host an event where the public is invited to your district. Holding tours during the summer to demonstrate how your district functions or hosting a holiday party as a way for the community to celebrate together are just a few event ideas.

If you are a board member at a smaller district or a district type that does not easily lend itself to visits, collaborate with other districts and businesses in your community. Reach out to other special districts in your area to discuss a possible "district day" where representatives from multiple districts gather together and answer questions about their respective districts. Hosting a booth at the local career fairs or sponsoring a local event are other valuable ways of building a connection with the community you serve.

Join the Public Outreach Campaign

CSDA launched the Districts Make the Difference public outreach campaign to raise awareness and understanding for special districts. Encourage your district to participate in the campaign. Add a link to the DistrictsMakeTheDifference.org on your district's website so people can utilize the campaign resources and learn about the different types of special districts and how they are governed. Raising awareness for special districts helps local residents understand the value of special districts and the significant role they play in the community.



CSDA's *California Public Records Act Compliance Manual* is a general summary of the CPRA as it applies to special districts. For more information on this manual visit csda.net.



Responses to Tough Questions

As with all forms of government, special districts sometimes face tough questions. Special district board members should be aware of these questions and be prepared to respond to them.

Why are some special districts funded by property taxes, while others are funded by fees or a combination of fees and taxes?

Special district funding is primarily determined by the residents who receive district services and pay for those services. Special districts may receive two types of revenue: enterprise revenue and non-enterprise revenue. Some districts rely exclusively on one type, but most receive a combination of the two.

Enterprise revenue is derived by fees for service. Common forms of enterprise revenue include property-related fees, governed under Proposition 218, such as water, sewer,

or trash rates. However, enterprise revenue may also include smaller charges like registration fees for a soccer league or yoga class. Facility rentals, cemetery interment fees, and medical billing are also forms of enterprise revenues.

Non-enterprise revenue is derived from taxes and assessments paid as a condition of owning property that benefits from the services and infrastructure provided by a special district. The most common form of non-enterprise revenue is the one percent ad valorem local property tax, which is distributed through the county auditor-controller's office. This is dictated by Proposition 13 and is usually what someone is referring to when they mention the "property tax." Non-enterprise revenue may also include special taxes, benefit assessment districts, community facilities districts (also known as CFDs or Mello-Roos districts), and similar funding mechanisms.

It is important to note that most residents have approved at least some level of both enterprise and non-enterprise revenue for their special district. This provides the district

with a diverse and sustainable revenue portfolio that can better withstand economic shifts and secure the highest credit ratings for infrastructure investment. It also ensures that everyone who benefits from a district contributes to the cost of the district. For example, water and sewer services benefit a property's value regardless of whether that property's owner currently uses those services.

Can special districts tax residents without their consent?

No. Proposition 13 limited ad valorem property taxes to one percent of property value for every homeowner. Many special districts, along with cities, counties, and schools, receive a share of this revenue. If a district requires additional revenue it must obtain the approval of its voters or property owners as appropriate.

While cities and counties may impose general taxes with majority voter approval, all special district taxes are considered "special taxes" and require a two-thirds vote. A general obligation bond that raises property taxes temporarily to pay-off the bond must also receive two-thirds voter approval. Certain assessments may be approved with a majority of those who benefit from the service and property related fees must go through what's known as a majority protest proceeding in accordance with Proposition 218.

Why do we have community facilities districts, Mello-Roos districts, and special districts all funding our services?

Community facilities districts (CFDs) and Mello-Roos districts are just two names for the same thing, but neither are a special district with a board that provides a service. CFDs or Mello Roos districts are funding mechanisms that may be established by a special district, city, county, or school district to help fund services and public works for that area. CFDs or Mello-Roos districts are typically approved by property owners in developing areas where there are fewer than 12 residents. In cases where there are 12 or more residents, they must be approved by voters.

Why do special districts have such large reserves?

Special districts need adequate reserves to ensure they can respond to their community's needs in the event of emergencies or disasters, like flooding, earthquakes, wildfires, or even droughts. Prudent reserves are often needed to accumulate the capital to pay for large infrastructure projects, or to secure financing. In addition, reserves provide a safety cushion to stabilize rates and maintain adequate services during economic downturns.

It should be noted that some reports of special district reserve levels have misinterpreted data within the state controller's Financial Transaction Report in a manner that confused districts' fixed assets with cash on hand. CSDA has worked with the state controller's office to ensure this report is presented in the most clear and consistent manner possible to avoid such errors in the future.

CSDA has also developed the Special District Reserve Guidelines, a comprehensive guide for accumulation and management of special district reserves. The report lays out policy procedures and high standards for special districts to follow in handling their fiduciary responsibilities.

Don't special districts have board members who are heavily compensated?

Board member compensation is set in statute by the State Legislature. Some special districts have statutory authority to adjust compensation, within strict limits, via a vote of the board during a properly noticed open and public meeting. Unlike city council members and county supervisors, special district board members are not eligible for the California Public Employees' Retirement System (SB 53 of 1993).

While every type of special district must comply with its own statutory parameters, most special district board members receive about \$100 per meeting. It is important to note that the work of a board member does not begin when a meeting commences and end when it adjourns. Board members typically review lengthy meeting packets, study issues thoroughly, and may be in communication with constituents or district staff throughout the month.

Every special district is unique and the demands and qualifications necessary to well-serve different special districts will vary.

Aren't special districts fragmented government?

Special districts provide real-world solutions to meet the needs of residents that otherwise would not be met. In fact, their name and their strength is derived from the way they specialize in a service. Special districts are passionate about providing a service people need. They are not easily distracted from their mission, and they develop an expertise at providing a service in the most efficient, effective, and sustainable manner possible.

While special districts may dot many local landscapes, each one is unique to the needs of its community. Special districts arguably offer the closest, or “most local,” level of service to their community. Residents will likely notice a difference in access and responsiveness when attending a recreation and park district meeting to discuss a playground as opposed to what they may receive on such a specific topic at a general-purpose government meeting. The same could be said in relation to library districts, harbor districts, mosquito abatement districts, water districts, and so on.

Similarly, special districts offer residents a meaningful opportunity to engage with their government and serve their community. The barriers associated with running for Congress, the State Legislature, and even county or city governing bodies are often staggering, with campaigns sometimes costing hundreds of thousands or millions of dollars. And the politics are sometimes highly partisan. Raising that level of campaign money and investing that number of hours away from family and paid employment is out of the reach of most Californians. While serving on a special district board is a significant undertaking, it is far more accessible to the average person.

Do special district services overlap with cities and counties?

No. local agency formation commissions (LAFCOs) oversee the formation, dissolution, and boundaries of special districts and cities. There are 58 LAFCOs, one per county. They ensure that special districts and cities don’t overlap in a way that provides redundant services. LAFCOs also conduct regular municipal services reviews (MSR) on special districts to help ensure they are providing efficient and effective services.

There are just over 2,000 independent special districts compared to 977 school districts, 482 cities and 58 counties.

Why so many and why can’t they be consolidated to save taxpayers money?

What really matters is the quality of services and how well a special district responds to the residents it serves. Consolidation may work in some cases, but it doesn’t work in all cases. Bigger bureaucracies that are further removed from voters are not always more efficient. Even where consolidation may make sense in concept, it may not be economically feasible due to lack of proximity to neighboring infrastructure, such as water or sewer pipes.



An inherent bias for or against consolidation doesn’t improve services. Rather, a thoughtful, case-by-case approach, that includes stakeholders and an objective analysis, will promote the best local government options for each community. Ultimately, the residents who receive and pay for the services should have the final say.

It is also important to keep in mind that there are not 2,000 special districts providing the same service throughout the state. For instance, there are about 346 fire protection districts, 47 mosquito abatement and vector control districts, 95 recreation and park districts, 10 airport districts, and so on.

Who are special districts accountable to?

Special districts are accountable to the residents who elect their boards, approve their funding sources, and use their services. This offers a community local control.

If residents need something or want to see something changed, they may go to their special district and petition their board. When authority is pulled away from local government bodies and centralized further from residents, the community’s ability to influence its government and hold it accountable may become more challenging.

Numerous state laws help residents hold special districts accountable, such as the Ralph M. Brown Act, the California Public Records Act, the Political Reform Act, and more. Additionally, a number of other bodies facilitate oversight and reporting requirements, including the LAFCO, county auditor-controller, county district attorney, state attorney general, and state controller’s office.



Quick Reference for Laws Affecting Special Districts

As subdivisions of the State of California, special districts are governed by state law. Every fall, after the legislative session concludes, CSDA runs a “New Laws” series. At the beginning of each year, CSDA provides its members with a New Laws report, which includes hundreds of enacted bills and court rulings.

CSDA’s publication, *Laws Governing Special Districts*, is a member resource that provides a thorough overview of the most significant long-standing laws affecting the governance of all types of special districts. This resource includes a spreadsheet outlining the enabling act for each type of special district. Following are excerpts of some of the most frequently referenced laws affecting all special districts.



See what’s included in the *Laws Governing Special Districts Guide* at csda.net.

Resources for You and Your Special District

Since 1969, CSDA has been providing special districts with representation at the Capitol, professional development opportunities, and a host of programs and resources designed to help them better serve their communities.

Advocacy and Public Affairs

CSDA is the only association representing the interests of California’s independent special districts, of all types and sizes and from all corners of the state. Our legislative staff reviews and monitors every bill introduced for its potential impact on special districts. Bills requiring action are quickly brought to the attention of the Legislative Committee and Board of Directors to adopt a position on each issue and lobby accordingly.

Our six District NetWorks help special districts connect and take action on issues of concern, locally or statewide. A CSDA Public Affairs Field Coordinator works with leaders in each Network, providing valuable legislative updates, facilitating communications, and coordinating regional events. Local chapters of CSDA provide more opportunities for collaboration and information sharing.

Professional Development

CSDA offers many unique educational opportunities for special district board members and staff. These range from extensive governance training to specialized conferences and regional workshops.

- Special District Leadership Academy (SDLA)
- Special District Board Secretary/Clerk Conference
- General Manager Leadership Summit
- Annual Conference and Exhibitor Showcase
- Workshops in Ethics, Harassment Prevention, and more

In addition, CSDA webinars, offered live and on-demand, provide affordable and convenient access to education in a wide variety of topics. Find a complete list of trainings at csda.net.

Visit csda.net for online resources available for members, including tools and information crucial to any special district's operational effectiveness.



CSDA is committed to providing solutions to special district needs. That includes discounts and programs especially designed to save districts time and money.

A complete listing of Value Added Benefits is available at csda.net.

Online Resources

At csda.net, members have access to tools and information crucial to any special district's operational effectiveness. Below are a few highlights of what you can find once you've logged in.

CSDA Communities

Our online forum gives CSDA members a fast and easy way to share relevant information and get answers to questions from those most qualified to answer – your peers. Search for and connect with other members through the Member Directory, or find service and product providers through the Buyers Guide.

Knowledge Base

The Knowledge Base is your online go-to for answers to many questions about local governance and policies related to special districts. The Frequently Asked Questions section contains answers to the inquiries we hear most often from special districts. The Sample Document Library is a collection of useful examples contributed by other special districts.

Also included in the Knowledge Base is an array of downloadable publications and reference materials on topics such as:

- Ballot Measure Guidelines
- Brown Act Compliance
- California Public Records Act
- Parliamentary Procedure
- Reserve Guidelines
- And many more

California Special Districts Alliance



California Special Districts Association
Districts Stronger Together



Special District Risk Management Authority



CSDA Finance Corporation

California Special Districts Alliance is a collaborative partnership between CSDA, the CSDA Finance Corporation and the Special District Risk Management Authority (SDRMA). Our three organizations work together to provide the best in resources and education for your special district.

CSDA Finance Corporation has facilitated nearly \$1 billion in financing for capital improvements, land acquisitions, and equipment purchases. Learn more at csdafinance.net.

Special District Risk Management Authority provides full-service risk management programs, including Workers' Compensation, Property/Liability, and Health Coverages. Learn more at sdrma.org.



California Special Districts Association

1112 I Street, Suite 200
Sacramento, CA 95814



toll-free: 877.924.2732
csda.net

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A LAW FIRM FOUNDED ON THE
PRINCIPLE OF SERVICE

Margaret Long
margaret@prenticelongpc.com

December 4, 2020

Karl Drexel, General Manager
Cortina Community Services District
PO Box 43
Arbuckle CA 95912

Dear Mr. Drexel:

Prentice Long, PC is pleased to represent Cortina Community Services District. Specifically, our representation will include representation as District Counsel. This letter confirms and memorializes the terms of our representation.

CONFIDENTIALITY AND ABSENCE OF CONFLICTS

An attorney-client relationship requires mutual trust between the client and the attorney. It is understood that communications exclusively between counsel and the client are confidential and protected by the attorney-client privilege.

To also assure mutuality of trust, we have maintained a conflict of interest index. The California Rules of Professional Conduct defines whether a past or present relationship with any party prevents us from representing you. Similarly, your name will be included in our list of clients to ensure we comply with the Rules of Professional Conduct regarding attorney conflicts of interest.

We have checked the following name against our client index: Cortina Community Services District. Based on that check, we can represent your interests. Please review the list to see if any other persons or entities should be included. If you do not tell us to the contrary, we will assume that this list is complete and accurate. We request that you update this list for us if there are any changes in the future.

YOUR OBLIGATIONS REGARDING FEES AND BILLINGS

Margaret Long will be the attorney assigned as District Counsel, with Amanda Uhrhammer as Assistant District Counsel, and Sophia Meyer and David Prentice as Deputy District Counsel. The current billing rate is \$175 per hour. We will bill you monthly for all services provided.

The memorandum attached to this letter describes the other aspects of our firm's billing policies. You should consider this memorandum part of this agreement as it binds both of us. For that reason, you should read it carefully. Please let me know if you have any questions or concerns regarding our fee structure.

INSURANCE

We are pleased to let you know that Prentice Long, PC carries errors and omissions insurance with AFCO, which, after a standard deductible, provides coverage beyond what is required by the State of California.

NEW MATTERS

When we are engaged by a new client on a particular matter, we are often later asked to work on additional matters. You should know that such new matters will be the subject of a new signed supplement to this agreement. Similarly, this agreement does not cover and is not a commitment by either of us that we will undertake any appeals or collection procedures. Any such future work would also have to be agreed upon in a signed supplement.

HOW THIS AGREEMENT MAY BE TERMINATED

You, of course, have the right to end our services at any time. If you do so, you will be responsible for the payment of fees and costs accrued but not yet paid, plus reasonable fees and costs in transferring the case to you or your new counsel. By the same token, we reserve the right to terminate our services to you upon written notice, order of the court, or in accordance with our attached memorandum. This could happen if you fail to pay our fees and costs as agreed, fail to cooperate with us in this matter, or if we determine we cannot continue to represent you for ethical or practical reasons.

CLIENT FILE

If you do not request the return of your file, we will retain your file for five years. After five years, we may have your file destroyed. If you would like your file maintained for more than five years or returned, you must make separate arrangements with us.

AGREEMENT TO REPRESENTATION IN ACCORDANCE WITH THESE TERMS

If this letter meets with your approval; please sign, date, and return to us at your earliest opportunity. We have enclosed a separate signed copy of this letter for your records. In addition, if we represent you in any capacity prior to our receipt of a signed copy of this letter from you, we will be doing so only on and subject to the terms and conditions outlined in this letter and the attached memorandum. Accordingly, if you have any objection to our representation of you on the terms and conditions set forth in this letter or the attached memorandum, please advise us immediately.

THANK YOU

We are pleased that you have selected Prentice Long, PC to represent Cortina Community Services District and appreciate the opportunity to assist in this matter. If you have any questions at any time about our services or billings, please do not hesitate to call me. We very much look forward to working with you.

Sincerely,

PRENTICE LONG, PC



Margaret Long, Partner

AGREED AND ACCEPTED:

Dated: December 4, 2020

By: 

Name: Karl Drexel

Title: General Manager

Prentice Long, PC Billing Practices

The payments specified below shall be the only payments from Client to Prentice Long, PC (“Law Firm”) for services rendered pursuant to this Agreement. Law Firm shall submit all invoices to Client in the manner specified herein. Except as specifically authorized by Client, Law Firm shall not bill Client for duplicate services performed by more than one person.

1.1 Invoices. Law Firm shall submit invoices, not more often than once a month, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;
- The beginning and ending dates of the billing period;
- A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion;
- At Client’s option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense; and
- The total number of hours of work performed under the Agreement by Law Firm.

1.2 Monthly Payment. Client shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. Client shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Law Firm.

For payments not received in a timely fashion the Law Firm may charge interest on all outstanding balances at a rate of 2% interest per month thereafter. In the event that any bill remains due beyond the due date client agrees that attorney may withdraw from representation. The Clients for services remain jointly and severally liable for the payment of all invoices to the extent that they are united in interest.

1.3 Reimbursable Expenses. Reimbursable expenses are specified below. Expenses not listed below are not chargeable to the Client.

- Court filing fees
- Courtcall expenses
- Reasonable travel and overnight expenses
- Attorney services (includes service of process fees, arbitrators, and mediators)
- Messenger services
- Westlaw research outside of our prepaid service fee
- Fed-Ex, OnTrac Overnight, or other one-day delivery services

- Reasonable travel expenses and parking fees for court appearances, depositions, arbitrations, mediations, and other necessary appointments
- Actual costs for large reproduction projects if performed by an outside service, or \$0.10 per page if performed in-house
- Any other expense not listed above that becomes necessary for the successful resolution of a particular matter

1.4 Payment of Taxes. Law Firm is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

1.5 Payment upon Termination. In the event that the Client or Law Firm terminates this Agreement, the Client shall compensate the Law Firm for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Law Firm shall maintain adequate logs and timesheets in order to verify costs incurred to that date.



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

December 1, 2020

Cortina Community Services District
P.O. Box 43
Arbuckle, California 95912

We are pleased to confirm our understanding of the services we are to provide for Cortina Community Services District (District) for the years ended June 30, 2017 through 2020. We will audit the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the District's basic financial statements as of and for the years June 30, 2017 through 2020. Accounting standard generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budget and Actual Comparisons for General Fund and Major Special Revenue Funds

Audit Objectives

The objective of our audits is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. Our audits will be conducted in accordance with auditing standards generally accepted in the United State of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include

tests of accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audits or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a paragraph that states the purpose of the report is solely to describe the testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose, If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures-General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste and abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste and abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not

designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the periods covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected funding sources, creditors and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will request certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures-Internal Control

Our audit will include obtaining an understanding of the design of the government and its environment, including internal control, sufficient to assess the results of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards, *Government Auditing Standards*.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with applicable laws and regulations and the provisions of contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the District (including posting adjustments approved by management to our trial balance) in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making all financial records and related information available to us, and the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud, or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud, or illegal acts affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are

responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements and grants and for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements, or abuse that we report.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes (including any adjustments posted) and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes (including adjustments posted) and that you have reviewed and approved the financial statements and related notes (including adjustments posted) prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Audit Administration and Other

Ingrid Shepline will be the engagement partner. The partner will be responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. Because of the importance of oral and written management representations to an effective audit, the District releases and indemnifies Richardson & Company, LLP and its personnel from any and all claims, liabilities, costs and expenses attributable to any active negligence on the part of the District.

The audit documentation for this engagement is the property of Richardson & Company, LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the California State Board of Accountancy or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. The firm will also make available its workpapers and respond to all reasonable inquiries of successor auditors and others to review workpapers of the District, upon the District's written request or consent. If requested, access to such audit documentation will be provided under the supervision of Richardson & Company, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties.

These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. All professional and administrative services and expenses relating to such access will be charged as an additional expense to the District at the rates listed in the Professional Fees section of this letter. The workpapers for this or any engagement for you will be retained for a minimum of seven years after the date the auditor's report is issued, or longer if required by generally accepted auditing standards.

In the event we are requested or authorized by you or required by government regulation, subpoena, or other legal process to produce our workpapers or our personnel to respond to inquiries or serve as witnesses with respect to this or any engagement for you, you will, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, in responding to such a request. If such a request is made, and unless we are obligated by law or legal process to the contrary, we will inform you prior to providing such access.

If the District intends to publish or otherwise reproduce in any document our report on the District's financial statements, or otherwise make reference to our Firm in a document that contains other information in addition to the audited financial statements (e.g., in a debt offering circular for example), the District agrees that prior to making any such use of our report, or reference to our Firm, management will provide us with a draft of the document to read and obtain our approval for the inclusion or incorporation by reference of our report, or the reference to our Firm, in such document before the document is printed and distributed. The inclusion or incorporation by reference of our report in any such document would constitute the reissuance of our report and any request by the District to reissue our report or to consent to its inclusion or incorporation by reference in an offering or other document will be considered based on the facts and circumstances existing at the time of such request. The estimated fees outlined herein do not include any services that would need to be performed in connection with any such request to make use of our report, or reference to our Firm; fees for such services would be based upon the rates for additional services as described in the Professional Fees section.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, if applicable, you understand that electronic sites are a means to distributed information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Our Firm, as well as all other accounting firms with a significant audit practice, participates in a "peer review" program, covering our audit and accounting practices. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the other firm will review a sample of our work. It is possible that the work we perform for you may be selected by the other firm for their review. If it is, they are bound by professional standards to keep all information confidential. If you object to having the work we do for you reviewed by our peer reviewer, please notify us.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our current peer review report accompanies this letter.

Professional Fees

Our fees for audit services for the years ended June 30, 2017 through 2020 will be as follows:

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>Total</u> |
|--|-----------------|-----------------|-----------------|-----------------|------------------|
| Audit, preparation of financial statement and State Controller Report | \$ 2,900 | \$ 2,400 | \$ 2,400 | \$ 2,400 | \$ 10,100 |
| First-year set-up | 800 | | | | 800 |
| | <u>\$ 3,700</u> | <u>\$ 2,400</u> | <u>\$ 2,400</u> | <u>\$ 2,400</u> | <u>\$ 10,900</u> |

These fees include out-of-pocket expenses for items including clerical support, computer charges, supplies, telephone charges and printing. The fee includes remote attendance at a Board of Directors meeting. Should travel to an on-site meeting be needed, there will be an additional charge of \$300.

We understand that the District is unsure whether it has title to any capital assets. If the District determines that the developer donated the infrastructure to the District, our fee estimate to audit the District's capital assets, including depreciation on those assets, is estimated to be \$800 to \$1,200.

The fee estimate for first year set-up is to set up the District's financial statements and footnotes to comply with all GASB pronouncements, since the District has not had separate financial statements in the past.

These estimates do not take into consideration changes in the scope of the audit due to changes in accounting or auditing pronouncements and standards, laws or regulations, the loss of key accounting personnel, material weaknesses in the internal control environment, or significant changes in the scope of the District's operations, including the issuance of debt. These estimates also assume that the District will not receive federal grants that would require a Single Audit. The estimate assumes there will be minimal audit adjustments. We will discuss a new fee estimate with the District if such events occur.

Additional Services: The fee for additional services provided under this engagement letter or otherwise requested by the District, if any, will be based on a rate per hour by staff classification as follows:

| <u>Classification</u> | <u>Rate Per Hour</u> |
|----------------------------|----------------------|
| Partner | \$ 200 |
| Tax Director | 220 |
| Senior Manager | 180 |
| Managers | 160 |
| Supervisors | 140 |
| Seniors | 120 |
| Semi-seniors | 100 |
| Staff | 90 |
| Administrative or clerical | 60 |

Cortina Community Services District

December 1, 2020

Page 8 of 9

If any provision in this letter is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

* * * * *

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign and return it to us.

Very truly yours,

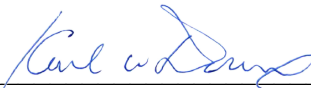
RICHARDSON & COMPANY, LLP



Ingrid M. Sheipline, CPA
Managing Partner

Response:

This letter correctly sets forth the understanding of the District.

By:  _____

Title: General Manager



CPAs & BUSINESS ADVISORS

Report on the Firm's System of Quality Control

July 17, 2018

To the Partners of Richardson & Company, LLP
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Richardson & Company, LLP (the firm) in effect for the year ended March 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards). A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Richardson & Company, LLP in effect for the year ended March 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Richardson & Company, LLP has received a peer review rating of *pass*.


Eide Bailly LLP

What inspires you, inspires us. eidebailly.com



KD Management Services LLC

517 W Jessie St
Mt Shasta CA 96067

Monthly Report

| Date | Average Hours |
|------------|----------------|
| 12/22/2020 | 13.25 Hrs/Week |

| |
|---|
| Bill To |
| Cortina Community Services District PO Box 43 Arbuckle CA 95912 |

| Terms | Due Date |
|----------------|------------|
| Due on receipt | 12/22/2020 |

| Serviced | Item | Description | Quantity | Rate | Amount |
|------------|------------------|---|--------------|------|--------|
| 11/20/2020 | General Manag... | Complete and distribute the Board packet, continue to work on financials | 5.5 | | 0.00 |
| 11/23/2020 | General Manag... | Prepare and attend Board meeting | 2 | | 0.00 |
| 11/24/2020 | General Manag... | Tour site with Storm Drain Contractors, | 2.5 | | 0.00 |
| 11/27/2020 | General Manag... | Work on Notifications to Legal Services bidders and Prentice Long, work on financials, | 4.5 | | 0.00 |
| 11/30/2020 | General Manag... | Contact Peter re NBS and their service, contact County re Indirect costs, contact Andrew Kraus re NBS and collect data for their report, review and file minutes, Copy and file past minutes and resolutions, | 3.5 | | 0.00 |
| 12/1/2020 | General Manag... | Work on notifications for audit services,work on financials, | 3.5 | | 0.00 |
| 12/2/2020 | General Manag... | Work on Engineer Notifications, work with CC re plans and Specs for Road Project, work on website, work on financials | 3 | | 0.00 |
| 12/3/2020 | General Manag... | Work on letter to community, review Fund balances reports, work on financials | 2.5 | | 0.00 |
| 12/4/2020 | General Manag... | Review and submit Fee agreement for legal services, review storm drain bids, work on financials, converse with new Engineer and review road project specs. | 2 | | 0.00 |
| 12/7/2020 | General Manag... | Review and submit auditor's engagement letter, conference call with David Swartz, engineer re Road project | 2 | | 0.00 |
| 12/17/2020 | General Manag... | Work on inputting financial data to QB | 1.5 | | 0.00 |
| 12/18/2020 | General Manag... | Work on financials | 6.5 | | 0.00 |
| 12/19/2020 | General Manag... | Work on Financials, work on agenda and Board packets, Set up Zoom meeting, Contact Engineer re storm Drain and landscaping | 5.5 | | 0.00 |
| | | | Total | | |

| Phone # | Fax # | E-mail | Web Site |
|--------------|--------------|----------------------|---------------------|
| 707-318-7369 | 707-575-4306 | karl@kdmanagement.us | www.kdmanagement.us |



KD Management Services LLC

517 W Jessie St
Mt Shasta CA 96067

Invoice

| Date | Invoice # |
|------------|-----------|
| 12/22/2020 | 20-214 |

| |
|---|
| Bill To |
| Cortina Community Services District PO Box 43 Arbuckle CA 95912 |

| Terms | Due Date |
|----------------|------------|
| Due on receipt | 12/22/2020 |

| Serviced | Item | Description | Quantity | Rate | Amount |
|-----------------------|------------------|---|----------|--------------|--------|
| 12/22/2020 | General Manag... | Work on Board Packet and Agenda, work on staff reports contact CSDA re Board handbook | 5 | | 0.00 |
| 12/28/2020 | General Manag... | Work on Board Packet and Agenda, work on financials and year to date P&L | 7 | | 0.00 |
| Total Hours 53 | | | | | |
| | | | | Total | \$0.00 |

| Phone # | Fax # | E-mail | Web Site |
|--------------|--------------|----------------------|---------------------|
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