HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
BOARD MEETING AGENDA
May 12, 2020
3:00 PM
Virtual Meeting

I. CALL TO ORDER

Pursuant to Idaho Code Section 74-204(4), all agenda Items are action items, and a vote may be taken on these items.

II. MINUTES APPROVAL

1. Harris Ranch Community Infrastructure District No. 1 Minutes - Regular Meeting - Sep 10, 2019 3:30 PM

III. AGENDA ITEMS

1. Election of Board Chairperson and Vice-Chairperson

2. Presentation and approval of audited financial statements
   Presenter: Sabrina Peterson
   ACTION REQUESTED: Approval

   HRCID-6-2020 A RESOLUTION APPROVING THE FY 2019 AUDITED FINANCIAL STATEMENTS FOR THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1; AND PROVIDING AN EFFECTIVE DATE.

3. Upcoming Budget Dates
   Presenter: David Hasegawa
   ACTION REQUESTED: Affirm Direction

IV. CONSENT AGENDA

* All items with an asterisk(*) are considered to be routine by the Board and will be enacted by one motion. There will be no separate discussion on these items unless a Board Member or citizen so requests in which case the item will be removed from the general order of business and considered in its normal sequence.

*1. HRCID-1-2020 A RESOLUTION APPROVING AN AGREEMENT, BY AND BETWEEN THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (ADA COUNTY, IDAHO) (“HARRIS RANCH CID”) AND BARBER VALLEY DEVELOPMENT, INC., FOR REIMBURSEMENT FOR PROFESSIONAL SERVICES PROVIDED BY THE
HARRIS RANCH CID; AUTHORIZING THE HARRIS RANCH CID BOARD PRESIDENT AND DISTRICT CLERK TO EXECUTE AND ATTEST SAID AGREEMENT ON BEHALF OF THE HARRIS RANCH CID; AND PROVIDING AN EFFECTIVE DATE.

*2. HRCID-2-2020 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, ADA COUNTY, IDAHO) APPROVING BOND COUNSEL SERVICES FOR THE PREPARATION OF GENERAL OBLIGATION BONDS OR OTHER DEBT TO BE PROVIDED BY SKINNER FAWCETT LLP; AND PROVIDING AN EFFECTIVE DATE.

*3. HRCID-3-2020 A RESOLUTION APPROVING AN AGREEMENT, BY AND BETWEEN THE CITY OF BOISE CITY (“BOISE”) AND THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (ADA COUNTY, IDAHO) (“HARRIS RANCH CID”) FOR THE PROVISION OF PROFESSIONAL SERVICES TO THE HARRIS RANCH CID; AUTHORIZING THE HARRIS RANCH CID BOARD PRESIDENT AND DISTRICT CLERK TO EXECUTE AND ATTEST SAID AGREEMENT ON BEHALF OF THE HARRIS RANCH CID; AND PROVIDING AN EFFECTIVE DATE.

*4. HRCID-4-2020 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, ADA COUNTY, IDAHO) APPROVING ASSESSMENT ENGINEERING SERVICES FOR THE PREPARATION OF THE SPECIAL ASSESSMENT REPORT TO BE PROVIDED BY RIVERIDGE ENGINEERING COMPANY; AND PROVIDING AN EFFECTIVE DATE.

*5. HRCID-5-2020 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, ADA COUNTY, IDAHO), APPROVING A PROFESSIONAL SERVICES CONTRACT AGREEMENT TO RETAIN PUBLIC FINANCIAL MANAGEMENT, INC. TO PROVIDE FINANCIAL ADVICE AND SERVICES RELATED TO THE PREPARATION AND SALE OF GENERAL OBLIGATION DEBT; AND PROVIDING AN EFFECTIVE DATE.

V. ADJOURNMENT
I. Call to Order

PRESENT:  Clegg, Ludwig (3:34 PM), Woodings
ABSENT:

Pursuant to Idaho Code Section 74-204(4), all agenda Items are action items, and a vote may be taken on these items.

II. Minutes Approval

1. Harris Ranch Community Infrastructure District No. 1 - Regular Meeting - Aug 20, 2019 4:00 PM

RESULT:  ACCEPTED [UNANIMOUS]
MOVER:  Holli Woodings, Council Member
SECONDER:  Elaine Clegg, Council President
AYES:  Clegg, Woodings
ABSENT:  Ludwig

III. Harris Ranch CID Resolutions

1. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, IDAHO), ADA COUNTY, IDAHO, AUTHORIZING THE ISSUANCE AND SALE OF A GENERAL OBLIGATION BOND, IN ONE OR MORE SERIES, IN THE PRINCIPAL AMOUNT OF UP TO $3,922,000; PROVIDING FOR THE DATE, FORM, MATURITIES, DESIGNATION, REGISTRATION, AND AUTHENTICATION OF THE BOND; PROVIDING FOR THE SALE OF THE BOND TO THE PURCHASER THEREOF; PROVIDING FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE BOND BY THE ANNUAL LEVY OF TAXES; ESTABLISHING CERTAIN FUNDS AND ACCOUNTS; PROVIDING COVENANTS WITH RESPECT TO THE BOND; PROVIDING FOR RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE.
RESULT: APPROVED [UNANIMOUS]
MOVER: Holli Woodings, Council Member
SECONDER: Scot Ludwig, Councilman
AYES: Clegg, Ludwig, Woodings

IV. Public Hearing

1. A RESOLUTION APPROVING THE FY 2020 OPERATING BUDGET AS AMENDED FOR THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1; AND PROVIDING AN EFFECTIVE DATE.

RESULT: APPROVED [UNANIMOUS]
MOVER: Holli Woodings, Council Member
SECONDER: Scot Ludwig, Councilman
AYES: Clegg, Ludwig, Woodings

V. Adjournment

Motion to adjourn the City Council meeting.

RESULT: APPROVED [UNANIMOUS]
MOVER: Holli Woodings, Council Member
SECONDER: Scot Ludwig, Councilman
AYES: Clegg, Ludwig, Woodings
TO:       Board of Directors
FROM:    David Hasegawa, Treasury
NUMBER:  HRCID-6-2020
DATE:    May 5, 2020
SUBJECT: CID FY19 Audited Financial Statements

BACKGROUND:
Management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America. An external audit of the accompanying financial statements of the governmental activities and the general fund of Harris Ranch Community Infrastructure District No. 1 (the District), and the related notes to the financial statements was performed by Eide Bailly, as of and for the year ended September 30, 2019.

ATTACHMENTS:

- CID Financial Statement - 2019 Final   (PDF)
A RESOLUTION APPROVING THE FY 2019 AUDITED FINANCIAL STATEMENTS FOR THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1; AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, ADA COUNTY, IDAHO), AS follows:

Section 1. That the FY 2019 Audited Financial Statements, attached hereto as Exhibit A and incorporated herein by reference, be, and the same hereby is, approved as to both form and content.

Section 2. That this Resolution shall be in full force and effect immediately upon its adoption and approval.
# Harris Ranch Community Infrastructure District #1

## Table of Contents

**September 30, 2019**

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Independent Auditor’s Report

To the Board of Directors
Harris Ranch Community Infrastructure District No. 1
Boise, Idaho

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities and the general fund of Harris Ranch Community Infrastructure District No. 1 (the District) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.
Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District, as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1, the financial statements of Harris Ranch Community Infrastructure District No. 1 are intended to present the financial statements of the governmental activities and the general fund of the District. They do not purport to, and do not, present fairly the financial position of the City of Boise, Idaho, as of September 30, 2019 and the changes in its financial position for the year then ended in conformity with the accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management’s discussion and analysis that the accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated March 4, 2020 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the
effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Example’s internal control over financial reporting and compliance.

Boise, Idaho
March 4, 2020
# Harris Ranch Community Infrastructure District # 1

## BALANCE SHEET and STATEMENT OF NET POSITION

September 30, 2019  
(amounts in thousands)

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Net Position Adjustment **</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 3,974</td>
<td>$ -</td>
<td>$ 3,974</td>
</tr>
<tr>
<td>Restricted cash and investments</td>
<td>892</td>
<td>-</td>
<td>892</td>
</tr>
<tr>
<td>Property taxes receivable</td>
<td>1,255</td>
<td>-</td>
<td>1,255</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 6,121</td>
<td>$ -</td>
<td>$ 6,121</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ 3,805</td>
<td>$ -</td>
<td>$ 3,805</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>71</td>
<td>-</td>
<td>71</td>
</tr>
<tr>
<td>Interest payable</td>
<td>-</td>
<td>61</td>
<td>61</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due within one year</td>
<td>-</td>
<td>543</td>
<td>543</td>
</tr>
<tr>
<td>Due in more than one year</td>
<td>-</td>
<td>15,078</td>
<td>15,078</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>3,876</td>
<td>15,682</td>
<td>19,558</td>
</tr>
<tr>
<td><strong>Deferred inflows of resources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unavailable property taxes</td>
<td>1,254</td>
<td>-</td>
<td>1,254</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>1,254</td>
<td>-</td>
<td>1,254</td>
</tr>
<tr>
<td><strong>Fund balances / Net position</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted, expendable for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt service</td>
<td>892</td>
<td>-</td>
<td>892</td>
</tr>
<tr>
<td>Assigned for/unrestricted:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt service</td>
<td>99</td>
<td>(15,682)</td>
<td>(15,583)</td>
</tr>
<tr>
<td><strong>Total fund balances / net position</strong></td>
<td>991</td>
<td>(15,682)</td>
<td>(14,691)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 6,121</td>
<td>$ -</td>
<td>$ 6,121</td>
</tr>
</tbody>
</table>

**See note 2 to the financial statements**
Harris Ranch Community Infrastructure District #1

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES and STATEMENT OF ACTIVITIES
For the year ended September 30, 2019
(amounts in thousands)

<table>
<thead>
<tr>
<th>Revenues</th>
<th>General Fund</th>
<th>Net Position Adjustment **</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes, levied for general obligations</td>
<td>$593</td>
<td>$ -</td>
<td>$593</td>
</tr>
<tr>
<td>Property taxes, levied for special assessment</td>
<td>397</td>
<td>-</td>
<td>397</td>
</tr>
<tr>
<td>Investment income</td>
<td>9</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>999</td>
<td>-</td>
<td>999</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>General Fund</th>
<th>Net Position Adjustment **</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community and economic development</td>
<td>3,825</td>
<td>-</td>
<td>3,825</td>
</tr>
<tr>
<td>Debt Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal payments</td>
<td>373</td>
<td>(373)</td>
<td>-</td>
</tr>
<tr>
<td>Bond issuance costs</td>
<td>65</td>
<td>-</td>
<td>65</td>
</tr>
<tr>
<td>Interest and fiscal charges</td>
<td>590</td>
<td>9</td>
<td>599</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>4,853</td>
<td>(364)</td>
<td>4,489</td>
</tr>
</tbody>
</table>

| Deficiency of revenues under expenditures | (3,854) | | (3,854) |

<table>
<thead>
<tr>
<th>Other Financing Sources</th>
<th>General Fund</th>
<th>Net Position Adjustment **</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance of debt</td>
<td>3,922</td>
<td>(3,922)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total other financing sources</strong></td>
<td>3,922</td>
<td>(3,922)</td>
<td>-</td>
</tr>
</tbody>
</table>

| Net changes in fund balances/net position | 68 | (4,286) | (3,490) |
| Fund balance/net position, beginning of year | 923 | | (11,201) |
| Fund balance/net position, end of year | 991 | | (14,691) |

** See note 3 to the financial statements
Note 1 - Summary of Significant Accounting Policies

Reporting Entity
The Harris Ranch Community Infrastructure District No. 1 (the District) is included as a blended component unit in the City of Boise’s (the City) financial statements. The District facilitates the cost of public infrastructure for Harris Ranch. These statements present only the funds of the District and are not intended to present the financial position and results of operations of the City in conformity with generally accepted accounting principles.

The District is a separate and distinct legal entity of the City created in accordance with Idaho Code Title 50 Chapter 31, which encourages the funding and construction of regional community infrastructure in advance of actual development growth. The District facilitates the cost of public infrastructure for Harris Ranch. Harris Ranch is a residential development in southeast Boise. The District is governed by a board of directors consisting of three members of the Boise City Council, as appointed by the Mayor of the City.

Government-Wide and Fund Financial Statements
The government-wide financial statements and the general fund financial statements along with the notes to the financial statements comprise the Districts’ basic financial statements. The District is considered as a “special purpose entity” as defined by generally accepted accounting principles; therefore, it allows the government-wide financial statements to be combined with the fund-level financial statements. Governmental activities are supported by property taxes. The purpose of the government-wide financial statements is to allow users of the financial statements to be able to determine if the District is in a better or worse financial position than the prior year.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
The governmental activities column of the financial statements is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The general fund column of the financial statements is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are measurable and available only when cash is received by the government.
The District reports the General Fund as its only major fund. General funds are used for all financial resources except those required to be accounted for in another fund.

**Property Taxes Receivable and Deferred Inflow of Resources**

Property taxes are recognized as revenue when the amount of taxes levied is measurable, and proceeds are available to finance current period expenditures.

Available tax proceeds include property tax receivables expected to be collected within sixty days after year-end. Property taxes attach as liens on properties on January 1, and are levied in September of each year. Tax notices are sent to taxpayers during November, with tax payments scheduled to be collected on or before December 20. Taxpayers may pay all or one half of their tax liability on or before December 20, and if one half of the amount is paid, they may pay the remaining balance by the following June 20.

Since the District is on a September 30 fiscal year end, property taxes levied during September for the succeeding year's collection are recorded as deferred inflow of resources at the District's year-end and recognized as revenue in the following fiscal year. Ada County bills and collects taxes for the District.

Deferred inflow of resources arises only under a modified accrual basis of accounting. Unavailable property tax revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized.

**Investments and Investment Income**

Investments are reported at fair value, based on quoted market prices. Interest, dividends, gains, and losses, both realized and unrealized, on investments in debt and equity securities are included in revenues when earned.

Restricted investments consist of funds restricted in accordance with bond indenture agreements and bond resolutions. Restricted investments that are available for obligations classified as current liabilities are reported in current assets.

Idaho Code 50-1013 limits the District's legal investments to savings accounts, prime commercial paper, general obligations of the State of Idaho and United States Treasury, notes, bonds, and obligations of Government Sponsored Enterprises (FNMA, FHLMC, FFCB, FHLB), A-rated corporate bonds, and money market and mutual funds whose portfolios consist of the underlying instruments. The District does not have a separate investment policy.
**Fund Balances**

The general fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Restricted** - This fund balance represents resources that can only be spent based upon external party restrictions.

- **Committed** - This fund balance represents resources that have been approved by the Board of Directors through a resolution which is the highest level of decision making authority, that places specific constraints on how the resources may be used. The Board can modify or rescind the resolution at any time through passage of an additional resolution. The District did not have any funds committed as of September 30, 2019.

- **Assigned** - This fund balance represents management’s intended use of resources that are not committed. The Board of Directors vests with management the authorization to assign amounts.

It is the policy of the District that expenditures, for which more than one category of fund balance could be used, will be expended in the following categorical order: restricted, committed, and assigned.

**Note 2 - Explanation of Differences Between the Governmental Funds Balance Sheet and the Statement of Net Position**

“Total fund balances” in the District’s general fund may differ from the “net position” of the governmental activities reported in the statement of net position because of the long-term economic focus of the governmental activities versus the current financial resources focus of the general fund balance sheet.

Long-term liabilities are not due and payable in the current period and therefore are not reported in the general fund.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation bonds payable</td>
<td>$12,032</td>
</tr>
<tr>
<td>Special assessments bonds payable</td>
<td>$3,589</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>$61</td>
</tr>
<tr>
<td><strong>Total adjustment from governmental fund balance to government-wide net position</strong></td>
<td><strong>$15,682</strong></td>
</tr>
</tbody>
</table>
Note 3 - Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for the general fund may differ from the “change in net position” for governmental activities reported in the statement of activities because of the long-term economic focus of the statement of activities versus the current financial resource focus of the governmental funds.

Interest expense in the statement of activities differs from the amount reported in the governmental funds. Additional interest has been accrued for bonds payable and special assessment bonds. This amount represents the net change in accrued interest.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior year accrued interest recognized in the fund statements</td>
<td>$(52)</td>
</tr>
<tr>
<td>Current year accrued interest not recognized in the fund statements</td>
<td>$61 $9</td>
</tr>
</tbody>
</table>

The proceeds from long-term debt (e.g. bond issuance) provides current financial resources to the governmental fund, while payment of the principle of long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any impact on net position. This amount represents the net effect of these differences in the treatment of long-term debt.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments on long-term debt obligations</td>
<td>(373)</td>
</tr>
<tr>
<td>Issuance of new bonds</td>
<td>(3,922)</td>
</tr>
<tr>
<td>Total adjustment from change in fund balance to change in net position of Governmental Activities</td>
<td>$(4,286)</td>
</tr>
</tbody>
</table>

Note 4 - Cash and Investments

Deposits with Financial Institutions
At September 30, 2019, the District’s demand deposit balance was $4,465, including $491 of restricted cash. The City’s demand deposits are insured up to Federal depository insurance limits and collateralized by an irrevocable letter of credit issued by the Federal Home Loan Bank of Cincinnati up to an amount of $15,000, which includes the District’s demand deposits.

Restricted Cash and Investments
At September 30, 2019, the District had the following investments, maturities, and ratings:

<table>
<thead>
<tr>
<th>Description</th>
<th>Maturities</th>
<th>Ratings</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>MS Institutional Liquidity Treasury Securities Portfolio - Money Market Fund</td>
<td>Daily</td>
<td>Not rated</td>
<td>$365</td>
</tr>
</tbody>
</table>

Restricted cash and investments for the year ended September 30, 2019 also includes $36 of cash held by the fiscal agent and $491 of demand deposits with financial institutions.
Custodial Credit Risk
Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a policy for custodial credit risk.

Interest Rate Risk
The District does not have a formal policy in place that further limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District matches investment maturities with anticipated cash flow requirements.

Credit Risk
The District does not have a formal policy in place that limits credit risk.

Concentration of Credit Risk
The District does not have a formal policy in place limiting the amount that may be invested with any one bank or institution or the investment type.

Note 5 – Long-Term Debt
The following is a summary of changes in long-term debt obligations of the District for the year ended September 30, 2019:

<table>
<thead>
<tr>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Ending Balance</th>
<th>Amount due in One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Placement -</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Obligation Bond 2015B</td>
<td>$3,496</td>
<td>-</td>
<td>$ (81)</td>
<td>$3,415</td>
</tr>
<tr>
<td>General Obligation Bond 2016</td>
<td>1,223</td>
<td>-</td>
<td>(56)</td>
<td>1,167</td>
</tr>
<tr>
<td>General Obligation Bond 2017A</td>
<td>1,150</td>
<td>-</td>
<td>(49)</td>
<td>1,101</td>
</tr>
<tr>
<td>General Obligation Bond 2017B</td>
<td>576</td>
<td>-</td>
<td>(22)</td>
<td>554</td>
</tr>
<tr>
<td>General Obligation Bond 2018</td>
<td>1,979</td>
<td>-</td>
<td>(106)</td>
<td>1,873</td>
</tr>
<tr>
<td>General Obligation Bond 2019</td>
<td>-</td>
<td>3,922</td>
<td>-</td>
<td>3,922</td>
</tr>
<tr>
<td><strong>Total General Obligation Bonds</strong></td>
<td>8,424</td>
<td>3,922</td>
<td>(314)</td>
<td>12,032</td>
</tr>
<tr>
<td><strong>Special Assessment Bond</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,648</td>
<td>-</td>
<td>(59)</td>
<td>3,589</td>
</tr>
<tr>
<td><strong>Total, bonded debt</strong></td>
<td>$12,072</td>
<td>$3,922</td>
<td>$(373)</td>
<td>$15,621</td>
</tr>
</tbody>
</table>

General Obligation Bonds
During fiscal year 2015, the District issued $3,547 General Obligation Series 2015B via direct placement to reimburse developer costs for infrastructure assets constructed on behalf of the District and transferred to other governmental entities. General obligation bonds are a direct obligation and pledge the full faith and credit of the District. The general obligation bond outstanding at September 30, 2019, is payable in annual principal installments of amounts ranging from $84 to $188, and annual interest payments, accruing at a fixed rate of 3.44% through August 15, 2045.

During fiscal year 2016, the District issued $1,331 general obligation series 2016 via direct placement to reimburse developer costs for infrastructure assets constructed on behalf of the District and transferred to other governmental entities. General obligation bonds are a direct obligation and pledge the full faith and credit of the District. The general obligation bond outstanding at September 30, 2019, is payable in annual principal installments of amounts ranging from $57 to $81, and annual interest payments, accruing at a fixed rate of 2.19% through August 15, 2036.
During fiscal year 2017, the District issued $1,201 general obligation series 2017A via direct placement to reimburse developer costs for infrastructure assets constructed on behalf of the District and transferred to other governmental entities. General obligation bonds are a direct obligation and pledge the full faith and credit of the District. The general obligation bond outstanding at September 30, 2019, is payable in annual principal installments of amounts ranging from $50 to $74, and annual interest payments, accruing at a fixed rate of 2.370% through August 15, 2037.

During fiscal year 2017, the District issued $600 general obligation series 2017B via direct placement to reimburse developer costs for infrastructure assets constructed on behalf of the District and transferred to other governmental entities. General obligation bonds are a direct obligation and pledge the full faith and credit of the District. The general obligation bond outstanding at September 30, 2019, is payable in annual principal installments of amounts ranging from $23 to $41, and annual interest payments, accruing at a fixed rate of 3.480% through August 15, 2037.

During fiscal year 2018, the District issued $1,980 general obligation series 2018 via direct placement to reimburse developer costs for infrastructure assets constructed on behalf of the District and transferred to other governmental entities. General obligation bonds are a direct obligation and pledge the full faith and credit of the District. The general obligation bond outstanding at September 30, 2019, is payable in annual principal installments of amounts ranging from $105 to $168, and annual interest payments, accruing at a fixed rate of 3.710% through August 15, 2033.

During fiscal year 2019, the District issued $3,922 general obligation series 2019 via direct placement to reimburse developer costs for infrastructure assets constructed on behalf of the District and transferred to other governmental entities. General obligation bonds are a direct obligation and pledge the full faith and credit of the District. The general obligation bond outstanding at September 30, 2019, is payable in annual principal installments of amounts ranging from $153 to $251, and annual interest payments, accruing at a fixed rate of 2.800% through August 15, 2039.

**Special Assessment Revenue Bonds**

The District issued Special Assessment Bonds on April 26, 2011, in the amount of $3,920, as authorized pursuant to the Community Infrastructure District Act, Title 50, Chapter 31, Idaho Code (the “Act”). The bonds are solely payable from annual special assessments levied and assessed by the District on certain parcels of land. In accordance with Section 3.3, A, (ii) of the Trust Indenture, the District exercised its right for an Extraordinary Optional Redemption of $45 any time prior to the stated call date of September 1, 2021. While the call amount was relatively small, it will result in interest savings.

The District issued Special Assessment Revenue Bonds Series 2011 to facilitate the cost of public infrastructure for Harris Ranch. The District pledged revenues derived from special assessments levied on the land in the benefit area of Assessment Area One. The special assessment revenue bonds outstanding at September 30, 2019, are payable in annual principal installments of amounts ranging from $64 to $356, and semi-annual interest payments, accruing at a fixed rate of 9% through September 2040.
Default can occur from either a failure to pay the debt service or from failure to follow the bond covenants. In the event of default, the trustee may act on behalf of the owners of the bond. Those actions can include actions in law or equity to cover the missed debt service payments and the costs resulting from enforcing the payment. In the event of bankruptcy, insolvency or reorganization the trustee is entitled to claim all amounts that are still unpaid for the benefit of the owners of the bond.

Debt Service Requirements

Maturities of the District’s long-term debt obligations are as follows for the years ended September 30:

<table>
<thead>
<tr>
<th></th>
<th>Principle</th>
<th>Interest</th>
<th>Principle</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$64</td>
<td>$323</td>
<td>$479</td>
<td>$355</td>
<td>$1,221</td>
</tr>
<tr>
<td>2021</td>
<td>69</td>
<td>317</td>
<td>480</td>
<td>354</td>
<td>1,220</td>
</tr>
<tr>
<td>2022</td>
<td>74</td>
<td>311</td>
<td>495</td>
<td>339</td>
<td>1,219</td>
</tr>
<tr>
<td>2023</td>
<td>84</td>
<td>304</td>
<td>510</td>
<td>324</td>
<td>1,222</td>
</tr>
<tr>
<td>2024</td>
<td>89</td>
<td>297</td>
<td>526</td>
<td>308</td>
<td>1,220</td>
</tr>
<tr>
<td>2025-2029</td>
<td>579</td>
<td>1,349</td>
<td>2,879</td>
<td>1,290</td>
<td>6,097</td>
</tr>
<tr>
<td>2030-2034</td>
<td>895</td>
<td>1,037</td>
<td>3,173</td>
<td>823</td>
<td>5,928</td>
</tr>
<tr>
<td>2035-2039</td>
<td>1,379</td>
<td>554</td>
<td>2,428</td>
<td>387</td>
<td>4,748</td>
</tr>
<tr>
<td>2040-2044</td>
<td>356</td>
<td>32</td>
<td>881</td>
<td>124</td>
<td>1,393</td>
</tr>
<tr>
<td>Thereafter</td>
<td>-</td>
<td>-</td>
<td>181</td>
<td>6</td>
<td>187</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,589</strong></td>
<td><strong>4,524</strong></td>
<td><strong>12,032</strong></td>
<td><strong>4,310</strong></td>
<td><strong>24,455</strong></td>
</tr>
</tbody>
</table>

Note 6 - Pledged Revenues

A development agreement between the City of Boise and the District stipulates that the annual debt service secured by the pledge of ad valorem taxes be limited to $2.85 per $1,000 of assessed market valuation. The District has pledged future special assessment revenues to repay $3,920 in special assessment revenue bonds issued in April 2011. Proceeds from the bonds provided financing to facilitate the cost of public infrastructure for Harris Ranch. The special revenue bonds are payable solely from special assessment revenues and are payable through 2040. Annual principal and interest payments on the special revenue bonds are expected to require 100% of the pledged revenues. The total principal and interest remaining to be paid on the special revenue bonds is $8,113. Principal and interest paid for the current year and pledged revenues received were $387 and $397, respectively.

Note 7 - Commitment and Contingencies

In accordance with the District’s development agreement, bonds will be issued to provide monies to finance certain “community infrastructure” and this infrastructure may be projects constructed by the developer of Harris Ranch. Therefore, project costs may be incurred by the developer that have not been reimbursed by the District. The District is liable for payment only from the proceeds of the sale of the bonds issued for acquiring the project. Actual or projected project costs of approximately $5,081 have yet to be financed with bond proceeds or finalized for reimbursement.
Required Supplementary Information
Harris Ranch Community Infrastructure District #1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL - GENERAL FUND
For the year ended September 30, 2019
(amounts in thousands)

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Original</th>
<th>Final</th>
<th>Amounts</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes, levied for general purpose</td>
<td>$ 556</td>
<td>$ 556</td>
<td>$ 593</td>
<td>$ 37</td>
</tr>
<tr>
<td>Property taxes, levied for special assessment</td>
<td>400</td>
<td>400</td>
<td>397</td>
<td>(3)</td>
</tr>
<tr>
<td>Investment income</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>957</td>
<td>957</td>
<td>999</td>
<td>42</td>
</tr>
</tbody>
</table>

| Expenditures                                  |          |       |         |          |
| Community and economic development           | 2,290    | 2,290 | 3,825   | 1,535    |
| Debt Service                                 |          |       |         |          |
| Principal payments                           | 377      | 377   | 373     | (4)      |
| Bond issuance costs                          | 86       | 86    | 65      | (21)     |
| Interest and fiscal charges                  | 553      | 553   | 590     | 37       |
| Total expenditures                           | 3,306    | 3,306 | 4,853   | 1,547    |
| Deficiency of revenues under expenditures    | (2,349)  | (2,349) | (3,854) | (1,505) |

| Other Financing Sources                      |          |       |         |          |
| Issuance of debt                             | 2,500    | 2,500 | 3,922   | 1,422    |
| Total other financing sources                | 2,500    | 2,500 | 3,922   | 1,422    |

Net changes in fund balances

| Fund balance, beginning of year              | 923      | 923   | 923     | -        |
| Fund balance, end of year                   | $ 1,074  | $ 1,074 | $ 991 | $ (83) |

See notes to the required supplementary information
Note 1 - Budgets and Budgetary Accounting

The basis of budgeting refers to the conventions for recognition of costs and revenues in budget development and in establishing and reporting appropriations, which are the legal authority to spend or to collect revenues.

The City, and the District as a component unit of the City, used a modified accrual basis for budgeting in governmental funds. Under Idaho State Law, unspent appropriations from prior years must be specifically “rebudgeted,” via resolution of the District, or “encumbered,” to be carried forward into the next fiscal year. A valid, legal commitment such as a contract or purchase order is required for encumbrances.

The budget is fully reconciled to the accounting system at the beginning of the year, and in preparing the financial statements at year end. Several adjustments are made to reflect balance sheet needs and their effect on the budget. These include changes in designations and reserves and recognition, via studies and analysis of various sorts, of accrued liabilities. Reconciliations are completed in quarterly and annual budget to actual reports.

The following procedures are used by the District to establish budgetary control:

- Prior to October 1, the budget for the general fund is legally enacted (adoption) through passage of a resolution which includes a public hearing process.
- Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Total appropriations represent budget amounts as originally adopted plus current year adjustments, approved prior year encumbrances, uncompleted items (primarily capital and equipment) carried forward to the following year, and new projects or expenditures approved by the District Board of Directors from prior year unspent dollars and appropriation changes approved during the year.
- Since the District contracts with the City to provide the necessary administrative duties, during the fiscal year, all expenditures are authorized by invoice, purchase order, or journal entry. These expenditures are reviewed per procedures outlined in the City Code related to budget authority, funds availability, adherence to City purchasing procedures, and sound business practice.
- Idaho State Code allows the District to reopen the annual budget if a need for increased appropriations beyond the budgeted total is experienced. The reopened budget must be adopted by following a process like that, which was used to adopt the original budget, including public hearings and adoption of a revised annual appropriations ordinance. The legal requirement of budgetary control in the State of Idaho is at the fund level.
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors
Harris Ranch Community Infrastructure District No. 1
Boise, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund information of Harris Ranch Community Infrastructure District No. 1 (the District), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated March 4, 2020.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Boise, Idaho
March 4, 2020
TO: Board of Directors
FROM: David Hasegawa, Treasury
NUMBER: HRCID-1-2020
DATE: May 5, 2020
SUBJECT: BVD and CID Reimbursement Agreement

BACKGROUND:

This resolution is intended to document the manner in which the District will be reimbursed for administrative costs incurred on behalf of the developer/owner that exceed the District's annual administrative property tax levy amount.

ATTACHMENTS:

- Exhibit A - BVD CID Agreement April 2020 (PDF)
A RESOLUTION APPROVING AN AGREEMENT, BY AND BETWEEN THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (ADA COUNTY, IDAHO) (“HARRIS RANCH CID”) AND BARBER VALLEY DEVELOPMENT, INC., FOR REIMBURSEMENT FOR PROFESSIONAL SERVICES PROVIDED BY THE HARRIS RANCH CID; AUTHORIZING THE HARRIS RANCH CID BOARD PRESIDENT AND DISTRICT CLERK TO EXECUTE AND ATTEST SAID AGREEMENT ON BEHALF OF THE HARRIS RANCH CID; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, ADA COUNTY, IDAHO), AS FOLLOWS:

Section 1. That an Agreement by and between the Harris Ranch CID and Barber Valley Development, Inc., attached hereto as Exhibit “A” and incorporated herein by reference, be, and the same is hereby, approved as to both form and content.

Section 2. That the Harris Ranch CID Board President and District Clerk be, and they hereby are, authorized to respectively execute and attest said Agreement for and on behalf of the Harris Ranch CID.

Section 3. That this Resolution shall be in full force and effect immediately upon its adoption and approval.
AGREEMENT FOR REIMBURSEMENT FOR SERVICES PROVIDED BY
HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
TO BARBER VALLEY DEVELOPMENT CORPORATION, INC.

This Agreement for Reimbursement of Services (“Agreement”) is made this 1st day of April, 2020, by and between the Harris Ranch Community Infrastructure District No. 1 (“District”), a political subdivision of the State of Idaho organized and existing pursuant to Title 50, Chapter 31 of Idaho Code and Barber Valley Development Corporation, Inc.

WHEREAS, Idaho Code § 50-3105(1)(g) authorizes the District to reimburse the City for staff and consultant services provided by the City to the District;

WHEREAS, the Development Agreement for the District contemplates the reimbursement of administrative services provided by the District to Barber Valley Development Corporation, Inc. (“Developer”);

WHEREAS, establishing set compensation for services provided on behalf of the District provides Developer certainty and predictability with respect to cost of services and reduces staff time expenditures with respect to compilation of invoices for services.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, Developer and District agree as follows:

1. SERVICES PROVIDED ON BEHALF OF DISTRICT. District agrees to obtain and/or provide those services as may be required for the effective and efficient administration of the District. District possesses the sole and ultimate authority in determining which services shall be obtained and/or provided.

2. REIMBURSEMENT BY DEVELOPER FOR SERVICES. Developer shall reimburse District for services obtained and/or provided on behalf of the District in amounts as set forth by Exhibit A, attached hereto. In the event that the District obtains and/or provides a service not listed within Exhibit A, then Developer shall reimburse District for any actual expenses incurred.

   Developer shall reimburse District within thirty (30) days of receipt of invoice or as specified by the invoice, whichever period is longer.

   District shall only request reimbursement for amounts in excess of those amounts received from the administrative levy imposed pursuant to Idaho Code § 50-3113. Additionally, the total amount to be reimbursed by Developer under this Agreement shall not exceed thirty-six thousand, one hundred seven dollars (“$36,107”).

3. TERM. This Agreement shall commence upon execution of this Agreement and shall continue until April 30, 2021, subject to renewal and/or extension as provided for by this Agreement.
4. **NON-EXCLUSIVITY.** Parties agree that District retains sole and ultimate authority to obtain and/or provide any services deemed necessary for the administration and/or management of the District.

5. **RELEASE OF LIABILITY.** Developer agrees to hold harmless District, its officers, agents, employees and/or representatives from any and all liability, damages and/or claims which may be brought against District, its officers, agents, employees and/or representatives arising out of any claim, intentional act, negligence, and/or omission by City, its officers, agents, employees and/or representatives.

6. **EXTENSION.** Parties may extend the term and provisions of this Agreement at any time provided that the extension must be in writing and executed by both Parties.

7. **TERMINATION.** This Agreement may be terminated upon mutual agreement of the Parties. Upon termination, District shall provide Developer an invoice of outstanding reimbursement costs for services provided within thirty (30) days of receipt of the notice to terminate. Developer shall pay the final invoice issued by District following termination of this Agreement within thirty (30) of receipt of the final invoice.

8. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement of the parties and is the complete and exclusive agreement between the Parties. This Agreement shall not be amended and/or altered except by mutual written consent, executed by both District and Developer.

9. **NOTICE.** All notices under this Agreement shall be in writing and delivered to:

   Harris Ranch Community Infrastructure District No. 1
   Attn: District Manager
   PO Box 500
   Boise, ID, 83701

   Barber Valley Development, Inc.
   Attn: Douglas Fowler
   4940 E Mill Station Dr. Ste 101B
   Boise, ID, 83716

10. **CHOICE OF LAW.** This Agreement shall be governed in all respects by the laws of the State of Idaho.

11. **SEVERABILITY.** This Agreement and any Addenda make up the entire agreement between the Parties. In the event any part of this Agreement is invalidated by reason of law or government regulation or any part is deemed waived by City, the remaining provisions of this Agreement shall remain in full force and effect.
HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
APPROVED BY:

District President

ATTEST:

District Clerk

BARBER VALLEY DEVELOPMENT, INC.
APPROVED BY:

[Signature]
Douglas Fowler, President of Barber Valley Development Inc.

STATE OF IDAHO  )
) ss.
County of Ada  )

On this 21 day of April, 2020, before me, a Notary Public in and for said state, personally appeared Douglas Fowler, known to me to be the President of Barber Valley Development Inc., who executed the within instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.
Notary Public for Idaho: Dedra L. Wilson
Residing at: Boise, Idaho
My commission expires: January 3, 2024
Signature: Dedra L. Wilson
EXHIBIT A

Harris Ranch CID Fees and Services:

- General CID Administration = $5,792
  - The objective of this service is to provide general administration for the District. This service includes the creation of an annual meeting calendar; notification and publication of meetings; development, publication, and certification of the annual budget; annually update state required registry information; periodic review of financial statements; coordination of annual audit; invoice processing; and, general record keeping.

- Project Eligibility Review Fee = $82
  - The objective of this service is to determine if a proposed project or segment of a project is eligible for CID financing in accordance with Idaho Code 50-3101 (CID Statute), the Harris Ranch Specific Plan ("SPO1"), and the Harris Ranch Developer Agreement ("Agreement"). This service includes the initial "setup" of the project for internal tracking and review, coordination of staff and CID Board review and approval of financing eligibility, and confirmation documentation.
  - The fee is based on less than an hour of (burdened) staff time. This assumes that the developer provides all necessary information to ensure an efficient review. If legal review is required beyond the assumed one (1) hour of staff time, an additional fee may be charged at $82 per hour, with a not to exceed total per project amount of $820.

- Construction Review Fee = $164
  - The objective of this service is to ensure that construction of an approved project has been publicly bid and all related construction approvals necessary by the District Manager and/or District Engineer have been fulfilled in accordance with the Agreement. This service includes the coordination, tracking, and processing of documentation related to the public bidding and award process.
  - The fee is based on an estimated 2 hours of (burdened) staff time. An additional fee may be charged at $82 per hour, with a not to exceed total per project amount of $820.

- Reimbursement Processing Fee = $828
  - The objective of this service is to process payment to the Owner for eligible costs related to an approved project. This service includes the coordination, creation, and review of all necessary documentation; time to process wire transfers and related accounting transactions; and, track all reimbursement requests.
  - The fee is based on an estimated 12 hours of (burdened) staff time. An additional fee may be charged at $69 per hour, with a not to exceed total per project amount of $2,760.

- Note Administration Fee = $8,275
  - The objective of this service is to facilitate the issuance of short-term notes on behalf of the CID. This service includes the coordination of all related activities associated with the issuance of notes. Specifically, includes staff creation and review of
documentation, management of professional services contracts, fund accounting, and maintenance of records.

- The fee is based on an estimated 80 hours of (burdened) staff time.

- Bond Administration Fee = $11,033 to $16,550
  - The objective of this service is to facilitate the issuance of long-term bonds on behalf of the CID. This service includes the coordination of all related activities associated with the issuance of bonds. Specifically, it includes financial analysis, staff creation and review of documentation, management of professional services contracts, fund accounting, maintenance of records, and tracking of annual post issuance requirements.
  - The fee is based on an estimated 160 hours of (burdened) staff time. The bond administration fee will be dependent on the complexities of the issuance.

- Exceptional and Consultant Costs – pass through amount
  - Costs for professional consulting, such as bond counsel, or other exceptional costs, like appraisals, will be passed through to the Owner at the invoiced amount. The City will not add a processing fee or mark up any invoiced amount. Owner must approve all exceptional and/or consultant costs prior to engagement of services.

- Other City Services – case by case negotiation
  - In the event that the Owner and/or City requests additional services, such as financial and/or economic analysis not directly related to the provision of services described herein, both parties retain the discretion to negotiate alternative fees on a case by case basis.
TO: Board of Directors
FROM: David Hasegawa, Treasury
NUMBER: HRCID-2-2020
DATE: May 5, 2020
SUBJECT: Bond Counsel Engagement Letter FY 2020

BACKGROUND:

This resolution authorizes the Harris Ranch CID Board to engage bond counsel services for the issuance of debt. The proposed engagement for FY 2020 provides the pricing for the sale of a single tax-exempt or taxable bond series. The maximum proposed cost for a tax-exempt bond sale, which is projected to be the case for FY 2020, is $27,000.

ATTACHMENTS:

- Exhibit A - HR CID - 2020 Engagement Letter (PDF)
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, ADA COUNTY, IDAHO) APPROVING BOND COUNSEL SERVICES FOR THE PREPARATION OF GENERAL OBLIGATION BONDS OR OTHER DEBT TO BE PROVIDED BY SKINNER FAWCETT LLP; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District is contemplating issuing additional General Obligation Bonds or other similar obligations, in one or more series (the “Debt”); and

WHEREAS, Skinner Fawcett, LLP. agrees to furnish bond counsel services in connection with this financing to the District; and

WHEREAS, in the event Debt is not issued, Barber Valley Development, Inc. will pay any accrued legal fees.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, ADA COUNTY, IDAHO), AS FOLLOWS:

Section 1. That the Board of Directors of the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Ada County, Idaho), hereby approves the acceptance of bond counsel services for the preparation of General Obligation Bonds or other similar obligations provided by Skinner Fawcett LLP, in accordance with the terms and conditions provided for in the Engagement Letter, attached hereto as Exhibit A.

Section 2. That the Harris Ranch CID Board President and District Clerk be, and they hereby are, authorized to respectively execute and attest said Engagement Letter for and on behalf of the Harris Ranch CID.

Section 3. That this Resolution shall be in full force and effect immediately upon its adoption and approval.
February 24, 2020

Board of Directors
Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho)
Boise, Idaho

RE: Bond Counsel Services—General Obligation Bonds, Series 2020

Ladies and Gentlemen:

We understand that the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Idaho) (the “District”) is contemplating issuing additional General Obligation Bonds, Series 2020 (the “Bonds”) and have been requested to prepare an engagement letter for our services in connection with the issuance of the Bonds.

We are, therefore, writing to provide to you a description of the bond counsel services we are prepared to undertake and render with regard to the issuance of the Bonds.

We are prepared to furnish bond counsel services in connection with this financing to the District, which services include preparation of bond resolutions and various notices; conferences with representatives of the District, as necessary; preparation and review of documentation as necessary for authorizing the issuance and sale of the Bonds; review of procedural matters; consultations with the paying agent and registrar, the financial advisor, the Board and its attorney and consultants regarding issuance of the Bonds; preparation of the Bonds for delivery; preparation of closing documents; the rendering of final approving opinions as to the validity of the Bonds and tax-exemption of interest thereon; and, the preparation and forwarding of a final transcript of the Bonds documents. Please note that our description for services does not include preparation or review of any offering literature for the Bonds or litigation proceedings without a separate agreement for those matters. Our engagement will end at the closing of the transaction unless additional arrangements are made in writing.

We will bill our time and expenses for work on the Bonds with time charged from October 1, 2019, up to an amount not to exceed $27,000.00. Our current hourly rates for this type of financing are: For Richard A. Skinner, $295.00 per hour and for John R. McDevitt $210.00 per hour. We would bill for our usual out-of-pocket expenses, such as photocopies, bond transcript materials, postage, long distance telephone calls and similar expenses. If unusual or unforeseen complications arise in the financing which may result in larger legal fees than originally anticipated, we will notify you at that time prior to incurring those fees.

The above fees and costs may be deferred and paid out of the proceeds of the Bonds no later than
the date of bond closing. If the initial series of Bonds does not close within 365 days after the date work on
the Bonds has commenced, we will be paid separately for the work done on such series. It is understood
that Barber Valley Development, Inc. shall pay for any amounts not paid for through the issuance of the
Bonds.

Assuming that the above arrangements are acceptable, please execute the enclosed copy of this
letter and return the same to our office. We look forward to working with you on this financing.

Very truly yours,

SKINNER FAWCETT LLP

[Signature]

JOHN R. MCDEVITT

The foregoing has been approved by Harris Ranch Community Infrastructure District No. 1 (City
of Boise, Idaho) as of the __ day of__________, 2020.

By: ________________________________

Authorized Representative

The undersigned Barber Valley Development, Inc. hereby agrees as of the above date to pay for the
above services and to reimburse the District for any amounts billed for such services if the said Bonds do
not close within 365 days from the date work has commenced on an issue of Bonds.

Barber Valley Development, Inc.

an Idaho corporation

By ________________________________

Its: ________________________________
TO:       Board of Directors  
FROM:    David Hasegawa, Treasury  
NUMBER: HRCID-3-2020  
DATE:    May 5, 2020  
SUBJECT: CID and City of Boise Reimbursement Agreement

BACKGROUND:

This resolution is intended to document the administrative services to be provided by the City to the Harris Ranch Community Infrastructure District and the fees to be charged for such services.

ATTACHMENTS:

- Exhibit A Agreement for Reimbursement by the CID to the City of Boise 2020  
  (DOCX)
A RESOLUTION APPROVING AN AGREEMENT, BY AND BETWEEN THE CITY OF BOISE CITY (“BOISE”) AND THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (ADA COUNTY, IDAHO) (“HARRIS RANCH CID”) FOR THE PROVISION OF PROFESSIONAL SERVICES TO THE HARRIS RANCH CID; AUTHORIZING THE HARRIS RANCH CID BOARD PRESIDENT AND DISTRICT CLERK TO EXECUTE AND ATTEST SAID AGREEMENT ON BEHALF OF THE HARRIS RANCH CID; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, ADA COUNTY, IDAHO), AS FOLLOWS:

Section 1. That an Agreement by and between the city of Boise City and the Harris Ranch CID, attached hereto as Exhibit “A” and incorporated herein by reference, be, and the same is hereby, approved as to both form and content.

Section 2. That the Harris Ranch CID Board President and District Clerk be, and they hereby are, authorized to respectively execute and attest said Agreement for and on behalf of the Harris Ranch CID.

Section 3. That this Resolution shall be in full force and effect immediately upon its adoption and approval.
AGREEMENT FOR REIMBURSEMENT FOR SERVICES PROVIDED BY
CITY OF BOISE STAFF TO HARRIS RANCH COMMUNITY
INFRASTRUCTURE DISTRICT NO. 1

This Agreement for Reimbursement of Services (“Agreement”) made this 12th day of May, 2020, by and between the City of Boise (“City”), a municipal corporation organized and existing pursuant to the laws of the State of Idaho and Harris Ranch Community Infrastructure District No. 1 (“District”), a political subdivision of the State of Idaho organized and existing pursuant to Title 50, Chapter 31 of Idaho Code.

WHEREAS, Idaho Code § 50-3105(1)(g) authorizes the District to reimburse the City for staff and consultant services provided by the City to the District;

WHEREAS, the Development Agreement for the District contemplates reimbursement of administrative services provided by City and District Staff by Barber Valley Development Corporation, Inc. (“Developer”);

WHEREAS, establishing set compensation for services provided by the City to the District provides certainty and predictability with respect to cost of services and reduces staff time expenditures with respect to compilation of invoices for services.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, City and District agree as follows:

1. SERVICES PROVIDED BY CITY. City agrees to provide District services as may be required for the effective and efficient administration of the District.

2. REIMBURSEMENT BY DISTRICT FOR SERVICES. District shall reimburse City for services provided by City staff in amounts as set forth by Exhibit A, attached hereto. In the event that the City provides a service not listed within Exhibit A, then District shall reimburse City based upon the number of hours expended by City staff in amount equal to the (burdened) hourly wage of that/those staff member(s).

   District shall reimburse City within thirty (30) days of receipt of invoice or as specified by the invoice, whichever period is longer.

3. TERM. This Agreement shall commence upon execution of this Agreement and shall continue until April 30, 2021, subject to renewal and/or extension as provided for by this Agreement.

4. NON-EXCLUSIVITY. Parties agree that this Agreement shall not limit the ability of the District to retain any services, including those contemplated under this Agreement, on behalf of the District as authorized by Idaho Code § 50-3105.
5. **RELEASE OF LIABILITY.** District agrees to indemnify and hold harmless City, its officers, agents, employees and/or representatives from any and all liability, damages and/or claims which may be brought against District, its officers, agents, employees and/or representatives arising out of any claim, intentional act, negligence, and/or omission by City, its officers, agents, employees and/or representatives.

6. **EXTENSION.** Parties may extend the term and provisions of this Agreement at any time provided that the extension must be in writing.

7. **TERMINATION.** This Agreement may be terminated at the convenience of either Party upon written notice to the other Party. Upon termination, City shall provide District an invoice for services provided within thirty (30) days of receipt of the notice to terminate. District shall pay the final invoice issued by City following termination of this Agreement within thirty (30) days of receipt of the final invoice.

8. **ENTIRE AGREEMENT and AMENDMENT.** This Agreement constitutes the entire agreement of the parties and is the complete and exclusive agreement between the Parties. This Agreement shall not be amended and/or altered except by mutual written consent, executed by both City and District.

9. **NOTICE.** All notices under this Agreement shall be in writing.

10. **SEVERABILITY.** This Agreement and any Addenda make up the entire agreement between the Parties. In the event any part of this Agreement is invalidated by reason of law or government regulation or any part is deemed waived by City, the remaining provisions of this Agreement shall remain in full force and effect.

CITY OF BOISE

APPROVED BY:

____________________________________
Lauren McLean, Mayor

Date

ATTEST:

____________________________________
City Clerk

Date
HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1

APPROVED BY:

____________________________________
District President                      Date

ATTEST:

____________________________________
District Clerk                         Date
EXHIBIT A

Harris Ranch CID Fees and Services:

• General CID Administration = $5,792
  o The objective of this service is to provide general administration for the District. This service includes the creation of an annual meeting calendar; notification and publication of meetings; development, publication, and certification of the annual budget; annually update state required registry information; periodic review of financial statements; coordination of annual audit; invoice processing; and, general record keeping.

• Project Eligibility Review Fee = $82
  o The objective of this service is to determine if a proposed project or segment of a project is eligible for CID financing in accordance with Idaho Code 50-3101 (CID Statute), the Harris Ranch Specific Plan (“SPO1”), and the Harris Ranch Developer Agreement (“Agreement”). This service includes the initial “setup” of the project for internal tracking and review, coordination of staff and CID Board review and approval of financing eligibility, and confirmation documentation.
  o The fee is based on less than an hour of (burdened) staff time. This assumes that the developer provides all necessary information to ensure an efficient review. If legal review is required beyond the assumed one (1) hour of staff time, an additional fee may be charged at $82 per hour, with a not to exceed total per project amount of $820.

• Construction Review Fee = $164
  o The objective of this service is to ensure that construction of an approved project has been publicly bid and all related construction approvals necessary by the District Manager and/or District Engineer have been fulfilled in accordance with the Agreement. This service includes the coordination, tracking, and processing of documentation related to the public bidding and award process.
  o The fee is based on an estimated 2 hours of (burdened) staff time. An additional fee may be charged at $82 per hour, with a not to exceed total per project amount of $820.

• Reimbursement Processing Fee = $828
  o The objective of this service is to process payment to the Owner for eligible costs related to an approved project. This service includes the coordination, creation, and review of all necessary documentation; time to process wire transfers and related accounting transactions; and, track all reimbursement requests.
  o The fee is based on an estimated 12 hours of (burdened) staff time. An additional fee may be charged at $69.00 per hour, with a not to exceed total per project amount of $2,760.

• Note Administration Fee = $8,275
  o The objective of this service is to facilitate the issuance of short-term notes on behalf of the CID. This service includes the coordination of all related activities associated with the issuance of notes. Specifically, includes staff creation and review of
documentation, management of professional services contracts, fund accounting, and maintenance of records.

- The fee is based on an estimated 80 hours of (burdened) staff time.

- Bond Administration Fee = $11,033 to 16,550
  - The objective of this service is to facilitate the issuance of long-term bonds on behalf of the CID. This service includes the coordination of all related activities associated with the issuance of bonds. Specifically, it includes financial analysis, staff creation and review of documentation, management of professional services contracts, fund accounting, maintenance of records, and tracking of annual post issuance requirements.
  - The fee is based on an estimated 160 hours of (burdened) staff time. The bond administration fee will be dependent on the complexities of the issuance.

- Exceptional and Consultant Costs – pass through amount
  - Costs for professional consulting, such as bond counsel, or other exceptional costs, like appraisals, will be passed through to the Owner at the invoiced amount. The City will not add a processing fee or mark up any invoiced amount. Owner must approve all exceptional and/or consultant costs prior to engagement of services.

- Other City Services – case by case negotiation
  - In the event that the Owner and/or City requests additional services, such as financial and/or economic analysis not directly related to the provision of services described herein, both parties retain the discretion to negotiate alternative fees on a case by case basis.
TO: Board of Directors
FROM: David Hasegawa, Treasury
NUMBER: HRCID-4-2020
DATE: May 5, 2020
SUBJECT: Assessment Engineer Engagement

BACKGROUND:

This resolution provides for the engagement of engineering services necessary to complete the annual assessment roll for the Harris Ranch Special Assessment Area. The proposed cost is $11,029 for FY 2020.

ATTACHMENTS:

- Exhibit A - Contract_Engineering Powell 2020 Services - Clean  (DOCX)
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, ADA COUNTY, IDAHO) APPROVING ASSESSMENT ENGINEERING SERVICES FOR THE PREPARATION OF THE SPECIAL ASSESSMENT REPORT TO BE PROVIDED BY RIVERIDGE ENGINEERING COMPANY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, RiveRidge Engineering Company ("RiveRidge") has previously provided Assessment Engineering Services in conjunction with the Harris Ranch Special Assessment; and

WHEREAS, each year ongoing development requires reapportionment of collection rates within the Special Assessment Areas which requires the creation of a Special Assessment Report; and

WHEREAS, RiveRidge has agreed to continue to provide these necessary services to the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, ADA COUNTY, IDAHO), AS FOLLOWS:

Section 1. That the Board of Directors of the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Ada County, Idaho), hereby approves the acceptance of assessment engineering services for the preparation of a Special Assessment Report provided by RiverRidge Engineering Company, in accordance with the terms and conditions provided by the Agreement, attached hereto as Exhibit A.

Section 2. That the Harris Ranch CID Board President and District Clerk be, and they hereby are, authorized to respectively execute and attest said Agreement for and on behalf of the Harris Ranch CID.

Section 3. That this Resolution shall be in full force and effect immediately upon its adoption and approval.
AGREEMENT FOR REIMBURSEMENT FOR SERVICES PROVIDED BY HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 TO BARBER VALLEY DEVELOPMENT, INC.

This Agreement for Reimbursement of Services (“Agreement”) is made this 12th day of May, 2020, by and between the Harris Ranch Community Infrastructure District No. 1 (“District”), a political subdivision of the State of Idaho organized and existing pursuant to Title 50, Chapter 31 of Idaho Code and RiveRidge Engineering Company (“RiveRidge”), an Idaho Corporation.

WHEREAS, RiveRidge has previously provided Assessment Engineering Services in conjunction with the Harris Ranch Special Assessment; and

WHEREAS, Each year ongoing development requires reapportionment of collection rates within the Special Assessment Areas which requires the creation of a Special Assessment Report;

WHEREAS, RiveRidge has agreed to continue to provide these services.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, City and District agree as follows:

1. SERVICES PROVIDED BY RIVERIDGE. RiveRidge agrees to generate and provide to the District the annual Special Assessment Report for FY 2020 in a form as previously provided by RiveRidge to the District. The completed Special Assessment Report will be provided to the District no later than July 1, 2020.

2. REIMBURSEMENT BY DISTRICT. District shall reimburse RiveRidge for the creation of the Special Assessment Report in the amount of $11,029. The District shall reimburse RiveRidge within thirty (30) days of receipt of invoice or as specified by the invoice, whichever period is longer.

3. TERM. This Agreement shall commence upon execution of this Agreement and shall continue until October 1, 2020.

4. RELEASE OF LIABILITY. RiveRidge agrees to hold harmless District, its officers, agents, employees and/or representatives from any and all liability, damages and/or claims which may be brought against District, its officers, agents, employees and/or representatives arising out of any claim, intentional act, negligence, and/or omission by City, its officers, agents, employees and/or representatives.

5. TERMINATION. This Agreement may be terminated upon mutual agreement of the Parties.

6. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement of the parties and is the complete and exclusive agreement between the Parties. This Agreement shall not be
amended and/or altered except by mutual written consent, executed by both District and Developer.

7. **NOTICE.** All notices under this Agreement shall be in writing and delivered to:

Harris Ranch Community Infrastructure District No. 1  
Attn: District Manager  
PO Box 500  
Boise, ID, 83701

RiveRidge Engineering Co.  
Attn: David G. Powell  
2447 S. Vista Avenue  
Boise, ID, 83705

8. **CHOICE OF LAW.** This Agreement shall be governed in all respects by the laws of the State of Idaho.

9. **SEVERABILITY.** This Agreement and any Addenda make up the entire agreement between the Parties. In the event any part of this Agreement is invalidated by reason of law or government regulation or any part is deemed waived by City, the remaining provisions of this Agreement shall remain in full force and effect.

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1

APPROVED BY:

____________________________________  
District President  
Date

ATTEST:

____________________________________  
District Clerk  
Date
RiveRidge Engineering Co.

APPROVED BY:

____________________________________
David G. Powell, _____________________

STATE OF IDAHO  )
    } ss.
County of Ada  )

On this _____ day of ______, 20____, before me, a Notary Public in and for said state, personally appeared _________________, known to me to be the ______________ of Boise City, Idaho, who executed the within instrument, and acknowledged to me that ________________ executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

____________________________________
Notary Public for Idaho
Residing at:
My commission expires:
TO: Board of Directors
FROM: David Hasegawa, Treasury
NUMBER: HRCID-5-2020
DATE: May 5, 2020
SUBJECT: Professional Services Agreement with Public Financial Management, Inc,

BACKGROUND:
The District desires to obtain the services of a financial advisor to develop and assist in implementing District’s strategies to meet its current and long-term financial obligations, capital financing needs, and render assistance in respect to debt transactions.

ATTACHMENTS:

- Exhibit A - PFM_Harris_Ranch_CID_FA_Services_Agreement_April_2020 (PDF)
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, ADA COUNTY, IDAHO), APPROVING A PROFESSIONAL SERVICES CONTRACT AGREEMENT TO RETAIN PUBLIC FINANCIAL MANAGEMENT, INC. TO PROVIDE FINANCIAL ADVICE AND SERVICES RELATED TO THE PREPARATION AND SALE OF GENERAL OBLIGATION DEBT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District is contemplating issuing additional general obligation debt; and

WHEREAS, Public Financial Management, Inc. has furnished financial advice and services in connection with the preparation of a multi-year financial strategy along with the execution of financial transactions in support of that plan for the District; and

WHEREAS, in the event that general obligation debt is not issued, Barber Valley Development, Inc. will pay any accrued fees under this Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1 (CITY OF BOISE, IDAHO), ADA COUNTY, IDAHO, AS FOLLOWS:

Section 1. That the Board of Directors of the Harris Ranch Community Infrastructure District No. 1 (City of Boise, Ada County, Idaho), does hereby approve the acceptance of the Professional Services Contract Agreement, attached hereto as Exhibit A.

Section 2. That the President of the Board of Directors and District Clerk be, and hereby are, authorized to respectively execute and attest said Agreement for and on behalf of the Harris Ranch Community Infrastructure District No. 1.

Section 3. That this Resolution shall be in full force and effect immediately upon its adoption and approval.
This agreement ("Agreement"), made and entered into this ___ day of ____, 2020, by and between the Harris Ranch Community Infrastructure District No. 1, (City of Boise, Idaho) (the “District”) and PFM Financial Advisors LLC (hereinafter called “PFM”) sets forth the terms and conditions under which PFM shall provide services.

WHEREAS, the District desires to obtain the services of a financial advisor to develop and assist in implementing District’s strategies to meet its current and long-term financial obligations, capital financing needs and render assistance in respect to debt transactions; and

WHEREAS, PFM is capable of providing the necessary financial advisory services.

NOW, THEREFORE, in consideration of the above mentioned premises and intending to be legally bound hereby, the District and PFM agree as follows:

I. SCOPE OF SERVICES

PFM shall provide, upon request of the District, services related to debt planning, debt policy development and services related to debt issuance, as applicable and set forth in Exhibit A to this Agreement. District acknowledges and agrees that most tasks requested by the District will not require all services provided for in Exhibit A and as such the specific scope of services for such task shall be limited to just those services required to complete the task. Any material changes in or additions to the scope of services described in Exhibit A shall be promptly reflected in a written supplement or amendment to this Agreement. Services provided by PFM which are not specifically referenced in the scope of services set forth in Exhibit A of this Agreement shall be completed as agreed in writing in advance between the District and PFM. Upon request of the District, PFM or an affiliate of PFM may agree to additional services to be provided by PFM or an affiliate of PFM, by a separate agreement between the District and PFM or its respective affiliate.

II. WORK SCHEDULE

The services of PFM are to commence as soon as practicable after the execution of this Agreement and a request by the District for such service.

III. REGISTERED MUNICIPAL ADVISOR; REQUIRED DISCLOSURES

1. PFM is a registered municipal advisor with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. If the District has designated PFM as its independent registered municipal advisor (“IRMA”) for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA exemption”), then services provided pursuant to such designation shall be the services described in Exhibit A hereto, subject to any limitations provided herein. PFM shall not be responsible for, or have any liability in connection with, verifying that PFM is independent from any other party seeking to rely on the IRMA exemption (as such independent status is required pursuant to the IRMA exemption, as interpreted from time to time by the SEC). The
District acknowledges and agrees that any reference to PFM, its personnel and its role as IRMA, including in the written representation of the District required under SEC Rule 15Ba1-l(d)(3)(vi)(B) shall be subject to prior approval by PFM. The District further agrees not to represent that PFM is the District’s IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, outside of the scope of services without PFM’s prior written consent.

2. MSRB Rules require that municipal advisors make written disclosures to their clients of all material conflicts of interest, certain legal or disciplinary events and certain regulatory requirements. Such disclosures are provided in PFM’s Disclosure Statement delivered to the District together with this Agreement.

IV. FINANCIAL ADVISORY COMPENSATION

For the services provided under this Agreement, PFM’s professional fees shall be paid as provided in Exhibit B to this Agreement and the District shall pay expenses and fees for other services not set forth in Exhibit A as provided below.

1. Reimbursable Expenses

In addition to fees for services, PFM will be reimbursed for necessary, reasonable, and documented expenses incurred, including required travel. Upon request of the District, documentation of such expenses will be provided.

2. Other Services

Any services which are not included in the scope of services set forth in Exhibit A of this Agreement will be subject to separate, mutually acceptable fee structures.

V. TERMS AND TERMINATION

This Agreement shall be effective until April 30, 2021 (the “Term”), unless canceled in writing by either party upon thirty (30) days written notice to the other party.

VI. ASSIGNMENT

PFM shall not assign any interest in this Agreement or subcontract any of the work performed under the Agreement without the prior written consent of the District; provided that upon notice to the District, PFM may assign this Agreement or any interests hereunder to a municipal advisor entity registered with the SEC that directly or indirectly controls, is controlled by, or is under common control with, PFM.

VII. INFORMATION TO BE FURNISHED TO PFM

All information, data, reports, and records (“Data”) in the possession of the District or any third party necessary for carrying out any services to be performed under this Agreement shall be furnished to PFM and the District shall, and shall cause its agent(s) to, cooperate with PFM in its conduct of reasonable due diligence in performing the services, including with respect to the facts
that are necessary in its recommendation(s) to the District in connection with a municipal securities transaction or municipal financial product and/or relevant to the District’s determination whether to proceed with a course of action. To the extent the District requests that PFM provide advice with regard to any recommendation made by a third party, the District will provide to PFM written direction to do so as well as any Data it has received from such third party relating to its recommendation. The District acknowledges and agrees that while PFM is relying on the Data in connection with its provision of the services under this Agreement, PFM makes no representation with respect to and shall not be responsible for the accuracy or completeness of such Data.

VIII. NOTICES

All notices given under this Agreement shall be in writing, sent by registered United States mail, with return receipt requested, addressed to the party for whom it is intended, at the designated address below. The parties designate the following as the respective places for giving notice, to wit:

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1
(CITY OF BOISE, IDAHO)
150 N. Capital Blvd.
P.O. Box 500
Boise, ID 83701
Attention: Treasury

PFM FINANCIAL ADVISORS LLC
650 Holladay Street, Suite 1600
Portland, OR 97232
Attention: Managing Director

IX. TITLE TRANSFER

All materials, except functioning or dynamic financial models, prepared by PFM pursuant exclusively to this Agreement shall be the property of the District. Subject to the exception described above, upon termination of this Agreement, at the District’s reasonable request no later than three (3) years after the termination of this Agreement PFM shall deliver to the District copies of any deliverables pertaining to this Agreement.

X. PFM’S REPRESENTATIVES

The District has the right to request, for any reason, PFM to replace any member of the advisory team. Should the District make such a request, PFM shall promptly suggest a substitute for approval by the District.

XI. INSURANCE

PFM shall maintain insurance coverage with policy limits not less than as stated in Exhibit C.
XII. LIMITATION OF LIABILITY

Except to the extent caused by willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties under this Agreement on the part of PFM or any of its associated persons, neither PFM nor any of its associated persons shall have liability to any person for (i) any act or omission in connection with performance of its services hereunder; (ii) any error of judgment or mistake of law; (iii) any loss arising out of any issuance of municipal securities, any municipal financial product or any other financial product, or (iv) any financial or other damages resulting from the District’s election to act, or not to act, contrary to or, absent negligence on the part of PFM or any of its associated persons, upon any advice or recommendation provided by PFM to the District.

XIII. INDEPENDENT CONTRACTOR; NO THIRD-PARTY BENEFICIARY

PFM, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint venturers of the District by virtue of this Agreement or any actions or services rendered under this Agreement. Nothing in this Agreement is intended or shall be construed to give any person, other than the Parties hereto, their successors and permitted assigns, any legal or equitable rights, remedy or claim under or in respect of this Agreement or any provisions contained herein. In no event will PFM be liable for any act or omission of any third party or for any circumstances beyond PFM’s reasonable control including, but not limited to, fire, flood, or other natural disaster, war, riot, strike, act of terrorism, act of civil or military authority, software and/or equipment failure, computer virus, or failure or interruption of electrical, telecommunications or other utility services.

XIV. APPLICABLE LAW

This Agreement shall be construed, enforced, and administered according to the laws of the State of Idaho. PFM and the District agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to pursuing other action.

XV. ENTIRE AGREEMENT; SEVERABILITY

This Agreement represents the entire agreement between the District and PFM and may not be amended or modified except in writing signed by both parties. For the sake of clarity, any separate agreement between the District and an affiliate of PFM shall not in any way be deemed an amendment or modification of this Agreement. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

XVI. EXECUTION; COUNTERPARTS

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same document.
IN WITNESS THEREOF, the District and PFM have executed this Agreement as of the day and year herein above written.

HARRIS RANCH COMMUNITY INFRASTRUCTURE DISTRICT NO. 1  
(CITY OF BOISE, IDAHO)

By: ____________________________  
______________________________, District President

Date: __________________________

PFM FINANCIAL ADVISORS LLC

By: ____________________________  
______________________________, Managing Director

Date: __________________________
EXHIBIT A
SCOPE OF SERVICES

1. Services related to debt transactions subject to transaction fees as set forth in Exhibit B, Section 1. Upon the request of the District or as required to complete the financing transaction:

- Provide updates of taxable and tax-exempt bond market conditions to the District, as requested.
- Develop a financing plan for borrowing in 2020, in concert with the District’s staff, which would include recommendations as to the timing of current and future borrowings.
- Develop a work plan and time schedule for the financing(s).
- Assist the District in structuring its debt in order to meet its financial goals.
- Review the terms, conditions and structure of any proposed debt offering undertaken by the District and provide suggestions, modifications and enhancements where appropriate and necessary to reflect the constraints or current financial policy and fiscal capability.
- Advise the District on method of sale for the 2020 financing, including direct placement with the Harris Family Limited Partnership, Barber Valley Development, the Dallas and Alta Harris Foundation (under the terms of the existing Multi-Year Option Agreement); and/or direct placement with a third-party financial institution (i.e., a commercial bank).
- Assist the District in a solicitation of purchase offers from various financial institutions, and provide advice as to the proposed interest rates, terms, and conditions of each offer.
- Identify key bond covenant features and advise as to the financial consequences of provisions to be included in bond resolutions regarding security, creation of reserve funds, flow of funds, redemption provisions, and additional parity conditions; review and comment on drafts of documents relating to authorization of financing.
- As requested, participate in meetings and conference calls with the District Board, District staff, and other members of the finance team.
- Assist with the closing of the financing.
- As requested, assist in the modification, amendment, restructuring, and/or redemption of outstanding District debt as necessary to meet the District’s financial goals.

2. General, ongoing services relative to periodic market updates, financial planning, credit ratings, and policy development, subject to fees forth in Exhibit B, Section 2. Upon request of the District:

- Provide general advice, input, and planning as may be requested from time to time by the District.
• Evaluate the District’s capital financing plans and needs, and the District’s financial resources, relative to any proposed financing.

• Provide analysis of financing options, identify risks, and advise on the feasibility of financing plans.

• Periodically review outstanding obligations for the District for potential debt consolidation or refinancing opportunities that may benefit the District.

• Advise the District of changes in state or federal law that may be relevant to the District’s future financing plans.

• If requested, serve as the District’s IRMA in connection with the “Municipal Advisor Rule,” and review proposals/analysis provided by underwriters, banks, and other third parties.

• Attend meetings with District’s staff, consultants, and other professionals.

In addition to the services identified above, PFM may also perform special projects as requested by the District, or advise on the sale of bonds in the public bond market. The scope of services applicable to such project or transaction will be identified prior to undertaking the project or transaction.
EXHIBIT B
COMPENSATION FOR SERVICES

For the services described in Exhibit A (Scope of Services), PFM’s professional fees and expenses shall be paid as follows:

1. **Fixed Rate Transaction Fees**

   For services related to the issuance of bonds or other obligations by the District in fiscal year 2020, PFM will be paid a fee of $20,000. This includes multiple series of bonds issued under a common plan of finance. This pertains to the issuance of bonds under a direct-placement method of sale, either through the Multi-Year Option Agreement or with a third-party institution. Fees for a public sale of bonds shall be negotiated in advance of the transaction and documented as an addendum to this Agreement.

2. **Hourly Project Fees (Non-Transaction Related)**

   For additional services related to financial planning, policy development, and financial analysis not directly related to the contemplated issuance of debt, PFM shall receive hourly rates as listed below.

<table>
<thead>
<tr>
<th>Experience Level</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director/Managing Director</td>
<td>$315</td>
</tr>
<tr>
<td>Senior Managing Consultant</td>
<td>$295</td>
</tr>
<tr>
<td>Senior Analyst</td>
<td>$250</td>
</tr>
<tr>
<td>Analyst</td>
<td>$210</td>
</tr>
<tr>
<td>Associate</td>
<td>$135</td>
</tr>
</tbody>
</table>

   In the event the District requests that PFM perform a significant special project beyond the scope of work contained in Exhibit A, Section 1, fees will be negotiated in advance of the project generally based upon the aforementioned hourly rates for the indicated levels of experience or their equivalents will apply. No such fee will be charged to the District without first entering into a written addendum or memorandum documenting the requested services and expected fee. Additionally, in the event a financing is started, but cancelled at the District’s request, accrued time will be billed at hourly rates as described above.

3. **Reimbursable Expenses**

   In addition to fees for services, PFM will be reimbursed for necessary, reasonable, and documented out-of-pocket expenses incurred, including but not limited to travel expenses, if requested and pre-approved by the District. The District will be responsible for expenses of third parties providing separate services, including bond rating agencies, bond counsel, official statement distribution, and fiscal agent or refunding agents.
PFM Financial Advisors LLC ("PFM") has a complete insurance program, including property, casualty, general liability, automobile liability and workers compensation. PFM maintains professional liability and fidelity bond coverages which total $40 million and $25 million single loss/ $50 million aggregate, respectively. PFM also carries a $10 million cyber liability policy.

Our Professional Liability policy is a “claims made” policy and our General Liability policy claims would be made by occurrence.

**Deductibles/SIR:**
Automobile $250 comprehensive & $250 collision
Cyber-Liability $25,000
General Liability $0
Professional Liability (E&O) $1,000,000
Financial Institution Bond $75,000

**Insurance Company & AM Best Rating**

**Professional Liability (E&O):**
Endurance American Specialty Insurance (A+; XV)
Argonaut Insurance Company; (A+: XIV)
Everest National Insurance Company; (A+; XV)
XL Specialty Insurance Company; (A; XV)
Continental Casualty Company; (A; XV)
Starr Indemnity & Liability Company; (A; XV)

**Financial Institution Bond:**
Federal Insurance Company; (A++; XV)

**Cyber Liability:**
Greenwich Insurance Company (A+; XV)
Arch Insurance Company; (A++; XV)

**General Liability:**
Great Northern Ins. Company; (A++; XV)

**Automobile Liability:**
Great Northern Ins. Company; (A++; XV)

**Excess /Umbrella Liability:**
Federal Insurance Company (A++; XV)

**Workers Compensation & Employers Liability**
Vigilant Insurance Company; (A++; XV)