Measure R : Intro/Q&A

Golden West Community Services District

Marc Regelbrugge, President

Stan Hill, Vice President

September 12, 2026

http://gwcsd.org/content/Docs/Measure-R/IntroQA-20260912.pdf

Our Goals for this Meeting

- Provide information on our Ballot Measure R
  - How does Measure R work?
  - How we do road work
  - How Measure R will help us keep our roads in safe and good condition
  - What happens if Measure R is/is not adopted?

This meeting is not intended to advocate for or against adoption of Measure R.
The Board is committed to maintaining its neutral role, and we ask members of the audience also to avoid advocating positions either for or against Measure R.

- Topics:
  - The Golden West Community Services District (GWCSD)
  - Measure R features and workings
  - Current and Future Examples
  - District Finances (background info)

The following materials are intended to provide information on Measure R, a ballot measure advanced by the Golden West Community Services District to increase the District's Special Tax. Measure R will appear on District residents' ballots for the November 3 (2026) Gubernatorial General Election.

In the Information/Q&A session(s) supported by the following materials, District Directors Regelbrugge and Hill will answer questions from the audience and provide background information about the District, how the District funds its operations, challenges facing the District caused by large and sudden increases in costs for road construction and maintenance activities, and how Measure R could provide consistent relief to those challenges.

The following materials are intended as factual and informative explanations of the District's workings and the anticipated benefits and drawbacks of adopting and rejecting Measure R. Nothing presented in the following materials is designed or intended to advocate for or against adopting Measure R; that decision is left entirely to the voters of the District.

GWCSD Overview

The following charts are background materials describing the overall location, size and mission of the Golden West Community Services District (GWCSD).

Golden West Community Services District

- GWCSD Facts
  - A California Special District (GC §61000 et seq.)
  - Established in 1983 by El Dorado County Board of Supervisors
  - Special Tax adopted 217-14 in 1984
  - Responsible for maintaining/improving public roads in District

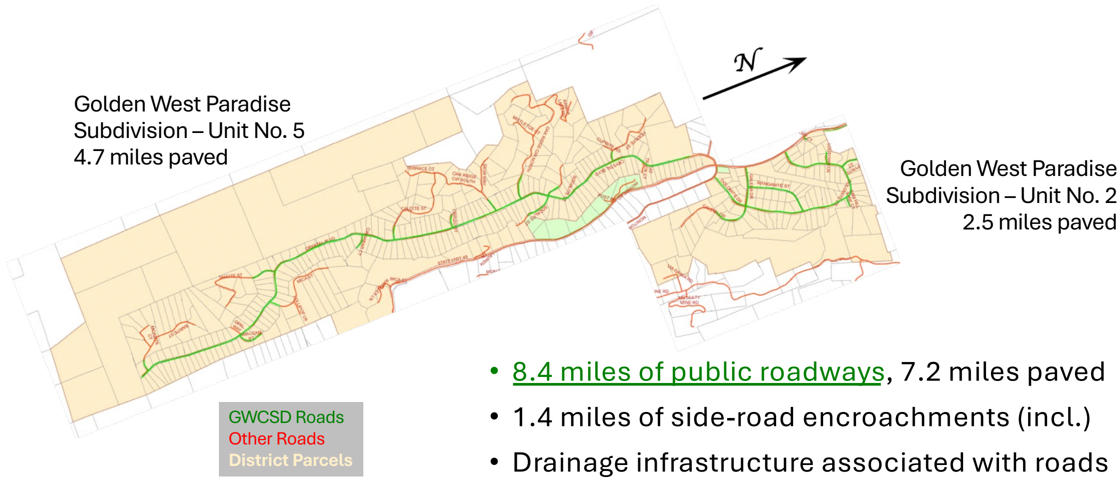
- GWCSD Resources – Annual Revenue

• $120/year/parcel Special Tax adopted August 7, 1984:	$54,539	
• Ad Valorem Property Taxes:	$116,563	(2025-26)
• Interest:	$12,011	(varies)
• Total (July 1, 2025 – June 30, 2026):	$183,113	

The Golden West Community Services District (GWCSD) was established by vote of the Board of Supervisors of El Dorado County in 1983 for purposes of construction and maintenance of the roadways in the District that had been dedicated to the County on the recorded maps of the Golden West Paradise Subdivision, Units 2 and 5. In August of 1984, residents of the GWCSD adopted an annual Special Tax of $120/parcel to fund said construction and maintenance activities.

The GWCSD receives its annual revenue from three sources: the Special Tax, a portion of the Ad Valorem property taxes collected by the County, and interest (if any) on funds held on the GWCSD's behalf by the County. In Fiscal Year 2025-26 (ending June 30, 2026), The GWCSD received $54,539 Special Taxes, $116,563 in Ad Valorem taxes, and $12,011 in interest.

GWCSD Responsibility



- 8.4 miles of public roadways, 7.2 miles paved
- 1.4 miles of side-road encroachments (incl.)
- Drainage infrastructure associated with roads

For more detail, please see https://gwcsd.org/content/desktop_site/maps.html

The map shown above shows parcels within the GWCSD (tan coloration).

The roadways depicted in green on the map are GWCSD public roads, as dedicated to the County of El Dorado on the recorded maps of the Golden West Paradise Subdivision, Units 2 and 5, and remanded to the Golden West Paradise Property Owners Association for maintenance and improvement. Those maintenance and improvement responsibilities were assumed by the GWCSD upon its creation in 1983. The GWCSD is responsible for approximately 8.4 miles of public roadways, roughly 7.2 of which are paved. The major roads are Crystal Blvd., Dolomite Dr., Galena Dr. (from SR 49 to the cul de sac), Manganite St., Ore Ct. and Amalgam St.

Many parcels in the GWCSD are located on private roads that connect to one of the major roads listed above. Those connections, called “road encroachments,” also fall under the GQCSD’s responsibility, but only up to the points where the extended roads become private.

Please review our Road Maintenance Responsibilities (linked on the chart above) for more information.

GWCSD Operating Finances

Fiscal Years Ending June 30, 2021 – May 31, 2026

The following charts are background materials provided for public reference and detailing the GWCSD's Operating Finances.

All of the financial information presented in this Section are taken from reports generated by the County Auditor-Controller's Office, which are available for review on the GWCSD.ORG web site.

GWCSD Finances – Allocations

- The Board funds Operations in three categories:
  - Overhead – Costs of maintaining operations as a Special District: 6%
    - Insurance: Liability and Compensation
    - County fees: Elections, LAFCO Operations
    - State Requirements: Records Retention & Storage, Required Filings
    - U.S. Mail: P.O Box
    - Legally Required Positions (Secretary, General Manager)
  - Regular Road & Infrastructure Maintenance: 22%
    - Vegetation Management
    - Pothole Repair
    - Ditch Ceaning
  - Major Repair/Improvement Projects: 72%
    - Resurfacing/Paving
    - Drainage Facility Replacement/Upgrades

GWCSD spending occurs over three, general categories:

1) Overhead: These are costs incurred simply by running District operations, and include items like insurance, County fees, costs of required filings and records retention, maintenance of a U.S. Mail P.O. box, and payments to contractors supporting District operations such as the District's General Manager and Secretary. The GWCSD spends about 6% of its current annual budget on Overhead.
2) Routine Maintenance: These activities typically occur annually and include minor and routine maintenance/repair activities like roadside vegetation management, pothole repair and critical ditch cleaning. The GWCSD spends about 22% of its current annual budget on Routine Maintenance.
3) Major Projects: These are the most expensive, least frequent District activities to pave/re-pave roadways and maintain/replace critical drainage infrastructure. The GWCSD allocates about 72% of its current budget to Major Projects.

GWCSD Revenue & Expenses (6 year)

Revenue Objective	2021	2022	2023	2024	2025	2026	TOTAL	%
0100 PROP TAX: CURR SECURED	84,680.43	89,542.99	92,895.63	99,811.96	105,894.80	110,770.75	583,596.56	59.2
0110 PROP TAX: CURR UNSECURED	1,520.44	1,507.65	1,758.01	1,972.05	1,979.45	2,225.32	10,962.92	1.1
0120 PROP TAX: PRIOR SECURED	33.70	-38.71	70.71	-50.77	-24.37	-1.01	-10.45	0.0
0130 PROP TAX: PRIOR UNSECURED	59.63	54.46	51.13	58.49	67.58	94.55	385.84	0.0
0140 PROP TAX: SUPP CURRENT	2,010.76	2,634.89	3,887.78	2,420.17	1,773.74	2,145.17	14,872.51	1.5
0150 PROP TAX: SUPP PRIOR	179.01	160.30	273.90	360.87	234.94	212.98	1,422.00	0.1
0175 TAX: SPECIAL TAX	54,835.92	54,118.52	53,396.79	53,097.65	52,379.38	54,539.38	322,367.64	32.7
0360 PEN & COST DELINQUENT TAXES	508.03	232.64	85.07	107.96	71.23	458.69	1,463.62	0.1
0400 REV: INTEREST	490.05	1,090.46	5,579.97	16,789.18	10,508.91	12,011.37	46,469.94	4.7
0820 ST: HOMEOWNER PROP TAX RELIEF	685.01	688.34	612.96	653.64	658.66	657.00	3,955.61	0.4
TOTAL REVENUE	145,002.98	149,991.54	158,611.93	175,221.20	173,544.32	183,114.20	985,486.17	100
Cost Objective								
4100 INSURANCE: PREMIUM	212.13	4,022.31	3,420.73	3,755.29	3,456.38	3,964.32	18,831.16	1.8
4191 MAINT: ROADS	7,600.00	7,600.00	18,434.02	80,183.43	467,157.76	384,016.05	964,991.26	94.4
4220 MEMBERSHIPS	670.00	703.00	756.00	794.00	837.00	866.00	4,626.00	0.5
4260 OFFICE EXPENSE	140.53	284.00	0.00	193.40	291.90	415.69	1,325.52	0.1
4261 POSTAGE	0.00	0.00	0.00	0.00	0.00	166.85	166.85	0.0
4267 ON-LINE SUBSCRIPTIONS	0.00	359.76	122.95	0.00	0.00	156.00	638.71	0.1
4300 PROFESSIONAL & SPECIAL SRVS	4,987.50	0.00	0.00	1,740.00	9,600.00	3,650.00	19,977.50	2.0
4303 ROAD MAINT & CONSTRUCTION	0.00	0.00	0.00	0.00	0.00	531.53	531.53	0.1
4304 AGENCY ADMINISTRATION FEE	102.90	107.30	114.13	120.82	132.85	158.83	736.83	0.1
4313 LEGAL SERVICES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
4400 PUBLICATION & LEGAL NOTICES	163.50	930.00	272.35	107.50	438.45	1,829.91	3,741.71	0.4
4420 RENT & LEASE: EQUIPMENT	148.00	0.00	118.50	226.00	232.00	244.00	968.50	0.1
4440 RENT & LEASE: BUILD & IMPRV	780.00	840.00	840.00	1,020.00	1,020.00	1,020.00	5,520.00	0.5
4500 SPECIAL DEPT EXPENSE	45.00	0.00	30.00	0.00	30.00	0.00	105.00	0.0
4602 MILGE: EMPLOY AUTO (NO OVERNT)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
4604 MILGE: VOLNTER PRIVATE AUTO	0.00	0.00	0.00	0.00	125.65	173.95	299.60	0.0
TOTAL EXPENSE	14,849.56	14,846.37	24,108.68	88,140.44	483,321.99	397,193.13	1,022,460.17	100

- Revenue
  Ad Valorem Taxes (59%)
  Special Tax (33%)
  Interest (5%)

- Expense
  Road Maintenance (94%)
  Insurance (2%)
  Prof. Services (2%)

The Table above provides details of the different categories of GWCSD revenues and expenses over the fiscal years ending in June 2021 through June 2026.

GWCSD revenues comprise Ad Valorem taxes (59%), the current Special Tax (33%) and Interest (5%). Under Measure R, Ad Valorem taxes would constitute roughly 42% of GWCSD revenues, the $300 Special Tax would provide roughly 55% of revenues, and Interest would provide about 3% of revenues.

GWCSD expenses are dominated by Road Maintenance activities. Over 94% of all GWCSD revenues are spent directly on Road Maintenance and Improvement activities. The remaining 6% are spent on Overhead, as discussed on the prior chart.

Note that the percentages quoted here are aggregates over the 6-year period displayed, and that Road Maintenance (Cost Objective 4191) expenditures vary considerably year-to-year. This is because the District needs to save monies over 2-4 years before commissioning a major project. For example, major project costs were executed in 2019, 2024 and 2026, and appear in the County's summaries under FYs 2020 (not listed above), 2025 and 2026.

Ballot Measure R

Gubernatorial General Election – November 3, 2026

The following charts discuss Measure R, a ballot measure placed on the November 3, 2026 Gubernatorial General Election ballot to be voted upon by voter-residents of the Golden West Community Services District.

Ballot Measure R

- Motivation
  - Road improvement costs have increased dramatically (250% since 2020)
  - Costs grow faster than revenue => improvement work delayed
  - GWCSD Bylaws prohibit contracts without adequate cash on hand
  - Special Tax amount same as adopted 42 years ago ($120, August 1984)
- Text of Measure R:

  Shall the measure to enact a Special Tax in the amount of $300.00, adjusted annually per the Engineering News Record Construction Cost Index, on each parcel of land within the Golden West Community Services District, commencing Fiscal Year 2027-2028 and continuing for unlimited duration, to be used only for road maintenance and improvements and generating an annual revenue of approximately $135,300.00, to replace the current Special Tax of $120.00, be adopted?

Measure R requires 2/3 affirmative votes (cast) to be adopted

Ballot Measure R was developed and placed on November's ballot by the GWCSD Board in response to observations of drastically increasing costs for road maintenance and construction projects – especially since 2020. As the GWCSD Bylaws allow only appropriation of unencumbered funds on deposit with the County, increasing construction costs delay construction projects as funds need to be accrued as revenues before the projects can be initiated. Such delays are growing and threaten the GWCSD's ability to complete time maintenance of its roadways.

The aspect of project funding addressed by Measure R is an increase of the Special Tax to $300/year/parcel, indexed annually to the Engineering News Record's Construction Cost Index. This process is explained subsequently, but the basic idea is that the indexed escalation of the Special Tax will serve as a hedge against future inflation, while the basic increase (to $300/year/parcel) reflects relative cost of living growth since the current Special Tax ($120/year/parcel) was first enacted in 1984.

Road Tax Ballot Measures – November 2026

	Governing Body			Special Tax (Annual)		Increase		Annual Escalation
Measure	Name	# Parcels	Type	Current	Proposed	$	%	
J	Walnut Drive	75	Road ZOB	$325	$525	200	62%	
K	Tegra	23	Road ZOB	$260	HIGH $525	265	102%	ENRCCI ≤ 3%
L	Rancho Ponderosa Estates	29	Road ZOB	$225	$500	275	122%	
A	Lynx Trail	74	Road ZOB	$300	$450	150	50%	
M	Fernwood-Cothrin Ranch	264	Road ZOB	$150	$375	225	150%	ENRCCI
R	**Golden West**	**451**	**CSD**	**$120**	**$300**	**180**	**150%**	**ENRCCI**
H	Garden Valley Ranch Estates	176	CSD	$150	LOW $250	100	67%	CPI ≤ 4%
Q	Showcase Ranches	151	CSD	$125	$250	125	100%	

Notes:

ENRCCI Engineering News Record Construction Cost Index

CPI U.S. Bureau of Labor Statistics Consumer Price Index

- 8 Road Maintenance Tax Measures on El Dorado Ballots in 2026
  - 5 Zones of Benefit (ZOBs); proposed annual tax ranges from $375 to $525
  - 3 CSDs; proposed annual tax ranges from $250 to $300

The GWCSD's Measure R is one of eight Measures placed on this November's ballot to increase road improvement/maintenance fees and taxes within County Zones of Benefit and Community Services Districts.

Annual Special Taxes proposed for Zones of Benefit range from $375 to $525. Annual Special Taxes proposed by CSDs range from $250-300. The table above is arranged in decreasing order of proposed, annual tax dollar amount.

The rightmost column in the Table indicates the annual escalation metric (if any) included in each Measure. "ENRCCI" refers to the Engineering News Record's Construction Cost Index (the escalation metric proposed in Measure R). "CPI" refers to the annual U.S. Bureau of Labor Statistics Consumer Price Index. Certain Measures propose to cap annual escalation percentages as indicated above. The GWCSD's Measure R does not include a cap on escalation other than the Construction Cost Index itself.

What Happens if Measure R is Adopted?

- $120.00 Special Tax increases to $300.00 on your 2027 tax bill
  - District Special Tax revenues increase beginning December 2027
- The 2027 Engineering News Record Construction Cost Index (CCI) is released 1Q 2028
  - District applies CCI to $300 Special Tax amount
  - District notifies residents of updated Special Tax amount for 2028-29
  - District notifies County of updated Special Tax amount (August 2028)
  - This process repeats in each successive tax year
- GWCSD estimates ~$81k added revenue from Tax (2027-28)
  - GWCSD tax revenue grows 48% from $171k (2026) to $253k (2028)

Measure R Revenue stays In Our Community to Fund our Roads

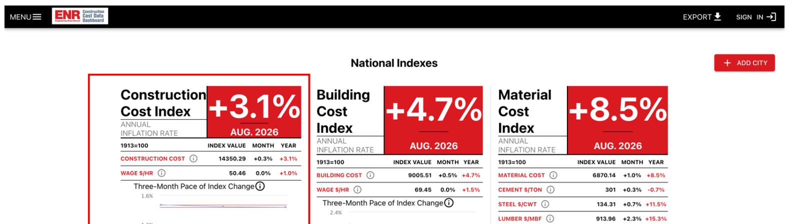
If adopted, Measure R would cause annual changes to the GWCSD Special Tax.

Beginning in tax year 2027-28 (tax billed in the fall of 2027), residents' Special Tax assessment (Direct Charge #54408) would increase from the present $120.00 to $300.00. In years following, the Special Tax will increase by a percentage determined and published by the Engineering News Record and known as its annual Construction Cost Index (see following chart). The GWCSD Board will notify residents of the next tax year's Special Tax amount after it is so determined and, typically, in the spring of each year. The Board is also required to submit its Direct Charge roll to the County Auditor-Controller in August of each year, which includes the next year's Special Tax amount for each parcel. This process will repeat annually.

If Measure R is adopted, the GWCSD estimates receiving roughly $81,000 more in Special Tax beginning in tax year 2027-28. That represents a 48% increase in District revenues from tax year 2025-26 to tax-year 2027-28. Special Tax revenues remain as they are today for tax year 2026-27 (this year).

Construction Cost Index (CCI)

- Engineering News Record
  - Providing construction-industry news, analysis and data for 150 years



200 hours of common labor at the 20-city average of common labor rates, plus 25 cwt of standard structural steel shapes at the mill price prior to 1996 and the fabricated 20-city price from 1996, plus 1.128 tons of portland cement at the 20-city price, plus 1,088 board-ft of 2 x 4 lumber at the 20-city price.

https://enrcostdata.com/cost-indexes (Data from 8/9/26)

The metric chosen by the Board to index the Special Tax to increases in road construction/maintenance costs is the annual Construction Cost Index (CCI) published by the Engineering News Record.

The Engineering News Record (ENR) has chronicled construction-industry news and statistics for some 150 years. The publication prices a “basket” of goods and services (detailed in the lower red box on the chart, above) in 20 metropolitan areas across the Country to determine the CCI value. The snapshot above shows the ENR’s CCI, Building Cost Index and Material Cost Index as of August, 2026.

The CCI – the metric Measure R proposes to adjust the Special Tax annually – is presently around 3.1%, which is roughly the current rate of inflation in the wider U.S. economy (3.4% from July 2025 to July 2026, per the U.S. Bureau of Labor Statistics).

If Measure R is Adopted

- GWCSD budget grows beyond Ad Valorem revenue growth
  - Large projects can be executed sooner, at lower cost
  - Resurfacing cycle completes within 15- to 20-year road life
  - Maintenance schedules can be accelerated:
    - Under-Road Culverts
    - Side Road Encroachments
    - Ditch Cleaning/Shaping

- Special Tax payment grows
  - $120.00 in 2026
  - $300.00 in 2027 (Measure R)
  - $309.30 in 2028 (3.1% CCI)
  - $338.97 in 2031 (3.1% CCI)
  - $394.87 in 2036 (3.1% CCI)

  - *$364.65 in 2031 (5.0% CCI)*
  - *$454.40 in 2036 (5.0% CCI)*

If adopted, Measure R would have two major effects on the GWCSD.

The principal benefit of Measure R would be to grow GWCSD annual revenues (and budgets) faster than the growth in Ad Valorem tax revenue. The increased revenues will allow large road maintenance/improvement projects, such as re-paving, to be executed sooner and at lower cost. The GWCSD considers useful life of its road surfaces to be of the order of 15-20 years, and Measure R is designed to fund the District's projects so as to complete replacement of all paved road surfaces in the District within that time frame. We also face District-wide challenges with road encroachments and drainage facilities. Our current budgets do not allow us to address paving or re-paving of road encroachments without neglecting servicing of our main roads. Culverts installed over 50 years ago are showing signs of aging and incipient failure and also need to be replaced soon. These challenges would benefit from the increased budgets provided by Measure R funds.

The cost of Measure R to GWCSD taxpayers is detailed in the right-hand column above. Estimating the current CCI escalation, the Special Tax would grow to $395 over the next 10 years. Higher CCIs could increase the Tax even further.

Limiting Escalation

- Appropriations Limit (Gann Limit) – $560,239 for FY 2026-27
  - Article XIII B, CA Constitution (1979 Proposition 4)
  - Maximum annual Tax Revenue that can be spent by a government agency
  - District revenues: $237,804 (2027), $478,886 (proj. 2045 @ 3.1% CCI)
- Special Tax could be changed by Initiative/Ballot Measure
  - Citizens can place Ballot Measures by Initiative (petition) process
  - Board can place Ballot Measures within their purview
- District Board could set Special Tax escalation below CCI metric by Resolution on a year-by-year basis

Given uncertainty over future growth in construction cost (CCI), the Consumer Price Index (CPI) and Cost of Living Adjustments (COLA), the GWCSD Board understands that escalation per the ENRCCI may advance the Special Tax faster than residents' income or slower than required to deliver projected benefits. In the former case, there are options available to reduce the tax burden on residents.

The constitutional Appropriations Limit is a State limit set on government appropriations according to a cost-of-living formula, but the GWCSDs present appropriations limit far exceeds its projected budgets under Measure R.

The Special Tax could also be adjusted by ballot measure; either placed by the Board or by a citizen's petition initiative.

Finally, the GWCSD Board retains some discretion to apply the annual Special Tax escalation, and could discretionarily limit the Measure R escalation value below the ENRCCI on a year-by-year basis.

If Measure R is not Adopted

- Special Tax remains $120.00/year
- GWCSD revenue grows at ~3% per year
  - Typical Ad Valorem increase is 4-5% per year
- Construction cost escalation forces delay of major projects
  - Escalation rate determines length of delay
  - If cost growth exceeds revenue growth, delays become extended
- See following example and projections

Should Measure R not be adopted, the GWCSD Special Tax will remain at $120/parcel/year, and GWCSD revenues would increase only by the amount of any Ad Valorem tax increase.

Typical Ad Valorem increases have been 4-5% per year over 2020-25, equating roughly to 3% annual revenue growth for the GWCSD. However, the County projects our Ad Valorem revenue to increase only 1.8% over Fiscal Year 2026-27 due to slower growth in property assessed valuations.

Construction costs will undoubtedly increase over the coming years. The GWCSD saw 9.4% annual escalation of road construction costs from 2020-2026 (see next chart). If present trends continue, the GWCSD will not be able to maintain our roads as well as we have in the past. Higher growth in costs versus budgets also delays our ability to execute projects. These delays couple with annual cost escalation to render delayed projects more expensive than those timely executed.

The next chart details our District's recent experience with the effects described above.

Example: Crystal Blvd. Resurfacing Plan

Year	Scope	Miles	Cost ($k)	Remarks
2017	Cul de Sac-Mica Double Chip-Seal w/ Petromat	1.1	102	Low-traffic segment
2020	Mica-Obrizo 2" Asphalt Overlay	1.5	304	Dbl. Chip-Seal ~50% of 2" Asphalt cost
2024	Obrizo-County Road 196 2" Asphalt Overlay	1.7	705	**Not executed – exceeded $500k budget**
2024	Obrizo north 1 mile 2" Asphalt Overlay	1.0	414	Affordable segment
2026	1 mi N Obrizo to County Road 196 2" Asphalt Overlay	0.7	355	Includes 3% for pre-paving repairs

- 4.3-mile Crystal Blvd. re-paving project took 10 years and $1.175 M to complete
- Useful life expectancy is 15-20 years based on pavement type and traffic load
- **Lack of funds in 2024 delayed completion 2 years at $64k higher cost**

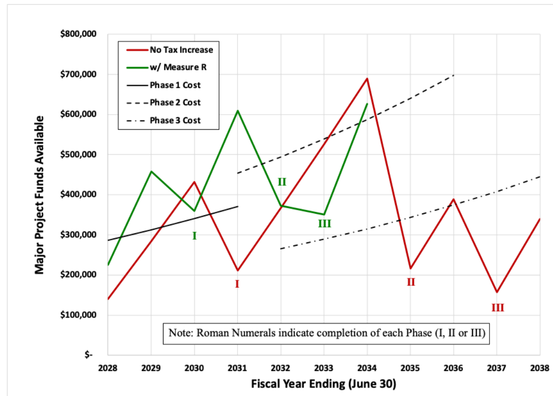
The GWCSD began restoration of the Crystal Blvd. road surface at the southern end of Crystal in 2017. That project chip-sealed a 1.1 mile long section of road for $102,000. The project continued to a second phase which re-paved a 1.5 mile-long section of Crystal using a 2" asphalt overlay for $304,000. The difference in cost-per-mile between those two project phases was largely due to the difference in paving material, with asphalt costing roughly 2 times the cost of chip-seal treatments.

The District planned to re-pave the remaining 1.7 miles of Crystal Blvd. with asphalt in 2024, and had allocated roughly $500k for that project based on modest escalation of the 2020 project's cost. All bids received significantly exceeded the budget, which forced the District to down-size the project to an affordable, single mile. After two years' saving, the GWCSD was able to complete Crystal Blvd. re-pavement with this year's, 07-mile project.

As indicated above, re-pavement of some 4.3 miles of road took 10 years to complete, placing the District in peril of not achieving its 15-20 year road replacement schedule. Furthermore, the delay forced by increasing costs added some 2 years and roughly $64,000 (5.5%) to the total cost of re-paving Crystal.

Scenario #1 – 9% Construction Escalation

- East-Side Repaving
- 3-Project Plan:
  I. 2” Asphalt: Southern Dolomite, Upper Galena
  II. Dbl. Chip Seal: Dolomite (Galena-SR 49)
  III. Dbl. Chip Seal: Manganite, Lower Galena
- Assumptions:
  - Escalation: Project 9%, Ad Valorem 4%, CCI 3.1%
  - Interest income not included
  - 20% allowance for overhead/maintenance
  - Chip-Seal cost is 50% asphalt cost
  - Projects executed in first FY when available cash on hand exceeds project cost



- Projection:

  Current funding completes full plan in 9 years at total cost $1.4M
  Measure R funds allow completion in 5 years at total cost $1.1M

This chart discusses one scenario for completing the next, large, three-phase project to re-pave the major roads on the east side of SR 49. The straw-person plan includes a 2” asphalt overlay on south Dolomite and upper Galena, double chip-seal on Dolomite from Galena to SR 49, and double chip-seal on Manganite and lower Galena to the cul de sac.

Assumptions include 9% annual project cost escalation, 4% Ad Valorem escalation and ENRCCI at 3.1%. Other assumptions are listed on the slide.

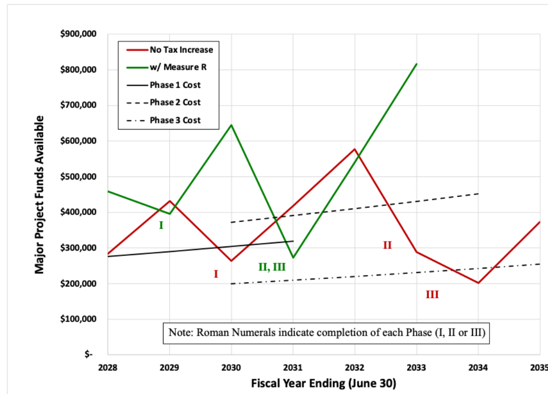
The green and red, saw-tooth curves on the graph represent projected amounts available for road projects under Measure R (green) and current (red) Special Tax levels. The black dashed lines represent projected costs of each phase (I, II and III). When the year-ending available funds exceed the projected cost of a project phase, that phase is executed and paid for in the following year, leading to a draw-down of available funds. Calculations assume the green and red curves begin at the same point at the end of FY 2026-27.

The analysis shows that Measure R funds would allow the project to complete in 5 years for $1.1M – this is 4 years shorter and $0.3M (20%) lower than current funding would allow.

Scenario #2 – 5% Construction Escalation

Golden West Community Services District

- East-Side Repaving
- 3-Project Plan:
  1) 2" Asphalt: Southern Dolomite, Upper Galena
  2) Dbl. Chip Seal: Dolomite (Galena-SR 49)
  3) Dbl. Chip Seal: Manganite, Lower Galena
- Assumptions:
  - Escalation: Project 5%, Ad Valorem 4%, CCI 3.1%
  - Interest income not included
  - 20% allowance for overhead/maintenance
  - Chip-Seal cost is 50% asphalt cost
  - Projects executed in first FY when available cash on hand exceeds project cost



- Projection:

Current funding completes full plan in 6 years at total cost $1,026k
Measure R funds allow completion in 3 years at total cost $934k

This chart shows projections for the same, three-phase project described on the previous page based on a more modest, 5% construction-cost escalation.

Using the same assumptions as listed on the previous page, the reduced growth in construction costs would allow the three-phase project to be completed in 3 years for about $934,000 under Measure R funding. Without Measure R, the project is estimated to take 5 years at a cost of $1,026,000 – two years longer and about 10% higher cost.

Measure R funding also provides for larger budgets after this next project is completed. Those larger budgets provide the District the ability to execute other projects that have been sidelined by today's smaller budgets; projects such as paving/re-paving the road encroachments, repairing/replacing major, under-road drainage culverts, and ditch re-shaping to improve drainage and culvert flows.