

EAST GARRISON COMMUNITY SERVICES DISTRICT DETAILED BACKGROUND AND DISCUSSION

EGCSD was created to provide and fund the provision of urban services to the East Garrison Community. EGCSD is funded by a Mello-Roos Community Facilities Special Annual Tax imposed by the East Garrison Public Financing Authority (EGPFA). EGCSD maintenance and funding responsibilities are defined in the Urban Services Agreement, adopted between the County and EGCSD, adopted in 2006, and amended March 26, 2013. The primary responsibilities of the EGCSD are maintenance and operation of urban facilities, including open space, fencing, drainage facilities, roadway landscaping and Lincoln Park. The EGCSD is also required to reimburse the County for County provided services, namely Sheriff's patrol and perimeter road operations and maintenance. The Fiscal Analysis prepared by Keyser Marston in 2013 identified EGCSD annual costs at full development, at approximately \$1.75 Million, of which about half was for County Sheriff services and County perimeter roads. EGCSD maintenance activities are currently performed by private contractors, under an interim maintenance agreement with the developer, Union Community Partners (UCP).

The BOS has acted as the governing board of the EGCSD since its inception. Delays in the development of East Garrison, due to the Great Recession, caused the development to be considerably behind the stage envisioned at EGCSD's formation. Inadvertently, the election was not placed on the November 2016 ballot to meet the election being conducted after ten (10) years of formation; however, it was held at the next general election on August 29, 2017. This prior election did not have the required number of registered voters residing with EGCSD. For the proposed election, the ROV certifies that the number of registered voters within the EGCSD exceeds 500. If the ROV certifies the election results as a majority of voters within EGCSD has voted in favor of having an independent board, the governance of EGCSD immediately transfers from the BOS to the newly elected EGCSD BOD.

Though a majority decision to create an independent board shifts the governance and management of EGCSD to the new independent board, the Urban Services Agreement, currently in place, will remain an enforceable obligation of the parties, unless it is amended by mutual consent. Upon establishment of an independent board, EGCSD would need to establish its own governance (e.g., adoption of by-laws, etc.) and management structure (e.g., financial, legal, risk management, purchasing, human resources, etc.) Since EGCSD's inception, the County has provided its governance and day-to-day management. Currently, PWFPP provides these services. If the majority of EGCSD votes not in favor of becoming an independent board, the BOS acting as the EGCSD BOD and PWFPP day-to-day management of EGCSD will remain in effect.