



# Office of the County Counsel

"Providing Quality Legal Services to the County of Tuolumne"

**Sarah Carrillo**  
*County Counsel*

Deputies  
Christopher Schmidt  
Cody M. Nesper  
Maria Sullivan

## MEMORANDUM

Assistant to  
County Counsel  
Leah Moroles

DATE: August 13, 2020  
TO: Board of Supervisors  
FROM: Sarah Carrillo, County Counsel *SC*  
Christopher Schmidt, Deputy County Counsel  
SUBJECT: **Presentation on legal framework and potential mechanisms that allow for a joint fire parcel tax measure between the County and other local jurisdictions and direction to staff.**

### Summary

The purpose of this memorandum is to present your Board with requested options to bring a single ballot measure proposing a special parcel tax to fund fire services at the earliest for Spring 2021 and potentially include the city and local districts. After discussion with counsel for GCSD and the City of Sonora, several concerns were raised about the goal of the tax, the mechanism to achieve this joint effort and whether the timing allows for the work to be completed in order for an election to occur in the Spring.

This Office met with the attorneys for both the City of Sonora and GCSD regarding the legal mechanisms available to achieve a single ballot measure. All attorneys agree that the mechanisms set forth in this Memo are the available means to achieve the stated goal.

### Background

To address budget shortfalls for county fire services, your Board requested preparation of a ballot measure to propose a special parcel tax to fund fire service in the unincorporated areas of the County. That effort initially excluded the city and local districts that provide their own fire services due to the short time frame for the November 2020 regular election and the fact that each entity is its own taxing authority. Soon thereafter, the City and other districts expressed interest in participating in the County's proposed ballot measure in order to address shortfalls in revenue for fire services countywide. Currently, there is no legal authority to place a single "joint" tax measure on the ballot on behalf of multiple public agencies. Your Board decided to defer the proposed tax to a future special election, preferably Spring 2021 in order to realize revenue for the 2021/22 fiscal year and requested our office present legal options that could allow for a single ballot measure for all participating agencies to reduce confusion and duplication of effort. According to the state constitution and case law, the entire electorate of a jurisdiction proposing a tax votes on the measure, so all county residents, including the city and districts would vote on a County proposed tax even if it's only applied in unincorporated areas.

This may cause voter confusion, because some would be voting on a tax they would not be required to pay.

### **Options**

In order for several separate agencies to participate in one ballot measure, those agencies would have to form a new, separate legal entity or agency including all of them. Once a separate entity or agency is established, that new agency may then adopt a single ordinance proposing a special parcel tax applicable to all areas governed by all the participating agencies. And because the jurisdiction of a new entity is limited to participating jurisdiction, a tax proposed by the new entity would only be voted on by residents of the member jurisdictions who are impacted by the tax. A list of the options for a new partnering agency include: Joint Powers Authority (JPA), County Service Area (CSA), or a Mello Roos Community Facilities District (CFD). These options vary widely in time and effort to establish, and that may impact the ability to meet the Spring 2021 timeline.

#### **1. Joint Powers Authority (JPA) & Special Parcel Tax**

A JPA is an entity permitted under California Government Code §§6500 et seq., whereby two or more public authorities (e.g. local governments, or utility or transport districts) may jointly exercise any power common to all of them. A separate agency may or may not be created. Members may be any type of public agency so long as all have the common power which the JPA will exercise. In order to limit the ballot to a single tax measure, a JPA would need to be a separate agency independent of its partnering agencies. Therefore, to establish a JPA for this purpose requires the following:

- a. **Determine Participants, Purpose & Powers** – before drafting an agreement to establish a JPA, all participating agency governing boards must commit to pursue this option and join a consensus as to the scope of the new agency’s purpose and powers. This may range from an agency that merely levies and distributes tax revenue, to an agency that not just taxes but also provides fire suppression and prevention services. The simpler the agency activity, the less complex and time consuming the formation process will make a Spring 2021 timeline possible. Each agency should also designate representatives or staff to join a formation team responsible for carrying out the following actions.

Due to the short time frame, a tax measure proposal should be prepared simultaneously to a JPA formation so the new agency may immediately consider adoption of an ordinance proposing a special parcel tax and call an election. Therefore, it is recommended all governing boards form a consensus to propose a special parcel tax, the rate, its application as well as any exemptions. The special parcel tax proposal presented to your Board on July 21, 2020, may serve as a model as to the rate, application and exemptions. Having a consensus will further the goal of having one measure cover all jurisdictions participating in the JPA.

- b. **Draft Joint Powers Agreement** – based on the consensus above, staff may develop a joint powers agreement covering the following topics: purpose of the agency, authority and powers, board of directors, quorum and voting, officers, selection of auditor and legal advisor, liability, and termination.

- c. Prepare Tax Ordinance & Resolution – based on the initial consensus, draft an ordinance proposing a special parcel tax for purposes of fire prevention and suppression, and a resolution calling a special election to be adopted by the new JPA governing board.
- d. Adoption of JPA Agreement – each participating agency governing body must adopt the joint powers agreement by resolution and appoint members of their governing body to the new JPA board of directors. Each participating agency may also further review the draft tax ordinance and resolution to be presented to the JPA governing board.
- e. Draft Bylaws – Bylaws carry out the terms of the JPA agreement and establish more specific rules, policies and procedures for matters such as the board of directors, officers, meetings, committees, finance issues, conflicts and withdrawal.
- f. Prepare Conflict of Interest Documents – All JPA directors shall complete and file FPPC Form 700. Also, staff must draft Conflict of Interest Code for the new JPA to be approved by its governing board at its first meeting of directors. The Form 700s must be filed prior to adoption of the Conflict of Interest Code.
- g. First Meeting of JPA Directors – The new JPA board of directors must adopt bylaws, a Conflict of Interest Code, and this may be the earliest time to hold a first reading of the tax ordinance, as well as setting a second reading and public hearing and adoption of a resolution calling a special election.
- h. Secretary of State and Public Agency Roster Filings – the JPA must file notice to the Secretary of State within 30 days after effective date of adoption of the JPA agreement and it is recommended the JPA register with the Public Agency Roster.

Concerns with the JPA option include the time and resources required of participating agencies to administer the JPA as an ongoing separate government agency. However, limiting its powers and activities to the levy and distribution of a tax may lessen the burden on participants. A further concern is managing a high number of participants in a complicated agency formation process which must accommodate a variety of interests. To combine the preparation of a tax measure proposal at the same time, the effort is considerable in a short period of time.

An alternative to a special parcel tax is a “fire suppression assessment” pursuant to Gov’t Code §50078 et seq. A local agency which provides fire suppression services directly or by contract may impose such an assessment. Because all potential participating agencies here appear to be authorized to initiate such an assessment, a JPA could be a vehicle to join the agencies for a consolidated assessment. A special assessment is a charge levied against real property that is particularly and directly benefitted by a local service. Therefore, unlike a tax, an assessment must be supported by a study establishing the direct and proportional benefit to the property benefitted. Due to the lengthier process, similar to a CSA or CFD outlined below, this option is not practical for a Spring 2021 ballot measure.

Though the effort to form a JPA funded by a special parcel tax is considerable, that option is likely the most practical within the existing timeline. We caution that meeting a Spring deadline may be unrealistic given the processes that must be completed by November of this year.

## 2. County Service Area (CSA)

A CSA is a type of local government which is similar to a special district in that they are both forms of local government, governed by a board, provide services and facilities, and operate within defined boundaries. CSAs however are always governed by county board of supervisors. A CSA delivers more or a higher level of county services to specific geographic area and may be funded by a variety of methods such as taxes, assessments, fees, bonds, grants, or general fund money. Fire protection services is an authorized CSA service. Establishing a CSA for this purpose requires the following:

- a. Participating Agency Consensus – each agency governing board desiring to be included in the CSA territory must consent by resolution, reach similar consensus as in a JPA and appoint representatives to join a formation team.
- b. County BOS Resolution of Application – this action initiates the Local Agency Formation Commission (LAFCO) process of formation.
- c. Engineering Study & Other Review – an engineering study is performed to study the CSA’s purpose, authority, territory, and cost estimates to establish a basis for revenue. CEQA review is required unless exempt.
- d. LAFCO Review – The Commission will fix time and place for public hearing
- e. LAFCO Hearing - The Commission will approve, modify or deny proposed formation, adopt terms and conditions of formation, and establish sphere of influence;
- f. Conducting Authority Protest Hearing – potential altering of boundaries, services, but may not add territory or services; see protest procedures.
- g. Order directing formation and direction to BOS to conduct an election
- h. Election of landowners

A concern with a CSA is the lengthy formation process may not be completed in time to realize revenue for the 2021/22 fiscal year. The Public Works Department, which oversees most county CSAs, estimates a minimum of 1 year, and an average 2 to 3 years, for formation depending on such things as need for environmental review and election conditions.

## 3. Mello Roos Community Facilities District (CFD)

The powers the Mello-Roos Community Facilities Act can confer through the formation of a community facilities district (“CFD”) are, at the most basic level, the legal authority to levy and collect a special tax, to use that revenue to finance specified facilities and services, and to borrow money (by issuing bonds or incurring other debt) to assist with financing the facilities. Mello-Roos is particularly suited for phased developments or projects that will develop over a considerable period of time. LAFCO approval is not required.

Establishing a CFD, similar to a CSA and assuming no bond financing, requires:

- a. Participating Agency Consensus – each agency governing board desiring to be included in the CFD territory must consent by adopting a Resolution of Intention and reach similar consensus as in a JPA and appoint representatives to join a formation team.
- b. Joint Powers Agreement – see the JPA procedure above to allow multiple agencies to participate in the CFD.

- c. Preliminary Study and Determinations – prepare Engineering Study, territory, appropriations limit and determine Rate and Method of Apportionment (RMA) for special tax by estimating the benefit of the service to each parcel similar and determine the tax rate.
- d. First Meeting (Board of Supervisors) – adopt a Resolution Approving Boundary Map, Resolution of Intention to Form CFD (public hearing required), Resolution approving JPA or other facilities agreements, if applicable.
- e. Interim Procedures – Record Boundary Map, public notice of hearing, provide notice of Resolution of Intention to agencies, obtain JPA approval from other agencies, prepare Hearing Report.  
2<sup>nd</sup> Meeting/Public Hearing & Formation – hear public testimony; see protest procedure; adopt Resolution of Formation and Resolution Calling Election.
- f. Interim Procedures – publish notice of election, impartial analysis, argument, ballot materials; conduct election (two-thirds vote required, mail or regular ballot). If passes, adopt Resolution of Formation.
- g. 3<sup>rd</sup> Meeting – (if successful) adopt Resolution Determining Election Results and Introduction of Ordinance Levying Tax
- h. Interim Procedures – Record Notice of Special Tax Lien.
- i. 4<sup>th</sup> Meeting – adopt Ordinance levying special tax.
- j. Final Procedures – Levy and collect tax.

Similar to the concern with a CSA is the lengthy formation process for a CFD, which may not be completed in time to realize revenue for the 2021/22 fiscal year. Considering the similar procedures, we can anticipate a similar time estimate of 1 year to 3 years depending on study needs and election conditions. A further concern with Mello Roos is its reputation due to its effect on marketability of the property within the CFD. However, if the CFD merely levies and distributes tax revenue and does not incur bond indebtedness to fund extensive facilities development, the practical effect of a CFD may be similar to a CSA. Mello Roos appears to be designed to address the needs of large, phased projects, so other options such as a JPA or CSA may be more tailored to the needs at hand.

### Timing Process

Assuming an all-mail special election which will allow the JPA flexibility in setting the election date, the latest practical date to hold a special election prior to the 2021/22 fiscal year is June 8, 2021. This date is the latest practical date the County Elections Office can process a special election taking into account the time needed to receive mailed ballots postmarked on the election date and to certify the election. If June 8, 2021, is selected, the 88-day deadline to adopt a resolution calling the election is March 12, 2021. If your Board's goal is to hold an election in the Spring, then this timeline will be moved up. For instance, if your Board aimed for a March election, staff and the respective legislative bodies would only have between now and November to complete all related work including a first and second reading of the ordinance to place the measure on the ballot. Staff does not believe this is a realistic timeframe. Further, this type of ordinance can only be adopted at a legislative body's regular board meeting, and not at a special meeting.

Below is an estimated timeline of events assuming formation of a JPA choosing the June 8, 2021, special election date:

**August 18- February 1:** Staff would need to: obtain direction of respective legislative bodies on content of a JPA and details of a special parcel tax, draft the JPA

agreement, bylaws, conflict of interest code, complete necessary JPA filings, and draft a tax ordinance and resolution calling an election.

Legislative bodies would need to: provide direction to staff as to all aspects of the JPA, appoint representatives for formation and to serve as directors, provide direction on details for a tax ordinance, approve a resolution adopting the JPA agreement, and potentially additional meetings to resolve differences between participating agencies.

New entity legislative body would need to: hold first meeting approving and implementing the JPA agreement and bylaws, adopt a conflict of interest code and ensure all filings are completed.

**February 15, 2021:** First reading of the tax ordinance by the JPA board of directors  
**March 1, 2021:** Second reading of the tax ordinance and adoption of resolution calling a special election by the JPA board of directors  
**June 8, 2021:** Special Election

As you can see this is an ambitious timeline because, if there is not early agreement amongst the collaborating entities on all issues, the timeline may not be met. If your Board's direction is to proceed under this timeline, this will be a primary focus of staff for the next several months. Other projects or priorities may be paused or delayed while we focus our efforts on this task to ensure we assist your Board in meeting your goal.

Additionally, the CAO and her staff have been diligently working with the District's Fire Chiefs in regard to this matter. We understand all prefer a collaborative JPA approach and some of the Districts are preparing letters of intent to demonstrate commitment to this concept. CAO staff will be present during the Board meeting to provide additional details regarding this, as well as a recommended course of action.

### Recommendation

Provide direction to staff as to which legal mechanism your Board is interested in pursuing in order to place a joint fire parcel tax on the ballot.

Further, provide direction regarding the date of the Special Election for the fire parcel tax.

cc: City of Sonora  
Groveland Community Services District  
Twain Harte Community Services District  
Jamestown Fire Protection District  
Columbia Fire Protection District  
Tuolumne Fire Protection District  
Mi-Wuk Sugar Pine Fire Protection District  
Strawberry Fire Protection District  
Tuolumne Mi-Wuk Fire Protection District

**JOINT EXERCISE OF POWERS AGREEMENT  
FOR  
TUOLUMNE COUNTY FIRE AUTHORITY**

This Joint Exercise of Powers Agreement for Tuolumne County Fire Authority ("Agreement") is entered into pursuant to Sections 6500 *et seq.* of the California Government Code, by and between the following local agencies: the City of Sonora Fire Department, Tuolumne County Fire Department, Columbia Fire Protection District, Tuolumne Fire District, Groveland Community Services District, Jamestown Fire District, Twain Harte Fire District, Mi-Wuk-SugarPine Fire District, and Strawberry Fire District; "Cities," "County," and "Districts" are referred to in their individual capacities outside of this Agreement as "Local Agencies." and are referred to for the purposes of participation in this Agreement as "Member" or "Members".

**RECITALS**

**WHEREAS**, the growing wildfire risk in Tuolumne County does not respect jurisdictional boundaries and needs immediate action and sustained commitment to better protect Tuolumne residents, homes and businesses; and

**WHEREAS**, intensifying and extensive fuel build-up are contributing to the increasing threat of wildfire throughout Tuolumne County and, to the extent possible, should be addressed through sound fire suppression practices and resilience of Tuolumne's landscapes; and

**WHEREAS**, the increasing emergency call volume and wide disbursement of fire department resources responding to medical calls, vehicle accidents, hazardous situations and general public assistance shows an exponentially growing need to diversify the types of emergency services provided by fire departments in Tuolumne County; and

**WHEREAS**, individual homes and properties are only as fire resilient as the surrounding homes and properties within each neighborhood or area; and

**WHEREAS**, the more than 55,000 people living in Tuolumne County receive fire protection and emergency response services provided by 8 separate fire agencies and staffing levels, fleet replacement and prevention/code enforcement are needed to ensure fire protection and emergency response are adequate; and

**WHEREAS**, local fire agencies are committed to the protection of life and property in all parts of the county and must coordinate wildfire prevention, disaster preparedness and mitigation, county-wide emergency alerting, maintaining defensible space, reduce combustible vegetation, conduct fire and life safety inspections, fire prevention and code enforcement, increase fire staffing and firefighter safety, planning for organized evacuation in an emergency, fleet replacement; ~~County-wide breathing support unit~~; and

**WHEREAS**, efforts are needed to assist seniors, persons with disabilities, and low-income households to maintain defensible space, and prepare for emergencies to mitigate wildfire threats to structures, ~~and~~ defensible space and the residents and businesses of the county; and

**WHEREAS**, each of Tuolumne's communities has unique local needs and emergency response needs such as wildfire risk from homeless encampments, road widening and alternate access creation for safe evacuations, widely dispersed communities separated by mountains and canyons; county-wide emergency alerting system, and therefore the Tuolumne County Fire Authority will seek to address these specific local needs with a local wildfire mitigation programs and response plans that assists local fire agencies in meeting unique community needs while sustaining a core countywide program for consistency and collaboration; and

**WHEREAS**, the most effective way to protect all of our communities from the risk of wildfire is to come together in a joint powers authority to coordinate wildfire prevention, disaster preparedness and mitigation, county-wide emergency alerting, maintaining defensible space, reduce combustible vegetation, conduct fire and life safety inspections, fire prevention and code enforcement, increase fire staffing, planning for organized evacuation in an emergency, fleet replacement and to implement regional response strategies that address the specific emergency response needs of our communities; ~~and~~

**NOW, THEREFORE**, for and in consideration of the mutual benefits, covenants, and agreements set forth herein, the Members agree as follows:

**SECTION 1. Authority and Purpose**

- a. This Agreement is made under the authority of Sections 6500 through 6515, inclusive, of the California Government Code, among the Members.
- b. The purpose of this Agreement is to establish a Joint Powers Authority separate from the Local Agencies. This Joint Powers Authority is to be known as the Tuolumne County Fire Authority ("Authority"). The Authority will plan, finance, implement, manage, own and operate a multi-jurisdictional and county-wide agency to prevent and mitigate wildfires and increase efficiency and effectiveness of emergency response in Tuolumne County. Each member individually has the statutory ability to provide fire suppression, protection, prevention and related incidental services. The purpose and intent of this Agreement is to jointly exercise the foregoing common powers in the manner set forth herein.

**SECTION 2. Term of Agreement**

This Agreement becomes effective upon the first date that at least 2 Local Agencies listed above (i.e. 8 Local Agencies) have approved this Agreement at a public meeting. It shall remain in effect until it is terminated pursuant to Section 16.



### **SECTION 3. Membership**

- a. **Initial Membership.** To become an initial Member, a Local Agency must execute this Agreement and approve the County of Tuolumne placing the tax measure on the ballot by July 29, 2020. A Local Agency geographically located in Tuolumne County that possesses fire management responsibilities must adopt a resolution of their governing board to become a participating signatory to this Agreement and Member of the Authority. Should an entity defined in this Agreement as a Member of the Authority fail to meet the July 29, 2020 deadline for approval of the Agreement and tax measure, this Agreement shall be interpreted to remove that Local Agency from the definition of Member, and any rights or responsibilities of that entity shall not apply.
- b. **Successor Membership.** If, due to changes in circumstances (including, but not limited to changes in fire suppression responsibility approved by LAFCO) a Member's fire suppression responsibility is transferred to a new or different public agency, that new or different public agency shall be admitted as a Member upon approval of such membership and this Agreement by such public agency's governing body.

### **SECTION 4. Board of Directors**

- a. The Authority will be governed by a Board of Directors comprised of the Fire Chief or organizational representative Management level staff with independent decision making authority from each Member to ensure that programs and resources are directed to areas of greatest need and opportunity for community benefit.
- b. The Authority shall be governed by the Board of Directors which is hereby established. The Authority shall not have responsibility for any services or duties set forth in this Agreement unless and until the tax measure is passed by the voters in a certified election.
- c. The Board of Directors shall hold at least four meetings each year as determined by its bylaws. Special Meetings of the Board may be called in accordance with the provisions of the Brown Act and Government Code Section 54956.
- d. Minutes of the adjourned, regular and special meetings of the Board shall be kept and said minutes shall be forwarded to each member of the Board within thirty days after each meeting. A majority of the Directors of the Board will constitute a quorum; however, if the number of Members is an even number, then 50% of the Directors of the Board will constitute a quorum. In the event of a meeting of the Board with less than a quorum, the present Directors will only have the power to dismiss a meeting. For purposes of conducting business, a majority of the

quorum will be authorized to act on behalf of the Authority, subject to the voting conditions set forth in Section 4.f.

- e. The Board shall elect, at its first meeting of each fiscal year, a President and Vice President. The President and Vice President shall serve one-year terms, but can be re-elected. The President shall represent the Authority and execute any contracts and other documents when required by the bylaws. The Vice President shall serve in the absence of the President.
- f. **Voting.** For all votes conducted by the Board, a proposed motion subject to vote passes when both following conditions are satisfied: (1) a majority of the Directors present vote in favor of a motion, and (2) the Directors present and voting in favor of a motion represent, in the aggregate, according to the then latest general census, over 50% of the population represented by the Member agencies present in the quorum.
- g. The Board may adopt from time to time such policies, procedures, bylaws, rules and regulations for the conduct of its affairs as deemed necessary by the Board.

#### **SECTION 5. Powers of the Authority**

- a. The Authority shall have all of the necessary powers and authorities granted by law to exercise the common powers of its members in providing wildfire suppression, protection, prevention and related and incidental services, with members retaining all powers.
- b. The Authority shall have all of the necessary powers to evaluate structures and defensible space and provide structural fire protection advice to enhance compliance of parcels of land and buildings meeting local fire and building codes, as well the power to create neighborhood and public education programs to reduce wildfire vulnerability and improve neighborhood preparedness.
- c. The Authority may contract with private companies and public agencies to create, implement and operate the Authority to provide wildfire protection and prevention, as well as to ensure buildings meet fire and building codes.
- d. The Authority may make and enter into contracts; adopt budgets; employ and retain agents and personnel; retain legal counsel; retain consultants and engineers; acquire grants; acquire, hold, lease and dispose of real and personal property; accept donations; sue and be sued; and possess and exercise all other powers common to the Members. The intent of this provision is to allow the Authority flexibility in making fiscally sound staffing decisions.
- e. The Authority may incur debt and issue bonds or any like instruments of no more than 10% of its annual budget in order to efficiently provide the service enumerated herein in compliance with the pertinent sections of the Government Code of the State of California. Specifically, the Authority can incur debt in its own name under any law authorizing a joint power authority to do so, including

Government Code Section 6540 *et seq.*, and the Marks-Roos Local Bond Pooling Act of 1985, and Government Code Section 6584 *et seq.*

- f. The Authority may authorize taxes pursuant to Government Code Sections 50075 *et seq.*, 53978, or any successor statutes as approved by voters in an election held in November 2020 or March 2021. No subsequent taxes or fees may be raised by the Authority without approval of Members.
- g. The Authority may exercise the powers permitted pursuant to Government Code Section 6504 or any successor statute. Pursuant to Government Code Section 6509.5, the Authority is entitled to invest any money in the treasury that is not required for the immediate necessities of the Authority.
- h. The Authority may do all things necessary and lawful to carry out the purpose of this Agreement.
- i. As required by Government Code Section 6509, one Member must be designated such that the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the Member. The County of Tuolumne is designated as the Government Code Section 6509 public entity.

**SECTION 6. Operations Committee**

- a. The Operations Committee shall be responsible for creating a recommended annual budget for the Board, with a means of distributing funds. The Operations Committee shall meet at least twice per year at a reasonable time before the Board must establish its budget. The Operations Committee representatives should strive for a balance of executive/administrative and fire expertise on the committee. The Operations Committee shall be composed of three representatives who are agency representatives, and are from the Members.
- b. **Voting.** For all votes conducted by the Operations Committee, a proposed motion subject to vote passes when both following conditions are satisfied: (1) a majority of the representatives of the Operations Committee present vote in favor of a motion, and (2) the representatives of the Operation Committee present and voting in favor of a motion represent, in the aggregate, according to the then latest general census, over 50% of the population represented by the Member agencies present in the quorum. All votes conducted by the Operations Committee must be voted on and approved by the full Board.

## **SECTION 7. Oversight Committee**

The Board of Directors will create an Oversight Committee. Each Member agency shall annually select their elected official representative to the Oversight Committee, who shall serve the one-year term unless replaced or term extended by the Member agency. The Oversight Committee will review Authority spending on an annual basis following the report from the Treasurer. After review of the previous year's work program and the financial audit, the Oversight Committee will adopt a report describing the extent to which the funds have been spent consistent with the tax measure and provide feedback to the Board of Directors. Oversight Committee participants will be elected officials, one from each Members' perspective agency.

The oversight Committee will be required to submit a statement of financial disclosure and participation will be restricted to individuals without economic interest in any of the Authority's projects. The Board of Directors shall appoint the Oversight Committee from applications received from each Members elected officials.

Formatted: Right: 0.15"

## **SECTION 8. Funding**

a. The services provided by the Authority and its members is intended to be funded by a Tax measure approved by the voters, and attached to this Agreement as an Exhibit by amendment. Voter approved tax funding shall be collected by the Tuolumne County Tax Collector, and distributed to the Member Agencies based on the tax levy formula contained in the ballot measure. The amount of the Tax to be levied each fiscal year shall be approved by the Authority Board in

a.b. The Board shall adopt an annual budget for the Authority's within ninety (90) days of the date the Elections Office certifies the successful passage of the tax measure proposed concurrently with this Agreement to fund this Authority, and by June 1 of each succeeding year. In adopting the annual budget, the Board must consider recommendations from the Operations Committee. The annual budget shall identify the disbursement of funds of the Authority and allocate funds by jurisdiction. The Board shall allocate these funds/costs for each member with the adoption of the annual budget. To the extent changes to the budget under California law require approval of more than a simple majority of Members, the population representation requirement of Section 4.f. shall not increase.

## **SECTION 9. Exemptions**

a. The Authority shall be responsible for technical tax adjustments, consistent with the ballot measure. Whenever possible, the Authority must defer to reasonable requests from the Tuolumne County Tax Collector to accommodate exemptions for parcels that are required by law.

**SECTION 10. Duties of Treasurer**

- a. The Treasurer of the Authority shall be the Treasurer of the Tuolumne County Chiefs Association. The Authority at its first meeting and thereafter at its first meeting of the fiscal year shall elect a Treasurer and establish terms with the Member agency. This person shall also function as the Controller of the Authority.
- b. The Treasurer shall serve as the depository and have custody of all Authority funds and establish and maintain such books, records, funds, and accounts as may be required by generally accepted accounting practice, shall cause an independent annual audit of the accounts and records and comply with all requirements of Government Code Sections 6505, 6505.1, 6505.5 and 6505.6.
- c. The Treasurer, within one hundred and twenty (120) days after the close of each fiscal year ending on June 30, shall give a complete written report of all financial activities for such fiscal year to the Members.

**SECTION 11. Debts and Liabilities**

- a. As permitted pursuant to Government Code Section 6508.1, no debt, liability, or obligation of the Authority shall constitute a debt, liability, or obligation of any Member and each Member's obligation hereunder is expressly limited only to the appropriation and contribution of such funds as may be levied pursuant to this Agreement or as the Member may agree.

**SECTION 12. Insurance and Indemnification**

The Authority shall acquire such insurance protection as is needed to protect the interests of the Authority and the Members, and the Authority shall pay such cost. The Authority may use self-insurance and may contract with a Member for insurance services. The Authority shall defend and indemnify and hold harmless the Members and each of their respective officers, agents and employees, from all claims, losses, damages, costs, injury and liability of every kind, nature and description directly or indirectly arising from the performance of any of the activities of the Authority or the activities undertaken pursuant to this Agreement.

**SECTION 13. Privileges, Immunities and Other Benefits**

In accordance with California Government Code Section 6513, all of the privileges and immunities from liability, all exemptions from laws, ordinances and rules, and all pension, relief, disability, workmen's compensation, and other benefits which apply to the activity of the trustees, officers, employees or agents of the Members when performing their functions shall apply to the same degree and extent while engaged in the performance of any of their functions and duties for the Authority.

**SECTION 14. Termination; Disposition of Assets.**

- a. Should the tax measure to be placed on the ballot in ~~November 2020 or March 2021~~ fail to pass or is subsequently repealed, the services and programs contemplated in this Agreement is may be immediately terminated by the Board of Directors and shall be of no further effect upon certification of the election results.
- b. In accordance with Government Code Section 6512, upon termination of this Agreement, any surplus money in possession of the Authority or on deposit in any fund or account of the Authority shall be returned in proportion to the contributions made by the tax payers of each Member's jurisdiction. Any other property of the Authority shall be divided among the Members in such manner as shall be determined by the Authority in accordance with California law.
- c. If the tax measure is rescinded, all decisions of the Board with regard to determination of amounts to be transferred to Members or any successor shall be final.

**SECTION 15. Severability**

If any provision of the Agreement or its application to any person or circumstances is held invalid, the remainder of this Agreement and the application of the provision to other persons or circumstances shall not be affected.

**SECTION 16. No Rights to Third Parties**

All of the terms, conditions, rights and duties provided for in the Agreement are, and shall always be, solely for the benefit of the Members. It is the intent of the Members that no third party shall ever be the intended beneficiary of any performance, duty or right created or required pursuant to the terms and conditions of this Agreement. Nothing in this Section shall be interpreted to preclude the work of the Authority being done on private land.

**SECTION 17. Notices.**

Notices to Members under this Agreement shall be sufficient if delivered to designated

Director of the Member, or to any other person designated in writing by the Member.

**SECTION 18. Prohibition Against Assignment.**

No Member may assign any right, claim, or interest it may have under this Agreement, and no creditor, assignee or third-party beneficiary of any Member shall have any right, claim or title to any part, share, interest or assets under this Agreement.

**SECTION 19. Amendments**

This Agreement may be amended at any time by one or more supplemental agreements executed by mutual agreement of three-fourths (3/4) of the governing boards of the Members, so long as any amendment comports with the purpose of the voter approved measure, as set forth in Section 1 of this Agreement. Every ten years, the Tuolumne County Board of Supervisors shall hold a public hearing for the purpose of considering the effectiveness of the tax measure and whether any changes in the tax measure should be placed before the voters.

**SECTION 20. Agreement Complete**

The foregoing constitutes the full and complete Agreement of the parties with respect to the subject matter hereof, and supersedes all prior understandings or agreements whether written or verbal. There are no oral understandings or agreement not set forth in writing herein. An such agreements merge into this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officers thereunder duly authorized as of the date of approval by the public agencies that are parties hereto. This Agreement shall be executed in counterparts.

To the Tuolumne County Board of Supervisors,

As the governing body for *Mi Wuk Sugar Pine Fire FPD*, we recognize the importance of collaboration in providing fire services for every resident in Tuolumne County. Fires in Tuolumne County do not respect jurisdictional boundaries and the demand for fire services continues to increase while expenses for these services continue to outpace revenue, compelling us to work closely with our fellow districts and departments.

It is our understanding the County intends to hold a special election for a parcel tax for fire services in the spring of 2021. We also understand that attorneys from Tuolumne County, City of Sonora and Groveland Community Services District are working together to develop a recommendation about which mechanism would be best to enable one single ballot measure for all Tuolumne County voters. Furthermore, it is our understanding that should a parcel tax for fire services be approved by the voters, the revenue collected would be distributed to those districts participating in the tax measure based on the number of parcels in each district.

To that end, it is our intent to entertain the idea (until further information is presented) to:

- Join the County's effort in developing one unified ballot measure for a special parcel tax for fire services in spring 2021
- Agree to the attorney-recommended mechanism that allows for that unified ballot measure
- Share the cost of the special election based on the number of registered voters in our district
- Commit to participating in a coordinated public education campaign for the ballot measure, once it is approved
- Continue to collaborate and share resources, where feasible, through a Joint Powers Authority Agreement or other recommended mechanism, after the parcel tax has been placed on the ballot

We look forward to the developing partnership with the County, City and other districts and the enhanced fire protection and prevention services this will bring.

Sincerely,  
Board of Directors, *Mi Wuk Sugar Pine FPD*



---

8/17/2020



To the Tuolumne County Board of Supervisors,

As the governing body for *Mi Wuk Sugar Pine FPD*, we recognize the importance of collaboration in providing fire services for every resident in Tuolumne County. Fires in Tuolumne County do not respect jurisdictional boundaries and the demand for fire services continues to increase while expenses for these services continue to outpace revenue, compelling us to work closely with our fellow districts and departments.

It is our understanding the County intends to hold a special election for a parcel tax for fire services in the spring of 2021. We also understand that attorneys from Tuolumne County, City of Sonora and Groveland Community Services District are working together to develop a recommendation about which mechanism would be best to enable one single ballot measure for all Tuolumne County voters. Furthermore, it is our understanding that should a parcel tax for fire services be approved by the voters, the revenue collected would be distributed to those districts participating in the tax measure based on the number of parcels in each district.

While we are supportive of the tax measure for those entities who wish to pursue it, we do not intend to participate. However, it is our intent to entertain the idea (with more information), to continue to collaborate and share resources, where feasible, through a Joint Powers Authority Agreement or other recommended mechanism, after the parcel tax has been placed on the ballot.

We look forward to the developing partnership with the County, City and other districts and the enhanced fire protection and preventions services this will bring.

Sincerely,  
Board of Directors, *Mi Wuk Sugar Pine FPD*

---

8/17/2020

