



McCloud Community Services District

220 West Minnesota Avenue P.O. Box 640 McCloud, CA 96057
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REGULAR MEETING OF THE FINANCE & AUDIT COMMITTEE SCOUT HALL – 405 E. COLOMBERO DRIVE May 6th, 2024 4:00 pm

AGENDA

- 1. Discussion of** Agreement for Consulting Services from Weist Law Firm to assist with OPEB Liability Pension Management.
- 2. Discussion of** the updated Statement of Reserve Balance Categories.
- 3. General Discussion.**

Adjourn.

AGREEMENT FOR BOND COUNSEL SERVICES

THIS AGREEMENT is made and entered into this ____ day of _____, 2024, by and between the MCCLOUD COMMUNITY SERVICES DISTRICT (the “District”), whose address is 220 W. Minnesota Avenue, McCloud, CA 96057, and THE WEIST LAW FIRM (the “Bond Counsel”), whose address is 20 South Santa Cruz Avenue, Suite 300, Los Gatos, CA 95030.

WITNESSETH:

WHEREAS, the District is a member of the California Public Employees’ Retirement System (“CalPERS”) and, as such, 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 District (as amended, the “CalPERS Contract”), to make contributions to CalPERS to (a) fund pension benefits for its employees who are members of CalPERS, (b) amortize the unfunded accrued liability with respect to such pension benefits (the “UAL”), and (c) appropriate funds for the purposes described in (a) and (b); and

WHEREAS, the District seeks to engage the services of Bond Counsel, as outlined herein, under the terms and conditions specified, to provide assistance in (i) the formulation and execution of a comprehensive pension management plan (the “Pension Management Plan”), and (ii) the development and implementation of a pension management policy (the “Pension Management Policy,” and together with the Pension Management Plan, the “Pension Management Services”), all as more particularly described in Exhibit A; and

WHEREAS, the District may desire in the future to have Bond Counsel perform pension cost mitigation, parcel tax proceedings, special assessment formation proceedings and general obligation bond elections and issuances, as well as general consultation work (the “General Consultation Services”); and

WHEREAS, the District may desire in the future to have Bond Counsel to do the necessary consulting, legal and analytical work hereinafter outlined, upon the terms and conditions hereinafter set forth, to structure, issue and deliver municipal obligations (collectively, the “Financing Obligations”), as more particularly described in Exhibit A (each, a “Financing”); and

WHEREAS, Bond Counsel is specifically trained and experienced in the conduct of Financing proceedings for accomplishing the issuance of the Financing Obligations, and hereby represents that it is ready, willing and able to perform said work; and

WHEREAS, Bond Counsel is specifically trained and experienced in the provision of Pension Management Services, and hereby represents that it is ready, willing and able to perform said work; and

NOW, THEREFORE, in consideration of the covenants and premises herein contained and other good and valuable consideration, the parties hereto agree as follows:

Section 1. Scope of Services.

Bond Counsel shall provide the legal services delineated in Exhibit “A,” which is attached to this Agreement and incorporated by reference (the “Services” or “Scope of Work”).

Section 2. Excluded Services.

Services are limited to those specifically set forth above. Services do not include representation of the District or any other party to the transaction in any litigation or other legal or administrative proceeding or any other matter. Bond Counsel's services also do not include legal services not specified above relating to the issuance of Financing Obligations, including but not limited to compliance with the California Environmental Quality Act, the National Environmental Policy Act, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Hazardous Material Transportation Act, the Resource Conservation and Recovery Act, the Federal Water Pollution Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the Porter-Cologne Water Quality Control Act, the Safe Drinking Water and Toxic Enforcement Act of 1986, the Hazardous Substance Account Act, the Hazardous Waste Control Act, or any determinations pertaining to completion and readiness for acceptance.

Bond Counsel's services also do not include any responsibility for compliance with state blue sky, environmental, land use, real estate or similar laws or for title to or perfection of security interests in real or personal property, including the acquisition of interests in real property, whether through gift, negotiation or the exercise of the power of eminent domain. Bond Counsel's services also do not include any responsibility for the negotiation or preparation of joint powers agreements with other agencies. Bond Counsel will not be responsible for the services performed or acts or omissions of any other participant. Also, Bond Counsel's services for a particular series of Financing Obligations will not extend past the date of issuance of such series of Financing Obligations and will not, for example, include services related to on-going administration, annexation, tax rebate compliance or continuing disclosure or otherwise related to such series of Financing Obligations, proceeds of such series of Financing Obligations or a refunding after issuance of such series of Financing Obligations.

Bond Counsel may be willing to perform such excluded services on such terms as might be mutually agreed to at the time of need. The performance by Bond Counsel of services excluded by the preceding paragraph, if required by the District, shall be under separate written agreement.

Section 3. Compensation.

For the Services provided under this Agreement, Bond Counsel's professional fees shall be paid as provided in Exhibit B to this Agreement.

Section 4. Termination of Agreement and Legal Services.

This Agreement and all legal services to be rendered under it may be terminated by providing ten days written notice by either party, with or without cause. In that event, all finished and unfinished documents prepared for adoption or execution by the District, shall, at the option of the District, become its property and shall be delivered to it or to any party it may designate; provided that Bond Counsel shall have no liability whatsoever for any subsequent use of such documents. In the event of cancellation or termination without cause by the District, the District will pay Bond Counsel for services performed in accordance with this Agreement up to the date of cancellation or termination.

If not sooner terminated as aforesaid, this Agreement and all legal services to be rendered under it shall terminate (i) upon the issuance of the final series of intended Financing Obligation, (ii) upon final adoption of the Pension Management Plan and Policy in connection with the Policy Management Services,

and (iii) upon final agreed-upon work for any outstanding Task Orders. Upon termination, Bond Counsel shall have no future duty to the District of any kind to or with respect to such applicable terminated scope of work.

Section 5. Insurance.

Bond Counsel specifically represents that it maintains errors and omissions insurance of a minimum of \$1,000,000/\$2,000,000 aggregate applicable to the Bond Counsel services to be rendered under this Agreement.

Section 6. Conflicts of Interest.

Bond Counsel warrants by execution of this Agreement that no person or selling agent has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for commission, percentage, brokerage or contingent fee, and that Bond Counsel maintains no agreement, employment, or position which would be in conflict with the duties to be performed for District under this Agreement. Bond Counsel further agrees that during the term of this Agreement, Bond Counsel will not obtain, engage in, or undertake any interests, obligations or duty that would be in conflict with, or interfere with, the services or duties to be performed under the provisions of this Agreement. Bond Counsel will not make or participate in making or in any way attempt to use Bond Counsel's position to influence a governmental decision in which Bond Counsel knows or has reason to know Bond Counsel has a direct or indirect financial interest other than the compensation promised by this Agreement. Bond Counsel will not have such interest during the term of this Agreement. Bond Counsel will immediately advise the District if Bond Counsel learns of such a financial interest of Bond Counsel's during the term of this Agreement. If Bond Counsel's participation in another District project would create an actual or potential conflict of interest, in the opinion of the District, the District may immediately terminate the Agreement.

Section 7. Standards of Professional Conduct.

Bond Counsel and every employee thereof shall provide their services, advice and any reports in full compliance with all applicable law and professional standards. Bond Counsel represents that it is specially trained, experienced and competent to perform the services required under this Agreement, and that each individual providing legal services is a member in good standing of the State Bar and is licensed to practice in California. Bond Counsel certifies that it will not accept representation in any matters, including litigation, under this Agreement if it or any employee thereof has any personal or financial interest therein.

Bond Counsel certifies that it accepts this retention because it has the time, energy, skills and ability necessary to perform the duties required in an efficient, trustworthy, professional and businesslike manner. It is understood that the services under this Agreement must be provided immediately, and that they are time-critical. Bond Counsel is engaged by District for its unique qualifications and skills.

Bond Counsel agrees that it will comply with all ethical duties, will maintain the integrity of the Bond Counsel-client relationship, and will take all steps available to preserve all applicable legal privileges, confidences, and records from disclosure; however, where it is contended by third parties, Bond Counsel's work product or attorney-client privileged communications are subject to disclosure, and District directs Bond Counsel to not disclose the records, District agrees to indemnify Bond Counsel from any cost or expense related to protecting said records from disclosure.

Section 8. Independent Contractor.

Bond Counsel and District understand and agree that Bond Counsel is an independent contractor and that the District shall not be liable for Workers' Compensation, retirement or unemployment benefits for Bond Counsel or Bond Counsel's agents, partners or employees.

Section 9. No Guarantee of Outcome.

District hereby acknowledges and agrees that this is a best effort undertaking, and that no guarantee of success or outcome has been, or can be, made by Bond Counsel.

Section 10. Intellectual Property.

Except as otherwise set forth in this Agreement, the District will own all tangible written material originally prepared expressly for the District and delivered to the District under this Agreement, excluding any intellectual content and materials contained or embodied therein, which includes all: proprietary information, general skills, know-how, expertise, ideas, concepts, methods, techniques, processes, software, materials, or other intellectual property or information which may have been uncovered, generated, developed or derived by Bond Counsel either prior to or as a result of its provision of services under this Agreement.

Section 11. Arbitration.

Any controversy, claim or dispute arising out of or relating to this Agreement, shall be settled solely and exclusively by binding arbitration in San Jose, California. Such arbitration shall be conducted in accordance with the then prevailing commercial arbitration rules of JAMS/Endispute ("JAMS"), with the following exceptions if in conflict: (a) one arbitrator shall be chosen by JAMS; (b) each party to the arbitration will pay its pro rata share of the expenses and fees of the arbitrator, together with other expenses of the arbitration incurred or approved by the arbitrator; and (c) arbitration may proceed in the absence of any party if written notice (pursuant to the JAMS' rules and regulations) of the proceedings has been given to such party. Each party shall bear its own attorney's fees and expenses.

The parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive. All such controversies, claims or disputes shall be settled in this manner in lieu of any action at law or equity; provided however, that nothing in this Section shall be construed as precluding the bringing an action for injunctive relief or other equitable relief. The arbitrator shall not have the right to award punitive damages or speculative damages to either party and shall not have the power to amend this Agreement. The arbitrator shall be required to follow applicable law.

Section 12. Entire Agreement.

This Agreement contains the entire understanding between Bond Counsel and District. All previous proposals, offers and communications relative to the Policy Work and this Agreement, whether oral or written, are hereby superseded except to the extent that they have been incorporated into this Agreement. No future waiver of or exception to any of the terms, conditions, and provisions of this Agreement shall be considered valid unless specifically agreed to in writing by both Bond Counsel and District. No oral agreement or implied covenant shall be held to vary the provisions of this Agreement. This Agreement shall bind and inure to the

benefit of the parties to this Agreement and any subsequent successors or assigns as may be permitted pursuant to the provisions of this Agreement.

Section 14. Modification.

Both District and Bond Counsel understand that it may be desirable or necessary during the execution of this Agreement for Bond Counsel or District to modify the scope of services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with District and all changes and their cost shall be memorialized in a written amendment to this original Agreement prior to the performance of the additional work. Until a written change order is so executed, District shall not be responsible to pay any charges Bond Counsel may incur in performing such additional services, and correspondingly Bond Counsel shall not be required to perform any such additional services.

Section 15. Severability.

All sections and subsections of this Agreement are severable, and the unenforceability or invalidity of any of the sections or subsections of this Agreement shall not affect the validity or enforceability of the remaining sections or subsections of this Agreement, but such remaining sections or subsections shall be interpreted and construed in such a manner as to carry out fully the intention of the parties. Therefore, if any part, term, or provision of this Agreement shall be held illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Agreement, the validity of the remaining portions or provisions shall not be affected by such holding and shall nevertheless continue in full force without being impaired or invalidated in any way.

Section 16. Waiver.

The waiver by either party of a default or breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent default or breach of the same or of a different provision of that party. No waiver or modification of this Agreement or of any covenant condition, or limitation contained in this Agreement shall be valid unless in writing and duly executed by the party or parties to be charged therewith.

Section 17. Execution; Counterparts.

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party (each an "Authorized Officer"). This Agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

[Signature Page to Follow on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers and representatives thereto duly authorized, all as of the day and year first above written.

**MC CLOUD COMMUNITY
SERVICES DISTRICT**

THE WEIST LAW FIRM

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A
SCOPE OF WORK

A-I. Pension Management Plan Services

In connection with the development and implementation of the Pension Management Plan, Bond Counsel shall provide the following services:

1. Request and review the data necessary to prepare a draft Pension Management Plan.
2. Review the CalPERS valuation reports, and all other relevant information that might have a bearing on the development and implementation of the Pension Management Plan.
3. Assist municipal advisor analyze the District's current and future unfunded accrued actuarial liability based on recently released actuarial information, CalPERS assumptions, funded status, assets, and estimated contribution rates, among other things.
4. Define the District's goals and priorities, and correspondingly translate the District's overarching goals and objectives into actionable strategies and tactics.
5. Develop a project schedule with milestones and timelines.
6. Based on District's goals and objectives, commence drafting of Pension Management Plan language integrating actionable strategies and tactics based upon best practices and guidelines for pension management discipline and sustainability.
7. Work with municipal advisor to develop appropriate pension cost mitigation modeling.
8. Integrate financial model proforma results into the Pension Management Plan.
9. Facilitate a virtual workshop to demonstrate progress to date on the Pension Management Plan to solicit feedback from staff and/or finance committee.
10. Create overview presentation of the Pension Management Plan for District review and recommendations for action.
11. Finalize Pension Management Plan for approval and adoption by Board of Directors (the "Board of Directors").

A-II. Pension Policy Services

Bond Counsel shall provide the following Services in connection with the Pension Policy Services. Such Services shall include the following:

1. Consult with the appropriate members of the District's staff, municipal advisor and others with respect to the development and implementation of a Pension Management Policy, which is synchronized with the Pension Management Plan.

2. Attend such meetings or hearings of the Board of Directors, finance committee and working group meetings or conference calls as the District may request, and as Bond Counsel deems prudent and necessary to properly carry out the Pension Policy Services.

3. Draft all resolutions, staff reports and/or ordinances required in connection with the Pension Policy Services.

4. Review pertinent documentation prepared or provided by District staff, consultants and financial advisor, as necessary in the conduct of Pension Policy Services.

5. Finalize Pension Management Policy Pension for approval and adoption by Board of Directors.

A-III. Services Related to the Issuance of Financing Obligations

Upon adoption of a resolution of the Board of Directors indicating its desire to proceed with the issuance of Financing Obligations, Bond Counsel shall provide the following legal services in connection with the preparation of the resolutions, documents and certifications necessary for the sale and delivery of the Financing Obligations. Such services shall include the following:

1. Consult with officers and representatives of the District, financial advisors, underwriter and others, with respect to the timing, terms and legal structure of the proposed issuance of Financing Obligations.

2. Prepare all resolutions, ordinances, notices, affidavits, Depository Trust Company agreements, indentures, lease agreements, escrow agreements, fiscal agent agreements, and other legal documents customarily prepared by Bond Counsel, as required for the issuance of Financing Obligations.

3. Review pertinent documentation prepared District staff, consultants, financial advisor or underwriter, including the purchase contract(s) to be derived therefrom, and the continuing disclosure undertaking or undertakings.

4. Review pertinent documentation with respect to any bond provisions, parity debt provisions and reserve fund policy provided or required in connection with the Financing Obligations, if any.

5. Review and evaluate the various financing structures that may be available to the District for the securing of the Financing Obligations. Our analysis will examine the range of capital borrowing methods available to the District.

6. Attend such meetings or hearings of the Board of Directors, finance committee and working group meetings or conference calls as the District may request, and as Bond Counsel deems prudent and necessary.

7. Assist in the preparation of the portions of the official statement for the sale of the Financing Obligations which relate to the terms of the Financing Obligations and the firm's legal opinion delivered with respect to the Financing Obligations.

8. Coordinate legal presentations to the rating agencies and/or credit enhancement providers. We will advise on the legal prudence of seeking a rating and/or bond insurance.

9. Prepare final closing papers to be executed by the District required to effect delivery of the Financing Obligations and coordination of the closing of the Financing Obligations.

10. Render Bond Counsel's customary final legal opinion on the validity of the Financing Obligations and the exemption from California personal income tax of interest thereon.

11. Render a legal opinion to the underwriter or purchaser of the Financing Obligations as to the applicability of the registration requirements of federal securities laws and a statement as to the fair and accurate nature of those portions of the Official Statement described in 7 above.

12. Prepare the required reports to the California Debt and Investment Advisory Commission (pursuant to section 8855 et seq. of the Government Code) respecting the sale of the Financing Obligations.

13. Prepare of a complete transcript of the proceedings, containing originally signed copies of all resolutions, ordinances, legal agreements, disclosure statements, certificates and notices. Copies shall be provided to the District and each member of the financing team.

A-IV. CDIAAC Reporting (SB 1029)

Effective January 1, 2017, state and local issuers are required to submit an annual debt transparency report (ADTR) for any issue of debt for which they have submitted a Report of Final Sale to CDIAAC during the reporting period. The ADTR is due to CDIAAC no later than January 31st of each year for any debt outstanding at any point during the prior fiscal year.

Any joint powers authority ("Authority") selling bonds pursuant to the Act, on or after January 1, 1996, which uses the proceeds of the Marks-Roos bonds to acquire one or more local obligations or transfers funds to a local obligor under the terms of a debt contract between the Authority and the local obligor is required to report annually on the fiscal status of the Authority bonds and the local obligations acquired until the final maturity of the Authority bonds ("Fiscal Status Reports"). The Fiscal Status Reports must be submitted to CDIAAC no later than October 30 each year for any debt outstanding at any point during the prior fiscal year.

Bond Counsel will work with the District to complete and file any required ADTRS and/or Fiscal Status Reports with CDIAAC prior to their relative due date each year.

A-V. General Consultation Services

General Consultation Services under this Agreement shall generally include on-call legal work pertaining to the District's long-term financing plans, capital improvement plans, funding plans, debt capacity analysis, pension cost allocation review and analysis, parcel tax proceedings, special assessment formation proceedings and general obligation bond elections and issuances, and other similar engagements.

General Consultation Services shall be effectuated pursuant to the task orders issued under this Agreement (each a "Task Order"). The specific details of the General Consultation Services will be described in individual in the individual Task Order(s) issued by the District. Bond Counsel shall furnish all technical and professional services including labor, material, equipment, transportation, supervision and expertise to fully and adequately perform the services described in each Task Order, to be negotiated and agreed to for all General Consultation Services to be performed under this Agreement. The District and/or Bond Counsel shall prepare a written description of Services for each Task Order. Task Orders may be authorized by any Authorized Officer, and email correspondence shall serve as a sufficient medium for authorization, provided that Bond Counsel acknowledges and accepts the corresponding Task Order.

EXHIBIT B
COMPENSATION FOR SERVICES

Pension Management Services

For all work involved in the Pension Management Services (i.e., those Services set forth in Exhibit A-I and A-II) Bond Counsel will be paid based on the hourly rate of \$525 per attorney hour, not to exceed 6.85 hours for the Pension Management Plan and Policy, unless an alternate agreement, communicated through written correspondence (including email), is reached. Bond Counsel's hourly rate is subject to an annual (each January 1st) inflationary adjustment (based upon CPI) not to exceed 3% per year. Any payments made to Bond Counsel under the section will qualify for reimbursement to the District from the proceeds of any Financing Obligations issued hereunder.

Transactional Based Compensation

For any work authorized by the Board of Directors involving the issuance of Financing Obligations (i.e., those Services set forth in Exhibit A-III) Bond Counsel's fees are done on a "per Financing" basis and are contingent upon the successful issuance of Financing Obligations. So, if no Financing takes place, Bond Counsel does not charge the District for their Transactional Based Compensation. Bond Counsel's fee ranges from \$11,500 for a simple equipment lease to \$17,500 for a Master Lease Structure, to \$32,500 for a Direct Placement to \$49,200 for a Public Offering of each series of long-term Obligations (plus an additional \$9,500 if a recorded lease arrangement is required). If, and only if, a series of Financing Obligations are issued on a publicly offered basis, for all such series of Financing Obligations issued by the District, Disclosure Counsel shall be paid a flat fee of \$38,500 for the Disclosure Counsel Services. The type of transaction will be decided as data is analyzed and it is determined which placement type is in the best interest of the District and presented to the Board of Directors for approval.

CDIAC Regulatory Reporting

For all annual ADTR and Fiscal Status Reports required to be submitted to the CDIAC, District shall pay Bond Counsel an annual fee of \$495 for each report successfully filed with CDIAC; to be paid within 30 days of receipt of invoice.

General Consultation Work

For the Services described in Exhibit A-V, Bond Counsel will be compensated on a time and materials basis. Each individual Task Order will be scoped for effort and a not to exceed total budget shall be provided for each such Task Order. The invoices and additional documentation requested by District, as applicable, will be submitted to the District no more frequently than monthly, but not less frequently than annually. Bond Counsel's hourly rate is presently \$525 per hour and is subject to an annual (each January 1st) inflationary adjustment (based upon CPI) not to exceed 3% per year.

Expenses (Out-of-Pocket)

In addition to the legal fees, Bond Counsel shall be reimbursed its normal and customary out-of-pocket expenses, including travel (which includes an out of office fee of one hour of attorney time for each one hundred miles of travel) and customary mileage rates; parking charges and bridge tolls as incurred,

business tax expenses, photocopies at forty-five cents per page; telephone and facsimile charges as incurred, and postage and express delivery charges as incurred in connection with the services set forth above.

Bond Counsel does not charge for secretarial support services and internal computer time. For any hourly assignments invoices shall be provided periodically, but no more frequently than monthly or less frequently than annually. For Transactional Based Compensation services invoices shall be submitted and payable upon completion of each Obligation transaction or upon earlier termination of intention to proceed with the Financing Obligation transaction. All such billings shall be due and payable within thirty (30) days after receipt of the statement.



AGREEMENT FOR CONSULTING SERVICES

CALIFORNIA MUNICIPAL ADVISORS LLC
AGREEMENT FOR CONSULTING SERVICES

THIS AGREEMENT (the “Agreement”), made and entered into this ___th day of _____ 2024, by and between the McCloud Community Services District, a political subdivision, organized and existing under the Constitution and laws of the State of California, with its principal place of business at 220 W. Minnesota Avenue, McCloud, CA 96057 (the “District”), and California Municipal Advisors LLC, a California Limited Liability Company, with its principal place of business at 1401 21st Street, Suite 5778, Sacramento, CA 95811 (“CalMuni”), sets forth the terms and conditions under which CalMuni shall provide consulting services to the District.

WHEREAS, the District is a member of the California Public Employees’ Retirement System (“CalPERS”), 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, and the contract between the Board of Administration of CalPERS and 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 Unfunded Liability; and

WHEREAS, under the CalPERS Contract the District is legally obligated to make certain payments to the CalPERS in respect of current and retired public safety employees and miscellaneous employees under the associated pension plans (the “Pension Plans”) that amortize such obligations over a fixed period of time, including normal costs; and

WHEREAS, as a financial consultant and municipal advisor to cities, counties, special districts and other local government agencies throughout the State of California, CalMuni regularly works with agencies to prepare long-term financing plans, capital improvement plans, funding plans, debt capacity analysis, financial modeling/quantitative analysis, pension cost mitigation plans and other similar engagements, in each case acting in a fiduciary capacity in support of the long-term fiscal health to bolster operational efficiency and effectiveness of public agencies; and

WHEREAS, CalMuni also frequently collaborates with cities, counties and special districts throughout the State of California, to clarify and implement pension cost mitigation techniques and strategies (the “Pension Cost Reduction Strategies”) in relation to the UAL and normal costs associated with their respective CalPERS pension plans; and

WHEREAS, once the applicable Pension Cost Reduction Strategies have been determined and synthesized, CalMuni regularly assists public agencies with the development of a comprehensive pension management plan and policy (the “Pension Management Policy and Policy”); and

WHEREAS, the District desires to retain the services of CalMuni to assist the District with Pension Cost Reduction Strategies, the development of a Pension Management Policy and Policy and potential future services described in the list of services attached hereto as Exhibit A (hereinafter referred to interchangeably as the "Services" or "Scope of Services"); and

WHEREAS, CalMuni is duly licensed and has the necessary qualifications, experience, and personnel necessary to properly provide the Scope of Services; and

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and intending to be legally bound hereby, the District and CalMuni agree as follows:

SECTION I. SCOPE OF SERVICES

A. CalMuni shall provide the Scope of Services described in Exhibit A to this Agreement. Any material changes or additions to the Scope of Services shall be promptly reflected in a written supplement or amendment to this Agreement. Services provided by CalMuni which are not specifically referenced in the Scope of Services shall be completed as agreed in writing in advance between the District and CalMuni. Upon request of the District, CalMuni may agree to additional services to be provided by CalMuni, which shall be reflected in a supplement or amendment to this Agreement.

B. B. The Scope of Services details current, ongoing and additional services of CalMuni. The City shall not be responsible for payment of any Service unless mutually agreed upon and authorized by the District. CalMuni shall not be responsible for any performance of any such future services until mutually agreed upon and authorized by the District.

C. CalMuni shall perform all such work with skill and diligence and pursuant to generally accepted standards of practice in effect at the time of performance. CalMuni shall provide corrective services without charge to the District for work which fails to meet these standards, and which is reported to CalMuni in writing within sixty (60) days of discovery.

D. The District shall cooperate with CalMuni and will furnish all information, data, records, and reports existing and available to the District to enable CalMuni to carry out work outlined in the Scope of Services. CalMuni shall be entitled to reasonably rely on information, data, records, and reports furnished by the District, however, the District makes no warranty as to the accuracy or completeness of any such information, data, records, or reports available to it and provided to CalMuni which were furnished to the District by a third party. CalMuni shall have a duty to bring to the District's attention any deficiency or error it may discover in any information provided to CalMuni by the District or a third party.

E. CalMuni shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing Services pursuant to this Agreement. The District shall furnish to CalMuni no facilities or equipment, unless the District otherwise agrees in writing to provide the same.

F. CalMuni shall, at CalMuni's sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits or other such approvals which are legally required for performing the Services.

G. Upon the District's request, CalMuni shall provide, in a form acceptable to the District, written progress reports of all oral and written observations, opinions, recommendations, analyses, progress and conclusions related to CalMuni's performance of the Services.

SECTION II. WORK SCHEDULE

The Services described in Section A-I of Exhibit A are to commence as soon as practicable after the execution of this Agreement. The balance of Services described in Exhibit A shall commence only upon the District's written direction.

SECTION III. REGISTERED MUNICIPAL ADVISOR; REQUIRED DISCLOSURES

A. IRMA Disclosures. CalMuni is a registered municipal advisor with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. This Agreement designates CalMuni as the District's independent registered municipal advisor ("IRMA") with regard to the attached Scope of Services for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA Exemption"). CalMuni shall not be responsible for, or have any liability in connection with, verifying that CalMuni is independent from any other party seeking to rely on the IRMA Exemption (as such independent status is required pursuant to the IRMA Exemption, as interpreted from time to time by the SEC). The District acknowledges and agrees that any reference to CalMuni, its personnel, and its role as IRMA, including in the written representation of the District required under SEC Rule 15Ba1-1(d)(3)(vi)(B) shall be subject to prior approval by CalMuni. The District further agrees not to represent that CalMuni is the District's IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, outside of the attached Scope of Services or without CalMuni's prior written consent.

B. MSRB Rule G-42 requires that municipal advisors make written disclosures to its client's of all material conflicts of interest and certain legal or disciplinary events. Such disclosures are provided in CalMuni's Disclosure Statement delivered to the District together with this Agreement as Exhibit C.

C. Fiduciary Duty of Care. CalMuni has a legal fiduciary Duty of Care to:

1. Exercise due care in performing its municipal advisory activities;
2. Possess the degree of knowledge and expertise needed to provide the District with informed advice;
3. Make a reasonable inquiry as to the facts that are relevant to District's determination as to whether to proceed with a course of action or that form the basis for any advice provided to District; and
4. Undertake a reasonable investigation to determine that CalMuni is not forming any recommendation on materially inaccurate or incomplete information; CalMuni must have a reasonable basis for:
 - i. any advice provided to or on behalf of District;
 - ii. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by District, any other party involved in the municipal securities transaction or municipal financial product, or investors in the District securities; and
 - iii. any information provided to the District or other parties involved in the municipal securities transaction when participating in the preparation of an official statement.

D. Fiduciary Duty of Loyalty. CalMuni has a legal fiduciary Duty of Loyalty to deal honestly and with the utmost good faith with District and act in District's best interests without regard to the financial or other interests of CalMuni. CalMuni will eliminate or provide full and fair disclosure (included herein) to District about each material conflict of interest (as applicable). CalMuni will not engage in municipal advisory activities with District as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in District's best interests.

SECTION IV. COMPENSATION

A. For the Services provided under this Agreement, CalMuni's professional fees shall be paid as provided in Exhibit B to this Agreement. Any services which are not included in the Scope of Services set forth in Exhibit A of this Agreement will be subject to separate, mutually acceptable fee structures.

B. Invoice(s) in a format and on a schedule acceptable to the District shall be submitted to and be reviewed and verified by the District. The District shall notify CalMuni of exceptions or disputed items and their dollar value within fifteen (15) days of receipt. Payment of the undisputed amount of the invoice will typically be made approximately thirty (30) days after the invoice is received by the District.

C. CalMuni will maintain clearly identifiable, complete and accurate records with respect to all costs incurred under this Agreement on an industry recognized accounting

basis. CalMuni shall make available to the representative of the District all such books and records related to this Agreement, and the right to examine, copy and audit the same during regular business hours upon three (3) business days' notice for a period of two (2) years from the date of final payment under this Agreement.

SECTION V. TERM AND TERMINATION

A. Unless otherwise provided, the term of this Agreement shall begin on the date of its full execution and shall expire on the following dates as to the scope of work set forth in the referenced exhibits unless extended by amendment or terminated earlier as provided herein.

<u>Exhibit</u>	<u>Termination Date</u>
A-I – Pension Management Plan and Policy Development	March 31, 2025
A-II – Issuance of Debt Obligations	Per Written Notice
A-III – Annual Monitoring and Maintenance Services	Per Written Notice
A-IV – General Financial Consulting	Per Written Notice

B. The District may suspend this Agreement and CalMuni’s performance of the Services, wholly or in part, by written notice to CalMuni, for such period as it deems necessary in the District’s sole discretion. CalMuni will be paid for satisfactory services performed through the date of suspension.

C. If CalMuni at any time refuses or neglects to perform its Services in a timely fashion or in accordance with the schedule identified in Exhibit A, or is declared bankrupt, or commits any act of insolvency, or makes an assignment for the benefit of creditors without District’s consent, or fails to make prompt payment to persons furnishing labor, equipment, materials or services, or fails in any respect to properly and diligently perform its Services, or otherwise fails to perform fully any and all of the Agreements herein contained, this Agreement shall be terminated.

D. If CalMuni fails to cure the default within seven (7) days after written notice from the District, the District may, at its sole option, demand possession of any documents or other materials (in paper and electronic form) prepared or used by CalMuni in connection with the provision of Services and (1) provide any such work, labor, materials or services as may be necessary to overcome the default and deduct the cost thereof from any money then due or thereafter to become due to CalMuni under this Agreement; or (2) terminate this Agreement.

E. This Agreement and all Services, in whole or part, may be terminated upon ten (10) days written notice from either party, with or without cause. In the event District elects to terminate this Agreement, CalMuni shall be paid for all services rendered, unless the termination is made for cause, in which event compensation, if any, shall be adjusted in the light of the particular facts and circumstances involved in the termination. This continuing right to receive full compensation shall survive the term of this Agreement.

SECTION VI. ASSIGNMENT

CalMuni shall not assign any interest in this Agreement or subcontract any of the work performed under the Agreement without the prior written consent of the District.

SECTION VII. RECOMMENDATIONS

If CalMuni makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the District and is within the scope of the engagement, CalMuni will determine, based on the information obtained through reasonable diligence of CalMuni whether a municipal securities transaction or municipal financial product is suitable for the District. In addition, CalMuni will inform the District of:

- i. the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- ii. the basis upon which CalMuni reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the District; and
- iii. whether CalMuni has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the District's objectives.

If the District elects a course of action that is independent of or contrary to the advice provided by CalMuni, then CalMuni is not required on that basis to disengage from the District

SECTION VIII. CONFIDENTIALITY

A. All information, data, reports, and records ("Data") in the possession of the District or any third-party agent to the District necessary for carrying out any services to be performed under this Agreement shall be furnished to CalMuni, and the District shall cause its agent(s) to cooperate with CalMuni in its conduct of reasonable due diligence in performing the services.

B. Unless otherwise provided for herein, all documents, materials, data, computer data files, basis for calculations, and reports originated and prepared by CalMuni under this agreement shall be and remain the property of the District for its use in any manner it deems appropriate. CalMuni shall deliver the work product to the District in the PDF format electronically. CalMuni shall use all reasonable efforts to ensure that any electronic files provided to the District will be compatible with the District's current computer hardware and software. CalMuni makes no representation as to long-term compatibility, usability or readability of the format resulting from the use of software application

packages, operating systems or computer hardware differing from those in use by the District at the commencement of this Agreement. CalMuni shall be permitted to maintain copies of all such data for its files. The District acknowledges that its use of the work product is limited to the purposes contemplated by the Scope of Services and, should the District use these products or data in connection with additions to the work required under this Agreement or for new work without consultation with and without additional compensation to CalMuni, CalMuni makes no representation as to the suitability of the work product for use in or application to circumstances not contemplated by the Scope of Services and shall have no liability or responsibility whatsoever in connection with such use which shall be at the District's sole risk. Any and all liability arising out of changes made by the District to CalMuni's deliverables is waived against CalMuni unless the District has given CalMuni prior written notice of the changes and has received CalMuni's written consent to such changes.

C. To the extent the District requests that CalMuni provide advice with regard to any recommendation made by a third party, the District will provide to CalMuni written direction to do so as well as any Data it has received from such third party relating to its recommendation. The District acknowledges and agrees that while CalMuni is relying on the Data in connection with its provision of the services under this Agreement, CalMuni makes no representation with respect to and shall not be responsible for the accuracy or completeness of such Data.

D. In the course of performing services under this Agreement CalMuni may obtain, receive, and review confidential or proprietary documents, information or materials that are and shall remain the exclusive property of the District. Should CalMuni undertake the work on behalf of other agencies, entities, firms or persons relating to the matters described in the Scope of Services, it is expressly agreed by CalMuni that any such confidential or proprietary information or materials shall not be provided or disclosed in any manner to any of the District's other clients, or to any other third party, without the District's prior express written consent.

SECTION IX. NOTICES

All notices given under this Agreement shall be in writing, sent by registered United States mail, with return receipt requested, addressed to the party for whom it is intended, at the designated below. The parties designate the following as the respective places for giving notice, to wit:

McCloud Community Services District
220 W. Minnesota Avenue
McCloud, CA 96057
Attention: Chief Executive Officer

California Municipal Advisors LLC
1401 21st Street, Suite 5778
Sacramento, CA 95811

Attention: Andrew Flynn

SECTION X. LIMITATION OF LIABILITY

Except to the extent caused by willful misconduct, bad faith, negligence, or reckless disregard of obligations or duties under this Agreement on the part of CalMuni or any of its associated persons, neither CalMuni nor any of its associated persons shall have liability to any person for any act or omission in connection with performance of its services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other financial product or investment, or for any financial or other damages resulting from the District's election to act or not to act, as the case may be, contrary to or, absent negligence on the part of CalMuni or any of its associated persons, upon any advice or recommendation provided by CalMuni to the District.

SECTION XII. INDEPENDENT CONTRACTOR; NO THIRD-PARTY BENEFICIARY

A. CalMuni, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint venturers of the District by virtue of this Agreement or any actions or services rendered under this Agreement. This Agreement shall not be construed as an agreement for employment. Nothing in this Agreement is intended or shall be construed to give any person, other than the Parties hereto, their successors and permitted assigns, any legal or equitable rights, remedy, or claim under or in respect of this Agreement or any provisions contained herein.

B. CalMuni acknowledges that CalMuni: (1) is free from the control and direction of the District in connection with the performance of the Services; (2) performs Services outside the usual course of the District's business; and (3) is customarily engaged in an independently established trade, occupation, or business of the same nature as CalMuni performs for the District, and has the option to perform such work for other entities. CalMuni shall have no authority to contract for or otherwise bind the District.

SECTION XIII. DISPUTE RESOLUTION

A. If any dispute arises between the parties as to proper interpretation or application of this Agreement, the parties shall first meet and confer in a good faith attempt to resolve the matter between themselves. If the dispute is not resolved by meeting and conferring, the matter shall be submitted for formal mediation to a mediator selected mutually by the parties. The expenses of such mediation shall be shared equally between the parties. If the dispute is not or cannot be resolved by mediation, the parties may mutually agree (but only as to those issues of the matter not resolved by mediation) to submit their dispute to arbitration. Before commencement of the arbitration, the parties may elect to have the arbitration proceed on an informal basis; however, if the parties are unable so to agree, then the arbitration shall be conducted in accordance with the rules of the American Arbitration Association. The decision of the arbitrator shall be binding, unless within thirty

(30) days after issuance of the arbitrator's written decision, any party files an action in court. Venue and jurisdiction for any such action between the parties shall lie in the Superior Court for the County of Santa Clara.

B. In the event of any controversy, claim or dispute relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

SECTION XIV. APPLICABLE LAW

This Agreement shall be construed, enforced, and administered according to the laws of the State of California. CalMuni and the District agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to pursuing other action.

SECTION XV. TOOL DEVELOPMENT

Except as otherwise set forth in this Agreement, the District will own all tangible written material originally prepared expressly for the District and delivered to the District under this Agreement, excluding any intellectual content and materials contained or embodied therein, which includes all: proprietary information, general skills, know-how, expertise, ideas, concepts, methods, techniques, processes, software, materials, or other intellectual property or information which may have been uncovered, generated, developed or derived by CalMuni either prior to or as a result of its provision of services under this Agreement.

SECTION XV. ENTIRE AGREEMENT; SEVERABILITY

This Agreement represents the entire agreement between the District and CalMuni and may not be amended or modified except in writing signed by both parties. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

SECTION XVI. EXECUTION; COUNTERPARTS

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party (each an "Authorized Officer"). This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same document.

[Signature Page to Follow on Next Page]

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their proper Authorized Officer thereunto duly authorized, on the day and year first set forth above.

MC CLOUD COMMUNITY SERVICES DISTRICT

By: _____
Name:
Title:

CALIFORNIA MUNICIPAL ADVISORS LLC

By: _____
Name: Andrew Flynn
Title: Managing Director

EXHIBIT A
SCOPE OF SERVICES

A-I. Pension Management Plan and Policy Development.

Pension Management Plan and Policy Development services shall include:

- Attend meetings and/or conference calls with the Board of Directors (the “Board”), staff, District Counsel, and other as requested by the District to provide information through presentations and general discussions pertaining to the existing Pension Plans.
- Work closely with staff to identify all potential Pension Cost Reduction Strategies and pension liability management tools (as covered in the initial presentation).
- Provide the financial analysis and associated impacts (along with recommendations if requested by the District) of each potential Cost Mitigation Measure.
- Determine preferred pension liability management scenarios and determine key variables (e.g., desired pension plan funding levels, target reserve levels, priorities for immediate vs. overall cash flow savings, etc.).
- Draft and distribute a baseline draft Pension Management Plan and Policy to the working group.
- Working group submits comments which are integrated into the Pension Management Plan and Policy and then recirculated for continued review and comment.
- Once the draft Pension Management Plan and Policy is substantially complete, it is then presented to the Board for consideration and approval.

A-II. Issuance of Debt Obligations.

Should the Issuance of Debt Obligations be deemed an appropriate measure by the District, CalMuni will provide, at the express written request of the District, debt issuance advisory services including the creation of the financing plan (the “Financing Plan”), development of a pricing strategy, management of the financing schedule and coordination of required pre-and-post sale documentation. As municipal advisor, CalMuni will successfully perform the following duties on behalf of the District, as required:

- *Financing Schedule.* Manage the financing process and coordinate activities of financing team members. Prepare a schedule of activities and ensure the financing is completed in a timely manner.

- *Method of Sale, Timing, Sizing and Structure of Debt Obligations.* Assist the District in creating a customized Financing Plan for the Debt Obligations including method of sale (private placement vs. public offering), timing, sizing, and structure.
 - a. *Method of Sale.* Advise as to the appropriate method of sale for the Debt Obligations.
 - b. *Assist in the Preparation of Lender Request for Proposals.* If private placement is determined the best method of sale, assist the District (and any placement agent) with the preparation and distribution of Request for Proposals to banks and assist the District with analysis the responses of the responding banks.
 - c. *Timing of Issuances.* Advise as to the timing for each series of Debt Obligations to be sold based upon the District's historical and projected revenues and expenses, market interest rate environment, and other factors.
 - d. *Sizing of Issues.* Advise as to the sizing of the Debt Obligations to be sold based on the nature of the financing, federal tax law limitations, state regulatory restrictions, targeted tax rates, goals of the financing program, and other matters.
 - e. *Structure of Debt Obligations.* Advise as to the repayment structure of the Debt Obligations to be sold based on targeted tax rates, impact on interest costs, prudent debt management practices, and other considerations.
- *Rating Agency Preparation.* Prepare the rating strategy and rating agency credit presentation to optimize the credit rating assigned to the Debt Obligations, if applicable.
- *Evaluation of Credit Enhance Opportunities.* Evaluate potential cost effectiveness of credit enhancement options.
- *Lender/Underwriter Due Diligence Assistance.* Assist the District in providing due diligence information requested by lenders/underwriters, as applicable.
- *Authorizing Documentation.* Provide bond counsel with information necessary for the preparation of authorizing documentation. Review authorizing documentation prior to their approval.
- *Review of Debt Policy.* Review and provide any necessary updates to the District's debt policy to ensure compliance with SB 1029 prior to issuance.
- *Board Presentations.* Assist District in presenting all related financing matters to the Board, as requested.
- *Pricing Strategy.* CalMuni will assist the District throughout the sales negotiation process with the Underwriter / Placement Agent.

- a. Advise the District on the propriety of the Underwriter's or Placement Agent's proposed pricing and compensation relative to the current market conditions;
 - b. Negotiate to provide the lowest available rates and costs to the District;
 - c. Provide the District with a pricing analysis of proposed financing alternatives; and
 - d. Provide quantitative schedules showing the results of the final pricing.
- *Closing Documentation.* Review closing documents and otherwise assist in the closing of the transaction.

A-III. Annual Monitoring and Maintenance Services.

CalMuni will provide, at the express written request of the District, annual pension policy monitoring and maintenance services to the District, including the review of the District's Pension Management Policy and Policy, review of the most recent CalPERS Valuation Report, review of the 115 Trust and other Pension Reserve Funds, review of other relevant financial and operational data.

Based upon our review of all relevant data, CalMuni will produce a detailed "Pension Policy Compliance Report" that, among other things, (i) estimates the upcoming CalPERS UAL bases (i.e., the increase or decrease in UAL debt for the ensuing Fiscal Year), (ii) updates available fund balances that have been pledged or set-aside (such as 115 Trust monies or other pension stabilization funds or reserves established pursuant to the Pension Management Policy and Policy) to make discretionary payment to your Pension Plans, (iii) reviews the Pension Management Policy and Policy for compliance as well as opportunities to further mitigate Pension Plan costs, and (iv) concludes with specific recommendations.

A-IV. General Financial Consulting Assistance

CalMuni will provide, at the express written request of the District (which can be by simple email direction), assistance to the District with development of strategic financial plans, funding capacity scenarios (evaluating the capital needs of the District and the revenue available to finance those needs), financial modeling/quantitative analysis, cost allocation analysis, as well as parcel tax, special assessment and general obligation evaluations and other similar engagements. This shall include, upon the request of the District, collecting data from District and external sources, developing financial models and presentation materials as required to educate internal and external stakeholders of the District. These services may also include general advisory, financial policy assistance, strategic and analytical services, obtaining and analyzing proposals from third-party financial providers, facilitating strategic meetings with long-term financial implications, and other financial advisory services as may be needed at the direction of the District.

EXHIBIT B
COMPENSATION FOR SERVICES

B-I. Pension Management Plan and Policy Development.

For the Services described in Section A-I (Pension Management Plan and Policy Development) of Exhibit A, CalMuni will be compensated on a time and materials basis, not to exceed total budget, as shown below. The invoices and additional documentation requested by District, as applicable, will be submitted to the District no more frequently than monthly.

In no case shall the total compensation under this Agreement exceed the “not-to-exceed” amount specified below without prior written authorization of the General Manager or other Authorized Officer.

If there are material changes to the Scope of Services, a revised budget may be determined by mutual written agreement between CalMuni and the District.

Task	Description	Hours [1]	Amount @ \$310/hr [1]
1	Pension Management Policy and Policy Development	15	\$4,650
2	Pension Management Presentations	<u>5</u>	<u>\$1,550</u>
TOTAL		20	\$6,200

[1] Time and cost are estimates and will vary. Billings will be done on a T&M basis for actual amount of time required, not to exceed the total amount shown.

B-II. Issuance of Debt Obligations.

For the Services described in Section A-II (Issuance of Debt Obligations) of Exhibit A, if the District elects to issue Debt Obligations, CalMuni will be compensated on a contingent basis (i.e., only if Debt Obligations successfully issued) a flat fee ranging from \$9,500 for a simple equipment lease to \$39,500 for a Direct Placement or Public Offering of each series of long-term Debt Obligations, plus reasonably incurred out of pocket expenses, including travel, conference calls, printing, data services, and other reimbursable expenses not to exceed \$2,150. All fees and expenses associated with the issuance of Debt Obligations shall be paid from the proceeds of such Debt Obligations.

B-III. Annual Monitoring and Maintenance Services.

For the Services described in Section A-III (Annual Monitoring and Maintenance Services) of Exhibit A, CalMuni will be compensated on the basis an annual flat fee of \$1,950, plus reasonably incurred out of pocket expenses, including travel, conference calls, printing,

data services, and other reimbursable expenses not to exceed \$450. The invoice for these services will be submitted upon release of the Pension Policy Compliance Report.

B-IV. General Financial Consulting Assistance.

For the Services described in Section A-IV (General Financial Consulting Assistance) of Exhibit A, CalMuni will be compensated on an hourly basis of \$310, plus reasonably incurred out of pocket expenses, including travel, conference calls, printing, data services, and other reimbursable expenses. The invoice for these services will be submitted to the District no more frequently than monthly. Hourly fees are subject to an annual inflationary adjustment to not exceed 3% in a year.

EXHIBIT C

DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER INFORMATION CALIFORNIA MUNICIPAL ADVISORS LLC

I. Introduction

California Municipal Advisors LLC (hereinafter, referred to as “CalMuni”) is a registered municipal advisor with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. In accordance with MSRB rules, this disclosure statement is provided by us to each client prior to the execution of its advisory agreement with written disclosures of all material conflicts of interests and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c) (ii). CalMuni employs a number of resources to identify and subsequently manage actual or potential conflicts of interest in addition to disclosing actual and potential conflicts of interest provided herein.

How We Identify and Manage Conflicts of Interest

Code of Ethics. CalMuni requires all of its employees to conduct all aspects of our business with the highest standards of integrity, honesty and fair dealing. All employees are required to avoid even the appearance of misconduct or impropriety and avoid actual or apparent conflicts of interest between personal and professional relationships that would or could interfere with an employee’s independent exercise of judgment in performing the obligations and responsibilities owed to a municipal advisor and our clients.

Policies and Procedures. CalMuni has adopted policies and procedures that include specific rules and standards for conduct. Some of these policies and procedures provide guidance and reporting requirements about matters that allow us to monitor behavior that might give rise to a conflict of interest. These include policies concerning the making of gifts and charitable contributions, entertaining clients, and engaging in outside activities, all of which may involve relationships with clients and others that are important to our analysis of potential conflicts of interest.

Supervisory Structure. CalMuni has both a compliance and supervisory structure in place that enables us to identify and monitor employees’ activities, both on a transaction and firm-wide basis, to ensure compliance with appropriate standards. Prior to undertaking any engagement with a new client or an additional engagement with an existing client, appropriate municipal advisory personnel will review the possible intersection of the client’s interests, the proposed engagement, our engagement personnel, experience and existing obligations to other clients and related parties. This review, together with employing the resources described above, allows us to evaluate any situations that may be an actual or potential conflict of interest.

Disclosures. CalMuni will disclose to clients those situations that it believes would create a material conflict of interest, such as:

1. any advice, service or product that any affiliate may provide to a client that is directly related to the municipal advisory work of CalMuni;
2. any payment made to obtain or retain a municipal advisory engagement with a client;
3. any fee-splitting arrangement with any provider of an investment or services to a client;

4. any conflict that may arise from the type of compensation arrangement we may have with a client; and
5. any other actual or potential situation that CalMuni is or becomes aware of that might constitute a material conflict of interest that could reasonably be expected to impair our ability to provide advice to or on behalf of clients consistent with regulatory requirements.

If CalMuni identifies such situations or circumstances, we will prepare meaningful disclosure describing the implications of the situation and how we intend to manage the situation. CalMuni will also disclose any legal or disciplinary events that are material to a client's evaluation or the integrity of our management or advisory personnel. CalMuni will provide this disclosure (or a means to access this information) in writing prior to starting our proposed engagement and will provide such additional information or clarification as the client may request. CalMuni will also advise clients in writing of any subsequent material conflict of interest that may arise, as well as the related implications, its plan to manage that situation, and any additional information such client may require.

II. General Conflict of Interest Disclosures

Disclosure of Conflicts Concerning the Firm's Affiliates

CalMuni's affiliates offer a wide variety of financial and legal services, and our clients may be interested in pursuing an affiliate's services separately. The affiliate's business with the client could create an incentive for CalMuni to recommend a course of action designed to increase the level of the client's business activities with the affiliate or to recommend against a course of action that would reduce the client's business activities with the affiliate. In either instance, CalMuni may be perceived as recommending services for a client that are not in the best interests of our clients, but rather are in our interests or the interests of our affiliates. Accordingly, CalMuni mitigates any perceived conflict of interest that may arise in this situation by disclosing it to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives and financial circumstances. Further, CalMuni receives no compensation from its affiliates with respect to a client introduction or referral. If a client chooses to work with an affiliate, we require that the client consult and enter into a separate agreement for services, so that the client can make an independent, informed, evaluation of the services offered.

Disclosure of Conflicts Related to the Firm's Compensation

From time to time, CalMuni may be compensated by a municipal advisory fee that is or will be set forth in an agreement with the client to be, or that has been, negotiated and entered into in connection with a municipal advisory service. Payment of such fee may be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal or par amount of municipal securities or municipal financial product. While this form of compensation is customary in the municipal securities market, it may be deemed to present a conflict of interest since we may appear to have an incentive to recommend to the client a transaction that is larger in size than is necessary. Further, CalMuni may also receive compensation in the form of a fixed fee arrangement. While this form of compensation is customary, it may also present a potential conflict of interest if the transaction ultimately requires less work than contemplated and we are perceived as recommending a more economically friendly pay arrangement. Finally, CalMuni may contract with clients on an hourly fee basis. If CalMuni and the client do not agree on a maximum amount of hours at the outset of the engagement, this arrangement may pose a conflict of interest as we would not have a financial

incentive to recommend an alternative that would result in fewer hours. CalMuni manages and mitigates all of these types of conflicts by disclosing the fee structure to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives, and financial circumstances.

Disclosure Concerning Provision of Services to State and Local Government, and Non-Profit Clients

CalMuni regularly provides financial advisory services to state and local governments, their agencies, and instrumentalities, and non-profit clients. While our clients have expressed that this experience in providing services to a wide variety of clients generally provides great benefit for all of our clients, there may be or may have been clients with interests that are different from (and adverse to) other clients. If for some reason any client sees our engagement with any other particular client as a conflict, we will mitigate this conflict by engaging in a broad range of conduct, if and as applicable. Such conduct may include one or any combination of the following: 1) disclosing the conflict to the client; 2) requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, including the client's needs, objectives and financial circumstances; 3) implementing procedures that establishes a "firewall" that creates physical, technological and procedural barriers and/or separations to ensure that non-public information is isolated to particular area such that certain governmental transaction team members and supporting functions operate separately during the course of work performed; and 4) in the rare event that a conflict cannot be resolved, we will withdraw from the engagement.

Disclosure Related to Legal and Disciplinary Events

CalMuni has never been subject to any legal, disciplinary or regulatory actions. As registered municipal advisors with the SEC and the MSRB, pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2, our legal, disciplinary and judicial events are required to be disclosed on our forms MA and MA-I filed with the SEC, in 'Item 9 Disclosure Information' of form MA, 'Item 6 Disclosure Information' of form MA-I, and if applicable, the corresponding disclosure reporting page(s). To review the foregoing disclosure items and material change(s) or amendment(s), if any, clients may electronically access CalMuni filed forms MA and MA-I on the SEC's Electronic Data Gathering, Analysis, and Retrieval system, listed by date of filing starting with the most recently filed.

III. Specific Conflicts of Interest Disclosures – Client

The principal of Weist Law LLP ("WeistLaw"), Cameron Weist, is also a principal of CalMuni. We do not believe that this dual representation creates a conflict because the California Rules of Professional Conduct governing the ethical standards imposed on lawyers are aligned with and equal or exceed the fiduciary duties imposed on municipal advisors, and also because CalMuni receives no compensation from WeistLaw, or vice versa, and both firms are independently engaged under separate contracts which have been vetted in light of various factors, including the client's needs, objectives and legal and financial circumstances, to ensure that each such client has made an independent, informed, evaluation of the type and quality of services offered by each entity. If you believe this creates a conflict, please do not sign this Agreement.

To our knowledge, following reasonable inquiry, we are not aware of any other actual or potential conflict of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the Client in accordance with applicable standards of conduct of MSRB Rule G-42.

IV. Additional Disclosures – MSRB Rule G-10

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client

Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

1. CalMuni is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.
2. Within the MSRB website at www.msrb.org, our clients may obtain the Municipal Advisory Client Brochure (the “Brochure”) that is posted on the MSRB website. The Brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

Statement of Reserve Fund Balances

3/31/2024

Fund	Account	Reserve Category	Beginning Balance	Deposit	Withdrawal	Interest	Ending Balance	Reserve Balances
		Five Star Money Market	\$ 3,860,384.65			\$ 13,420.79	\$ 3,873,805.44	
		Five Star Reserve Fund Sewer (CD)	\$ 100,000.00			\$ 3,763.39	\$ 103,763.39	
		L AIF	\$ 888.64				\$ 888.64	
		Total	\$ 3,961,273.29				\$ 3,978,457.47	
General	101110	Contingency	\$ 124,019.27	\$ -	\$ -	\$ 479.44	\$ 124,498.71	\$ 332,806.10
1010		OPEB	\$ 59,802.06		\$ -	\$ 223.94	\$ 60,026.00	
		RCAC Reserves	\$ 113,387.63	\$ -		\$ 395.88	\$ 113,783.51	
		Asset Replacement Fund	\$ 28,298.85			\$ 139.60	\$ 28,438.45	
	101130	Set asides pending Audits	\$ 5,962.58	\$ -		\$ 96.85	\$ 6,059.43	
Fire	101115	Ambulance Fund	\$ 61,169.61			\$ 207.95	\$ 61,377.56	\$ 777,333.28
1040	101116	Ambulance & Equipment Donations	\$ 410.43			\$ 1.40	\$ 411.83	
	101110	Non-Operating (not assigned or committed)	\$ 375,060.04		\$ -	\$ 984.71	\$ 376,044.75	
	101130	Set asides pending Audits	\$ 13,372.00	\$ -		\$ 38.78	\$ 13,410.78	
1041	101136	Strike Team Equip. repair	\$ 31,034.79			\$ 105.50	\$ 31,140.29	
	101137	Strike Team future wages*	\$ 153,381.65			\$ 521.42	\$ 153,903.07	
		Asset Replacement Fund	\$ 140,621.87	\$ -		\$ 423.13	\$ 141,045.00	
Alleys	101110	Winter Storm Disaster Fund	\$ 34,784.22			\$ 114.25	\$ 34,898.47	\$ 147,366.88
1050	101130	Set asides pending Audits	\$ 7,500.00			\$ 22.16	\$ 7,522.16	
		Asset Replacement Fund	\$ 60,379.00			\$ 199.25	\$ 60,578.25	
		Alleys Contingency Cash (Non-op)	\$ 44,221.59			\$ 146.41	\$ 44,368.00	
Lights	101130	Set asides pending Audits	\$ 397.73	\$ -		\$ 1.35	\$ 399.08	\$ 399.08
1060								
Parks	101110	Park Fund	\$ 43,364.38			\$ 127.47	\$ 43,491.85	\$ 91,251.01
		RCAC Reserves	\$ 20,000.00		\$ -	\$ 41.00	\$ 20,041.00	
		Asset Replacement Fund	\$ 25,646.00			\$ 67.16	\$ 25,713.16	
	101130	Set asides pending Audits	\$ 2,000.00	\$ -		\$ 5.00	\$ 2,005.00	
Library	101110	Library Fund	\$ 2,459.09			\$ 7.34	\$ 2,466.43	\$ 3,443.51
1080		Building Maintenance	\$ 534.56			\$ 2.84	\$ 537.40	
		Roof	\$ 55.40			\$ 0.16	\$ 55.56	
	101130	Set asides pending Audits	\$ 382.81	\$ -		\$ 1.31	\$ 384.12	
Refuse	101110	General Refuse	\$ 99,557.91			\$ 325.65	\$ 99,883.56	\$ 215,837.80
1090		RCAC Reserves	\$ 103,364.00			\$ 297.00	\$ 103,661.00	
		Asset Replacement Fund	\$ 112,474.00			\$ 337.42	\$ 6,438.66	
	101130	Set asides pending Audits	\$ 5,837.65	\$ -		\$ 16.93	\$ 5,854.58	
Sewer	101110	General Sewer	\$ 329,309.02			\$ 987.27	\$ 330,296.29	\$ 1,464,458.50
2000							\$ -	
		Asset Replacement Fund	\$ 107,129.69			\$ 619.42	\$ 107,749.11	
	101130	Assigned set asides pending Audits	\$ 84,181.57	\$ -		\$ 247.03	\$ 84,428.60	
		RCAC Reserves	\$ 939,167.00			\$ 2,817.50	\$ 941,984.50	
Water	101110	General Water	\$ 596,490.00		\$ -	\$ 1,661.26	\$ 598,151.26	\$ 928,386.06
3000		Asset Replacement Fund	\$ 78,186.17			\$ 151.19	\$ 78,337.36	
		Main Line Project	\$ 38,827.34			\$ 133.49	\$ 38,960.83	
	101130	Assigned set asides pending Audits	\$ 65,000.00	\$ -		\$ 188.39	\$ 65,188.39	
	101120	RCAC Reserves	\$ 147,247.65			\$ 500.57	\$ 147,748.22	
Totals			\$ 4,055,017.56	\$ -	\$ -	\$ 13,420.79	\$ 3,961,282.22	\$ 3,961,282.22