Tracy Rural County
Fire Protection District

Board of Directors
Craig Miller
Matt Kopinski
Jeff Ramsey
Pete Reece
John Vieira

Clerk of the Board
Raychel Jackson

Board of Directors – Regular Meeting Agenda
Tuesday, November 10, 2026 at 4:00 PM PST

Join Zoom Meeting
https://us06web.zoom.us/j/89387814339?pwd=dadwBoqfWDWH3VYrC860mshH3JBpLI.1
Call In Number: 1 (669) 900 6833
Meeting ID: 893 8781 4339
Passcode: 812385

Location: 835 N. Central Avenue
Tracy, CA 95376
2nd Floor

1. Roll Call and Pledge of Allegiance

2. Public Comment

Please, give your name, entity (if any), and address as well as what agenda item you wish to speak about to the Clerk of the Board so that your comments may be heard at the appropriate time. Comments must be limited to 3 minutes.

3. Consent Calendar

3.1 Adoption of the November 10, 2026 Agenda
3.2 Approval of the October 13, 2026 and October 19, 2026 Minutes
3.3 October Disbursement Report
3.4 Request for County Check Issuance

4. Regular Agenda

4.1 Discussion Regarding Fire Station 98 Site Acquisition, Development Impact Fee Accounting, and Capital Financing Strategy

5. Committee Reports

5.1 JPA Representative Report
5.2 CenCal Fire Report

6. Informational Update

6.1 Fire Chief's Update

PO Box 731, Tracy, CA 95378 / (209) 834-7269 / www.tracyruralfire.org

6.2 Future Fire Stations Update
6.3 SSJCFA Radio System Update
6.4 BESS Project Update
6.5 Pacific Gateway Project Update

7. Public Comment

For any items not on the agenda.

8. Board Member Comment

For any items not on the agenda and requests for future agenda items. No action will be taken on any questions or matters raised by the Board at this time.

9. Future Agenda Items

10. Closed Session

10.1 Consult with Legal Counsel – Significant Exposure to Litigation (California Government Code section 54956.9(b) one matter.

11. Adjournment until Next Regular Session – December 8, 2026

Compliance with the Americans with Disabilities Act (US Code Title 42) – Assistance for Those with Disabilities: If you have a disability and need accommodation to participate in the meeting, please contact the Administration Office (209-834-7269) or email (raychel.jackson@tracyruralfire.org) at least 72 hours prior to the meeting to inform us of your needs and to determine if accommodation is feasible.

Tracy Rural County
Fire Protection District

Board of Directors – Regular Meeting Agenda
Tuesday, October 13, 2026 at 4:00 PM PST

1. Roll Call and Pledge of Allegiance

Chairman Miller called the regular meeting to order at 4:00 pm, Pete Reece, Craig Miller Matt Kopinski and Jeff Ramsey present. John Vieira absent.

2. Public Comment

Chief Bradley requested that Closed Session Item 10.1 be taken out of order, immediately following Item 2, Public Comment. Chairman Miller approved the request.

3. Consent Calendar

3.1 Adoption of the October 13, 2026 Agenda

3.2 Approval of the September 8, 2026 Regular Minutes and September 16, 2026 Special Meeting Minutes

- **Motion** was made by Director Kopinski seconded by Director Ramsey to accept Consent Calendar Items 3.1-3.2. **Vote**: Motion passed, 4-0.

3.3 September Disbursement Report

- **Motion** was made by Director Ramsey seconded by Director Reece to accept Consent Calendar Items 3.3. **Vote**: Motion passed, 4-0.

4. Regular Agenda

4.1 Discussion and Possible Action Regarding SAFER Grant Participation, District Funding Obligations, and Revision of the South San Joaquin County Fire Authority Member Agency Cost-Sharing Allocation

- **Action:** Item 4.1 was postponed to the Special Board Meeting scheduled for October 19, 2026, at 2:00 p.m.

5. Committee Reports

5.1 JPA Representative Report

Director Ramsey provided a report that at the regular meeting on Sept. 22, 2026, the Board approved the Master Services Agreement with Eide Bailly LLP Audit services; approved a temporary over hire of one full-time Admin Tech; approved a Side Letter Agreement with TFFA; and approved the transition of the 457(b) DCP.

5.2 Cen Cal Fire Report

No report, next meeting is November 9, 2026.

6. Informational Update

6.1 Fire Chief's Update

- Chief Bradley provided the monthly report.

6.2 Future Fire Station

- No Update.

6.3 SSJCFA Radio System Update

- No Update.

6.4 BESS Project Update

- Chief Bradley provided an update.

6.5 Pacific Gateway Project Update

- Chief Bagley provided an update.

7. Public Comment

No Public Comment.

8. Board Member Comment

The Board expressed its well wishes to Chief Bradley regarding his upcoming surgery.
Director Kopinski thanked SCFA staff for all their hard work.

9. Future Agenda Items

Special Meeting to be held on October 19, 2026, 2pm to discuss SAFER Grant.
Presentation from Chief Bradley to discuss future fire stations and funding opportunities.

10. Closed Session

10.1 Conference with Labor Negotiators (§ 54957.6)
Agency designated representative: Randall Bradley
Employee organization: The Tracy Firefighters Association (TFFA)
Action: Board Agreed to the Proposed Negotiations for Fiscal Years 2027-2031

10.2 Consult with Legal Counsel – Significant Exposure to Litigation (California Government Code section 54956.9(b) one matter.
No Reportable Action.

11. Meeting Adjournment at 5:35 pm.

Raychel Jackson

Raychel Jackson, Clerk of the Board

October 13, 2026

Tracy Rural County
Fire Protection District

Agenda Item 3.2

Board of Directors – Special Meeting Agenda
Wednesday, October 19, 2026 at 2:00 PM PST

1. Roll Call and Pledge of Allegiance

Chairman Miller called the regular meeting to order at 4:00 pm all directors present.

2. Public Comment

No Public Comment.

3. Regular Agenda

4.1 Discussion and Possible Action Regarding SAFER Grant Participation, District Funding Obligations, and Revision of the South San Joaquin County Fire Authority Member Agency Cost-Sharing Allocation

- **Motion** was made by Director Ramsey seconded by Director Kopinski to Approve Resolution 2026-17 Adopting Participation in The FEMA Staffing For Adequate Fire And Emergency Response (Safer) Grant Awarded To The South San Joaquin County Fire Authority, Authorizing The District's Funding Commitment, Maintaining The Existing Pro-Rata Sharing Formula, And Approving A Risk-Based Staffing Allocation

4. Public Comment

No Public Comment.

5. Board Member Comment

No Public Comment.

6. Future Agenda Items

None.

7. Meeting Adjournment at 2:40 pm.

Raychel Jackson

Raychel Jackson, Clerk of the Board

October 19, 2026

Tracy Rural Fire Protection District

Balance Sheet

As of Oct 31, 2026

Agenda Item 3.3

	Total
Assets	
Current Assets	
Bank Accounts	
CA CLASS - Capital	1,233,687.05
CA Class - Fire Facility Fees	549,593.77
CA Class - Reserves	1,180,674.65
Fund 49501 - Operations	1,180,792.89
Fund 49515 - Fire Facility Fees	208,748.40
Fund 49519 - Emergency Reserve	272.05
Fund 49591 - Capital Outlay Res	92.74
Tri Counties Bank - Capital Improvement	350,390.05
Tri Counties Bank - Medical Leave Bank	138,437.34
Tri Counties Bank - Operating	1,235,022.73
Tri Counties Bank - Reserves	1,186,028.03
Total Bank Accounts	**$7,263,739.70**

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Cleared Transactions

October 2026

TRANSACTION TYPE	DATE	VENDOR	MEMO/DESCRIPTION	SPLIT	AMOUNT
CA CLASS - Capital					
Deposit	10/31/2026		Interest Earned	CA CLASS - Capital Investment:Interest	4,105.01
Total for CA CLASS - Capital					**$4,105.01**
CA Class - Fire Facility Fees					
Deposit	10/31/2026		Interest Earned	CA Class - FFF Investment:CA Class - FFF Interest	1,828.73
Total for CA Class - Fire Facility Fees					**$1,828.73**
CA Class - Reserves					
Deposit	10/31/2026		Interest Earned	CA Class - Reserves Investment:CA Class - Reserves Interest	3,928.61
Total for CA Class - Reserves					**$3,928.61**
Tri Counties Bank - Capital Improvement					
Deposit	10/31/2026		Interest Earned	TCB Capital:Interest	877.48
Total for Tri Counties Bank - Capital Improvement					**$877.48**
Tri Counties Bank - Medical Leave Bank					
Deposit	10/31/2026		Interest Earned	TCB Medical Leave Bank:Interest	346.69
Total for Tri Counties Bank - Medical Leave Bank					**$346.69**
Tri Counties Bank - Operating					
Check	10/05/2026	Pacific Gas & Electric		Utilities:Station 5	-2,000.00
Check	10/05/2026	Pacific Gas & Electric		Utilities:Station 4	-1,535.13
Check	10/05/2026	Pacific Gas & Electric		Utilities:Station 3	-906.30
Check	10/06/2026	City of Tracy		Utilities:Station 5	-437.25
Check	10/06/2026	City of Tracy		Utilities:Station 4	-134.27
Deposit	10/07/2026			Fund 49501 - Property Tax:Other Miscellaneous income	65.00
Check	10/13/2026	Jeff Ramsey		Directors Fees:Jeff Ramsey	-814.45
Check	10/13/2026	Dynamic Generator Service, Inc	Gen Repair/Service	Building Maintenance Fund:Station 3	-8,001.69
Check	10/13/2026	ProTech		Building Maintenance Fund:Station 5 Tracy Hills	-70.00
Check	10/13/2026	McKinley, Conger, Jolley	Land Use	Legal Services:Land Use Legal	-135.00
Check	10/13/2026	Craig Miller		Directors Fees:Craig Miller	-488.67
Check	10/13/2026	Pete Reece		Directors Fees:Reece, Pete	-325.78
Check	10/13/2026	John Vieira		Directors Fees:Vieira, John	-325.78
Check	10/13/2026	Harris & Associates	Nexus Study. Inv 73998	Consultant Reports	-840.00
Check	10/13/2026	Matthew Kopinski		Directors Fees:Kopinski, Matt	-162.89
Check	10/20/2026	Delta Disposal Service		-Split-	-484.77
Check	10/20/2026	Berreth Law Group	Sept. Inv 02337	Legal Services:General	-7,873.41
Check	10/20/2026	McKinley, Conger, Jolley	Inv 117099, September	Legal Services:Land Use Legal	-5,490.00
Check	10/20/2026	Nor-Cal Plumbing	snaked kitchen line	Building Maintenance Fund:Station 3	-450.00
Check	10/20/2026	Patriot Pest Managment	October	-Split-	-388.00
Check	10/25/2026			TCB Credit Card	-23,948.11
Check	10/30/2026	Special District Financial Services, LLC	October Inv 1074	Business Office Services	-5,663.44

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Cleared Transactions

October 2026

TRANSACTION TYPE	DATE	VENDOR	MEMO/DESCRIPTION	SPLIT	AMOUNT
Check	10/31/2026		Service Charge	Service Charge	-200.37
Deposit	10/31/2026		Interest Earned	TCB Operating:Interest	3,202.48
Total for Tri Counties Bank - Operating					**$ - 57,407.83**
Tri Counties Bank - Reserves					
Deposit	10/31/2026		Interest Earned	TCB Reserves:Interest	2,970.15
Total for Tri Counties Bank - Reserves					**$2,970.15**

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

TCB Credit Card Expenses

October 2026

TRANSACTION TYPE	DATE	VENDOR	MEMO/DESCRIPTION	SPLIT	AMOUNT
TCB Credit Card					
Credit Card Expense	10/06/2026	Amazon	annual weed killer	Building Maintenance Fund:Station 4	310.02
Credit Card Expense	10/08/2026	Zoom		Office Expense:Website / Web Hosting	10.00
Credit Card Expense	10/14/2026	QuickBooks Payments		Office Expense:Software/Hardware	45.71
Credit Card Expense	10/24/2026	AT&T	new district phone	Office Expense:Computer	1,524.48
Credit Card Expense	10/24/2026	AT&T		Office Expense:Phone	461.04
Credit Card Expense	10/24/2026	EcoWater Systems		Utilities:Station 3	65.00
Credit Card Expense	10/24/2026	Amazon		Office Expense:Supplies	112.76
Check	10/25/2026			Tri Counties Bank - Operating	-23,948.11
Total for TCB Credit Card					**$ -21,419.10**

Tracy Rural Fire Protection District

Budget vs. Actuals

July 2026 - June 2027

	TOTAL		
	ACTUAL	BUDGET	REMAINING
Income			
CA CLASS - Capital Investment			
Interest	15,695.92		-15,695.92
Total CA CLASS - Capital Investment	**15,695.92**		**-15,695.92**
CA Class - FFF Investment			
CA Class - FFF Interest	6,992.35		-6,992.35
Total CA Class - FFF Investment	**6,992.35**		**-6,992.35**
CA Class - Reserves Investment			
CA Class - Reserves Interest	15,021.45		-15,021.45
Total CA Class - Reserves Investment	**15,021.45**		**-15,021.45**
Fund 49501 - Property Tax			
Homeowners Exemption - State		54,000.00	54,000.00
Interest Income	60,413.06	50,000.00	-10,413.06
Other Miscellaneous income	14,065.00		-14,065.00
Other Service fees			
Weed Abatement	150.00		-150.00
Total Other Service fees	**150.00**		**-150.00**
Prior - SB813	2,320.05		-2,320.05
Prior - Unsecured	11,461.12		-11,461.12
Prop 172	143,107.00	132,298.00	-10,809.00
Secured	22,631.09	13,853,650.85	13,831,019.76
Secured SB813	32,546.23		-32,546.23
Special Assessments - Current	5,208.45	2,023,747.00	2,018,538.55
Special Assessments - Prior	2,134.95		-2,134.95
Unsecured	9,206.38		-9,206.38
Unsecured SB813	5,169.79		-5,169.79
Total Fund 49501 - Property Tax	**308,413.12**	**16,113,695.85**	**15,805,282.73**
Fund 49519 - Emergancy Reserve			
Interest	116.55		-116.55
Total Fund 49519 - Emergancy Reserve	**116.55**		**-116.55**
Fund 49591 - Capital Outlay			
Interest	37.77		-37.77
Rent	2,400.00		-2,400.00
Total Fund 49591 - Capital Outlay	**2,437.77**		**-2,437.77**
Interest Income – Fire Facility Fees	2,026.85		-2,026.85
Services	5,512.50		-5,512.50
TCB Capital			
Interest	3,731.61		-3,731.61
Total TCB Capital	**3,731.61**		**-3,731.61**
TCB Medical Leave Bank			
Interest	1,459.47		-1,459.47
Total TCB Medical Leave Bank	**1,459.47**		**-1,459.47**

Tracy Rural Fire Protection District

Budget vs. Actuals

July 2026 - June 2027

	TOTAL		
	ACTUAL	BUDGET	REMAINING
TCB Operating			
Interest	13,056.24		-13,056.24
Total TCB Operating	**13,056.24**		**-13,056.24**
TCB Reserves			
Interest	11,741.18		-11,741.18
Total TCB Reserves	**11,741.18**		**-11,741.18**
Total Income	**$386,205.01**	**$16,113,695.85**	**$15,727,490.84**
GROSS PROFIT	**$386,205.01**	**$16,113,695.85**	**$15,727,490.84**
Expenses			
Apparatus Repair	12,237.25	35,000.00	22,762.75
Audited Financial Statements		11,000.00	11,000.00
Auditors Direct Assessment		21,000.00	21,000.00
Auditors Tax Admin Charges		185,000.00	185,000.00
Building Maintenance Fund			
Station 3	16,339.55	40,000.00	23,660.45
Station 4	13,099.65	40,000.00	26,900.35
Station 5 Tracy Hills	8,130.01	40,000.00	31,869.99
Total Building Maintenance Fund	**37,569.21**	**120,000.00**	**82,430.79**
Business Office Services	16,990.32	67,961.00	50,970.68
Consultant Reports	2,940.00		-2,940.00
Benefit Assessment - HdL		14,000.00	14,000.00
County Report	1,406.93	2,000.00	593.07
Misc. Report	5,512.00	25,000.00	19,488.00
Total Consultant Reports	**9,858.93**	**41,000.00**	**31,141.07**
Directors Fees		35,000.00	35,000.00
Craig Miller	1,467.01		-1,467.01
Jeff Ramsey	2,769.13		-2,769.13
Kopinski, Matt	1,303.12		-1,303.12
Reece, Pete	1,628.90		-1,628.90
Vieira, John	651.56		-651.56
Total Directors Fees	**7,819.72**	**35,000.00**	**27,180.28**
Fund Transfer			
Capital Fund			
A-Apparatus/Equipment		400,000.00	400,000.00
Total Capital Fund		**400,000.00**	**400,000.00**
Medical Leave Bank		250,000.00	250,000.00
Total Fund Transfer		**650,000.00**	**650,000.00**
Insurance - General Liability		75,000.00	75,000.00
Legal Services			
General	25,043.91	75,000.00	49,956.09
Land Use Legal	5,625.00	45,000.00	39,375.00

Tracy Rural Fire Protection District

Budget vs. Actuals

July 2026 - June 2027

	TOTAL		
	ACTUAL	BUDGET	REMAINING
Total Legal Services	**30,668.91**	**120,000.00**	**89,331.09**
Membership/Association Dues	10,148.00	11,000.00	852.00
Seminars	75.00	5,000.00	4,925.00
Total Membership/Association Dues	**10,223.00**	**16,000.00**	**5,777.00**
Miscellaneous	21,783.09	10,000.00	-11,783.09
Office Expense			
Computer	1,524.48	3,000.00	1,475.52
Miscellaneous	388.00		-388.00
Phone	1,824.58	6,000.00	4,175.42
Software/Hardware	55.71	4,000.00	3,944.29
Supplies	649.90	3,000.00	2,350.10
Website / Web Hosting	20.00	4,000.00	3,980.00
Total Office Expense	**4,462.67**	**20,000.00**	**15,537.33**
Payroll Expenses	50.00		-50.00
Company Contributions			
Health Insurance	3,891.45		-3,891.45
Retirement	1,143.75		-1,143.75
Total Company Contributions	**5,035.20**		**-5,035.20**
Health Insurance	3,711.65		-3,711.65
Taxes	1,466.27		-1,466.27
Wages	14,423.07		-14,423.07
Total Payroll Expenses	**24,686.19**		**-24,686.19**
Payroll Services	127.71		-127.71
Retirement			
Medical Leave Bank	22,051.76		-22,051.76
PERS Unfunded Liability (1999-2022)		650,000.00	650,000.00
PERS Unfunded Liability (Pre 1999)	685,411.00	635,523.00	-49,888.00
Safety Plan		700.00	700.00
Total Retirement	**707,462.76**	**1,286,223.00**	**578,760.24**
Service Charge	822.81	2,000.00	1,177.19
SSJCFA - JPA			
FY2025-2026			
SSJCFA - Radio System Upgrade	459,830.25	568,993.00	109,162.75
Total FY2025-2026	**459,830.25**	**568,993.00**	**109,162.75**
FY2026-2027	8,308,066.24	12,462,099.37	4,154,033.13
Total SSJCFA - JPA	**8,767,896.49**	**13,031,092.37**	**4,263,195.88**
Travel & Training			
Lodging	1,671.79	5,000.00	3,328.21
Parking	163.00	200.00	37.00
Transportation	410.98	3,000.00	2,589.02
Total Travel & Training	**2,245.77**	**8,200.00**	**5,954.23**
Utilities			

Tracy Rural Fire Protection District

Budget vs. Actuals

July 2026 - June 2027

	TOTAL		
	ACTUAL	BUDGET	REMAINING
Station 3	3,978.39	20,000.00	16,021.61
Station 4	8,611.47	20,000.00	11,388.53
Station 5	10,336.88	25,000.00	14,663.12
Total Utilities	**22,926.74**	**65,000.00**	**42,073.26**
Workers' Compensation	1,836.00	1,836.00	0.00
Total Expenses	**$9,679,617.57**	**$15,801,312.37**	**$6,121,694.80**
NET OPERATING INCOME	**$ -9,293,412.56**	**$312,383.48**	**$9,605,796.04**
Other Income			
Consultant Cost Reimbursements	8,500.00		-8,500.00
Total Other Income	**$8,500.00**	**$0.00**	**$ -8,500.00**
NET OTHER INCOME	**$8,500.00**	**$0.00**	**$ -8,500.00**
NET INCOME	**$ -9,284,912.56**	**$312,383.48**	**$9,597,296.04**

SPECIAL DISTRICT PAYMENT REQUEST

DATE OF REQUEST: 11/10/26

E-mail this form with supporting back up documents to *ASpecialDistrictAP@sjgov.org*

REQUESTING AGENCY: Tracy Rural Fire District

REQUESTOR'S CONTACT INFO: 209-834-7269

PAYMENT TYPE: Check

HANDLING CODE: Tracy Fire

ADDITIONAL NOTES FOR PROCESSOR:

	VENDOR NAME	VENDOR ADDRESS	Item Description	FUND	Cost Center	SPEND CATEGORY	TOTAL AMOUNT REQUESTED	ACO USE ONLY: INVOICE #.
1	South San Joaquin County Fire Authority	835 N. Central Ave, Tracy, CA 95376	2nd Installment FY26-27	4223FD Tracy Rural Fire	40258CC Tracy Rural Fire	62348SC - Agency Fund Disbursement	4,154,033.12	
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								

Claim examined and approved pursuant to GOV. Code Sec. 29741

AUTHORIZED SIGNATURES:

JEFFERY M. WOLTKAMP, CPA
County Auditor-Controller

(Type in Name, Title)
Date: 11/10/26

(Type in Name, Title)
Date: 11/10/26

by: _____
Deputy

(Type in Name, Title)
Date:

eff. 02/2025

For updates to this form, please email ASpecialDistrictAP@sjgov.org

Tracy Rural County
Fire Protection District

Agenda Item 4.1

STAFF REPORT

Meeting:	**Regular Meeting**
Date:	**November 10, 2026**
To:	**Board of Directors**
Prepared by:	**Randall Bradley, Fire Chief**
Approved by:	**Craig Miller, Chairperson**
Re:	**Fire Station 98: Site Acquisition, Development Impact Fee Accounting, and Capital Financing Strategy**

EXECUTIVE SUMMARY

Fire Station 98 is a planned capital facility intended to address deployment and effective-response-force needs identified through Standards of Cover analysis in the southern Tracy service area. The District must secure an appropriate site and establish a realistic construction funding strategy. The current planning estimate is approximately $12 million; the estimate's inclusions and currency must be confirmed. This report presents four alternatives for Board consideration and recommends advancing property acquisition and design while obtaining a complete accounting of historical City fire development impact fee collections and an independent projection of future fee cash flows.

BACKGROUND AND INTERAGENCY CONTEXT

The City of Tracy and Tracy Rural Fire Protection District (TRFD) are the member agencies of the South San Joaquin County Fire Authority. Much of the City's growth has occurred through annexation without detachment from TRFD, creating areas in which the City and District have overlapping boundaries. The District continues to receive its allocated property taxes from these areas. Although both agencies share an interest in timely construction of Station 98, they have different perspectives on how the capital cost should be funded. The following summaries describe those perspectives for the Board's consideration; neither is presented as a definitive interpretation of the governing agreements.

City of Tracy Perspective on Capital Funding

From the City's perspective, Station 98 is proposed on land in unincorporated TRFD territory, outside current City limits. Under the longstanding annexation-without-detachment approach, TRFD retains property tax revenues generated within overlapping City–District territory. The City's position is that these continuing property tax receipts are

available to support fire protection responsibilities, including the capital facilities necessary to serve growth, as well as ongoing operations. The City also points to the Station 95 arrangement in Tracy Hills, under which a developer advanced approximately $7.5 million to construct a station that was conveyed to the District without debt, in exchange for credits against future fire development impact fees. Those credits reduce subsequent cash fee collections. For Station 98, the City's position is that it will collect and pass through applicable fire development impact fees to the District as development occurs, pursuant to the governing agreements, rather than provide a separate upfront City construction contribution. In this view, the combination of retained District property taxes and the pass-through of development impact fees provides the District with funding sources for the project.

District Perspective on Capital Funding

From the District's perspective, the need for Station 98 is driven principally by City-approved development in Tracy Hills and the International Park of Commerce, even though the preferred station site is presently outside City limits. The City controlled the development approval process and negotiated the related development agreements and impact fee arrangements. The District's position is that those negotiations did not secure the upfront capital needed for Station 98, unlike the developer-advance arrangement used for Station 95, and did not adequately address the timing of the station's construction requirement. Although the City proposes to pass through fire development impact fees, those fees are anticipated to arrive incrementally over approximately 20 to 30 years, while Station 98 must be built much sooner to address the identified service need. The District therefore faces an immediate capital funding gap and, if it borrows to close that gap, additional financing costs. The District acknowledges that property taxes received from development must support ongoing staffing, station operations, and required service levels. Although the District may be able to access financing for construction, annual debt payments would reduce the revenues otherwise available to staff Station 98 and maintain fire protection services throughout the District. The potential ability to issue debt therefore does not establish that the District can absorb the obligation without operational consequences, nor does it resolve which agency originally bore responsibility for securing development-related construction capital. The District also recognizes that previously approved developer agreements may leave limited practical opportunity to obtain new upfront contributions retroactively. Its immediate objective is to identify a workable funding strategy, including the potential use of future eligible impact fee receipts to offset financing costs and debt service.

Operational Need and Project Scope

The Standards of Cover analysis identifies Fire Station 98 as necessary to meet effective response force requirements for both Tracy Hills and the International Park of Commerce. The station is intended to provide the additional deployment capacity needed to assemble an effective response force for incidents in these development areas. Working planning information references approximately 6,000 homes in Tracy Hills and approximately 30 million square feet of industrial/commercial development; these figures and the service timing trigger should be checked against adopted plans and the Standards of Cover report. The proposed site is on Valpico Road near the cemetery between Lammers Road and Corral Hollow Road, presently described as unincorporated District territory. The estimated $12 million project budget requires validation for land, sitework, design, apparatus/equipment, contingencies and financing costs.

Development Impact Fees: Historical Accounting

The District reports that no cash fire development impact fee transfers have been received from the City despite transfer provisions associated with the 2018 JPA restructuring agreements. The precise governing instruments, effective dates, eligible fee categories, geography and treatment of in-kind transfers and developer credits must be verified. The District should request an accounting from the inception of the applicable Public Safety Master Plan fee program (believed to be 2013; verify ordinance, study title and effective date) through the most recent closed fiscal year and current year to date. The accounting must distinguish amounts collected before and after the operative 2018 agreement, and must not assume that every historical collection is presently payable to the District.

- Annual fees assessed and collected by fiscal year, fee category and development area, with underlying fund/ledger reconciliation.
- Amounts deposited, retained, expended, transferred, committed, refunded or otherwise applied; current balances and interest.
- Applicable ordinances, fee schedules, nexus studies and amendments, and the legal basis for allocations.
- Developer fee credits, reimbursements and in-kind facilities, including Station 95, with supporting agreements and transaction history.

Harris & Associates Forecast and Revenue Waterfall

Subject to procurement, scope and funding approval, staff proposes engaging Harris & Associates, which has worked on development impact fee nexus studies, to develop a 20-year annual forecast of gross fire fee assessments and cash collections based on approved

and reasonably anticipated development. The model should show development phasing, fee rates, credits, reimbursements, legal restrictions and other commitments, resulting in the net amount and timing potentially available for Station 98 capital expenditures or eligible debt service. The consultant should provide conservative, baseline and accelerated development scenarios and separately identify unapproved or speculative projects. Any use of impact fees for financing costs or debt service must be reviewed by counsel.

BOARD ALTERNATIVES

Option 1 — Acquire land only

Proceed with acquisition of the eastern property, subject to due diligence and Board approvals. Defer design and construction commitments. Lowest near-term expenditure but risks cost escalation and delays in meeting operational needs. Deployment modeling identified two potential Valpico Road properties, and commercial appraisals were obtained for both. Staff prefers the eastern property because City utilities appear more accessible than at the western site. Actual utility availability, capacity, connection charges, title, environmental and geotechnical conditions must be confirmed before purchase. Staff recommends negotiated acquisition of the eastern parcel, with eminent domain considered only if negotiations fail and following required findings, hearings and legal review.

Option 2 — Acquire land and complete design; decide financing after revenue analysis (staff recommendation)

Acquire the preferred property and advance design through construction-ready documents under staged authorizations. Obtain City fee accounting, Harris cash-flow projections, updated construction pricing and financing terms. Return for Board approval of a funding plan that may finance only the unfunded portion of the project. Establish decision milestones to avoid indefinite delay.

Option 3 — Acquire, design and pursue financed construction

Acquire the preferred property, complete the design and construction documents, and finance construction of Fire Station 98. Based on preliminary financing information, borrowing $12 million over 20 years would require approximately $968,000 in annual debt service. This approach would address identified effective response force requirements sooner but would reduce revenues available for staffing, operations, and maintain required service levels unless offset by future eligible development impact fee receipts or other funding sources. The annual debt service could be offset by pass-through developer impact fees from the City of Tracy. The estimated amount of the offset would be determined by the Harris and Associates analysis recommended above.

Option 4 — Defer action for two years and reassess economic conditions

Take no action on land acquisition, design, or construction at this time. Monitor economic conditions, development activity, District revenues, construction costs, and financing conditions over the next two years, then return to the Board to reconsider Station 98 and the available funding options. This avoids near-term capital commitments and debt obligations, but could increase future land and construction costs, risk losing the preferred site, and delay the District's ability to meet the effective response force requirements identified for Tracy Hills and the International Park of Commerce.

Option 5 — Negotiate shared capital funding with the City of Tracy

Negotiate an agreement with the City of Tracy to share equally in the estimated $12 million construction cost of Fire Station 98, with each agency contributing approximately $6 million. Under this arrangement, future eligible fire development impact fee revenues would be used to reimburse both agencies for their respective capital contributions over time. This approach would reduce the District's initial capital obligation and associated debt service by approximately 50%, while providing a means to construct the station sooner. Reimbursement would depend on future fee collections and applicable legal requirements.

Eight-Year Financial Forecast

The eight-year forecast is prepared using the information known at the time and is updated twice each year to incorporate new property tax estimates, development schedules, capital and staffing requirements, pension costs, and other material data points. It is not possible to predict or independently establish every long-range assumption. The forecast should be understood as a planning tool that helps the Board compare choices and understand potential financial exposure, rather than as a fixed prediction of future results. For this report, the current forecast is the baseline. Staff may also illustrate the consequences of slower development, lower-than-anticipated revenue growth, higher financing rates or higher operating costs so that the Board can evaluate financial flexibility under differing conditions. Those scenarios are planning sensitivities, not prerequisites to treating the forecast as useful. The Board should consider the operational tradeoff associated with committing recurring revenues to long-term debt service.

PROPOSED ACTION ITEMS AND MILESTONES

Develop a proposed scope and cost estimate for Harris & Associates to prepare a 20-year forecast of annual fire development impact fee collections, including applicable developer credits and a revenue waterfall identifying funds potentially available for Station 98. Return the proposed engagement to the Board for consideration.