

# Ebbetts Pass Fire District



## BOARD OF DIRECTORS NOTICE OF REGULAR MEETING

Via teleconference webinar

**9:00 A.M. Tuesday, July 20, 2021**  
1037 Blagen Road, Arnold

In compliance with recently issued guidelines from the State of California and other governing agencies, and in order to aid in keeping the public safe, Ebbetts Pass Fire District (EPFD) will be conducting our Board Meeting via teleconference until further notice.

To access the meeting please visit [zoom.us](https://zoom.us) website and enter Meeting ID: 988 5381 0431 with passcode: 405858. If you need assistance in accessing this information, please email [epfd@epfd.org](mailto:epfd@epfd.org) or call the EPFD office at 209-795-1646, Monday through Friday, 8:00 am to 5:00 pm. You may also register in advance for this meeting: <https://zoom.us/j/98853810431?pwd=SFFNWDg1NzIQRm1PVzFpTWxuZVJjUT09>

If you would like to comment on any item on our Agenda or an item not on the Agenda, please submit those in writing to our office at PO Box 66, 1037 Blagen Road, Arnold CA 95223 or via email at [epfd@epfd.org](mailto:epfd@epfd.org) at least 24 hours before the meeting. You may also submit comments via the "Chat" function available during the teleconference online.

### MEMBERS OF THE BOARD

Denny Clemens, President	Pete Neal, Secretary
Mike Barr	Jon Dashner
	J. Scott McKinney

### Concerning Public Comment

Please Note: The Board of Directors offers the opportunity for the public to speak to specific agenda items during the time that agenda item is discussed by the Board. The Board also allows an opportunity for the public to speak on non-agenda items during "public comments" prior to the conclusion of the meeting. The Board may not make any decision related to non-agendized items until the next Board meeting.

## **AGENDA**

1. **Call to Order, Flag Salute, Roll Call**
2. **Public Appearances/Comment**: The Board will hear public comment on any agendized or non-agendized item. The Board may discuss public comment but may not take action.
3. **Consent Items**: Board action limited to discussion and approval of:
  - 3.1. Minutes: 6/15/21, 6/21/21
  - 3.2. Acceptance of June 2021 Checks Listings and Authorize to File for Audit

# NOTICE OF REGULAR MEETING – continued

July 20, 2021

4. **Committee Reports:** The Board will discuss the status of the following matters. The Board may take action on recommendations and/or give direction to staff or committee members related to follow-up on specific matters addressed by the committee.
  - 4.1. **Finance Committee** (Directors Dashner & Barr)
    - 4.1.1. **California Municipal Advisors LLC:** Discussion / Action regarding refinancing of the District's outstanding CalPERS Unfunded Accrued Liability
    - 4.1.2. Staff Report
    - 4.1.3. UAL Refunding Analysis: Umpqua Bank
    - 4.1.4. Financing Agreement
    - 4.1.5. Payment Instructions
    - 4.1.6. **Resolution No. 2021-07:** Approving the Form and Authorizing the Execution and Delivery of Certain Financing Documents in Connection with the Refinancing Part or All of the District's Outstanding Unfunded Accrued Liability to the California Public Employees' Retirement System, and Providing for Other Matters Properly Relating Thereto
  - 4.2. **Personnel/Safety Committee** (Directors Dashner & McKinney)
    - 4.2.1. Final Results for Captain Test Promotional Exam 2021/23
  - 4.3. **Fire Prevention Committee** (Directors Neal & Clemens)
  - 4.4. **Apparatus/Equipment Committee** (Directors McKinney & Neal)
5. **Scheduled Items:** The Board will discuss and take action on the specific items listed below.
  - 5.1. **Ebbetts Pass Fire District:** Intra-Account Budget Transfer – End Fiscal Year 2020-21
  - 5.2. **County of Calaveras Dept of Public Works:** Blagen Road Repair Project Public Meeting
  - 5.3. **County of Calaveras Dept of Public Works:** Calaveras Roadside Fire Fuels Reduction Request
  - 5.4. **Special Districts Risk Management Authority:** 2022 SDRMA Health Benefits Rate Changes
  - 5.5. **Pacific Gas and Electric Company Granted Easement at Calaveras County Library, Arnold Location:** PG&E secures easement from Calaveras County to proceed with power line enhancements necessary for micro-grid project.
6. **Reports:** The Board will hear reports on the following matters. The Board may discuss information contained in these reports.
  - 6.1. Administrative Report
  - 6.2. Legislative Report
  - 6.3. Administrative – EMS
7. **Comments, Questions, and Consideration:** The Board will entertain comments and questions from the following individuals or representatives. The Board may discuss these comments or questions on these items but may not take action.
  - 7.1. Board Members
  - 7.2. Firefighters' Association
  - 7.3. Employees' Group
  - 7.4. Public Comments
8. **Adjournment of Regular Meeting**

**ADMINISTRATIVE STAFF:**  
Michael Johnson, Fire Chief  
Cheryl Howard, Secretary

# Ebbetts Pass Fire District



## MINUTES

Board of Directors

June 21, 2021

### SUBJECT TO APPROVAL

1. The meeting was called to order with proper social distancing among everyone and with accommodation for the public through the use of Zoom Meetings at 9:00 A.M. Board President Denny Clemens called the meeting to order and the Pledge of Allegiance was recited.

Directors present: Michael Barr  
Denny Clemens  
Jon Dashner  
Scott McKinney  
Pete Neal

District personnel present: Fire Chief Mike Johnson  
District Secretary Cheryl Howard  
Engineer Glenn Verkerk

Others present via Zoom Meeting: Dmitry Semenov, CalMuni Advisors LLC  
Jeff Meyer, Hilltop Securities  
Cameron Weist, Weist Law

Media present: None

2. **PUBLIC APPEARANCES/COMMENT** - None

3. **CALIFORNIA MUNICIPAL ADVISORS LLC: UNSECURED ACCRUED LIABILITY REFUNDING OPTION REVIEW AND POSSIBLE BOARD ACTION ON PREPAYMENT OPTION**  
Chief Johnson introduced Dimitry Semenov and noted that the printed presentation information had been included in the Board's packet.

Dimitry Semenov began by overviewing the UAL Refunding Timeline and the UAL Refunding Plan. He then reviewed the Summary of Received Proposals noting the costs involved with legal fees and leases. Cameron Weist reported that there had been a very recent development with Umpqua Bank discussing not requiring the lease of the fire station

but Umpqua Bank's staff were needing a little more time to review the change. There was much discussion among the Board members and the consultants regarding this change.

Dimitry Semenov reviewed the proposals with regard to the prepayment penalty noting that Umpqua's and Sterling's proposals both had no prepayment penalty after 10 years and First Foundation had none after year 7.

Cameron Weist explained the distinction between lease and revenue pledge and further discussed ramifications of financing methods.

After discussion among the Board members, Mr. Dashner made a motion to notify Umpqua Bank that they have until 4:00 p.m. on June 24<sup>th</sup> to give their answer on whether they would require the station as an asset; if not, then we use First Foundation Bank to finance the UAL. Mr. Barr seconded; motion passed unanimously (AYES: Barr, Clemens, Dashner, McKinney, Neal). The Board members discussed that this should make another special meeting unnecessary if Umpqua Bank should not come through with the revenue pledge terms. Dimitry Semenov noted that he had very clear directions from the Board and would proceed as directed.

4. **ADJOURNMENT**

Mr. McKinney made a motion to adjourn. Mr. Neal seconded; motion passed unanimously. 9:45 A.M.

Respectfully submitted,

Cheryl Howard  
District Secretary



# Ebbetts Pass Fire District



## MINUTES

Board of Directors

June 15, 2021

### SUBJECT TO APPROVAL

1. The meeting was called to order with proper social distancing among everyone and with accommodation for the public through the use of Zoom Meetings at 9:00 A.M. Board President Denny Clemens called the meeting to order and the Pledge of Allegiance was recited.

Directors present: Michael Barr  
Denny Clemens  
Jon Dashner  
Scott McKinney  
Pete Neal

District personnel present: Fire Chief Mike Johnson  
District Secretary Cheryl Howard  
Captain Shea Buhler

Others present via Zoom Meeting: Dmitry Semenov, CalMuni Advisors LLC

Media present: None

2. **PUBLIC APPEARANCES/COMMENT - None**

- 4.1.1. California Municipal Advisors LLC Discussion/Update Regarding Refinancing of District's Outstanding CalPERS Unfunded Accrued Liability (UAL)

The Board's consensus was to move this agenda item discussion in consideration of the meeting's Zoom attendee. Chief Johnson reported the information that he had handed out was for the Board members to review prior to the special Board meeting on Monday, June 21, 2021, and not for today's discussion. Dmitry Semenov of CalMuni Advisors LLC reported that the bid results received the day before had yielded four strong proposals with all being solid with municipal lending experience. He noted that a specific item for the Board members to consider prior to the special Board meeting was whether they were comfortable with leasing the fire station and the ramifications of that. He reported that he

would be preparing a comparison of the proposals received with a compilation of the costs. When the directors finished their questions, he noted that he looked forward to meeting with them again on the 21<sup>st</sup>.

3. **CONSENT ITEMS**

Mr. Barr made a motion to approve Consent Items 3.1 and 3.2. Mr. Dashner seconded; motion passed 5-0 (AYES: Barr, Clemens, Dashner, McKinney, Neal).

4. **COMMITTEE REPORTS**

4.1. Finance Committee (Directors Barr & Dashner)

Chief Johnson reported the committee had projected there would be a good carryover from this fiscal year with a strong outlook for the upcoming fiscal year.

4.2. Personnel Committee (Directors Dashner & McKinney)

Chief Johnson reported that the committee members had reviewed the worker's comp status for the District and noted that the upcoming captain's testing process would establish a promotion list effective for two years.

4.3. Fire Prevention Committee (Directors Clemens & Neal)

Chief Johnson noted that even though the committee has not met regularly the Board of Supervisors had approved the District's Ordinance 2020 and it was now undergoing specific review by the courts for administration of citations. He added that Joan Lark was actively doing unimproved lot inspections and notifications in addition to citations.

Chief Johnson also reported on the Calaveras County enactment of an emergency ban on fireworks in Calaveras County.

4.4. Apparatus/Equipment Committee (Directors McKinney & Neal)

Captain Shea Buhler reported on the recent trip to the Pierce factory in Appleton giving information on engine build modifications needed due to various conflicts and cost factors.

5. Scheduled Items

5.1 County of Calaveras Auditor-Controller: District Signature Authorization

Chief Johnson noted that the form was provided to the County Offices so that they had record of the Board members' signatures. Mr. Neal made a motion to approve the list of Board members only for approval to sign for the District. Mr. Barr seconded; motion passed 5-0 (AYES: Barr, Clemens, Dashner, McKinney, Neal).

5.2. Resolution 2021-6 Authorizing Calaveras Co. Auditor's Office Budget Transfers

Following some discussion, Mr. Dashner made a motion to pass Resolution 2021-6 authorizing the Calaveras County Auditor's Office to make appropriate interclass

budget transfers to close the fiscal year. Mr. McKinney seconded; motion passed 5-0 (AYES: Barr, Clemens, Dashner, McKinney, Neal).

5.3. EPFD Finance Committee Authorization of Temporary Increase for Budget Item

Chief Johnson reported that Shea Buhler had found a source that would provide the additional UTV that the District had budgeted for next fiscal year. It was at a government price which was better than the market price but payment needed to be made by credit card or by wire transfer. The administrative staff had asked the Finance Committee to consider temporarily increasing the credit limit on the District's credit cards and the committee members decided to defer the decision to the whole Board. Following discussion, Mr. McKinney made a motion to temporarily increase the credit card limit to cover the purchase of the budgeted UTV. Mr. Neal seconded; motion passed 5-0 (AYES: Barr, Clemens, Dashner, McKinney, Neal).

5.4. SDRMA Worker's Compensation Program Invoice

Chief Johnson noted that it was important enough to be a Board level discussion of how much it means to the District to have the continued excellent safety record of its personnel. He reviewed the savings on the premium for the District noting that savings on insurance equated to money being available for more equipment or tools of the trade.

5.5. Wittman Enterprises LLC: Ambulance Billing Service Increase

Chief Johnson noted that there had not been an increase since 2018 from the Wittman Enterprises for their service of billing for the District's transports. He estimated that the \$5.00 per PCR increase equated to approximately \$3,500 additional annually. He added that the transport receipts were doing very well under their seemingly very watchful eye. Mr. Neal made a motion to accept the increase for billing services by Wittman Enterprises LLC. Mr. Dashner seconded; motion passed 5-0 (AYES: Barr, Clemens, Dashner, McKinney, Neal).

5.6. FAIRA Member Election Ballot for Governing Board of Directors

Mr. McKinney made a motion to vote for all four candidates on the election ballot: Chief Brian Boggeln, Chief Reno DiTullio Jr., Chief Mike Sims, and Chief Don Butz. Mr. Dashner seconded; motion passed 5-0 (AYES: Barr, Clemens, Dashner, McKinney, Neal).

5.7. Calaveras Fire Joint Power Authority: Distribution of TOT and Prop 172 Revenue

Chief Johnson reported on the efforts being made by the local JPA on all the fire districts behalf noting the receipts of Transient Occupancy Tax and Proposition 172 revenue.

6. **REPORTS**

6.1. Administrative Report

Chief Johnson reported the District would be revising its own COVID plan with the governor having relaxed the State's requirements. He also reported on the July 3<sup>rd</sup> Independence Day parade in Arnold.

6.2. Legislative Report

Chief Johnson reported that on June 22<sup>nd</sup> the Calaveras County Board of Supervisors was scheduled to review the easement request item for the PG&E microgrid.

6.3. Administrative - EMS

No report.

7. **COMMENTS, QUESTIONS, CONSIDERATIONS**

7.1. Board Members

Mr. Barr congratulated the staff for the good safety record.

Mr. Neal thanked the crews for the recent medical treatment of one of his family members and Mr. McKinney also noted the results of the treatment and transport of one of his family members.

7.2. Firefighters Association – Chief Johnson reported the Alisa Anne Ruch Burn Foundation summer trip was scheduled for August 1<sup>st</sup>.

7.3. Employees' Group – Captain Buhler thanked the Board members for their support.

7.4. Public Comments

None

8. **ADJOURNMENT**

Mr. Dashner made a motion to adjourn. Mr. Neal seconded; motion passed unanimously.  
10:16 A.M.

Respectfully submitted,

Cheryl Howard  
District Secretary

**County of Calaveras  
General Ledger Summary  
Balance Sheet Accounts**

As of 6/30/2021

- NOT FINAL

**Fund 2290 Ebbetts Pass Fire**

<u>Object Code</u>	<u>Object Description</u>		<u>Balance</u>
<u>Assets</u>			
1006	Cash in Treasury	22900000	3,171,317.07
1007	Outstanding Checks	22900000	(3,907.53)
1016	Imprest Cash	22900000	40,000.00
Total Assets			<u>\$3,207,409.54</u>
<u>Liabilities</u>			
2002	Accounts Payable	22900000	1,163.60
2002	Accounts Payable	22900010	(1,163.60)
2091	Accts Payable - Staledated Cks	22900010	5,154.08
Total Liabilities			<u>\$5,154.08</u>
<u>Fund Balance</u>			
3002	Fund Bal Unreserv/Undesign	22900000	1,841,126.02
3043	Reserve for Imprest Cash	22900000	40,000.00
Total Fund Balance			<u>\$1,881,126.02</u>
Year-to-Date Revenues			\$7,071,559.47
Year-to-Date Expenditures			\$5,750,430.03
Year-to-Date Transfers In			\$0.00
Year-to-Date Transfers Out			\$0.00
Year-to-Date Clearing Accounts			<u>\$0.00</u>
Total Fund Equity			<u>\$3,202,255.46</u>
Total Liabilities and Fund Equity			<u>\$3,207,409.54</u>

# REVENUE ACCOUNT SUMMARY SHEET - June 2021

Not FINAL

Fire Operations: ACCOUNT	F No.	BUDGETED	RECEIVED Month	Year-To-Date	% Received Year-To-Date
Property Tax - Current Secured	4010	2,181,293		2,144,445.28	98%
Administrative Fee (SB2557)	4013	(39,444)		(42,506.13)	108%
Unitary Tax	4015	46,197		46,197.30	100%
Supplemental Tax - Current Secured	4017	14,382		63,416.78	441%
Property Tax - Current Unsecured	4020	31,294		32,224.15	103%
Supplemental Tax - Current Unsecured	4027	902		2,135.24	237%
Prior Unsecured Taxes	4040	2,153		1,085.55	50%
Transient Occupancy Taxes	4072	18,691		20,768.11	111%
Interest	4300	-		7,386.62	
Rents and Leases	4301	-	0.00	4,200.00	
HOPTR	4463	24,188	0.00	17,703.78	73%
State Grant - OTS & VFA	4455	94,000	0.00	71,025.78	76%
State Grant - PSPS	4456	-	0.00	9,000.00	
Timber Tax	4465	-	0.00	3,433.78	
State Aid for Public Safety	4472	14,250	0.00	11,804.45	
Federal Grant - AFG	4505	75,000	0.00	73,991.43	99%
Reimbursement - Personnel	4542	30,000	0.00	335,022.01	1117%
Reimbursement - Equipment	4543	5,000	0.00	10,000.00	200%
HazMat Release Response Plan	4592	-	0.00	0.00	
Report Fees	4593	-	0.00	0.00	
PG&E - Station Grounds Usage	4642	-	0.00	19,100.00	
Charges for Current Service (hydrants)	4679	10,500	0.00	0.00	0%
Other Refund - Prior Year Taxes	4684	-	0.00	0.00	
Training Fees	4689	-	0.00	9,150.00	
Gifts/Donations	4707	-	100.00	425.00	
Refund - Misc.	4708	-	1,129.42	13,878.98	
Other Revenue	4712	20,835	1,918.89	19,370.07	93%
Other Revenue - PG&E Butte Fire	4712	-	0.00	19,274.27	
Miscellaneous Revenue	4713	500	0.00	0.00	0%
Other Misc Rev: PG&E Rate Credit 2020	4724	-	0.00	1,273.00	
Refunds - Insurance	4743	-	3,652.28	9,130.70	
Sale of Surplus Property	4800	-	0.00	1,500.00	
<b>Total</b>		<b>2,529,741</b>	<b>6,800.59</b>	<b>2,904,436.15</b>	<b>115%</b>

EMS/Paramedic Program ACCOUNT	No.	BUDGETED	RECEIVED Month	Year-To-Date	% Received Year-To-Date
Special Tax	4077	362,185		343,967.46	95%
Special Tax - Sustain ALS	4077 S	228,854		186,807.57	82%
Refunds - Insurance	4743	-	0.00	0.00	
<b>Total</b>		<b>591,039</b>	<b>0.00</b>	<b>530,775.03</b>	<b>90%</b>

Station 3 AMBULANCE A ACCOUNT	No.	BUDGETED	RECEIVED Month	Year-To-Date	% Received Year-To-Date
Special Tax	4077	828,955		787,258.83	95%
Special Tax - Sustain ALS	4077 S	1,089,749		1,065,465.17	98%
State Grant - COVID-19	4455	5,000	0.00	0.00	0%
Other Programs - State (GEMT)	4479	9,000	31,770.18	31,770.18	
State Other Aid (IGT)	4580	120,000	274,272.12	274,272.12	229%
EMS Transport Revenue	4660	750,000	106,745.88	991,503.97	132%
Collections	4679	-	0.00	1,967.85	
Calaveras Co. >PG&E Butte Fire	4799	206,000	0.00	205,901.55	100%
Refunds - Insurance	4743	-	0.00	22,696.31	
<b>Total</b>		<b>3,008,704</b>	<b>412,788.18</b>	<b>3,380,835.98</b>	<b>112%</b>

## Intra-Account Budget Transfer - End of Fiscal Year 2020-21 - 07/14/21

### Fire Operations

ACCOUNT 5001F:		Increase	Decrease
-1.001	Salaries/Wages		60,352.00
-1.003	Extra Hire-Intern	4,498.00	
-1.004	ST/TF	37,422.00	
-1.050	Retirement	7,191.00	
-1.055	Group Insurance	11,241.00	
Difference		-	

### Fire Operations

ACCOUNT 5111F:		Increase	Decrease
-1.121	Comm - Radio		2,000.00
-1.478	Travel		7,000.00
-1.480	fuel		6,000.00
-1.505	propane		2,000.00
-1.402	Hose/SCBA		3,000.00
-1.271	Prof Service		14,240.00
-1.124	Comm - Phone	1,167.00	
-1.141	Housekeeping	971.00	
-1.181	Maint-App	18,526.00	
-1.182	Maint-Utilities	6,795.00	
-1.201	Bldg Maint	6,143.00	
-1.221	Memberships	133.00	
-1.245	copier maint	247.00	
-1.422	training	258.00	
Difference		-	

### Engine Paramedic

ACCOUNT 5001P:		Increase	Decrease
-2.001	Salaries/Wages		
-2.050	Retirement	4,318.00	
-2.055	Group Insurance		4,318.00
Difference		-	

### Engine Paramedic

ACCOUNT 5111P:		Increase	Decrease
-2.478	Travel		500.00
-2.124	Comm - Phone	191.00	
-2.141	housekeeping	34.00	
-2.480	fuel	275.00	
Difference		-	

### Station 3/Ambulance

ACCOUNT 5001A:		Increase	Decrease
-3.001	Salaries/Wages	86,272.19	To be
-3.055	Group Insurance	10,257.99	reviewed
ACCOUNT 5612A:			separately
-3.5612	Refund Overpayment	4,946.60	when County
Total		101,476.78	Auditor Office
			closer to
			year end
			close.

### Station 3/Ambulance

ACCOUNT 5111A:		Increase	Decrease
-3.183	Maint. Amb		3,339.00
-3.124	Telephone	643.00	
-2.141	housekeeping	70.00	
-3.401	ALS Eqpt	387.00	
-3.412	SDE-Health Maint	1,203.00	
-3.480	Fuel	801.00	
-3.501	Utilities Water	44.00	
-3.504	Utilities Elect	191.00	
Difference		-	



# FIRE OPERATIONS ACCOUNT SUMMARY SHEET - JUN 2021

ACCOUNT	No.	BUDGET	Month	Year-To-Date	ACCOUNT BALANCE	% Disbursed Year-To-Date
<b>SALARIES &amp; BENEFITS</b>	<b>5001.1-</b>					
Salaries/Wages	-.001	1,034,136	<b>86,111.05</b>	1,005,540.25	28,595.75	97%
Extra Hire	-.002	10,000	<b>0.00</b>	0.00	10,000.00	0%
Extra Hire - Intern	-.003	44,804	<b>1,893.59</b>	44,803.17	0.83	100%
ST/TF FF Payments	-.004	67,422	<b>0.00</b>	67,421.83	0.17	0%
Volunteer FF Relief	-.005	40,000	<b>459.47</b>	5,991.37	34,008.63	15%
Retirement	-.050	245,314	<b>20,458.37</b>	245,313.94	0.06	100%
Group Insurance	-.055	243,481	<b>18,947.71</b>	243,480.39	0.61	100%
Uniform Allowance	-.062	3,600	<b>0.00</b>	2,800.00	800.00	78%
<b>SERVICES &amp; SUPPLIES</b>	<b>5111.1-</b>					
Safety Clothing	-.111	10,000	<b>4,650.36</b>	5,834.71	4,165.29	58%
Safety Equipment	-.115	6,000	<b>0.00</b>	2,197.32	3,802.68	37%
Communications-Radios	-.121	25,000	<b>62.18</b>	8,681.03	16,318.97	35%
Communications-Phone	-.124	13,167	<b>988.65</b>	13,166.61	0.39	100%
Food - Fire Line Meals	-.131	1,200	<b>0.00</b>	450.64	749.36	38%
Housekeeping	-.141	8,971	<b>478.70</b>	8,970.50	0.50	100%
Insurance-Prop/Liability	-.151	15,009	<b>0.00</b>	15,009.00	-	100%
Insurance-Workers Comp	-.153	62,966	<b>0.00</b>	62,205.95	760.05	99%
Maintenance-Apparatus	-.181	63,526	<b>321.39</b>	63,525.41	0.59	100%
Maintenance-Utilities	-.182	16,795	<b>10.18</b>	16,794.69	0.31	100%
Building Maintenance	-.201	27,843	<b>52.53</b>	27,842.16	0.84	100%
Emergency Care/Rescue	-.211	1,275	<b>0.00</b>	0.00	1,275.00	0%
Memberships	-.221	7,888	<b>0.00</b>	7,888.00	-	100%
Office Expense	-.241	12,050	<b>2,457.30</b>	10,048.61	2,001.39	83%
Office Expense-Postage	-.243	1,000		631.65	368.35	63%
Office Expense-Copies	-.245	1,747	<b>158.45</b>	1,746.42	0.58	100%
Professional Services	-.271	18,760	<b>0.00</b>	7,904.20	10,855.80	42%
Small Tools/FF Equipment	-.401	88,000	<b>5,183.43</b>	84,555.01	3,444.99	96%
Small Tools-Hose/SCBA	-.402	12,700	<b>0.00</b>	12,122.65	577.35	95%
Special District Expense	-.411	17,000	<b>253.06</b>	11,487.47	5,512.53	68%
SDE--Health Maintenance	-.412	4,200	<b>170.53</b>	2,231.76	1,968.24	53%
Training	-.422	12,758	<b>1,941.00</b>	12,757.52	0.48	100%
Travel/Education	-.478	2,000	<b>902.04</b>	1,849.01	150.99	92%
Transportation Fuel	-.480	14,000	<b>592.15</b>	12,032.13	1,967.87	86%
Utilities - Water/Sewer	-.501	10,280	<b>0.00</b>	10,069.50	210.50	98%
Utilities - Electrical	-.504	11,500	<b>838.21</b>	10,145.52	1,354.48	88%
Utilities - Propane	-.505	18,000	<b>711.17</b>	16,278.74	1,721.26	90%
LAFCO Fee	<b>5627</b>	3,242	<b>0.00</b>	3,241.49	0.51	100%
<b>FIXED ASSETS</b>						
Building Fund: Structures	<b>5640</b>	211,698	<b>0.00</b>	211,697.22	0.78	100%
Equipment	<b>5701</b>	815,601	<b>0.00</b>	191,970.38	623,630.62	
<b>Fire Operation Fund Totals</b>		<b>3,202,933</b>	<b>147,641.52</b>	<b>2,448,686.25</b>	<b>754,246.75</b>	<b>76%</b>



## CHECKS ISSUED LISTING - JUN 2021 FIRE OPERATIONS

Check No.	PAID TO	PURPOSE	AMOUNT
<b>5001.1.001: SALARIES</b>			
20072, 20169	Payroll / Statutory Elective Withholding		77,778.95
20072, 20169	Paychex Fee	employer cost	216.93
1101041, 1101880	PARS	EE withholding	383.00
20073, 20170	EPFF Local #3581	dues and meals withholding	900.00
20197	PERS	EE portion; ER paid EE portion	6,832.17
<b>5001.1.002: EXTRA HIRE</b>			<i>none issued</i>
<b>5001.1.003: EXTRA HIRE - SPECIAL</b>			
20072, 20169	Payroll / Statutory Elective Withholding		1,687.62
20072, 20169	Paychex Fee	employer cost	79.97
1101041, 1101880	PARS	EE withholding	126.00
<b>5001.1.004: Expenditure: ST/TF Firefighter Payment</b>			<i>none issued</i>
<b>5001.1.005: Expenditure: Volunteer Firefighter Payment</b>			
1102126	PARS	trust admin fee	459.47
<b>5001.1.050: RETIREMENT (PERS)</b>			
20197	PERS	employer portion	12,118.58
20197	PERS	Accrued Unfunded Liability-June	8,339.79
<b>5001.1.055: GROUP INSURANCE</b>			
20072, 20169	Supplemental Life Premium Withholding		-121.28
1101736	FDAC-EBA	vision/dental/life premium	1,337.85
1101738	SDRMA-Employee Benefit Service - medical premium		16,828.14
1101737	LV FF Health & Welfare Trust	medical premium	903.00
<b>5001.1.062: UNIFORM ALLOWANCE</b>			<i>none issued</i>
<b>5111.1.111: SAFETY CLOTHING</b>			
1101747	L N Curtis	w/d gloves, pants, boots	4,650.36
<b>5111.1.115: SAFETY EQUIPMENT</b>			<i>none issued</i>
<b>5111.1.121: COMMUNICATIONS: RADIOS</b>			
1101478	US Bank	wall antenna mount	20.37
1101743	Ebbetts Pass Lumber Co	electrical tape	41.81

## CHECKS ISSUED LISTING - JUN 2021 FIRE OPERATIONS

### 5111.1.124: COMMUNICATIONS: TELEPHONE

1101474 Fox Security	phone/internet monthly charges	120.00
1102119 AT&T - Sta. 2 & 4	monthly service	201.49
1102120 Verizon Wireless	monthly service	252.76
1102121 Comcast - Sta. 1	phone/internet monthly charges	414.30

### 5111.1.131: FOOD/FIRE LINE MEALS

*none issued*

### 5111.1.141: HOUSEHOLD EXPENSE

1101472 Anchor Pest Control	pest control	120.00
1101736 Ameri Pride Services Inc	rag/coverall service	93.56
1101742 CA Waste Recovery	trash removal	201.78
1101748 Sierra Janitorial Supply	liners	63.36

### 5111.1.151: INSURANCE: PROPERTY/LIABILITY

*none issued*

### 5111.1.153: INSURANCE: WORKER'S COMPENSATION

*none issued*

### 5111.1.181: MAINTENANCE: APPARATUS

1101475 Golden State EVS, Inc.	U1008: swivel, striker assembly	265.92
1101743 Ebbetts Pass Lumber Co	fasteners, silicone, hex bushes	55.47

### 5111.1.182: MAINTENANCE: UTILITIES

1101743 Ebbetts Pass Lumber Co	U3015: 3' cord	10.18
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### 5111.1.201: BUILDING & GROUNDS MAINTENANCE

1101743 Ebbetts Pass Lumber co	building maint items	52.53
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### 5111.1.211: EMERGENCY CARE

*none issued*

### 5111.1.221: MEMBERSHIPS/SUBSCRIPTIONS

*none issued*

### 5111.1.241: OFFICE EXPENSE

1101478 US Bank	PC, spam block, monitor	2,200.55
1102124 Laura Bowly Design	troubleshoot website code	256.75

### 5111.1.243: OFFICE EXPENSE: POSTAGE

JE Calaveras County	checks postage
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### 5111.1.245: OFFICE EXPENSE: COPIES

1102123 Inland Business Systems	copier maintenance	158.45
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## CHECKS ISSUED LISTING - JUN 2021 FIRE OPERATIONS

### 5111.1.271: PROFESSIONAL SERVICES

*none issued*

### 5111.1.401: SMALL TOOLS/FF EQUIPMENT

L N Curtis	red portable scene light	1,169.03
1101743 Ebbetts Pass Lumber Co	plier, screddriver, cleat	29.98
Hi-Tech EVS Inc	Hurst Tool repair	3,984.42

### 5111.1.402: SMALL TOOLS: HOSE / SCBA

*none issued*

### 5111.1.411: SPECIAL DISTRICT EXPENSE

1101478 US Bank: SAMBA .	CA EPN FleetWatch report	35.81
1101743 Ebbetts Pass Lumber co	smoke/CO alarm, caster	157.25
1101741 CA Dept of Justice	fingerprint check	32.00
JE Sheriff's Office	rolling fee	28.00

### 5111.1.412: SPECIAL DISTRICT EXPENSE: HEALTH MAINTENANCE

1101478 US Bank	theragun primce	170.53
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### 5111.1.422: TRAINING

1101478 US Bank: NorCal Containers	deposit toward containers	1,600.00
1101478 US Bank: Simushare	fire simulator subscription	80.00
1101476 Kevin's Crane Co LLC	lift/position containers	261.00

### 5111.1.478: TRAVEL/EDUCATION/TRAINING

1101478 US Bank	Gen Mgr Leadership Summit	842.04
1101478 US Bank	airport parking	60.00

### 5111.1.480: TRANSPORTATION FUEL

1101744 Ebbetts Pass Gas Service	unleaded fuel	204.86
20161 Hunt & Sons Inc	diesel fuel	387.29

### 5111.1.501: UTILITIES: WATER/SEWER

*none issued*

### 5111.1.504: UTILITIES: ELECTRICITY

JE CPPA	electricity	838.21
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### 5111.1.505: UTILITIES: PROPANE

1101744 Ebbetts Pass Gas Service	propane	711.17
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### 5640 F: STRUCTURES

*none issued*

### 5701 F: EQUIPMENT

*none issued*

# ENGINE PARAMEDIC PROGRAM ACCOUNT SUMMARY SHEET - JUN 2021

ACCOUNT	No.	BUDGET	Month	Year-To-Date	ACCOUNT BALANCE	% Disbursed Year-To-Date
<b>SALARIES &amp; BENEFITS</b>	<b>5001</b>					
Salaries/Wages	-.001	341,811	<b>23,928.84</b>	300,051.62	41,759.38	88%
Retirement	-.050	108,598	<b>8,989.91</b>	108,597.98	0.02	100%
Group Insurance	-.055	88,027	<b>6,122.35</b>	82,699.99	5,327.01	94%
Uniform Allowance	-.062	1,200	<b>0.00</b>	1,200.00	-	100%
<b>SERVICES &amp; SUPPLIES</b>	<b>5111</b>					
Safety Clothing	-.111	2,728	<b>0.00</b>	0.00	2,728.00	0%
Safety Equipment	-.115	1,000	<b>0.00</b>	0.00	1,000.00	0%
Communications-Radios	-.121	1,000	<b>0.00</b>	317.00	683.00	32%
Communications-Phone	-.124	806	<b>38.54</b>	805.90	0.10	100%
Housekeeping	-.141	1,934	<b>85.42</b>	1,933.41	0.59	100%
Insurance-Prop/Liability	-.151	2,500	<b>0.00</b>	2,500.00	-	100%
Insurance-Workers Comp	-.153	17,038	<b>0.00</b>	16,719.81	318.19	98%
Maintenance-Apparatus	-.181	2,900	<b>0.00</b>	773.22	2,126.78	27%
Professional Services	-.271	2,200	<b>0.00</b>	2,200.00	-	100%
Small Tools-Hose/SCBA	-.402	500	<b>0.00</b>	60.23	439.77	12%
Special District Expense	-.411	700	<b>6.00</b>	72.00	628.00	10%
SDE--Health Maintenance	-.412	1,500	<b>0.00</b>	588.95	911.05	39%
Training	-.422	4,000	<b>797.95</b>	3,999.40	0.60	100%
Travel/Education	-.478	2,200	<b>0.00</b>	0.00	2,200.00	0%
Transportation Fuel	-.480	6,775	<b>0.00</b>	6,774.24	0.76	100%
<b>SPECIAL TAX HANDLING FEE</b>	<b>5411</b>	3,622	<b>0.00</b>	3,621.46	0.54	100%
<b>Engine Paramedic Program Totals</b>		<b>591,039</b>	<b>39,969.01</b>	<b>532,915.21</b>	<b>58,123.79</b>	<b>90%</b>

# CHECKS ISSUED LISTING - JUN 2021 ENGINE PARAMEDIC

Check No.	PAID TO	PURPOSE	AMOUNT
<b>5001.2.001: SALARIES</b>			
	20072, 20169 Payroll / Statutory Elective Withholding		21,471.10
	20072, 20169 Paychex Fee	employer cost	68.48
1101041, 1101880	PARS	EE withholding	0.00
	20073, 20170 EPFF Local #3581	dues and meals withholding	450.00
	20197 PERS	EE portion; ER paid EE portion	1,939.26
<b>5001.2.050: RETIREMENT (PERS)</b>			
	20197 PERS	employer portion	8,989.91
	20197 PERS	Accrued Unfunded Liability-June	3,568.33
<b>5001.2.055: GROUP INSURANCE</b>			
	20072, 20169 Supplemental Life Premium Withholding		-35.00
	1101736 FDAC-EBA	vision/dental/life premium	394.50
	1101738 SDRMA-Employee Benefit Service - medical premium		5,762.85
<b>5001.2.062: UNIFORM ALLOWANCE</b>			<i>none issued</i>
<b>5111.2.111: SAFETY CLOTHING</b>			<i>none issued</i>
<b>5111.2.115: SAFETY EQUIPMENT</b>			<i>none issued</i>
<b>5111.2.121: COMMUNICATIONS: RADIOS</b>			<i>none issued</i>
<b>5111.2.124: COMMUNICATIONS: TELEPHONE</b>			
	1102120 Verizon Wireless	monthly service	38.54
<b>5111.2.141: HOUSEHOLD EXPENSE</b>			
	1101472 Anchor Pest Control	pest control	48.00
	1101736 Ameri Pride Services Inc	rag/coverall service	37.42
<b>5111.2.151: INSURANCE: PROPERTY/LIABILITY</b>			<i>none issued</i>
<b>5111.2.153: INSURANCE: WORKER'S COMPENSATION</b>			<i>none issued</i>
<b>5111.2.181: MAINTENANCE: APPARATUS</b>			<i>none issued</i>
<b>5111.2.271: PROFESSIONAL SERVICES</b>			<i>none issued</i>

## CHECKS ISSUED LISTING - JUN 2021    ENGINE PARAMEDIC

### 5111.2.402: SMALL TOOLS: HOSE / SCBA

*none issued*

### 5111.2.411: SPECIAL DISTRICT EXPENSE

1101478 US Bank: SAMBA .	CA EPN FleetWatch report	6.00
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### 5111.2.412: SPECIAL DISTRICT EXPENSE: HEALTH MAINT.

*none issued*

### 5111.2.422: TRAINING

1101478 US Bank: NorCal Containers	deposit toward containers	400.00
1101478 US Bank: Simushare	fire simulator subscription	59.95
1101476 Kevin's Crane Co LLC	lift/position containers	338.00

### 5111.2.478: TRAVEL/EDUCATION/TRAINING

*none issued*

### 5111.2.480: TRANSPORTATION FUEL

20161 Hunt & Sons Inc	diesel fuel	0.00
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### 5411 P: SPECIAL TAX HANDLING FEE

## STATION 3 A ACCOUNT SUMMARY SHEET - Jun 2021

ACCOUNT	No.	BUDGET	Month	Year-To-Date	ACCOUNT BALANCE	% Disbursed Year-To-Date
<b>SALARIES &amp; BENEFITS</b>	<b>5001</b>					
Salaries/Wages	-.001	1,249,643	<b>114,835.43</b>	1,335,915.19	(86,272.19)	107%
Retirement	-.050	251,922	<b>21,332.00</b>	251,490.74	431.26	100%
Group Insurance	-.055	346,315	<b>29,224.69</b>	356,572.99	(10,257.99)	103%
Uniform Allowance	-.062	6,000	<b>0.00</b>	5,188.00	812.00	86%
<b>SERVICES &amp; SUPPLIES</b>	<b>5111</b>					
Safety Clothing	-.111	15,000	<b>5,967.18</b>	12,410.48	2,589.52	83%
Safety Equipment	-.115	2,250	<b>0.00</b>	1,195.48	1,054.52	53%
Communications-Radios	-.121	4,500	<b>0.00</b>	1,191.54	3,308.46	26%
Communications-Phone	-.124	4,218	<b>347.84</b>	4,217.56	0.44	100%
Food - Fire Line Meals	-.131	400	<b>0.00</b>	390.55	9.45	98%
Housekeeping	-.141	6,070	<b>206.30</b>	6,069.65	0.35	100%
Insurance-Prop/Liability	-.151	13,000	<b>0.00</b>	13,000.00	-	100%
Insurance-Workers Comp	-.153	53,267	<b>0.00</b>	51,069.80	2,197.20	96%
Maintenance-Ambulances	-.183	27,911	<b>496.18</b>	10,532.00	17,379.00	38%
Building Maintenance	-.201	5,000	<b>56.96</b>	3,206.91	1,793.09	64%
Emergency Care/Rescue	-.211	43,080	<b>2,784.26</b>	38,235.48	4,844.52	89%
Memberships	-.221	150	<b>0.00</b>	150.00	-	100%
Office Expense	-.241	4,800	<b>832.52</b>	2,937.49	1,862.51	61%
Office Expense - Copies	-.245	150	<b>0.00</b>	131.85	18.15	88%
Professional Services	-.271	59,640	<b>1,381.25</b>	53,133.48	6,506.52	89%
Small Tools/FF Equipment	-.401	7,437	<b>0.00</b>	7,436.01	0.99	100%
Special District Expense	-.411	8,800	<b>30.00</b>	2,855.75	5,944.25	32%
SDE--Health Maintenance	-.412	4,303	<b>0.00</b>	4,302.44	0.56	100%
SDE--Administrative Fee	-.413	3,800	<b>0.00</b>	0.00	3,800.00	0%
Training	-.422	12,000	<b>166.00</b>	11,999.43	0.57	100%
Travel/Education	-.478	4,500	<b>0.00</b>	1,305.22	3,194.78	29%
Transportation Fuel	-.480	18,801	<b>329.91</b>	18,800.24	0.76	100%
Utilities - Water/Sewer	-.501	1,244	<b>0.00</b>	1,243.92	0.08	100%
Utilities - Electrical	-.504	2,091	<b>179.53</b>	2,090.08	0.92	100%
Utilities - Propane	-.505	5,000	<b>0.00</b>	2,791.12	2,208.88	56%
<b>SPECIAL TAX HANDLING FEE</b>	<b>5411</b>	21,476	<b>0.00</b>	21,473.30	2.70	100%
<b>REFUND OVERPAYMENT</b>	<b>5612</b>	20,747	<b>0.00</b>	25,693.60	(4,946.60)	124%
<b>FIXED ASSETS</b>						
Building Fund: Structures	<b>5640</b>	-	<b>0.00</b>	0.00	-	
Equipment	<b>5701</b>	300,399	<b>0.00</b>	282,687.69	17,711.31	
<b>Fire Operation Fund Totals</b>		2,503,914	<b>178,170.05</b>	2,529,717.99	(25,803.99)	101%

**CHECKS ISSUED LISTING - JUN 2021****STATION 3 A**

Check No.	PAID TO	PURPOSE	AMOUNT
<b>5001.3.001: SALARIES</b>			
20072, 20169	Payroll / Statutory Elective Withholding		102,176.62
20072, 20169	Paychex Fee	employer cost	353.73
1101041, 1101880	PARS	EE withholding	0.00
20073, 20170	EPFF Local #3581	dues and meals withholding	2,250.00
20197	PERS	EE portion; ER paid EE portion	10,055.08
<b>5001.3.050: RETIREMENT (PERS)</b>			
20197	PERS	employer portion	13,467.61
20197	PERS	Accrued Unfunded Liability-June	7,864.39
<b>5001.3.055: GROUP INSURANCE</b>			
20072, 20169	Supplemental Life Premium Withholding		-189.00
1101736	FDAC-EBA	vision/dental/life premium	2,077.49
1101738	SDRMA-Employee Benefit Service - medical premium		27,336.20
<b>5001.3.062: UNIFORM ALLOWANCE</b>			<i>none issued</i>
<b>5111.3.111: SAFETY CLOTHING</b>			
1101747	L N Curtis	turnout sets	5,967.18
<b>5111.3.115: SAFETY EQUIPMENT</b>			<i>none issued</i>
<b>5111.3.121: COMMUNICATIONS: RADIOS</b>			<i>none issued</i>
<b>5111.3.124: COMMUNICATIONS: TELEPHONE</b>			
1101473	Comcast - Sta. 3	phone/internet monthly charges	267.05
1102120	Verizon Wireless	monthly service	80.79
<b>5111.3.131: FOOD/FIRE LINE MEALS</b>			<i>none issued</i>
<b>5111.3.141: HOUSEHOLD EXPENSE</b>			
1101472	Anchor Pest Control	pest control	72.00
1101736	Ameri Pride Services Inc	rag/coverall service	56.14
1101742	CA Waste Recovery	trash removal	78.16
<b>5111.3.151: INSURANCE: PROPERTY/LIABILITY</b>			<i>none issued</i>
<b>5111.3.153: INSURANCE: WORKER'S COMPENSATION</b>			<i>none issued</i>



**CHECKS ISSUED LISTING - JUN 2021****STATION 3 A****5111.3.183: MAINTENANCE: AMBULANCES**

1101740 Arnold Auto Supply	U3508/9: DEF; U3506 air spring	496.18
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**5111.3.201: BUILDING & GROUNDS MAINTENANCE**

1101743 Ebbetts Pass Lumber co	painting items	56.96
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**5111.3.211: EMERGENCY CARE**

1101746, 1102125 Life Assist	medical supplies	2,397.55
1101749 UPS	shipping charges	24.18
1102117 Airgas	oxygen	362.53

**5111.3.221: MEMBERSHIPS/SUBSCRIPTIONS***none issued***5111.3.241: OFFICE EXPENSE**

1102118 American Health & Safety Inst	ACLS, PALS class materials	832.52
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**5111.3.245: OFFICE EXPENSE: COPIES***none issued***5111.3.271: PROFESSIONAL SERVICES**

JE Cal Co Sheriff's Office	dispatch fee May	
1101479 Wittman Enterprises	billing services - May	1,050.00
1102122 Health Management Assoc	IGT consultation services	331.25

**5111.3.401: SMALL TOOLS/FF EQUIPMENT***none issued***5111.3.411: SPECIAL DISTRICT EXPENSE**

1101478 US Bank: SAMBA .	CA EPN FleetWatch report	24.00
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**5111.3.412: SPECIAL DISTRICT EXPENSE: HEALTH MAINT.***none issued***5111.3.413: SPECIAL DISTRICT EXPENSE: ADMINISTRATIVE FEE***none issued***5111.3.422: TRAINING**

1101476 Kevin's Crane Co LLC	lift/position containers	166.00
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**5111.3.478: TRAVEL/EDUCATION/TRAINING***none issued***5111.3.480: TRANSPORTATION FUEL**

20161 Hunt & Sons Inc	diesel fuel	329.91
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## CHECKS ISSUED LISTING - JUN 2021

## STATION 3 A

**5111.3.501: UTILITIES: WATER/SEWER**

*none issued*

**5111.3.504: UTILITIES: ELECTRICITY**

JE CPPA

electricity

179.53

**5111.3.505: UTILITIES: PROPANE**

*none issued*

**5411 A: SPECIAL TAX HANDLING FEE**

*none issued*

**5640 A: STRUCTURES**

*none issued*

**5701 A: EQUIPMENT**

*none issued*

**5612 A: REFUNDS**

*none issued*

# Staff Report

DATE: July 20, 2021

TO: Board of Directors

FROM: Mike Johnson, Fire Chief

SUBJECT: Discussion/Action Regarding Refinancing a Portion of the District's Outstanding CalPERS Unfunded Liability and Authorizing the Form of Financing Documents in Connection Therewith

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## RECOMMENDED ACTIONS

Adopt Resolution No. 2021-07 Approving the Form and Authorizing the Execution and Delivery of Certain Financing Documents in Connection with the Refinancing of a Portion of the District's Outstanding Unfunded Actuarial Accrued Liability to the California Public Employees' Retirement System, and Providing for Other Matters Properly Relating Thereto.

## BACKGROUND

The District currently has a contract (the "Contract") with the California Public Employees Retirement System (CalPERS) to provide retirement benefits for all full-time miscellaneous employees (Miscellaneous Plan) and safety employees (Safety Plan). As part of the Contract, the District is obligated to pay any corresponding unfunded accrued actuarial liability (UAL). This is the amount by which CalPERS is short of the amount that will be necessary, without further payments from the District, to pay benefits already earned by current and former employees covered by CalPERS. Based upon calculations provided by CalPERS, as of July 29, 2021 the UAL payoff amount required for employees covered under the (i) "classic" Miscellaneous Plan is \$107,129, (ii) "classic" Safety Plan is \$3,773,131, and (iii) PEPRSA Safety Plan is \$51,364 (collectively, the "Outstanding UAL Obligation").

On April 20, 2021, the Board adopted a resolution setting forth its intention to proceed with the financing (hereafter called "Financing") of all Outstanding UAL Obligation balances set forth above (the "UAL Prepayment"), the effect of which will be to (i) bring the funded status of these plans to 100% funded, (ii) enhance budget predictability by "smoothing" out the UAL payment structure over the next 20 years (i.e., minimize the effects of fiscal peaks and valleys that prove problematic for annual budgets), and (iii) provide near-term cash flow savings to the District.

Subsequent to the April 20, 2021 meeting the Board directed staff to use \$506,939 of District reserves to paydown of the UAL (the "Cash Contribution"), and to finance the balance with concurrently with the Financing.

In order to arrange for the Financing, the District proposes to enter into a Financing Agreement with Umpqua Bank (the “Bank”), dated as of July 1, 2021, by and between the Bank and the District (the “Financing Agreement”), pursuant to which the Bank agrees to purchase the District’s Series 2021 Taxable Revenue Obligations in an amount not to exceed \$3,520,000, as evidenced by a Promissory Note, dated the date of closing (the “Note,” and collectively, the “2021 Obligations”), the proceeds of which will be used, along with the Cash Contribution, to make the UAL Prepayment on the Outstanding UAL Obligation.

## **PRIVATE PLACEMENT PROCESS**

There are two common methods of selling municipal bonds: public sales and direct private placements. Depending on a variety of factors, including the security for the bonds, the size, term and structure of the bonds, and the creditworthiness of the bonds, one or another method of sale is likely to achieve the best overall result (i.e., the lowest possible interest rate for a given financing term, as well as the complexity of and staff time requirement for the debt issuance process). With respect to the proposed 2021 Obligations, District staff in consultation with its municipal advisor and bond counsel determined that a direct private placement would likely achieve the best overall result. In a direct private placement an issuer such as the District sells its bonds/obligations directly to a single investor or creditor (usually, a bank); by comparison, in a public sale, an issuer sells its bonds to a broker-dealer (e.g. an underwriter) who then re-sells the bonds to individual or institutional investors.

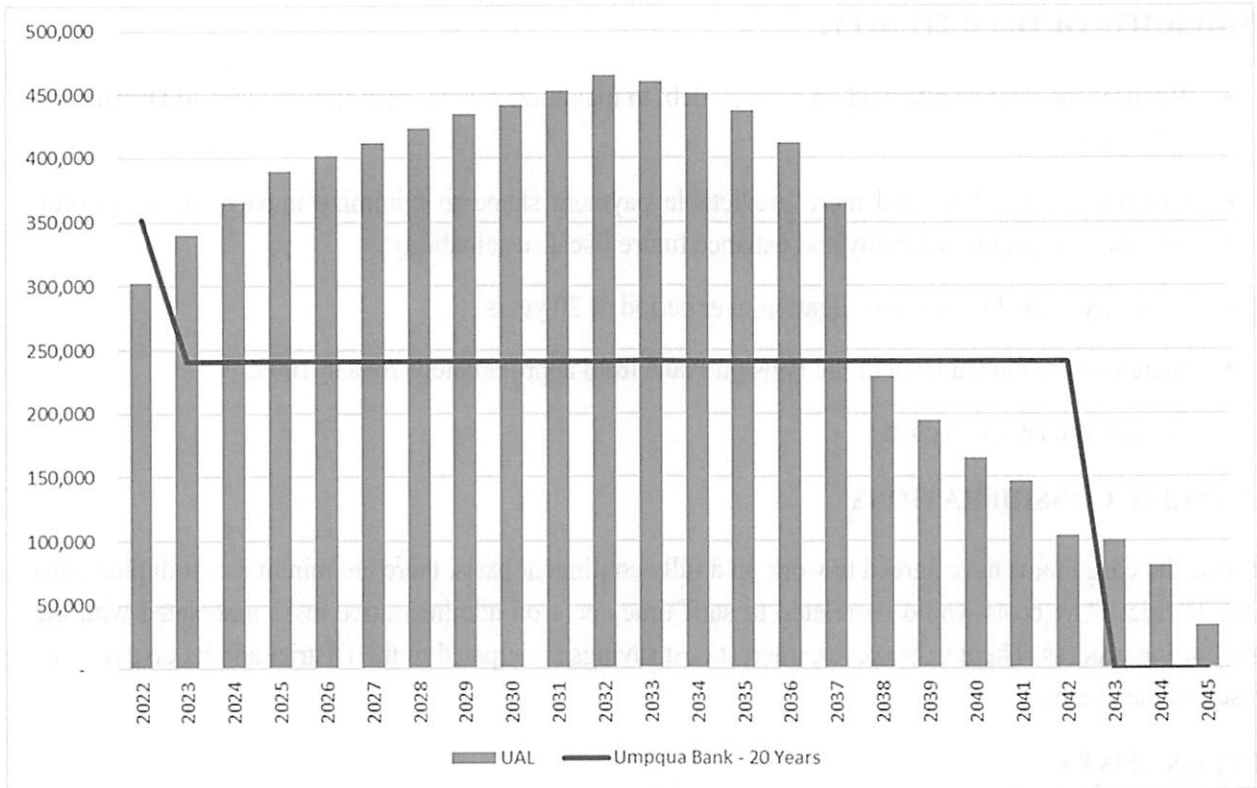
## **BID SOLICITATION PROCESS**

Based upon the Board’s direction to move forward with the Refinancing on a private placement basis, staff, with the assistance of Bond Counsel, Municipal Advisor and Placement Agent, issued a “Request for Terms/Bids” (the “Bid Solicitation”) to several targeted financial institutions requesting proposals (the “Proposals”) to provide Financing for the 2021 Obligations on a privately placed basis. Staff has received the Proposals and is recommending the Bank as the lowest and best overall bid.

## **SUMMARY OF THE REFINANCING OPPORTUNITY**

If the Board chooses to pursue this opportunity, and correspondingly adopts the subject Resolutions, staff, with the aid of the financing team, will work with the Bank to close the transaction at first possible opportunity, with the present target closing date being July 29, 2021. The interest rate will thereafter be locked-in at 3.31% for the 20-year duration of the new 2021 Obligations.

Refinancing the UAL with the 2021 Obligations will result in shortening the repayment period of the Outstanding UAL Obligation to 20 years, which, combined with the lower interest rate, is projected to result in total cash flow savings to the District of approximately \$1,940,000 through 06/30/2045 and level debt service payments over the 20-year term of the 2021 Obligations, as shown in the graph below.



## SUMMARY OF THE FINANCING DOCUMENTS

Resolution No. 2021-07 authorizes and approves the form of all the foundational legal documents (the “Financing Documents”) necessary to provide for the successful consummation of the 2021 Obligations. The Financing Documents needed to complete this financing are each briefly described as follows:

1. Financing Agreement: This is an agreement between the District and the Bank, which sets forth the covenants and specifics of the 2021 Obligations, including the District’s promise to make future semi-annual debt service payments, the establishment and management of funds and accounts, the District’s duties, repayment mechanisms and the Bank’s rights and remedies in the event of default. The Financing Agreement also requires the District to maintain Net Revenues (which is all revenues of the respective District’s operations, less corresponding operation and maintenance expenses) in excess of 110% total annual debt service on all outstanding obligations of the District, including the 2021 Obligations and any new parity debt issued in the future.

2. Payment Instructions: These are irrevocable instructions pursuant to which the proceeds of the 2021 Obligations will be sent to CalPERS and used exclusively for the purpose of prepaying the UAL Prepayment.

In addition to approving the form of the Financing Documents, Resolution No. 2021-07 also authorizes the President, Fire Chief and the financing team to work with the Bank, and ultimately provide for the execution and consummation of the transaction.

## **HIGHLIGHTS OF OPPORTUNITY:**

- Reduces the interest rate paid on pension debt to maximize overall cash flow savings to District and taxpayers
- Creates a “smoother” and more predictable payment shape to minimize impact on rate payers, improve budget predictability and enhance future fiscal sustainability
- Amortizes new Financing Obligation over period of 20 years
- Increases the funded level of the Pension Plans from approximately 76% to 100%
- Savings are net of all costs

## **FINANCIAL CONSIDERATIONS**

Because the consultants have agreed to work on a fully contingent basis, there are minimal cost implications to the District. Any costs would be related to staff time spent on administrative tasks associated with the restructuring process. There is, however, interest cost savings anticipated to the District and its taxpayers as a result of the Financing.

## **ALTERNATIVES**

Board discretion.

## **ATTACHMENTS:**

- A. Resolution No. 2021-07
- B. Financing Agreement
- C. Payment Instructions





# Ebbetts Pass Fire Protection District

## UAL Refunding Analysis: Umpqua Bank

JULY 20, 2021

CalMuni  
ADVISORS



# UAL Refunding Timeline

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- May 13 – Received direction to pursue private placement for UAL refunding
- May 26 – Distributed the Request for Terms
- June 21– Bids presented to Board; Umpqua Bank selected
- July 20 – Adopt resolution approving financing documents
- July 29 – UAL Refunding Closing





# UAL Refunding Plan

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07/26/2021 - 2021 UAL Payment by District	\$293,061
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UAL Balance - Safety Plan	\$3,773,131
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UAL Balance - Miscellaneous Plan	\$107,129
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UAL Balance - PEPRSA Safety Plan	\$51,364
----------------------------------	----------

Less: Additional Cash Payment by District	<u>(\$506,939)</u>
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<b>Remaining UAL - To Be Refunded</b>	<b><u>\$3,424,685</u></b>
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# Summary of Cash Flow Savings

Description	Term	Interest Rate	Annual Cost - Years 2-15 [1]		Cash Flow Savings [2]			
			Min	Max	Years 1-15	Years 16-25	Less: ADP	Total
Current CalPERS	25 years	7.00%	\$340,400	\$465,100				
Umpqua Bank	20 years	3.31%	\$240,500	\$240,500	\$2,470,500	(\$23,600)	(\$506,900)	\$1,940,000

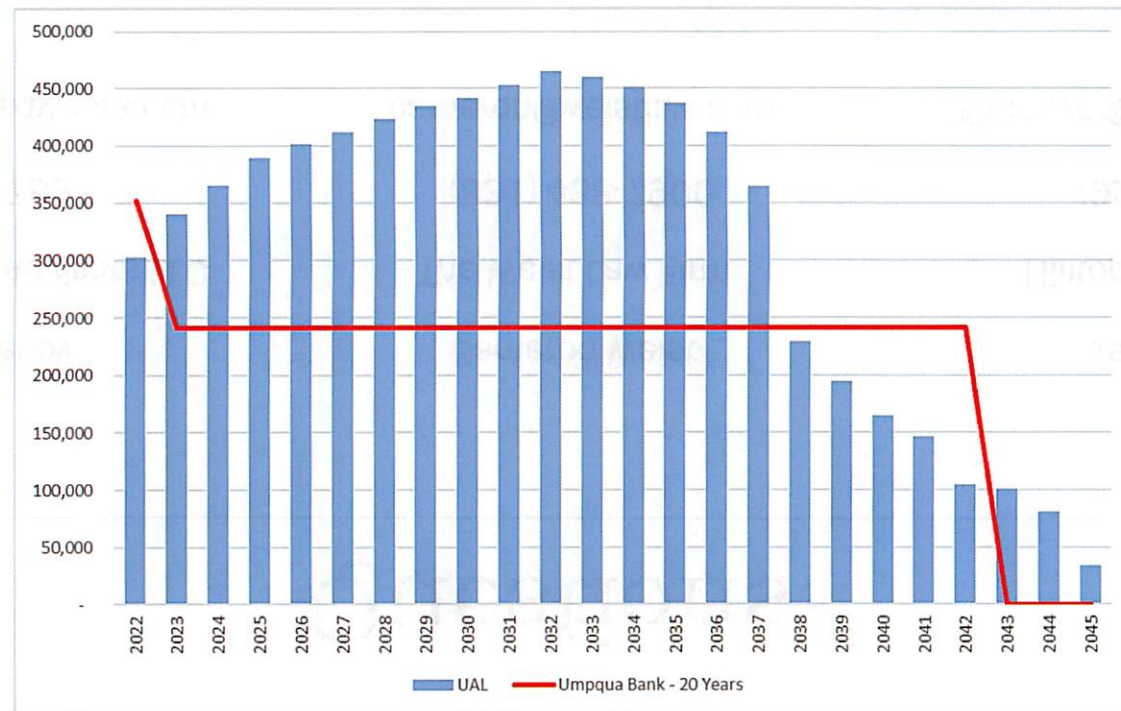
[1] Annual cost includes refunding debt service

[2] Cash flow savings are shown after costs of issuance (approximately \$93K)

All numbers rounded to nearest hundred



# Financing Options - Graph





# Questions?

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**SERIES 2021 FINANCING AGREEMENT**

Dated as of July 1, 2021

By and Between

**EBBETTS PASS FIRE PROTECTION DISTRICT**

And

**UMPQUA BANK,  
an Oregon state chartered bank**

Providing for the

**\$ \_\_\_\_\_  
EBBETTS PASS FIRE PROTECTION DISTRICT  
SERIES 2021 TAXABLE REVENUE OBLIGATIONS  
(CALPERS UAL PREPAYMENT PROJECT)**

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## **SERIES 2021 FINANCING AGREEMENT**

This SERIES 2021 FINANCING AGREEMENT, (including any permitted amendments or supplements, this "Financing Agreement"), dated for convenience as of July 1, 2021, is by and between UMPQUA BANK, an Oregon state chartered bank (including its successors and assigns, the "Bank"), and the EBBETTS PASS FIRE PROTECTION DISTRICT, a fire protection district duly organized and validly existing under the Constitution and laws of the State of California (the "District");

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

**WHEREAS**, the District is a member of the California Public Employees' Retirement System ("CalPERS"), an agent multiple employer public employees retirement program that acts as a common investment and administrative agent for participating entities within the State of California, and as such, the District is obligated by the Public Employees' Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the "Retirement Law"), and the contract between the Board of Administration of CalPERS and the Board of Directors of the District (the "CalPERS Contract"), as amended, to make contributions to CalPERS to (a) fund pension benefits for its employees who are members of CalPERS, (b) amortize a portion of the unfunded accrued liability (the "UAL") with respect to such pension benefits, and (c) appropriate funds for the purposes of paying for the pension benefits and such UAL; and

**WHEREAS**, the District has determined that it is in the interests of the District at this time to provide for the execution and delivery of its "Ebbetts Pass Fire Protection District, Series 2021 Taxable Revenue Obligations (CalPERS UAL Prepayment Project)," as evidenced by a Promissory Note, dated July \_\_, 2021 (the "Note," and collectively, the "Obligations"), the proceeds of which will be used to (i) fund a portion of the District's UAL to CalPERS for the benefit of the District's employees, and (ii) pay certain costs of issuance in association therewith, and to that end the Bank has agreed to enter into this Financing Agreement; and

**WHEREAS**, the principal of and interest and redemption premium (if any) on the Obligations, and any bonds or other obligations issued on a parity therewith as provided herein, will be payable from and secured by a pledge of and lien on the Gross Revenues (as defined herein) derived from District operations, as expressly set forth in this Financing Agreement; and

**WHEREAS**, in order to provide for the execution and delivery of this Financing Agreement, to establish and declare the terms and conditions upon which the Obligations are to be made and secured, and to secure the payment of the principal thereof, premium (if any) and interest on the Obligations, the District has authorized the execution and delivery of this Financing Agreement; and

**WHEREAS**, the District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with section 53570 of said Code (the "Bond Law"), to refund obligations of the District, including outstanding obligations evidenced by the CalPERS Contract; and

**WHEREAS**, this Financing Agreement also constitutes a secured promissory note for District's repayment of the Obligations, in the form set forth in Exhibit C hereto; and

**WHEREAS**, all things necessary to purchase the Obligations when issued, executed and delivered, the valid and binding obligation of the District, and to constitute this Financing Agreement as a valid pledge of the revenues herein pledged to the payment of the principal of, prepayment premium, if any, and interest on the Obligations have been done and performed, as required by law, and the District is now fully authorized to enter into this Financing Agreement, subject to the terms hereof; and

**NOW, THEREFORE, THIS FINANCING AGREEMENT WITNESSETH**, that in order to secure the payment of the principal of and the interest and premium (if any) on the Obligations at any time outstanding under this Financing Agreement, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Obligations is premised, and in consideration of the premises and of the mutual covenants herein contained and of the purchasing of the Obligations by the Bank, and for other valuable considerations, the receipt whereof is hereby acknowledged, the District does hereby covenant and agree, for the benefit of the Bank from time to time of the Obligations, as follows:

## **ARTICLE I**

### **DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICABILITY**

**Section 1.1. Definitions.** Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

**"Accreted Value"** means, with respect to any capital appreciation obligation, the principal amount thereof plus the interest accrued thereon, compounded at the approximate interest rate thereon on each date specified therein. The Accreted Value of any capital appreciation obligation at any date shall be the amounts set forth in the accreted value table for the capital appreciation obligation as of such date, if such date is a compounding date, and if not, as of the immediately preceding compounding date.

**"Additional Revenues"** means, with respect to the issuance of any Parity Debt, any or all of the following amounts:

(i) An allowance for Net Revenues from any additions or improvements to or extensions of the District to be made with the proceeds of such Parity Debt and also for Net Revenues from any such additions, improvements or extensions which have been made from moneys from any source but in any case which, during all or any part of the latest Fiscal Year for which audited financial statements are available or any 12 consecutive calendar month period

(selected by the District) during the 18 consecutive calendar month period ending immediately prior to the issuance, incurrence or creation of such additional Parity Debt, were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36 month period in which each addition, improvement or extension is respectively to be in operation, all as shown by the certificate or opinion of an Independent Engineer or an Independent Certified Public Accountant retained by the District and reasonably satisfactory to the Bank.

(ii) An allowance for Net Revenues arising from any increase in taxes, assessments or charges made for service from the District which has become effective prior to the incurring of such Parity Debt but which, during all or any part of the latest Fiscal Year or such 12 month period for which audited financial statements are available or any 12 consecutive calendar month period (selected by the District) during the 18 consecutive calendar month period ending immediately prior to the issuance, incurrence or creation of such additional Parity Debt, was not in effect, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year or 12 month period, all as shown by the certificate or opinion of an Independent Consultant or an Independent Certified Public Accountant employed by the District.

“Assignee” means any entity to whom the rights of the Bank shall be lawfully assigned hereunder.

“Authorized Representative” means the District’s President, Fire Chief, Secretary, or any other person designated as an Authorized Representative of the District by a Certificate of the District signed by its President or Fire Chief and filed with the Bank.

“Balloon Indebtedness” means, with respect to the Obligations or Parity Debt, twenty-five percent (25%) or more of the principal or other similar amount of which matures or becomes due on the same date or within a 12-month period (with mandatory sinking fund payments deemed to be payments of matured principal), that portion of the principal or other similar amount of the Obligations or Parity Debt which matures or becomes due on such date or within such 12 month period.

“Bank” means (a) initially, Umpqua Bank, an Oregon state chartered bank, or (b) any Assignee of Bank’s right, title or interest in this Financing Agreement and other amounts due hereunder. Whenever in this Financing Agreement any reference is made to the Bank and such reference concerns rights which the Bank has assigned to the Assignee, such reference shall be deemed to refer to the Assignee.

“Board” or “Board of Directors” means the Board of Directors of the District.

“Bond Counsel” means Weist Law LLP, or any other attorney or firm of attorneys acceptable to the District of nationally recognized expertise with respect to legal matters relating to municipal obligations.

“Bond Law” means Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with section 53570 thereof.

“Business Day” means a day other than a Saturday, Sunday or legal holiday, on which banking institutions in the State of California are not closed.

“CalPERS” or “PERS” means the California State Public Employees’ Retirement System.

“CalPERS Contract” means the contract between the Board of Administration of CalPERS and the Board of Directors of the District, as amended from time to time, obligating the District to make contributions to CalPERS in exchange for CalPERS providing retirement benefits to certain District employees.

“Certificate,” “Request” and “Requisition” of the District means a written certificate, request or requisition signed in the name of the District by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“Closing Date” means the date on which the District receives the Obligation Proceeds from the Bank.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein shall be deemed to include the United States Treasury regulations, including temporary and proposed regulations relating to each such section that are applicable to the Parity Debt or the use of the proceeds thereof.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District relating to the execution and delivery of this Obligations, including but not limited to District administration costs and expenses, fees and expenses of consultants and professionals, fees and expenses of the municipal advisor and any placement agents, legal fees and charges (including legal fees of the Bank’s counsel), regulatory fees, including, but not limited to, fees charged by the California Debt and Investment Advisory Commission, and fees for execution, transportation and safekeeping of this Financing Agreement and the Obligations, and all other charges and fees in connection with the foregoing.

“Costs of Issuance Fund” means the fund by that name established pursuant to Section 3.9 hereof.

“County” means the County of Calaveras, California.

“Debt Service” when used with respect to the Obligations and Parity Debt, means, for any period, the sum of (1) the interest payable during such period on the Obligations and Parity Debt, (2) the principal or mandatory sinking fund payments to be paid with respect to the Obligations and Parity Debt during such period, and (3) any other scheduled payments coming due on the Obligations and outstanding Parity Debt in such period and not otherwise included in clauses (1) and (2) of this definition, all of which are to be computed on the assumption that no portion of the Obligations or Parity Debt shall cease to be outstanding during such period except by reason of the application of scheduled payments; provided that, for purposes of such computation:

(a) unless a different subsection of this definition applies for purposes of determining maturities or amortization, in determining the amount due in any period, payment shall be assumed to be made in accordance with any amortization schedule established for the Obligations or Parity Debt, including any mandatory sinking fund payments or any scheduled redemption or payment of Parity Debt on the basis of Accreted Value, and for such purpose, the redemption payment or payment of Accreted Value shall be deemed a principal payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled redemption or payment date and any contingencies that may result in a request for earlier payment shall be disregarded;

(b) Balloon Indebtedness may, at the option of the District, be treated as if it were to be amortized with substantially level debt service over a term of up to 25 years (which period shall be designated by the District), from the date of calculation, and the interest rate used for such computation shall be assumed by the District to be equal to (i) the interest rate in effect for such Balloon Indebtedness on the date of calculation, if the interest rate determination method in effect for such Balloon Indebtedness on the date of calculation provides for interest rates that are fixed for at least 12 months from the date such interest rates are determined or (ii) if the interest rate determination method in effect for such Balloon Indebtedness on the date of calculation provides for interest rates that are not fixed for at least 12 months from the date such interest rates are determined, the rate of interest used to calculate Debt Service shall be determined as described in clause (c);

(c) if any Parity Debt bear, or if any Parity Debt proposed to be issued, incurred or created will bear, interest at a variable interest rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of (i) the then current variable interest rate borne by such Parity Debt plus 1%; and (ii) the highest variable rate borne over the preceding 24 months by outstanding variable rate debt issued by the District or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued;

(d) if any Parity Debt feature an option, on the part of the owners or a requirement under the terms of such Parity Debt, to tender all or a portion of such Parity Debt to the District, or other fiduciary or agent, and to purchase such Parity Debt or portion thereof if properly presented, then for purposes of determining the amounts due in any period with respect to such Parity Debt, the options or obligations of the owners of such Parity Debt to tender the same for purchase or payment shall be ignored;

(e) payments on the Obligations and Parity Debt shall be excluded to the extent such payments are to be paid from amounts on deposit with a trustee or other fiduciary in escrow specifically therefor, and interest payments shall be excluded to the extent that such interest payments are (1) to be paid from the proceeds of the Obligations or Parity Debt, including any investment earnings thereon, held by a trustee or other fiduciary as capitalized interest specifically to pay such interest or (2) paid or expected to be paid from Subsidy Payments;

(f) with respect to Obligations or Parity Debt for which a reserve fund is in place, the calculation of Debt Service for such Obligations or Parity Debt for any period shall be reduced by the amount of investment earnings on amounts on deposit in such reserve fund used or expected

to be used to pay Debt Service on such Obligations or Parity Debt during such period, as estimated by the District; and

(g) with respect to Obligations or Parity Debt for which a reserve fund is in place, the amount on deposit in such reserve fund on any date of calculation of Debt Service shall be deducted from the amount due on the final maturity or due date of such Obligations or Parity Debt if such amount on deposit in such reserve fund would be released at such maturity or due date and, to the extent the amount on deposit in such reserve fund is in excess of the amount due on the final maturity or due date of such Obligations or Parity Debt, such excess shall be applied to the full amount due on each preceding payment date for such Obligations or Parity Debt, in inverse order, until such amount on deposit in such reserve fund is exhausted.

“Debt Service Coverage Requirement” or “DSC Requirement” means for any Fiscal Year, or other period of time for which such calculation is made, that Net Revenues for such Fiscal Year, or other period of calculation, must be at least equal to one hundred ten percent (110%) of Maximum Annual Debt Service.

“Default Rate” means the then applicable interest rate on the Obligations plus 3.00%, but not exceed maximum percentage legally allowed by law.

“District” means the Ebbetts Pass Fire Protection District, a fire protection district duly organized and validly existing under the Constitution and laws of the State.

“Enterprise” means, collectively, the entire fire and emergency services system of the District, including but not limited to all facilities, properties and improvements at any time owned, controlled or operated by the District for the fire suppression, emergency medical services, administration, technical rescue, hazardous materials mitigation, public education, fire investigation, and fire prevention services provided to property and residents of the District and corresponding service areas, and any necessary lands, equipment, rights, entitlements and other property useful in connection therewith, together with all extensions thereof and improvements thereto at any time acquired, leased, constructed or installed by the District.

“Environmental Regulation” means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to dangerous, toxic or hazardous pollutants, Hazardous Substances, chemical waste, materials or substances.

“Event of Default” means an event of default described in Section 6.1 hereof.

“Federal Securities” means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; and (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are fully, unconditionally and directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

“Financing Agreement” means this Financing Agreement, dated as of July 1, 2021, between the Bank and the District, and any permitted amendments or supplements hereto.

**“Fire Chief”** means the Fire Chief of the District.

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

**“General Fund”** means the fund by that name established by the District and maintained pursuant to Section 4.3 hereof.

**“Generally Accepted Accounting Principles”** or **“GAAP”** means the generally accepted accounting principles as presented and recommended by the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

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

**“Gross Revenues”** means for any Fiscal Year or other period, all legally available moneys, fees, rates, receipts, rentals, charges and income received for, received by or derived from, the District, the operation of the Enterprise or any of its lands or facilities or any other source whatsoever, including without limitation ad valorem property tax revenues and other special and general tax revenues, assessments, gifts, bequests, grants, devises, contributions, moneys received from the operation of the District’s business or the possession of its properties, insurance proceeds or condemnation awards, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of the same whether now owned or held or hereafter coming into being, but excluding (i) gifts, grants, devises, bequests and contributions designated by the maker to a specific purpose inconsistent with their use for the payment of principal of, premium, if any, and interest on the Obligations or for the payment of Operation and Maintenance Costs, (ii) any unrealized gains and losses on investments of the District, and (iii) any income for which the District has a contractual or statutory obligation to pay to other Persons (for example, without limitation, amounts collected by the District in its capacity as agent for others, and sales taxes, use taxes and other taxes collected by the District but required to be paid to the relevant collection authorities).

**“Hazardous Substances”** means (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Project or to persons on or about the Project or (ii) cause the Project to be in violation of any Environmental Regulation; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,”



“restricted hazardous waste,” or “toxic substances” or words of similar import under any Environmental Regulation including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 1801 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; the California Hazardous Waste Control Law (“HWCL”), Cal. Health & Safety §§ 25100 et seq.; the Hazardous Substance Account Act (“HSAA”), Cal. Health & Safety Code §§ 25300 et seq.; the Underground Storage of Hazardous Substances Act, Cal. Health & Safety §§ 25280 et seq.; the Porter-Cologne Water Quality Control Act (the “Porter-Cologne Act”), Cal. Water Code §§ 13000 et seq., the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); and Title 22 of the California Code of Regulations, Division 4, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of any District facilities or the owners and/or occupants of property adjacent to or surrounding any District facilities, or any other person coming upon any District facilities or adjacent property; or (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

“Independent Certified Public Accountant” means any firm of certified public accountants appointed by the District that is independent according to the Statement of Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

“Independent Engineer” means any registered engineer or firm of engineers generally recognized to be well-qualified in engineering matters relating to the subject matter at issue, appointed and paid by the District, and who or each of whom:

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

“Independent Consultant” means a consultant or firm of consultants qualified in matters relating to the subject matter at issue, appointed and paid by the District, and who:

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

“Insurance Consultant” means any nationally recognized independent actuary, insurance company or broker that has actuarial personnel knowledgeable with respect to insurance carried, by, required for and available to special districts operating facilities similar to the District,

including a pooled self-insurance program in which premiums are established on the basis of the recommendation of an actuary of national reputation.

**“Interest Account”** means the account by that name in the General Fund established pursuant to Section 4.3 hereof.

**“Interest Component”** means the portion of each Obligation Payment designated as Interest Component, as such is set forth on Exhibit A hereto.

**“Interest Rate”** means the rate of interest to be paid on the Obligations which is 3.31% per annum.

**“Material Adverse Effect”** means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District, (b) the ability of the District to carry out its business in the manner conducted as of the date of this Financing Agreement or to meet or perform its obligations under this Financing Agreement on a timely basis, or the (c) the validity or enforceability of this Financing Agreement.

**“Material Litigation”** means any action, suit, proceeding, inquiry or investigation against the District in any court or before any arbitrator of any kind or before or by any Governmental Authority, of which the District has notice or knowledge and which, (i) if determined adversely to the District, may have a Material Adverse Effect, (ii) seeks to restrain or enjoin any of the transactions contemplated hereby, or (iii) may adversely affect (A) the exemption of interest with respect to the Obligation Payments for state income tax purposes or (B) the ability of the District to perform its obligations under this Financing Agreement.

**“Maximum Annual Debt Service”** means the greatest amount of Debt Service with respect to the Obligations and any Parity Debt to which reference is made coming due in any Fiscal Year including the Fiscal Year in which the calculation is made or any subsequent Fiscal Year.

**“Miscellaneous Plan”** means the obligation of the District to make payments pursuant to the CalPERS Contract with respect to certain of the District’s miscellaneous employees.

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

**“Net Revenues”** means, for any period, all of the Gross Revenues received by the District during such period minus the amount required to pay all Operation and Maintenance Costs of the District which are payable during such period.

**“Note”** means the Promissory Note issued by the District hereunder on July \_\_, 2021, in the original principal amount of \$\_\_\_\_\_, evidencing the obligations of the District under this Financing Agreement, in the form attached hereto as Exhibit C.

**“Obligations”** means the Ebbetts Pass Fire Protection District, Series 2021 Taxable Revenue Obligations (CalPERS UAL Prepayment Project), secured by this Financing Agreement, as evidenced by the Note.

**“Obligation Payments”** means the scheduled Obligation Payments set forth on Exhibit A hereto.

**“Obligation Payment Date”** or **“Payment Date”** means February 1 and August 1 of each year, commencing February 1, 2022, and continuing to and including the date on which the Obligation Payments have been paid in full; provided that if any Obligation Payment Date shall fall on a non-Business Day, the Obligation Payment Date shall be the next succeeding Business Day and interest on such payment shall accrue to and including such next succeeding Business Day.

**“Obligation Proceeds”** means the \$\_\_\_\_\_ amount received by the District from the Bank on the Closing Date.

**“Operation and Maintenance Costs”** means all reasonable and necessary current expenses of the District, including pension and post-retirement healthcare expenses, paid or accrued, of operating the District, calculated in accordance with GAAP and not expected to be reimbursed to the District within one year after the date of incurrence; but for clarity of this definition, Operation and Maintenance Costs do not include depreciation, amortization, and interest paid on the Obligations or any Parity Debt or Subordinate Debt.

**“Opinion of Counsel”** means a written opinion of Weist Law LLP or such other counsel of recognized national standing in the field of law relating to municipal bonds retained by the District.

**“Outstanding”** means all Obligations theretofore issued by the District, except:

(1) Obligations theretofore canceled or surrendered for cancellation in accordance hereof;

(2) Obligations for the payment or redemption of which moneys shall have been deposited in trust (whether upon or prior to the maturity or the redemption date of such Obligations), provided that, if such Obligations are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in this Financing Agreement; and

(3) Obligations paid or defeased pursuant to Sections 8.2 hereof.

**“Parity Debt”** means any bonds, notes, leases, installment sale agreements, financing agreements, contracts or other obligations of the District which are secured by a pledge of and lien upon any of the Gross Revenues and which are payable from the Net Revenues on a parity with the Obligation Payments, entered into or issued under and in accordance with Section 5.13 hereof.

**“Parity Debt Documents”** means, collectively, the indenture of trust, trust agreement, installment sale agreement, loan agreement, financing agreement or other document authorizing the issuance of any Parity Debt or any securities which establishes or evidence Parity Debt.

**“Parity Payments”** means all payments scheduled to be paid by the District under Parity Debt Documents.

**“Payment Instructions”** means the written irrevocable payment instructions dated as of July 1, 2021, given by the District to the Bank relating to the wire transfer of Obligation Proceeds, and the corresponding prepayment of a definitive portion of the UAL.

**“PEPRA”** means the Public Employees’ Pension Reform Act.

**“PEPRA Safety Plan”** means the obligation of the District to make payments pursuant to the CalPERS Contract with respect to the District’s public safety employees under its corresponding PEPRA plan.

**“Person”** means an individual, corporation, firm, association, limited liability company, corporation, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

**“President”** means the President of the Board of Directors of the District.

**“Principal Account”** means the account by that name in the General Fund established pursuant to Section 4.3 hereof.

**“Principal Component”** means the principal component(s) of any of the Obligation Payments, as such is set forth in Exhibit A hereto.

**“Prior Obligations”** means the (i) Sublease/Option Agreement dated September 14, 2004, by and between Municipal Finance Corporation (the “Corporation”) and the District, as amended, (ii) Government Obligation Contract dated as of February 5, 2018, between KS StateBank and the District, and (iii) Installment Sale Agreement 21-000 dated as of January 28, 2021, by and between Municipal Finance Corporation and the District.

**“Project”** or **“CalPERS UAL Prepayment Project”** means the portion of the District’s UAL financed by the Obligations.

**“Rate Stabilization Fund”** means the fund by that name established and maintained pursuant to Section 5.3(e) hereof, or any subsequent rate stabilization fund established by the District that is intended to serve as the Rate Stabilization Fund under Section 5.3(e) hereof.

**“Request of the District”** or **“Written Request”** means a request in writing signed by the District’s President, Fire Chief or Secretary, or by any other officer of the District duly authorized by the Fire Chief for that purpose.

**“Resolution”** means the Resolution No. 2021-\_\_, adopted by the Board of Directors on July 20, 2021, authorizing the execution and delivery of this Financing Agreement, and otherwise providing for the execution and delivery of the Obligations.

**“Safety Plan”** means the obligation of the District to make payments pursuant to the CalPERS Contract with respect to the District’s public safety employees.

**“Secretary”** means the Secretary of the District.

**“State”** means the State of California.

**“Subordinate Annual Debt Service”** means, for any Fiscal Year or twelve (12) calendar month period, the Subordinate Payments required to be made under all Subordinate Debt in such Fiscal Year or twelve (12) calendar month period.

**“Subordinate Debt”** means indebtedness or other obligations (including but not limited to loans, leases and installment sale agreements, bonds or contracts) hereafter issued or incurred in compliance with Section 5.13 hereof and secured by a pledge of and lien on Gross Revenues subordinate to the pledge and lien securing the Obligation Payments.

**“Subordinate Debt Service Coverage Requirement”** means for any Fiscal Year, or other period of time for which such calculation is made, that Net Revenues for such Fiscal Year, or other period of calculation, must be at least equal to one hundred one percent (101%) of Maximum Annual Debt Service for such period of calculation.

**“Subordinate Payments”** means all installment, lease or loan payments scheduled to be paid by the District under all respective agreements relating to the issuance of any Subordinate Debt.

**“Term”** or **“Term of this Financing Agreement”** means the time during which this Financing Agreement is in effect, as provided in Section 3.3 hereof.

**“UAL Obligation”** means the portion of UAL being financed with the proceeds of the 2021 Obligations.

**Section 1.2. Benefits of Financing Agreement Limited to Parties.** Nothing contained herein, expressed or implied, is intended to give to any person other than the District and the Bank any right, remedy or claim under or pursuant hereto. Any agreement or covenant required herein to be performed by or on behalf of the District shall be for the sole and exclusive benefit of the Bank.

**Section 1.3. Successor is Deemed Included in all References to Predecessor.** Whenever the District is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District, and all agreements and covenants required hereby to be performed by or on behalf of the District shall bind and inure to the benefit of the successors thereof whether so expressed or not.

**Section 1.4. Waiver of Personal Liability.** No member of the Board and no officer, agent, or employee of the District, or of any department or agency thereof, shall be individually or personally liable for the payment of the principal of or interest on the Obligations, but nothing contained herein shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or hereby.

**Section 1.5. Article and Section Headings, Gender and References.** The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

Words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to the Financing Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

**Section 1.6. Partial Invalidity.** If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the District shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or the Obligations; but the Bank shall retain all the rights and benefits accorded to it under any applicable provisions of law. The District hereby declares that it would have adopted this Financing Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

## **ARTICLE II**

### **COVENANTS, REPRESENTATIONS AND WARRANTIES**

**Section 2.1. Representations of the District.** The District makes the following representations:

- (a) The District is a fire protection district duly organized and validly existing under the Constitution and laws of the State.
- (b) The District has full legal right, power and authority under the laws of the State to adopt the Resolution and to enter into this Financing Agreement and the Note and the transactions contemplated herein, and to carry out its obligations hereunder and thereunder.
- (c) With the exception of any pledges made under the Prior Obligations, neither the Gross Revenues nor the Net Revenues have otherwise been pledged and there are no other liens against the Gross Revenues or Net Revenues, senior to, or on parity with the Obligation Payments.
- (d) By all necessary official action, the District has duly adopted the Resolution, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, this Financing Agreement, the Payment Instructions and the Note and the consummation by it of all other transactions contemplated by this Financing Agreement, the Note, the Payment Instructions and the Resolution. When executed and delivered by the District, this Financing Agreement, the Note, the Payment Instructions and the Obligations will be in full force and effect and will constitute legal, valid and binding agreements or obligations of the District, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the

application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

- (e) No consent or approval of any trustee or holder of any indebtedness of the District or of the voters of the District, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Financing Agreement or the Note or the consummation of any transaction herein and therein contemplated, except as have been obtained or made and as are in full force and effect.
- (f) The District's audited financial statements for the period ended June 30, 2020, present fairly the financial condition of the District as of the date hereof and the results of operation for the period covered thereby. Except as has been disclosed to the Bank, there has been no change in the financial condition of the District since June 30, 2020, that will in the reasonable opinion of the District materially impair its ability to perform its obligations under this Financing Agreement. All information provided by the District to the Bank with respect to the financial performance of the District is accurate in all material respects as of its respective date and does not omit any information necessary to make the information provided not misleading.
- (g) As currently conducted, the District's activities are in all material respects in compliance with all applicable laws, administrative regulations of the State of California and of the United States and any agency or instrumentality of either, and any judgment or decree to which the District is subject.
- (h) As long as the Obligations are outstanding, the District will notify the Bank or its designee, within 30 days, following the date of an event that (i) could cause a default on any obligation of the District, (ii) might reasonably be anticipated to cause a Material Adverse Effect, (iii) might reasonably be anticipated to result in Material Litigation, and (iv) could have a negative material impact on the financial condition of the District.
- (i) The District is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either or any judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject (including, without limitation, the Prior Obligations, the Resolution, the Payment Instructions, the Note and this Financing Agreement), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the adoption of the Resolution, the execution and delivery of the Obligations and the execution and delivery of the Payment Instructions and this Financing Agreement and compliance with the District's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, agreement, mortgage, lease or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of



any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such law, regulation or instruments, except as provided by the Resolution, the Payment Instructions, the Note and this Financing Agreement.

- (j) No action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, government agency, public board or body, has been served and is pending or, to the best of the District's knowledge, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; (ii) affecting or seeking to prohibit, restrain or enjoin the making, execution or delivery of the Payment Instructions, the Note or this Financing Agreement or the application of the Obligation Proceeds; (iii) in any way contesting or affecting, as to the District, the validity or enforceability of the Bond Law, the Resolution, the Payment Instructions, the Note or this Financing Agreement; (iv) in any way contesting the powers of the District or its authority with respect to the execution or delivery of the Note, the adoption of the Resolution, or the execution and delivery of the Note, the Payment Instructions or this Financing Agreement; (v) contesting the exemption of interest on the Obligations for State income tax purposes; or (vi) in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby or that might materially adversely affect the ability of the District to perform and satisfy its obligations under the Note or this Financing Agreement; nor to the best of the District's knowledge is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the Bond Law, the proceedings authorizing the Resolution, the Payment Instructions, the Note or this Financing Agreement or the performance by the District of its obligations thereunder, or the authorization, execution, delivery or performance by the District of the Note, the Payment Instructions, the Resolution or this Financing Agreement.
- (k) The District is not in default, and has not defaulted in the past five years in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.
- (l) All consents, approvals, authorizations, orders, licenses or permits of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter, that are required for the due authorization by, or that would constitute a condition precedent to or the absence of which would materially adversely affect the execution and delivery of the Obligations and the execution, delivery of and performance of the Note, the Payment Instructions and this Financing Agreement by the District have been duly obtained (except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Obligations, as to which no representation is made).
- (m) The District has the legal authority to apply and will apply, or cause to be applied, the Obligation Proceeds as provided in and subject to all of the terms and provisions of the Bond Law, the Resolution, the Payment Instructions, the Note and this Financing Agreement.

- (n) The District is in compliance in all material respects with all applicable Environmental Regulations, including, without limitation, regulations governing air pollution, soil and water pollution, the use, generation, storage, treatment, removal, handling or disposal of Hazardous Substances, other materials or wastes, and the emission of electromagnetic or nuclear radiation.
- (o) Neither the District nor any of its facilities are the subject of a federal, state or local investigation evaluating whether any remedial action is needed to respond to any alleged violation of or condition regulated by an Environmental Regulation referred to in (n) above or to respond to a release of any Hazardous Substances into the environment.
- (p) To its knowledge, after reasonable investigation, the District does not have any material contingent liability in connection with any release of any Hazardous Substances into the environment that would have a Material Adverse Effect on the District or payment, when due, of the principal, premium, if any, or interest on the Obligations.
- (q) No event has occurred and no condition exists which would constitute an Event of Default with respect to this Financing Agreement or which, with the passing of time or with the giving of notice or both would become such an Event of Default.
- (r) The District has heretofore established the General Fund into which the District deposits and will continue to deposit all Gross Revenues, and which the District will maintain throughout the Term of this Financing Agreement.
- (s) There are no outstanding bonds, notes, loans, leases, installment sale agreements or other obligations which have any security interest in or claim upon the Gross Revenues or Net Revenues, which security interest or claim is superior to the Obligation Payments.
- (t) The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certificates may not be relied upon.
- (u) The District acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of UAL, that it is familiar with the provisions of all of the documents and instruments relating to such financing to which the District is a party, including this Financing Agreement, and that it understands the risks inherent in such transactions.
- (v) Any certificate, signed by any official of the District authorized to do so in connection with the transactions described in this Financing Agreement, shall be deemed a representation and warranty by the District to the Bank as to the statements made therein.
- (w) Since the most current date of the information, financial or otherwise, supplied by the District to the Bank:
  - (i) There has been no change in the assets, liabilities, financial position or results of operations of the District which might reasonably be anticipated to cause a Material Adverse Effect;

- (ii) The District has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect;
- (iii) The District has not (A) incurred any material indebtedness, other than the Prior Obligations, Obligation Payments and trade accounts payable arising in the ordinary course of the District's business and not past due, or (B) guaranteed the indebtedness of any other person; and
- (iv) All information, reports and other papers and data furnished by the District to the Bank were, at the time the same were so furnished, to the best of the District's knowledge, complete and accurate in all material respects. No fact is known to the District which has had or, to the best of the District's knowledge, so far as the District can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Bank or in other such information, reports, papers and data or otherwise disclosed in writing to the Bank prior to the Closing Date. Any financial, budget and other projections furnished to the Bank by the District or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and as of the date of this representation, represent the District's best estimate of future financial performance of the District.
- (x) Inasmuch as this Financing Agreement represents a negotiated transaction, the District understands, and hereby confirms, that the Bank is not acting as a fiduciary of the District, but rather is acting solely in its capacity as Bank, for its own account. The District acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the District and the Bank and its affiliates, (ii) in connection with such transaction, the Bank and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), (iii) the Bank and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Bank and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the District on other matters), (v) the Bank and its affiliates have financial and other interests that differ from those of the District, and (vi) the District has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

**Section 2.2. Covenants, Representations and Warranties of the Bank.** The Bank makes the following covenants, representations and warranties to the District as of the date of the execution and delivery of this Financing Agreement:

- (a) The Bank has been duly organized and is validly existing as an California state chartered bank, with full corporate power to enter into and undertake its duties and obligations hereunder and has sufficient knowledge and experience in financial and business matters,

including purchase and ownership of tax-exempt municipal obligations, to be able to evaluate the economic risks and merits of the Obligations.

- (b) The execution, delivery and performance of this Financing Agreement has been duly authorized by all necessary corporate actions on the part of the Bank and do not require any further approvals or consents.
- (c) The Bank will deliver to the District a certificate or letter substantially in the form set forth in Exhibit B attached hereto.

### ARTICLE III

#### TERMS OF THE OBLIGATIONS

**Section 3.1. Obligation Proceeds.** The Obligations shall be purchased by the Bank in the aggregate amount of \$\_\_\_\_\_ (the “Obligation Proceeds”) in immediately available funds on the Closing Date.

**Section 3.2. Deposit and Application of Obligation Proceeds.** The District hereby instructs the Bank (to which instruction the Bank hereby assents) to set-aside a portion of the Obligation Proceeds in the amount of \$\_\_\_\_\_ (the “COI Set-Aside Funds”) for the payment of Costs of Issuance on behalf of the District as provided in Section 3.9. The District hereby instructs the Bank (to which the Bank also assents) to wire the amount of (i) \$\_\_\_\_\_ directly to CalPERS, in accordance with the Payment Instructions, in satisfaction of a portion of the District’s obligations under the CalPERS Contract with respect to the Safety Plan UAL Obligations, (ii) \$\_\_\_\_\_ directly to CalPERS, in accordance with Payment Instructions, in satisfaction of a portion of the District’s obligations under the CalPERS Contract with respect to the Miscellaneous Plan UAL Obligations, and (iii) \$\_\_\_\_\_ directly to CalPERS, in accordance with Payment Instructions, in satisfaction of a portion of the District’s obligations under the CalPERS Contract with respect to the PEPRSA Safety Plan UAL Obligations.

**Section 3.3. Term of the Financing Agreement.** The Term of this Financing Agreement shall commence on the Closing Date and shall end on the date on which the Obligations shall be paid in full or provision for such payment shall be made as provided herein.

**Section 3.4. Optional Prepayment.** On and after July \_\_, 2021, the District shall have the option to prepay the unpaid Principal Components of the Obligations in whole or in part on any Business Day, by paying a prepayment price equal to the aggregate amount of Principal Components to be prepaid, together with the interest required to be paid thereon on the date fixed for prepayment, plus a prepayment premium of the Principal Component to be prepaid as set forth in the table below:

<u>Prepayment Date</u>	<u>Prepayment Premium</u>
July __, 2021 through July 1, 2025	3%
July 2, 2025 through July 1, 2028	2%
July 2, 2028 and July 1, 2031	1%
July 2, 2031 and thereafter	0%

Additionally (and notwithstanding the above), on and after July 1, 2021, the District shall have the option to prepay up to ten percent (10%) of the unpaid Principal Components of the Obligations annually (but only on a Payment Date(s)), together with the interest required to be paid thereon on the date fixed for prepayment, without premium.

The District shall give the Bank notice of its intention to exercise its option not less than thirty (30) days in advance of the date of exercise.

In the event the District prepays less than all of the remaining Principal Components of the Obligation Payments pursuant to this Section 3.4, the amount of such prepayment shall be applied by the Bank to the outstanding Principal Components in inverse order of maturity, unless otherwise requested by District and agreed to by Bank in its reasonable discretion.

**Section 3.5. Prepayment upon Casualty Loss or Governmental Taking.** At the District's option, and upon thirty (30) days' prior written notice to the Bank, the Obligations shall be subject to prepayment as a whole or in part on any date, from the Net Proceeds of casualty insurance or a governmental taking of a District facility or portions thereof by eminent domain proceedings, under the circumstances and upon the conditions and terms prescribed herein, at a prepayment price equal to the sum of the principal prepaid plus accrued interest thereon to the date fixed for prepayment, without premium.

In the event the District prepays less than all of the remaining Principal Components of the Obligation Payments pursuant to this Section 3.5, the amount of such prepayment shall be applied by the Bank to the outstanding Principal Components in inverse order of maturity, unless otherwise requested by District and agreed to by Bank in its reasonable discretion.

**Section 3.6. Execution of the Financing Agreement.** The execution of this Financing Agreement by an Authorized Representative shall constitute conclusive evidence of such officers' and the Board's approval hereof, including any changes, insertions, revisions, corrections, or amendments as may have been made hereto.

**Section 3.7. Assignment by the Bank.** The Bank's right, title and interest in and to this Financing Agreement and all proceeds, with prior written notice to the District, may be participated, assigned and reassigned to one assignee or sub-assignee by Bank, without the necessity of obtaining the consent of District; and provided that Bank has filed with the District at least five Business Days' prior written notice thereof along with an executed copy of a letter addressed to the District and the Bank substantially in the form of the letter delivered by the Bank on the Closing Date attached hereto as Exhibit B. The District shall pay all Obligation Payments hereunder to the Bank, as provided in Section 4.2 hereof, or under the written direction of the assignee named in the most recent assignment or notice of assignment filed with the District. During the term of this Financing Agreement, the District and Bank shall each keep a complete and accurate record of any such notice of assignment.

**Section 3.8. Closing Conditions.** The Bank has entered into this Financing Agreement in reliance upon the representations and warranties of the District contained in this Financing Agreement and to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the District of the obligations of the District pursuant to this

Financing Agreement at or prior to the Closing Date. Accordingly, the obligation of Bank to purchase the Obligations and execute this Financing Agreement is subject to the fulfillment to the reasonable satisfaction of the Bank of the following conditions:

(a) The representations and warranties of the District contained in this Financing Agreement shall be true, complete and correct on the Closing Date.

(b) All representations, warranties and covenants made herein, and in certificates or other instruments delivered pursuant hereto or in connection herewith, shall be deemed to have been relied upon by the Bank notwithstanding any investigation heretofore or hereafter made by the Bank or on their behalf.

(c) On the Closing Date, the Resolution, the Payment Instructions, the Note and this Financing Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.

(d) On the Closing Date, the District will have adopted and there will be in full force and effect such Resolution as in the opinion of Bond Counsel shall be necessary in connection with the transactions contemplated by this Financing Agreement, and all necessary action of the District relating to the issuance of the Obligations will have been taken, will be in full force and effect and will not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.

(e) At or prior to the Closing Date, the Bank will have received the following documents:

(i) the approving opinions, dated the Closing Date and addressed to the Bank, of Bond Counsel in form and content satisfactory to the Bank, to the effect that (I) the interest on the Obligations is excluded from gross income for State income tax purposes, and (II) the Obligations has been duly authorized, executed and delivered by the District and is a legal, valid and binding obligation of the District, enforceable in accordance with its terms, subject to customary exceptions for bankruptcy and judicial discretion;

(ii) a certificate or certificates, dated the date of the Closing and signed on behalf of the District by an Authorized Representative, to the effect that (I) the representations and warranties contained in this Financing Agreement are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the Closing Date; (II) no litigation of any nature is then pending or, to his or her knowledge, threatened, seeking to restrain or enjoin the issuance and delivery of the Obligations or the levy or collection of revenues to pay the principal thereof and interest thereon, questioning the proceedings and authority by which such pledge is made, affecting the validity of the Obligations or contesting the existence or boundaries of the District or the title of the present officers to their respective offices; (III) no authority or proceedings for the issuance of the Obligations has been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to issue the Obligations has been filed with or received by the District; and (IV) the District has complied with all the agreements and

covenants and satisfied all the conditions on its part to be performed or satisfied at or prior to, and to the extent possible before, the Closing Date;

(iii) a conformed certified copy of the Resolution;

(iv) the items required by the Resolution as conditions for execution and delivery of the Obligations;

(v) the opinion of the General Counsel to the District, dated the Closing Date, addressed to the Bank and the District, to the effect that:

(A) the District is a fire protection district duly organized and validly existing under the Constitution and laws of the State, and has all requisite power and authority: (a) to adopt the Resolution, and to enter into, execute, deliver and perform its covenants and agreements under this Financing Agreement, the Payment Instructions and the Note; (b) to make, execute and deliver this Financing Agreement, the Payment Instructions and the Note; and (c) to carry on its activities as currently conducted;

(B) the District has taken all actions required to be taken by it prior to the Closing Date material to the transactions contemplated by this Financing Agreement, the Payment Instructions and the Note, and the District has duly authorized the execution and delivery of, and the due performance of its obligations under, this Financing Agreement, the Payment Instructions and the Note;

(C) the adoption of the Resolution, the execution and delivery by the District of this Financing Agreement, the Payment Instructions and the Note, and the compliance with the provisions of this Financing Agreement, the Payment Instructions and the Note, to the best of such counsel's knowledge after due inquiry, do not and will not conflict with or violate in any material respect any California constitutional, statutory or regulatory provision, or, to the best of such counsel's knowledge after due inquiry, conflict with or constitute on the part of the District a material breach of or default under any agreement or instrument to which the District is a party or by which it is bound;

(D) to our actual current knowledge no litigation is pending with service of process completed or threatened against the District in any court in any way affecting the titles of the officials of the District to their respective positions, or seeking to restrain or to enjoin the execution and delivery of this Financing Agreement, the Payment Instructions and the Note, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Obligations, or in any way contesting or affecting the validity or enforceability of this Financing Agreement, the Payment Instructions, the Note or the Resolution, or contesting the powers of the District or its authority with respect to this Financing Agreement, the Payment Instructions, the Note or the Resolution;

(E) to the best of such counsel's knowledge after due inquiry, no authorization, approval, consent or other order of the State or any local agency of



the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the District of this Financing Agreement, the Payment Instructions and the Note; and

(F) to the best of such counsel's knowledge after due inquiry, the District is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default would materially adversely affect the District's ability to enter into or perform its obligations under this Financing Agreement, the Payment Instructions and the Note, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument; and

(vi) such additional legal opinions, certificates, instruments and other documents as the Bank or its counsel may reasonably request to evidence the truth and accuracy, as of the date of this Financing Agreement and as of the Closing Date, of the representations, warranties, agreements and covenants of the District contained herein and the due performance or satisfaction by the District at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the District.

**Section 3.9. Application of Costs of Issuance Set-Aside Funds.** The COI Set-Aside Funds held by the Bank on behalf of the District pursuant to Section 3.2 in a temporary Costs of Issuance Fund and used by the Bank to pay the Costs of Issuance upon submission of sequentially numbered written Requisitions of the District, substantially in the form attached hereto as Exhibit D. Upon the Request of the District, but in no event later than seven (7) calendar days after the Closing Date, any remaining amounts of COI Set-Aside Funds shall be transferred by the Bank to the District.

**Section 3.10. 2021 Obligations Register.** The District will keep or cause to be kept, sufficient books for the registration and transfer of the Obligations which shall be open at all reasonable times with reasonable prior notice during normal business hours of the District; and, upon presentation, the District shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the Obligations.

**Section 3.11. No CUSIP Numbers; No DTC.** The Obligations or the Note shall not bear CUSIP numbers, and shall not be registered with or held by The Depository Trust Company or any other securities depository.

## ARTICLE IV

### SECURITY

**Section 4.1. Pledge and Application of Gross Revenues.** In consideration of the Obligation Proceeds received from the execution and delivery of the Obligations and to secure the payment of the Obligation Payments and the performance of the other obligations of the District

hereunder, the District does hereby pledge and grant a security interest, to the extent permitted by law, to the Bank in all Gross Revenues to secure the obligations of the District under this Financing Agreement. The District agrees that, as long as any of the Obligations remain Outstanding, all of the Gross Revenues shall be deposited as soon as practicable upon receipt in the District's General Fund. Subject to the provisions of this Financing Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, the District hereby pledges, and to the extent permitted by law grants a security interest to the Bank, in the General Fund and all of the Gross Revenues to secure the payment of the Obligation Payments and the performance by the District of its other obligations under this Financing Agreement and the payment and performance of all obligations of the District under any Parity Debt Agreement. Such pledge, charge and assignment shall constitute a first lien on the Gross Revenues for the payment of the Obligation Payments in accordance with the terms hereof, and is on a parity with the pledge, lien and security interest which secures any Parity Debt, if any.

The obligations of the District to make or cause to be made the Obligation Payments and to perform and observe the other agreements on its part contained in this Financing Agreement shall be absolute and unconditional, payable from Gross Revenues of the District or any other legally available source of funds, and is not subject to: (i) any reduction or abatement whatsoever due to the destruction of or damage to the District facilities; or (ii) any defense or any right of set-off, counterclaim or recoupment arising out of any breach by the Bank of any obligation to the District, whether under this Financing Agreement or otherwise, or out of indebtedness or liability at any time owing to the District by the Bank. Until all of the Obligation Payments and other amounts coming due and payable under this Financing Agreement has been fully paid or prepaid, the District will not suspend or discontinue payment of any Obligation Payments or such other amounts required under this Financing Agreement, free of any deductions, and without abatement, diminution or setoff, and will perform and observe all other agreements contained in this Financing Agreement.

Until such time as the Obligation Payments and all other amounts coming due and payable under this Financing Agreement have been fully paid or prepaid, the District (i) will not suspend or discontinue any Obligation Payments, (ii) will perform and observe all of its other agreements contained in this Financing Agreement with respect to the Obligations; and (iii) will not terminate this Financing Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any act or circumstances that may constitute failure of consideration, destruction of or damage to, or taking or condemnation of all or any part of any District facilities, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of the Bank to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Financing Agreement, provided that nothing contained herein shall be construed as prohibiting the District from pursuing any rights or remedies it may have against any Person in a separate legal proceeding.

This Financing Agreement shall be deemed and construed to be a "net contract," and the District shall pay absolutely net the Obligation Payments and all other payments required hereunder, free of any deductions, without abatement, diminution or set off other than those herein expressly provided.

**Section 4.2. Repayment of the Obligations.** The District hereby agrees to repay the Obligations from Net Revenues in the aggregate principal amount of \$\_\_\_\_\_ together with interest (calculated at the rate of 3.310%, on the basis of a 360-day year of twelve 30-day months) on the unpaid principal balance thereof, payable in semi-annual Obligation Payments in the respective amounts and on the respective Obligation Payment Dates specified in Exhibit A hereto, and by this reference made a part hereof. From and during the continuance of an Event of Default, the Obligations shall, at the option of Bank and with written notice to the District, bear interest at the Default Rate.

The 2021 Obligations shall be payable as to principal and interest in legal tender of the United States of America.

Pursuant to Section 5451 of the Government Code of the State of California, the pledge of the Gross Revenues by the District for the repayment of the principal of, premium, if any, and interest components of the Obligation Payments constitutes a first lien and security interest which immediately attaches to such Gross Revenues, and is effective and binding against the District, its successors, creditors and all others asserting rights therein irrespective of whether those parties have notice of the pledge, irrespective of whether such amounts are or may be deemed to be a fixture and without the need for physical delivery, recordation, filing or further act.

So long as the Obligations are owned to the Bank, all principal and interest payments with respect to the Obligations shall be made by wire transfer in accordance with wire instructions provided by the Bank from time to time.

**Section 4.3. Gross Revenues; Flow of Funds.** The District has previously established the General Fund, which the District agrees to continue to hold and maintain for the purposes and uses set forth in this Financing Agreement. The District shall deposit all Gross Revenues in the General Fund immediately upon receipt for as long as the Obligations remain outstanding. The District hereby covenants and agrees that all Gross Revenues, when and as received, will be received and held by the District in trust for the benefit of the Bank and owners of any Parity Debt, and will be disbursed, allocated and applied to pay when due the following amounts in the following order of priority:

(i) **Interest.** On each Obligation Payment Date on which the interest component of the Obligations and any outstanding Parity Debt is payable, all moneys in the General Fund shall be used and withdrawn by the District for the purpose of paying interest on the Obligations and any outstanding Parity Debt as it shall become due and payable (including accrued interest on any Obligations purchased or redeemed prior to maturity pursuant to this Financing Agreement). In the event that the amounts on deposit in the General Fund on any Obligation Payment Date are insufficient for any reason to pay the aggregate amount of interest then coming due and payable on the outstanding Obligations and any outstanding Parity Debt, the District shall apply such amounts to the payment of interest on each of the outstanding Obligations and Parity Debt on a pro rata basis.

(ii) **Principal.** On each Obligation Payment Date on which the principal component of the Obligations and any outstanding Parity Debt is payable, all moneys in the General Fund shall be used and withdrawn by the District for the purpose of paying the principal of the Obligations

and any outstanding Parity Debt at the maturity date or upon sinking account redemption, as the case may be. In the event that the amounts on deposit in the General Fund on each Obligation Payment Date on which the principal component of the Obligations and any outstanding Parity Debt is payable are insufficient for any reason to pay the aggregate amount of principal then coming due and payable on the Obligations and any outstanding Parity Debt, the District shall apply such amounts to the payment of principal on each of the Obligations and any outstanding Parity Debt on a pro rata basis.

(iii) The District shall establish and maintain a Redemption Account, amounts in which shall be used and withdrawn by the District solely for the purpose of paying the principal of and premium (if any) on the Principal Components to be redeemed pursuant to Section 3.4 or 3.5 hereof.

(iv) To the trustee or appropriate fiduciary, the amount of any deficiency in any reserve fund established for any Parity Debt, the notice of which deficiency has been given to the District in accordance with the related Parity Debt Documents.

(v) Any other payments required to comply with the provisions of this Financing Agreement and any respective Parity Debt Documents.

(vi) After the above disbursements have been satisfied, and so long as no Event of Default has occurred and is continuing, the District may use and apply moneys in the General Funds for (i) the payment of all Operation and Maintenance Costs of the District, (ii) the payment of any respective Subordinate Debt or any unsecured obligations, (iii) the acquisition and construction of improvements to the District, (iv) the prepayment of any other obligations of the District, or (v) any other lawful purposes of the District.

**Section 4.4. No Preference or Priority.** Payment of the Obligation Payments and the principal of and interest on any Parity Debt shall be made without preference or priority. If the amount of Gross Revenues on deposit in the General Fund is any time insufficient to enable the District to pay when due the Obligation Payments and the principal of and interest on any applicable Parity Debt, such payments will be made on a pro rata basis.

**Section 4.5. Special Obligation of the District; Obligations Absolute.** The District's obligation to pay the Obligation Payments shall be a special obligation of the District limited solely to Gross Revenues and amounts on deposit in the General Fund. Under no circumstances shall the District be required to advance moneys derived from any source of income other than Gross Revenues and other sources specifically identified herein for the payment of the Obligation Payments, nor shall any other funds or property of the District be liable for the payment of the Obligation Payments. Notwithstanding the foregoing provisions of this Section, however, nothing herein is intended to prohibit the District voluntarily from making any payment hereunder from any source of available funds of the District.

The obligations of the District to pay the Obligation Payments from Gross Revenues, and to perform and observe the other agreements contained herein, shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the District, the Bank of any obligation to the District or otherwise, whether

hereunder or otherwise, or out of indebtedness or liability at any time owing to the District by the Bank. Until such time as all of the Obligation Payments shall have been fully paid or prepaid, the District (a) will not suspend or discontinue payment of any Obligation Payments, (b) will perform and observe all other agreements contained in this Financing Agreement, and (c) will not terminate this Financing Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to District facilities, sale of District facilities, the taking by eminent domain of title to or temporary use of any component of District facilities, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the State or any political subdivision of either thereof or any failure of the Bank to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Financing Agreement.

## ARTICLE V

### COVENANTS OF THE DISTRICT

**Section 5.1. Operation and Maintenance of the District.** The District will maintain and preserve the Enterprise and its assets in good repair and working order at all times and will operate the District in an efficient and economical manner.

**Section 5.2. Against Sale or Other Disposition of Property.** Other than the Prior Obligations and as may be required to issue future Parity Debt, the District will not sell, lease, or otherwise dispose of District facilities that are essential to the proper operation of the District or to the maintenance of Gross Revenues and Net Revenues. The District will not enter into any agreement or lease that impairs the operations of the District necessary to secure adequate Gross Revenue and Net Revenues for the payment of the Obligations or that would otherwise impair the rights of the District with respect to the Gross Revenues and Net Revenues. Any real or personal property that has become nonoperative or that is not needed for the efficient and proper operation of the District, or any material or equipment that has become worn out, may be sold at not less than the fair market value thereof. The District shall deposit the proceeds of such sale in the General Fund.

**Section 5.3. Rates, Fees, and Charges.**

(a) **Covenant to Maintain Gross Revenues.** The District shall at all times do and perform all acts and things permitted by law that are necessary to maintain in full force and effect its rights to receive revenues from its current sources of Gross Revenues and shall take no action that would result in the reduction of the amount of revenues from any such source. The District shall fix, prescribe, assess, revise and collect rates, assessments, fees and charges for District services and facilities during each Fiscal Year, which are at least sufficient, after making allowances for contingencies and error in the estimates, to yield Gross Revenues sufficient to pay 100% of the following amounts in the following order of priority:

- (i) the Obligation Payments during such Fiscal Year;

(ii) all Operation and Maintenance Costs estimated by the District to become due and payable in such Fiscal Year;

(iii) all other payments required for compliance with this Financing Agreement and the instruments pursuant to which any Parity Debt shall have been issued; and

(iv) all payments required to meet any other obligations of the District which are charges, liens, encumbrances upon or payable from the Gross Revenues.

(b) **Covenant to Maintain Net Revenues.** In addition, the District shall fix, prescribe, revise, assess and collect rates, assessments, fees and charges for District services and facilities during each Fiscal Year that are sufficient to yield Net Revenues which, when added to other funds transferred from the Rate Stabilization Fund, and which are lawfully available to the District for payment of the items listed in clauses (ii) and (iii) above during such Fiscal Year, will aggregate an amount at least equal to Debt Service Coverage Requirement in such Fiscal Year for the Obligation Payments and any Parity Debt which has a lien on such Net Revenues.

(c) **Transfers from Rate Stabilization Fund.** For purposes of this Section 5.3, the amount of Net Revenues or Gross Revenues of the District for a Fiscal Year will include amounts transferred into the General Fund from the Rate Stabilization Fund during such Fiscal Year.

(d) **Effect of Violation of Rate Covenants.** If the District violates the covenants set forth in subsections (a) or (b) hereof, but otherwise makes its scheduled Obligation Payments when due, such violation shall not, in and of itself, constitute an Event of Default under this Financing Agreement so long as within 120 days after the date such violation is discovered, the District either (y) transfers enough moneys from the Rate Stabilization Fund sufficient to yield estimated applicable Net Revenues which are at least equal to one hundred ten percent (110%) of the aggregate amount of Debt Service on the Obligations and any Parity Debt payable from Net Revenues coming due and payable during such Fiscal Year in compliance with subsection (b) of this Section 5.3, or (z) hires an Independent Consultant to review the revenues and expenses of the District, and abides by such consultant's recommendations to revise the schedule of rates, assessments, fees, expenses and charges, and to revise any Operation and Maintenance Costs insofar as practicable, and to take such other actions as are necessary so as to produce Net Revenues to cure such violation for future compliance; *provided, however*, that, if the District does not, or cannot, transfer from the Rate Stabilization Fund the amount necessary to comply with subsection (a) or (b), as applicable, hereof, or otherwise cure such violation within one year after the date such violation is discovered, an Event of Default shall be deemed to have occurred under Section 6.1(a)(2) hereof, unless otherwise agreed to by the Bank.

(e) **Rate Stabilization Fund.** There is hereby created a separate fund to be known as the "Rate Stabilization Fund," to be held and maintained by the District. The District shall have the right to deposit into the Rate Stabilization Fund from time to time any amount of funds which are legally available therefor; provided that deposits for each Fiscal Year may be made until (but not after) one hundred eighty (180) days following the end of such Fiscal Year, unless otherwise agreed to by the Bank.

For the purpose of computing the amount of Gross Revenues for any Fiscal Year for purposes of the preceding subsection (a), or the amount of Net Revenues for any Fiscal Year for purposes of the preceding subsection (b), the District shall be permitted to transfer amounts on deposit in the Rate Stabilization Fund to the General Fund, such transfers to be made until (but not after) one hundred eighty (180) days after the end of such Fiscal Year. In addition, the District shall be permitted to withdraw amounts on deposit in the Rate Stabilization Fund for any other lawful purpose.

**Section 5.4. Collection of Rates and Charges.** The District will always have in effect rules and regulations requiring each consumer or customer utilizing the District facilities and/or services to pay the rates, assessments, fees and charges applicable to such use or benefit received.

**Section 5.5. Reserved.**

**Section 5.6. Insurance.** (a) The District will procure and maintain insurance on the District facilities with commercial insurers or through participation in a joint powers insurance authority, in such amounts, with such deductibles and against such risks (including accident to or destruction of the District facilities) as are usually insurable in accordance with industry standards with respect to similar fire district facilities.

In the event of any damage to or destruction of District facilities caused by the perils covered by such insurance, the proceeds of such insurance shall be applied to the repair, reconstruction or replacement of the damaged or destroyed portion of the District facilities. The District shall cause such repair, reconstruction or replacement to begin promptly after such damage or destruction shall occur and to continue and to be properly completed as expeditiously as possible, and shall pay out of the proceeds of such insurance all costs and expenses in connection with such repair, reconstruction or replacement so that the same shall be completed and the District facilities shall be free and clear of all liens and claims. If the proceeds received by reason of any such loss shall exceed the costs of such repair, reconstruction or replacement, the excess shall be applied to prepay the Obligations and any other Parity Debt, on a pro rata basis, in the manner provided in Section 3.5 hereof and in the instruments authorizing such Parity Debt.

Alternatively, if the proceeds of such insurance are sufficient to enable the District to retire all outstanding the Obligations and all Parity Debt and all other amounts due hereunder, the District may elect not to repair, reconstruct or replace the damaged or destroyed portion of the District facilities, and thereupon such proceeds shall be applied to the prepayment of the Obligations and such Parity Debt and to the payment of all other amounts due hereunder, and as otherwise required by the documents pursuant to which other Parity Debt were issued.

(b) The District will procure and maintain commercial general liability insurance covering claims against the District for bodily injury or death, or damage to property, occasioned by reason of the ownership or operation of District facilities, such insurance to afford protection in such amounts and against such risks as are usually covered in connection with similar fire districts in California.

(c) The District will procure and maintain workers' compensation insurance against liability for compensation under the Workers' Compensation Insurance and Safety Act of



California, or any act hereafter enacted as an amendment or supplement or in lieu thereof; such insurance to cover all persons employed in connection with the District.

(d) All policies of insurance required to be maintained herein shall provide that the Bank shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

(e) In lieu of obtaining insurance coverage as required by this Section, such coverage may, with the prior written consent of the Bank, be maintained by the District in the form of self-insurance. The District shall certify to the Bank that (i) the District has segregated amounts in a special insurance reserve meeting the requirements of this Section; (ii) an Insurance Consultant certifies annually, on or before July 1 of each year in which self-insurance is maintained, in writing to the Bank that the District's general insurance reserves are actuarially sound and are adequate to provide the necessary coverage; and (iii) such reserves are held in a separate trust fund by an 'independent' trustee. Any statements of self-insurance shall be delivered to the Bank. The District shall pay or cause to be paid when due the premiums for all insurance policies required hereby.

The District shall cause the Bank to be named as an additional insured with respect to the District's liability insurance, and as a loss payee with respect to any property damage insurance. The District shall not allow any insurance to expire without thirty (30) days prior written notice to the Bank.

**Section 5.7. Eminent Domain.** If all or any part of the District facilities shall be taken by eminent domain proceedings, the resulting Net Proceeds thereof shall be applied as follows:

(a) If (1) the District delivers to the Bank a Certificate of the District showing (i) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions or improvements to the District facilities proposed to be acquired by the District from any Net Proceeds, and (iii) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements, and (2) on the basis of such certificate, determines that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive); then the District shall promptly proceed with the acquisition of such additions, betterments, extensions or improvements substantially in accordance with such Certificate of the District and such Net Proceeds shall be applied for the payment of the costs of such acquisition, and any balance of such Net Proceeds not required by the District for such purpose shall be applied to prepay the Principal Components and the principal amount of any other Parity Debt, on a pro rata basis, in the manner provided in Section 3.5 hereof and in the instruments authorizing such other Parity Debt.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied to prepay the Principal Components of the Obligations and the principal amounts of any other Parity Debt, on a pro rata basis, in the manner provided in Section 3.5 hereof and in the instruments authorizing such other Parity Debt.

**Section 5.8. Additional Information.** The District agrees to furnish to the Bank, promptly, from time to time, such information regarding the operations, financial condition and property of the District as the Bank may reasonably request.

**Section 5.9. Compliance with Law and Contracts.** The District will faithfully comply with, keep, observe, and perform all valid and lawful obligations or regulations now or hereafter imposed on its operation of the District by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board, or commission having jurisdiction or control.

**Section 5.10. Punctual Payment.** The District will punctually pay the principal and interest to become due in respect of the Obligations, in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not rescind this Financing Agreement for any cause.

**Section 5.11. No Ratings; No Reoffering or Reissuance.** The District shall not cause the Obligations or the Note to be (i) assigned a specific rating by any rating agency, (ii) reoffered or reissued pursuant to any type of official statement, private placement memorandum or other offering document, or (iii) placed or offered by a broker-dealer in the capacity of an underwriter or a placement agent.

**Section 5.12. Protection of Security and Rights of the Bank.** The District will preserve and protect the security of the Obligations and the rights of the Bank and will warrant and defend the Bank's rights against all claims and demands of all persons. From and after the Closing Date, the Obligations shall be incontestable by the District.

**Section 5.13. Parity Debt.**

(a) So long as the Obligations are outstanding, the District shall not issue or incur any obligations payable from Gross Revenues or Net Revenues senior or superior to the payment of Debt Service on the Obligations. The District may at any time issue Parity Debt payable from Gross Revenues on a parity with Debt Service on the Obligations to provide financing or refinancing for the District in such principal amount as shall be determined by the District. The District may issue or incur any such Parity Debt subject to the following specific conditions, which are hereby made conditions precedent to the issuance and delivery of such Parity Debt:

(1) No Event of Default shall have occurred and be continuing;

(2) The District delivers to the Bank prior to such incurrence a Certificate of the District (i) certifying that the issuance or incurrence of such Parity Debt will not have any adverse effect on the tax-exempt status of any outstanding Parity Debt, if applicable, and (ii) demonstrating that the estimated Debt Service Coverage Requirement (calculated to include Additional Revenues but without taking into account any amounts transferred into the General Fund from the Rate Stabilization Fund pursuant to Section 5.3(e) hereof) for the most recent Fiscal Year or as shown by the books of the District for any other 12-month period selected by the District ending not more than 180 days prior to the date of issuance of such Parity Debt, was at least equal to the Debt Service Coverage Requirement

for such period when adjusted to include approximate annual debt service for such proposed Parity Debt as if it had been outstanding during such period; and

(3) Except with respect to the Obligations, and at the District's sole discretion, there may be established from the proceeds of such Parity Debt a reserve fund for the security of such Parity Debt.

The provisions of subsection (a)(2) of this Section shall not apply to any Parity Debt if, and to the extent that (i) all of the proceeds of such Parity Debt (other than proceeds applied to pay costs of issuing such Parity Debt and to make the reserve fund deposit required pursuant to subsection (a)(3) of this Section) shall be deposited in an irrevocable escrow held in cash or invested in Federal Securities for the purpose of paying the principal of and interest and premium (if any) on such outstanding Parity Debt, and (ii) at the time of the incurring of such Parity Debt, the District certifies in writing that maximum annual debt service on such Parity Debt will not exceed Maximum Annual Debt Service on the outstanding Parity Debt being refunded, and (iii) the final maturity of such Parity Debt is not later than the final maturity of the Parity Debt being refunded.

(b) In order to maintain the parity relationship of debt service payments on all Parity Debt permitted hereunder, the District covenants that all payments in the nature of principal and interest or reserve account replenishment with respect to any Parity Debt, will be structured to occur semi-annually on February 1 and August 1, in each year as such payments are due with respect to the Debt Service payments, and reserve account replenishment with respect to any Parity Debt will be structured to occur within one year, and to otherwise structure the terms of such Parity Debt to ensure that they are in all respects payable on a parity with the Debt Service payments on the Obligations and all Parity Debt, and not prior thereto.

(c) The Parity Debt Document under which Parity Debt is issued shall require that:

(i) An Event of Default under this Financing Agreement shall constitute an event of default under such Parity Debt Document;

(ii) An event of default under such Parity Debt Document shall constitute an Event of Default under this Financing Agreement;

(iii) Prior to exercising any remedies in an event of default under such Parity Debt Document, the holders of such Parity Debt (or a trustee representing their interest) shall be required to cooperate with the Bank and vice versa;

(iv) Remedies upon an event of default shall be substantially the same as the remedies provided in this Financing Agreement, and, prior to exercising any such remedies, the holders of such Parity Debt (or a trustee or insurer representing their interest) shall be required to cooperate with the Bank to the end that the interests of such holders and the Bank shall be equally protected;

(v) Interest on such Parity Debt will be payable on February 1 and August 1 in each year of the term of such Parity Debt, and the principal of such Parity Debt will be

payable annually on August 1 (or, alternatively, semiannually on February 1 and August 1) in any year in which principal is payable;

(vi) An opinion of Bond Counsel delivered to the Bank that the delivery of the Parity Debt has been duly authorized by the District in accordance with this Financing Agreement, and that the Parity Debt will be legally valid and binding limited obligations of the District; and

(vii) The District will deliver to the Bank a Certificate of the District certifying that the conditions precedent to the issuance of such Parity Debt set forth herein have been satisfied.

(d) Any collateral given or to be given to secure Parity Debt shall also secure the Obligations on a pari passu basis.

(e) The District may at any time execute any Subordinate Obligations upon satisfaction of the conditions set forth in Section 5.13(a) above, but on a subordinate basis to the Obligation Payments and any outstanding Parity Debt; and further provided that the District delivers to the Bank prior to such incurrence a Certificate of the District demonstrating that the estimated Debt Service Coverage Requirement for the most recent Fiscal Year or as shown by the books of the District for any other 12-month period selected by the District ending not more than 90 days prior to the date of issuance of such Subordinate Debt, was at least equal to the Required Subordinate Debt Service Coverage Requirement (rather than the Debt Service Coverage Requirement that is otherwise required for the incurrence of Parity Debt) for such period when adjusted to include approximate annual debt service for such proposed Subordinate Debt as if it had been outstanding during such period.

**Section 5.14. Against Encumbrances.** The District hereby covenants and agrees that it shall not incur any obligations that are secured by a pledge and lien on the Gross Revenues or Net Revenues that is senior to the pledge and lien on the Gross Revenues and Net Revenues contained herein. The District will not make any pledge of or place any lien on the Gross Revenues or Net Revenues except as provided herein.

**Section 5.15. Further Assurances.** The District will adopt, make, execute and deliver any and all further resolutions, instruments, and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Bank of the rights and benefits provided to it herein.

**Section 5.16. Financial Reports.**

(a) **Delivery of Financial Reports.** Promptly upon receipt by the District and in no event later than two hundred seventy (270) days after the close of each Fiscal Year (unless otherwise agreed in writing by the Bank), the District will furnish, or cause to be furnished, to the Bank an audit report of an Independent Certified Public Accountant with respect to such Fiscal Year, covering the operations of the District for said Fiscal Year. Such audit report shall include statements of the status of each account pertaining to the District, showing the amount and source of all deposits therein, the amount and purpose of the withdrawals therefrom and the balance therein at the beginning and end of said Fiscal Year (the "Financial Reports").

(b) **Delivery of Debt Service Coverage Compliance Certificate.** Annually, concurrently with the delivery of the Financial Reports, the District shall provide the Bank a Certificate in substantially the form attached hereto as Exhibit E, certifying as to whether or not the Net Revenues for such Fiscal Year were equal to the Debt Service Coverage Requirement for such Fiscal Year, calculated as provided in Section 5.3 hereof. In addition, each Fiscal Year commencing 2022 the District shall deliver to the Bank, within thirty (30) days of its adoption, a copy of the District's adopted budget for the then current Fiscal Year. The District shall also deliver to the Bank a copy of any update to the District's budget adopted for a Fiscal Year with thirty (30) days of the adoption of such updated budget.

**Section 5.17. Observance of Laws and Regulations.** The District will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired and enjoyed by the District, including the District's right to exist and carry on business as a California fire protection district, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

**Section 5.18. Budget.** The District hereby covenants to take such action as may be necessary to include all Obligation Payments and all other amounts due hereunder in its annual budget and to make the necessary annual appropriations for all such Obligation Payments and all other amount due hereunder.

**Section 5.19. Notices.** The District shall provide to the Bank:

(a) Immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Financing Agreement, together with a detailed statement by an Authorized Representative of the steps being taken by the District to cure the effect of such Event of Default.

(b) Prompt written notice (i) of any action, suit or proceeding or any investigation, inquiry or similar proceeding by or before any court or other governmental authority, domestic or foreign, against the District or the Gross Revenues which involve claims equal to or in excess of \$1,000,000 or that seeks injunctive relief, or (ii) of any loss or destruction of or damage to any portion of the District's assets in excess of \$1,000,000.

(c) Prompt written notice of any Material Litigation, or any investigation, inquiry or similar proceeding by any Governmental Authority with respect to any matter that relates to or could impact Gross Revenues.

(d) Promptly upon notice thereof, any termination or cancellation of any insurance policy which the District is required to maintain, or any uninsured or partially uninsured loss through liability or property damage, or through fire, theft or any other cause affecting the District property in excess of an aggregate of \$1,000,000.

(e) With reasonable promptness, such other information respecting the operations, affairs and financial condition of the District as the Bank may from time to time reasonably request.

## ARTICLE VI

### EVENTS OF DEFAULT AND REMEDIES

#### **Section 6.1. Events of Default and Remedies.**

(a) **Events of Default.** The following shall be Events of Default hereunder:

(1) Failure by the District to pay any Principal Component or Interest Component on the Obligations when due and payable.

(2) Failure by the District to observe and perform any covenant, condition or agreement on its part contained herein, other than in clause (1) of this subsection (or as otherwise specifically provided for herein), for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Bank; *provided, however*, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such thirty (30) day period, the Bank shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within such thirty (30) day period and diligently pursued until the default is corrected.

(3) Default by the District under any Parity Debt Documents.

(4) Institution of any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency, or similar law or any law providing for the appointment of a receiver, liquidator, trustee, or similar official of the District or of all or substantially all of its assets, by or with the consent of the District, or institution of any such proceeding without its consent that is not permanently stayed or dismissed within sixty (60) days, or agreement by the District with the District's creditors to effect a composition or extension of time to pay the District's debts, or request by the District for a reorganization or to effect a plan of reorganization, or for a readjustment of the District's debts, or a general or any assignment by the District for the benefit of the District's creditors.

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

(6) Dissolution, termination of existence or insolvency of the District.

(7) Any court of competent jurisdiction with jurisdiction to rule on the validity of any provision of this Financing Agreement shall find or rule that this Financing Agreement is not valid or not binding on the District.

(b) **Remedies on Default.** Whenever any Event of Default shall have happened and be continuing, the interest on the Obligations shall accrue, at the option of the Bank, at the Default Rate to the extent permitted by law, and, additionally, the Bank shall have the right, at its option upon notice to the District, to declare the unpaid aggregate Principal Components of the Obligations, and the interest accrued thereon, to be immediately due and payable, whereupon the same shall immediately become due and payable.

The Bank shall also have the right, at its option upon notice to the District, to (i) apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require officials of the District to charge and collect rates and/or make reductions in expenses and services provided by the District sufficient to meet all requirements of this Financing Agreement, and (ii) take whatever action at law or in equity as may appear necessary or desirable to collect the Obligation Payments then due or thereafter to become due during the Term of this Financing Agreement, or enforce performance and observance of any obligation, agreement or covenant of the District under this Financing Agreement.

**Section 6.2. Application of Funds Upon Acceleration.** Upon the date of the declaration of acceleration as provided in Section 6.1, all Gross Revenues thereafter received by the District shall be applied in the following order:

First, to the payment, without preference or priority, and in the event of any insufficiency of such Gross Revenues ratably without any discrimination or preference, of the fees, costs and expenses of the Bank and any Parity Debt owners, if any, in carrying out the provisions of this article, including reasonable compensation to their respective accountants and counsel; and

Second, to the payment of the entire unpaid aggregate Principal Components of the Obligations, and the unpaid principal amount of any other Parity Debt secured by Gross Revenues, and the accrued interest thereon, with interest on the overdue payments at the rate or rates of interest applicable to the Obligations and such other Parity Debt obligations if paid in accordance with their respective terms.

**Section 6.3. Other Remedies of the Bank.** The Bank shall have the right:

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

(b) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Bank; or

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

Notwithstanding anything contained herein the Bank shall have no security interest in or mortgage on the Project or the Enterprise and default hereunder shall not result in the loss of the Project or the Enterprise.

**Section 6.4. Non-Waiver.** Nothing in this article or in any other provision hereof, or in the Obligations, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Obligations to the Bank when due, as herein provided, out of the Gross Revenues herein pledged for such payment, or shall affect or impair the right of the Bank, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied in this Financing Agreement.

A waiver of any default or breach of duty or contract by the Bank shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Bank to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Bank by law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Bank. If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Bank, the District and the Bank shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

**Section 6.5. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Bank is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

## ARTICLE VII

### NOTICES

**Section 7.1. Notices.** All written notices under this Financing Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice is effective either (a) upon actual receipt after deposit in the United States mail, postage prepaid, or (b) in any other case, upon actual receipt. The District or the Bank may, by written notice to the other parties, from time to time modify the address or number to which communications are given hereunder.



If to the District:        Ebbetts Pass Fire Protection District  
                                 1037 Blagen Road  
                                 Arnold, CA 95223  
                                 Phone: (209) 795-1646  
                                 Attention: Fire Chief

If to the Bank:            Umpqua Bank  
                                 2998 Douglas Boulevard, Suite 100  
                                 Roseville, California 95661  
                                 Attention: Dean Stephens

## **ARTICLE VIII**

### **AMENDMENTS; DISCHARGE; GENERAL AUTHORIZATION; EFFECTIVE DATE**

#### **Section 8.1.    Amendments Permitted.**

(a)     This Financing Agreement and the rights and obligations of the District and of the Bank may be modified or amended at any time by a written supplemental agreement entered into by the District and the Bank.

(b)     From and after the time any supplemental agreement becomes effective pursuant to this Article, this Financing Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Financing Agreement and the Bank shall thereafter be determined, exercised, and enforced hereunder subject in all respects to such modification and amendments, and all the terms and conditions of any such supplemental agreement shall be deemed to be part of the terms and conditions of this Financing Agreement for any and all purposes.

#### **Section 8.2.    Discharge of Financing Agreement.**

(a)     If the District shall pay or cause to be paid or there shall otherwise be paid to the Bank the principal of and the interest and the prepayment premium, if any, on this Financing Agreement at the times and in the manner stipulated herein, then all agreements, covenants and other obligations of the District to the Bank hereunder shall thereupon cease, terminate and become void and be discharged and satisfied.

(b)     This Financing Agreement shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this section if (1) in case this Financing Agreement is to be prepaid on any date prior to its final principal payment date, the District shall have mailed a notice of prepayment to the Bank, (2) there shall have been deposited with the Bank, or an escrow agent reasonably acceptable to the Bank, either money in an amount that shall be sufficient or direct obligations of the United States of America that are not subject to redemption except by the holder thereof prior to maturity (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), the interest on and principal of which when paid will provide money that, together with the money, if

any, deposited with the Bank or such escrow agent at the same time, shall be sufficient to pay when due the interest to become due on this Financing Agreement on and prior to the final principal payment date or prepayment date thereof, as the case may be, and the principal of and prepayment premiums, if any, on this Financing Agreement on and prior to the final principal payment date or the prepayment date thereof, as the case may be, and (3) if this Financing Agreement is not subject to prepayment within the next succeeding sixty (60) days, the District shall have mailed a notice to the Bank that the deposit required by clause (2) above has been made with the Bank or such escrow agent and that this Financing Agreement is deemed to have been paid in accordance with this section and stating the principal payment dates or prepayment date, as the case may be, upon which money is to be available for the payment of the principal of and prepayment premiums, if any, on this Financing Agreement.

**Section 8.3. General Authorization.** The Authorized Representatives of the District, and each of them individually, are hereby authorized and directed, for and in the name of and on behalf of the District, to execute and deliver any and all documents (including, but not limited to, this Financing Agreement, the Payment Instructions and the Note), to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, in order to consummate the financing and to effect the purposes of this Financing Agreement and/or the Resolution. All actions heretofore taken by officers, employees, and agents of the District that are in conformity with the purposes and intent of this Financing Agreement and/or the Resolution are hereby approved, confirmed, and ratified.

**Section 8.4. Binding Effect.** This Financing Agreement shall inure to the benefit of and shall be binding upon the Bank and the District and their respective successors and assigns.

**Section 8.5. Severability.** In the event any provision of this Financing Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 8.6. Further Assurances and Corrective Instruments.** The Bank and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Financing Agreement.

**Section 8.7. Applicable Law.** This Financing Agreement shall be governed by and construed in accordance with the laws of the State of California.

**Section 8.8. Captions.** The captions or headings in this Financing Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Financing Agreement.

**Section 8.9. Expenses.** The fees and disbursements of Bond Counsel, the fees and disbursements of the financial advisor to the District, the fees and disbursements of the placement agent to the District, the cost of preparing the documentation, CDIAAC fees, fees of Bank's Counsel and other miscellaneous expenses of the District incurred in connection with the Obligations shall all be the obligation of the District. The Bank shall have no responsibility for any expenses associated with the issuance of the Obligations, including, but not limited to, the expenses

identified above as the obligation of the District.

**Section 8.10. Agreement to Pay Attorneys' Fees and Expenses.** The District will pay the Bank its reasonable attorney fees incurred subsequent to an Event of Default.

**Section 8.11. Sovereign Immunity.** The District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under this Financing Agreement or otherwise with respect to the Note. To the extent the District has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the District hereby waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Financing Agreement or otherwise with respect to the Note.

**Section 8.12. Judicial Reference.**

(a) The Bank and the District hereby agree: (i) each proceeding or hearing based upon or arising out of, directly or indirectly, this Financing Agreement or any document related thereto, any dealings between the District and the Bank related to the subject matter of this Financing Agreement or any related transactions, and/or the relationship that is being established between the District and the Bank (hereinafter, a "Claim") shall be determined by a consensual general judicial reference (the "Reference") pursuant to the provisions of Section 638 et seq. of the California Code of Civil Procedure, as such statutes may be amended or modified from time to time; (ii) upon a written request, or upon an appropriate motion by either the Bank or the District, as applicable, any pending action relating to any Claim and every Claim shall be heard by a single Referee (as defined below) who shall then try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The Referee's statement of decision will constitute the conclusive determination of the Claim. The Bank and the District agree that the Referee shall have the power to issue all legal and equitable relief appropriate under the circumstances before the Referee; (iii) the Bank and the District shall promptly and diligently cooperate with one another, as applicable, and the Referee, and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of all Claims in accordance with the terms of this Section 8.12; (iv) either the Bank or the District, as applicable, may file the Referee's findings, conclusions and statement with the clerk or judge of any appropriate court, file a motion to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by such court, the Referee may be required to complete the report and resubmit it; (v) the District and the District, as applicable, will each have such rights to assert such objections as are set forth in Section 638 et seq. of the California Code of Civil Procedure; and (vi) all proceedings shall be closed to the public and confidential, and all records relating to the Reference shall be permanently sealed when the order thereon becomes final.

(b) The parties to the Reference proceeding shall select a single neutral referee (the "Referee"), who shall be a retired judge or justice of the courts of the State of California, or a federal court judge, in each case, with at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed in accordance with Section 638 of the California Code of Civil Procedure (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts). If within ten (10) days after the request or motion for

the Reference, the parties to the Reference proceeding cannot agree upon a Referee, then any party to such proceeding may request or move that the Referee be appointed by the Presiding Judge of the Calaveras County Superior Court, or of the U.S. District Court for the Northern District of California. The Referee shall determine all issues relating to the applicability, interpretation, legality and enforceability of this Section 8.12.

(c) No provision of this Section 8.12 shall limit the right of either the Bank or the District, as the case may be, to (i) exercise such self-help remedies as might otherwise be available under applicable law, or (ii) obtain or oppose provisional or ancillary remedies, including without limitation injunctive relief, writs of possession, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction before, after, or during the pendency of any Reference. The exercise of, or opposition to, any such remedy does not waive the right of the Bank or the District to the Reference pursuant to this Section 8.12(c).

(d) Promptly following the selection of the Referee, the District shall advance the estimated fees and costs of the Referee. In the statement of decision issued by the Referee, the Referee shall award costs, including reasonable attorneys' fees, to the prevailing party, if any, and may order the Referee's fees to be paid or shared by the parties to such Reference proceeding in such manner as the Referee deems just.

**Section 8.13. Execution in Counterparts.** This Financing Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

*[Signature Page to Follow on Next Page]*

IN WITNESS WHEREOF, the Bank has caused this Financing Agreement to be executed in its corporate name by its duly authorized officer; and the District has caused this Financing Agreement to be executed in its name by its Authorized Representative, as of the date first above written.

UMPQUA BANK,  
an Oregon state chartered bank

By: \_\_\_\_\_  
Authorized Officer

EBBETTS PASS  
FIRE PROTECTION DISTRICT

By: \_\_\_\_\_  
Mike Johnson, Fire Chief

**EXHIBIT A**

## 2021 OBLIGATION PAYMENT SCHEDULE

[illegible]

**EXHIBIT B**

**§ \_\_\_\_\_  
EBBETTS PASS FIRE PROTECTION DISTRICT  
SERIES 2021 TAXABLE REVENUE OBLIGATIONS  
(CALPERS UAL PREPAYMENT PROJECT)**

**FORM OF PURCHASER LETTER**

Ebbetts Pass Fire Protection District  
Arnold, California

Weist Law LLP  
Los Gatos, California

This letter (this "Letter") is to provide you with certain representations and agreements with respect to the above-referenced \$ \_\_\_\_\_ aggregate principal amount of the Ebbetts Pass Fire Protection District, Series 2021 Taxable Revenue Obligations (CalPERS UAL Prepayment Project), as evidenced by a Promissory Note, dated July \_\_, 2021 (the "Note," and collectively, the "2021 Obligations"). The 2021 Obligations were approved by the District pursuant to Resolution No. 2021-\_\_ (the "Resolution"), adopted by the Board of Directors of the Ebbetts Pass Fire Protection District (the "District") on July 20, 2021, and was executed and delivered pursuant to a 2021 Financing Agreement, dated as of July 1, 2021, by and between Umpqua Bank, an Oregon state chartered bank (the "Bank") and the District (the "Agreement"). Capitalized terms not otherwise defined herein will have the meanings set forth in the Agreement.

We (the "undersigned," "us" or "we," as applicable) hereby represent and warrant to you and agree with you as follows:

(i) the Bank is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was incorporated or formed and has the full legal right, power and authority to sign this Letter;

(ii) the undersigned is a duly authorized, qualified, and acting officer of the Bank and is authorized to cause the Bank to make the representations and warranties contained herein on behalf of the Bank, and this Letter has been duly authorized, executed, and delivered by the Bank;

(iii) the Bank has sufficient knowledge and experience in financial and business matters, including municipal and other tax-exempt and taxable obligations similar to the 2021 Obligations, to be able to evaluate the risks and merits of the obligation represented by the 2021 Obligations and is able to bear the economic risks of such obligation;

(iv) the Bank understands that the neither the 2021 Obligations nor the Agreement have been registered with any federal or state securities agency or commission; and further understands that the 2021 Obligations and the Agreement (a) are not being registered or otherwise qualified for

sale under the “Blue Sky” laws and regulations of any state; (b) will not be listed in any stock or other securities exchange; and (c) will not carry a rating from any rating service;

(v) we have made our own credit inquiry and analysis with respect to the District and the 2021 Obligations, and the Bank acknowledges that it has either been supplied with or has been given access to information to which a reasonable banking institution would attach significance in making lending and investment decisions, and the Bank has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the legal, physical and fiscal condition of the District, as well as the insurance, security and prepayment arrangements set forth in the Agreement and the 2021 Obligations, so that, as a lender and investor, the Bank has been able to make an informed decision to purchase the 2021 Obligations;

(vi) the Bank understands and acknowledges that no official statement, offering memorandum or any disclosure document has been prepared, nor is any contemplated to be prepared, and that there is no reserve fund required for the 2021 Obligations;

(vii) the Bank understands and acknowledges it is purchasing the 2021 Obligations on a private placement basis, and it is not intended that the transaction be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, and therefore the District has not undertaken, other than as provided in the Agreement, to provide to or for the benefit of holders of the 2021 Obligations financial or operating data or any other information with respect to the District or the 2021 Obligations on an ongoing basis, other than as specifically set forth in the Agreement;

(viii) the Bank has made its own inquiry and analysis with respect to the 2021 Obligations and the security therefore, and other material factors affecting the security and payment of the 2021 Obligations;

(ix) the Bank is either:

(a) an “accredited investor” as such term is defined in Section 2(15) of the Securities Act of 1933, as amended (the “Securities Act”); or

(b) a “qualified institutional buyer” as such term is defined in Rule 144A promulgated under the Securities Act;

(x) the Bank is purchasing the 2021 Obligations for its own account and not with present view toward resale or distribution, and we have not offered, offered to sell, offered for sale or sold any of the 2021 Obligations by means of any form of general solicitation or general advertising, and we are not an underwriter of the 2021 Obligations within the meaning of Section 2(11) of the Securities Act; *provided, however*, that the Bank reserves the right to sell, transfer, assign or redistribute the 2021 Obligations without the consent of the District in accordance with the Agreement and all applicable securities laws, but agrees that any such sale, transfer or redistribution by the Bank shall be:



(a) to any subsidiary of the Bank, any affiliate of the Bank, any entity arising out of any merger or consolidation of the Bank, or a trustee in bankruptcy of the Bank, as certified to the District by an officer of such transferee, but only to the extent allowable under the Securities Act;

(b) to any “accredited investor” (within the meaning of Section 2(15) of the 1933 Securities Act) or any “qualified institutional buyer” (within the meaning of Rule 144A promulgated under the Securities Act);

(c) to any bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any “accredited investor” as defined in clause (x), above, “qualified institutional buyer” as defined in clause (x), above, or on its own behalf as a “qualified institutional buyer” as defined in clause (x), above or an “accredited investor” as defined in clause (x), above), as certified to the District by an officer of such transferee; or

(d) to any trust or custodial arrangement each of the beneficial owners of which is required to be an “accredited investor” or “qualified institutional buyer” (as defined in clause (x), above);

(xi) the Bank recognizes that the 2021 Obligations involves significant risks, there is no established market for the 2021 Obligations and that none is likely to develop and, accordingly, the Bank is able and willing to bear the economic risk of the 2021 Obligations for an indefinite period of time;

(xii) the Bank further acknowledges that it is responsible for consulting with its advisors concerning any obligations, including, but not limited to, any obligations pursuant to federal and state securities and income tax laws it may have with respect to subsequent assignments or assignees of the 2021 Obligations if and when any such future disposition of the 2021 Obligations may occur;

(xiii) no person has made any direct or indirect representation or warranty of any kind to us with respect to the economic return which may accrue to us. We have consulted with our own tax counsel and other advisors with respect to the 2021 Obligations;

(xiv) the Bank acknowledges that Weist Law LLP (“Bond Counsel”) is acting as bond counsel to the District, that Bond Counsel has no attorney-client relationship with the Bank, and that the Bank has sought legal advice from its own counsel to the extent it concluded legal advice was necessary, and further that the Bank has not sought or relied upon financial advice from Bond counsel relating to its decision to purchase the 2021 Obligations; and

(xv) the Bank is not relying upon the District, Bond Counsel or any of their affiliates or employees for advice as to the merits and risks pertaining to the 2021 Obligations. The Bank has sought such accounting, legal and tax advice as it has considered necessary to make an informed lending decision.

IN WITNESS WHEREOF, the undersigned has executed this Letter as of the \_\_\_th day of \_\_\_\_\_, 20\_\_.

**UMPQUA BANK,**  
**an Oregon state chartered bank**

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**EXHIBIT C**

**FORM OF PROMISSORY NOTE**

No. R-1

\$\_\_\_\_\_.00

\$\_\_\_\_\_

**EBBETTS PASS FIRE PROTECTION DISTRICT  
SERIES 2021 TAXABLE REVENUE OBLIGATIONS  
(CALPERS UAL PREPAYMENT PROJECT)  
PROMISSORY NOTE**

**INTEREST RATE:** 3.310%

**CLOSING DATE:** July \_\_, 2021

**MATURITY DATE:** August 1, 2041

**REGISTERED OWNER:** UMPQUA BANK,  
an Oregon state chartered bank (and its successors and assigns)

**PRINCIPAL AMOUNT:** \_\_\_\_\_ MILLION \_\_\_\_\_ HUNDRED \_\_\_\_\_ THOUSAND \_\_\_\_\_  
HUNDRED DOLLARS

The Ebbetts Pass Fire Protection District (the "District") for value received, hereby promises to pay to the registered owner named above, or registered assigns (the "Owner"), on the Maturity Date set forth above, unless prepaid prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount from the Closing Date set forth above, or from the most recent Obligation Payment Date (as hereinafter defined) to which interest has been paid or duly provided for. Interest on the unpaid principal balance of this Note shall be payable semiannually on each February 1 and August 1, commencing February 1, 2022 (each, a "Obligation Payment Date"), at the interest rate set forth above, until the principal amount hereof is paid in full or made provision for such payment has been made; *provided, however*, that so long as there has occurred and is continuing an Event of Default (as defined in the Financing Agreement described below), the interest shall accrue, at the option of the Bank, at the Default Rate interest to the extent permitted by law.

This Note evidences the obligations (the "Obligations") of the District under a Financing Agreement dated as of July 1, 2021 (as may be amended, the "Financing Agreement"), between the District and Umpqua Bank, an Oregon state chartered bank (the "Bank"), which is being executed and delivered by the District to the Registered Owner to finance the prepayment of a portion of the District's unfunded accrued liability under the CalPERS Contract as described in the Financing Agreement. The District is authorized to enter into the Financing Agreement and to issue this Note in the aggregate principal amount of \$\_\_\_\_\_ pursuant to Resolution No. 2021-\_\_ (the "Resolution"), adopted by the Board of Directors of the District (the "District") on July 20, 2021, and Section 53570 *et seq.* of the California Government Code (the "Bond Law"). Reference

is made to the Financing Agreement for the complete provisions thereof, and by acceptance hereof the registered owner of this Note assents to said terms and conditions as if fully set forth herein. The Financing Agreement is authorized under, and this Note is issued under, and both are to be construed in accordance with, the Bond Law and other laws of the State of California.

Pursuant to the Bond Law, the Resolution and the Financing Agreement, the principal of and interest on this Note are payable from Gross Revenues (as defined in the Financing Agreement), and funds held under the Financing Agreement. The District has agreed in the Financing Agreement to collect Gross Revenues sufficient to pay the payments on the Obligations and the Note when due.

The Note is subject to optional prepayment as set forth in the Financing Agreement. The Note is also subject to extraordinary prepayment in accordance with the Financing Agreement.

This Note shall be registered in the name of the Registered Owner hereof, as to both principal and interest. Each registration and transfer of registration of this Note shall be entered by the District in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

The Financing Agreement and the rights and obligations of the District thereunder may be modified or amended as set forth therein. The principal of this Note is subject to acceleration upon a default as prescribed in the Financing Agreement.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED by the District that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other indebtedness of the District, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the District has caused this Note to be dated the Closing Date shown first above, to be signed by the manual signature of its Fire Chief and attested to by the manual signature of its Secretary, and has caused this Note to be dated as of the dated date set forth above.

**EBBETTS PASS FIRE PROTECTION DISTRICT**

By: \_\_\_\_\_  
Mike Johnson, Fire Chief

ATTEST:

By: \_\_\_\_\_  
Cheryl Howard, Secretary

**EXHIBIT D**

**\$ \_\_\_\_\_**  
**EBBETTS PASS FIRE PROTECTION DISTRICT**  
**SERIES 2021 TAXABLE REVENUE OBLIGATIONS**  
**(CALPERS UAL PREPAYMENT PROJECT)**

**FORM OF REQUISITION**  
**FOR DISBURSEMENT OF COSTS OF ISSUANCE SET-ASIDE FUNDS**

The undersigned, as Fire Chief of the Ebbetts Pass Fire Protection District (the "District"), in connection with the execution and delivery of the above-captioned \$ \_\_\_\_\_ aggregate principal amount of the Ebbetts Pass Fire Protection District, Series 2021 Taxable Revenue Obligations (CalPERS UAL Prepayment Project), as evidenced by a Promissory Note, dated July \_\_, 2021 (the "Note," and collectively, the "Obligations"), approved pursuant to Resolution No. 2021-\_\_ (the "Resolution"), adopted by the Board of Directors of the District on July 20, 2021, and secured and consummated pursuant to a Financing Agreement, dated as of July 1, 2021, by and between the District and Umpqua Bank (the "Bank"), do hereby certify that:

(i) the undersigned is a duly Authorized Representative (as defined in the Resolution and Financing Agreement) with authority to act on behalf of the District as necessary in connection with execution and delivery of the Obligations, and as such, is authorized to disburse money for the payment of Costs of Issuance (the "Costs of Issuance"), which moneys have been set aside by the Bank for the purpose of paying the Costs of Issuance (the "Costs of Issuance Funds");

(ii) the Bank is hereby instructed to pay to the parties listed on Exhibit A hereto the sum listed opposite such parties names as a payment for the items listed and the expenses incidental thereto from the Costs of Issuance Funds. These costs have been properly incurred, are each a proper charge under the Financing Agreement and have not been the basis of any previous disbursements; and

(iii) all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in Exhibit A attached hereto or in invoices submitted in accordance herewith, and the Bank may rely on such payment instructions as though given by the District with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein.

Dated: July \_\_, 2021

**EBBETTS PASS**  
**FIRE PROTECTION DISTRICT**

By: \_\_\_\_\_

**EXHIBIT E**

\$ \_\_\_\_\_  
**EBBETTS PASS FIRE PROTECTION DISTRICT  
SERIES 2021 TAXABLE REVENUE OBLIGATIONS  
(CALPERS UAL PREPAYMENT PROJECT)**

**FORM OF CERTIFICATE OF ANNUAL DEBT SERVICE COVERAGE COMPLIANCE**

The undersigned, as Fire Chief of the Ebbetts Pass Fire Protection District (the "District"), in connection with the execution and delivery of the above-captioned \$\_\_\_\_\_ aggregate principal amount of the Ebbetts Pass Fire Protection District, Series 2021 Taxable Revenue Obligations (CalPERS UAL Prepayment Project), as evidenced by a Promissory Note, dated July \_\_, 2021 (the "Note," and collectively, the "Obligations"), approved pursuant to Resolution No. 2021-\_\_ (the "Resolution"), adopted by the Board of Directors of the District on July 20, 2021, and secured and consummated pursuant to a Financing Agreement, dated as of July 1, 2021, by and between the District and Umpqua Bank (the "Bank"), do hereby state and/or certify that:

(i) capitalized terms not otherwise defined herein will have the meanings set forth in the Financing Agreement;

(ii) the undersigned is a duly Authorized Representative (as defined in the Resolution and Financing Agreement) with authority to act on behalf of the District as necessary in connection with compliance matters, including providing an annual certificate as to whether or not Net Revenues for a given Fiscal Year were equal to the Debt Service Coverage Requirement for such Fiscal Year, calculated as provided in Section 5.3 of the Financing Agreement;

(iii) for Fiscal Year \_\_\_\_\_, the Gross Revenues were \_\_\_\_\_, the Operation and Maintenance Costs were \$\_\_\_\_\_, and the corresponding Net Revenues were \$\_\_\_\_\_;

(iv) Debt Service for Fiscal Year \_\_\_\_\_ was \$\_\_\_\_\_; and

(v) therefore, in accordance with Section 5.16(b) of the Financing Agreement, Debt Service Coverage for Fiscal Year \_\_\_\_\_ was \_\_\_\_% which [was][was not] in compliance with the Debt Service Coverage Requirement for such Fiscal Year.

Dated: \_\_\_\_\_, 20\_\_

**EBBETTS PASS  
FIRE PROTECTION DISTRICT**

By: \_\_\_\_\_  
Fire Chief

§ \_\_\_\_\_  
**EBBETTS PASS FIRE PROTECTION DISTRICT  
SERIES 2021 TAXABLE REVENUE OBLIGATIONS  
(CALPERS UAL PREPAYMENT PROJECT)**

**IRREVOCABLE PAYMENT INSTRUCTIONS**

These IRREVOCABLE PAYMENT INSTRUCTIONS (the "Instructions") are dated as of July 1, 2021, and are given to UMPQUA BANK, an Oregon state chartered bank (the "Bank") by the EBBETTS PASS FIRE PROTECTION DISTRICT, a fire protection district, duly organized and validly existing under the laws of the State of California (the "District");

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

**WHEREAS**, the District is obligated to the California State Public Employees' Retirement System ("CalPERS") under a certain contract, by and between the District and CalPERS, as amended from time to time (the "CalPERS Contract"), to make contributions to CalPERS in exchange for CalPERS providing retirement benefits for its retirees; and

**WHEREAS**, CalPERS determines, based on actuarial methods, a percentage rate of regular salary required to fund earned pension benefits, and if the total amount of accumulated contributions is less than the total forecasted cost of earned pension benefits, the difference represents an Unfunded Accrued Liability (the "UAL"); and

**WHEREAS**, to finance the prepayment of a designated portion of the UAL, the Board of Directors of the District (the "Board") on July 20, 2021 adopted Resolution No. 2021-\_\_, pursuant to which the District authorized and directed the execution and delivery of its "Ebbetts Pass Fire Protection District, Series 2021 Taxable Revenue Obligations (CalPERS UAL Prepayment Project)," as evidenced by a Promissory Note, dated July \_\_, 2021 (collectively, the "Obligations"); and

**WHEREAS**, the Obligations, in the amount of \$ \_\_\_\_\_ (the "Obligation Proceeds"), are being purchased by the Bank, in immediately available funds on July \_\_, 2021 (the "Closing Date") pursuant to a Financing Agreement, dated as of July 1, 2021, by and between the Bank and the District (the "Financing Agreement"); and

**WHEREAS**, capitalized terms not otherwise defined herein will have the meanings ascribed to them in the Financing Agreement; and

**WHEREAS**, on the Closing Date a portion of the Obligation Proceeds in the amount of (i) \$ \_\_\_\_\_ will be transferred by the Bank directly to CalPERS as a discretionary payment towards its Miscellaneous Plan (the "Miscellaneous Plan Proceeds"), (ii) \$ \_\_\_\_\_ will be transferred by the Bank directly to CalPERS as a discretionary payment towards its Safety Plan (the "Fire Safety Plan Proceeds"), and (iii) \$ \_\_\_\_\_ will be transferred by the Bank directly to CalPERS as a discretionary payment towards its PEPRA Safety Plan (the "PEPRA Safety Plan Proceeds"), all in accordance with these Instructions as well as Section 3.2 of the Financing Agreement, in satisfaction of a portion of the District's presently outstanding obligations under the CalPERS Contract (collectively, the "Designated Proceeds"); and

**WHEREAS**, the District has full legal right, power, and authority to enter into and perform its duties under these Instructions; and

**WHEREAS**, the Bank acknowledges that these Instructions constitute irrevocable instructions by the District to apply the Designated Proceeds as set forth herein.

**NOW, THEREFORE**, in consideration of the above the District agrees as follows:

**Section 1.      Transfer and Application of Miscellaneous Plan Proceeds.**

The Bank is hereby irrevocably instructed to wire the Miscellaneous Plan Proceeds in the amount of \$\_\_\_\_\_ directly to CalPERS **on or before the morning of July \_\_, 2021**, in accordance with the instruction set forth in Exhibit A, which are summarized as follows:

**WIRE INSTRUCTIONS:**

ABA#0260-0959-3  
Bank of America Sacramento Main  
555 Capitol Mall, Suite 1555  
Sacramento, CA 95814  
For credit to State of CA, CalPERS  
Account # 01482-80005

Upon release of the wire, the District shall send an email to [FCSD\\_public\\_agency\\_wires@calpers.ca.gov](mailto:FCSD_public_agency_wires@calpers.ca.gov) as well as to and the District's actuary, Nathan Jensen at [Nathan.Jensen@calpers.ca.gov](mailto:Nathan.Jensen@calpers.ca.gov), notifying CalPERS that the discretionary payment of \$\_\_\_\_\_ has been wired in accordance with the payoff letter provided by CalPERS.

The District acknowledges that it has no right, title or interest in or to the Miscellaneous Plan Proceeds, except as set forth herein. Under no circumstances shall the Miscellaneous Plan Proceeds be paid or delivered to or for the order of the District, except as set forth herein. The District hereby waives any rights that it may have to give alternative instructions as to the Miscellaneous Plan Proceeds.

**Section 2.      Transfer and Application of Safety Plan Proceeds.**

The Bank is hereby irrevocably instructed to wire the Safety Plan Proceeds in the amount of \$\_\_\_\_\_ directly to CalPERS **on or before the morning of July \_\_, 2021**, in accordance with the instruction set forth in Exhibit B, which are summarized as follows:

**WIRE INSTRUCTIONS:**

ABA#0260-0959-3  
Bank of America Sacramento Main  
555 Capitol Mall, Suite 1555  
Sacramento, CA 95814  
For credit to State of CA, CalPERS  
Account # 01482-80005



Upon release of the wire, the District shall send an email to [FCSD\\_public\\_agency\\_wires@calpers.ca.gov](mailto:FCSD_public_agency_wires@calpers.ca.gov) as well as to and the District's actuary, Nathan Jensen at [Nathan.Jensen@calpers.ca.gov](mailto:Nathan.Jensen@calpers.ca.gov), notifying CalPERS that the discretionary payment of \$ \_\_\_\_\_ has been wired in accordance with the payoff letter provided by CalPERS.

The District acknowledges that it has no right, title or interest in or to the Safety Plan Proceeds, except as set forth herein. Under no circumstances shall the Safety Plan Proceeds be paid or delivered to or for the order of the District, except as set forth herein. The District hereby waives any rights that it may have to give alternative instructions as to the Safety Plan Proceeds.

**Section 3.      Transfer and Application of PEPRA Safety Plan Proceeds.**

The Bank is hereby irrevocably instructed to wire the PEPRA Safety Plan Proceeds in the amount of \$ \_\_\_\_\_ directly to CalPERS on or before the morning of July \_\_, 2021, in accordance with the instruction set forth in Exhibit C, which are summarized as follows:

**WIRE INSTRUCTIONS:**

ABA#0260-0959-3  
Bank of America Sacramento Main  
555 Capitol Mall, Suite 1555  
Sacramento, CA 95814  
For credit to State of CA, CalPERS  
Account # 01482-80005

Upon release of the wire, the District shall send an email to [FCSD\\_public\\_agency\\_wires@calpers.ca.gov](mailto:FCSD_public_agency_wires@calpers.ca.gov) as well as to and the District's actuary, Nathan Jensen at [Nathan.Jensen@calpers.ca.gov](mailto:Nathan.Jensen@calpers.ca.gov), notifying CalPERS that the discretionary payment of \$ \_\_\_\_\_ has been wired in accordance with the payoff letter provided by CalPERS.

The District acknowledges that it has no right, title or interest in or to the PEPRA Safety Plan Proceeds, except as set forth herein. Under no circumstances shall the PEPRA Safety Plan Proceeds be paid or delivered to or for the order of the District, except as set forth herein. The District hereby waives any rights that it may have to give alternative instructions as to the PEPRA Safety Plan Proceeds.

**Section 4.      Termination; Unclaimed Money.** These Instructions shall terminate when the Designated Proceeds have been transferred and received by the CalPERS, as provided herein.

**Section 5.      Liabilities and Obligations of Bank.**

The Bank shall have no obligation to make any payment or disbursement of any type except from the Designated Proceeds, or from such other funds that the District may hereafter deposit, in strict accordance with these Instructions. The Bank shall have no obligation to incur any financial liability in the performance of its duties under these Instructions, and the Bank may rely and shall be fully protected in acting upon the written instructions of the District or its agents relating to any matter or action as Bank under these Instructions.

The Bank shall have only such duties as are expressly set forth herein and no implied duties shall be read into these Instructions against the Bank. The Bank shall not be liable for any act or omission of the District under these Instructions. The Bank shall not be liable for the accuracy of any calculations as to the sufficiency of moneys deposited with it with respect to the Designated Proceeds.

The Bank shall have no liability or obligation to CalPERS or any other person or entity with respect to the payment of debt service by the District or with respect to the observance or performance by the District of the other conditions, covenants and terms contained in the CalPERS Contract, or with respect to the investment of any moneys in any fund or account established, held or maintained by the District pursuant to the CalPERS Contract.

The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on any certificate or opinion furnished to it in accordance with these Instructions.

**Section 6. Governing Law.** These Instructions shall be governed by and construed in accordance with the laws of the State of California.

**Section 7. Notices.** Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, addressed to each party at its address below:

If to the District:            Ebbetts Pass Fire Protection District  
   1037 Blagen Road  
   Arnold, CA 95223  
   Phone: (209) 795-1646  
   Attention: Fire Chief

If to the Bank:                UMPQUA BANK,  
   2998 Douglas Boulevard, Suite 100  
   Roseville, California 95661  
   Attention: Dean Stephens  
   Phone: (916) 774-3937

**Section 8. Counterparts.** These Instructions may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same Instructions.

*[Signature Page to Follow on Next Page]*

IN WITNESS WHEREOF, the District has each executed these Irrevocable Payment Instructions as of the date first above written.

EBBETTS PASS  
FIRE PROTECTION DISTRICT

By: \_\_\_\_\_  
Mike Johnson, Fire Chief

Acknowledged and Agreed:

UMPQUA BANK,  
an Oregon state chartered bank

By: \_\_\_\_\_  
Dean Stephens, Authorized Officer

**EXHIBIT A**

**WIRE INSTRUCTIONS PERTAINING TO THE MISCELLANEOUS PLAN PROCEEDS**

[Attached]

**EXHIBIT B**

**WIRE INSTRUCTIONS PERTAINING TO THE SAFETY PLAN PROCEEDS**

[Attached]

**EXHIBIT C**

**WIRE INSTRUCTIONS PERTAINING TO THE PEPRA SAFETY PLAN PROCEEDS**

[Attached]

**RESOLUTION NO. 2021 -07**

**APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND  
DELIVERY OF CERTAIN FINANCING DOCUMENTS IN CONNECTION  
WITH THE REFINANCING PART OR ALL OF THE DISTRICT'S  
OUTSTANDING UNFUNDED ACCRUED LIABILITY TO THE  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM, AND  
PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO**

**WHEREAS**, the Ebbetts Pass Fire Protection District (the "District") is a contracting member of the California Public Employees' Retirement System ("CalPERS"), and is obligated by law to make certain payments to CalPERS in respect of retired miscellaneous and safety employees (the "Pension Plans"); and

**WHEREAS**, the District is legally obligated under the Pension Plans to pay any unfunded accrued liability (the "UAL"), which is the amount by which CalPERS is short of the amount that will be necessary, without further payments from the District, to pay benefits already earned by current and former employees covered by CalPERS; and

**WHEREAS**, the estimated UAL payoff balance as of July 29, 2021 for employees covered under the District's (i) "classic" Miscellaneous Plan is \$107,129, (ii) "classic" Safety Plan is \$3,773,131, and (iii) PEPRSA Safety Plan is \$51,364 (collectively, the "Outstanding UAL Obligation"); and

**WHEREAS**, the Board of Directors (the "Board"), after due investigation and deliberation, has determined that it is in the public interests of the District at this time to undertake municipal bond financing in order to provide for the prepayment of the entire balance of the Outstanding UAL Obligation (the "Financing"); and

**WHEREAS**, for the purpose of providing for the Financing, the District proposes to enter into a Financing Agreement with Umpqua Bank (the "Bank"), dated as of July 1, 2021, by and between the Bank and the District (the "Financing Agreement"), pursuant to which the Bank agrees to purchase the District's Series 2021 Taxable Revenue Obligations in an amount not to exceed \$3,520,000, as evidenced by a Promissory Note, dated the date of closing (the "Note," and collectively, the "2021 Obligations"); and

**WHEREAS**, the District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Bond Law"), to enter into Financing Agreement for the purpose of refinancing certain outstanding obligations of the District, including the Outstanding UAL Obligation; and

**WHEREAS**, to properly transact the Financing, it is now appropriate and necessary for the District to approve the form of Irrevocable Payment Instructions (the "Payment Instructions"), dated as of July 1, 2021, pursuant to which the Bank will irrevocably wire transfer a designated portion of the Obligation Proceeds directly to CalPERS to prepay a definitive portion of the

Outstanding UAL Obligation in accordance with the specific terms of the Payment Instructions; and

**WHEREAS**, the Board, with the aid of its staff, has reviewed the form of the Financing Agreement and the Payment Instructions, the forms of which are on file with the Secretary to the Board, and the Board wishes at this time to approve the foregoing documents (collectively, the “Financing Documents”) as being within the public interests of the District; and

**WHEREAS**, pursuant to California Government Code (the “Government Code”) Section 5852.1, certain good faith information relating to the 2021 Obligations is set forth herein and made public; and

**WHEREAS**, the Board wishes at this time to authorize all proceedings relating to the Financing as well as the execution and delivery of Financing Documents and all other agreements and documents relating thereto; and

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

**NOW, THEREFORE BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE EBBETTS PASS FIRE PROTECTION DISTRICT THAT:**

**Section 1. Recitals.** The Board hereby specifically finds and declares that each of the statements, findings and determinations of the District set forth in the recitals set forth above are true and correct.

**Section 2. Authorized Representatives.** The President, Fire Chief, and any other person authorized by the Fire Chief to act on behalf of the District shall each be an “Authorized Representative” of the District for the purposes of structuring and providing for the execution and delivery of the 2021 Obligations, and are hereby authorized, jointly and severally, for and in the name of and on behalf of the District, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the issuance, sale and delivery of the 2021 Obligations (including, but not limited to, the documents referenced in this Resolution, and any other documentation required or necessary in connection therewith, which are sometimes hereafter referred as the “Financing Documents”), and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Board has approved in this Resolution and said Financing Documents.

**Section 3. Approval of the 2021 Obligations; Significant Public Benefits.** The Board hereby approves the issuance of the 2021 Obligations in a principal amount of not to exceed \$3,520,000, all as above described. The Board hereby finds and determines that the execution and



consummation of the 2021 Obligations is expected to result in significant public benefits to the District and its taxpayers.

**Section 4. Approval of Financing Agreement.** The Board hereby authorizes and approves the Financing Agreement in substantially the form on file with the Secretary to the Board together with any additions thereto or changes therein (including, but not limited to, the final aggregate principal amount of the 2021 Obligations and the corresponding final debt service payment schedule) deemed necessary or advisable by an Authorized Representative of the District. Each Authorized Representative, acting singly, is hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Payment Instructions in substantially said form, with such changes therein as the Authorized Representative executing the same may approve (such approval to be conclusively evidenced by such Authorized Representative's execution and delivery thereof). The Board hereby authorizes the delivery and performance of the Financing Agreement.

**Section 5. Approval of Payment Instructions.** The Board hereby authorizes and approves the Payment Instructions in substantially the form on file with the Secretary to the Board together with any additions thereto or changes therein (including, but not limited to, the exact portion of the Outstanding UAL Obligation being refinanced) deemed necessary or advisable by an Authorized Representative of the District. Each Authorized Representative, acting singly, is hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Payment Instructions in substantially said form, with such changes therein as the Authorized Representative executing the same may approve (such approval to be conclusively evidenced by such Authorized Representative's execution and delivery thereof). The Board hereby authorizes the delivery and performance of the Payment Instructions.

**Section 6. Good Faith Estimates.** Set forth below are good faith estimates of the Placement Agent or Municipal Advisor, as required under Section 5852.1 of the Government Code. The following estimates have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by this resolution.

- (a) The true interest cost of the 2021 Obligations is estimated at 3.31%, calculated as provided in Section 5852.1(a)(1)(A) of the Government Code.
- (b) The finance charge of the 2021 Obligations, including all fees and charges paid to third parties, is estimated at \$ 93,379.52.
- (c) Proceeds of the 2021 Obligations received by the District of \$3,518,064.52, less the finance charge set forth in (b) above, is equal to \$3,424,685.
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Government Code is estimated at \$4,868,657.15.

**Section 7. Taxable Bond Act.** The Board hereby determines that interest payable pursuant to the Financing Agreement will be subject to federal income taxation, and that the provisions of Section 5900 et seq. of the California Government Code (the "Taxable Bond Act") apply to the

2021 Obligations. The District may take any action and exercise any power permitted to be taken by it under the Taxable Bond Act in connection with the execution and delivery of the 2021 Obligations.

**Section 8. Confirmation and Direction to Proceed with the Financing.** All actions heretofore taken by the officers and agents of the District with respect to the Financing are hereby approved, confirmed and ratified. The Authorized Representatives and all other officers of the District are each authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they or any of them might deem necessary or appropriate in order to consummate any of the actions and transactions contemplated by this Resolution and the Financing Documents. Whenever any officer of the District is authorized to execute or countersign any document or take any action contemplated by this Resolution and the Financing Documents, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

**Section 9. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

**PASSED AND ADOPTED** by the Board of Directors of the Ebbetts Pass Fire Protection District at a meeting thereof on the 20th day of July 2021, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

President

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Secretary

# Ebbetts Pass Fire District



Date: June 24, 2021

From: Mike Johnson Fire Chief

To: Captain Promotional Testing Candidates

CC: Matt O'Donnell, Rodney Hendrix, Aaron Downing

RE: Final Results for Captain Test Promotional Exam 2021/23

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Congratulations to all of you for participating in the 2021/23 Captain Test Promotional Exam. This is a challenging process and each of you have made me so immensely proud with your performance. Your hard work has placed each of you on our Captains Promotional Eligibility list beginning July 1<sup>st</sup>, 2021 and sunset June 30<sup>th</sup>, 2023.

The list below represents the order of scores from highest to lowest. Battalion Chief O'Donnell will be the point of contact for any testing review you may have.

Great work once again to all of you!

- Bryn Buhler
- Glenn Verkerk
- Nathan Attaway
- Scott Vasquez

Mike Johnson

Fire Chief

# Intra-Account Budget Transfer - End of Fiscal Year 2020-21 - 07/14/21

## Fire Operations

ACCOUNT 5001F:	Increase	Decrease
-1.001 Salaries/Wages		60,352.00
-1.003 Extra Hire-Intern	4,498.00	
-1.004 ST/TF	37,422.00	
-1.050 Retirement	7,191.00	
-1.055 Group Insurance	11,241.00	
Difference	-	

## Fire Operations

ACCOUNT 5111F:	Increase	Decrease
-1.121 Comm - Radio		2,000.00
-1.478 Travel		7,000.00
-1.480 fuel		6,000.00
-1.505 propane		2,000.00
-1.402 Hose/SCBA		3,000.00
-1.271 Prof Service		14,240.00
-1.124 Comm - Phone	1,167.00	
-1.141 Housekeeping	971.00	
-1.181 Maint-App	18,526.00	
-1.182 Maint-Utilities	6,795.00	
-1.201 Bldg Maint	6,143.00	
-1.221 Memberships	133.00	
-1.245 copier maint	247.00	
-1.422 training	258.00	
Difference	-	

## Engine Paramedic

ACCOUNT 5001P:	Increase	Decrease
-2.001 Salaries/Wages		
-2.050 Retirement	4,318.00	
-2.055 Group Insurance		4,318.00
Difference	-	

## Engine Paramedic

ACCOUNT 5111P:	Increase	Decrease
-2.478 Travel		500.00
-2.124 Comm - Phone	191.00	
-2.141 housekeeping	34.00	
-2.480 fuel	275.00	
Difference	-	

## Station 3/Ambulance

ACCOUNT 5001A:	Increase	Decrease
-3.001 Salaries/Wages	86,272.19	To be
-3.055 Group Insurance	10,257.99	reviewed
ACCOUNT 5612A:		separately
-3.5612 Refund Overpayment	4,946.60	when County
		Auditor Office
		closer to
		year end
		close.
Total	101,476.78	

## Station 3/Ambulance

ACCOUNT 5111A:	Increase	Decrease
-3.183 Maint. Amb		3,339.00
-3.124 Telephone	643.00	
-2.141 housekeeping	70.00	
-3.401 ALS Eqpt	387.00	
-3.412 SDE-Health Maint	1,203.00	
-3.480 Fuel	801.00	
-3.501 Utilities Water	44.00	
-3.504 Utilities Elect	191.00	
Difference	-	



# COUNTY OF CALAVERAS DEPARTMENT OF PUBLIC WORKS

Robert J. Pachinger, Director

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## FOR IMMEDIATE RELEASE

July 12, 2021

**Blagen Road Repair Project Public Meeting**  
**10:00 am Saturday, August 14, 2021**  
**Independence Hall Community Center**  
**1445 Blagen Road, Arnold**

The Calaveras County Department of Public Works is excited to announce that construction will soon begin on the last of the 2017 Winter Storm Projects, the Blagen Road Repair Project. This project will involve the removal of the existing temporary bridge, the installation of a new culvert, and will restore the roadway to its pre-disaster condition. As the damage to this road was caused by a federally declared disaster, the cost to make these repairs is fully reimbursable by the Federal Emergency Management Agency (FEMA).

Construction is scheduled to take place between August 30 and October 13, 2021. Blagen Road will be closed from September 7 until October 2. A detour around White Pines Lake will be provided during the road closure.

A public meeting will be held at Independence Hall in Arnold on August 14 at 10:00 am to discuss this project. Members from the Department of Public Works as well as the County's contractor K. W. Emerson and construction management firm, PSOMAS will be in attendance to answer project specific questions.

Please contact the Calaveras County Public Works Department at 209-754-6402 if you have any questions regarding this project.



# COUNTY OF CALAVERAS

## DEPARTMENT OF PUBLIC WORKS

Robert J. Pachinger, Director

June 22, 2021

Danny Clemens, President  
Board of Directors-Ebbetts Pass Fire District  
PO Box 56  
Arnold, CA 95223

SUBJECT: Calaveras Roadside Fire Fuels Reduction Request

We received your request that the County Road Department remove trees that are at risk "to conduct fire fuels reductions along the many roadways from the Utica Grade to the Alpine/Calaveras County line." While we acknowledge the importance of fire fuels reduction, our efforts are greatly limited due to funding. Such an undertaking as you request would use up an entire year's road budget and more. As we have the responsibility to maintain 680 miles of roadway throughout the County, we cannot focus all the efforts in one area. Moreover, the maintenance efforts that we undertake not only involve fuel reduction but pavement maintenance/restoration and installation/maintenance of traffic safety devices such as traffic striping and signage to name a few items. In short, we are responsible for the safety of the traveling public on the County-Maintained Road system.

Please understand that we take fuel reduction very seriously. The County crews will be brushing along roadways to the extent that they can throughout the year. You may know that we rely on CalFire work crews to perform the bulk of fuels reduction. The use of these crews is dependent on their availability as their priority is fighting fires. Of course, if you find immediate issues of concern on the County-maintained road system please let us know. I also encourage you to reach out to CalFire for assistance from their inmate crews.

Please call if you have any questions.

Sincerely,

Robert J. Pachinger, PE, PLS  
Director and County Surveyor  
RCE #52667, PLS #8977

Cc: Merita Callaway, Board of Supervisor District 3

## Cheryl Howard

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**From:** Alana Little  
**Sent:** Friday, July 2, 2021 9:19 AM  
**Subject:** SDRMA 2022 Health Benefits Brochure and Rates  
**Attachments:** SDRMA 2022 Health Benefits Brochure.pdf

**Importance:** High

Good morning,

Thank you for your continued participation in the SDRMA Health Benefits Small Group Program. The Health Benefits Program continues to offer competitive rates along with comprehensive coverages. With medical benefit plans always evolving and agencies looking for the best plans for their employees, SDRMA is adding a Bronze (70/30) plan under Blue Shield and Anthem Blue Cross effective January 1, 2022. Additional information regarding the Bronze plan is included in the attached 2022 SDRMA Health Benefits Brochure. *Per current Underwriting Guidelines the Silver PPO plan and Bronze PPO plan cannot be offered at the same time. For further details regarding plan selections and combination guidelines refer to page 30, number 14 of the attached brochure.*

Included in the brochure are the final 2022 rates for SDRMA benefit plans. Please note Kaiser Medicare rates are set to be released by the end of August 2021. SDRMA will send an updated brochure with Kaiser Medicare rates to agencies who offer the plan.

Your agency's current SDRMA benefit plans will automatically renew for 2022 unless we receive a written withdraw notice by September 1, 2021. *If your agency would like to make any plan changes effective January 1, 2022, such as, changing a medical plan, adding a medical plan, etc.; SDRMA must be notified of the plan changes no later than August 12, 2021. If SDRMA receives plan changes by August 12, 2021 we can ensure the plan changes are built in our system in time for Open Enrollment.*

In the Health Benefits brochure we have updated some of the medical services/coverages listed because we wanted to capture the most commonly utilized services/coverages. As a reminder, the summaries in the brochure are intended to compare benefits and the actual carrier documentation should be consulted for detailed descriptions of services/coverages.

### **2022 SDRMA Health Benefits Rate Changes – Beginning January 1, 2022**

Line of Coverage	Renewal	Rates Guaranteed Until
Medical	3.3% increase	January 1, 2023
<del>Delta Dental PPO Plans</del>	<del>0.7% increase</del>	January 1, 2023
<del>Delta Dental DHMO Plans</del>	<del>0%-Rate Pass</del>	January 1, 2023
<del>VSP Vision Plans</del>	<del>0%-Rate Pass</del>	January 1, 2026
<del>VOYA Basic Life and AD&amp;D</del>	<del>Rates are the same as 2021 rates.</del>	July 1, 2023
<del>VOYA Supplemental Life</del>	<del>Rates are the same as 2021 rates.</del>	July 1, 2023
<del>VOYA Short Term Disability</del>	<del>Rates are the same as 2021 rates.</del>	July 1, 2023
<del>VOYA Long Term Disability</del>	<del>Rates are the same as 2021 rates.</del>	July 1, 2023
<del>MHN Employee Assistance Program</del>	<del>Rates are the same as 2021 rates.</del>	July 1, 2023

**Upcoming Open Enrollment**

The Open Enrollment period will be **October 1 - October 31**. The changes made during Open Enrollment will be effective January 1, 2022. If participants do not make changes during the Open Enrollment period, their current enrollments will rollover to the 2022 program year. You will receive a separate email regarding the Open Enrollment period/process no later than mid-September.

Again, thank you for your continued support of our Health Benefits program!

Sincerely,

*Alana*

Alana Little  
Health Benefits Manager  
***Health Benefits Enrollment Census Available Upon Request***



Special District Risk Management Authority  
1112 I Street, Suite 300  
Sacramento, California 95814  
Tel: 916.231.4141 Fax: 916.231.4113  
Toll Free: 800.537.7790  
[www.sdrma.org](http://www.sdrma.org)

A proud CSDA Alliance partner.  
California Special Districts Association  
Special District Risk Management Authority  
CSDA Finance Corporation

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## SDRMA 2022 Rates

<u>Plan</u>	<u>Monthly Rates</u>		
	<u>Employee</u>	<u>Employee + 1</u>	<u>Employee +2 or More</u>
Gold PPO	\$990.86	\$1,981.72	\$2,575.00
HDHP 10%	\$825.03	\$1,654.18	\$2,149.61
Difference	\$165.83	\$327.54	\$425.39

Amount to be deposited in H.S.A.

Semi-annually	\$994.98	\$1,965.24	\$2,552.34
Annually	\$1,989.96	\$3,930.48	\$5,104.68

2022	Self Only	Family
Contribution Limits:	\$3,650	\$7,300



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

## Simple Solutions

2022 HEALTH BENEFITS PROGRAM

MEDICAL BENEFITS & ANCILLARY COVERAGES

800.537.7790 • [WWW.SDRMA.ORG](http://WWW.SDRMA.ORG)



## SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

**Special District Risk Management Authority** is a public agency formed under California Government Code Section 6500 et seq. to provide a full-service risk management program for California's local governments including property, liability and workers' compensation coverages. In addition, SDRMA is an administrator of the Small Group Health Benefits Program under Public Risk Innovation, Solutions, and Management (PRISM).

The Health Benefits Program consists of Medical Benefits and Ancillary Coverages. Medical Benefits includes plans by Blue Shield, Anthem-Blue Cross and Kaiser. Most Blue Shield and Anthem-Blue Cross plans have prescription drug programs provided by Express Scripts. Ancillary Coverages include Delta Dental, VSP Vision, VOYA FINANCIAL Life, Short Term Disability, Long Term Disability and MHN Employee Assistance Program. Public agencies can select which programs they would like to join subject to underwriting approval.

We realize selecting a health plan for your agency and your employees is just one of the key decisions you are faced with on an on-going basis. This important decision involves not only the cost of various providers and plans, but also access to doctors and hospitals, prescription drug services, and other additional programs and services. The combination of medical plans and providers that is right for your agency depends on a variety of factors, such as your preference for a Health Maintenance Organization (HMO) or Preferred Provider Organization (PPO); your premium and out-of-pocket costs; and the need for access to specific doctors and hospitals.

We understand that comparing health plan benefits, features and costs can be complicated. This brochure provides information that will help simplify your decision making process. Our enrollment process is easy and only requires a few simple steps.

For more information, please contact us at **800.537.7790**. We are ready to serve you!

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### IMPORTANT TERMS TO KNOW

You may see and hear some unfamiliar terms as you begin to use your health plan. It's important that you understand these terms so you can get the most out of your coverage.

**Premium** \* This is the amount you pay every month to SDRMA to maintain your health insurance coverage.

**Copay** \* This is a fixed amount you pay for certain covered services, like doctor's visits.

**Calendar Year Deductible** \* This is the fixed amount some plans require you to pay before the plan begins to pay its share for covered benefits.

**Coinsurance** \* Once you have paid your full deductible this is the percentage owed by you to pay for accessed services. This can fluctuate based on the cost the provider is charging and/or what has been agreed to between the Medical carrier and the Provider. Coinsurance is unlike Copay which is always a flat dollar amount.

**Maximum Medical Out of Pocket** \* This is the maximum you'll pay per year for medical services before your medical plan begins to pay for 100% of services, protecting you and your family from catastrophic medical expenses. Most of your copayments, deductibles and coinsurance payments will be counted toward this limit.



# Medical Benefits Summary

**PLAN SUMMARY – BLUE SHIELD** \*See page 30, note 14 for Plan Selections and Combination Guidelines

DEDUCTIBLES/CO-INSURANCE		Gold PPO		HDHP 10 (HSA)	
Calendar Year Deductible(s) (Individual/Family)		\$500 / \$1,000		\$1,400 / \$2,800	
Maximum Medical Out of Pocket (Individual/Family)		\$2,000 / \$4,000		\$5,000 / \$10,000	
Medicare Medical Maximum Out of Pocket		\$1,500 / \$3,000		Non-Applicable	
Services/Coverages		Participating Providers (You Pay)	Non-Participating Providers (You Pay)	Participating Providers (You Pay)	Non-Participating Providers (You Pay)
Inpatient Hospital Room, Board & Support Services (prior authorization required)		20%	50% up to \$600 per day	10%	50% up to \$600 per day
Outpatient Hospital		20%	50% up to \$350 per day	10%	50% up to \$350 per day
Ambulatory Surgery Center		10%; Deductible Waived	50% up to \$350 per day	No Charge	50% up to \$350 per day
Emergency Room		\$100 co-pay + 20% (co-pay waived if admitted)		\$100 co-pay + 10% (co-pay waived if admitted)	
Urgent Care		\$20 co-pay	50%	10%	50%
Physician Benefits (office visits)		\$20 co-pay	50%	10%	50%
Preventative Care		No Charge	Not Covered	No Charge	Not Covered
Lab/X-ray		\$0 (\$25 co-pay + 20% if services provided by Hospital)	50% (up to \$350 per day within Hospital)	\$0 (\$25 co-pay + 10% if services provided by Hospital)	50% (up to \$350 per day within Hospital)
Complex Imaging (CT, PET, MRI, etc.)		20% (\$100 co-pay + 20% if services provided by Hospital)	50% up to \$800 per day	10% (\$100 co-pay + 10% if services provided by Hospital)	50% up to \$800 per day
Acupuncture (26 visits per calendar year/combined with Chiropractic)		20%		10% up to \$30 per visit	
Chiropractic Services (26 visits per calendar year/combined with Acupuncture)		20% up to \$50 per visit	50% up to \$25 per visit	10% up to \$25 per visit	50% up to \$25 per visit
Prescription Drugs Active/Early Retiree Plans Only		Express Scripts*		Blue Shield	
Prescription Maximum Out of Pocket (At Participating Pharmacies only)		\$4,600 / \$9,200		Combined with Medical	
Retail - 30 day supply		Generic / Brand / Non-Formulary / Specialty \$5 / \$30 / \$45 / 30% (max co-pay \$150)		Generic / Brand / Specialty \$7 / \$25 / Not Covered	Generic / Brand \$7 / \$25
Mail Order - 90 day supply		\$10 / \$75 / \$112.50 / 30% (max co-pay \$300)		\$14 / \$60 / 30% (max co-pay \$150)	Not Covered
Brand / Non-Formulary / Specialty Deductible (Individual / Family)		None		Subject to Deductible	

THIS SUMMARY IS INTENDED TO COMPARE COVERAGE BENEFITS ONLY. THE ACTUAL PLAN CONTRACT SHOULD BE CONSULTED FOR A DETAILED DESCRIPTION OF COVERAGE BENEFITS AND LIMITATIONS. NON-PARTICIPATING PROVIDER MEMBER COST MAY NOT APPLY TO MAXIMUM OUT OF POCKET COSTS.

\*See Rx benefits for Medicare on page 14 under the "RW" pharmacy co-pay structure.



## ADDITIONAL PROGRAMS

### CARRUM HEALTH (CARRUM) – SURGERY BENEFIT PROGRAM

Carrum Health is a special surgery benefit that provides exclusive access to “Centers of Excellence.” These hospitals and doctors provide for an improved patient experience and top-quality, more affordable care. The Carrum Health Surgery Benefit is provided at no additional cost and is an option outside of your surgery benefit provided by your medical carrier. Please note HMO plans are not eligible to participate in the Carrum Surgery Benefit.

#### EMPLOYEE SERVICES

**Personalized “Care Concierge” support** – Helps guide patient through the process

**Recovery** – Personalized support through total care coordination

**Access to top-Quality Surgeons** – perform hundreds of surgeries

**All medical expenses** – covered for the patient\*\*

**Travel Expenses** – covered for patient and companion\*

**Voluntary participation** – Employee Initiates the service by phone or online



\*IRS Rules a portion of the covered travel will be reported as taxable income to employee.

\*\*IRS regulations on HSA plans the deductible applies but coinsurance is waived.

Eligible procedures include:

- Hip Replacement
- Knee replacement
- Cervical Spinal fusion
- Lumbar Spinal Fusion
- Coronary Bypass Surgery
- Bariatric (Weight Loss)
- Shoulder Repair
- Elbow Repair
- Wrist/Hand Repair
- Ankle/Foot Repair
- Pain Management

Additional procedures will become eligible on a regular basis.

### GOTZOOM-STUDENT LOAN REPAYMENT PROGRAM

#### What's GotZoom?

- A company with a singular focus on Department of Education student loan repayment programs
- Seven-year performance record

#### Why We're Better?

Large student debt reduction achieved with federal repayment or forgiveness programs:

- Provides employee immediate relief
- Costs employer significantly less

#### Employer Benefits

- Retention: equates to a 5% - 20% raise
- Recruitment: 83% of millennials prefer organizations with a student loan benefit
- Value: 3-year ROI 140%

#### Employee Benefit

- Average student debt reduction of 65%
- Upfront visibility of savings (free loan status analysis and benefit summary)



THIS SUMMARY IS INTENDED TO COMPARE COVERAGE BENEFITS ONLY. THE ACTUAL PLAN CONTRACT SHOULD BE CONSULTED FOR A DETAILED DESCRIPTION OF COVERAGE BENEFITS AND LIMITATIONS



## MEDICAL BENEFIT RATES FOR 2022 – GUARANTEED UNTIL JANUARY 1, 2023

### AREA I - Northern CA: Bay Area

Alameda, Amador, Contra Costa,  
Marin, Napa, Nevada,  
San Francisco, San Joaquin,  
San Mateo, Santa Clara,  
Santa Cruz, Solano, Sonoma,  
Sutter, Yolo, Yuba

PLAN	Employee	Employee + 1	Employee + 2 or More
Gold PPO	\$1,019.70	\$2,036.31	\$2,649.16
Platinum PPO	\$1,114.46	\$2,225.83	\$2,896.36
Silver PPO	\$730.27	\$1,463.63	\$1,901.38
Bronze PPO	\$668.47	\$1,341.06	\$1,741.73
EPO	\$1,224.67	\$2,448.31	\$3,182.70
HDHP 10	\$836.36	\$1,672.72	\$2,173.30
HDHP 20	\$721.00	\$1,440.97	\$1,873.57
Access+ HMO 15	\$1,136.09	\$2,271.15	\$2,955.07
Access+ HMO 20	\$1,055.75	\$2,112.53	\$2,744.95
Kaiser HMO 15	\$969.23	\$1,914.77	\$2,482.30
Kaiser HMO 20	\$934.21	\$1,844.73	\$2,392.69

### AREA II - Northern CA: Other Counties

Alpine, Butte, Calaveras, Colusa,  
Del Norte, Glenn, Humboldt,  
Lake, Lassen, Mariposa,  
Mendocino, Merced, Modoc,  
Mono, Monterey, Plumas,  
San Benito, Shasta, Sierra,  
Siskiyou, Stanislaus, Tehama,  
Trinity, Tuolumne

PLAN	Employee	Employee + 1	Employee + 2 or More
Gold PPO	\$990.86	\$1,981.72	\$2,575.00
Platinum PPO	\$1,060.90	\$2,121.80	\$2,758.34
Silver PPO	\$710.70	\$1,421.40	\$1,845.76
Bronze PPO	\$650.96	\$1,301.92	\$1,690.23
EPO	\$1,185.53	\$2,373.12	\$3,086.91
HDHP 10	\$825.03	\$1,654.18	\$2,149.61
HDHP 20	\$681.86	\$1,360.63	\$1,771.60
Access+ HMO 15	\$1,068.11	\$2,136.22	\$2,773.79
Access+ HMO 20	\$1,147.42	\$2,292.78	\$2,980.82
Kaiser HMO 15	\$969.23	\$1,914.77	\$2,482.30
Kaiser HMO 20	\$934.21	\$1,844.73	\$2,392.69

### AREA III - Southern CA: Los Angeles Area

Los Angeles, San Bernardino,  
Ventura

PLAN	Employee	Employee + 1	Employee + 2 or More
Gold PPO	\$842.54	\$1,678.90	\$2,183.60
Platinum PPO	\$920.82	\$1,837.52	\$2,386.51
Silver PPO	\$608.73	\$1,206.13	\$1,568.69
Bronze PPO	\$557.23	\$1,105.19	\$1,436.85
EPO	\$984.68	\$1,963.18	\$2,550.28
HDHP 10	\$737.48	\$1,475.99	\$1,916.83
HDHP 20	\$609.76	\$1,216.43	\$1,581.05
Access+ HMO 15	\$883.74	\$1,768.51	\$2,295.87
Access+ HMO 20	\$825.03	\$1,643.88	\$2,136.22
Kaiser HMO 15	\$801.34	\$1,581.05	\$2,049.70
Kaiser HMO 20	\$768.38	\$1,514.10	\$1,962.15

Rates shown are for active, early retiree and public officials.

**RECORDING REQUESTED BY AND RETURN TO:**

**PACIFIC GAS AND ELECTRIC COMPANY**  
**245 Market Street, N10A, Room 1015**  
**P.O. Box 770000**  
**San Francisco, California 94177**

Location: City/Uninc \_\_\_\_\_

Recording Fee \$ 108.7

Document Transfer Tax \$ \_\_\_\_\_

- ☐ This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).  
☐ Computed on Full Value of Property Conveyed, or  
☐ Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale  
☐ Exempt from the fee per GC 27388.1 (a) (2); This document is subject to Documentary Transfer Tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

\_\_\_\_\_  
Signature of declarant or agent determining tax

**LD#2105-15-10013**

**EASEMENT DEED**

2021083 (7093365) 05 21 02  
Arnold ISO Point Site

THE COUNTY OF CALAVERAS, a political subdivision of the State of California,

hereinafter called Grantor, hereby grants to PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called Grantee, the right from time to time to excavate for, construct, reconstruct, replace (of initial or any other size), remove, maintain, inspect, and use facilities and associated equipment for public utility purposes, including, but not limited to electric, gas, and communication facilities, together with a right of way therefor, on, over, and under the easement area as hereinafter set forth, and also ingress thereto and egress therefrom, over and across the lands of Grantor situated in the County of Calaveras, State of California, described as follows:

(APN 026-019-046)

**LANDS:**

The parcel of land described in the deed from LINA A. GREER, as Trustee of the EDWIN DANIEL GREER FAMILY REVOCABLE TRUST dated June 22, 1990 to THE COUNTY OF CALAVERAS dated December 6, 1996 and recorded as Instrument No. 1996-16359, Calaveras County Records.

The easement area is described as follows:

The Parcel of land described in Exhibit "A" and shown on Exhibit "B" attached hereto and made a part hereof

Grantor further grants to Grantee the right, from time to time, to trim or to cut down, without Grantee paying compensation, any and all trees and brush now or hereafter within said easement area, and shall have the further right, from time to time, to trim and cut down trees and brush along each side of said

easement area which now or hereafter in the opinion of Grantee may interfere with or be a hazard to the facilities installed hereunder, or as Grantee deems necessary to comply with applicable state or federal regulations.

Grantor also grants to Grantee the right to use such portion of said lands contiguous to said easement area as may be reasonably necessary in connection with the excavation, construction, reconstruction, replacement, removal, maintenance and inspection of said facilities.

Grantor hereby covenants and agrees not to place or construct, nor allow a third party to place or construct, any building or other structure, or store flammable substances, or drill or operate any well, or construct any reservoir or other obstruction within said easement area, or diminish or substantially add to the ground level within said easement area, or construct any fences that will interfere with the maintenance and operation of said facilities.

Grantor further grants to Grantee the right to apportion to another public utility (as defined in Section 216 of the California Public Utilities Code) the right to excavate for, construct, reconstruct, replace, remove, maintain, inspect, and use the communications facilities within said easement area including ingress thereto and egress therefrom.

In the event Grantee shall make any excavation or perform any work on said lands pursuant to this grant, Grantee shall restore said lands as nearly as practicable to their condition prior to such excavation including, without limiting the generality of the foregoing, pavement, sidewalks, lawns, and shrubs.

The legal description herein, or the map attached hereto, defining the location of this utility distribution easement, was prepared by Grantee pursuant to Section 8730 (c) of the Business and Professions Code.

This document may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the land.

Dated: July 13, 2021.

THE COUNTY OF CALAVERAS, a political subdivision of the State of California,

By: Ben Stym

By: \_\_\_\_\_

I hereby certify that a resolution was adopted  
on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by the  
\_\_\_\_\_  
authorizing the foregoing grant of easement.

By \_\_\_\_\_



MTRSQ: 21.05.15.29.42,  
FERC License Number: N/A  
PG&E Drawing Number: SL-1651  
Plat No.: N/A  
LD of Affected Documents: N/A  
LD of Cross Referenced Documents: N/A  
Type of interest: Electric Underground Easements (4), Utility Easement (86)  
SBE Parcel: N/A  
% Being Quitclaimed: N/A  
Order or PM: 7093365  
JCN: N/A  
County: Calaveras  
Utility Notice Number: N/A  
851 Approval Application No: N/A ;Decision: N/A  
Prepared By: JK2C  
Checked By: CXOQ  
Approved By: C4CK  
Revised by: DRSD  
Approved by: PSP6

**LD 2105-15-10013**

**Arnold ISO Point Site**

**EXHIBIT "A"**

(APN 026-019-046)

**LANDS:**

The parcel of land described in the deed from LINA A. GREER, as Trustee of the EDWIN DANIEL GREER FAMILY REVOCABLE TRUST dated June 22, 1990 to THE COUNTY OF CALAVERAS dated December 6, 1996 and recorded as Instrument No. 1996-16359, Calaveras County Records.

**EASEMENT AREAS:**

The area over and across a portion of said Lands being described as follows:

**Utility Distribution Easement:**


**Beginning** at the found nail and tag stamped "RCE 32376" marking the southeast corner of PARCEL A as shown upon the Parcel Map filed for record March 6, 2002 in Book 11 of Parcel Maps at Page 60, Calaveras County Records and running thence along the westerly boundary line of said lands

- 1) north 44° 35' 00" west 159.93 feet to the northwest corner of said lands; thence along the northerly boundary line
- 2) north 45° 25' 00" east 15.00 feet; thence leaving said northerly boundary line
- 3) south 44° 35' 00" east 78.96 feet; thence
- 4) north 45° 25' 00" east 20.00 feet; thence
- 5) south 44° 35' 00" east 93.11 feet to a point in the southerly boundary line of said lands; running thence along said southerly boundary line
- 6) south 54° 32' 00" west 35.45 feet to the southwest corner line of said lands; thence along said westerly boundary line
- 7) north 44° 35' 00" west 6.52 feet to the point of beginning.

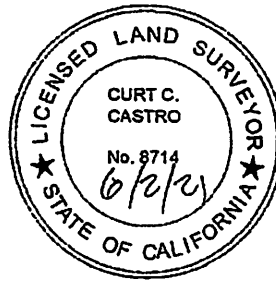
The area of the herein above described portion of land being 4,345 square feet.

And as shown on Exhibit "B" attached hereto and made a part hereof.

The foregoing description is based on a survey made by Grantee in April 2020. The basis of bearings for this description is based on the parcel map filed for record March 6, 2002 in Book 11 of Parcel Map at Page 60, Calaveras County records.



Prepared by: Curt C. Castro  
L.S. No. 8714



TOWNSHIP 05 NORTH, RANGE 15 EAST,  
SE 1/4 OF NW 1/4, SECTION 29, M.D.M.

### LEGEND

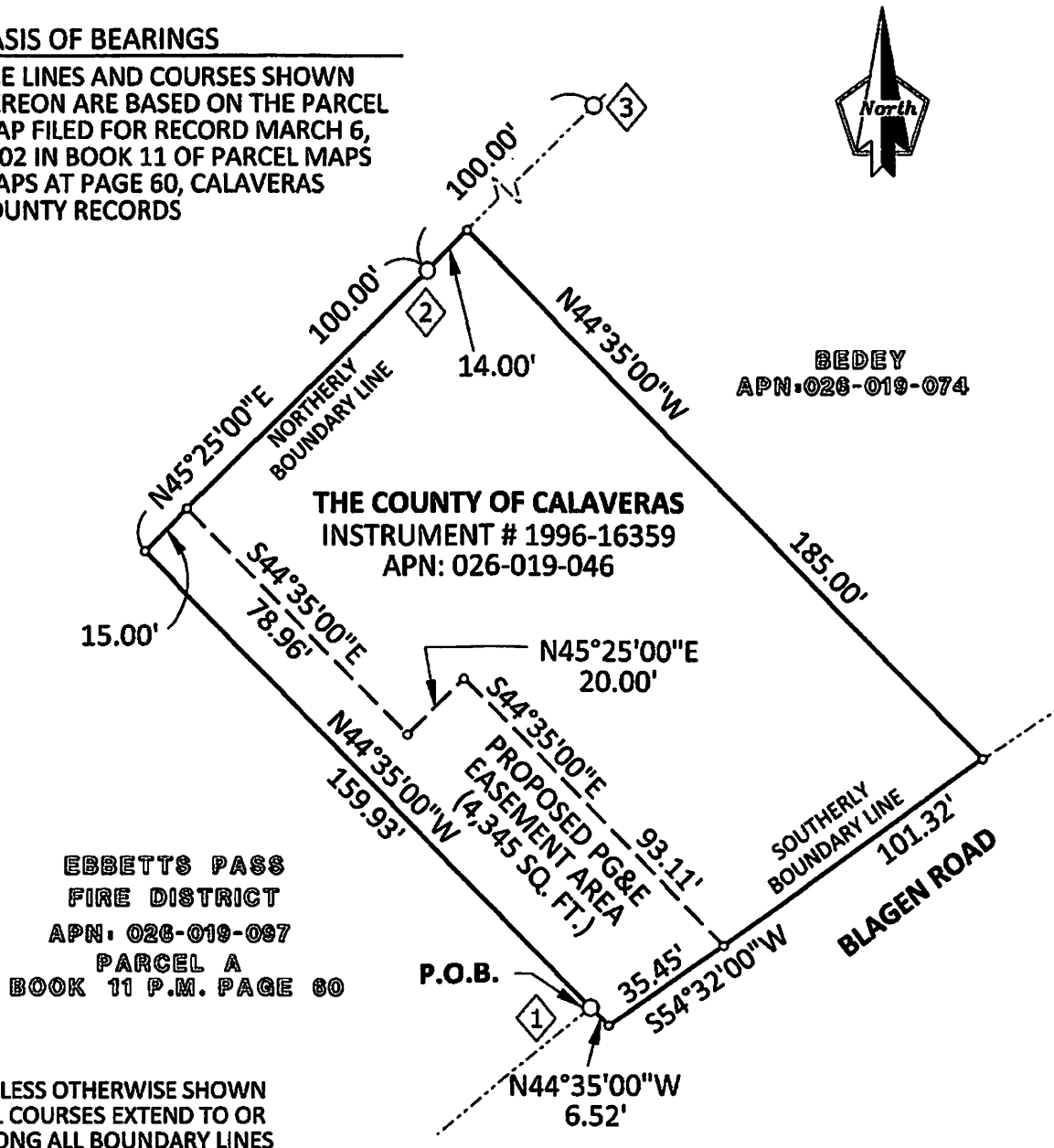
- SUBJECT BOUNDARY LINES  
- - - - - ADJOINING PARCEL LINES  
- - - - - PG&E EASEMENT LINE  
o DIMENSION POINT  
P.O.B. POINT OF BEGINNING

### BASIS OF BEARINGS

THE LINES AND COURSES SHOWN  
HEREON ARE BASED ON THE PARCEL  
MAP FILED FOR RECORD MARCH 6,  
2002 IN BOOK 11 OF PARCEL MAPS  
MAPS AT PAGE 60, CALAVERAS  
COUNTY RECORDS

### MONUMENT NOTES

- ① - FOUND NAIL AND TAG, STAMPED  
"RCE 32376" PER 11 P.M. 60.  
② - FOUND 5/8" REBAR PER 11 P.M. 60,  
NO CAP, NO STAMP.  
③ - FOUND 5/8" REBAR PER 11 P.M. 60,  
NO CAP, NO STAMP.



EBBETTS PASS  
FIRE DISTRICT  
APN: 026-019-097  
PARCEL A  
BOOK 11 P.M. PAGE 60

UNLESS OTHERWISE SHOWN  
ALL COURSES EXTEND TO OR  
ALONG ALL BOUNDARY LINES

2105-15-10013

BY JGR9  
DR JK2C  
CH CXOQ  
O.K. C4CK  
DATE 05/25/2021

## EXHIBIT "B"

THE COUNTY OF CALAVERAS  
UTILITY DISTRIBUTION EASEMENT - 1065 BLAGEN ROAD  
ARNOLD, CALAVERAS COUNTY, CALIFORNIA  
PACIFIC GAS AND ELECTRIC COMPANY  
San Francisco California



PROJ. NO.	7093365
AREA	SIERRA
COUNTY	CALAVERAS
SCALE	1 INCH = 40 FEET
SHEET NO.	1 OF 1
DRAWING NUMBER	SL-1651
CHANGE	0

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Calaveras )

On July 13, 2021, before me, Stacy Simpson <sup>Deputy Clerk</sup>  
Insert Name <sup>Notary Public,</sup>  
personally appeared Ben Stopper

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Stacy Simpson, Deputy Clerk  
Rebecca Simpson, County Clerk  
EX - Officio Clerk of the Board of Supervisors  
**CAPACITY CLAIMED BY SIGNER**

(Seal)

- ☐ Individual(s) signing for oneself/themselves
- ☐ Corporate Officer(s) of the above named corporation(s)
- ☐ Trustee(s) of the above named Trust(s)
- ☐ Partner(s) of the above named Partnership(s)
- ☐ Attorney(s)-in-Fact of the above named Principal(s)
- ☐ Other \_\_\_\_\_