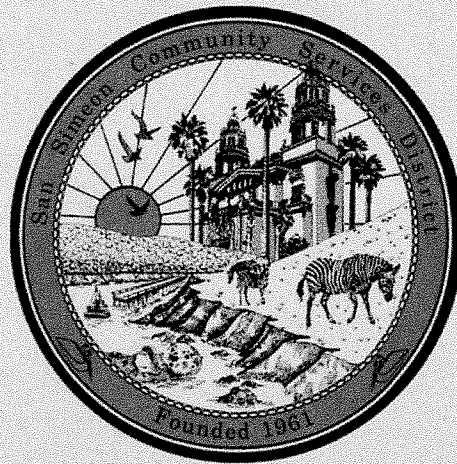


Public Copy

**Board of Directors
San Simeon Community Services District**



BOARD PACKET

**Wednesday, May 8, 2019
Regular Meeting 6:00 pm**

**Cavalier Banquet Room
250 San Simeon Avenue
San Simeon, CA**

Prepared by:



GRACE
ENVIRONMENTAL SERVICES

AGENDA
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, May 8, 2019
6:00 pm

CAVALIER BANQUET ROOM
250 San Simeon Avenue
San Simeon, CA 93452

1. REGULAR SESSION: 6:00 PM

A. Roll Call

B. Pledge of Allegiance

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

Public Comment - Any member of the public may address the Board relating to any matter within the Board's jurisdiction, provided the matter is not on the Board's agenda. Presentations are limited to three (3) minutes or less with additional time at the discretion of the Chair. Your comments should be directed to the Board as a whole and not directed to individual Board members. The Brown Act restricts the Board from taking formal action on matters not published on the agenda.

3. SPECIAL PRESENTATIONS AND REPORTS:

A. STAFF REPORTS:

- i. **Sheriff's Report** – Report for April.
- ii. **Superintendent's Report** - Summary of April activities.
- iii. **General Manager's Report** – Summary of April Activities.
- iv. **District Financial Summary** – Update on Monthly Financial Status.
- v. **District Counsel's Report** – Summary of April Activities.

B. BOARD OF DIRECTORS AND COMMITTEE REPORTS:

C. SPECIAL PRESENTATION:

D. PUBLIC COMMENTS ON SPECIAL PRESENTATIONS AND REPORTS:

Public Comment - This public comment period provides an opportunity for members of the public to address the Board on matters discussed during Agenda Item #3 – Special Presentations and Reports. If a member of the public wishes to speak at this time, Public Comment is limited to three (3) minutes.

4. CONSENT AGENDA ITEMS:

Public Comment - Members of the public wishing to speak on consent agenda items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public Comment is limited to three (3) minutes.

A. Review and approval of Minutes for the Regular Meeting on April 10, 2019.

B. Review and approval of Disbursements Journal.

5. BUSINESS ITEMS:

Public Comment – Public comment will be allowed for each individual business item. Members of the public wishing to speak on business items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public Comment is limited to three (3) minutes per person for each business item.

A. Discussion regarding the Draft Budget for Fiscal Year 2019/2020.

B. Discussion regarding draft amended Water and Wastewater Capacity Fee Study.

C. Discussion regarding entering into a contract with Wood not to exceed the amount of \$10,500 for grant writing services related to the National Fish and Wildlife Foundation (NFWF) Grant.

D. Discussion regarding a proposed road maintenance agreement for San Simeon Avenue.

E. Discussion and direction to Staff regarding the formation of an ad-hoc committee related to regional infrastructure.

F. Discussion regarding Board members touring the constructed wetlands plant in Arcata, California.

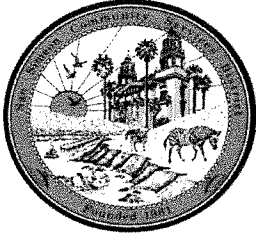
G. Approval of the Policy & Procedures Manual.

6. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS – Requests from Board members to Staff to receive feedback, prepare information, and/or place an item on a future agenda(s).

7. ADJOURNMENT

All staff reports or other written documentation, including any supplemental material distributed to a majority of the Board within 72 hours of a regular meeting, relating to each item of business on the agenda are available for public inspection during regular business hours in the District office, 111 Pico Avenue, San Simeon. If requested, this agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disabilities Act. To make a request for a disability-related modification or accommodation, contact the District Administrator at 805-927-4778 as soon as possible and at least 48 hours prior to the meeting date. This agenda was prepared and posted pursuant to Government Code Section 54954.2.

3. A. ii. SUPERINTENDENT REPORT
Jerry Copeland
Facilities Update for April 2019



SUPERINTENDENTS REPORT

Item 3.A.ii

Prepared by: Jerry Copeland

1. Wastewater Treatment Plant

- All sampling, testing and reporting at the Wastewater Treatment Plant and the Recycled Water Facility was performed as required by the RWQCB.
- The entire sewer collection system was cleaned.
- The PLC (Programmable Logic Controller) that controls the Equalization Basin pumps failed and was replaced.
- Two loads of sludge were hauled away.

2. Water Treatment and Distribution System

- All routine sampling and testing was performed. The monthly report was submitted to the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).
- Filter operations continue daily.
- Monthly water meter reading was performed.

3. District and Equipment Maintenance

- Staff continues with all of the scheduled preventive maintenance for all the equipment at the facilities. We are recording all of these activities.
- Weed abatement was performed around the District.

San Simeon Community Services District

Superintendent's Report

April 2019

MONTHLY DATA REPORT

Date	Day	Wastewater Influent Daily Flow	Wastewater Effluent Daily Flow	Well 1 Total Daily Produced	Well 2 Total Daily Produced	Total Daily Water Produced	R.O. Daily Influent Flow	R.O. Daily Effluent Flow	R.O. Daily Brine Flow	Distribution Chloride	Chloride Wells 1	Chloride Wells 2	Recycled Water Distributed	Water Level Well 1	Water Level Well 2	Rainfall in Inches	State Flows
04/01/19	Mon	96,200	92,590	0	58,344	58,344	0	0	0	-	-	-	0	9.6	10.1	0.00	12,244
04/02/19	Tue	83,000	77,250	0	63,131	63,131	0	0	0	-	-	-	0	10.0	10.2	0.00	12,563
04/03/19	Wed	80,992	79,370	1,646	63,580	65,226	4349	2850	1499	-	-	-	0	9.8	10.1	0.00	11,513
04/04/19	Thu	57,503	57,310	0	66,273	66,273	0	0	0	-	-	-	0	9.8	10.2	0.00	11,574
04/05/19	Fri	107,046	105,080	0	59,242	59,242	0	0	0	-	-	44	0	9.9	10.2	0.00	10,687
04/06/19	Sat	83,529	83,080	0	73,154	73,154	0	0	0	-	-	-	0	9.8	10.1	0.00	13,861
04/07/19	Sun	88,008	85,570	0	77,642	77,642	0	0	0	-	-	-	0	9.8	10.1	0.00	10,144
04/08/19	Mon	85,121	84,570	0	66,647	66,647	0	0	0	-	-	-	0	9.8	10.3	0.00	10,504
04/09/19	Tue	67,917	68,430	0	75,473	75,473	0	0	0	-	-	44	0	9.8	10.2	0.00	7,101
04/10/19	Wed	52,302	53,010	29,022	45,852	74,875	0	0	0	-	-	-	0	9.8	10.2	0.00	9,872
04/11/19	Thu	66,686	68,790	0	64,926	64,926	0	0	0	-	-	-	0	9.8	10.3	0.00	8,119
04/12/19	Fri	83,446	83,510	0	72,481	72,481	0	0	0	-	-	-	0	10.1	10.3	0.00	7,279
04/13/19	Sat	87,017	88,100	0	82,205	82,205	0	0	0	-	-	-	0	10.1	10.3	0.00	8,087
04/14/19	Sun	99,888	100,340	0	91,032	91,032	0	0	0	-	-	-	0	10.1	10.3	0.00	12,020
04/15/19	Mon	95,212	91,980	0	69,265	69,265	0	0	0	-	-	-	0	10.2	10.4	0.00	12,052
04/16/19	Tue	102,056	95,800	0	82,654	82,654	0	0	0	-	-	-	0	10.0	10.3	0.08	11,535
04/17/19	Wed	110,084	103,240	5,685	89,835	95,520	0	0	0	-	-	-	0	9.8	10.3	0.00	12,505
04/18/19	Thu	102,588	101,510	80,186	0	80,186	0	0	0	-	50	-	0	10.0	10.4	0.00	13,939
04/19/19	Fri	98,868	93,160	80,859	0	80,859	0	0	0	-	-	-	0	10.1	10.4	0.00	14,288
04/20/19	Sat	105,638	104,360	90,209	0	90,209	0	0	0	-	-	-	0	10.1	10.4	0.00	10,607
04/21/19	Sun	90,143	89,770	89,012	0	89,012	0	0	0	-	-	-	0	10.1	10.4	0.00	15,482
04/22/19	Mon	62,439	61,560	63,879	0	63,879	0	0	0	-	-	-	0	10.1	10.4	0.00	3,818
04/23/19	Tue	63,683	60,270	59,242	0	59,242	0	0	0	-	-	-	0	10.1	10.4	0.00	2,523
04/24/19	Wed	68,701	67,630	65,375	0	65,375	0	0	0	-	-	-	0	10.2	10.4	0.00	2,036
04/25/19	Thu	62,528	55,600	63,430	299	63,730	0	0	0	-	-	-	0	10.2	10.4	0.00	2,490
04/26/19	Fri	75,864	71,400	68,666	0	68,666	0	0	0	-	-	-	0	10.1	10.3	0.00	6,186
04/27/19	Sat	104,410	101,600	87,965	0	87,965	0	0	0	-	-	-	0	10.1	10.3	0.00	9,542
04/28/19	Sun	86,590	85,820	90,508	0	90,508	0	0	0	-	-	-	0	10.1	10.3	0.00	13,202
04/29/19	Mon	83,900	82,400	65,450	0	65,450	0	0	0	-	-	-	0	10.3	10.4	0.00	8,355
04/30/19	Tue	65,683	63,040	68,891	0	68,891	0	0	0	-	44	-	0	10.3	10.4	0.00	10,109
TOTALS		2,517,042	2,456,140	1,010,024	1,202,036	2,212,060	4349	2850	1499	0	47	44	0	10.0	10.3	0.08	294,237
Average		83,901	81,871	33,667	40,068	73,735	145	95	50	0	44	44	0	10.0	10.3	0.00	9808
Minimum		52,302	53,010	0	0	58,344	0	0	0	0	44	44	0	9.6	10.1	0.00	2036
Maximum		110,084	105,080	90,508	91,032	95,520	4349	2850	1499	0	50	44	0	10.3	10.4	0.08	15482

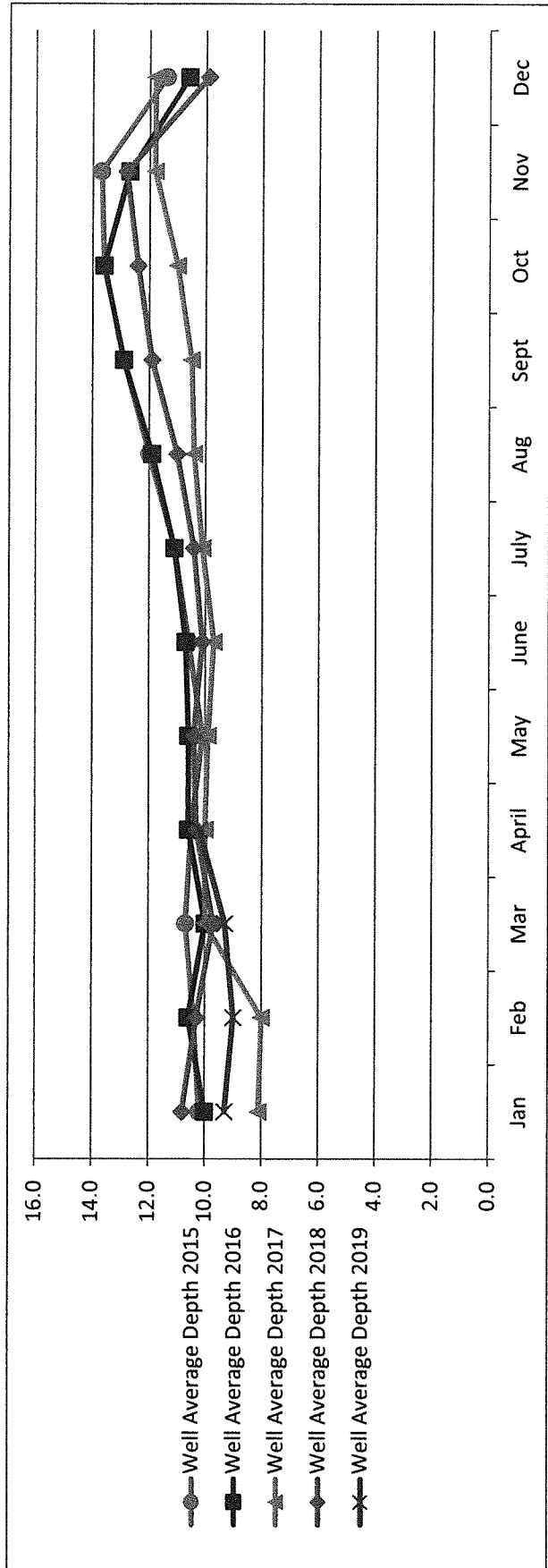
DATA SUMMARY SHEET

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total for 2019
Wastewater Influent	2,974,678	2,978,722	3,279,598	2,517,042									11,750,040
Wastewater Final Effluent (Month Cycle)	2,921,320	2,950,740	3,186,710	2,456,140									11,514,910
Adjusted Wastewater Influent (- State Flow)	2,599,672	2,540,371	2,840,773	2,267,805									10,248,621
Water Produced (month cycle)	1,849,654	1,643,730	2,013,823	2,212,060									7,719,268
Sewer Influent/Water Produced Ratio	1.61	1.81	1.63	1.14									N/A
Adjusted Sewer/Water Produced Ratio	1.41	1.55	1.41	1.03									N/A
Well 1 Water Production	103,897	59,616	60,663	1,010,024									1,234,200
Well 2 Water Production	1,745,757	1,584,114	1,953,160	1,202,036									6,485,068
Total Well Production	1,849,654	1,643,730	2,013,823	2,212,060									7,719,268
Water Well 1 Avg Depth to Water	9.0	8.7	9.0	10.0									N/A
Water Well 2 Avg Depth to Water	9.5	9.2	9.5	10.3									N/A
Average Depth to Water of Both Wells	9.3	9.0	9.3	10.2									N/A
Change in Average Depth to Water from 2018	-1.5	-1.3	-0.4	-0.1									N/A
Average Chloride mg/L at the Wells	55	44	44	46									N/A
State Wastewater Treated	375,006	438,351	438,825	294,237									1,546,419
State % of Total WW Flow	13%	15%	13%	12%									N/A
Recycled Water Sold (Gallons)	0	0	0	0									0
Biosolids Removal (Gallons)	4,500	0	9,000	9,000									22,500
WW Permit Limitation Exceeded	0	0	0	0									N/A
RW Permit Limitation Exceeded	0	0	0	0									N/A
Constituent Exceeded	None	None	None	None									N/A
Sample Limit	N/A	N/A	N/A	N/A									N/A
Sample Result	N/A	N/A	N/A	N/A									N/A

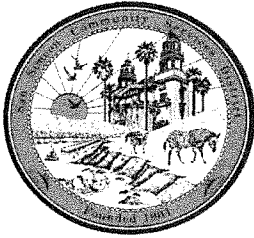
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total for 2018
Wastewater Influent	1,762,514	1,707,154	2,752,139	2,188,423	2,254,636	2,475,142	3,200,941	3,139,374	2,539,174	2,339,012	2,096,790	2,227,833	28,683,132
Wastewater Final Effluent (Month Cycle)	1,718,650	1,748,894	2,796,460	2,287,640	2,303,330	2,485,760	3,156,580	3,158,998	2,479,999	2,286,320	2,004,920	2,144,640	28,572,191
Adjusted Wastewater Influent(- State Flow) *	1,516,601	1,459,319	2,320,828	1,819,468	1,901,248	2,082,826	2,641,403	2,500,033	2,107,514	1,951,269	1,800,530	1,941,526	24,042,565
Water Produced (month cycle)	1,464,210	1,578,354	1,677,091	1,845,614	2,252,051	2,539,202	2,954,183	2,975,092	2,423,071	2,187,526	1,858,930	1,887,877	25,643,203
Sewer Influent/Water Produced Ratio	1.20	1.08	1.64	1.19	1.00	0.99	1.08	1.05	1.05	1.07	1.13	1.18	N/A
Adjusted Sewer/Water Ratio	1.04	0.92	1.38	0.99	0.84	0.82	0.89	0.84	0.87	0.89	0.97	1.03	N/A
Average Depth of Both Wells	10.8	10.3	9.7	10.3	10.4	10.1	10.4	11.0	11.9	12.4	12.8	9.9	N/A
Change in Average Depth to Water from 2017	+2.7	+2.3	-0.3	+0.3	+0.5	+0.4	+0.3	+0.6	+1.4	+1.4	+1.0	-1.9	N/A
Average Chloride mg/L at the Wells	34.5	35.5	32	35.5	35.5	32	32	32	32	34.5	45	65	N/A
State Wastewater Treated	245,913	247,835	431,311	368,955	353,388	392,298	559,538	639,341	431,660	387,743	269,260	286,307	4,613,549
State % of Total WW Flow	14%	15%	16%	17%	16%	16%	18%	20%	17%	17%	13%	13%	N/A
Recycled Water Sold (Gallons)	0	0	0	0	0	0	0	0	0	0	0	0	0
Biosolids Removal (Gallons)	9,600	0	4,800	9,600	4,800	4,800	13,500	13,500	9,000	4,500	4,500	4,500	83,100
WW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	N/A
RW Permit Limitation Exceeded	0	0	0	0	0	0	0	0	0	0	0	0	N/A
Constituent Exceeded	None	None	None	None	None	None	None	None	None	None	None	None	N/A
Sample Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sample Result	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

San Simeon Community Services District Superintendent's Report April 2019

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Well Average Depth 2015	10.2	10.4	10.7	10.5	10.1	10.6	11.1	12.0	12.9	13.6	13.7	11.4
Well Average Depth 2016	10.0	10.6	10.0	10.6	10.6	10.7	11.1	11.9	12.9	13.6	12.7	10.6
Well Average Depth 2017	8.1	8.0	10.0	10.0	9.9	9.7	10.1	10.4	10.5	11.0	11.8	11.8
Well Average Depth 2018	10.8	10.3	9.7	10.3	10.4	10.1	10.4	11.0	11.9	12.4	12.8	9.9
Well Average Depth 2019	9.3	9.0	9.3	10.2								



3. A. iii GENERAL MANAGER'S REPORT
Charles Grace
Update for April 2019



GENERAL MANAGER'S REPORT

Item 3.A.iii

Staff Activity – Report on Staff activities for the month of April.

Regular activities performed by District staff include:

Processing of utility payments, customer service duties, answering phone calls, mailing of the regular monthly utility bills. Prepared and distributed the agenda and Board packet.

During the month of March, staff also attended to the following items:

- Responded to one (1) public records requests.
- Distributed the 2nd Quarter Newsletter.
- Mailed out courtesy weed abatement notices to the owners of vacant parcels.
- Contacted the District weed abatement contractor to begin clearing District easements and right of ways.
- Repaired road base driveway to the District office.
- Finalized the Consumer Confidence Report (CCR) which will be mailed to the community members later in the month.

Office gets a facelift – Staff facilitated the repair the District office interior by replacing 25-year-old carpet, and desks and then interior paint. The damaged non-functioning sliding door and windows are schedule to be replaced soon.

County Wide Hazardous Mitigation Plan – No new update at this time.

Prop 1 Grant Update – The sub-committee meeting that was scheduled for April 22, 2019 was postponed until June 5, 2019. As more information is made available staff will continue to provide information the Board.

Coastal Commission Rip Rap Permit Update – Although Staff has called and emailed Coastal Commission representatives, Staff has no new information for the Board regarding this matter. The SSCSD CDP application is not on the CCC May agenda.

Phase 1 Tank Project Engineering Report – Please see attached Phoenix Report.

Phase 1 Tank Project Environmental Review – Please see attached Oliveira Report.

Enc: Phoenix Engineering Report
Oliveira Consulting Report



Phoenix Civil Engineering, Inc.

535 East Main Street Santa Paula, California 93060 805.658.6800
info@phoenixcivil.com www.phoenixcivil.com

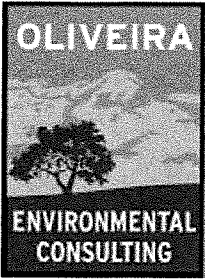
Memorandum – Project Design Status Water Systems Improvement Project Phase 1 San Simeon Community Services District April 30, 2019

This memo is providing you a project status update. The following activities have been performed to date:

- Phase 1 Pipeline Improvements design has been completed to 95% level. Electrical, instrumentation and civil/piping team continued to design and coordinate on the interface of the equipment and lighting systems at the tank site.
- Reservoir site grading and pipeline design plans were completed to a 75% level and were provided for the District to review. A list of technical specifications was prepared and submitted along with the front-end document to the District for their review. The District had no comments on the design package.
- Confirmation of the required USDA front end documents was performed. It was determined after extensive research that the EJCDC documents the USDA requires have not been updated since 2013. The last set of EJCDC documents were used for this project front end document.
- Compilation of the District front end document for the purpose of bidding the tank manufacturer portion of the project was performed. Provided the updated documents to the District for review. Incorporated the EJCDC documents in the document. District provided review comments. Working on incorporating their comments into the package.
- Received preliminary input from the California Division of Drinking Water (DDW) on the tank piping configuration. Incorporated their comments into the plan set.
- Continued working on the requirements for the Preliminary Engineering Report for the project. This has to be completed prior to any advertisement of a project to prospective contractors. The USDA Engineering Staff has to review the documents to ensure that they contain the proper forms to be in compliance with the USDA funding requirements. This has caused a delay in the issuance of the tank contractor package.

Anticipated activities for the month of May:

- Finalize the Preliminary Engineering Report (PER) for the project and submit to the District and USDA for review.
- Review comments and discussions with USDA representatives as directed by the District to obtain their approval on the bid package concept.
- Finalize the tank manufacturer coordination Contract Documents to advertise for bids.
- Contact steel tank manufacturers to notify them of the upcoming project.
- Pre-bid meeting with prospective tank manufacturers (steel, aboveground) to be performed in late May.
- Refinement of the OPCC to the District for review once the tank manufacturers provide cost data.



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April 30, 2019

San Simeon Community Services District
Board of Directors
111 Pico Avenue
San Simeon, CA 93452

Subject: Project Update – May 2019. San Simeon Community Services District Water Tank Project CEQA Review and Permitting

SSCSD Board:

Thank you for the opportunity to submit the following update for the San Simeon Community Services District (SSCSD) Water Tank Project CEQA review and permitting process. This memo is intended as a follow-up to the environmental review process and project permitting update presented to the SSCSD Board of Directors at the December 2018 hearing.

As you recall, the SSCSD Water Tank project is considered a “project” under the California Environmental Quality Act (CEQA). After a preliminary review of the potential project environmental impacts and discussion with County staff, it was determined that the preparation of a Mitigated Negative Declaration (MND) would be the appropriate level of environmental review.

County Coordination

As previously reported, we met with County staff on March 27, 2019 to provide an update on the project MND progress and discuss the results of the technical surveys (see below) completed to-date and to get direction on the eventual land user permit process. The County appreciated the update and confirmed that the SSCSD has covered all of the environmental issues that they would like to see analyzed since the County will have to rely on the CSD’s MND to process the land use permit.

The County confirmed that the project will trigger a Conditional Use Permit/Development Plan, which will require a hearing at the Planning Commission. The County provided guidance on what that process will entail and what information will be needed and noted that the CSD is meeting all of the information needs that they anticipate. The County also confirmed that they will support a Fee Waiver Request in order to waive permit fees up to \$5,000. If additional fees are needed, the CSD will have the option to request further waivers from the Board of Supervisors.

The following is a brief update for each of the previously identified milestones.

Prepare Technical Reports (Archaeological, Biological Resource Assessment, Visual Simulations)

The archaeological report is complete and no pre-historic resources were discovered. The visual simulations have been finalized as of December. It has been confirmed that the proposed water tanks would be almost completely blocked from views along Highway 1 by intervening topography and vegetation. The biological assessment has been completed, confirming the presence of native coastal terrace habitat and identifying mitigation measures to address any impacts.

In-Season (springtime) Rare Plant Survey: The local agencies (County of SLO, Coastal Commission, CDFW) prefer for seasonal surveys to be done prior to issuing a MND in order to rule out any impacts upfront. This approach is more in line with CEQA legislation and provides for a more accurate impact analysis. As such, we discussed this approach with County staff (March 27, 2019) and confirmed that since they will rely on our analysis for the project land use permitting, their preference is to have the rare plant survey completed prior to issuing the MND.

The initial blooming season survey was completed on April 25th. An additional survey will be completed in the May/June timeframe specifically for late-blooming species, depending on the progress of the late-Spring season and weather. After which a report will be issued for inclusion in the project MND.

Issue Tribal Consultation Invitation per the Requirements of AB 52

As required by State law, a notice has been sent to the Tribal Representatives in the project area identified by the Native American Heritage Commission. This is a requirement for all CEQA projects, with the exception of CEQA Exemptions. The comment period ended on January 7, 2019, consultation was requested and the project team was able to discuss project questions with Tribal Representatives. Additional comments have been received and noted and we will work with the County to ensure compliance.

Prepare Draft MND

Preparation of the Draft MND has already been initiated. However, publication of the Final MND will be timed with the preparation of seasonally timed (April/June) rare plant surveys.

Once reviewed, a Final MND will be printed and published through the State Clearinghouse for the required 30-day public review period. Any comments received will be noted and presented to the SSCSD Board during the hearing for Certification and Adoption of the MND. Please note that the timing for this task is subject to change.

Prepare Final MND

To be initiated upon final review of the Draft MND.

Publish MND and Notice of Availability

To be completed upon preparation of the Final MND. The Final MND will be printed and published with the State Clearinghouse for the 30-day public review period.

Public Review (30 Days)

To be initiated upon publication of the Final MND.

Consideration of MND for Certification by SSCSD Board

Once the public review period is complete, the MND will be considered for Certification and Adoption by the SSCSD Board.

File Notice of Determination with County Clerk

To be completed within 5 working days after Board Certification.

Submit Permit Application to County

To be completed upon filing of the NOD with the County. It is expected that the project will trigger the need for a Conditional Use Permit from the County. We will work with the County to waive any project permit fees possible. CEQA review will have been completed already, which should speed up the County's review process.

County Permit Hearing

The project Land Use Permit will require a public hearing, to be scheduled by the County, for project approval.

Thank you for the opportunity to provide a brief project update. Please feel free to contact me if you have any questions.

Sincerely,

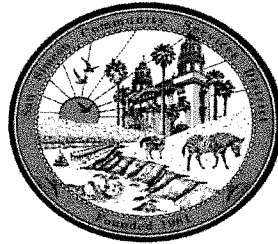


Jeff Oliveira, Principal Environmental Planner

Oliveira Environmental Consulting LLC

3. A. iv. DISTRICT FINANCIALS
Cortney Murguia
April 30, 2019

SAN SIMEON COMMUNITY SERVICES DISTRICT



3.A.iv FINANCIAL SUMMARY

Billing April 30, 2019

March Billing Revenue	\$ 60,198.60
April Billing Revenue	\$ 84,436.76
Past Due (31 to 60 days)	\$ 1,026.04
Past Due (60 days)	\$ 114.64

ENDING BANK BALANCES

April 30, 2019

RABOBANK SUMMARY:

Well Rehab Project/USDA Checking Account **\$ 59.00**

PACIFIC PREMIER BANK:

Money Market Account Closing Balance March 31, 2019 **\$ 921,358.38**

Interest for March **\$ 1,837.62**

Money Market Account Closing Balance April 30, 2019 **\$ 923,196.00**

Reserve Fund (250,000.00)

Wait-list Deposits (69,750.00)

Customer Deposits (9,350.00)

Available Funds **\$ 594,096.00**

General Checking Account April 30, 2019 **\$ 108,147.62**

LAIF Closing Balance April 30, 2019 **\$ 543.02**

Interest Money Market Account 2018 **\$ 5,473.10**

Interest Money Market Account Year to Date **\$ 7,133.04**

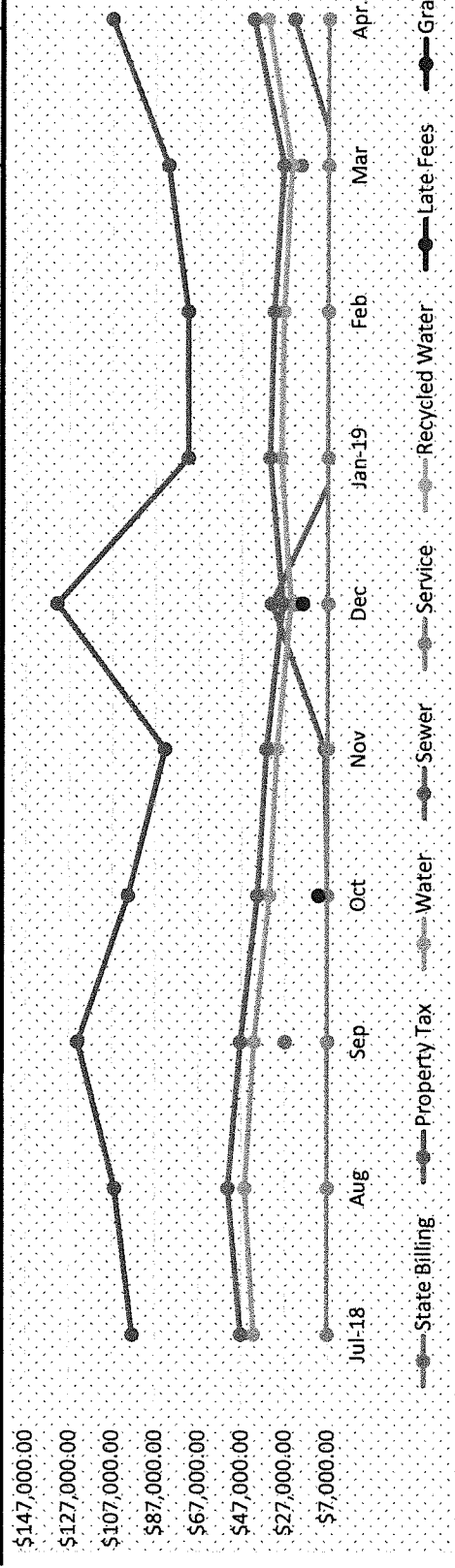
SAN SIMEON COMMUNITY SERVICES DISTRICT
Balance Sheet
As of April 30, 2019

Apr 30, 19

ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty cash	150.00
1015 · Pacific Prem - General Checking	106,341.66
1017 · Pacific Premier-Money Market	923,196.00
1022 · USDA checking	164.00
1040 · Cash in county treasury	108.33
1050 · LAIF - non-restricted cash	536.39
Total Checking/Savings	1,030,496.38
Other Current Assets	
1200 · Accounts receivable	84,613.45
1300 · Prepaid expenses	1,649.13
Total Other Current Assets	86,262.58
Total Current Assets	1,116,758.96
Fixed Assets	
1400 · Fixed assets	
1420 · Building and structures	395,874.73
1500 · Equipment	316,747.53
1540 · Major Water Projects	190,360.90
1560 · Pipe bridge	28,075.58
1580 · Sewer plant	1,488,555.08
1600 · Water system	550,390.00
1620 · WWTP expansion	299,565.92
1630 · Tertiary Project	262,932.67
1640 · Wellhead Rehab Project	450,827.53
1650 · Walkway access projects	21,511.00
1660 · RO Unit	931,966.97
1670 · Reservoir	146,584.79
1680 · Generator	29,101.14
Total 1400 · Fixed assets	5,112,493.84
1690 · Accumulated depreciation	(2,425,530.17)
Total Fixed Assets	2,686,963.67
TOTAL ASSETS	3,803,722.63
LIABILITIES & EQUITY	
Current Liabilities	
2500 · Customer security deposits	9,300.00
2510 · Connect hookup wait list	69,750.00
2520 · USDA Loan	451,436.07
Total Liabilities	530,486.07
Equity	
3200 · Fund balance	3,238,681.99
Net Income	34,554.57
Total Equity	3,273,236.56
TOTAL LIABILITIES & EQUITY	3,803,722.63

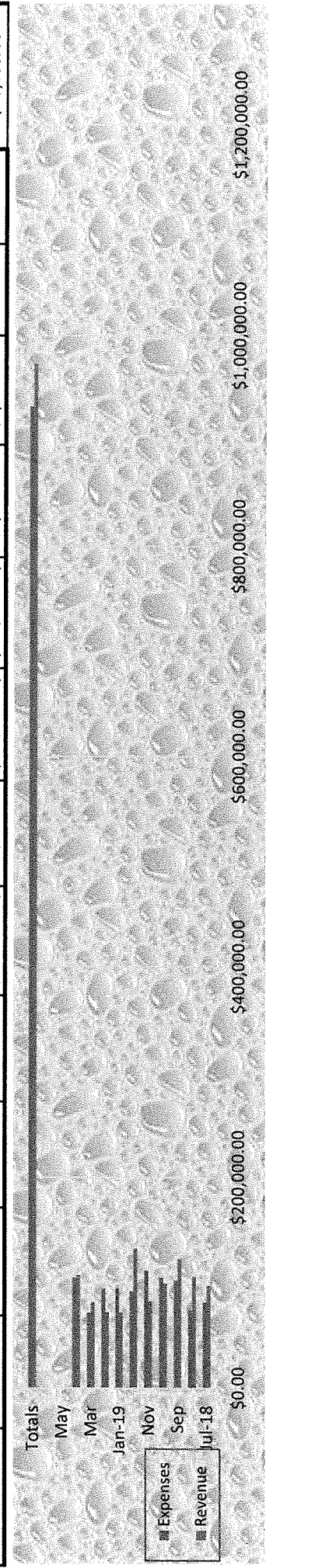
DISTRICT REVENUE FY 2018/2019

	Jul-18	Aug	Sep	Oct	Nov	Dec	Jan-19	Feb	Mar	Apr.	May	June	Totals
State Billing			\$26,723.91			\$20,971.00			\$19,858.71				\$67,553.62
Property Tax	\$1,288.59	\$0.00	\$169.19	\$7,205.82	\$8,542.19	\$33,187.58	\$1,319.32	\$4,888.55	\$2,227.01	\$22,928.34			\$81,756.59
Water	\$41,336.59	\$45,279.14	\$41,178.74	\$34,050.67	\$30,760.16	\$24,353.21	\$29,009.60	\$27,745.06	\$24,146.67	\$35,445.24			\$333,305.08
Sewer	\$47,258.33	\$53,156.35	\$47,379.43	\$39,628.31	\$35,491.84	\$28,149.21	\$34,169.78	\$32,181.86	\$27,850.19	\$41,666.62			\$386,931.92
Service	\$7,111.73	\$7,113.60	\$7,113.60	\$7,113.60	\$7,079.40	\$7,079.40	\$7,147.80	\$7,079.40	\$7,079.40	\$7,079.40			\$70,997.33
Recycled Water													\$0.00
Late Fees	\$461.43	\$201.49	\$290.08	\$168.71	\$600.53	\$135.60	\$178.43	\$146.51	\$126.87	\$177.46			\$2,487.11
Grant Funds				\$11,367.00		\$18,753.05							\$30,120.05
Total	\$97,456.67	\$105,750.58	\$122,854.95	\$99,534.11	\$82,474.12	\$132,629.05	\$71,824.93	\$72,041.38	\$81,288.85	\$107,297.06			\$973,151.70
Water Sold Cu Ft	334631	367360	332914	275609	243491	195107	236456	227602	197397	288979			2699546
Water Sold Acre ft	7.68	8.43	7.64	6.33	5.59	4.48	5.43	5.23	4.53	6.63	0.00	0.00	61.97



REVENUE VS EXPENSES

	Jul-18	Aug	Sep	Oct	Nov	Dec	Jan-19	Feb	Mar	Apr.	May	June	Totals
Revenue	\$97,456.67	\$105,750.58	\$122,854.95	\$99,534.11	\$82,474.12	\$132,629.05	\$71,824.93	\$72,041.38	\$81,288.85	\$107,297.06			\$973,151.70
Expenses	\$81,495.91	\$74,250.58	\$102,279.81	\$104,990.12	\$111,554.79	\$92,037.25	\$94,850.91	\$94,625.06	\$71,744.58	\$105,016.25			\$932,845.26
Balance	\$15,960.76	\$31,500.00	\$20,575.14	(\$5,456.01)	(\$29,080.67)	\$40,591.80	(\$23,025.98)	(\$22,583.68)	\$9,544.27	\$2,280.81			\$40,306.44



**SAN SIMEON COMMUNITY SERVICES
HISTORICAL FISCAL REVIEW**

FY 2015 / 2016

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$7,200.02			\$8,584.90			\$11,992.94			\$10,529.30	\$38,307.16
Property Tax	\$1,299.10	\$78.29	\$89.78	\$6,473.88	\$5,162.73	\$31,035.95	\$732.82	\$3,907.74	\$4,380.61	\$20,311.05	\$670.65	\$812.49	\$74,955.09
Water	\$32,179.33	\$35,048.63	\$31,023.24	\$30,062.47	\$23,260.87	\$19,903.42	\$28,833.61	\$24,410.65	\$22,300.83	\$24,943.58	\$27,395.80	\$29,375.50	\$328,737.93
Sewer	\$38,340.31	\$41,800.72	\$36,517.90	\$35,482.63	\$27,568.63	\$23,716.44	\$33,983.50	\$28,929.28	\$26,405.46	\$29,496.09	\$31,742.13	\$34,065.24	\$388,048.33
Service	\$6,052.80	\$6,081.90	\$6,111.00	\$6,111.00	\$6,111.00	\$6,111.00	\$6,169.20	\$6,111.00	\$6,140.10	\$6,140.10	\$6,111.00	\$6,111.00	\$73,361.10
Recycled Water			\$1,359.75			\$854.07							\$2,213.82
Late Fees	\$118.83	\$71.20	\$72.27	\$239.83	\$386.63	\$99.38	\$153.29	\$138.82	\$86.36	\$485.53	\$657.24	\$418.39	\$2,927.77
Total Revenue	\$77,990.37	\$83,080.74	\$82,373.96	\$78,369.81	\$62,489.86	\$90,305.16	\$69,872.42	\$63,497.49	\$71,306.30	\$81,376.35	\$66,576.82	\$81,311.92	\$908,551.20
Total Expense	\$56,735.48	\$80,703.14	\$62,573.67	\$62,460.00	\$90,307.21	\$78,261.91	\$62,999.58	\$69,646.10	\$68,440.42	\$78,744.51	\$62,608.05	\$60,034.80	\$833,514.87
Water Sold Cu Ft	311247	338869	297896	288860	223460	191579	276707	234583	213757	239168	260907	278453	3,155,486
Water Sold Acre ft	7.15	7.78	6.84	6.63	5.13	4.40	6.35	5.39	4.91	5.49	5.99	6.39	72.44

FY 2016/2017

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$12,485.00			\$13,996.07			\$29,440.40			\$23,960.29	\$79,881.76
Property Tax	\$1,161.69		\$1,184.42	\$6,789.01	\$6,970.82	\$28,878.98	\$2,456.74	\$2,966.66	\$2,421.97	\$23,540.38	\$415.92	\$1,111.78	\$77,898.37
Water	\$36,292.1	\$36,746.52	\$31,241.74	\$29,953.03	\$22,549.49	\$19,445.8	\$25,600.5	\$22,112.36	\$19,816.90	\$27,563.35	\$27,763.55	\$31,331.40	\$330,416.71
Sewer	\$41,862.8	\$43,190.60	\$36,386.89	\$35,106.74	\$25,574.57	\$21,817.9	\$29,037.7	\$24,590.36	\$22,440.87	\$31,022.32	\$31,228.75	\$34,851.59	\$377,111.12
Service	\$6,559.5	\$6,472.20	\$6,472.20	\$6,472.20	\$6,626.30	\$6,533.8	\$6,503.0	\$6,503.02	\$6,503.02	\$6,503.02	\$6,564.66	\$6,626.30	\$78,339.28
Recycled Water						\$216.4							\$216.35
Late Fees	\$485.7	\$97.52	\$595.71	\$316.72	\$353.70	\$1,587.7	\$366.8	\$1,387.73	\$735.52	\$202.87	\$187.94	\$804.03	\$7,121.95
Total Revenue	\$86,361.78	\$86,506.84	\$88,365.96	\$78,637.70	\$62,074.88	\$92,476.61	\$63,964.81	\$57,560.13	\$81,358.68	\$88,831.94	\$66,160.82	\$98,685.39	\$950,985.54
Total Expense	\$127,105.89	\$72,035.48	\$114,268.09	\$71,273.31	\$75,340.87	\$66,017.87	\$71,441.43	\$72,822.48	\$152,049.21	\$62,994.78	\$77,525.44	\$71,657.28	\$1,034,532.13
Water Sold Cu Ft	324654	324654	281207	269907	203338	175391	232048	200704	179990	249876	249279	282352	2,973,400
Water Sold Acre ft	7.45	7.45	6.46	6.20	4.67	4.03	5.33	4.61	4.13	5.74	5.72	6.48	68.26

FY 2017/2018

Month	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fiscal Total
State Billing			\$24,606.31			\$21,914.14			\$21,542.66			\$23,690.87	\$91,763.98
Property Tax	\$1,282.43		\$121.78	\$3,988.38	\$11,222.22	\$31,099.09	\$7,506.90	\$2,750.02	\$640.94	\$22,168.20	\$1,686.05	\$771.97	\$83,232.98
Water	\$34,880.43	\$36,192.33	\$31,137.52	\$27,999.25	\$26,930.07	\$19,762.53	\$22,551.64	\$25,457.70	\$16,741.07	\$28,408.76	\$27,795.23	\$36,075.95	\$333,932.48
Sewer	\$38,495.46	\$39,770.86	\$33,836.96	\$30,919.58	\$29,421.68	\$21,164.32	\$25,021.12	\$28,652.26	\$19,108.33	\$32,900.73	\$31,492.38	\$40,773.70	\$371,557.38
Service	\$6,820.12	\$6,950.95	\$6,821.63	\$6,659.98	\$6,886.29	\$6,886.29	\$6,789.30	\$6,853.96	\$6,724.64	\$6,724.64	\$6,724.64	\$6,724.64	\$81,567.08
Recycled Water													\$0.00
Late Fees	\$628.24	\$379.06	\$292.61	\$241.85	\$221.14	\$159.01	\$113.69	\$197.92	\$487.09	\$284.43	\$202.63	\$179.47	\$3,387.14
Total Revenue	\$82,106.68	\$83,293.20	\$96,816.81	\$69,804.04	\$74,681.40	\$100,985.38	\$61,982.65	\$63,911.86	\$65,244.73	\$90,486.76	\$67,900.93	\$108,216.60	\$965,431.04
Total Expense	\$94,660.34	\$87,503.06	\$104,489.98	\$71,763.52	\$62,490.35	\$85,613.60	\$88,196.48	\$73,251.65	\$109,510.66	\$70,856.21	\$80,363.24	\$80,743.66	\$1,009,442.75
Water Sold Cu Ft	299369	310960	266284	241692	232942	169355	194345	217741	144425	244412	237414	308832	2,867,771
Water Sold Acre	6.87	7.14	6.11	5.55	5.35	3.89	4.46	5.00	3.32	5.61	5.45	7.09	65.84

4. CONSENT AGENDA

- A. Review & Approval of Minutes for the Regular Meeting
–April 10, 2019**

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, April 10, 2019
6:00 pm

CAVALIER BANQUET ROOM
250 San Simeon Avenue
San Simeon, CA 93452

1. REGULAR SESSION: 6:07 PM

- | | |
|--|---|
| A. Chairperson Kellas – Present
Vice-Chairperson McGuire – Absent
Director Russell – Present
Director Stanert – Present
Director Smith – Absent | District Counsel, Natalie Frye Laacke
General Manager, Charlie Grace |
|--|---|

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

Public Comment – None

3. SPECIAL PRESENTATIONS AND REPORTS:

A. STAFF REPORTS:

- i. Sheriff's Report** – Commander Manuele reported 57 calls for service during the month of March.

- ii. Superintendent's Report** – Jerry Copeland provided a summary of the March activities.

Eddie Price inquired about how many meters had been installed.

Jerry Copeland replied that there were 2 hotel water meters that needed to be replaced.

Mike Hanchett asked if there were any notable issues related to the outfall inspection and the work performed by MDS.

Jerry Copeland stated that there were no issues.

- iii. General Manager's Report** – Charlie Grace provided a summary of March Activities.

Director Russell inquired about an email from a member of the public regarding the Eroica bike race.

Cortney Murguia and Mike Hanchett discussed the email and future bike races scheduled for our area.

Director Stanert asked about storm drain meetings that staff attended in 2018.

Charlie Grace responded that staff had attended the meetings but had not submitted any project ideas because the District does not own the storm drains for the community.

Director Stanert, Charlie Grace and Mike Hanchett discussed the creek that runs along the south side of the property line of the Motel 6 and the Hearst property.

iv. **District Financial Summary** – Cortney Murguia provided a summary of the District financials.
Chairperson Kellas inquired about the wire transfer fee.

Cortney Murguia replied that this amount is typically credited back to the account.

v. **District Counsel’s Report** – Natalie Frye Laacke provided a summary of March Activities.

B. **BOARD OF DIRECTORS AND COMMITTEE REPORTS:** The budget committee did not meet due to the lack of a quorum.

C. **SPECIAL PRESENTATION:** None

D. **PUBLIC COMMENTS ON SPECIAL PRESENTATIONS AND REPORTS:**
Public Comment – None

4. CONSENT AGENDA ITEMS:

Public Comment – None

Director Russell asked that an “L” be added to Russel on page 1.

A. Review and approval of Minutes for the Regular Meeting on March 13, 2019.

B. Review and approval of Disbursements Journal.

A motion was made to approve items 4A – 4B with the changes recommended by Director Russell.

Motion by: Chairperson Kellas

2nd: Director Russell

All in: 3 /0

Absent: Director Smith & Vice Chairperson McGuire

5. PUBLIC HEARING:

Public Comment – None

A. Public Hearing on Adoption of an Ordinance Amending the District’s Water and Wastewater Capacity Fee Charges.

Chairperson Kellas introduced the item and commented on the 38% allocation used for the capacity fees, stating the she understood the formula.

No action was taken on this item.

6. BUSINESS ITEMS:

Public Comment – None

A. Discussion regarding the Draft Budget for Fiscal Year 2019/2020.

Chairperson Kellas introduced the item. The budget committee did not meet due to the lack of a quorum. No information was presented and no action was taken.

B. Authorization for the General Manager to purchase a Harmsco pre-filter not to exceed the amount of \$12,000.00.

Charlie Grace introduced the item. A green sheet with a revised estimate was distributed to the Board.

Charlie Grace and Director Russell discussed the product options, warranty options, and the existing system.

A motion was to allow the General Manager to purchase the Hurricane Filter not to exceed the amount of \$12,000.00.

Motion by: Chairperson Kellas

2nd: Director Russell

All in: 3 /0

Absent: Director Smith & Vice Chairperson McGuire

C. Discussion regarding the road maintenance agreement for San Simeon Avenue.

Chairperson Kellas introduced the item.

Chairperson Kellas, Director Russell, and Natalie Frye Laacke discussed the legal definition of vacating, the terms of the existing contract, the possibility of taking back the existing street, the timeline related to the proposed repair, and maintenance of the road.

Director Russell asked that this item be tabled until the May meeting.

D. Approval of the Policy & Procedures Manual.

Cortney Murguia introduced the item and explained that the electronic version included with Board packet was the incorrect version of the manual.

Chairperson Kellas asked about Page 11/ 6th bullet point and the Chair's ability to call a meeting.

Natalie Frye Laacke replied that staff would add the language to the manual.

Chairperson Kellas asked about adding consistent language to Paragraph 3 on page 26. It was decided that this language be added to all applicable portions of the purchasing policy.

Director Russell asked that this item be tabled until the May meeting.

7. BOARD/STAFF GENERAL DISCUSSIONS AND PROPOSED AGENDA ITEMS –

Director Stanert asked that touring the constructed plant/wetlands in Arcata and touring two additional WWTP along the way be added to the May meeting agenda.

8. ADJOURNMENT @ 7:09 PM

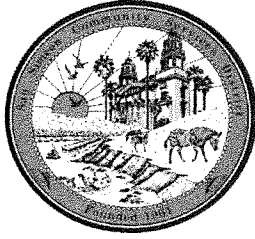
4. CONSENT AGENDA

B. Consideration of approval of Disbursements Journal

SAN SIMEON COMMUNITY SERVICES DISTRICT
Disbursements Journal
 May 2019

Type	Date	Num	Name	Memo	Paid Amount
<i>Additional payments Disbursed in April (not included on April Disbursement Journal listing).</i>					
Bill Pmt -Check	04/12/2019	1790	Jesus Nunez	Asphalt / roadway paving completed 4/12/19.	-2,600.00
Check	04/30/2019	Elec Pymt	United States Treasury (US Treasury)	Tax payment notice for balance of payroll taxes due - 4th quarter 2018.	-12.56
<i>May Disbursements</i>					
Paycheck	05/01/2019	1791	GWEN KELLAS	Board Service April 2 through May 1, 2019.	-92.35
Paycheck	05/01/2019	1792	JOHN K RUSSELL	Board Service April 2 through May 1, 2019.	-92.35
Paycheck	05/01/2019	1793	JULIA A GREENAN	Board Service April 2 through May 1, 2019.	-92.35
Bill Pmt -Check	05/08/2019	1794	Donna Pommerich-Hall	Customer refund of security deposit on account #365.	-50.00
Bill Pmt -Check	05/08/2019	1795	William Hill	Customer refund of security deposit on account #44.	-50.00
Bill Pmt -Check	05/08/2019	1796	Adamski Moroski Madden Cumberland & Green	Legal services regarding policy manuals through March 31, 2019. Inv #47000 dated 4/26/19.	-3,505.11
Bill Pmt -Check	05/08/2019	1797	Adamski Moroski Madden Cumberland & Green	Legal services regarding general matters through March 31, 2019. Inv #47001 dated 4/26/19.	-301.00
Bill Pmt -Check	05/08/2019	1798	Harrington Industrial Plastics, LLC	Water Filters - 30-3/4" - quantity 4. Inv 013A8320 dated 04/22/19.	-2,389.00
Bill Pmt -Check	05/08/2019	1799	Kathleen Fry Bookkeeping Services	Bookkeeping Services April 2019. Inv 2019-04 dated 04/30/19.	-1,200.00
Bill Pmt -Check	05/08/2019	1800	Marine Diving Solutions, LLC	Dredged and inspected outfall pipe and replaced anodes. Work completed 04/05/19. Inv #1863 dated 04/01/19.	-31,500.00
Bill Pmt -Check	05/08/2019	1801	Oliveira Environmental Consulting LLC	Professional consulting services on Reservoir project. March 2 through April 10. Inv OEC_2019_010A dated 04/17/19.	-1,045.00
Bill Pmt -Check	05/08/2019	1802	Oliveira Environmental Consulting LLC	grant opportunities. Services March 2 through April 10. Inv OEC_2019_010B dated 04/17/19.	-2,517.50
Bill Pmt -Check	05/08/2019	1803	Phoenix Civil Engineering, Inc	Prof Svcs on Reservoir Project through March 31, 2019. Inv 19-089 dated 04/11/19.	-6,135.75
Bill Pmt -Check	05/08/2019	1804	Grace Environmental	Operations Management and Maintenance Fees May 2019. Inv #1281 dated 05/01/2019.	-51,892.67
Check	05/25/2019	Elec Pymt	CalPERS Fiscal Services Division	Unfunded Accrued Liability only - prepaid for June 2019. Cust. ID #7226734344.	-1,132.64
Check	05/25/2019	Elec Pymt	CalPERS Fiscal Services Division	Retiree Health monthly premium prepaid for June 2019.	-362.07
Liability Check	05/28/2019	Elec Pymt	United States Treasury (US Treasury)	Payroll tax payment for paychecks dated 05/01/2019	-45.90
TOTAL					-105,016.25

5. A. BUSINESS ITEMS

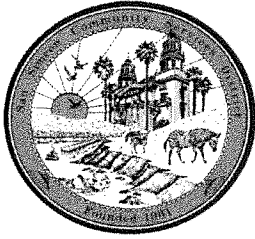


BUSINESS ACTION ITEM STAFF REPORT

Item 5.A. Discussion regarding the Draft Budget for Fiscal Year 2019/2020.

A draft version of the 2019/2020 budget will be presented.

5.B. BUSINESS ITEMS



BUSINESS ACTION ITEM STAFF REPORT

Item 5.B. Discussion regarding Water and Wastewater Capacity Fee Study.

During the March and April Board meetings staff presented a draft version of the capacity fee schedule for feedback from both the Board of Director's and members of the public. Since the last meeting the General Manager has worked with Tuckfield and Associates to add additional capital improvements projects to the overall total. The capital improvement project is as follows:

Solids Drying System:

Screw press - \$265,000
Polymer injection pad / assembly - \$6,125
Piping modification / installation - \$125,000
Trailer - \$30,000
Design - \$31,000
Construction Management - \$19,500
Permitting - \$10,000

Total project cost = \$486,625

The increase in cost per EDU was \$55.00.

Staff is asking that the Board consider approving the Capacity Fee study. Once this document has been approved, staff will present capacity fee ordinance. As part of this process, Staff will solicit input from both the Board of Directors and the public.

Enc: Revised Capacity Fee Study dated 4.19.19

Tuckfield & Associates

2549 Eastbluff Drive, Suite 450B, Newport Beach, CA 92660
Phone (949) 760-9454 Fax (949) 760-2725
Email ctuckfield@tuckfieldassociates.com

MEMORANDUM

San Simeon Community Services District

April 19, 2019

Subject: Capacity Charge Study

To: Mr. Charles Grace, General Manager, San Simeon Community Services District

From: G. Clayton Tuckfield, PE MBA, Tuckfield & Associates

INTRODUCTION

The San Simeon Community Services District (District) engaged Tuckfield & Associates to develop capacity charges for its water and wastewater systems. This technical memorandum presents the findings and results of the Capacity Charge Study (Study) that develops water and wastewater capacity charges to equitably recover the costs of existing and future system infrastructure that benefits new development. Establishing capacity charges requires compliance with the California legal framework and the capacity charges in this Study have been determined following this framework as well as American Water Works Association (AWWA) methodologies.

Background

The District commissioned a Potable Water, Wastewater, Recycled Water, and Road Network Improvement Plan (Master Plan) that evaluated the infrastructure needs of the water and wastewater systems. Specific projects were identified to buildout of both systems and those have been included into a Capital Improvement Program (CIP). These improvements consist of repair and replacement expenditures related to the existing system facilities as well as expanding the capacity of the systems. The improvements are required to maintain safe and reliable facilities that meet the needs of existing customers as well as new customer demand. From this CIP information and related information provided by the District, the capacity charges are updated in this Study.

Purpose and Scope

The purpose of this Study is to calculate new District capacity charges such that they address the following.

- Account for recent additions to the District's fixed assets and proposed CIP for both systems.

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- Determine a method for calculating capacity charges that fairly allocates cost to new development for the capacity provided.
- Establish capacity charges that are reasonable, conform to applicable laws, are easy to understand, and simple to implement.

This Study includes the review and analysis of water and wastewater fixed assets, capital improvement plans, existing and future water and wastewater system demands, and existing or planned financing. This Study provides the documentation necessary to implement proposed water and wastewater capacity charges that satisfies the requirements of the California Government Code and District financial administrative requirements.

COMPLIANCE WITH STATE LAW

Capacity charges are governed California Government Code (Code) section 66013. This section of the Code defines a “capacity charge” as “a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged.” The Code separately distinguishes “capacity charges” from “connection fees” which are defined as fees for the physical facilities necessary to make a water or sewer connection.

The capacity charges developed in this memorandum follow Section 66013, such that the capacity charges not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed. Section 66013 does not detail any specific methodology for calculating capacity charges.

To implement the capacity charges, section 66016 of the Code identifies the procedural requirements for adopting or increasing water and wastewater capacity charges. The Code requires a 14-day notice of public hearing on the capacity charges. Notices only need to be mailed for anyone who has filed a specific request to be notified. Ten (10) days before the hearing, the report establishing the fees must be made available to the public.

METHODOLOGY

There are several methodologies that may be used in the development of capacity charges that can be applied to various urban growth situations. Brief descriptions of each methodology are provided below.

System Buy-In - Charges are designed to derive from new customers an amount per connection equal to the "equity" in the system attributable to existing customers. This method employs either original costs or replacement costs in measuring equity.

Incremental Cost - Charges are designed to derive from new customers the incremental, or added, cost of system expansion associated with new customer growth. This method is based on the principle that new connections to the system should pay for those costs, which they cause to be incurred, resulting from the most recent or next increment of system capacity needed to serve new customers.

Combination of Buy-In and Incremental Cost - In some situations, utilities use a combination of system buy-in and incremental cost methods. This method recognizes capacity in the system that is available now and planned for future development and allocates capital improvement program projects between replacement and growth-related value.

The methodology used for the District is a combination of buy-in and incremental cost methodology. This methodology considers the contribution of both the existing facilities and growth-related facilities to accommodate new development. This methodology is used where the service area has existing facilities that will benefit new users of the system and where an expansion is anticipated or projected.

SYSTEM CAPACITY

System capacities of the water and wastewater facilities are used in the development of the capacity charges. Average daily consumption of water users and average daily wastewater flow, Biochemical Oxygen (BOD), Suspended Solids (SS), and number of customers of existing users was provided from several sources including the District and the Master Plan. Table 1 below summarizes the capacities used for this Study.

	Water gpd	Sewer			
		Flow gpd	BOD lbs/day	SS lbs/day	Customer Customers
Existing and Planned System Capacities					
1 Existing Customer Use Capacity [1]	76,500	80,000	218	189	225
2 Existing System Capacity [2]	80,800	200,000	546	472	238
3 Planned System Capacity [3]	122,400	200,000	546	472	360
Growth-Related System Capacities					
4 Planned Growth-Related Expansion Capacity	41,600	-	-	-	122
5 Excess Capacity	4,300	120,000	327	283	13
6 Total Excess and Planned Capacity	45,900	120,000	327	283	135

- [1] Average Day Demand from master plan in gpd.
- [2] Estimate based on master plan 2015 demand.
- [3] Capacity at the end of the CIP period from master plan.

FACILITY VALUE

Buy-in Component

The current facility value (for capacity charge purposes) for both the water and wastewater systems is based on Replacement Cost Less Depreciation (RCLD), derived from information and records provided by the District. Replacement cost refers to valuing the existing facilities at the cost to replace those facilities with facilities of similar usefulness, not necessarily with the exact equipment that currently exists.

The replacement cost of the water and wastewater existing facilities was determined by increasing each asset's original cost from its acquisition date to December 2018. This was accomplished by multiplying the asset original cost by the ratio of the Engineering News Record (ENR) Construction Cost Index (CCI) for December 2018 to the ENR CCI of its installation date. The replacement cost of the existing assets was then depreciated recognizing the percent that the asset has been depreciated in proportion to its original cost. Table 2 shows the District net investment in water and wastewater system facilities stated in terms of Replacement Cost Less Depreciation (RCLD). Detailed calculations of water and wastewater facility values are provided in Tables A-3 and B-2 respectively in the appendix to this memorandum.

Adjustments to the facility values are required to develop the buy-in component of the capacity charges. These adjustments include accounting for capital reserve contributions from existing customers and includes the replacement (system-wide) component of CIP projects, both of which are shown in Table 2. Capital reserve balances are added to facility value because the existing customers have paid into these reserves and future customers should buy-in for a proportionate share of the financial reserves as shown on line 4. Replacement (system-wide) CIP, shown on line 2, is included because these facilities will benefit both existing and new users of the system and the capacity charges are intended to be in effect for at least the next five years.

Incremental Cost Component

The District has developed a CIP plan that identifies facilities to be constructed to build out of the system. The CIP has system value that is related to both existing development and future growth. CIP costs that are related to replacement of current facilities have been included in the buy-in component of the capacity charges, whereas growth-related CIP is included with the incremental cost of facility value in the calculation. The water and wastewater CIP are provided in Tables A-1 and B-1 respectively in the appendix to this memorandum and shows the allocation of each CIP project to existing systemwide facilities (replacement) and growth-related facilities. Wastewater CIP is further allocated to wastewater cost component of flow, BOD, SS and Customer however, all of the CIP is assumed to be flow related.

PROPOSED CAPACITY CHARGE CALCULATIONS

Table 2 presents the calculations used to develop the water and wastewater capacity charges. The calculations use the facility values of the existing system facilities and future CIP facilities along with the system capacities from Table 1 to calculate a unit capacity charge in terms of dollars per gallon per day (\$/gpd) for water and dollars per unit for each wastewater parameter of flow, BOD, SS and Customer (\$/gpd, \$/lb, etc).

	Water	Wastewater			
		Volume	BOD	SS	Customer
Existing and Planned CIP Value					
1 Existing System Facility Assets Value	\$669,297	\$587,718	\$570,433	\$570,433	\$10,300
2 CIP Replacement (System-wide) Improvements	5,943,550	2,176,481	-	-	-
3 PV of Remaining Debt Service Related to Existing Facilities	(340,568)	-	-	-	-
4 Capital Reserves Balance	106,970	20,710	20,090	20,090	360
5 Total Existing and Planned System-wide Value	\$6,379,249	\$2,784,909	\$590,523	\$590,523	\$10,660
6 Planned System Capacity [1]	122,400	200,000	546	472	360
7 Existing and Planned Value per unit	\$52.118 gpd	\$13.925 gpd	\$1,081.961 lb BOD	\$1,250.181 lb SS	\$29.612 Customers
Growth-Related Value					
8 CIP Growth-Related Improvements	\$3,642,821	\$1,333,972	\$0	\$0	\$0
9 Total Growth-Related Value	\$3,642,821	\$1,333,972	\$0	\$0	\$0
10 Total Excess and Expansion Capacity [2]	45,900	120,000	327	283	6,642
11 Growth-Related Value per unit	\$79.364 gpd	\$11.116 gpd	\$0.000 lb BOD	\$0.000 lb SS	\$0.000 Customers
12 Capacity Charge per unit [3]	\$131.482 gpd	\$25.041 gpd	\$1,081.961 lb BOD	\$1,250.181 lb SS	\$29.612 Customers

[1] Capacity at the end of the CIP period.

[2] Sum of Planned Growth-Related Expansion Capacity and Excess Capacity.

[3] Sum of Existing/System-wide and Growth-Related Value per unit.

Facility values are reduced to account for financing of existing and future facilities as shown in Table 2. The present value of outstanding debt service payments is deducted from existing facility value to reflect the equity in the existing system, because debt service payments will be made from future water and wastewater rates. Table 3 provides the net capacity charge for one EDU, after financial adjustments, by multiplying each unit capacity charge component from Table 2 by the demand of one single-family residential customer.

Table 4 presents the schedule of proposed water and wastewater capacity charges for the District. Water system capacity charges for residential customers are based on an Equivalent Dwelling Unit (EDU) ratio assigned for residential development whereas non-residential customers are based on the water meter size. The water meter size and EDU ratios for the various types of development are

methods that conform to industry practice and applicable laws, is easy to understand, and is simple to implement and administrate by the District.

For the wastewater system, capacity charges for residential and non-residential customers are designed such that they are charged based on the flow, BOD, and SS of the new development applied to the individual components from line 1 of Table 3. By doing so, those customers that require a larger use of facilities designed to treat BOD and SS greater than standard strength, or one EDU, may be charged accordingly. Capacity charges for several current non-residential development types of the District are provided in Table 4.

Capacity Charge	Water	Wastewater			Customer	Total
		Volume	BOD	SS		
1 Capacity Charge per unit	\$131.48	\$25.04	\$1,081.96	\$1,250.18	\$29.61	
2 Single-family Residential Demand	36 gpd	18 gpd	0.0491 lb BOD	0.0425 lb SS	1 Customers	
3 Capacity Charge	\$4,733.28	\$450.72	\$53.11	\$53.11	\$29.61	\$586.55

Capacity Ratio / EDU Ratio	Proposed Water	Proposed Wastewater	Wastewater Information Used [2]			
			gpd	BOD (mg/l)	SS (mg/l)	Customers
1 Single-family Residential [1]	\$4,733	\$586	18	327	283	1
2 Multifamily Residential [1]	\$4,733	\$586	18	327	283	1
3 Mobile Home [1]	\$4,733	\$586	18	327	283	1
4 RV Space [1]	\$4,733	\$586	18	327	283	1
5 Motels (per unit)	\$3,313	\$378	12	310	120	1
6 Motels (Manager Apartment)	\$4,733	\$586	18	327	283	1
7 Restaurants (per square foot)		\$36.00	0.167	1,000	600	1
8 Service Stations (with 2 restrooms)		\$40,349	1,000	1,000	600	1
9 Retail Shops (each)		\$5,621	200	150	150	1
10 Public Restrooms (each)		\$5,444	175	327	283	1
11 Commercial Laundries (each machine)		\$5,537	200	150	110	1
Non-Residential						
Water Meter Size	Capacity Ratio					
12 5/8"	1.00	\$4,733				
13 3/4"	1.00	\$4,733				
14 1"	1.67	\$7,904				
15 1 1/2"	3.33	\$15,760				
16 2"	5.33	\$25,226				
17 3"	10.67	\$50,501				
18 4"	16.67	\$78,899				
19 6"	40.00	\$189,320				
20 8"	66.67	\$315,549				
Unspecified [3]			Flow (\$/gpd)	BOD (\$/lb)	SS (\$/lb)	Customer (\$/Cust)
21 Charge for Each Component			\$25.04	\$1,081.96	\$1,250.18	\$29.61

[1] Per dwelling unit.
 [2] Strength information from State Water Resources Control Board.
 [3] Capacity Charge calculated based on Non-residential customer flow and strength.

Table 5 provides a comparison of the current per dwelling unit water and wastewater capacity charges with the proposed capacity charges. The total of the proposed water and wastewater capacity charges increase for all development types presented in the table.

	Current	Proposed	Difference	Current	Proposed	Difference	Total	Total
	Water	Water		Wastewater	Wastewater		Current	Proposed
	Capacity	Capacity		Capacity	Capacity		Charges	Charges
	Charge	Charge		Charge	Charge			
	EDU Ratio							
1 Single-family Residential [1]	\$1,140	\$4,733	\$3,593	\$1,140	\$586	(\$554)	\$2,280	\$5,319
2 Multifamily Residential [1]	\$1,140	\$4,733	\$3,593	\$1,140	\$586	(\$554)	\$2,280	\$5,319
3 Mobile Home [1]	\$1,140	\$4,733	\$3,593	\$1,140	\$586	(\$554)	\$2,280	\$5,319
4 RV Space [1]	\$1,140	\$4,733	\$3,593	\$1,140	\$586	(\$554)	\$2,280	\$5,319
5 Motels (per unit)	\$780	\$3,313	\$2,533	\$780	\$378	(\$402)	\$1,560	\$3,691
6 Motels (Manager Apartment)	\$1,140	\$4,733	\$3,593	\$1,140	\$586	(\$554)	\$2,280	\$5,319

[1] Per dwelling unit.

FUTURE CAPACITY CHARGES

The proposed water and wastewater capacity charges may be increased annually with the change in the ENR CCI to capture future construction cost inflation. The capacity charge adjustment should be made on the change in the index from the date of adoption of the proposed charges. The capacity charges should be updated at least every five years or when there are substantial changes to the CIP or projected demand.

I appreciate the opportunity to serve the District on this matter. If there are any questions regarding the analyses, please contact me at 949-760-9454.

Very Truly Yours,

TUCKFIELD & ASSOCIATES



G. Clayton Tuckfield
 Principal Consultant
 Tuckfield & Associates

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Table 5 provides a comparison of the current per dwelling unit water and wastewater capacity charges with the proposed capacity charges. The total of the proposed water and wastewater capacity charges increase for all development types presented in the table.

	Water			Wastewater			Total Current Charges	Total Proposed Charges
	Current Capacity Charge	Proposed Capacity Charge	Difference	Current Capacity Charge	Proposed Capacity Charge	Difference		
	EDU Ratio							
1 Single-family Residential [1]	\$1,140	\$4,733	\$3,593	\$1,140	\$531	(\$609)	\$2,280	\$5,264
2 Multifamily Residential [1]	\$1,140	\$4,733	\$3,593	\$1,140	\$531	(\$609)	\$2,280	\$5,264
3 Mobile Home [1]	\$1,140	\$4,733	\$3,593	\$1,140	\$531	(\$609)	\$2,280	\$5,264
4 RV Space [1]	\$1,140	\$4,733	\$3,593	\$1,140	\$531	(\$609)	\$2,280	\$5,264
5 Motels (per unit)	\$780	\$3,313	\$2,533	\$780	\$342	(\$438)	\$1,560	\$3,655
6 Motels (Manager Apartment)	\$1,140	\$4,733	\$3,593	\$1,140	\$531	(\$609)	\$2,280	\$5,264

[1] Per dwelling unit.

OLD VERSION

FUTURE CAPACITY CHARGES

The proposed water and wastewater capacity charges may be increased annually with the change in the ENR CCI to capture future construction cost inflation. The capacity charge adjustment should be made on the change in the index from the date of adoption of the proposed charges. The capacity charges should be updated at least every five years or when there are substantial changes to the CIP or projected demand.

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Table A-1
Water Capital Improvement Program

Description	Total	Percent		Percent	
		System-wide	Growth Related	System-wide	Growth-Related
Current Capital Improvement Projects (CIP) [1]					
Phase 1					
Mobilization	120,689	62%	38%	74,827	45,862
400,000 gallon Above Ground Steel Tank	725,000	62%	38%	449,500	275,500
10-inch Diameter Potable PVC Pipe	488,000	62%	38%	302,560	185,440
12-inch Diameter Potable PVC Pipe	184,500	62%	38%	114,390	70,110
14-inch Diameter Potable PVC Pipe	480,000	62%	38%	297,600	182,400
10-inch Diameter Ductile Iron Pipe	43,800	62%	38%	27,156	16,644
Gate Valves	92,500	62%	38%	57,350	35,150
Commercial Hydrants	36,000	62%	38%	22,320	13,680
Residential Hydrants	60,000	62%	38%	37,200	22,800
Temporary Water Service	12,000	62%	38%	7,440	4,560
Pressure Testing Disinfection	9,000	62%	38%	5,580	3,420
Overhead/Contingency/Design/Construction	1,225,296	62%	38%	759,684	465,612
Phase 2					
Mobilization	52,100	62%	38%	32,302	19,798
400,000 gallon Above Ground Steel Tank	725,000	62%	38%	449,500	275,500
10-inch Diameter Potable PVC Pipe	84,000	62%	38%	51,960	32,040
10-inch Diameter Ductile Iron Pipe	48,000	62%	38%	29,760	18,240
Gate Valves	10,000	62%	38%	6,200	3,800
Commercial Hydrants	18,000	62%	38%	11,160	6,840
Temporary Water Service	12,000	62%	38%	7,440	4,560
Pressure Testing Disinfection	9,000	62%	38%	5,580	3,420
Overhead/Contingency/Design/Construction	544,000	62%	38%	337,280	206,720
Phase 3					
Mobilization	72,986	62%	38%	45,251	27,735
400,000 gallon Above Ground Steel Tank	725,000	62%	38%	449,500	275,500
10-inch Diameter Potable PVC Pipe	436,000	62%	38%	270,320	165,680
Commercial Hydrants	27,000	62%	38%	16,740	10,260
Residential Hydrants	24,000	62%	38%	14,880	9,120
Gate Valves	32,500	62%	38%	20,150	12,350
Temporary Water Service	12,000	62%	38%	7,440	4,560
Pressure Testing Disinfection	9,000	62%	38%	5,580	3,420
Overhead/Contingency/Design/Construction	766,493	62%	38%	475,226	291,267
Phase 4					
Mobilization	86,537	62%	38%	53,653	32,884
400,000 gallon Above Ground Steel Tank	725,000	62%	38%	449,500	275,500
6-inch Diameter Potable PVC Pipe	99,000	62%	38%	61,380	37,620
8-inch Diameter Potable PVC Pipe	350,000	62%	38%	217,000	133,000
10-inch Diameter Potable PVC Pipe	64,000	62%	38%	39,680	24,320
8-inch Diameter Ductile Iron Pipe	99,000	62%	38%	61,380	37,620
Gate Valves	65,000	62%	38%	40,300	24,700
Commercial Hydrants	27,000	62%	38%	16,740	10,260
Residential Hydrants	60,000	62%	38%	37,200	22,800
Temporary Water Service	12,000	62%	38%	7,440	4,560
Pressure Testing Disinfection	9,000	62%	38%	5,580	3,420
Overhead/Contingency/Design/Construction	925,970	62%	38%	574,102	351,869
Total Water CIP	\$9,586,372			\$5,943,550	\$3,642,821

Appendix A-2
Outstanding Debt Obligations

USDA Community Program Processing Loan								
Year	Fiscal Year	Beginning Balance	Payment	Principal	2.075% Interest	Total Debt Service	Ending Balance	PV Remaining Debt Service
1	2018-19	\$466,991.00	\$20,690.00	\$7,902.00	\$12,788.00	\$20,690.00	\$459,089.00	\$19,704.76
2	2019-20	459,089.00	20,690.00	8,121.00	12,569.00	20,690.00	450,968.00	\$18,766.44
3	2020-21	450,968.00	20,690.00	8,347.00	12,343.00	20,690.00	442,621.00	\$17,872.80
4	2021-22	442,621.00	20,690.00	8,577.00	12,113.00	20,690.00	434,044.00	\$17,021.71
5	2022-23	434,044.00	20,690.00	8,815.00	11,875.00	20,690.00	425,229.00	\$16,211.16
6	2023-24	425,229.00	20,690.00	9,059.00	11,631.00	20,690.00	416,170.00	\$15,439.20
7	2024-25	416,170.00	20,690.00	9,310.00	11,380.00	20,690.00	406,860.00	\$14,704.00
8	2025-26	406,860.00	20,690.00	9,568.00	11,122.00	20,690.00	397,292.00	\$14,003.81
9	2026-27	397,292.00	20,690.00	9,833.00	10,857.00	20,690.00	387,459.00	\$13,336.96
10	2027-28	387,459.00	20,690.00	10,105.00	10,585.00	20,690.00	377,354.00	\$12,701.87
11	2028-29	377,354.00	20,690.00	10,385.00	10,305.00	20,690.00	366,969.00	\$12,097.01
12	2029-30	366,969.00	20,690.00	10,673.00	10,017.00	20,690.00	356,296.00	\$11,520.97
13	2030-31	356,296.00	20,690.00	10,967.00	9,723.00	20,690.00	345,329.00	\$10,972.35
14	2031-32	345,329.00	20,690.00	11,271.00	9,419.00	20,690.00	334,058.00	\$10,449.86
15	2032-33	334,058.00	20,690.00	11,583.00	9,107.00	20,690.00	322,475.00	\$9,952.24
16	2033-34	322,475.00	20,690.00	11,904.00	8,786.00	20,690.00	310,571.00	\$9,478.33
17	2034-35	310,571.00	20,690.00	12,234.00	8,456.00	20,690.00	298,337.00	\$9,026.98
18	2035-36	298,337.00	20,690.00	12,572.00	8,118.00	20,690.00	285,765.00	\$8,597.12
19	2036-37	285,765.00	20,690.00	12,920.00	7,770.00	20,690.00	272,845.00	\$8,187.74
20	2037-38	272,845.00	20,690.00	13,277.00	7,413.00	20,690.00	259,568.00	\$7,797.84
21	2038-39	259,568.00	20,690.00	13,645.00	7,045.00	20,690.00	245,923.00	\$7,426.52
22	2039-40	245,923.00	20,690.00	14,023.00	6,667.00	20,690.00	231,900.00	\$7,072.87
23	2040-41	231,900.00	20,690.00	14,411.00	6,279.00	20,690.00	217,489.00	\$6,736.07
24	2041-42	217,489.00	20,690.00	14,811.00	5,879.00	20,690.00	202,678.00	\$6,415.31
25	2042-43	202,678.00	20,690.00	15,220.00	5,470.00	20,690.00	187,458.00	\$6,109.81
26	2043-44	187,458.00	20,690.00	15,641.00	5,049.00	20,690.00	171,817.00	\$5,818.87
27	2044-45	171,817.00	20,690.00	16,075.00	4,615.00	20,690.00	155,742.00	\$5,541.78
28	2045-46	155,742.00	20,690.00	16,520.00	4,170.00	20,690.00	139,222.00	\$5,277.89
29	2046-47	139,222.00	20,690.00	16,978.00	3,712.00	20,690.00	122,244.00	\$5,026.56
30	2047-48	122,244.00	20,690.00	17,447.00	3,243.00	20,690.00	104,797.00	\$4,787.20
31	2048-49	104,797.00	20,690.00	17,930.00	2,760.00	20,690.00	86,867.00	\$4,559.24
32	2049-50	86,867.00	20,690.00	18,427.00	2,263.00	20,690.00	68,440.00	\$4,342.13
33	2050-51	68,440.00	20,690.00	18,937.00	1,753.00	20,690.00	49,503.00	\$4,135.36
34	2051-52	49,503.00	20,690.00	19,461.00	1,229.00	20,690.00	30,042.00	\$3,938.44
35	2052-53	30,042.00	20,690.00	20,000.00	690.00	20,690.00	10,042.00	\$3,750.90
36	2053-54	10,042.00	20,690.00	10,042.00	303.00	10,345.00	0.00	\$1,786.14
			\$744,840.00	\$466,991.00	\$267,504.00	\$734,495.00		\$340,568.22

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Appendix A-3
Water System Fixed Assets

	COST BASIS	INSTALL DATE	YEARS LIFE	DEPR EXP 6/30/2018	ACC DEPR 6/30/2018	OC LD 6/30/2018	OC ENR INDEX	CURRENT ENR INDEX	REPLACEMENT COST	2018 RCLD	PERCENT SYSTEM-WIDE CONTRIBUTIONS	% GROWTH RELATED	VALUE SYSTEM-WIDE IMPR	VALUE GROWTH-RELATED IMPR
WELLS														
58 Wellhead Project	423,242.00	6/30/2014	30	2014 2044	14,108.07	56,432.27	9,800.00	11,205.00	483,921.08	418,398.27	100.0%	0.0%	418,398.27	-
59 Wellhead Project Addition	21,728.95	7/1/2014	30	2014 2044	724.33	2,897.33	9,855.00	11,205.00	24,796.90	21,455.99	100.0%	0.0%	21,455.99	-
60 Water Filter	19,238.40	6/1/2017	10	2017 2027	1,924.84	2,064.16	10,703.00	11,205.00	20,140.73	17,958.82	100.0%	0.0%	17,958.82	-
63 Wellhead Project Addition	3,282.00	10/1/2017	30	2017 2047	108.40	82.05	3,199.95	11,205.00	3,396.72	3,314.73	100.0%	0.0%	3,314.73	-
68 Major Water Projects (add to proj 60)	12,356.72	1/1/2018	10	2018 2028	1,235.67	12,356.72	10,878.00	11,205.00	12,707.57	12,707.57	100.0%	0.0%	12,707.57	-
TOTAL WELLS	479,028.07			18,098.31	61,495.00	418,333.27			544,926.01	474,935.37			474,935.37	-
TREATMENT														
61 RO Unit	931,871.00	7/1/2016	50	2016 2066	18,637.42	931,871.00	10,379.00	-	-	-	100.0%	0.0%	-	-
65 RO Unit Additions ? Or gndwtr filtration? (Add to proj 66)	12,250.38	1/1/2018	50	2018 2068	245.01	12,250.38	10,878.00	-	-	-	100.0%	0.0%	-	-
TOTAL TREATMENT	944,121.38			18,882.43	-	944,121.38			-	-			-	-
FACILITIES														
41 P/Y Water	120,907.68	6/26/2000	5	2000 2005	24,181.54	120,907.68	6,238.00	11,205.00	217,180.27	-	100.0%	0.0%	-	-
42	9,500.00	1/1/1991	30	1991 2021	316.67	9,500.00	3,722.00	11,205.00	31,588.06	-	100.0%	0.0%	-	-
43	23,655.56	1/1/1997	30	1997 2027	788.52	23,655.56	5,765.00	11,205.00	45,977.55	-	100.0%	0.0%	-	-
44	15,912.11	1/1/1977	30	1977 2007	530.40	15,912.11	2,576.00	11,205.00	69,213.97	-	100.0%	0.0%	-	-
45	22,377.63	1/1/1992	30	1992 2022	745.92	22,377.63	3,704.00	11,205.00	67,684.75	-	100.0%	0.0%	-	-
46	6,000.00	1/1/1992	30	1992 2022	200.00	6,000.00	3,704.00	11,205.00	18,500.65	-	100.0%	0.0%	-	-
47	21,094.75	1/1/1995	30	1995 2025	703.16	21,094.75	4,145.00	11,205.00	57,024.53	-	100.0%	0.0%	-	-
48	9,816.26	1/1/1994	30	1994 2024	327.21	9,816.26	4,108.00	11,205.00	26,768.36	-	100.0%	0.0%	-	-
49	13,527.26	1/1/1995	30	1995 2025	450.91	13,527.26	4,145.00	11,205.00	36,567.66	-	100.0%	0.0%	-	-
50	3,573.57	1/1/1992	30	1992 2022	176.68	3,573.57	4,888.00	11,205.00	8,191.87	0.00	100.0%	0.0%	0.00	-
51	95,888.03	1/1/2000	30	2000 2030	3,196.27	57,531.23	6,130.00	11,205.00	175,273.31	70,112.23	100.0%	0.0%	70,112.23	-
52	15,519.10	1/1/2003	5	2003 2008	3,103.82	15,519.10	6,581.00	11,205.00	26,423.27	-	100.0%	0.0%	-	-
53 Water Meter Replacement	59,110.28	6/19/2007	20	2007 2027	2,955.51	33,988.39	7,860.00	11,205.00	84,052.12	35,722.17	100.0%	0.0%	35,722.17	-
54 Pipe	6,540.00	6/19/2007	20	2007 2027	327.00	2,943.00	7,939.00	11,205.00	9,230.47	4,153.71	100.0%	0.0%	4,153.71	-
55 Water Master Plan	109,559.00	1/1/2008	10	2008 2018	10,955.90	109,559.00	8,090.00	11,205.00	151,743.95	0.00	100.0%	0.0%	0.00	-
56 Telemetry	15,604.00	6/30/2009	5	2009 2014	3,120.80	15,604.00	8,578.00	11,205.00	20,382.70	-	100.0%	0.0%	-	-
57 Pipe Bridge	1,805.00	6/30/2009	15	2009 2024	120.33	1,805.00	8,578.00	11,205.00	2,357.78	943.12	100.0%	0.0%	943.12	-
64 Pico Slope Project	40,687.00	3/1/2018	50	2018 2068	813.94	271.31	10,958.00	11,205.00	41,336.91	41,336.91	100.0%	0.0%	41,336.91	-
TOTAL FACILITIES	591,087.23			53,016.50	483,517.84	107,869.38			1,089,415.60	152,268.15			152,268.15	-
BUILDING & IMPROVEMENTS														
1 P/Y Bldgs & Improvements	33,841.28	1/1/1986	20	1986 2006	1,692.06	33,841.28	1,155.00	11,205.00	328,304.32	-	100.0%	0.0%	-	-
3	7,727.27	6/30/1991	20	1991 2011	386.36	7,727.27	4,722.00	11,205.00	16,207.55	-	100.0%	0.0%	-	-
4	294.44	6/30/1991	20	1991 2011	14.72	294.44	4,816.00	11,205.00	684.76	-	100.0%	0.0%	-	-
5	10,719.62	1/1/1986	20	1986 2006	535.98	10,719.62	3,132.00	11,205.00	38,350.36	-	100.0%	0.0%	-	-
6	3,174.25	6/1/1995	20	1995 2015	68.71	3,174.25	4,801.00	11,205.00	3,207.35	-	100.0%	0.0%	-	-
7	3,142.87	6/1/1995	20	1995 2015	157.39	3,142.87	5,432.00	11,205.00	6,691.35	-	100.0%	0.0%	-	-
8	1,042.27	3/31/1996	20	1996 2016	52.11	1,042.27	5,937.00	11,205.00	2,109.19	-	100.0%	0.0%	-	-
9	112,380.23	8/26/2000	20	2000 2020	5,619.01	100,674.13	6,233.00	11,205.00	202,024.78	21,043.94	100.0%	0.0%	21,043.94	-
10	2,688.50	7/1/2000	20	2000 2020	134.93	2,688.50	6,225.00	11,205.00	4,857.30	484.92	100.0%	0.0%	484.92	-
11	14,526.61	9/24/2001	20	2001 2021	731.33	12,250.48	6,391.00	11,205.00	25,644.05	4,165.97	100.0%	0.0%	4,165.97	-
TOTAL BUILDING & IMPROVEMENTS	197,937.32			9,898.87	180,038.17	17,881.14			845,198.34	31,023.31			31,023.31	-
EQUIPMENT & MACHINERY														
12 P/Y Equipment	114,527.35	1/1/1991	5	1991 1996	5,576.37	114,527.35	847.00	11,205.00	1,475,400.32	-	100.0%	0.0%	-	-
13	3,663.63	1/20/1992	20	1992 2012	183.16	3,663.63	5,058.00	11,205.00	8,116.04	-	100.0%	0.0%	-	-
14	186.16	1/20/1992	20	1992 2012	208.00	186.16	5,058.00	11,205.00	7,119.09	-	100.0%	0.0%	-	-
15	4,160.19	10/1/1997	20	1997 2017	208.00	4,160.19	5,848.00	11,205.00	7,119.09	(0.00)	100.0%	0.0%	(0.00)	-
16	872.82	4/30/2003	5	2003 2008	174.56	872.82	6,635.00	11,205.00	1,473.99	-	100.0%	0.0%	-	-
17 Diesel Generator	15,414.09	7/1/2003	5	2003 2008	3,082.82	15,414.09	6,695.00	11,205.00	25,787.58	-	100.0%	0.0%	-	-
18 Diesel Generator	19,071.84	6/16/2005	5	2005 2010	3,814.37	19,071.84	7,398.00	11,205.00	28,866.17	-	100.0%	0.0%	-	-
TOTAL EQUIPMENT & MACHINERY	158,373.54			13,222.40	158,173.54	(0.00)			1,555,761.23	(0.00)			(0.00)	-
LAND														
Land	10,755.50	7/1/2017	Non-Depreciable	-	-	10,755.50	10,788.00	11,205.00	11,170.21	11,170.21	100.0%	-	11,170.21	-
TOTAL WATER	2,392,104.04			113,117.97	983,443.39	1,488,660.68			\$,846,471.39	\$69,297.04			\$69,297.04	-

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Table B-1
Sewer Capital Improvement Program

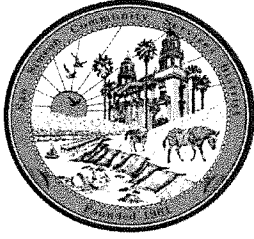
Description	Total	Percent Systemwide		Percent Growth-Related		System-wide Improvements			Growth-Related Improvements				
		62%	38%	62%	38%	Volumes	BOD	SS	Customer	Volumes	BOD	SS	Customer
Current Capital Improvement Projects (CIP) [1]													
Phase 1													
Mobilization	5,211	62%	38%	62%	38%	3,231	1,980			1,980			
8-inch Diameter Sewer PVC Pipe	66,500	62%	38%	62%	38%	41,230	25,270			25,270			
Temporary Wastewater Bypassing	9,000	62%	38%	62%	38%	5,580	3,420			3,420			
New Manhole Structure	16,500	62%	38%	62%	38%	10,230	6,270			6,270			
Overhead/Contingency/Design/Construction	52,904	62%	38%	62%	38%	32,800	20,104			20,104			
Phase 3													
Mobilization	3,114	62%	38%	62%	38%	1,931	1,183			1,183			
6-inch Diameter Sewer PVC Pipe (sag repair)	45,000	62%	38%	62%	38%	27,900	17,100			17,100			
Temporary Wastewater Bypassing	9,000	62%	38%	62%	38%	5,580	3,420			3,420			
Overhead/Contingency/Design/Construction	32,707	62%	38%	62%	38%	20,278	12,429			12,429			
Phase 4													
Mobilization	1,863	62%	38%	62%	38%	1,155	708			708			
8-inch Diameter Sewer PVC Pipe	3,500	62%	38%	62%	38%	2,170	1,330			1,330			
10-inch Diameter Sewer PVC Pipe	20,000	62%	38%	62%	38%	12,400	7,600			7,600			
Temporary Wastewater Bypassing	9,000	62%	38%	62%	38%	5,560	3,420			3,420			
Overhead/Contingency/Design/Construction	19,930	62%	38%	62%	38%	12,356	7,573			7,573			
Phase 5													
Mobilization	95,300	62%	38%	62%	38%	59,086	36,214			36,214			
6-inch Diameter Sewer CPP Lining	359,000	62%	38%	62%	38%	221,960	136,040			136,040			
Conversion of Existing 6-inch Diameter AC Pipe to Recycled Water	30,500	62%	38%	62%	38%	19,840	12,160			12,160			
Conversion of Existing 8-inch Diameter AC Pipe to Recycled Water	30,500	62%	38%	62%	38%	18,910	11,590			11,590			
6-inch Recycled Water PVC Pipe	366,000	62%	38%	62%	38%	226,920	139,080			139,080			
8-inch Recycled Water PVC Pipe	63,000	62%	38%	62%	38%	39,060	23,940			23,940			
Pressure Testing	10,000	62%	38%	62%	38%	6,200	3,800			3,800			
Recycled Water Pump Station	200,000	62%	38%	62%	38%	124,000	76,000			76,000			
Conversion of Existing 150,000 gallon Reservoir to Irrigation Service	25,000	62%	38%	62%	38%	15,500	9,500			9,500			
Title 22 Report	35,000	62%	38%	62%	38%	21,700	13,300			13,300			
Pico Avenue Road Grind and Overlay with Spot Repairs	48,000	62%	38%	62%	38%	29,760	18,240			18,240			
Pen Way Road Grind and Overlay with Spot Repairs	32,800	62%	38%	62%	38%	20,336	12,464			12,464			
Jasper Avenue Digout Repair and Slurry	22,500	62%	38%	62%	38%	13,950	8,550			8,550			
Avenue Avenue Road Grind and Overlay with Spot Repairs	284,600	62%	38%	62%	38%	164,052	100,548			100,548			
Otter Way Road Grind and Overlay with Spot Repairs	36,200	62%	38%	62%	38%	22,444	13,756			13,756			
Balboa Avenue Road Grind and Overlay with Spot Repairs	59,900	62%	38%	62%	38%	37,138	22,762			22,762			
Balboa Avenue Slurry	4,000	62%	38%	62%	38%	2,480	1,520			1,520			
Vista Del Mar Avenue Road Grind and Overlay and Spot Repairs	36,500	62%	38%	62%	38%	22,630	13,870			13,870			
Vista Del Mar Slurry	4,700	62%	38%	62%	38%	2,914	1,786			1,786			
Sidewalk Additions	40,300	62%	38%	62%	38%	24,988	15,314			15,314			
Overhead/Contingency/Design/Construction	985,300	62%	38%	62%	38%	598,486	366,814			366,814			
Additional WWTP Improvements													
Screw Press	265,000	62%	38%	62%	38%	164,300	100,700			100,700			
Polymer Injection Pad / Assembly	6,125	62%	38%	62%	38%	3,788	2,328			2,328			
Piping Modification / Installation	125,000	62%	38%	62%	38%	77,500	47,500			47,500			
Trailer	30,000	62%	38%	62%	38%	18,600	11,400			11,400			
Design & Permitting	41,000	62%	38%	62%	38%	25,420	15,580			15,580			
Construction Management	19,500	62%	38%	62%	38%	12,090	7,410			7,410			
Total Wastewater CIP	\$3,510,453					\$2,176,481	\$1,333,972			\$1,333,972			\$0

Appendix B-2
Wastewater System Fixed Assets

COLLECTION	P/W Sewer	Sewer Lines - per 10/26/92 FA list	COST BASIS	INSTALL DATE	YEARS LIFE	BEGIN	END	DPR	EIP	ACC	DC	ENR	Current ENR Index	Replacement Cost	2018 RCLD	Percent System-wide	% Growth Related	Value System-wide	Value Growth-Related Impr.	Volume	System-wide Improvements					
																					BOD	SS	Customer			
TOTAL COLLECTION		49,077.90																								
TREATMENT																										
	ORIG PLANT Per 10/26/92 list of FA	96,075.64	1/1/1968	50	1968	2018		1,960.51	98,025.64	196,051.28	1,155.00	11,205.00	950,976.01	(0.04)	100.0%	0.0%	(0.04)	(0.01)	(0.01)							
	Trmt Plant Ext - per 10/26/92 list of FA	127,742.00	1/1/1972	50	1972	2022		2,554.84	118,801.08	246,443.08	1,733.00	11,205.00	816,514.04	57,149.46	100.0%	0.0%	57,149.46	18,659.32	18,659.32							
	WW Flowmeter Flume - per 10/16/93 FA list	2,149.44	10/17/1989	30	1989	2019		71.65	2,046.79	4,198.23	4,658.00	11,205.00	5,170.56	242.12	100.0%	0.0%	242.12	79.90	79.90							
	WWTP #1 - per 10/16/92 FA list	71,000.00	1/1/1968	50	1968	2018		1,420.00	71,710.00	142,710.00	1,155.00	11,205.00	688,792.21	(6,887.92)	100.0%	0.0%	(6,887.92)	(2,773.01)	(2,773.01)							
	WW Balance Tank/Equalizer - per 10/26/92 FA	63,857.67	1/1/1979	50	1979	2029		1,277.15	50,444.82	114,202.49	3,033.00	11,205.00	238,770.13	50,046.95	100.0%	0.0%	50,046.95	16,515.49	16,515.49							
	WW Balance Tank/Equalizer - per 10/26/92 FA	56,420.67	1/1/1983	50	1983	2033		1,128.41	43,436.94	99,557.61	3,312.00	11,205.00	201,849.81	46,450.41	100.0%	0.0%	46,450.41	15,328.64	15,328.64							
	Outfall Line - WW Upgrade - per 10/26/92 FA	14,863.42	1/1/1983	50	1983	2033		297.72	10,546.23	25,411.65	3,960.00	11,205.00	42,056.72	12,110.03	100.0%	0.0%	12,110.03	4,029.31	4,029.31							
	Breakwater/Quiffall Line - per 10/26/92 FA list	23,962.20	2/3/1996	50	1996	2046		478.32	10,744.84	34,711.04	5,532.00	11,205.00	48,543.25	26,779.70	100.0%	0.0%	26,779.70	8,827.30	8,827.30							
	Rock Barrier/Quiffall - per 10/26/92 FA list	185,397.60	1/1/1984	50	1984	2034		3,711.75	178,050.01	313,646.61	4,109.00	11,205.00	506,086.41	156,877.06	100.0%	0.0%	156,877.06	51,769.43	51,769.43							
	Engineering Analysis for plant expansion - p	16,152.35	1/1/1985	50	1985	2035		323.05	10,820.58	26,572.93	4,145.00	11,205.00	43,668.95	14,413.14	100.0%	0.0%	14,413.14	4,756.34	4,756.34							
	Plant Expansion #4 / Aeration Basin per 10/26	234,367.20	4/27/1994	30	1994	2024		4,683.64	152,277.10	306,544.30	4,218.00	11,205.00	622,589.97	218,070.06	100.0%	0.0%	218,070.06	70,384.07	70,384.07							
	?	219,239.15	7/1/2000	30	2000	2030		212.37	131,543.49	350,782.64	5,405.00	11,205.00	22,013.01	11,348.90	100.0%	0.0%	11,348.90	3,865.43	3,865.43							
	?	9,753.57	7/1/2000	30	2000	2030		315.12	5,851.43	15,606.00	6,225.00	11,205.00	157,852.19	157,852.19	100.0%	0.0%	157,852.19	11,368.90	11,368.90							
	Air Distribution System Piping Upgrade	175,323.17	8/26/2002	50	2002	2052		3,506.46	55,517.54	230,840.67	6,591.00	11,205.00	298,012.09	203,644.07	100.0%	0.0%	203,644.07	7,033.84	7,033.84							
	Generator	18,300.00	1/1/2007	15	2007	2022		2,899.56	14,497.80	28,995.60	6,605.00	11,205.00	24,594.68	(0.00)	100.0%	0.0%	(0.00)	203,644.07	6,071.74	6,071.74						
	WWTP Electrical Upgrades	62,914.00	10/15/2007	10	2007	2017		6,291.40	62,914.00	125,828.00	8,045.00	11,205.00	87,626.02	(0.00)	100.0%	0.0%	(0.00)	6,071.74	6,071.74							
	Telemetry	5,201.00	6/30/2009	5	2009	2014		1,040.10	5,201.00	10,402.00	8,570.00	11,205.00	6,793.80	(0.00)	100.0%	0.0%	(0.00)	16,098.37	5,303.99	5,303.99						
	Pipe Bridge	29,497.00	9/30/2009	15	2009	2024		1,946.47	17,206.99	46,319.54	6,586.00	11,205.00	38,494.51	16,098.37	100.0%	0.0%	16,098.37	5,303.99	5,303.99							
	?	542,226.00	9/30/2009	50	2009	2059		10,444.52	21,680.04	563,935.04	8,586.00	11,205.00	707,617.10	679,317.10	100.0%	0.0%	679,317.10	28,971.64	28,971.64							
	Tertiary Waste Water	25,837.00	9/30/2009	30	2009	2039		861.23	2,870.78	28,702.78	8,586.00	11,205.00	33,718.10	29,371.10	100.0%	0.0%	29,371.10	5,328.49	5,328.49							
	TOTAL TREATMENT	2,007,599.34						54,386.61	1,033,371.15	3,046,912.49			5,821,595.91	1,686,638.82			1,686,638.82									
BUILDING & IMPROVEMENTS																										
1	P/W Bldgs & Improvements	33,841.28	1/1/1968	20	1968	1988		1,692.06	33,841.28		1,155.00	11,205.00	328,304.32	-	100.0%	0.0%	-	-	-							
2		7,727.27	6/13/1990	20	1990	2010		386.36	7,727.27		4,710.00	11,205.00	18,297.55	-	100.0%	0.0%	-	-	-							
3		294.44	6/30/1991	20	1991	2011		14.72	284.44		4,818.00	11,205.00	684.25	-	100.0%	0.0%	-	-	-							
4		10,719.62	1/1/1980	20	1980	2000		535.98	10,719.62		3,132.00	11,205.00	38,350.26	-	100.0%	0.0%	-	-	-							
5		3,147.25	5/13/1991	20	1991	2011		68.71	3,147.25		4,801.00	11,205.00	3,207.35	-	100.0%	0.0%	-	-	-							
6		3,147.87	6/1/1995	20	1995	2015		157.39	3,147.87		5,432.00	11,205.00	6,493.35	-	100.0%	0.0%	-	-	-							
7		1,042.27	3/31/1996	20	1996	2016		52.11	1,042.27		5,577.00	11,205.00	2,109.19	-	100.0%	0.0%	-	-	-							
8		112,380.23	8/26/2000	20	2000	2020		5,619.01	100,674.13	11,705.10	6,231.00	11,205.00	202,024.78	21,043.94	100.0%	0.0%	21,043.94									
9		2,698.50	7/1/2000	20	2000	2020		134.93	2,429.10	269.40	6,225.00	11,205.00	4,857.30	884.91	100.0%	0.0%	884.91									
10		14,626.61	9/24/2001	20	2001	2021		731.33	14,626.61	2,376.14	6,391.00	11,205.00	25,644.05	4,165.97	100.0%	0.0%	4,165.97									
11		10,085.00	7/5/2005	20	2005	2025		504.25	6,555.50	3,529.50	7,422.00	11,205.00	15,229.33	5,328.49	100.0%	0.0%	5,328.49									
	TOTAL BUILDING & IMPROVEMENTS	197,937.32						9,896.67	180,056.17	17,881.14			645,198.54	31,023.31			31,023.31									
EQUIPMENT & MACHINERY																										
12	P/W Equipment	111,527.36	1/1/1961	5	1961	1966		5,576.37	111,527.36		867.00	11,205.00	1,475,400.32	-	100.0%	0.0%	-	-	-							
13		3,663.63	11/20/1992	20	1992	2012		183.18	3,663.63		5,058.00	11,205.00	8,116.04	-	100.0%	0.0%	-	-	-							
14		3,663.63	11/20/1992	20	1992	2012		183.18	3,663.63		5,058.00	11,205.00	8,116.04	-	100.0%	0.0%	-	-	-							
15		4,160.19	10/17/1997	20	1997	2017		208.01	4,160.19	(0.00)	5,848.00	11,205.00	7,971.09	(0.00)	100.0%	0.0%	(0.00)									
16		872.82	4/3/2003	5	2003	2008		174.56	872.82		6,635.00	11,205.00	1,423.98	-	100.0%	0.0%	-	-	-							
17		15,419.09	4/1/2003	5	2003	2008		3,083.82	15,419.09		6,695.00	11,205.00	25,797.58	-	100.0%	0.0%	-	-	-							
18		19,071.84	5/15/2005	5	2005	2010		3,814.37	19,071.84		7,398.00	11,205.00	38,886.17	-	100.0%	0.0%	-	-	-							
	TOTAL EQUIPMENT & MACHINERY	158,373.54						13,222.48	158,373.54	(0.00)			1,555,795.23	(0.00)			1,555,795.23									
LANDS TO GO																										
02-1220-01																										

LANDS TO GO	02-1220-01
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5.C. BUSINESS ITEMS



BUSINESS ACTION ITEM STAFF REPORT

Item 5.C. Discussion regarding entering into a contract with Wood not to exceed the amount of \$10,500 for grant writing services related to the National Fish and Wildlife Foundation (NFWF) Grant.

Summary:

The National Fish and Wildlife Foundation (NFWF) has begun the process of accepting pre-proposals for the National Coastal Resilience Fund. The NFWF will be awarding approximately \$29 million in grants throughout the United States.

Staff had previously been contacted by Wood Environment & Infrastructure Solutions, Inc. (Wood). Wood offers grant writing services. They have also been used by several local agencies who have been successful in obtaining grant money. For the purpose of the NFWF grant staff directed Wood to begin working on a preproposal, consistent with the anticipated Coastal Hazard Mitigation Plan, on behalf of the District. The deadline for the pre-proposal submittals is May 20, 2019.

Recommendation:

Staff has enclosed a copy of the proposal from Wood to complete the entire grant application process. Currently, the District is in the pre-proposal process. Staff is asking the Board for approval of this item.

Enc: Email from the Ocean Protection Council
Grant Proposal from Wood

California Coastal Resilience Funding Opportunity

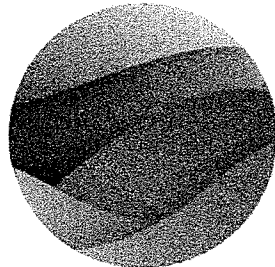
1 message

From: Ocean Protection Council

Sent: Friday, April 12, 2019 10:36 AM

To: CNRA_OCEANS_PUBLIC@LISTSERVICE.CNRA.CA.GOV

Subject: California Coastal Resilience Funding Opportunity



OCEAN PROTECTION COUNCIL

California Coastal Resilience Funding Opportunity:

The National Fish and Wildlife Foundation is currently accepting preproposals for the National Coastal Resilience Fund. NFWF will award approximately \$29 million in grants on a competitive basis throughout the United States to create, expand, and restore coastal and estuarine natural systems. Grants will support projects that will increase protection for communities from coastal storms, sea- and estuary-level changes, inundation, and coastal erosion while also improving valuable habitats for fish and wildlife species. See below for information on the RFP.

OPC would like to encourage California proposals, particularly from disadvantaged and frontline communities. National Coastal Resilience Fund grants are expected to be matched 1:1 with non-federal cash or in-kind contributions. OPC has discretionary funding available to help applicants with match and make their proposals more competitive. NFWF expects this to be a highly competitive grant process and applicants should carefully review the NFWF request for proposals (see below for a link) for guidance. This is an exciting opportunity to leverage state and federal funding to plan for and address coastal climate change impacts.

Please watch the recorded informational NFWF webinar for more details on the NFWF RFP (see below), and reach out to OPC's Senior Program Manager for Climate Change Justine Kimball at Justine.kimball@resources.ca.gov to discuss potential project ideas.

The National Coastal Resilience Fund 2019 request for proposals is now open. Pre-proposals are due

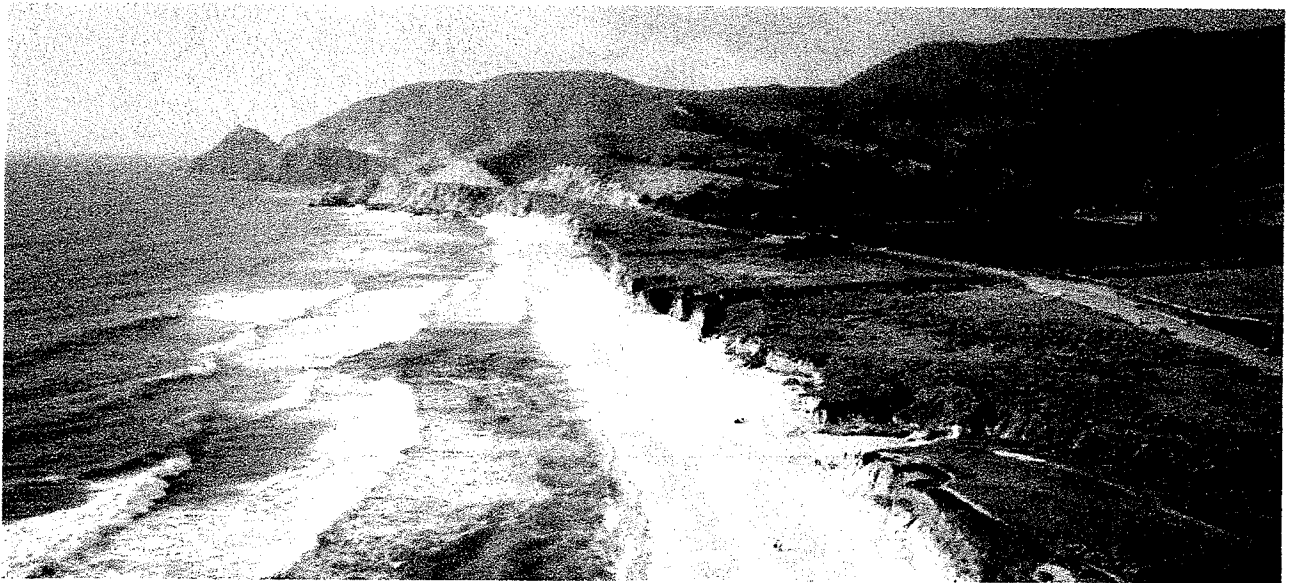
Monday May 20, 2019 by 11:59PM EST. The National Fish and Wildlife Foundation (NFWF) will award approximately \$29 million in grants to create, expand, and restore natural systems in areas that will both increase protection for communities from coastal storms, sea- and lake-level changes, inundation, and coastal erosion while also improving valuable habitats for fish and wildlife species. NFWF will invest in projects in three focus areas:

- Project Preliminary Design and Site Assessment (average project \$125,000)
- Project Final Design and Permitting (average project \$250,000)
- Project Restoration and Monitoring (average project \$1 to 3 million)

NFWF is also interested in funding innovative projects that seek to re-shape our thinking on how to protect communities in light of projected environmental stressors that may go beyond traditional habitat restoration alone, to truly novel approaches to address these challenges. NFWF seeks to incorporate adaptation to the projected future conditions of each investment.

The full request for proposals can be found at this link: <https://www.nfwf.org/coastalresilience/Pages/2019rfp.aspx>.

NFWF hosted an applicant webinar on Thursday, April 11. The recorded webinar and more details on the RFP can be found here: www.NFWF.org/coastalresilience



Sign up for OPC announcements
California Ocean Protection Council, 1416 9th Street, Suite 1311, Sacramento, CA 95814
www.opc.ca.gov



April 26, 2019

Ms. Courtney Murguia
Office Manager
San Simeon Community Services District
111 Pico Avenue
San Simeon, CA 93452

Re: Proposal to Provide Consulting Services to San Simeon Community Services District for the National Fish and Wildlife Foundation – National Coastal Resilience Fund 2019 Grant Program

Dear Ms. Murguia,

Wood Environment & Infrastructure Solutions, Inc. (Wood) is pleased to submit this proposal to provide services to the San Simeon Community Services District (District) to support preparation and submittal of the National Fish and Wildlife Foundation (NFWF) National Coastal Resilience Fund 2019 Grant Program application. We appreciate the District's interest in working with our environmental planning group and look forward to working with you and District staff, and Board members on this effort. Our team for this effort would be led by Ms. Julia Pujo as Project Manager and Ms. Marie Laule as Lead Grant Analyst with assistance from our technical team members as needed. Our proposal is set forth below.

Wood understands that the District intends to apply for grant funds from the 2019 National Fish and Wildlife Foundation (NFWF) National Coastal Resilience Fund 2019 Grant Program to initiate planning pertaining to landward relocation of the District's wastewater treatment plant (San Simeon WWTP) and associated native coastal and riparian habitat restoration. The project proposal would align with Focus Area 1 of the 2019 Grant Program: *Project Site Assessment and Preliminary Design*. Relocation of the San Simeon WWTP and restoration of the bluffside area after relocation, as well as enhancement of the adjacent riparian creek corridor, has been prioritized by the District as a critical coastal hazard mitigation project. Relocation would be anticipated to occur in approximately 20 years and would promote coastal resiliency by restoring coastal ecosystems; reducing coastal hazard impacts related to erosion and flooding; and protecting public utility infrastructure from potential damage caused by projected sea level rise and climate change impacts. Exposure and damage to or destruction of the San Simeon WWTP facilities in a storm surge event would disrupt local service and risk potential contamination hazards related to release of untreated wastewater into the marine environment. The grant proposal would also reference and tie into a larger planning project on development of the San Simeon Coastal Hazard Mitigation Plan, as mandated by the California Coastal Commission.

Scope of Services. Support for Preparation and Submittal of Grant Funding Application for the NFWS Coastal Resilience

Our team would like to offer services to the District for 1) "Pre-Proposal" application preparation and submittal, and 2) "Full Proposal" application submittal, as outlined in the requirements set forth under the 2019 Grant Program.

Wood Environment & Infrastructure, Inc.
104 W. Anapamu Street, Suite 204A
Santa Barbara, CA 93101
Tel: (805) 962-0992
www.woodplc.com

Task 1: Grant Program Pre-Proposal Application

Our team would work with the District to prepare the Pre-Proposal application for Focus Area 1: *Project Site Assessment and Preliminary Design*. Wood will prepare required content for the Pre-Proposal grant application including: 1) completion of the online Pre-Proposal application form, and 2) two-page written narrative. We assume that preparation of the submittal would be subject to one (1) round of review by the District prior to submittal.

Further, our team would coordinate closely with the District, including up to two (2) teleconference meetings, to work with the District to develop a proposed project that meets the objectives and eligibility requirements of the 2019 Grant Program, that also aligns with the District's ultimate goal of relocating the San Simeon WWTP and restoring the creek. Through our recent experience on similar grant proposals and planning projects for coastal jurisdictions, our team understands that the development of a project proposal aligned with the grant program objectives is key to a competitive application and successful award.

Task 2: Full Proposal Application

Upon invitation from NFWF, the Wood team would assist the District with preparation of the Full Proposal application. Such activities would entail:

- Online application
- Coordination with District to obtain and complete required attachments
- Project Information Summary Details (about one-to-two pages)
- Proposal Narrative (six pages)
- Project Location Map
- Up to 15 pages of other supporting materials including figures, photographs, and letters of support.
- Teleconferences, in-person meetings, or site visits as appropriate or upon request of District staff.

In addition, we recommend including limited effort for interagency coordination with the California Coastal Commission, California Department of Fish and Wildlife, Regional Water Quality Control Board, United States Army Corps of Engineers, and/or NFWF to support development of project proposal details, determine permit paths, and obtain letters of support.

Cost Estimate and Rate Schedule

The level of effort anticipated for Task 1, including initial coordination with District staff and preparation the Pre-Proposal application is a combined [REDACTED] staff hours through May 20, 2019. Upon invitation to submit a Full Proposal, Wood anticipates a combination of approximately [REDACTED] staff hours, though cost estimates may be further refined for this task depending on the complexity of the project proposal and meeting attendance. Our team will provide services for preparation of the National Coastal Resilience Fund 2019 Grant Program application on a time-and-materials basis up to a not-to-exceed maximum of \$10,500 without written authorization from the District, based on the following standard hourly rates (Table 1). These rates would apply to the proposed scope of services above as well as future work.

Table 1. 2019 Rate Schedule

TITLE	STAFF	HOURLY RATE
Project Principal	Dan Gira	██████
Senior Project Manager	Erika Leachman	██████
Project Manager	Julia Pujo	██████
Lead Grant Specialist/ Technical Analyst II	Marie Laule	██████
Technical Analyst I	Kaylan Lamb	██████
Contract Administration	Rosann Malloch	██████
Administrative Assistant	Rita Samaniego	██████

The hourly labor rates set forth below are valid from January 1, 2019 and are subject to annual revision thereafter. Wood will provide thirty days advance written notice of any such revisions.

OTHER DIRECT COSTS ¹	SUBCONTRACTOR	RATE
Graphics and Maps (Subcontractor)	Deirdre Stites	██████
Printing and Mailing		Cost
Travel/Per Diem		Mileage ██████/mile
Other direct expenses in support of project activities		Cost

¹ Other Direct Costs are subject to an ██████ markup

Assumptions

1. Wood will attend teleconference or in-person meetings related to preparation and submittal of grant application materials on a time-and-materials basis.
2. Time to address District comments on draft materials is based on preparing responses to one (1) round of agency staff review. If the responses to comments on draft documents require new data collection or fieldwork or analyses beyond the stated scope of work, an equitable adjustment in the cost based on time and materials may be necessary.
3. Electronic and/or hardcopy versions of relevant documents and available data will be provided in a timely manner to Wood. Delays in receipt of requested data or documents will cause a slip in schedule and an equitable adjustment in cost based on time and materials needed.
4. Substantive changes to the scope or project description after the commencement of work will cause a slip in schedule and require an equitable adjustment in cost based on time and materials needed.
5. Wood is not responsible for any omission of data or analyses that are not provided or identified to Wood by the District, its representatives, or contractors.
6. Wood reserves the right to partially bill for partially completed work where unanticipated delays or changes to the schedule at no fault of Wood.

7. Reimbursable expenses include: mileage charged at \$ [REDACTED] mile; printing and mailing at direct cost; and graphic design subcontractor at \$ [REDACTED]. Reimbursable fees incur an [REDACTED] percent markup on other direct costs.

We appreciate the opportunity to work with you and the District on this effort. This proposal is an offer for a period of ninety (90) days from the date of submittal. Mr. Aaron Goldschmidt, Vice President, is authorized to sign this proposal. Questions regarding this proposal can be directed to Ms. Julia Pujo at [REDACTED]

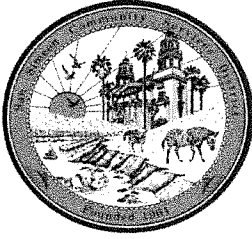
We believe our resources and qualifications will allow us to successfully provide consulting services, and we will commit all necessary staff and resources to the performance of the needed work within the required project schedule. No member of the contractor's team has a financial gain or an interest in the financial outcome of the grant proposal.

Respectfully submitted,



Aaron Goldschmidt, Vice President
Environmental Planning Group, Wood Environment & Infrastructure Solutions, Inc.
104 W. Anapamu Street, Ste. 204A
Santa Barbara, CA 93101

5.D. BUSINESS ITEMS



BUSINESS ACTION ITEM STAFF REPORT

Item 5.D. Discussion regarding a proposed road maintenance agreement for San Simeon Avenue.

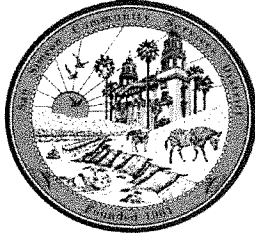
Summary:

During the April Board meeting the Board reviewed the request from the Cavalier Corporation asking if the District was interested in vacating the remaining approximately 100 feet of San Simeon Avenue. Director Russell asked that this item be tabled until the May meeting to allow Board members more time to review the existing 1994 agreement.

Recommendation:

Since the last Board meeting the Cavalier Corporation contacted District staff and asked for this item to be tabled until the June Board meeting.

5.E. BUSINESS ITEMS



BUSINESS ACTION ITEM STAFF REPORT

Item 5. E. Discussion and direction to Staff regarding the formation of an ad-hoc committee related to regional infrastructure.

Summary:

As part of the after-the-fact coastal development permit (CDP) for the riprap located at the wastewater water treatment plant, County Supervisor Gibson contacted SSCSD staff suggesting to contact the General Manager of Cambria to discuss regional wastewater treatment infrastructure.

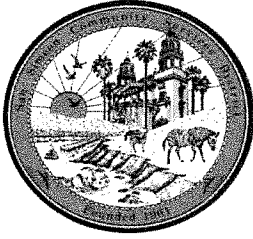
During the October Coastal Commission Hearing a request for withdrawal of the after the fact coastal development permit application was made to allow San Simeon CSD time to coordinate further with Coastal Commission staff with County support. The updated application packet was resubmitted to the Coastal Commission in February.

The District is in the CDP application process, and Coastal Commission has not issued any final requirements.

Recommendation:

Staff suggest that the Board consider appointing a wastewater treatment plant relocation ad-hoc committee.

5.F. BUSINESS ITEMS



BUSINESS ACTION ITEM STAFF REPORT

Item 5.F. Discussion regarding Board members touring the constructed wetlands plant in Arcata, California.

During last month's Board meeting, staff was directed to add the Arcata wetlands project tour to the May Board meeting agenda. Staff that three separate tours are scheduled in order to avoid any potential Brown Act violations.

The Board may wish to consider appointing two Board members to attend the June plant tour. Enclosed please find a copy of the tour schedule provided by Chairperson Kellas.

Enc: Proposed Tour Schedule

Wastewater wetlands tour itinerary, June 17-20, 2019

Arrive noon Monday June 17, at Watsonville to tour wetlands. Stormwater is piped to the wetlands. They are not connected to the WWTP, which has a mile-long ocean outlet.

<https://www.watsonvillewetlandswatch.org/restoration>

The tour is being arranged by Cristy Cassel-Shima, Conservation Outreach Program Manager

Public Works & Utilities

City of Watsonville

Main 768-3166 [REDACTED]

www.watsonvilleutilities.org

Arrive 10 am June 18, at Oro Loma WWTP San Lorenzo

Jason Warner, General manager, will guide our 1.5 hour tour of the project.

Oro Loma Sanitary District

2655 Grant Ave.

San Lorenzo, CA 94580

[REDACTED]
<https://oroloma.org/>

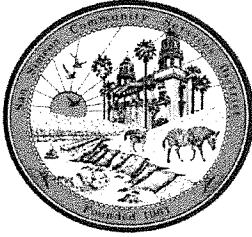
Arrive afternoon Wednesday June 19 Arcata. Sharon Levy, who wrote *The Marsh Builders: the Fight for Clean Water, Wetlands, and Wildlife*, will lead the tour.

[REDACTED]
[REDACTED]
[REDACTED]

We will also meet with George Ziminsky of the Arcata Marsh Interpretive Center,
City of Arcata

[REDACTED]
[REDACTED]

5.G. BUSINESS ITEMS



BUSINESS ACTION ITEM STAFF REPORT

Item 5.G. Approval of the Policy & Procedures Manual.

Summary:

Over the course of many ad-hoc committee meetings and several Board meetings the Board of Directors has reviewed the new and improved Policy and Procedures Manual. Included in this Board packet is a new version of the grant policy. Staff is asking for the Board to review this policy and make recommendations.

Recommendation:

The Board of Supervisors has not approved the Conflict of Interest policy yet. Once this has been approved it will be added to this manual.

Staff recommends the Board of Directors approve the attached version of the manual and that a motion to approve provide for language that allows the Conflict of Interest to be added at a later time.

Enc: Draft Policy and Procedures Manual

SAN SIMEON COMMUNITY SERVICES DISTRICT

POLICIES AND PROCEDURES GOVERNING THE SAN SIMEON COMMUNITY SERVICES DISTRICT AND BOARD OF DIRECTORS

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SECTION 3.00	Duties of the Board of Directors
SECTION 4.00	Staff and Consultants
SECTION 5.00	Duties of Staff
SECTION 6.00	Board Meetings: Time, Place, and Manner
SECTION 7.00	Board Meeting Agendas
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SECTION 9.00	Rules of Order for Board Meetings
SECTION 10.00	Actions and Decisions of the Board of Directors
SECTION 11.00	Deviations
SECTION 12.00	Records
SECTION 13.00	Committees of the District
SECTION 14.00	Board of Directors' Conduct
SECTION 15.00	Training, Education, and Conferences.
SECTION 16.00	Ordinance Adoption Policy
SECTION 17.00	Complaints/Claims Procedures
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SECTION 22.00	Applying for Grants

SAN SIMEON COMMUNITY SERVICES DISTRICT

POLICIES AND PROCEDURES OF THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT

SECTION 1.00 General Policies

Introduction. The Board of Directors is the governing and legislative body of the District. All action of the District shall be taken by the Board and not by individual Directors. The Board of Directors shall be the policymakers of the District, establishing policy after receiving necessary information from staff and other persons as deemed necessary. No individual Board Member shall represent a policy as the District's policy unless said policy has been determined by the Board, nor shall any board member act unilaterally in regard to representing the board or its policies in any public forum.

1.01 Purpose of Board Policies. It is the intent of the Board of Directors of the San Simeon Community Services District to maintain a Manual of Policies. Contained therein shall be a comprehensive listing of the Board's current policies, being the rules and regulations enacted by the Board. The Manual of Policies will serve as a resource for Directors, staff, and members of the public in determining the manner in which matters of District business are to be conducted.

1.02 Conflicts with the Law. If any policy or portion of a policy contained within the Manual of Policies is in conflict with rules, regulations, or legislation having authority over the San Simeon Community Services District, said rules, regulations, or legislation shall prevail.

1.03 Adoption/Amendment of Policies. A Director or General Manager may initiate the consideration of a new policy or to amend a policy. A written draft of the proposed new policy or amendment should be submitted to the General Manager to be included for consideration on the agenda of the appropriate regular meeting of the Board of Directors. Adoption of a new policy or an amendment shall be accomplished at a regular meeting of the Board of Directors and shall require a three-fifths (3/5) affirmative vote of the entire Board of Directors.

1.03.01 Process of Adopting or Amending Policy. Before considering to adopt or amend any policy, Directors shall have the opportunity to review the proposed adoption or amendment at the regular Board of Directors' meeting prior to the meeting at which consideration for adoption or amendment is to be given. Copies of the proposed policy adoption or amendment shall be included in the agenda information packet for any meeting of consideration. The agenda information packets with said copies shall be made available to each Director for review at least three (3) days prior to any meeting of consideration.

SECTION 2.00 Board of Directors

2.01 Authority of the Board. The Board of Directors is the governing body of the District. The Board shall act only at its regular meeting, regular adjourned meetings, special meetings, or emergency meetings.

2.02 Officers. At the regular meeting in December, the Directors shall elect one of their members Chairperson of the Board and another of the members Vice-Chairperson of the Board. Term of office for each shall be one (1) year.

2.03 Attendance at Meetings. Members of the Board of Directors shall attend all regular and special meetings of the Board unless there is good cause for absence.

2.04 Vacancy. A vacancy shall occur if any member ceases to discharge the duty of his/her office for the period of three (3) consecutive months except as authorized by the Board of Directors.

2.05 Renumeration. Members of the Board of Directors shall receive a monthly stipend, the amount of which shall be annually established by the Board as set forth in the adopted budget. However, a member of the Board who does not attend the regular monthly meeting of the Board is not entitled to the monthly stipend.

2.06 Reimbursement. Members of the Board of Directors shall be reimbursed for all legitimate expenses incurred in attending any meetings or in making any trips on official business of the Board when so authorized in accordance with policies. Reimbursement for the cost of the use of a Director's vehicle shall be on the basis of total miles driven and at the rate specified in the Internal Revenue Service Guidelines in effect at the time of the vehicle use.

2.07 Membership in Associations. The Board of Directors shall ordinarily hold membership in and attend meetings of such national, state, and local associations as may exist which have applicability to the functions of the District and shall look upon such memberships as an opportunity for in-service training. The Board of Directors shall maintain membership in the California Special Districts Association and shall insure that annual dues are paid when due. The Chairperson shall be selected to represent the District in accordance with said chapter's constitution/bylaws, and the Vice-Chairperson shall serve as an alternate for the representation.

SECTION 3.00 Duties of the Board of Directors

3.01 Presiding Officer. The Chairperson shall preside at all meetings of the Board. The Vice-Chairperson shall preside at all meetings of the Board in the absence of the Chairperson. If both the Chairperson and Vice-Chairperson are absent, the Directors in attendance shall select a Director to preside over the meeting.

3.02 Duties of the Chairperson. The Chairperson of the Board shall preserve order and decorum and shall decide questions of order subject to appeal to the Board of Directors. The Chairperson from the chair may place a motion before the Board, second a motion, and vote irrespective of the existence of an otherwise tie vote.

The Chairperson shall act as spokesperson for the Board with respect to its actions and policies and those of the District. This provision, however, shall not preclude any other member of the Board from making appropriate comments within the scope of his or her position.

The Chairperson, or any member of the Board or staff person so designated, shall represent the Board where it is appropriate or desirable for the District to appear at meetings of other public agencies, private entities, before public or private groups, or on other public or private

occasions. However, this provision shall not limit the attendance of any Director or authorized officer or staff member of the District at other public gatherings or meetings. Prior to attending such a gathering or meeting, Directors are encouraged to review Government Code Section 54952.2(c) and ensure their attendance is in conformance with the requirements of the Brown Act. (Please refer to Section 3.04)

To obtain such information as may be necessary and appropriate to assist the Board in its deliberations, the Chairperson shall work with the General Manager, District Counsel, or other staff member of the District. The Chairperson may also direct staff to implement the policies and decisions of the Board. Individual members of the Board shall not act independently to direct staff in the performance of their duties unless specifically provided for in these policies or as approved by the Board.

3.03 Duties of the Vice-Chairperson. The Vice Chairperson shall act if the Chairperson is absent or unable to act and shall exercise all of the powers of the Chairperson on such occasions.

3.04 Authority of Individual Board Members. All powers of the District shall be exercised and performed by the Board as a body. Individual Board Members, except as provided in these policies or otherwise authorized by the Board, shall have no independent power to act for the District the Board, or to direct staff of the District.

SECTION 4.00 Staff and Consultants

4.01 Staff. The Board shall, as necessary, appoint a General Manager and a District Secretary. The General Manager may also act as District Secretary, but no Director shall be appointed as General Manager or District Secretary. The General Manager, District Secretary, or a third party may also be appointed as the Finance Officer.

4.02 Consultants and Compensation. The Board may also appoint and employ, fix the compensation of, and prescribe the duties and authorities of other officers, employees, attorneys, engineers, and other professional consultants as necessary or convenient for the business of the District subject to the Procurement Policy. (Please refer to Section 19.00)

4.03 General Manager. The General Manager shall be the Executive Officer of the San Simeon Community Services District and for the Board of Directors. The General Manager may be employed by the District through written agreement or retained as a consultant through written agreement. If any such written agreement between the General Manager and the District is in conflict with any District policy, said agreement shall prevail.

SECTION 5.00 Duties of Staff

5.01 Duties of General Manager. The General Manager shall be responsible for all of the following:

- the implementation of the policies established by the Board of Directors for the operation of the District,
- the supervision of the District's facilities and services,
- the supervision of the District's finances.

5.02 Duties of District Secretary. The District Secretary shall prepare and mail or send by electronic media to each person entitled thereto copies of agendas, minutes of the preceding meeting, and notice of meetings. The District Secretary shall prepare minutes for adoption by the Board of Directors setting forth all actions taken by the Board and shall preserve minutes and other records of actions of the governing Board.

SECTION 6.00 Meetings: Time, Place, and Manner

6.01 Time. The time for regular meetings of the Board of Directors shall be the second Wednesday of each calendar month at 6:00 p.m. The date, time, and place of regular Board meetings shall be reconsidered annually at the annual organization meeting of the Board.

6.02 Place. The place of meetings of the Board of Directors shall be in a Cavalier Banquet Room located at 250 San Simeon Avenue, San Simeon, California, unless otherwise designated by the Board of Directors.

6.03 Recording. The proceedings of all regular meetings shall be recorded by videographer. The proceedings of all special meetings shall be recorded by audio. Recordings shall be retained in accordance with the record retention policy pursuant to Resolution 19-407. Video and audio taping of regular or special meetings shall conform to Government Code Sections 54953.5 & 54953.6.

6.04 Special and Emergency Meetings. The time, place, and manner of calling all other meetings of the Board of Directors shall be undertaken as prescribed in the Government Code Section 54950 *et seq.*

6.05 Adjourned Meetings. A majority vote by the Board of Directors may terminate any meeting at any place in the agenda to any time and place specified in the order of adjournment, except that if no Directors are present at any regular or adjourned regular meeting, the General Manager may declare the meeting adjourned to a stated time and place.

6.06 Compliance with the Brown Act. All meetings of the Board of Directors and Committees shall be open and public and all persons shall be permitted to attend any public meeting of the Board of Directors except as provided by law; provided, however, that closed sessions may be held when permitted by law.

6.07 Secret Ballots. Secret ballots are not allowed.

SECTION 7.00 Agendas.

7.01 Setting of Agenda. The General Manager, in consultation with the Board Chairperson, shall set the agenda. The General Manager and Board Chairperson shall consider any matter requested by a Director for inclusion on the agenda. Committee recommendations on topics to be added to the agenda shall be given to the Board Chairperson or said designee. A member of the public may also request that a matter directly related to District business be placed on the agenda. Such a request must be made to the General Manager or the Board Chairperson at least fifteen (15) day prior to the date of the meeting. With regard to all requests to add items to the agenda, the General Manager and the Board Chairperson may use their discretion as to which items are included. The agenda shall also contain any matter requested by a majority of the Board.

7.02 Consent Calendar. Agendas of Board meetings shall incorporate a consent calendar listing items of a routine nature not normally requiring discussion. The following is a listing of consent calendar items which may be amended by the direction of the Board of Directors or by the General Manager and the District Secretary as they deem appropriate: (1) approval of minutes, (2) approval of bills paid, (3) informational items, and (4) certain resolutions (example: banking authority). Approval of the consent calendar shall take place by a motion and a second of the Board and passed by a roll call vote indicating a majority vote.

The District adopts the following general guidelines in reviewing and approving consent agenda items:

1. The Chairperson shall announce the item and read each consent agenda item into the record.
2. The Chairperson shall ask if there are any public comments on any item within the consent agenda.
3. Once all public comments are done, the Chairperson shall ask the Board members if they would like to pull an item off the consent agenda for full discussion. If an item is "pulled off" the consent agenda, it shall be added as a Business Item for full Board discussion.
4. The Chairperson shall next ask if the Board members have any minor comments (typographical/spelling errors) or minor questions about any of the consent agenda items. If so, the Board member shall then make the minor comment or ask staff a question.
5. Once all minor comments/questions have been dealt with, the Chairperson shall ask if there is a motion to approve the consent agenda (if motion is not already made independently by another Board member); the motion, if it passes, shall approve all items within the consent agenda.

7.03 Distribution. The District Secretary shall prepare an agenda for each regular meeting and shall post and mail or send by electronic media the agenda to persons entitled thereto at least 72 hours prior to the meeting. The District Secretary shall prepare an agenda for each special meeting and post this agenda 24 hours prior to the meeting.

7.04 Additional Distribution. Agendas shall be mailed or sent by electronic media to any person who has on file a written request to receive agendas after the District has received payment of the appropriate fees to cover either faxing or mailing of said agendas.

7.05 Agenda Change. Upon a determination by a two-thirds vote of the members of the Board present at the meeting, or, if fewer than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted, the Board may add an item to the agenda in accordance with Government Code Section 54954.2(b). Example: If there are five (5) Board members present, four (4) affirmative votes would be needed to add an agenda item. If there are three (3) Board members present, three (3) affirmative votes would be needed to add an agenda item.

7.06 Public Comments on Agenda Items. Any member of the public may address the Board on any item on the agenda at the time that item is being considered by the Board. Each speaker will be limited to three (3) minutes per agenda item as monitored by the District Secretary. Additional time may be extended by the Chairperson. Speakers shall not be allowed

to “split” their time, nor shall they be permitted to “reserve” all or any portion of their allotted time. If any person fails or refuses to abide by these rules, the Chairperson, after warning the speaker, may declare that the speaker is disrupting, disturbing, or impeding the orderly conduct of the meeting and order the speaker to leave the meeting room. If another Board member disagrees that a speaker is disrupting the proceeding that Board member may object to having the speaker leave the meeting room. At such time, the full Board shall vote on whether the speaker should be required to leave, or not.

7.07 Public Comments on Items Not on the Agenda. Any member of the public may address the Board on any item of interest to the public that is within the subject matter jurisdiction of the District that is not on the agenda subject to the time limits and restrictions for public comments on agenda items. No action shall be taken on any item not appearing on the agenda unless authorized in accordance with the procedures set forth in Government Code Section 54954.2. The Board shall not engage in debate, dialogue, or take action on any matter brought to its attention under public comment, except to refer the matter to staff or to determine that the matter should be included on a future agenda for consideration and action.

7.08 Manner of Addressing the Board by an Individual. A member of the public addressing the Board should give his or her name in an audible tone of voice for the record. All remarks shall be addressed to the Board as a body, not to any individual Director. No person, other than a Director, General Manager or District Counsel, and the person having the floor shall be permitted to enter into any general discussion without the permission of the Chairperson.

7.09 Manner of Addressing the Board by a Group of Persons. Whenever members of the public wish to address the Board on the same subject matter, it shall be proper for the Chairperson to request that a spokesperson be chosen by the group to address the Board and, in case additional matters are to be presented at the time by any member of that group, to limit the number of persons so addressing the Board so as to avoid repetition before the Board. The Chairperson may set a time limit for each side of an issue. Government Code 54957.9 permits the legislative body to clear the room if the meeting is willfully interrupted so as to render further conduct of the meeting unfeasible.

SECTION 8.00 Minutes

8.01 Minutes. The District Secretary shall keep minutes of regular and special meetings of the Board. Copies of said minutes shall be made for distribution to each member of the Board with the agenda for the next regular Board meeting.

8.02 Record of Motions, Resolutions, and Ordinances. Motions, resolutions, or ordinances shall be recorded as having passed or failed, and individual votes will be recorded unless the action was unanimous. All resolutions and ordinances adopted by the Board shall be numbered consecutively starting anew at the beginning of each fiscal year.

8.03 Procedure for Minutes. The minutes of Board meetings shall be maintained as hereinafter outlined.

8.03.01 Procedure:

- date, place, and type of each meeting
- directors present and absent byname

- call to order
- arrival of tardy Directors by name
- pre-adjournment departure of Directors by name or if absence takes place when any agenda items are acted upon
- adjournment of the meeting

8.03.02 Board Actions:

- approval or amended approval of the minutes of preceding meetings
- complete information as to each subject, including the roll call record of the vote on a motion if not unanimous
- all Board resolutions and ordinances in complete context, numbered serially for each fiscal year
- a record by number of all warrants approved for payment
- adoption of the annual budget
- financial reports, including water and wastewater sales, balances of District checking accounts, and a monthly balance sheet

8.04 Storage. The official minutes of the regular and special meetings of the Board shall be saved on the District computer in accordance with the Records Retention Policy. (See Resolution 19-407.) This computer shall be backed up onto a hard drive that is stored in a safe deposit box that is located at an offsite location. Approved minutes of the Board of Directors' meetings shall be public records open to inspection by the public. The Secretary shall make copies available to any person who has made a request in compliance with the California Public Records Request Act.

SECTION 9.00 Rules of Order for Meetings

9.01 General. Action items shall be brought before and considered by the board by motion in accordance with this policy. These rules of order are intended to be informal and applied flexibly. The board prefers a flexible form of meeting and, therefore, does not strictly follow Robert's Rules of Order.

9.02 Obtaining the Floor. Any member of the Board desiring to speak should address the Chairperson and, upon recognition by the Chairperson, may address the subject under discussion.

9.03 Motions. Any member of the Board, including the Chairperson, may make or second a motion. A motion shall be brought and considered when a member of the Board makes a motion and another Director seconds the motion. The motion is then open to discussion and debate. After the matter has been fully discussed and debated, the Chairperson will call for the vote.

9.04 Motion to Amend. A main motion may be amended before it is voted on either by the consent of the members of the Board who moved and seconded or by a new motion and second.

9.05 Motion to Postpone. A main motion may be postponed to a certain time by a motion to postpone which is then seconded and approved by a majority of the Board.

9.06 Motion to Refer to Committee. A main motion may be referred to a Board committee for further study and recommendation by a motion to refer to committee which is then seconded and approved by a majority vote of the Board.

9.07 Motion to Close Debate and Vote Immediately. As provided above, any member of the Board may move to close debate and immediately vote on a main motion.

9.08 Motion to Adjourn. A meeting may be adjourned by motion made, seconded, and approved by a majority vote of the Board before voting on a main motion.

9.09 Decorum. The Chairperson shall take whatever actions are necessary and appropriate to preserve order and decorum during Board meetings, including public hearings. The Chairperson may eject any person or persons making personal, impertinent, or slanderous remarks; refusing to abide by a request from the Chairperson; or otherwise interrupting the meeting or hearing.

If any meeting is willfully interrupted by a person or a group so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the members of the legislative body conducting the meeting may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the legislative body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

SECTION 10.00 Actions and Decisions

10.01 Method of Action. The Board of Directors shall act only by ordinance, resolution, or motion in accordance with these policies.

10.02 Majority/Quorum. The majority of the Board shall constitute a quorum for the transaction of business.

10.03 Majority Vote Required. No ordinance, resolution, or motion shall be passed or shall become effective without the affirmative vote of at least a majority of the members of the Board. Three (3) Directors represent a quorum for the conduct of business. Actions taken at a meeting where only a quorum is present, therefore, require three (3) unanimous votes to be effective (unless a 4/5 vote is required by policy or other law). A member abstaining in a vote is considered as absent for that vote.

Example 1: If three (3) of five (5) Directors are present at a meeting, a quorum exists and business can be conducted. However, if one (1) Director abstains on a particular action and the other two (2) cast "aye" votes, no action is taken because a "majority of the Board" did not vote in favor of the action.

Example 2: If a proposed action requires a two-thirds vote and two (2) Directors abstain, the proposed action cannot be approved because four (4) of the five (5) Directors would have to vote in favor of the action.

Example 3: If a vacancy exists on the Board and a vote is taken to appoint an individual to fill said vacancy, three (3) Directors must vote in favor of the appointment for it to be approved. If two (2) of the four (4) Directors present abstain, the appointment is not approved.

10.04 Recordation of Vote Exceptions. For action taken by motion without the unanimous vote of all Directors present voting, the names of the Ayes and Noes shall be entered in the minutes. For passage of all ordinances and resolutions, the names of the Ayes, Noes, Abstain, and Absent shall be entered into the minutes of the Board.

10.05 Direction to Staff. During a public meeting, the Board may give directions, however, which are not formal action. Such directions do not require formal procedural process. For example, after an ordinance is adopted at a public meeting, the Board may direct staff to publish an ordinance summary in a newspaper of general circulation. The Board may also direct staff to research a particular topic and place it on the agenda at the next regular Board meeting. Such directions include the Board's directives and instructions to the General Manager. The Chairperson shall determine by consensus a Board directive and shall state it for clarification. Should any two (2) Directors challenge the statement of the Chairperson, a voice vote may be requested. A formal motion may be made to place a disputed directive on a future agenda for Board consideration or to take some other action (such as referring the matter to the General Manager for review and recommendation, etc.). Informal action by the Board is still Board action and shall only occur during public meetings regarding matters which appear on the agenda for the Board meeting during which said informal action is taken.

SECTION 11.00 Deviations

11.00 Deviations. No deviation from or failure to follow the procedures set forth in this Code shall invalidate any action or decision of the Board of Directors unless such deviation or failure has substantially prejudiced the rights of an interested person.

SECTION 12.00 Records

12.01 Records. Public records of the San Simeon Community Services District shall be open to inspection as provided in the California Public Records Act.

SECTION 13.00 Committees

13.01 Standing Committees. The District has the following standing committees:

- Budget/Finances – This committee shall be concerned with the financial management of the District, including the preparation of an annual budget and major expenditures.
- Water/Facility – This committee shall be concerned with the formulation of plans for arranging, realizing, and/or achieving the District's goals in regard to alternative water sources and facility maintenance and upgrades.

13.02 General Rules Governing Committees. The Chairperson of the Board of Directors shall appoint one (1) or two (2) Board members and three (3) to five (5) members of the public to serve on the Standing Committees subject to Board approval. The Chairperson of the Board of Directors shall publicly announce the members of the standing committees for the ensuing year at the next regular Board meeting following the appointment of the Chairperson of the Board of Directors. Committees shall be governed by the following policies and rules.

- At its first meeting, each Standing Committee shall select a Chairperson, who shall be one of the two Board members on the committee.
- No more than two Directors of the Board shall serve on any one Committee. Other Directors may attend Committee meetings as *observers* in accordance with the

Brown Act. As “observers” the Board members may not ask questions or make statements while attending the meeting, nor may they sit in the special chairs on the dais while attending the meeting. As “observers” the Board members have no authority to participate in any way in Committee discussions.

- Committees should focus on matters that typically require extensive research and review.
- A Committee may take no action. Recommendations for formal action of the Board of Directors are made in the Committee reports.
- Any Committee that is appointed by action of the Board of Directors and/or has members of the public serving on the Committee shall then come under the posting requirements of the Brown Act and shall be open to the public.
- The meetings of Standing Committees shall be held when called by the Chairperson of the Standing Committee or other Director member.
- Duties and Functions: At the time the Chairperson of the Board of Directors forms the Standing Committee, he/she shall give instructions as to the duties for each Committee. Additional duties and functions may be delegated by the Chairperson, as need arises, subject to Board approval.
- The Committee shall give a report at the regular meeting of the Board of Directors and if a need to take action should arise, the Committee shall bring a recommendation to the Board of Directors at any duly noticed meeting. The Committee Chairperson shall notify the General Manager of items to be placed on the agenda where action is needed, if possible, one week prior to the meeting.

13.03 Ad Hoc Committees. Ad hoc Committees may be created by the Board of Directors to undertake special assignments on behalf of the Board. An ad hoc Committee shall exist for a specified term or until its special assignments are completed, whichever comes first, but its existence may be extended for an added term or added assignments by action of the Board. Unless otherwise specified, members of an ad hoc Committee shall be appointed by the Chairperson of the Board, subject to Board approval, and shall serve at the Board’s pleasure.

13.04. Special Committees. In addition to the committees discussed above, Special Committees may be created by the Board of Directors to undertake special assignments on behalf of the Board. A Special Committee shall continue in existence indefinitely. Unless otherwise specified, members of a Special Committee shall be appointed by the Chairperson, subject to Board approval, and shall serve at the Board’s pleasure. All Special Committee meetings shall be open to the public, have an agenda, and otherwise be subject to the Brown Act.

SECTION 14.00 Board Conduct

14.01 Conflict of Interest. No Director shall make, participate in, or in any way attempt to use his or her official position to influence a decision on any issue when prohibited from doing so by the Political Reform Act of 1974 (Government Code Section 81000, *et seq.*), any other law, or the District’s Conflict of Interest Code. (Please refer to Section 20.00.) A Director shall, when an agenda item is called, declare that he or she has a conflict of interest, state what the conflict of interest is, and shall remove him or herself from the Board room during the discussion. The Director’s removal shall be noted on the record by the District Secretary, who shall also note the Director’s return when the item is completed.

14.02 Ethics. Directors shall comply with the requirements of Government Code Section 53235 by receiving at least two hours of training in general ethics principles and ethics laws relevant to District service every two years and shall file with the District Secretary a copy of the certificate verifying the completion of such training. Directors shall work with the General Manager or said designee to ensure adherence with all requirements of Government Code Section 53235.

14.03 Decorum of Board of Directors during Board Meetings. The Directors shall adhere to the following guidelines for conduct during all meetings.

- The immediate and future needs of the District’s constituents should be the priority of the Board of Directors.
- Once the Board of Directors takes action, Directors should not create barriers to the implementation of said action.
- The work of the District is a team effort. All individuals should work together in the collaborative process, assisting each other in conducting the affairs of the District.

14.04 Other Procedures for Directors. Directors should practice the following procedures.

1. In seeking clarification on informational items, Directors may approach professional staff members to obtain information needed to supplement, upgrade, or enhance their knowledge to improve legislative decision-making.
2. In handling items related to safety, concerns for safety or hazards should be reported to the General Manager, said designee, or to the District office. Emergency situations should be dealt with immediately by seeking appropriate assistance.
3. In seeking clarification for policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and programming, said concerns should be referred directly to the General Manager.
4. When approached by District personnel concerning specific District policy, Directors should direct inquiries to the appropriate staff supervisor. The chain of command should be followed.
5. Directors should develop a working relationship with the General Manager wherein current issues, concerns, and District projects can be discussed comfortably and openly.
6. Unless a conflict of interest exists, Directors should not abstain from the Board's decision-making responsibilities.

SECTION 15.00 Training, Education and Conferences.

15.00 Educational Conferences. Members of the Board of Directors are encouraged to attend educational conferences and professional meetings when the purpose of such activity is to improve District operation. Hence, there is no limit as to the number of Directors attending a particular conference or seminar when it is apparent that their attendance is beneficial to the District. If multiple Directors are to attend an educational conference, it is recommended that prior to attending the conference, the Directors review Government Code Section 54952.2 (Ralph M. Brown Act) or confer with District Counsel.

15.01 Reimbursement for Educational Conferences. It is the policy of the District to encourage Board development and excellence of performance by reimbursing expenses incurred for tuition, travel, lodging, and meals as a result of training, educational courses,

participation with professional organizations, and attendance at local, state, and national conferences associated with the interests of the District.

15.01.01 The Board member is responsible for making arrangements for conference and registration expenses and for per diem. Per diem, when appropriate, shall include reimbursement of expenses for meals, lodging, and travel. All expenses for which reimbursement is requested by Directors or that are billed to the District by Directors, shall be submitted to the General Manager, together with validated receipts.

15.02 Approval by Chairperson. Attendance by Directors at seminars, workshops, courses, professional organization meetings, and conferences shall be approved by the Chairperson of the Board of Directors prior to incurring any reimbursable costs.

15.03 Expenses for Educational Conferences. Expenses to the District for Board of Directors' training, education, and conferences should be kept to a minimum by utilizing recommendations for transportation and housing accommodations put forth by the General Manager and by:

- utilizing hotel(s) recommended by the event sponsor in order to obtain discounted rates
- Directors traveling together whenever feasible and economically beneficial
- requesting reservations sufficiently in advance, when possible, to obtain discounted airfares and hotel rates

15.04 No Educational Activities After Resignation. Directors shall not attend a conference or training event for which there is an expense to the District if it occurs after they have announced their pending resignation or if it occurs after an election in which it has been determined that they will not retain their seat on the Board. A Director shall not attend a conference or training event when it is apparent that there is no significant benefit to the District.

15.05 Report to Board After Educational Conferences. Upon returning from seminars, workshops, conferences, etc., where expenses are reimbursed by the District, Directors will either prepare a written report for distribution to the Board or make a verbal report during the next regular meeting of the Board. Said report shall detail what was learned at the session(s) that will be of benefit to the District. Materials from the session(s) may be delivered to the District office to be included in the District library for the future use of other Directors and staff.

16.00 Ordinance Adoption Policy

16.01 Adoption and Waiting Period. Ordinances should be adopted on a roll call vote. Unlike cities and counties, a community services district does not have a first and second reading prior to an adoption. Rather, the appropriate motion to adopt an ordinance is to move adoption of Ordinance No. ____ entitled "_____" Ordinarily, it is advisable to have a 30-day waiting period before the effective date of the ordinance, although, unlike city and county adopted ordinances, this is not a mandatory requirement.

16.02 Publication Requirements. Unlike cities and counties, there is no overall requirement for publication of all ordinances. However, it is a good practice to publish adopted ordinances in a newspaper of general circulation in the area within 15 days after passage. Some types of

ordinances may have specific requirements for publication of the ordinance before their effective date. This sometimes includes Federal or State grant projects. Likewise, there is not a general requirement for all ordinances to be adopted after public hearing. However, some specific actions require public hearings, such as certain grant projects or increases in fees. District Counsel should either prepare all District resolutions and ordinances or carefully review drafts of such documents prior to their placement on the Board's agenda to ensure that any notice, hearing, or format requirements are met.

16.03 Reading and Alterations. All ordinances shall be read in full either at the time of introduction or passage, except when, after reading the title, further reading is waived by regular motion adopted by unanimous vote of the Board by the Directors' present. Corrections of typographical or clerical errors are not alterations within the meaning of this section.

16.04 Enacting Clause of Ordinance. The form of enacting clause of all ordinances passed by the Board shall be: "Be it ordained by the Board of Directors of the San Simeon Community Services District as follows".

16.05 Execution of Ordinances. All ordinances shall be signed by the Chairperson and attested by the District Secretary.

SECTION 17.00 Complaints/ Claims Procedures

17.01 General Public Complaints. The Board of Directors desires that complaints from the public be resolved at the lowest possible administrative level and that the method for resolution of complaints be logical and systematic. A public complaint is an allegation by a member of the public of a violation or misinterpretation of a District policy, state, or federal statute by which the individual has been adversely affected.

17.02 Method of Handling General Public Complaints Against the District. The method of resolving complaints shall be as follows:

1. The individual with a complaint shall first discuss the matter with the General Manager with the objective of resolving the matter informally.
2. If the complaint refers to the General Manager, it will be referred to the Board Chairperson with the objective of resolving the matter informally.
3. If the individual filing the complaint is not satisfied with the disposition of the matter by the General Manager or Board Chairperson, a written complaint may be filed with the Board of Directors within ten (10) days of receiving the General Manager's or Chairperson's decision.
4. The Board may consider the matter at the next regular meeting, or call a special meeting. The Board will expeditiously resolve the matter. In making the final decision, the Board may conduct conferences, hear testimony, as well as utilize the transcripts of written documentation. A written decision from the Board may be requested by the individual filing the complaint.

This policy in no way prohibits nor is intended to deter a member of the community or staff member from appearing before the Board to present verbally a testimony, complaint, or statement in regard to actions of the Board, District programs and services, or impending considerations of the Board.

17.03 Complaints Concerning Staff or Contractors of the District. The Board states its support of staff and its expectation that each shall perform in the spirit of excellent service to the community. The Board wishes to defend staff against malicious complaints while upholding standards of performance for each staff member and correcting problems. Board members individually will refer compliments, suggestions, and criticisms about staff directly to the General Manager for appropriate consideration and action.

17.04 Method of Handling Complaints Against District Staff/Contractors. The method of resolving complaints shall be as follows.

1. Complaints should first be made directly by the complainant to the staff member against whom the complaint is lodged. Community members are encouraged to attempt to orally resolve concerns with the staff member personally as soon as possible, within 30 days of the occurrence.
2. If the issue cannot be resolved between the community member and the staff member informally, the complaint should be referred to the General Manager.
3. The General Manager shall investigate the complaint and shall take appropriate measures to address the complaint once the investigation is complete. The individual making the complaint shall be informed of the results of the investigation and with any actions/measures that were taken.
4. If the General Manager deems it necessary, the matter may be referred to the Board. All charges or complaints against a staff member brought to a Board meeting shall comply with the requirements of Cal. Gov't Code § 54950 et seq.
5. No anonymous complaints concerning staff members will be processed by the District or Board. Such complaints shall be given to the General Manager, who shall note the content. Board and staff shall inform complainants that anonymous complaints will not be handled, receive attention, or be acted upon.
6. Each person involved in a complaint shall act quickly so that the complaint may be solved promptly. Training on the appropriate resolution of complaints within the guidelines of this policy shall be held annually.

17.05 Claims Against the District. The purpose of this policy is to provide direction to District staff for processing and resolving claims against the District. Inherent in this policy is the recognition that every claim will be unique and that guidelines cannot be written to accommodate every case. Therefore, staff must use discretion and good sense in handling each claim.

17.05.01. Property (Land and Improvements) Damage Claims. In the course of District operations, damage to land and improvements thereon occasionally occur due to the proximity of the District's facilities to private property. When District staff are aware that property has been damaged in the course of their work, restorative measures are to be taken to return the property as close to its original condition as possible.

1. When a property owner informs a District staff member of damage to their property, the staff member receiving the claim will document in writing the time and date, and a description of the stated circumstances and allegations. Staff members should respond to questions, be cordial and respectful, but refrain from commenting on liability questions.
2. As soon as possible after information about the damage has been received, it shall be given to the General Manager. The General Manager, or said designee, shall investigate the property owner's allegations.

3. If the owner of damaged property informs a member of the Board of Directors, the information will be given to the General Manager. Directors should not independently investigate claims but may go with staff to observe.
4. Claims in excess of the District's insurance deductible shall be forwarded to the insurance company (Special District Risk Management Authority, SDRMA), and the claimant shall be advised of this action.
5. Claims for personal injury/wrongful death shall not be investigated by District staff or Directors but shall be immediately forwarded to the District's insurance company.

17.05.02. Property (Vehicles and Unsecured Property) Damage Claims. All claims of damage to vehicles or other unsecured property shall be submitted to the General Manager. He/she shall review the damage claim and the requested restitution. If the General Manager determines that the damage is the District's responsibility, he/she may authorize repairs or reimbursement of expenses to an amount not to exceed \$500. Claims in excess of \$500 shall be forwarded to the insurance company.

17.05.03. Claims Form. All damage claims must be submitted in writing on a District claim form. This will ensure that a claim is valid and protect important rights of the District. District staff shall provide no assistance to the claimant in filling out the claim form. Claimant must fill out the claim form in its entirety and submit it via mail, FAX, or personal delivery to the District office. Upon receipt, office staff shall date-stamp the document.

Anyone not wishing to file a claim on the District form, may present the claim by letter if it conforms to Section 910 and Section 910.2, California Government Code. Section 910 specifies that a claim needs to show all of the following:

1. the name and post office address of the claimant;
2. the post office address to which the person presenting the claim desires notices to be sent;
3. the date, place, and other circumstances of the occurrence or transaction which gave rise to the claim asserted;
4. a general description of the indebtedness, obligation, injury, damage, or loss incurred so far as it may be known as the time of presentation of the claim;
5. the name or names of the staff member(s) causing the injury, damage, or loss, if known;
6. the amount claimed as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage, or loss, insofar as it may be known at the time of presentation of the claim, together with the basis of computation of the amount claimed.
7. Section 910.2 of the California Government Code specifies the following: "the claim shall be signed by the claimant or by some person on his behalf. Claims against local public entities for supplies, materials, equipment or services need not be signed by the claimant or on his behalf if presented on a billhead or invoice regularly used in the conduct of the business of the claimant."
8. If the filed letter/claim does not meet the requirements of California Government Code 910 and 910.2, then a letter shall be sent to the claimant informing him/her of this fact.

SECTION 18.00 Staff and Operations

18.01 Substance Abuse

18.01.01. Purpose of Policy. This policy sets forth the District's position regarding substance abuse and provides guidance to staff in addressing substance abuse problems. The District recognizes its responsibility to maintain a safe, healthful, and productive environment and staff's responsibility to perform services for the public effectively and efficiently. The District will act to eliminate any substance abuse which increases the risk for accidents, absenteeism, substandard performance, poor morale, or damage to the District's property or reputation. Substance abuse includes the use or possession of illegal drugs, alcohol, controlled substances, or misuse of prescription or over-the-counter drugs which could impair staff members' ability to perform their services safely, effectively, and efficiently.

18.01.02 Definitions.

For purposes of this Guideline:

- (1) "Illegal drugs or other controlled substances" means any drug or substance that (a) is not legally obtainable, or (b) is legally obtainable but has not been legally obtained, or (c) has been legally obtained but is being sold or distributed unlawfully.
- (2) "Legal drug" means any drug, including any prescription drug or over-the-counter drug, that has been legally obtained and that is not unlawfully sold or distributed.
- (3) "Abuse of any legal drug" means the use of any legal drug (a) for any purpose other than the purpose for which it was prescribed or manufactured; or (b) in a quantity, frequency, or manner that is contrary to the instructions or recommendations of the prescribing physician or manufacturer.
- (4) "Possession" means that a staff member has the substance on his or her person or otherwise under his or her control.

18.01.03 Prohibited Conduct.

A. Scope

The prohibitions of this section apply whenever the interests of the District may be adversely affected, including any time a staff member is:

- (1) on District premises;
- (2) conducting or performing District business, regardless of location;
- (3) operating or responsible for the operation, custody, or care of District equipment or other property; or
- (4) responsible for the safety of others in connection with, or while performing, District-related business.

B. Alcohol

The following acts are prohibited by this policy:

- (1) the unauthorized use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of alcohol; or
- (2) being under the influence of alcohol from unauthorized consumption.

C. Illegal Drugs

The following acts are prohibited by this policy:

- (1) the use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of any illegal drug or other controlled substance; or
- (2) being under the influence of any illegal drug or other controlled substance.

D. Legal Drugs

The following acts are prohibited by this policy:

- (1) the abuse of any legal drug;
- (2) the purchase, sale, manufacture, distribution, transportation, dispensation, or possession of any legal prescription drug in a manner inconsistent with law; or
- (3) performing services for the District while impaired by the use of a legal drug whenever such impairment might:
 - (a) endanger the safety of the staff member or some other person,
 - (b) pose a risk of significant damage to Company property or equipment, or
 - (c) substantially interfere with the work performance or the efficient operation of the District's business or equipment.

18.01.04 Violations of this Policy. A violation of this policy will be immediately referred to the General Manager for review. Disciplinary action, up to and including termination, is a potential consequence for a violation of this policy but will be at the discretion of the General Manager.

18.02 Anti-Discrimination and Anti-Harassment Policy

18.02.01 No Discrimination or Harassment. The District does not unlawfully discriminate on the basis of race, color, religion, religious creed (including religious dress and religious grooming), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity (including transgender identity and transitioning), gender expression and sex stereotyping, national origin, ancestry, citizenship, age, physical or mental disability, legally protected medical condition or information (including genetic information), family care or medical leave status, military caregiver status, military status, veteran status, marital status, domestic partner status, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, engaging in protected communications regarding wages, requesting a reasonable accommodation on the basis of disability or bona fide religious belief or practice, or any other basis protected by local, state, or federal laws. Consistent with the law, the District also makes reasonable accommodations for disabled applicants and staff; for pregnant staff who request an accommodation (on the advice of their health care providers), for pregnancy, childbirth, or related medical conditions; for staff who are victims of domestic violence, sexual assault, or stalking; and for applicants and staff based on their religious beliefs and practices. The District prohibits discrimination and harassment of staff by Board members, managers, co-workers, or third parties with whom staff members come into contact. Similarly, the District will not tolerate harassment or discrimination by its staff of non-staff members, Board members, or other third parties with whom the District's staff has a business, service, or professional relationship.

18.02.02. Harassment Defined. Harassment includes verbal, physical, and visual conduct that creates an intimidating, offensive, or hostile working environment or that interferes with work performance. Such conduct constitutes harassment when (1) submission

to the conduct is made either an explicit or implicit condition of providing services to the District; (2) submission or rejection of the conduct is used as the basis for a District decision; or (3) the harassment interferes with work performance or creates an intimidating, hostile, or offensive work environment.

Harassing conduct can take many forms and may include, but is not limited to, the following (when based upon a protected status as noted above): slurs, jokes, statements, gestures, assault, impeding or blocking another's movement or otherwise physically interfering with normal work; pictures, drawings, or cartoons; violating someone's "personal space"; foul or obscene language; leering, stalking, staring; unwanted or offensive letters or poems, or offensive email or voicemail messages.

Sexually harassing conduct in particular may include all of these prohibited actions, as well as other unwelcome conduct, such as requests for sexual favors, conversation containing sexual comments, and other unwelcome sexual advances. Sexually harassing conduct can be by a person of either the same or opposite sex. Sexually harassing conduct need not be motivated by sexual desire to be violative of this policy.

18.02.03. Reporting and Investigating Harassing Conduct. The District understands that victims of harassment are often embarrassed and reluctant to report acts of harassment for fear of being blamed, concern about being retaliated against, or because it is difficult to discuss sexual matters openly with others. However, no one should have to endure harassing conduct, and the District therefore encourages staff to promptly report any incidents of harassment so that corrective action may be taken. Any incidents of harassment should be reported to the General Manager. If the General Manager is the individual who is committing harassment, the incident should be reported to a member of the Board. The investigation will be handled in as confidential a manner as possible consistent with a fair, timely, and thorough investigation in a manner that provides all parties appropriate due process and reaches reasonable conclusions based on the evidence collected.

18.02.04. Corrective Action. The District will not tolerate retaliation against someone for making a good faith complaint of harassment or for cooperating in an investigation. If harassment or retaliation in violation of this policy is established, the District will take appropriate corrective action. Corrective action may include, for example, training, referral to counseling, or disciplinary action ranging from a verbal or written warning to termination of employment or other service contracts, depending on the circumstances.

18.03 Smoke Free Workplace Policy

18.03.01. Purpose. The District would like to contribute to the health and well-being of all staff and third-parties that may have a business, service, or professional relationship with the District. Therefore, the District promotes a smoke-free environment. The use of all smoking products, including vapor products and electronic cigarettes (E-cigarettes), is banned from the District premises except as designated in this policy. The successful implementation of this policy depends upon the thoughtfulness, consideration, and cooperation of smokers and non-smokers alike. All individuals on District premises share in the responsibility of adhering to this policy.

18.03.02. Prohibited Activities. Smoking is prohibited within the buildings and facilities of the District without exception. This includes common work areas, conference and

meeting rooms, private offices, hallways, lunchrooms, restrooms, District vehicles, and all other enclosed facilities.

18.03.03. Designated Smoking Areas. The only designated smoking areas at the District are outdoors at least 25 feet from any building entrances and exits, including any doors and windows that open. No one may smoke along any pathway or walkway leading to or from a designated smoking area. Smokers must dispose of the remains of smoking products in the proper containers. This helps to keep a neat and clean environment for all.

18.04 Investment of Public Funds

18.04.01. Policy and Purpose. It is the policy of the District to invest public funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds. As a public entity, the District places particular importance on the preservation of capital and protection of District funds above other investment objectives. All investments require prior approval by the Board of Directors.

18.04.02. Scope. This investment policy applies to all financial assets of the District. These funds are accounted for in the District Annual Financial Report and may include:

- General Fund
- Enterprise Funds
- Any new fund established by the District

18.04.03. Prudence. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims to safeguard the principal and maintain the liquidity needs of the District.

18.04.04. Objective. The primary objective in priority order of the District's investment activities shall be:

- Safety of Principal – Investments shall be undertaken in a manner that first seeks to preserve portfolio principal.
- Liquidity – Investments shall be made with maturity dates that are compatible with cash flow requirements and that will permit easy and rapid conversion into cash, at all times, without a substantial loss of value.
- Return on Investment – Investments shall be undertaken to produce an acceptable rate of return after first consideration for principal and liquidity.

18.04.05. Delegation of Authority. Pursuant to the Government Code, the District Board delegates the authority to invest or to reinvest funds or to sell or exchange securities so purchased to the General Manager for a one-year period. The General Manager is charged with the responsibility of carrying out the policies of the District Board and shall assume full responsibility for investment transactions until the delegation of authority is revoked or expires.

The daily cash management, investment transactions, and account reconciliations are the primary responsibilities of the General Manager. The General Manager has authority to transfer funds between any of the accounts that have been established by the District in order to accomplish the purpose and objective of this policy. The General Manager shall report any transfer of funds at the next regular Board meeting during the General Manager or Financial report. These activities are also carried out by other members of the District's staff under the direction of the General Manager. The General Manager shall establish procedures for the operation consistent with this investment policy.

The General Manager and authorized individuals acting in accordance with written procedures, the investment policy, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

18.04.06. Ethics and Conflicts of Interest. District staff involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program or that could impair their ability to make impartial decisions. District staff involved in the investment process shall abide by the District's Conflict of Interest Code, the provisions of California Government Code Section 1090 et seq., and the California Political Reform Act, California Government Code Section 81000 et seq.

18.04.07. Permitted Investments. California Government Code Sections 53601, 53635, and 16429.1 govern the investments permitted for purchase by the District. Within the investments permitted by the Code, the District seeks to further restrict eligible investments to the investments listed below.

Percentage limitations, where indicated, apply at the time of the purchase. Rating requirements, where indicated, apply at the time of purchase. In the event a security held by the District is subject to a rating change that brings it below the minimum specified rating requirement, the General Manager shall notify the District Board of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the rate drop, prognosis for recovery or further rate drops, and the market price of the security. Investment maturities shall be based on review of cash flow forecasts. Maturities will be scheduled so as to permit the District to meet all projected obligations.

No investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement, that at the time of the investment has a term remaining to maturity in excess of five years unless the District Board of Directors has granted express authority to make that investment no less than three months prior to the investment.

18.04.08. Eligible Investments.

- State of California Local Agency Investment Fund ("LAIF") pursuant to Gov't Code § 16429.1. The District may invest in LAIF. A maximum of \$50 million may be invested in this category.
- California Asset Management Trust. The District may invest in the shares in the California Asset Management Trust, so long as the portfolio is rated among the top two rating categories by one of the nationally recognized

rating agencies. A maximum of \$50 million may be invested in this category, net of bond proceeds.

- U.S. Treasury Obligations. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- Negotiable Certificates of Deposit. Negotiable certificates of deposit issued by a nationally or state chartered bank or a state or federal savings and loan association or by a state; licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated “AA” or better by Moody’s or Standard & Poor’s. Investments in negotiable certificates of deposit are limited to 30% of the portfolio.
- Banker’s Acceptances. Banker’s acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of banker’s acceptances may not exceed 180 days maturity. Eligible banker’s acceptances are restricted to issuing financial institutions with short-term paper rated in the highest category by one or more nationally recognized rating services. Investments in banker’s acceptances are further limited to 40% of the portfolio with no more than 30% of surplus invested in the banker’s acceptances of any one commercial bank.
- Federal Agency Securities. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- Municipal Obligations: Bonds, notes, warrants, or other evidences of indebtedness of the State of California or of any local agency within the State of California, including bonds.
- Money Market Funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940 (15 U.S.C., Sec. 80a-1, et seq.).
 - The District may invest in shares of beneficial interest issued by a company that shall have met either of the following criteria:
 - attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized rating services, (or)
 - retained an investment advisor registered or exempt from registration with the SEC with not less than five years’ experience in managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

- The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge. Investments in Money Market Funds are limited to 20% of the portfolio.
- Local Agency Bonds. Bonds, including Certificates of Participation, notes or evidences of indebtedness issued by any state, municipality, or local agency whether payable from any fund of such entity or from special revenues pledged for such payment.

18.04.09. Ineligible Investments. As provided in California Government Code section 53601.6, the District shall not invest any funds in inverse floaters, range notes, mortgage derived interest-only strips, or in any security that could result in zero interest accrual if held to maturity. The purchase of any security not listed above but permitted by the California Government Code is prohibited unless the District Board approves the investment specifically.

18.04.10. Safekeeping. All securities purchased may be delivered against payment and held in safekeeping pursuant to a safekeeping agreement. All financial institutions shall be instructed to mail confirmations and safekeeping receipts directly to the General Manager.

18.04.11. Performance Standards. An annual appraisal of the investment portfolio shall be conducted to evaluate the effectiveness of the District's investment program. The purpose of this review, in addition to evaluation of performance, is to provide the platform for recommendations of change and improvements to the portfolio to the Board.

18.04.12. Reporting Requirements. Each month the Finance Officer shall prepare and submit a report of investment transactions to the Board of Directors. This report will be sufficiently detailed to provide information for investment evaluation.

18.04.13. Annual Review of Investment Policy. The investment policy shall be adopted by resolution of the District Board on, at minimum, an annual basis. The investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be approved by the District Board.

18.05 Disposal of Surplus Equipment/Property.

18.05.01. Equipment.

A. Policy and Procedure. The General Manager, in conjunction with the Office Manager and the Plant Superintendent, shall be responsible for identifying obsolete/surplus materials, goods, and equipment ("Surplus Equipment.") Once Surplus Equipment is identified by the General Manager, it shall be presented to the Board of Directors at a meeting. The Board of Directors shall declare the obsolete/surplus materials, goods, and equipment as Surplus Equipment.

B. Definitions.

Disposal – Sell, discard, destroy, donate, or otherwise remove from District ownership.

Equipment – The term “equipment” as used in this procedure consists of material, goods, furniture, vehicles, computers, and other substantive objects that had value at the time of purchase or acquisition and are owned by the District.

Near Relative – Near relative is defined as a spouse or significant other, father, mother, daughter, son, sister, brother, step-relative, or in-law in the same relationships.

Obsolete Material, Goods, and Equipment – Material, goods, and equipment no longer usable in the service for which they were purchased and that cannot be used safely or economically for any other purpose.

Surplus Material, Goods, and Equipment – That portion of material, goods, and equipment that is in excess of operating, maintenance, repair, or spare parts requirements, or any item not having a use within the foreseeable future.

C. Determination of When to Dispose of Items. As a general rule, when the cost of repairing an item becomes more than what an item is worth, the item should be disposed of. Items that are obsolete or surplus should be disposed of using one of the methods below.

D. Disposal Methods.

Resell – Surplus Equipment or working equipment that cannot be economically repaired or put back into service will be sold. The District shall publish notice of the sale noting location/hours/days the equipment can be seen and a deadline for submission of sealed bids. The publication shall note that the equipment is sold “as is” and that the District reserves the right to reject any or all bids. The sealed bids are opened at the next regular Board meeting and action by the Board shall be taken to accept or reject bids. Bidders shall be notified of the Board’s action.

Disposal or Recycling – If it is determined that equipment is obsolete or cannot meet any of the above categories, the General Manager will dispose of or recycle the equipment in compliance with all state and federal laws.

Donation – Giving equipment that has little or no value to the District to nonprofit organizations such as school districts. Such donations would be done to forgo the cost of disposal of the equipment.

E. Limitations of Transfers to Directors, Staff, or Near Relatives. No member of the Board of Directors, staff member, or their near relatives may buy or receive equipment from the District pursuant to this policy.

18.05.02. Real Property.

A. Policy. The General Manager shall be responsible for identifying real property that is no longer of value to the District and should be disposed of. Once real property

is identified by the General Manager as surplus, it shall be presented to the Board of Directors at a meeting. The Board of Directors shall declare the real property surplus and authorize staff to obtain an appraisal of the real property.

B. Procedure. The General Manager shall obtain an appraisal and provide notice to public agencies in the manner prescribed by Government Code § 54220. In the event that no public agency desires the real property, the District shall publish a notice inviting bids. Notices inviting bids shall include a legal description of the subject property, a vicinity map showing the general location of the subject property, and a statement that transfer of the surplus real property shall be by quitclaim deed. Sealed bids shall be submitted to the General Manager and shall be opened at the next regular Board meeting. The notice shall also include that the District reserves the right to reject any or all bids. The sealed bids are opened at the next regular Board meeting and action by the Board shall be taken to accept or reject bids. Bidders shall be notified of the Board's action.

18.06 Guidelines for Accepting and Providing Gifts, Entertainment, and Services.

18.06.01. **Policy.** This policy establishes the procedures for the receipt of gifts offered to the District, its Board members, and/or its staff. District staff is prohibited from accepting, or providing to, individuals or companies doing or seeking to do business with the District, gifts, entertainment, services, or other benefits unless the transaction meets all the following guidelines: (a) is customary, gives no appearance of impropriety, and does not have more than a nominal value; (b) does not impose any sense of obligation on either the giver or the receiver; (c) does not result in any kind of special or favored treatment; (d) cannot be viewed as extravagant, excessive, or too frequent considering all the circumstances, including the ability of the recipient to reciprocate at District expense; and (e) is given and received with no effort to conceal the full facts by either the giver or receiver. Any individual or entity that desires to make a donation to the District shall be referred to the General Manager. The General Manager shall consult with the District Counsel and the District's accounting professional prior to accepting any donations on behalf of the District.

18.07 Budget Preparation. The annual budget proposal is prepared by the General Manager in conjunction with the Chairperson of the Budget/Finance Committee. The Budget/Finance Committee shall meet with the General Manager and review the annual budget proposal at its meeting in April of each year. The annual budget proposal shall be reviewed and amended by the Budget/Finance Committee. The annual budget proposal shall be presented to the Board of Directors for review and approval no later than its meeting in June of each year.

18.08 Expense Authorization.

18.08.01. Expenditures. All expenditures and purchases made by the District shall be authorized in the District's annual budget and by the General Manager. Any commitment of District funds, expenditures, and/or purchases in the amount of \$5,000 or greater require prior authorization/approval by the Board of Directors in conformance with the Procurement Policy. Expenditures in the amount of \$4,999 or less require authorization by the General Manager.

18.08.02. Petty Cash. This policy seeks to ensure that petty cash is managed appropriately and that staff members are not financially disadvantaged as a result of incurring minor work-related expenses. The amount of petty cash shall be as determined by the General

Manager but, in general, should not exceed \$150.00. The General Manager shall ensure that petty cash is used to cover only those expense reimbursements for which it is not feasible, or for which it is unreasonably inconvenient, to use normal purchasing methods. Any expense that is predictable, regular, or significant should be dealt with through normal accounting procedures. All expenses incurred using petty cash funds must be substantiated by acceptable supporting documentation such as receipts and invoices. The petty cash shall be kept in a secure (locked) location and the key held securely. The General Manager may delegate petty cash duties to the Office Manager.

19.00 Procurement Policy.

19.01. Purpose. The purpose of this policy is to provide direction on how to efficiently and legally obtain suitable quality services, supplies, materials, and labor at the lowest possible cost.

19.02. Definitions. For the purposes of this Policy, the term "purchasing" refers collectively to contracting or procurement of services, supplies, materials, or labor, including Capital Improvements.

19.03. Procurement Procedures.

A. Solicitation of Formal, Advertised Bids or Requests for Proposals (RFP) for Expenditures Exceeding \$50,000

When any expenditure is expected to exceed \$50,000, the District shall publish a notice inviting bids or requests for proposals a minimum of one week prior to the time of receiving bids in a general circulation newspaper published within the District boundaries. This type of formal bidding process typically includes the issuance of written plans and/or specifications describing the goods or services to be provided and the receipt of written bids from the vendors or contractors involved. The General Manager, or a designated staff member, shall solicit a minimum of three (3) vendors or contractors to bid on the project. There may be special circumstances, however, when fewer than three (3) vendors are available to submit a proposal or fewer than three (3) vendors submit proposals. In such cases, the General Manager shall justify the reason(s) three vendors could not be solicited with written documentation retained in the project file.

The contract shall be awarded to the lowest responsible, responsive bidder, in accordance with the Public Contract Code. Written entries documenting that the required bidding process has been followed shall be entered in the project file, and a copy of the Board Report and contract shall be saved in the District files. Following Board approval, the General Manager and one Board member shall then execute the contract.

B. Solicitation of Three Written Bids or Requests for Proposals for Expenditures Exceeding \$10,000 but Not Exceeding \$50,000

When any expenditure is expected to exceed \$10,000, but not exceed \$50,000, the General Manager or designee shall solicit a minimum of three (3) vendors or contractors to submit written bids or proposals. Written entries documenting that

three written proposals were solicited shall be noted by the General Manager in the project file. There may be special circumstances, however, when fewer than three (3) vendors are available to submit a proposal or fewer than three (3) vendors submit proposals. In such cases, the General Manager shall justify the reason(s) three vendors could not be solicited with written documentation retained in the project file.

The contract shall be awarded to the lowest responsible, responsive bidder in accordance with the Public Contract Code. Written entries documenting that the required bidding process has been followed shall be entered in the project file and a copy of the Board Report and contract shall be saved in the District files. Following Board approval, the General Manager shall then execute the contract.

1. Alternative Selection Procedure for Expenditures Exceeding \$10,000

When the District is seeking a unique solution to a problem or situation that cannot necessarily be resolved by the lowest bidder (i.e. when the methods, approaches, and procedures to be used in performing the work are of primary importance), a “Point Count/High Score” method of selecting a proposal may be utilized. Before soliciting proposals, the District must determine the method of evaluation and include the appropriate information in the request for proposal. If a “Point Count/High Score” method will be used, a comprehensive evaluation plan must be developed and finalized. All rating and scoring factors that are to be considered must be included, criteria for considering costs must be developed, and the evaluation plan must provide for a fair and equitable evaluation of all proposals. Scoring factors must take into consideration cost and that factor cannot be less than 30% of the total points available. Proposals received under this method shall first be evaluated to determine whether they were received in time and in the manner prescribed to determine which ones meet the format requirements specified in the request for proposal. Those proposals that meet the format requirements shall then be submitted to an evaluation committee which shall be comprised of the General Manager and one Board member. The evaluation committee will evaluate and score the proposals using the methods specified in the request for proposal. The contract must be awarded to the responsible, responsive proposal given the highest score by the evaluation committee.

Note: *Invitation for Bids* are typically used to obtain simple, common, or routine services that may require personal or mechanical skills (i.e. little discretion is used in performing the work). *Requests for Proposals* are used to obtain complex services in which professional expertise is needed and may vary. *Requests for Proposals that will utilize the alternative selection procedure* should be used only to obtain very complex and/or unique services in which professional expertise and methods vary greatly or creative/innovative approaches are needed. (i.e. public relations, advertising, complex research projects).

C. Solicitation of Three Verbal Quotes for Expenditures Exceeding \$5,000 but Not Exceeding \$10,000

When any expenditure is expected to exceed \$5,000 but not exceed \$10,000, the General Manager or designee shall solicit a minimum of three (3) verbal quotes to

provide the goods or services. Written entries documenting that three verbal quotes were solicited shall be made in the project file.

The contract shall be awarded to the lowest responsible, responsive bidder in accordance with the Public Contract Code. Written entries documenting that the required bidding process has been followed shall be entered in the project file, and a copy of the Board Report and contract shall be saved in the District files. Following Board approval, the General Manager shall then execute the contract.

D. Expenditures Not Exceeding \$5,000

The General Manager or designee shall obtain competitive cost information, whenever reasonably feasible, for any District purchase even though formal cost quotations are not required for goods or services costing \$5,000 or less. The General Manager shall approve the payment.

19.04. Exceptions to Standard Purchasing Procedures.

A. Public Projects.

On June 11, 2014, the District passed Resolution No. 14-363 adopting the Uniform Public Construction Cost Accounting Procedures (California Public Contract Code § 22000 et seq.) in the contracting for construction of “public projects.” The District is therefore subject to the uniform construction cost account procedures set forth in Pub. Con. Code § 22000 et seq. and incorporates the procedures set forth therein to this policy manual. “Public project” means any of the following: (1) construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility; (2) painting or repainting of any publicly owned, leased, or operated facility.

B. Emergency Conditions

An emergency is defined as a breakdown in machinery and/or equipment resulting in the inability of the District to provide essential services or a threat to public health, safety, or welfare, including, but not limited to, threatened damage to natural resources or an imminent threat of injury or damage to any person or property.

In the case of such an emergency, the formal RFP process is suspended. The General Manager, or said designee, shall secure, in the open market at the lowest obtainable price, any services, supplies, material, or labor required to respond to the emergency. The Purchase Order should indicate "Emergency Conditions" with written documentation of the nature of the emergency and lowest obtainable price information. The General Manager shall consult with two Board members prior to taking significant action.

In the case of a natural disaster or for civil defense, nothing contained in this Policy shall limit the authority of the General Manager to make purchases and take necessary emergency steps.

C. Limited Availability/Sole Source

Occasionally, necessary supplies, material, equipment, or services are of a unique type, are of a proprietary nature, or are otherwise of such a specific design or construction, or are specifically necessary for purposes of maintaining cost-effective system consistency so as to be available from only one source. The General Manager may dispense with the requirement of competitive bids and recommend negotiating a fair price and making the purchase from a sole source if, after reasonable efforts by District staff to find alternative suppliers, there exists only a single source.

Alternatively, if reasonable efforts by District staff to identify three (3) vendors or contractors as applicable under this policy are unsuccessful, the General Manager may authorize a limited availability bidding process with fewer than three (3) vendors or contractors. The basis for the sole source recommendation shall be documented in writing on the contract or purchase order and approved, in advance, by the Board for purchases exceeding \$10,000, and the General Manager or other authorized District staff, under this policy for purchases not exceeding \$10,000.

D. Cooperative Purchasing

The District shall have the authority to join in cooperative purchasing agreements with other public agencies (e.g. the State of California or other counties, cities, or special districts) to purchase goods or services at a price established by that agency through a competitive bidding process consistent with California public bidding requirements. The Board may authorize participation in cooperative purchasing agreements.

E. Professional Consultant Services

1. Definition and Restrictions

Professional consultant services are of a technical and professional nature and, due to the nature of the services to be provided, do not readily fall within the "low bid" competitive bidding process. California Government Code Section 4525 *et. seq.* requires that selection of professional consultants in the categories of architects, landscape architects, engineers, surveyors, and environmental consulting be made on the basis of demonstrated competence and the professional qualifications necessary for the satisfactory performance of the required services. Professional consultants should be individually selected for a specific project or problem with the objective of selecting the most qualified consultant at a price that is fair and reasonable. Professional service agreements shall not be split into smaller units, nor shall contract amendments be used, for the purpose of circumvention of the expenditure limits of this Policy.

As used in this Policy, "professional consultant service agreement" shall mean and include all professional services provided by the same consultant that are provided as part of or related to the same project or program for which the consultant is being retained. Consultants who are retained to provide services on an ongoing basis, such as geotechnical peer reviews of District projects, shall be retained by means of an annual service agreement unless an agreement providing for renewal or extension of services has been approved.

- a. For selection of architects, landscape architects, engineers, surveyors, and environmental consultants, the following procedures shall apply unless the services needed from such consultants are of a technical nature or involve professional judgment.

Cost is not to be included in the Request for Proposal (RFP). Only after a firm is selected, is compensation negotiated. The scope of work is the basis for negotiations for payment. If the parties cannot agree on fair compensation, negotiations may be formally terminated with the firm considered most qualified and may be commenced with the second highest-rated firm. Such procedure may be repeated until an agreement is reached with a qualified firm.

Alternatively, a fee or cost estimate can be requested at the time of the RFP by requiring it to be provided in a separate, sealed envelope. The fee estimate will only be opened after selecting the successful consulting firm.

- b. For consultants who do not fall under the qualifications-based selection method described above, or where the services needed from the vendors listed above are of a technical nature and involve professional judgment, cost can be included in the Request for Quote (RFQ) or Request for Proposal (RFP) and used in ranking the consultants for selection. Examples of such consultants include, but are not limited to: training, safety, recruitment, personnel services, economic analysis, city and regional planning, property appraisals/analysis, property acquisition, title insurance, facilitators, legal services, financial services, and data processing.

2. Selection Procedures for Professional Services in Excess of \$50,000

When the cost for professional services is expected to be in excess of \$50,000, the District shall prepare a (RFP) which should request the professional's qualifications, relevant experience, described approach, staffing, and support. The proposal should outline the terms, conditions, and specifications of the services required by the District. District staff will review the proposals received, rank the consultants based upon the following criteria, and invite the most qualified firms for interviews:

- a. ability of the consultants to perform the specific tasks outlined in the RFP,
- b. qualifications of the specific individuals who will work on the project,
- c. quantity and quality of time key personnel will be involved in their respective portions of the project,
- d. reasonableness of the fee requested to do the work; comparability of fee to similar services offered by other qualified consultants (except where fee is to be negotiated later),
- e. demonstrated record of success by the consultant on work previously performed for the District or for other public agencies or enterprises,
- f. the specific method and techniques to be employed by the consultant on the project or problem,
- g. ability of the consultant to provide appropriate insurance in adequate amounts, including errors and omissions if applicable,
- h. responsiveness to the RFP.

The report to the Board shall summarize the basis for staff's consultant selection recommendation and the ranking of the consultants based upon these criteria. Following Board approval, the General Manager and one Board member shall then execute the contract.

3. Selection Procedures for Professional Services in Excess of \$10,000 but Not Exceeding \$50,000

District staff shall solicit written proposals from a minimum of three (3) qualified consultants. A formal RFP is not required. There may be special circumstances, however, when fewer than three (3) vendors are available to submit a proposal or fewer than three (3) vendors submit proposals. In such cases, the General Manager shall justify the reason(s) three (3) vendors could not be solicited with written documentation retained in the project file.

The selection shall be based upon the criteria noted in Section 2 above. The General Manager, or said designee, may approve the selection and execute the agreement. The ranking and selection recommendation, based upon these criteria and the written proposal information, shall be documented in the project file. Following Board approval, the General Manager shall then execute the contract.

4. Selection Procedures for Professional Services in Excess of \$5,000 Not Exceeding \$10,000

Formal RFP's are not required for professional services in excess of \$5,000 and not exceeding \$10,000. District staff may select a consultant from a pre-qualified consultant file if available. District staff shall contact at least three (3) qualified consultants and request an informal written proposal or verbal proposal. There may be special circumstances, however, when fewer than three (3) vendors are available to submit a proposal or fewer than three (3) vendors submit proposals. In such cases, the General Manager shall justify the reason(s) three vendors could not be solicited with written documentation retained in the project file.

The selection shall be based upon the criteria noted in Section 2 above. Notations documenting the proposals and reasons for selection shall be made in the project file. Following Board approval, the General Manager shall then execute the agreement.

5. Selection Procedure for Professional Services Not Exceeding \$5,000

Formal RFP's are not required for professional services \$5,000 or under. District staff may select a consultant from a prequalified consultant file if available. The General Manager shall approve the selection.

6. Renewal of Contracts with Professional Consultants

The District may, after following required consultant selection procedures, enter into consultant agreements which contain provisions authorizing their extension or renewal. Recommendations to extend or renew an existing contract with a professional consultant should include a written evaluation of the work performed

by the consultant as well as a determination that the rationale for providing for the renewal option in the existing contract remains valid and that the fees being charged are comparable to fees for similar services offered by other consultants at the time of renewal or extension. If the total amount of the contract renewal does not exceed \$5,000, the General Manager, or said designee, may execute a contract amendment to formalize the renewal. If the total amount of the original agreement and any amendments exceed \$5,000, prior Board approval must be obtained.

7. Conflict of Law

These procedures are not applicable where superseded by local, state, or federal law; where the terms of grant funding provide for the use of other consultant selection procedures; or where the District is obligated to select consultants through the use of different procedures, such as the requirements of an insurance or self-insurance program.

8. Special Circumstances

These professional consultant selection procedures are not applicable when three (3) qualified professional service firms or individuals are unavailable or if it is appropriate and in the best interest of the District under the specific circumstances of the project at issue to limit the number of consultants solicited. Examples of such specific circumstances may include the following:

- the need to take immediate action on a project precludes the District's ability to follow these procedures;
- the absence of any fiscal or competitive advantage in following these procedures;
- only one consultant is known to be available and capable of providing needed services within the required time;
- the services to be provided are so unique that only one known consultant is qualified and available to perform them;
- or the terms of a legal mandate or negotiated agreement require the use of a particular consultant.

The basis for such action shall be documented in writing and noted in the contract and approved by the General Manager. When Board approval is required, the documented basis for such action shall be included in the report to the Board.

9. Prequalified Consultant File

District staff may maintain a current file of consultants in their appropriate professional services categories after the selection procedures have been followed in this policy and a determination made that a consultant is qualified and competent. District staff may maintain this "prequalified consultant" file for a period of two (2) years from determination of the qualification of such consultant. The District may select a prequalified consultant from this file for services.

F. Open Purchase Orders for Routine and Repetitive Supplies and Services

Open purchase orders may be entered into with vendors who are expected to supply routine services, supplies, materials, or labor to the District on a regular basis throughout the fiscal year (such as gasoline, diskings, road maintenance, vehicle maintenance, printing, office supplies, office machinery maintenance, computers, ergonomic equipment, field hardware, resource management supplies). Such open purchase orders should normally be closed at the conclusion of each fiscal year.

1. Competitive Bidding Procedures

Vendors of repetitive supplies and services shall be selected through the competitive procedures set out above, based upon the anticipated or budgeted cumulative cost of the supply or service. When competitive bidding procedures cannot feasibly be done due to the nature of the product to be purchased, a comparison of vendors' prices on representative sample items will be made and staff will provide written documentation of the price quotations used to select the vendor with the lowest cost. In the event that the vendor selected for repetitive supplies and services ceases to provide competitive costs for supplies or adequate services during the fiscal year, the District may replace that vendor with the next lowest cost vendor who participated in the cost comparison.

2. Multi-year Contracts

Multi-year contracts shall be selected through the competitive procedures set out above, based upon the anticipated or budgeted cumulative cost of the supply or service over the course of the contract. Multi-year contracts can be let only when it is documented that it is appropriate and necessary to secure the best pricing or to assure continuity of service. Whenever feasible, multi-year contracts for service or supplies shall provide that the option to renew or extend the contract is at the District's sole discretion.

19.05 General Provisions.

A. Conflict of Interest

No District staff member or elected official shall be financially interested, directly or indirectly, in any purchase, contract, sale, or transaction to which the District is a party and that comes before said official or staff member for recommendation or action. Any purchase, contract, sale, or transaction in which any staff or official is financially interested shall become void at the election of the District. No staff member or elected official shall realize any personal gain from any purchase, contract, sale, or transaction involving the District. When any staff member is in doubt as to whether there exists a conflict of interest, that staff member shall consult with the District Counsel, and, if necessary, alternative actions may be taken to facilitate the purchase.

B. Purchase of Recycled Products

District staff shall purchase recycled products whenever such products are available at equal cost to non-recycled products and when suitability and quality are equal.

When recycled products are used, the supplier shall label the products to indicate that they contain recycled materials and specify the minimum percentage of recycled material in the products.

C. Violations of This Policy

Staff members are subject to disciplinary action up to and including termination for violation of this Policy.

Section 20.00 needs to be approved by the County of Board of Supervisors. This policy is tentatively on their agenda for March, 2019. The language in portions of this document could be modified after the County approves it. Section 20.00 will be revisited after County's approval.

SECTION 20.00 Conflict of Interest Policy

Section 20.01. Conflict of Interest Code.

The Political Reform Act, Government Code Section 81000 requires local agencies to adopt and promulgate Conflicts of Interest Codes. The District approved Resolution 18-XXX, attached here as Appendix 1, which adopted the conflict of interest regulations included in 2 Cal. Code of Regs. §18730 (the "Resolution.") The Resolution and the regulations of 2 Cal. Code of Regs. 18730, reproduced below, constitute the Conflict of Interest Code and policies for the District.

Conflict of Interest Regulations

A. Incorporation of this Regulation – Adoption of Conflict of Interest Code

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Exhibit referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Section 87300 or the amendment of a conflict of interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.

B. Conflict of Interest Code

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions. The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees. The persons holding positions listed in the Exhibit are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories. This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and

(C) The filing officer is the same for both agencies.¹

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Exhibit specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Exhibit. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing. The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.²

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1. If a person reports for military service as defined in the Service member's Civil Relief Act, the deadline for the annual statement of economic interests is 30 days following his or her return to office, provided the person, or someone authorized to represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that he or she is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of his or her military status.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office. Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

- (1) File a written resignation with the appointing power; and
- (2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements. Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements. Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements. Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting. Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure. When an investment or an interest in real property³ is required to be reported,⁴ the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds \$2,000, exceeds \$10,000, exceeds \$100,000, or exceeds \$1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported,⁵ the statement shall contain:

1. The name and address of each source of income aggregating \$500 or more in value, or \$50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was \$1,000 or less, greater than \$1,000, greater than \$10,000, or greater than \$100,000;

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,⁶ the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than \$10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal during Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

(D) This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$470.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$470 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.

2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed \$500 at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date

he or she vacates office, receive a personal loan of \$500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.
2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:
 - a. The date the loan was made.
 - b. The date the last payment of \$100 or more was made on the loan.
 - c. The date upon which the debtor has made payments on the loan aggregating to less than \$250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
2. A loan that would otherwise not be a gift as defined in this title.
3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.
5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification. No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth \$2,000 or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth \$2,000 or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$470 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation. No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees. In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value \$1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest. When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel. Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations. This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

¹ Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions,

and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

2 See Section 81010 and Regulation 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

3 For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

4 Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

5 A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

6 Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Section 20.02. Statement of Economic Interest. Board members and staff shall file statements of economic interests with the Clerk of the County of San Luis Obispo.

Appendix 1 to Section 20.01 – Conflict of Interest Policy

Conflict of Interest Resolution Adopted by the Board
[to be inserted upon County approval and Board approval]

RESOLUTION NO. 19-XXX

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN SIMEON COMMUNITY SERVICES DISTRICT
AMENDING THE SAN SIMEON COMMUNITY SERVICES DISTRICT
CONFLICT OF INTEREST CODE**

WHEREAS, the Political Reform Act, Government code Section 81000, et seq., requires that state and local public agencies adopt and promulgate a Conflict of Interest Code; and

WHEREAS, the Fair Political Practices Commission ("FPPC") has adopted a model Conflict of Interest Code for consideration by local governments, set forth at Title 2 California Code of regulations, Section 18730, and to which future amendments may be adopted by the FPPC; and

WHEREAS, the Board of Directors of the San Simeon Community Services District ("District") adopted and incorporated by reference the terms of California Code of Regulations, Title 2, Section 18730 on October 8, 2014; and

WHEREAS, pursuant to Government Code Section 87306.5, the District is required to review its Conflict of Interest Code each even-numbered year and if a change to its code is necessary, the agency must submit an amended conflict of interest code to the reviewing body; and

WHEREAS, the Board of Directors wishes to submit an amended Conflict of Interest Code to the County Board of Supervisors, pursuant to Government Code Section 87303.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Simeon Community Services District as follows:

1. All previously adopted resolutions and policies regarding the creation of a District Conflict of Interest Code are hereby repealed.
2. The terms of California Code of Regulations, Title 2, Section 18730 and any and all amendments duly adopted by the FPPC, are hereby adopted and incorporated by reference by and for the use of this District and shall constitute the District's Conflict of Interest Code for the designated positions described on Exhibit "A" and disclosure categories set forth on Exhibit "B".

Upon motion of Director _____ seconded by Director _____ and on the following roll call vote to wit:

AYES:	NOES:
ABSTAIN:	ABSENT:

The foregoing resolution is hereby adopted this ____ day of _____, 92019.

Chairperson of the Board of Directors

ATTEST:

Charles Grace
General Manager/ Secretary SSCSD

**San Simeon Community Services District
Conflict of Interest Code**

EXHIBIT "A"

**LIST OF DESIGNATED POSITIONS SUBJECT TO THE PROVISIONS
OF THE
DISTRICT'S CONFLICT OF INTEREST CODE**

I. DESIGNATED POSITIONS

The persons occupying the positions listed below are hereby considered designated officers and positions and are deemed to make, or participate in the making of, decisions, which may have a material effect on a financial interest.

DESIGNATED POSITION	ASSIGNED DISCLOSURE CATEGORIES
District Legal Counsel	1, 2, 3
Office Manager	1, 2, 3

II. OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Disclosure is required of the following positions and shall be provided as stated in Government Code section 87200:

DESIGNATED POSITION	ASSIGNED DISCLOSURE CATEGORIES
Members of the Board of Directors	As provided in Government Code § 87200
General Manager	As provided in Government Code § 87200

**San Simeon Community Services District
Conflict of Interest Code**

EXHIBIT "B"

DISCLOSURE CATEGORIES

Category Number:

Category 1: All persons in this disclosure category shall disclose all interests in real property located in the District or within two miles of the District's boundaries. This disclosure is not applicable to the person's principal residence or real property interests with a fair market value of less than \$2,000.

Category 2: All persons in this disclosure category shall disclose all investments in business entities and business positions in business entities that have an interest in real property in the District, or that have done business with the District during the year prior to the date of the person's disclosure statement, or that are likely to do business with District during the year subsequent to the date of the person's disclosure statement. This disclosure category is not applicable to investments with a fair market value of less than \$2,000.

Category 3: All persons in this disclosure category shall disclose all sources of personal and business entity income from entities that provide services, materials, machinery equipment, or supplies of the type utilized by the District or that are located within the District, including gifts, loans and travel payments. This disclosure category is not applicable to income received from the District.

For purposes of these categories, investment or interest means any investment or interest owned by the spouse, registered partner or dependent child of a public official, by an agent on behalf of a public official, or by a business entity or trust in which the official, the official's agents, spouse, registered partner and dependent children own directly, indirectly, or beneficially a 10-percent interest or greater.

Consultants. "Consultant" means an individual who, pursuant to a contract with the District, either: (A) Makes a governmental decision whether to (1) approve a rate, rule, or regulation; (2) adopt or enforce a law; (3) issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement; (4) authorize the District to enter into, modify, or renew a contract provided it is the type of contract that requires District approval; (5) grant District approval to a contract that requires District approval and to which the District is a party, or to the specifications for such a contract; (6) grant District approval to a plan, design, report, study, or similar item; or (7) adopt or grant District approval of policies, standards, or guidelines for the agency, or for any subdivision thereof; or (8) Serves in a staff capacity with the District and in that capacity participates in making a governmental decision as defined in California Code of Regulations, title 2, section 18702.2 or performs the same or substantially all the same duties for the District that would otherwise be performed by an individual holding a position specified in the District's conflict of interest code. (California Code of Regulations, title 2, section 18700.3)

"Consultants" are included in the list of designated positions and must disclose interests and investments in accordance with the broadest disclosure category in the District's conflict of interest code, subject to the following limitation: The General Manager may determine in writing that a particular consultant, although a "consultant" and "designated position," nevertheless is hired or retained to perform a range of duties that is limited in scope and therefore is not required to fully comply with the disclosure requirements

described in this section. The General Manager's written determination shall include a description of the consultant's duties, and, based on that description, a statement of the extent of disclosure requirements. The written determination is a public record and shall be retained for public inspection in the same manner and location as the District's conflict of interest code.

SECTION 21.00 Social Media Policy

21.01 Purpose. The District respects the right of the Board of Directors and District personnel (collectively, “Staff Members”) to use social media as a medium of self-expression. However, use of social media also presents certain risks and carries with it certain responsibilities. To assist Staff Members in making responsible decisions about their use of social media, the District has established these guidelines for appropriate use of social media. All Staff Members need to follow these requirements when posting on social media.

21.02 Guidelines.

1. **Social Media.** Social media includes all means of communicating or posting information or content of any sort on the Internet, including to a Staff Member’s own or someone else’s web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, whether or not associated or affiliated with the District, as well as any other form of electronic communication.
2. **Follow District Rules.** Staff Members should carefully read these guidelines and the District’s overall Board policies, including (but not limited to) the Sections on: Board Conduct, Conflict of Interest Policy, Anti-Discrimination, and Anti-Harassment Policy, and ensure their postings are consistent with these policies. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct may subject Staff Members to disciplinary action up to and including termination.
3. **District Business.** District emails and computers are limited to conducting District business and are not to be used for personal social media. Staff Members must never use their District e-mail account or password in conjunction with a social media site. All data contained in the District’s computer network systems is owned by and is the intellectual property of the District. Staff Members should not have an expectation of privacy with respect to information or communications that they post using the District’s computers or networks. The District has the right to monitor all activity on its equipment and systems.
4. **Disclosures.** Social media should remain personal in nature and be used to share personal opinions or non-District related information. Staff members should neither claim nor imply that the Staff Member is speaking on behalf of the District. (Please refer to 33.04) When appropriate, Staff Members should use a disclaimer to indicate the views expressed are the Staff Member’s own, such as: “The postings on this site are my own and don’t reflect or represent the opinions of the San Simeon Community Services District.”
5. **Exercise Best Judgment and Discretion.**
 - i. Staff Members should be fair and courteous to other Staff Members, District clients, members of the public, and individuals working on behalf of the District.
 - ii. Work-related issues should be resolved by speaking directly (not via social media) to the individual or by utilizing the District’s Complaints/Claims

Procedures or, for concerns involving suspected harassment, discrimination, or retaliation, by using the complaint reporting procedure described in the Anti-Discrimination and Anti-Harassment Policy.

- iii. Staff Members should avoid using statements, photographs, video, or audio that reasonably could be viewed as obscene or contributing to a hostile work environment on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation or any other status protected by law or District policy.
6. Be Honest and Accurate. Strive for accuracy and full disclosure in any social media post. Include a link to your sources of information. If you make a mistake, correct the information or retract it promptly. Remember the Internet archives almost everything; even deleted postings can be searched. Never post any information or rumors that you know to be false or inaccurate about the District, co-workers, District clients, or individuals working on behalf of the District.
 7. Maintain Confidential Information. Staff Members must not disclose or discuss the confidential, sensitive, and/or proprietary information of the District and/or its officials, officers, other Staff Members, agents, customers, or volunteers. For example, do not disclose another individual's social security number, medical, or financial information.
 8. Do Not Promote the District Anonymously. Staff Members should not create a link from their blog, website, or other social networking site to the District's website. In addition, they must use their best judgment and exercise discretion when linking to people on social media sites. Other Staff Members and members of the public may see Staff Member connections and make judgments about them or their work.
 9. Additional Considerations.
 - i. Staff Members are free to express themselves as private citizens on social media to the degree that such speech does not impair or impede the performance of District duties, impair discipline and harmony among Staff Members, or negatively affect the public perception of the District.
 - ii. The same principles and guidelines found in the District's policies apply to Staff Members' activities online. Before creating online content, Staff Members should consider some of the risks and rewards that are involved. Staff Member conduct that adversely affects job performance, the performance of fellow Staff Members, or otherwise adversely affects members of the public served by the District, suppliers, people who work on behalf of the District, or the District's legitimate business interests may result in disciplinary action up to and including termination.
 - iii. Staff Members should not display District logos or similar identifying items on personal webpages.

SECTION 22.00 Applying for Grants Policy

22.01 Purpose. Grants are contracts or agreements whereby the District receives funding from an outside agency to subsidize a District project or program and for which the District has fiduciary oversight responsibility.

It shall be the policy of the District to identify and apply for grants that provide additional financial resources to the District to assist in carrying out its projects and programs. This Policy has been adopted by the Board of Directors to clarify responsibility and authority for applying for grants and to provide that all grants awarded to the District have been thoroughly researched, are financially feasible for the District, and do not create unforeseen financial or other burdens.

22.02 Policy. When submitting requests for grant funding, it shall be the policy of the District to solicit funds for projects or programs that are consistent with the goals of the District and to make sure that the nature of the grant is such that it can be administered in an efficient manner. Accordingly, the General Manager or said designee, has responsibility for applying for external funding for projects and programs subject to the provisions of this policy.

Prior to application submission, all grant applications must be reviewed by the General Manager who shall provide to the Board a report and recommendation regarding:

1. consistency with overall program goals of the District,
2. local match requirements and/or other budget impacts,
3. staff/personnel requirements to implement objectives of the grant, and
4. identification of responsible staff for program and fiscal monitoring.

In the event that timing constraints prevent staff from obtaining Board Approval of a grant application submittal prior to the application being submitted, staff shall provide the Board with notice and a status update at the next Board meeting.