

**Summary of Key Community Services District Recommendations
Based on the August 2021 Evaluation Report Prepared by QK, Inc.
(September 22, 2021)**

Section 1.4, pages 1-2 thru 1-4 and Section 7.2 pages 7-1 thru 7.3:

1. (#1) Recommends approval of Community Services District (CSD) with the Tuolumne City Sanitary District (TCSD), Tuolumne Park & Recreation District (TPRD) and the Tuolumne Lighting District (TLD).
2. (#4) Recommends CSD boundary as existing TPRD boundary.
3. (#5) Recommends all revenue of TCSD, TPRD, and TLD be allocated to new CSD.
4. (#7) Recommends not to authorize any other services with the exception of number 12 below.
5. (#8) Recommends seven (7) member initial Board of Directors with at least three (3) board members from TCSD and TPRD.
6. (#9) Recommends that Board be reduced to five (5) members based on the election cycle for the Board Members seated [required by Government Code §61030(b) and (c).]
7. (#10) Recommends all assets and liabilities of existing agencies to be transferred to new CSD.
8. (#11) Recommends new CSD Board set “boundaries of zone or improvement district” for Street lighting and sewer services within six (6) months of formation.
9. (# 12) Recommends that Lighting District revenue be used only for Lighting District purposes (this is a “special tax” approved by the property owners so it cannot be used for other purposes).
10. (#13) Recommends not to increase compensation or benefits for Board and Executive Officer beyond current allocations nor expend funds beyond those current allocations in the budget.
11. (#16) Recommends that staff work with districts on effective date of consolidation.
12. Alternative Recommendation: Recommends LAFCo approval of Rule 20A Underground Utilities District subject to county approval.

Issues:

- 9. (#12) Needs further discussion to determine whether the revenues received by the lighting district is a “special tax” or a “general tax”.**
- 10. (#13) Needs clarification as to why this condition is recommended. No time period established and may affect the ability to recruit a General Manager.**
- 12 Support LAFCo inclusion of Rule 20A underground district. Need to discuss this issue with the county along with issues related to taking over the lighting district.**