



DISTRICT BOARD MEETING AGENDA

Pursuant to A.R.S. § 38-431.02 notice is hereby given to the public that the Rancho Sahuarita District Board will hold a regular meeting at the date and time specified below at the Sahuarita Town Hall Council Chambers, 375 West Sahuarita Center Way, Sahuarita, Arizona. Members of the Rancho Sahuarita District Board will attend either in person or by telephone conference call.

To better serve our community, the Council Chambers is wheelchair accessible. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Town Clerk's Office at 520-822-8801. Requests should be made no later than three working days prior to the meeting to arrange the accommodation.

**AUGUST 25, 2014
REGULAR MEETING AGENDA
AT OR AFTER 6:30 P.M.**

- 1. Call to Order**
- 2. Roll Call**
- 3. Approval of Agenda**
- 4. Consent Agenda**
 - A. Approval of the April 28, 2014 Regular Meeting Minutes.**
 - B. Consideration and approval of Cooperative Purchasing Contract No. RSCFD14-0001 with W.C. Scoutten, Inc., Municipal Engineers and Planners, for Rancho Sahuarita Community Facilities District for District Engineer Services related to infrastructure to be acquired by the first series of bonds in an amount not to exceed \$300,000 for the initial contract term commencing August 26, 2014 through December 31, 2015, with the option to renew on an annual basis.**
- 5. Adoption of Resolution No. 2014-0002 of the District Board of Rancho Sahuarita Community Facilities District declaring the results of, and adopting a certificate of results for, the election with respect to issuance of bonds by the district and the levy of an ad valorem property tax therefor and separately the levy of a separate ad valorem property tax for operation and maintenance purposes.**
- 6. Public Hearing and Approval of Resolution No. 2014-0003, approving a final budget for fiscal year 2015 in the amount of \$7,189,690 pursuant to section 48-716, Arizona Revised Statutes, as amended; and providing that this resolution shall be effective after its passage and approval according to law.**
- 7. Adjournment**



DISTRICT BOARD AGENDA COMMUNICATION

MEETING DATE: August 25, 2014

DATE PREPARED: August 13, 2014

AGENDA ITEM: 4A

TO: Honorable Chairman and District Board
FROM: Lisa Cole, District Clerk
SUBJECT: Approval of the April 28, 2014 Regular Meeting Minutes.

FINANCIAL / BUDGET SUMMARY

1. Fund(s) Impacted:
2. Available Budget/Project Capacity (\$):

STAFF RECOMMENDATION

Staff recommends approval of the attached minutes.

SUGGESTED MOTION

I move to approve the minutes as submitted.

DISCUSSION

Draft minutes submitted for District Board approval.

ATTACHMENTS

1. April 28, 2014 Rancho Sahuarita Community Facilities District Minutes

RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT MINUTES
APRIL 28, 2014

The District Board of the Rancho Sahuarita Community Facilities District met in the Town Hall Council Chambers, 375 West Sahuarita Center Way, Sahuarita, Arizona on Monday, April 28, 2014.

1. Call to Order

Chairperson Blumberg called the meeting to order at approximately 6:33 p.m.

2. Roll Call

PRESENT: Board Members Kara Egbert, Gil Lusk, Tom Murphy, Melissa Smith, Vice Chairperson Bill Bracco and Chairperson Duane Blumberg

ABSENT: Board Member Lynne Skelton

ALSO

PRESENT: District Manager L. Kelly Udall, District Counsel Daniel J. Hochuli, District Treasurer A.C. Marriotti and District Clerk Lisa Cole

3. Discussion of CFD process, procedures, priorities, and how to most effectively move forward with the District.

Chairperson Blumberg announced that the inaugural meeting of the Rancho Sahuarita Community Facilities District (District) was for organizational purposes and that no action on specific projects or bonds would be taken. He emphasized the distinct differences between the Town and the District as outlined in Resolution 2014-0001; stressing the independence of the District from the Town. Chairman Blumberg clarified that the District Board is responsible to the District and present and future property owners and residents, further stating that debts and revenues attributed to the District belong to the District and the District Board is the steward of District funds.

District Counsel Daniel J. Hochuli introduced presenters Michael Cafiso, Bond Attorney, Greenberg Traurig, LLP and Mark Reader, Managing Director, Stifel, Nicolaus and Company. Mr. Hochuli provided the District Board with an outline of the presentation.

Mr. Cafiso provided an overview of the functions and duties of the District Board; the differences and similarities between serving on the District Board and Town Council; District insurance coverage; District Board membership; and how the Community Facilities District budget operates.

Mr. Cafiso reminded the Board that the development agreement requires that each potential homeowner purchasing from the developer must sign a disclosure form (Notice to Landowners) upon entering into a contract for purchase. The completed form will be filed with the District Clerk by the developer. This ensures that primary purchase homeowners within the District are informed that they will live in a separate political subdivision with a separate property tax. Secondary purchase homeowners will not be required to sign and file a Notice to Landowners, rather, buyers will need to rely on property tax detail available to them during the escrow process.

levy of an ad valorem property tax therefor and to the levy of a separate ad valorem property tax attributable to the operation and maintenance expenses of the District.

MOTION was made by Board Member Murphy, **SECONDED** by Vice Chairman Bracco to approve Resolution 2004-0001. **MOTION CARRIED UNANIMOUSLY** (Board Member Skelton absent).

5. Adjournment

Chairperson Blumberg adjourned the meeting at approximately 7:32 p.m.

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Meeting of the Rancho Sahuarita Community Facilities District Board held on the 28th day of April, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 25th day of August, 2014.

Lisa Cole, CMC
District Clerk

DRAFT



DISTRICT BOARD AGENDA COMMUNICATION

MEETING DATE: August 25, 2014

DATE PREPARED: August 13, 2014

AGENDA ITEM: 4B

TO: Honorable Chairman and District Board
FROM: Sheila M. Bowen, P.E., District Liason
SUBJECT: Consideration and approval of Cooperative Purchasing Contract No. RSCFD14-0001 with W.C. Scoutten, Inc., Municipal Engineers and Planners, for Rancho Sahuarita Community Facilities District for District Engineer Services related to infrastructure to be acquired by the first series of bonds in an amount not to exceed \$300,000 for the initial contract term commencing August 26, 2014 through December 31, 2015, with the option to renew on an annual basis.

FINANCIAL / BUDGET SUMMARY

1. Fund(s) Impacted: Rancho Sahuarita CFD Special Revenue Fund
2. Available Budget/Project Capacity (\$): \$300,000.00

STAFF RECOMMENDATION

Staff recommends approval of Contract RSCFD14-0001 with W.C. Scoutten, Inc., Municipal Engineers and Planners, for the provision of District Engineer Services for the Rancho Sahuarita Community Facilities District.

SUGGESTED MOTION

I move to approve Contract No. RSCFD14-0001.

DISCUSSION

In accordance with A.R.S. §48-913, a qualified engineer shall be appointed or employed as District Engineer and his compensation fixed by the Board of Directors. Claims of the District Engineer for compensation or expenses, approved by the Board of Directors shall be reimbursed out of the funds of the District.

In accordance with Resolution 2014-0001, which was adopted by the Rancho Sahuarita Community Facilities District Board on April 28, 2014, the role of the District Engineer may be accomplished by the Town Engineer or his designee. At that meeting, Legal Counsel for the CFD advised the District to contract with a District Engineer as opposed to having the Town Engineer fill that role. The District Engineer will work closely with the Town Engineer to assure processes are consistent with those employed by the Town of Sahuarita for its municipal construction documents.

In general terms, the role of the District Engineer is to ensure projects are bid, managed, inspected, built, and closed-out in a manner that facilitates reimbursement, and that the CFD is reimbursing the Developer only those costs associated with the infrastructure that are legitimate and eligible for reimbursement. In cases where the CFD elects to construct the infrastructure, the District Engineer would aide Town staff in the delivery of eligible projects.

The Cooperative Purchasing Agreement with the City of Litchfield Park allows utilization of their Agreement with W.C. Scoutten, Inc., Municipal Engineers and Planners. Services for the initial contract term (August 26, 2014 through December 31, 2015) are estimated at \$300,000 (not-to-exceed) based on timing of the First Series Bond Projects included in the draft feasibility report prepared by the Developer, and based on input from the Developer that approximately \$2.8 million of acquisition projects are anticipated with the first bond issuance. Contract RSCFD14-0001 allows for an option to renew on an annual basis and, in accordance with Resolution 2014-0001, a change in the District Engineer requires thirty (30) days written notice to the Municipality, the District, and the LLLP or the LLLC. There is no guarantee that work will be awarded.

Services of the District Engineer will be assigned using the Federal Acquisition Requirement (FAR) methodology for indefinite delivery contracts, such that the actual scope and associated fee of any particular task necessitated under this contract is unknown at the time of contract award. When the need for CFD District Engineer services is identified,

COOPERATIVE PURCHASING CONTRACT

Rancho Sahuarita Community Facilities District

Department: Rancho Sahuarita CFD (Public Works)
Contractor: W. C. Scoutten, Inc.
Project Name: Rancho Sahuarita Community Facilities District Engineer Services
Project Number:
Contract Dates: Start: 8/26/2014 End: 12/31/2015
Contract Number: RSCFD14-0001
Amount: \$300,000.00
Funding Source: Rancho Sahuarita CFD

DISTRICT BOARD MEMBERS

Duane Blumberg
Bill Bracco
Kara Egbert
Gil Lusk
Tom Murphy
Lynne Skelton
Melissa L. Smith

DISTRICT MANAGEMENT

L. Kelly Udall, District Manager
Sheila Bowen, P.E., District Liaison

in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

- 8** **COMPLIANCE WITH FEDERAL AND STATE LAWS.** In the event this contract refers to services, the following shall apply. The Contractor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1988. The following is only applicable to construction contracts: The Contractor must also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited", and A.R.S. § 34-302, as amended, "Residence Requirements for Employees".

- 8.1** Under the provisions of A.R.S. §41-4401, Contractor hereby warrants to the District that the Contractor and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. §23-214(A) (hereinafter "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor to penalties up to and including termination of this Contract at the sole discretion of the District.

The District retains the legal right to inspect the papers of any Contractor or Subcontractors employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. Contractor agrees to assist the District in regard to any such inspections.

The District may, at its sole discretion, conduct random verification of the employment records of the Contractor and any of subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor agrees to assist the District in regard to any random verifications performed.

Neither the Contractor nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if the Contractor or Subcontractor establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214, Subsection A.

The provisions of this Article must be included in any contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

- 9.** **NON-APPROPRIATION OF FUNDS.** Notwithstanding any other provision in this Contract, this Contract may be terminated if for any reason the District Board does not appropriate sufficient monies for the purpose of maintaining this Contract. In the event of such termination, District shall have no further obligation to Contractor, other than for services rendered prior to termination.

EXHIBIT A
UNDERLYING CONTRACT (WITH ALL AMENDMENTS TO DATE)

1.4.1 Engineer hereby agrees that any Contract Documents, specifications or other documents prepared by Engineer pursuant to this Agreement and any Authorizations for Services, will fulfill the purposes of the Services authorized and shall meet all applicable legal requirements. In addition, and not as a limitation on the foregoing, such Contract Documents, specifications or other contract documents prepared by Engineer shall be prepared in accordance with professional engineering standards. Any review or approval of such Contract Documents, specifications or other document given by City shall not diminish these requirements.

1.4.2 Engineer shall obtain consent for City for any subcontractor it may retain to perform Engineering services under this Agreement

1.4.3 Engineer shall obtain its own legal, insurance and financial advice regarding Engineer's legal, insurance and financial obligations under this Agreement.

1.5 **Responsibility of the City.** The City shall cooperate with the Engineer by placing at his disposal all available information concerning any Authorization for Services, including all assistance in obtaining necessary access to public and private lands. City agrees to obtain its own legal, insurance and financial advice City may require for the Services.

1.6 **Time of Performance.** Time of performance shall be set forth in each Authorization for Services.

1.7 **Safety Warranty.** Engineer warrants that it is aware of and understands the hazards which are presented to persons, property and the environment relating to, and arising out of the Services. In the event Engineer or Engineer's subcontractor is working or operating in an unsafe matter, Engineer will immediately take full and appropriate steps to assure the safety of those providing services on behalf of Engineer.

1.9 **Insurance.**

1.9.1 Engineer agrees to comply with all City ordinances and state and federal laws and regulations in effect at the time the Services are rendered. Without limiting any obligations or liabilities of Engineer, Engineer shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of A-7 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to the City. Failure to maintain insurance as specified may result in termination of this Agreement at City's option.

1.9.2 By requiring insurance herein, City does not represent that coverage and limits will be adequate to protect Engineer. City reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in

1.9.10 Prior to commencing any Services under this Agreement, Engineer shall furnish City with Certificate(s) of Insurance, or formal endorsements as required by this Agreement, issued by Engineer's Insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverage's, conditions, and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Acceptance of and reliance by the City on a Certificate of Insurance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. Such Certificate(s) shall identify the Agreement and be sent to the City Risk Manager. If any of the above cited policies expire during the life of this Agreement, it shall be Engineer's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

City, its agents, representatives, officers, directors, officials and employees is an Additional Insured as follows:

- a. Commercial General Liability-Under ISO Form CG 20 10 11 85 or equivalent.
- b. Auto Liability-Under ISO Form CA 20 48 or equivalent.
- c. Excess Liability-Follow Form to underlying insurance.

All policies, except Workers' Compensation and Professional Liability, waive rights of recovery (subrogation) against City, its agents, representatives, officers, directors, officials and employees for any claims arising out of Services performed by Engineer under this Agreement.

Certificate shall cite a thirty (30) day advance notice cancellation provision. If ACORD Certificate of Insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

1.9.11 Required Coverage:

Commercial General Liability: Engineer shall maintain "occurrence" form Commercial Liability Insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, City, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured Endorsement form CG 20 10 11 85 or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in

indemnify the City, its agents, officers, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use of resulting there from, caused in whole or in part by Engineer's acts, errors, mistakes, omissions, Services in the performance of this Agreement including any employee of the Engineer, any tier of Engineer's subcontractor or any other person for whose acts, errors, mistakes, omissions, Services the Engineer may be legally liable including the City. Such indemnity does not extend to the City's negligence.

2.2 Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

3. COMPENSATION

3.1 Compensation. Engineer shall be compensated for Services in accordance with the compensation schedule set forth in the attached Exhibit C, unless otherwise set forth in an Authorization for Services for a specific Project.

3.2 Method of Payment. Engineer shall be compensated on a monthly basis for Services in progress or satisfactorily completed during the prior month upon presentation of an invoice.

4. CHANGES TO THE SCOPE OF SERVICES

4.1 Change Orders. The City may, at any time, by written change order, make changes in the Scope of Work. A form of change order is attached hereto as Exhibit D. If Engineer believes a change in the Scope of Work has been ordered, Engineer shall submit a request for a change order in writing within ten (10) days from the date of receipt by Engineer of notice of the change. It is distinctly understood and agreed by the parties that no claim for extra services provided or materials furnished by Engineer will be allowed by City except as provided herein nor shall Engineer provide any services or furnish any materials not covered by this Agreement unless City first approves in writing

5. TERMINATION OF THIS AGREEMENT

5.1 Termination. The City may, by written notice to the Engineer, terminate this Agreement in whole or in part with seven (7) days notice, either for the City's convenience or because of the failure of the Engineer to fulfill his contract obligations. Upon receipt of such notice, the Engineer shall: (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the City copies of all data, drawings, reports, estimates, summaries, and such other information and materials as may have been accumulated or obtained by the Engineer in performing this Agreement, whether completed or in process. Engineer may, by

6.6 **Exclusive Use of Services - Confidentiality.** The services agreed to be provided by Engineer within this Agreement are for the exclusive use of the City and Engineer shall not engage in conflict of interest nor appropriate City work product or information for the benefit of any third parties without City consent.

6.7 **Sole Agreement.** There are no understandings or agreements except as herein expressly stated.

6.8 **Caption.** Paragraph captions are for convenience only and are not to be construed as a part of this Agreement; and in no way do they define or limit the Agreement.

6.9 **Time is of the Essence.** The timely completion of the Project is of critical importance to the economic circumstances of the City.

6.10 **Notices.** Any notice to be given under this Agreement shall be in writing, shall be deemed to have been given when personally served or when mailed by certified or registered mail, addressed as follows:

CITY:

ENGINEER:

City Manager
City of Litchfield Park
214 West Wigwam Boulevard
Litchfield Park, Arizona 85340

The address may be changed from time to time by either party by serving notices as provided above.

6.11 **Controlling Law.** This Agreement is to be governed by the laws of the State of Arizona.

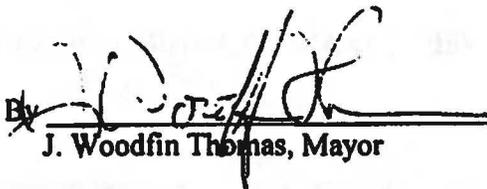
7. INTERESTS AND BENEFITS

7.1 **Conflict of Interest of Engineer.** The Engineer covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. The Engineer further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

7.2 **Interest of City Members and Others.** No officer, member or employee of the City and no member of its governing body, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the services to be performed under this Agreement, shall participate in any decision relating to this Agreement which affects his personal interest or

IN WITNESS WHEREOF, the City and the Engineer have executed this Agreement as of the date first written.

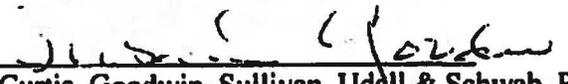
CITY OF LITCHFIELD PARK

By 
J. Woodfin Thomas, Mayor

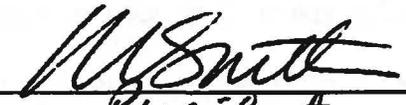
ATTEST:


Mary Rose Evans, City Clerk

APPROVED AS TO FORM:


Curtis, Goodwin, Sullivan, Udall & Schwab, P.L.C.
City Attorneys
By _____

ENGINEER

By 
Its President

3. Check improvement plans for facilities under the jurisdiction of the CITY.
4. Establish performance and labor and material bond amounts when required and require the posting of such securities and other development fees within the proper time sequence of such development review.
5. Provide field inspection during the construction of such improvements by private developers and, at the proper time, recommend notices of completion and acceptance of the work.
6. Provide such necessary and related functions as are the normal practice of the CITY in the City Engineering and Planning review of private developments.

C. Public Works Permits and Inspection

1. Provide construction observation of permit work within City streets, easements and rights-of-way.
2. Check plans and specifications and provide construction administration and observation for City projects designed by others.

D. Capital Projects

1. When so authorized, prepare plans and specifications for City projects.
2. Provide design survey, construction survey, construction administration and observation for City projects.
3. Provide special engineering reports regarding various matters of a technical nature that may from time to time come before the City.

II. BUILDING SAFETY SERVICES

A. General

1. ENGINEER shall provide plan checking services as authorized by the Building Official for commercial, industrial and residential projects. ENGINEER shall also provide building inspection services for commercial, industrial and residential projects as directed by the Building Official on a case-by-case basis.
2. ENGINEER shall, when authorized by the Building Official, perform such additional Building Safety Services as requested.

EXHIBIT B

AUTHORIZATION FOR SERVICES NO. _____

**RE: Master Agreement for Engineering Services between the City of Litchfield Park,
Arizona and _____.**

DATE: _____

SCOPE OF WORK:

PROJECT MANAGER:

START DATE:

COMPLETION DATE:

ESTIMATED FEE:

METHOD OF PAYMENT:

**The provisions of the Master Agreement for Engineering Services are hereby
incorporated into and made a part of this Authorization for Services.**

ENGINEER

TOWN

For first review.....\$600.00
For second review(included in fee for 1st review)
Subsequent reviews..... Hourly
Expedited Review
For ten business day turnaround 2 times above rates

Building Safety Plan Review:

Plan Review
For first review.....75% of plan check fee per UBC
For second review(included in fee for 1st review)
Subsequent reviews..... Hourly
Expedited Review
For five business day turnaround 2 times above rates

EXHIBIT B
SCOPE OF WORK, LIST OF MATERIALS, SPECIFICATIONS
AND OTHER MODIFICATIONS TO UNDERLYING CONTRACT

July 9, 2014

Ms. Sheila Bowen, P.E.
Public Works Director / Town Engineer
Town of Sahuarita
375 West Sahuarita Center Way
Sahuarita, Arizona 85629

Re: Communities Facilities District Engineer Services

Dear Ms. Bowen:

Thank you for the opportunity to provide Community Facilities District (CFD) Engineer Services to the Town of Sahuarita. We are excited about this assignment and look forward to working with you and other Town staff on this important project. Following is our understanding of the scope of services:

Our experience with CFDs is that the amount of effort can vary significantly depending on:

- The nature of the infrastructure being constructed or acquired,
- Whether the infrastructure is being acquired by the CFD or being constructed by the CFD,
- The degree to which the Developer does a good job of documenting project costs,
- And the extent to which Town staff can provide some of the services.

Thus, we propose to provide these services on a time and material basis. A schedule of our current hourly rates is attached.

Scope of Services - Acquisition Projects

When the Developer constructs the infrastructure and it is acquired by the CFD, the District Engineer's job is primarily to check the documentation from the Developer to ensure that the CFD is reimbursing the Developer only those costs associated with the infrastructure that are legitimate and eligible for reimbursement under the statutes and adopted policies. In most cases, the District Engineer is also involved in the lead-up to construction and during construction if there are change orders or other issues that may affect the eligibility for reimbursement of certain costs. District Engineer activities include the following:

- Coordinate with developer to obtain a complete submittal package:
 - Provide the CFD Acquisition Checklist.
 - Perform cursory review to insure all general components are included in first submittal.
 - If Yes, begin first review.
 - If No, reject as incomplete – no first review conducted.
- Determine eligible components through cross-reference with associated requirements:
 - Town Code
 - ARS Titles 9, 34, and 48

- continued on Page 2 -

- Attend Pre-Construction Meeting.
- Prepare or review Summary of Project Costs.
 - Contractor - Perform examination of proof of payment information. Review final billing and lien waivers to confirm unencumbered improvements can be conveyed to the District.
 - Design Engineer and other project professionals who provide services to the Project - Perform examination of the contract and change orders and verify submittal of a proof of payment in the form of a Certification of Costs Charged and Paid.
 - Summary of Other Eligible Costs - Verify other costs by invoices, check copies, or accounting software generated reports.
 - Verify that all eligible costs match the Certificate of Engineers. Verify receipt of an executed and sealed original for processing with the Acceptance Agreement.
- Coordinate with Town Staff, including Finance Director, Town Attorney, Town Engineer and Town Manager, as required to ensure that all documents are completed and filed and all documents for recording have been recorded.
- Attend Town Council and CFD Board Meetings as needed.

Scope of Services - Construction Projects

When the CFD constructs the infrastructure, the District Engineer has a larger role and additional responsibilities as compared to acquisition projects. The Scope of Services for construction projects includes all of the items listed above for acquisition projects plus the following. Items marked with an asterisk (*) may be performed by Town Staff and coordinated with the District Engineer.

- Manage or participate in selection of the design engineer and other professional services related to the project.*
- Review and approve the construction plans and bid documents.*
- Manage or participate in the pre-bid, bidding, and award process.*
- If alternative delivery methods are used, manage or participate in the contractor selection and award process.*
- Manage or participate in permitting and pre-construction activities.*
- Conduct daily inspections.*
- Conduct periodic inspections during construction.
- Review and approve all pay requests.
- Negotiate and approve all change orders.*
- Ensure that as-built drawings and other project close-out documents are provided by the Contractor.*
- Attend preliminary and final walk-throughs. Ensure that all punchlist items are resolved.*
- Issue letters of Substantial Completion and Final Acceptance, including warranty dates.*
- Prepare Certificate of Engineers and all other documentation for CFD files.
- Manage or participate in preparation and processing of Conveyance documents for District Board and Council action.

EXHIBIT C
PAYMENT & COMPENSATION TERMS

EXHIBIT D
LEGAL NOTICES

<p><u>DISTRICT:</u></p> <p>L. Kelly Udall, District Manager Rancho Sahuarita Community Facilities District 375 W. Sahuarita Center Way Sahuarita, Arizona 85629</p> <p><u>with a copy to:</u></p> <p>Daniel J. Hochuli, District Attorney Rancho Sahuarita Community Facilities District 375 W. Sahuarita Center Way Sahuarita, Arizona 85629</p> <p>Sheila Bowen, P.E., District Liaison District of Sahuarita 375 W. Sahuarita Center Way Sahuarita, Arizona 85629</p>	<p><u>CONTRACTOR:</u></p> <p>W. C. Scoutten W. C. Scoutten, Inc. 1626 N. Litchfield Road, Suite 310 Goodyear, Arizona 85395</p> <p><u>With a copy to:</u></p> <p>None</p>
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DISTRICT BOARD AGENDA COMMUNICATION

MEETING DATE: August 25, 2014

DATE PREPARED: August 12, 2014

AGENDA ITEM: 5

TO: Honorable Chairman and District Board
FROM: Lisa Cole, CMC, District Clerk
SUBJECT: Adoption of Resolution No. 2014-0002 declaring the results of, and adopting a certificate of results for, the election with respect to issuance of bonds by the district and the levy of an ad valorem property tax therefor and separately the levy of a separate ad valorem property tax for operation and maintenance purposes.

FINANCIAL / BUDGET SUMMARY

1. Fund(s) Impacted: Rancho Sahuarita CFD Special Revenue Fund
2. Available Budget/Project Capacity (\$):

STAFF RECOMMENDATION

It is recommended that the attached resolution canvassing the returns and declaring the results of the Special Election held on August 12, 2014 be adopted.

SUGGESTED MOTION

I move to adopt Resolution No. 2014-0002.

DISCUSSION

Background

On April 28, 2014, the Rancho Sahuarita District Board ordered and called a Special Election to be held on August 12, 2014 for the purpose of determining whether or not to authorize the Rancho Sahuarita Community Facilities District Board 1) to issue general obligation bonds of the district, in the denomination of the bonds, the size of each issue and the form of the bonds prescribed, and having the maturities (not exceeding twenty-five (25) years), interest payment dates and interest rates, whether fixed or variable, not exceeding twelve percent (12%) per annum, established, by the board and containing such terms, conditions, covenants and agreements as the board deems proper, in the maximum amount of sixty million dollars (\$60,000,000) and 2) to levy and collect an annual *ad valorem* tax on the assessed value of all real and personal property in the district at a rate not to exceed thirty cents (30¢) per one hundred dollars (\$100) of assessed valuation of all real and personal property in the district, all attributable to the operation and maintenance expenses of the district.

Current Consideration

The Special Election was conducted and canvassed on Tuesday, August 12, 2014. In accordance with Resolution No. 2014-0001, the District Board is scheduled to canvass and declare the results of the Special Election within fourteen (14) days of the election date.

Financial Consideration

The estimated cost of the Special Election is \$1,850.00.

ATTACHMENTS

1. Rancho Sahuarita Resolution No. 2014-0002

**RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT
RESOLUTION NO. 2014-0002**

A RESOLUTION OF THE DISTRICT BOARD OF RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT DECLARING THE RESULTS OF, AND ADOPTING A CERTIFICATE OF RESULTS FOR, THE ELECTION WITH RESPECT TO ISSUANCE OF BONDS BY THE DISTRICT AND THE LEVY OF AN *AD VALOREM* PROPERTY TAX THEREFOR AND SEPARATELY THE LEVY OF A SEPARATE *AD VALOREM* PROPERTY TAX FOR OPERATION AND MAINTENANCE PURPOSES.

BE IT RESOLVED BY THE DISTRICT BOARD OF RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT as follows:

1. Findings.

- a. Rancho Sahuarita Community Facilities District (hereinafter called the "District") is authorized (1) by Section 48-719, Arizona Revised Statutes to issue and sell general obligation bonds of the District to provide moneys for public infrastructure purposes consistent with The General Plan of Rancho Sahuarita Community Facilities District and (2) by Section 48-709(G), Arizona Revised Statutes to repay all or part of fees and charges collected from landowners for public infrastructure purposes, the advance of moneys by landowners for public infrastructure purposes or the granting of real property by the landowner for public infrastructure purposes from the proceeds of such bonds pursuant to agreements entered into with landowners and the Town of Sahuarita, Arizona, pursuant to Section 48-709(A)(10), Arizona Revised Statutes.
- b. Pursuant to Section 48-723, Arizona Revised Statutes the District is authorized to levy an ad valorem tax on the assessed value of all real and personal property in the District at a rate which does not exceed the maximum rate specified in the ballot with respect thereto as hereinafter described, including taxes attributable to the operation and maintenance expenses of the District, but not in excess of thirty cents (30¢) per one hundred dollars (\$100) of such assessed valuation for such operation and maintenance.
- c. Such bonds may not be issued and such tax may not be levied unless approved at an election ordered and called to submit to the qualified

MAXIMUM AMOUNT OF SIXTY MILLION DOLLARS (\$60,000,000) TO PROVIDE MONEYS (A)(1) FOR PLANNING, DESIGN, ENGINEERING, CONSTRUCTION, ACQUISITION OR INSTALLATION OF ANY OR ALL OF THE FOLLOWING IMPROVEMENTS, INCLUDING NECESSARY OR INCIDENTAL WORK, WHETHER NEWLY CONSTRUCTED, RENOVATED OR EXISTING, AND ALL NECESSARY OR DESIRABLE APPURTENANCES ("PUBLIC INFRASTRUCTURE"):

(a) SANITARY SEWAGE SYSTEMS, INCLUDING COLLECTION, TRANSPORT, STORAGE, TREATMENT, DISPERSAL, EFFLUENT USE AND DISCHARGE, (b) DRAINAGE AND FLOOD CONTROL SYSTEMS, INCLUDING COLLECTION, TRANSPORT, DIVERSION, STORAGE, DETENTION, RETENTION, DISPERSAL, USE AND DISCHARGE, (c) WATER SYSTEMS FOR DOMESTIC, INDUSTRIAL, IRRIGATION, MUNICIPAL OR FIRE PROTECTION PURPOSES INCLUDING PRODUCTION, COLLECTION, STORAGE, TREATMENT, TRANSPORT, DELIVERY, CONNECTION AND DISPERSAL, BUT NOT INCLUDING FACILITIES FOR AGRICULTURAL IRRIGATION PURPOSES UNLESS FOR THE REPAIR OR REPLACEMENT OF EXISTING FACILITIES WHEN REQUIRED BY OTHER IMPROVEMENTS DESCRIBED HEREIN, (d) HIGHWAYS, STREETS, ROADWAYS AND PARKING FACILITIES INCLUDING ALL AREAS FOR VEHICULAR USE FOR TRAVEL, INGRESS AND EGRESS, (e) AREAS FOR PEDESTRIAN, EQUESTRIAN, BICYCLE OR OTHER NON-MOTOR VEHICLE USE FOR TRAVEL, INGRESS, EGRESS AND PARKING, (f) PEDESTRIAN MALLS, PARKS, RECREATIONAL FACILITIES, AND OPEN SPACE AREAS FOR THE USE OF MEMBERS OF THE PUBLIC FOR ENTERTAINMENT, ASSEMBLY AND RECREATION, (g) LANDSCAPING INCLUDING EARTHWORKS, STRUCTURES, LAKES AND OTHER WATER FEATURES, PLANTS, TREES AND RELATED WATER DELIVERY SYSTEMS, (h) PUBLIC BUILDINGS, PUBLIC SAFETY FACILITIES AND FIRE PROTECTION FACILITIES, (i) LIGHTING SYSTEMS, (j) TRAFFIC CONTROL SYSTEMS AND DEVICES INCLUDING SIGNALS, CONTROLS, MARKINGS AND SIGNAGE, (k) SCHOOL SITES AND FACILITIES AND (1) EQUIPMENT, VEHICLES, FURNISHINGS AND OTHER PERSONALTY RELATED TO ANY OF THE FOREGOING; (2) ACQUIRING, CONVERTING, RENOVATING OR IMPROVING EXISTING FACILITIES FOR PUBLIC INFRASTRUCTURE; (3) ACQUIRING INTERESTS IN REAL PROPERTY FOR PUBLIC INFRASTRUCTURE; (4) ESTABLISHING, MAINTAINING AND REPLENISHING RESERVES FROM ANY SOURCE IN ORDER TO SECURE PAYMENT OF DEBT SERVICE ON BONDS; (5) FUNDING AND PAYING FROM BOND PROCEEDS INTEREST ACCRUING ON BONDS FOR A PERIOD OF NOT TO EXCEED THREE (3) YEARS FROM THEIR DATE OF ISSUANCE; (6) PROVIDING FOR THE TIMELY PAYMENT OF DEBT SERVICE ON BONDS OR OTHER INDEBTEDNESS OF THE DISTRICT; (7) REFINANCING ANY MATURED OR UNMATURED BONDS, WITH NEW BONDS;

- e. That the District Clerk is hereby directed to cause to be recorded the "Certificate of Results of Election" in the Office of the County Recorder of Pima County, Arizona; to return said copy with the recording date shown therein to the official records of the District and to cause to be provided a copy thereof to the State Real Estate Department.

3. Severability; Amendment; Effective Date.

- a. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.
- b. All resolutions or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency.
- c. This Resolution shall be effective immediately.

PASSED by the District Board of Rancho Sahuarita Community Facilities District this 25th day of August, 2014.

Chairman, District Board, Rancho Sahuarita
Community Facilities District

ATTEST:

District Clerk, Rancho Sahuarita
Community Facilities District

APPROVED AS TO FORM:

District Counsel, Rancho Sahuarita
Community Facilities District

ATTACHMENTS:

EXHIBIT "A" -- Certificate Of Results Of The General Obligation Bond and Operation and Maintenance Expenses Tax Election Held For Rancho Sahuarita Community Facilities District on August 12, 2014

assessed valuation described in the questions submitted at the Election as determined by the election board at the polling place, the Election had been conducted and the returns thereof made as required by law and the result of the Election as to both questions is set forth in the following tabulation of the official election returns, to-wit:

<u>Precinct</u>	<u>Polling Place</u>	<u>Yes</u>	<u>No</u>	<u>Total</u>
Sahuarita	375 West Sahuarita Center Way, Sahuarita, Arizona	885.8	0	885.8

8. That the majority of the votes cast at the Election in answer to the questions submitted were in favor of the indebtedness, as described in the questions submitted at the Election, by the issuance and sale of up to and including \$60,000,000 aggregate principal amount of general obligation bonds and separately the levy and collection of an annual ad valorem property tax for operation and maintenance purposes in an amount not to exceed \$0.30 per \$100 of secondary assessed valuation.

IN WITNESS WHEREOF, the Chairman of the District Board of the District has hereunto placed his hand and caused the same to be attested by the District Clerk of the District on August 25, 2014.

.....
 Duane Blumberg, Chairman, District
 Board, Rancho Sahuarita Community
 Facilities District

ATTEST:

.....
 Lisa Cole, District
 Clerk, Rancho Sahuarita Community
 Facilities District

THIS DOCUMENT MUST BE RECORDED IN THE OFFICE OF THE COUNTY
 RECORDER OF PIMA COUNTY, ARIZONA.

PURPOSES") AND (B) FOR REPAYING ALL OR PART OF FEES OR CHARGES COLLECTED FROM LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES, THE ADVANCE OF MONEYS BY LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES OR THE GRANTING OF REAL PROPERTY BY THE LANDOWNER FOR PUBLIC INFRASTRUCTURE PURPOSES PURSUANT TO AGREEMENTS ENTERED INTO WITH LANDOWNERS AND THE TOWN OF SAHUARITA, ARIZONA, PURSUANT TO SECTION 48-709(A)(10), ARIZONA REVISED STATUTES AND IN AN AMOUNT NOT IN EXCESS OF ONE AND ONE-HALF (1½) TIMES THE AMOUNT OF BONDS PREVIOUSLY ISSUED BY THE DISTRICT FOR THE PURPOSE OF REFUNDING ANY BONDS ISSUED BY THE DISTRICT FOR EITHER OF THE FOREGOING PURPOSES, PAYABLE FROM AN *AD VALOREM* TAX LEVIED AND COLLECTED ANNUALLY ON ALL TAXABLE PROPERTY IN THE DISTRICT, SUFFICIENT TO PAY DEBT SERVICE ON SUCH BONDS WHEN DUE, AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES TOGETHER WITH ALL AMENDMENTS AND ADDITIONS THERETO?

Place and "X" in the box beside the way you wish to vote:

- BONDS, YES
- BONDS, NO

SHALL THE DISTRICT BOARD OF RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT (THE "DISTRICT") BE AUTHORIZED TO LEVY AND COLLECT AN ANNUAL *AD VALOREM* TAX ON THE ASSESSED VALUE OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT AT A RATE NOT TO EXCEED THIRTY CENTS (30¢) PER ONE HUNDRED DOLLARS (\$100) OF ASSESSED VALUATION OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT, ALL ATTRIBUTABLE TO THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT, IN ACCORDANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) SECTION 48-723, ARIZONA REVISED STATUTES?

Place an "X" in the box beside the way you wish to vote.

- TAX, YES
- TAX, NO



DISTRICT BOARD AGENDA COMMUNICATION

MEETING DATE: August 25, 2014

DATE PREPARED: August 13, 2014

AGENDA ITEM: 6

TO: Honorable Chairman and District Board
FROM: A.C. Marriotti, District Treasurer
SUBJECT: Public Hearing and approval of Resolution No. 2014-0003, approving a final budget for Fiscal Year 2015 in the amount of \$7,189,690 pursuant to section 48-716, Arizona Revised Statutes, as amended; and providing that this resolution shall be effective after its passage and approval according to law.

FINANCIAL / BUDGET SUMMARY

1. Fund(s) Impacted: Rancho Sahuarita CFD Special Revenue Fund
2. Available Budget/Project Capacity (\$):

STAFF RECOMMENDATION

Staff recommends approval.

SUGGESTED MOTION

I move to adopt Resolution No. 2014-0003.

DISCUSSION

The proposed Rancho Sahuarita CFD budget for Fiscal Year 2015 is \$7,189,690. There have been no changes since the Treasurer Proposed Budget was transmitted on July 2, 2014.

The budget was developed using input from the District's financial advisor as well as from the developer. The amount of infrastructure to be constructed and financed in the first phase will not be determined until the forthcoming feasibility report is completed. As such, the budget is intended to be flexible and provide for maximum financial capacity.

The District was not formed in time to levy a property tax for 2015. Therefore, the only financial resources available to the District are the funds provided by the developer and any debt proceeds tied to our future bond issuance. Budgeted expenditures will cover administrative costs as well as capital projects costs associated with the construction of District infrastructure.

The District, although a legally separate entity, is considered a blended component unit of the Town of Sahuarita. Accordingly, the Town has established a separate fund (i.e., special revenue fund) to incorporate the District's financial records into the Town's financial reporting entity. Accordingly, it may be in the Town's best interest to also amend its budget.

ATTACHMENTS

1. Rancho Sahuarita Resolution No. 2014-0003

**RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT
RESOLUTION NO. 2014-0003**

A RESOLUTION OF THE DISTRICT BOARD OF THE RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF SAHUARITA, ARIZONA, APPROVING A FINAL BUDGET FOR FISCAL YEAR 2015 IN THE AMOUNT OF \$7,189,690 PURSUANT TO SECTION 48-716, ARIZONA REVISED STATUTES, AS AMENDED; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, on April 28, 2014, the Mayor and Council of the Town of Sahuarita, Arizona (the "Town"), adopted Resolution No. 2014-0001 forming Rancho Sahuarita Community Facilities District ("RSCFD"), a community facilities district in accordance with Section 48-701 et seq., Arizona Revised Statutes, as amended; and

WHEREAS, RSCFD is a special purpose district for purposes of Article IX, Section 19, Constitution of Arizona, a tax-levying public improvement district for the purposes of Article XIII, Section 7, Constitution of Arizona, and a municipal corporation for all purposes of Title 35, Chapter 3, Articles 3, 3.1., 3.2, 4 and 5, Arizona Revised Statutes, as amended, and [except as otherwise provided in Section 48 708(B), Arizona Revised Statutes, as amended] is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the Town; and

WHEREAS, a primary purpose for creating RSCFD was to finance certain public infrastructure needed for the certain portions within the master planned development known as "Rancho Sahuarita," as set forth in the Rancho Sahuarita Specific Plan, through assessment of ad valorem taxes on all real and personal property within RSCFD; and

WHEREAS, in accordance with Sections 48-719 and 48-723, Arizona Revised Statutes, as amended, a special election was held on August 12, 2014, wherein the qualified electors of RSCFD voted to issue general obligation bonds in the maximum amount of \$60,000,000 to cover costs of public infrastructure and to levy and collect an annual ad valorem tax at a rate not to exceed thirty cents (30¢) per one hundred dollars (\$100) of net assessed valuation for operation and maintenance expenses of RSCFD; and

WHEREAS, on July 2, 2014, the District Treasurer Proposed budget for FY 2015 was submitted to the District Board, including required statements and estimates of operation and maintenance expenses of RSCFD, the costs of capital improvements to be financed by the authorized ad valorem tax to be levied in the future, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the said tax levy and of the amount to be raised to pay general obligation bonds of RSCFD, set a date of August

EXHIBIT "A"

Fiscal Year 2015 Rancho Sahuarita Community Facilities District Budget

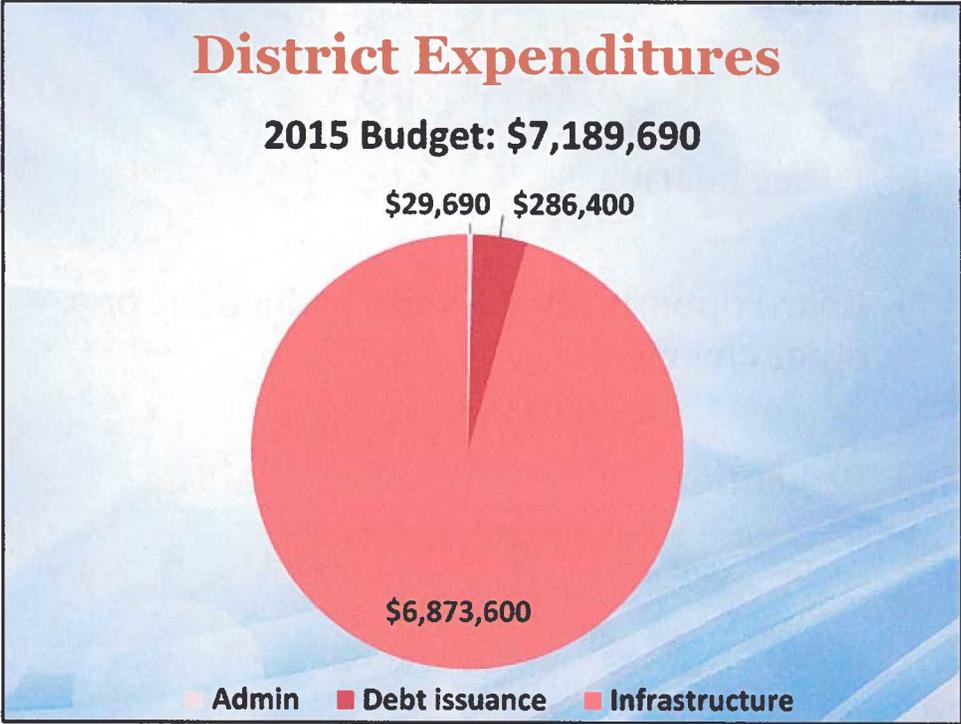


**Rancho Sahuarita CFD
Budget Adoption
Fiscal Year 2015**

July 1, 2014 – June 30, 2015

Chairman Blumberg, Members of the Board...

Tonight you'll have an opportunity to adopt the District's budget for fiscal year 2015, which begins next week on July 1st.



Looking at expenditures...

You see that 95% of the Districts costs are associated with making debt payments on the 2006 GO bonds.

Operations only make up 5% of costs. These costs pay for roadway maintenance in the District and also maintenance of the Quail Creek Veterans Municipal Park.