

PROPOSITION 218 AND STORM DRAIN FUNDING EXPERTISE Through the process of designing and establishing new Proposition 218-compliant fees and benefit assessments and working on these projects with many of the leading Proposition 218 specialized attorneys in the State, we have gained unparalleled legal and Proposition 218 compliance expertise. SCI was a featured speaker at the EPA's Stormwater Funding Forums in Alhambra and Oakland.

STORM DRAIN AND SB 231 EXPERIENCE SCI is recognized as California's leader in storm drain policy, funding, management and implementation. This means we understand and appreciate every aspect of the District's storm drain program and how funding can be leveraged to meet local infrastructure needs and to ensure compliance with the current NPDES permit.

SCI has been actively working in the specific field of storm drain management funding for over 13 years. For example, at the annual CASQA conference in 2006, SCI introduced the concept of non-balloted approaches including realignment of traditional NPDES services. In 2010, SCI promoted Senate Bill 310 and other emerging approaches at the same conference. SCI continues to explore, review and promote a wide variety of approaches at the same conference. SCI continues to explore, review and promote a wide variety of approaches to funding, while ensuring the clients do not incur unacceptable levels of risk.

SCI is an active member of Senator Hertzberg's SB 231 Working Group and is working with several municipalities considering SB 231 implementations (please see our webinar: "Opportunities for Funding Stormwater Management without a Ballot Measure: SB 231 Changes Everything!" at <https://sci-cg.com/webinars-workshops/past-webinars/>). The SCI Team has been actively developing funding sources on Green Infrastructure. Finally, the SCI Team continues to explore the important funding and outreach relationship between storm drain management, local flood control and storm drainage asset management, as well as with broader "one water" concepts.

SCI is one of the few firms possessing comprehensive storm drain fee and ballot experience in California. Below is a listing of some of our recent and current storm drain funding clients:

SCI Storm Drain Clients

City of Alameda
City of Berkeley
City of Cupertino
City of Los Altos
City of Sacramento
City of San Mateo
City of Santa Clara
City of South Lake Tahoe
El Dorado County
Placer County
San Joaquin County
San Mateo County
Town of Moraga

SPECIAL TAX AND COMMUNITY FACILITIES DISTRICT EXPERTISE SCI possesses industry leading expertise with the important legal and procedural requirements for the formation of special taxes and Community Facilities Districts. SCI has formed and annually administers over 850 special taxes, assessments and fees for over 140 public agencies throughout the State. This expertise and experience will ensure that your goals and objectives are met successfully, collaboratively, on schedule, and on budget.

COMPREHENSIVE KNOWLEDGE OF MONTEREY COUNTY We have worked extensively throughout Monterey County, and currently provide, or have provided, assessment engineering, special tax administration and other consulting services to numerous public agencies within Monterey County including:

- The Monterey Peninsula Regional Park District and North County Recreation and Park District
- The Monterey County Regional Fire District and the Norther Salinas Valley Mosquito Abatement District
- The Spreckels Memorial District

CONTINUITY OF STAFF AND FIRM SCI has been providing assessment engineering and levy administration services to public agencies for over 30 years. We are exclusively focused on these highly specialized services. Our staff and firm have unmatched continuity. In addition, SCI has retained the same service area focus for over 30 years of service.

UNSURPASSED GROWTH AND FINANCIAL STABILITY As a testament to our capabilities over years, we have enjoyed significant organizational growth, adding over 30 public agencies to our client list that previously used other firms for their assessment engineering and administration.

LOW OVERHEAD/LOW COST PROVIDER We understand levy administration services must provide cost effectiveness, particularly to keep the City's costs within budget constraints. For this reason, we maintain the lowest overhead and leanest structure in the industry. While other firms maintain multiple offices, hierarchical administration and much higher overhead costs, we operate more effectively and with much lower overhead out of one central office located in an economically favorable business area.

UNMATCHED TECHNICAL CAPABILITIES Aside from our administrative staff, every employee in our firm is a database expert. We have developed in-house, specialized programs to improve our levy administration services. We are also GIS and mapping experts. We invite you to compare our database and technical expertise with the staff from any other firm.

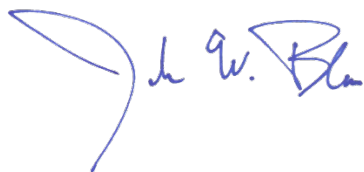
UNMATCHED RESPONSIVENESS AND CUSTOMER SERVICE We invite you to call our toll-free taxpayer inquiry line at (800) 273-5167 and compare our level of service and responsiveness with any other firm. We answer calls directly with knowledgeable levy administration staff, including available representatives who are fluent in Spanish. We also provide the highest level of service and responsiveness for all our clients, including responding to all our clients within the same day.

OUR CLIENTS ARE OUR BEST REFERENCES We sincerely encourage you to speak with any of our clients, not only the listed references. They will attest to the comprehensive nature of our services, our level of client responsiveness and our levy administration abilities.

This proposal is binding for 90 days from the submission deadline of Date, Year.

We look forward to this opportunity to assist the District with this important project and stand ready to proceed. If you have any questions or require additional information, please do not hesitate to contact me. I can be reached at (707) 430-4300 or via email at john.bliss@sci-cg.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "John W. Bliss". The signature is stylized, with a large, sweeping initial "J" and "W" that are connected to the rest of the name.

John W. Bliss, P.E.
President

cc: Chris Coulter, SCI Consulting Group
cc: Jerry Bradshaw, SCI Consulting Group

SCOPE OF WORK

Based upon our current understanding of the requirements of the District, we propose the following scope of work and approach:

Research and Data Analysis

1. Conduct a kick-off meeting with the project team to clarify the project objectives, review potential revenue alternatives, discuss the proposed timeline, ask questions of the District staff, and establish a more detailed work plan for the project.
2. Collect and analyze background and reference information including expenditures and sources of funding. This analysis will include a review of the current and projected expenditures by fiscal year, program elements, and funding source(s).
3. Conduct a preliminary benefit assessment engineering project designed to evaluate and determine special and any general benefits, as well as determine proportionality of special benefit derived from the proposed services among the properties involved. Other relevant issues associated with Proposition 218 requirements will also be addressed.

Assessment Engineering and Engineer's Report

1. Conduct the final assessment engineering for a new Landscaping and Lighting/Storm Drainage assessment.
2. Prepare the Engineer's Report.
3. Review the Engineer's Report with District staff and District legal counsel, and, if necessary, incorporate revisions.
4. Finalize the assessment levies, assessment roll, assessment diagrams, and other information for preliminary approval by the District.
5. Prepare draft resolutions, notices and other materials and documents required or recommended for the proposed assessments. Such documents will be finalized in conjunction with District's legal counsel.
6. Present the findings, proposed assessment levies and the preliminary Engineer's Report to the District.

Public Opinion Survey and Feasibility Analysis (Optional)

1. Identify issues, projects and arguments to be included in the survey.
2. Create the mail survey opinion research instrument to measure support of property owners for an annual benefit assessment.
3. Integrate the proportional weighted votes, assessments and typical response rates for each property owner to create a stratified, randomized sample of property owners to be surveyed.
4. Finalize the design of the surveys, informational items, outgoing and postage prepaid return envelopes.
5. Print, address and mail up to 300 surveys for property owners in the District.
6. Tabulate survey responses and develop cross-tabulations of the response data.
7. Using the survey response data, prepare projected outcome models for a weighted ballot benefit assessment measure.
8. Analyze the survey findings.
9. Review the survey findings and strategic recommendations with District staff.
10. Submit a Public Opinion Survey and Feasibility Analysis Report to the District.
11. Present the survey results to the District Board with recommendations regarding whether to proceed with a funding measure.

Proposition 218 Balloting Services

1. Prepare the draft Proposition 218 notice and ballot for review and approval by the District and the District's legal counsel.
2. Print, address and mail the notice and assessment ballots to all owners of assessable property in the assessment district.
3. Issue replacement ballots as needed.
4. Prepare resolutions, documents and information for the public hearing.
5. Assist the District and its legal counsel in responding to property owner testimony at the public hearing, as needed.
6. SCI will provide tabulation services under direction of the District Clerk

Informational Outreach Services

1. Assist with public informational outreach strategies and property owner informational services.
2. Train District staff who may be responding to property owners or will be making presentations on the proposed assessments to the public.

Annual Levy Administration

1. Create a database including every parcel in the boundaries of the Assessment District, including the parcel attributes necessary for calculating the Assessments, and update it with new information for the upcoming year.
2. Obtain upcoming fiscal year estimated cost information from the District to use as a basis for the budget in the Engineer's Report. Calculate the proposed assessment for each parcel and prepare the preliminary assessment roll.
3. Update the Engineer's Report as necessary, including upgrades to improve compliance with Proposition 218 and other requirements and file the final Engineer's Report with the District.
4. Prepare any needed resolutions and staff reports for the Assessment. Prepare and assist with the publication of any notices for the continuation of the Assessment.
5. Obtain the July lien-date Assessor Roll from the County, identify new or changed parcels that may require an updated or new assessment calculation, and recalculate the final assessment on each parcel.
6. Finalize the Assessment Roll and supporting materials for the assessments, and submit with our toll-free phone number to the County. Verify Auditor's levy data prior to printing of tax bills.
7. Provide a full response, support and basis of the assessments to any person who questions them. In the event of any legal challenge against the assessments, provide professional, assessment engineering support of the assessments, in close collaboration with the District and District legal counsel.

PROJECT TEAM

If selected, Chris Coulter would serve as the project manager and John W. Bliss, P.E. would serve as the assessment engineer and oversee the work. Neither of us have any work commitments interfering with our responsiveness and ability to successfully complete the project within a reasonable timeframe.

Chris Coulter

Chris Coulter contributes experience in funding measure feasibility, data analysis, and financial analysis services for public, private and non-profit sector organizations to the SCI team. Mr. Coulter specializes in rate study analysis and Proposition 218 formation of benefit assessment districts, community facility districts and fee rate structures. In addition, Mr. Coulter is experienced in spatial and regional analysis,

opinion research, public outreach, demographic studies and ballot measure development. Mr. Coulter is a graduate of the University of California at Berkeley with a Bachelor of Art degree in English Literature.

John W. Bliss, P.E.

John Bliss, President, continues to lead SCI Consulting Group as California’s premier firm for public agency revenue mechanism implementation and administration. John has led the development and implementation of over 300 post-Proposition 218 assessments – more than all other assessment engineers in California, combined. John has a passion for quality public institutions that motivates his work at SCI and is demonstrated by his service on a variety of volunteer organizations in Oakland. John graduated from Brown University with a Bachelor of Science Degree in Engineering, and holds a Master’s Degree in Civil Engineering from the University of California, Berkeley, where he was a Regent's Scholar. He is a licensed professional Civil Engineer in the State of California.

PROJECT REFERENCES

Below are project descriptions and references for your review. Please do not hesitate to contact us if you would like to speak with any of the clients for projects listed below.

Bethel Island Municipal Improvement District

3085 Stone Road

Bethel Island, CA 94511

Contact: Jeff Butzlaff, Executive Director

(925) 684-2210; bimid@sbcglobal.net

Bethel Island is the most heavily populated Delta island and had suffered from severe property tax revenue deflation loss and local economic hardships. The local population had considerable skepticism toward the local governing agency, the Bethel Island Municipal Improvement District (“BIMID”). In fact, BIMID had proposed a special tax in 2010 which was soundly defeated. To complicate matters even more, there was a long-stalled development project (called Delta Cove) that was beginning to be revived and potentially include more than one-third of all the houses on the island. Negotiations between the developer and BIMID were difficult and the proposed assessment was a major point of contention. The community was distrustful of both BIMID and the developer.

SCI was hired to manage all aspects of a proposed new revenue mechanism to leverage Department of Water Resources grant funding by providing the required local funding share, and to fund inadequate maintenance. SCI realized that considerable effort would have to be made to regain credibility in the community. A comprehensive, multi-faceted community outreach plan was developed that included direct meetings with major property owners, as well as community meetings, wherein property owners could engage Board members and engineering experts. Several community meetings were conducted along with special one-on-one meetings with major property owners and developers.

SCI developed a proposition 218 compliant engineering approach and Engineer’s Report that captured the unique attributes of flood depths and housing stock (i.e., many houses are built on stilts) with a strict goal to create a fair, equitable, and easy-to-understand rate structure. The rate structure was well-accepted by the community and served to help it win widespread support.

SCI assisted the District and other project team members with outreach efforts with property owners and developers. The Assessment was ultimately approved with over 68% support, only four years after a similar tax (Measure X) managed by a different consultant, received only 41% support.

City of Folsom

50 Natoma Street
Folsom, CA 95630

Contact: Lorraine Poggione, Landscaping and Lighting District Manager
(916) 355-7207 ext:220-3017; lpoggione@folsom.ca.us

SCI was initially hired in 2003 to administer the 19 landscaping and lighting assessments in the City at that time. These assessments had previously been administered in-house. In the first year of our administration, we uncovered over \$24,000 in additional annual revenues due to previous under-assessments on certain parcels. In addition, we performed a comprehensive Proposition 218 compliance analysis that resulted in significant upgrades to the assessment engineering findings and special benefit analysis required under Proposition 218.

SCI has served as the City's Engineer of Record and assessment administrator since 2003. During this time, we have also assisted the City with many assessment ballot proceedings to increase existing assessment rates, or to establish new assessment districts. In addition, we assisted the City with a comprehensive analysis of the expenditure and future capital improvement reserve needs for all the assessment districts in the City.

City of San Mateo

330 West 20th Avenue
San Mateo, CA 94403

Contact: Larry Patterson, City Manager
(650) 522-7303; lpatterson@cityofsanmateo.org

As an initial phase, SCI conducted a scientific survey of property owners to measure the level of support for flood control improvements and a benefit assessment to fund these improvements. This survey found that property owners highly supported the proposed improvements and assessments, if they clearly understood the need for enhanced flood control and the benefits to their property. As a next phase, SCI assisted the City and other project team members with outreach efforts with property owners to build consensus for the proposed improvements and assessments. Thereafter, SCI prepared the Engineer's Report and conducted a successful assessment ballot proceeding that is generating ongoing annual revenues for the maintenance and improvement of levees and other flood control improvements.

TENTATIVE TIMELINE

Following is a proposed project schedule for this project. This schedule is based upon the timing required for a ballot measure to be decided prior to the deadline for levy submission in 2023 which would provide funding in the District's fiscal year 2023-2024. Please note the specific dates are preliminary and may be revised by the District if needed.

DATE / PERIOD

Winter 2022

Winter – Spring 2022

TASK / EVENT

Approval of agreement for services

Research and data analysis

Spring – Summer 2022	Assessment engineering and development of Engineer’s Reports
Summer 2022	Complete and provide to District Draft Engineer’s Report
Fall 2022	Preparation of survey instrument and informational item*
Fall 2022	Mail survey instrument and documents*
Fall 2022	Receipt of returned surveys and analysis of survey results*
Fall - Winter, 2022-2023	Survey results presented to District Board; Board considers Resolution of Intention to conduct a ballot proceeding*
Fall 2022 – Spring 2023	Informational outreach
Winter 2023	Finalize Engineer’s Report (if any changes are needed)
February 2023	Board considers two resolutions: Resolution to preliminarily approve the budgets, assessment rates, Engineer’s Report, and call for the mailing of ballots; Resolution adopting Proposition 218 balloting procedures
March 2023	Develop ballot materials
April 2023	Mail ballots (ballot period must be at least 45 days)
May 2023	Public Hearing and close of ballot period
May 2023	Tabulate Ballots
June 2023	Tabulation results announced; if ballot measure passes, Board considers Resolution ordering levy of assessment for 2023-24

FEE SCHEDULE

In consideration for the work accomplished, as outlined in this proposal, SCI will be compensated as detailed below. Each phase of work listed may be entered into separately, SCI will be compensated for

only the phases of work authorized by the District.

Phase of work

1. Research and Data Analysis	Included
2. Assessment Engineering and Engineer's Report	\$ 23,650
3. Public Opinion Survey and Feasibility Analysis (Optional)*	\$ 5,350
4. Proposition 218 Balloting Services	\$ 2,600
5. Informational Outreach Services	Included
6. First year levy submittal (FY 2023-24)*	\$ 6,100
7. Annual levy administration for fiscal years 2024-25*	\$ 6,200
Annual levy administration for fiscal years 2025-26*	\$ 6,200
Annual levy administration for fiscal years 2026-27*	\$ 6,200

*including existing levy administration project

The scope of services includes up to three in-person meetings with the District for the first year survey, formation and levy submittal, and one meeting for each of the following years. Any additional meetings, if required, will be billed at the rate of \$1,050 per person per meeting.

Incidental costs incurred by SCI for the purchase of property data, maps, travel and other out-of-pocket expenses shall be reimbursed at actual cost with the total not to exceed \$1,000 without prior authorization from the District. Annual incidental costs for annual administration shall be reimbursed at actual cost with the total not to exceed \$750 per year. Publication of the legal notice of public hearing will be billed separately as incurred.

In the event the District elects to request optional, additive scope of work, SCI will work with the District to negotiate compensation for these additional tasks, and execute an Addendum to the agreement for these additional services.

It is important to note all costs associated with this the scope of services can be financed or refunded by the levies, if the District proceeds and is successful with a funding measure.

ADDITIONAL INFORMATION

Employment Policies

SCI does not and shall not discriminate against any employee in the work place or against any applicant for such employment or against any other person because of race, religion, sex, color, national origin, handicap, or age or any other arbitrary basis. SCI Consulting Group insures compliance with all civil rights laws and other related statutes.

Conflict of Interest Statements

SCI has no known past, ongoing or potential conflicts of interest for working with the District, performing the Scope of Work or any other service for this Project.

Insurance

SCI carries professional Errors and Omissions insurance in the amount of \$2 million per occurrence and \$2 million aggregate. SCI also carries general liability insurance in the amount of \$2 million per occurrence and \$4 million aggregate.

Independent Contractor

If selected, SCI shall perform all services included in this proposal as an independent contractor.

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is made on __December 22__, 2021, between the **Name of District**, (“District”) and **SCI Consulting Group** (“Consultant” or “SCI”), a California Corporation, who agree as follows:

1. **Scope of Work (“Work”).** Consultant shall perform the work and render the services described in this Proposal (the “Work”). The Consultant shall provide all labor, equipment, material and supplies required or necessary to properly and competently perform the Work, and determine the method, details and means of doing the Work.
2. **Payment.**
 - a. In exchange for the Work, District shall pay to the Consultant a fee for completed phases of the Work. The total fee for the Work shall not exceed amounts set forth in the Fee Schedule shown in this Proposal. There shall be no compensation for extra or additional work or services by the Consultant unless approved in advance in writing by District. The Consultant’s fee shall include all the Consultant’s costs and expenses related to the Work.
 - b. At the completion of each phase of the Work, the Consultant shall submit to the District an invoice for the Work performed. If the Work is satisfactorily completed and the invoice is accurately computed, the District shall pay the invoice within 30 days of its receipt.
3. **Term.** This Agreement shall take effect on the above date and shall continue in effect until completion of the Work.
4. **Insurance.**
 - a. **Types & Limits.** The Consultant, at its sole cost and expense, shall procure and maintain for the duration of this Agreement the following types and limits of insurance:

Commercial General Liability	\$2,000,000 per occurrence \$4,000,000 aggregate
Automobile Liability	\$2,000,000 per accident
Workers' Compensation	Statutory limits
Professional Liability	\$2,000,000 per claim
Excess Liability (over General Liability & Auto Liability)	\$1,000,000 per occurrence & \$1,000,000 aggregate
 - b. **Other Requirements.** The general liability policy(ies) shall be endorsed to name the District, its officers and employees as additional insureds regarding liability arising out of the Work.
 - c. **Proof of Insurance.** Upon request, the Consultant shall provide to the District proof of insurance.

- 5. Indemnification.** The Consultant shall indemnify, defend, protect, and hold harmless the District, and its officers and employees from and against any and all liability, losses, claims, damages, expenses, demands, and costs (including, but not limited to, attorney, expert witness and consultant fees, and litigation costs) arising out of the Consultant's performance of the Work and caused by willful misconduct of or by the Consultant or its employees, agents and subcontractors.
- 6. Entire Agreement.** This writing represents the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract between the parties concerning the Work, and supersedes all prior oral and/or written negotiations, representations or contracts. This Agreement may be amended only by a subsequent written contract approved and executed by both parties.
- 7. Independent Contractor.** The Consultant's relationship to the District is that of an independent contractor.
- 8. Successors and Assignment.** This Agreement shall bind and inure to the benefit of the heirs, successors and assigns of the parties; however, the Consultant shall not subcontract, assign or transfer this Agreement or any part of it without the prior written consent of the District.
- 9. No Waiver of Rights.** Any waiver at any time by either party of its rights as to a breach or default of this Agreement shall not be deemed to be a waiver as to any other breach or default.
- 10. Severability.** If any part of this Agreement is held to be void, invalid or unenforceable, then the remaining parts will nevertheless continue in full force and effect.
- 11. Governing Law and Venue.** This Agreement will be governed by and construed in accordance with the laws of the State of California.
- 12. Default.** In the event the Consultant defaults in the obligations of the Consultant under this Agreement, or the Consultant defaults in the performance of the terms and conditions of this Agreement, the District may, at its option, declare this Agreement to be in default and, at any time thereafter, may do any one or more of the following: a) enforce performance of the Agreement by the Consultant; or b) terminate this Agreement. In the event this Agreement is terminated payment shall still be due for all Work performed by the Consultant through the date of the termination.
- 13. Cancellation.** The District or the Consultant may cancel this Agreement without cause. The party desiring to cancel this Agreement shall notify the other party in writing. In the event this Agreement is cancelled payment shall still be due for all Work performed by the Consultant through the date of the notification of cancellation.
- 14. Attorney's Fees.** In the event, any legal action is brought to enforce or construe this Agreement, the prevailing party shall be entitled to an award of reasonable attorney's fees, expert witness and consulting fees, and litigation costs.

15. Notice. Any notice, invoice or other communication that is required or permitted to be given under this Agreement shall be in writing and either served personally or sent by prepaid, first class U.S. mail or by commercial delivery service, addressed as follows:

Public Agency:
Spreckels Community Services District
PO Box 7432
Spreckels, CA 93962

Consultant:
SCI Consulting Group
4745 Mangels Boulevard
Fairfield, CA 94534

Any party may change its address by notifying the other party of the change in the manner provided below:

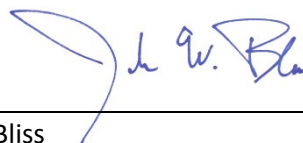
By signing below, we agree to the terms of this Agreement.

Accepted:

Paul Ingram
General Manager
Spreckels Community Services District

Date

Accepted:



John W. Bliss
President
SCI Consulting Group

12-22-2021

Date