

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



BOARD PACKET

**Wednesday, February 13, 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, February 13, 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 January.
- ii. **Superintendent's Report** - Summary of January Activities.
- iii. **General Manager's Report** – Summary of January Activities.
- iv. **District Financial Summary** – Update on Monthly Financial Status.
- v. **District Counsel's Report** – Summary of January 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 to 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 January 9, 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 for each business item.

A. Adoption of Resolution 19-407. A resolution adopting a records retention schedule and authorizing destruction of certain district records.

B. Review of Draft Policy & Procedures Manual.

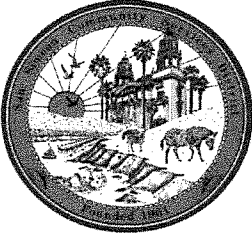
C. Approval of Chairperson’s appointment of members to the standing committee.

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'S REPORT
Jerry Copeland
Facilities Update for January 2019



SUPERINTENDENT'S 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, which included the Annual Reports due in January.
- One load of sludge was hauled away.

2. Water 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 maintenance on the R.O. unit was performed.
- 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.

San Simeon Community Services District

Superintendents Report

January 2019

MONTHLY DATA REPORT																	
Date	Day	Wastewater Inflow Daily	Wastewater Effluent Daily	Well 1 Total Daily Produced	Well 2 Total Daily Produced	Total Daily Water Produced	R.O. Daily Inflow	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 Influent Daily Flow
01/01/19	Tue	81,298	74,990	0	72,556	72,556	0	0	0	-	-	-	0	9.0	9.4	0.00	15,221
01/02/19	Wed	85,798	77,390	0	82,953	82,953	0	0	0	-	-	91	0	9.0	9.5	0.00	1,282
01/03/19	Thu	93,661	90,380	0	76,820	76,820	0	0	0	-	-	-	0	9.0	9.5	0.00	12,574
01/04/19	Fri	92,862	87,080	0	88,040	88,040	0	0	0	-	-	91	0	9.2	9.6	0.00	12,287
01/05/19	Sat	119,432	117,960	0	69,190	69,190	0	0	0	-	-	-	0	9.3	9.8	0.00	11,015
01/06/19	Sun	109,442	105,840	0	61,710	61,710	0	0	0	-	-	100	0	8.5	8.9	0.00	17,576
01/07/19	Mon	98,515	94,810	0	65,375	65,375	0	0	0	-	-	-	0	8.1	8.5	0.00	10,761
01/08/19	Tue	70,979	71,190	0	50,340	50,340	0	0	0	-	-	-	0	9.1	9.6	0.00	10,761
01/09/19	Wed	104,982	97,370	0	46,376	46,376	0	0	0	-	-	72	0	9.5	9.9	0.00	9,398
01/10/19	Thu	84,877	81,620	0	50,789	50,789	0	0	0	-	-	-	0	8.8	9.3	0.00	12,448
01/11/19	Fri	126,830	126,850	0	49,293	49,293	0	0	0	-	-	57	0	9.5	9.9	0.00	7,464
01/12/19	Sat	114,754	114,180	0	67,619	67,619	0	0	0	-	-	50	0	8.9	9.2	0.00	25,940
01/13/19	Sun	80,832	80,910	0	58,868	58,868	0	0	0	-	-	50	0	9.2	9.7	0.00	13,370
01/14/19	Mon	146,202	142,570	0	41,065	41,065	0	0	0	-	-	50	0	9.6	9.9	0.00	8,365
01/15/19	Tue	136,706	130,060	0	46,750	46,750	0	0	0	-	-	50	0	9.2	9.5	0.00	25,812
01/16/19	Wed	157,999	164,560	0	45,179	45,179	0	0	0	-	-	44	0	8.2	8.6	0.55	49,622
01/17/19	Thu	147,402	149,430	0	39,494	39,494	0	0	0	-	-	50	0	4.3	5.1	0.20	7,382
01/18/19	Fri	93,922	90,930	3,590	53,183	56,773	0	0	0	-	-	50	0	7.6	8.0	0.00	19,431
01/19/19	Sat	106,326	102,780	0	56,250	56,250	0	0	0	-	-	-	0	-	-	0.00	11,308
01/20/19	Sun	103,805	102,820	0	79,662	79,662	0	0	0	-	-	-	0	-	-	0.00	12,100
01/21/19	Mon	97,050	93,800	0	73,603	73,603	0	0	0	-	-	44	0	9.3	9.7	0.00	12,278
01/22/19	Tue	79,084	76,600	0	48,695	48,695	0	0	0	-	-	-	0	9.2	9.8	0.00	10,214
01/23/19	Wed	73,779	73,970	0	60,812	60,812	4235	2620	1615	-	-	44	0	9.4	9.9	0.00	6,194
01/24/19	Thu	61,348	62,410	0	46,900	46,900	0	0	0	-	-	-	0	9.7	10.1	0.00	5,973
01/25/19	Fri	69,989	69,040	0	55,277	55,277	0	0	0	-	-	-	0	9.7	10.1	0.00	5,341
01/26/19	Sat	76,480	76,800	0	65,226	65,226	0	0	0	-	-	-	0	9.6	10.1	0.00	5,273
01/27/19	Sun	68,380	68,180	0	75,997	75,997	0	0	0	-	-	-	0	9.7	10.2	0.00	8,823
01/28/19	Mon	69,399	69,540	0	58,494	58,494	0	0	0	-	-	-	0	9.9	10.2	0.00	6,403
01/29/19	Tue	64,925	67,840	51,388	11,968	63,356	0	0	0	-	-	-	0	9.8	10.2	0.00	4,947
01/30/19	Wed	72,341	75,440	47,722	0	47,722	0	0	0	-	-	50	0	9.8	10.2	0.00	5,877
01/31/19	Thu	85,279	83,980	1,197	47,274	48,470	0	0	0	-	-	-	0	9.9	10.2	0.00	9,566
TOTALS		2,974,678	2,921,320	103,897	1,745,757	1,849,654	4235	2620	1615				0			0.75	375,006
Average		95,957	94,236	3,352	56,315	59,666	137	85	52	0	50	60	0	9.0	9.5	0.02	12097
Minimum		61,348	62,410	0	0	39,494	0	0	0	0	50	44	0	4.3	5.1	0.00	1282
Maximum		157,999	164,560	51,388	88,040	88,040	4235	2620	1615	0	50	100	0	9.9	10.2	0.55	49622

DATA SUMMARY SHEET

2019													
	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												2,974,678
Wastewater Final Effluent (Month Cycle)	2,921,320												2,921,320
Adjusted Wastewater Influent (- State Flow)	2,599,672												2,599,672
Water Produced (month cycle)	1,849,654												1,849,654
Sewer Influent/Water Produced Ratio	1.61												N/A
Adjusted Sewer/Water Produced Ratio	1.41												N/A
Well 1 Water Production	103,897												103,897
Well 2 Water Production	1,745,757												1,745,757
Total Well Production	1,849,654												1,849,654
Water Well 1 Avg Depth to Water	9.0												N/A
Water Well 2 Avg Depth to Water	9.5												N/A
Average Depth to Water of Both Wells	9.3												N/A
Change in Average Depth to Water from 2018	-1.5												N/A
Average Chloride mg/L at the Wells	55												N/A
State Wastewater Treated	375,006												375,006
State % of Total WW Flow	13%												N/A
Recycled Water Sold (Gallons)	0												0
Biosolids Removal (Gallons)	4,500												4,500
WW Permit Limitation Exceeded	0												N/A
RW Permit Limitation Exceeded	0												N/A
Constituent Exceeded	None												N/A
Sample Limit	N/A												N/A
Sample Result	N/A												N/A

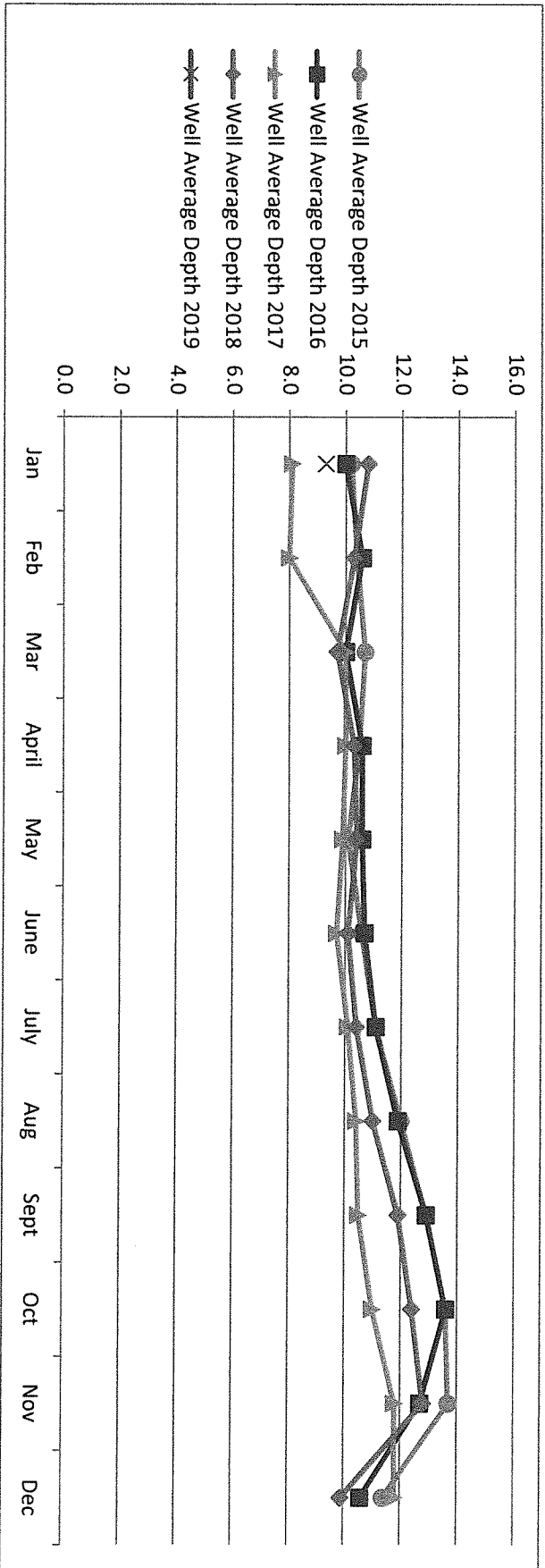
2018													
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total for 2018
Wastewater Influent	1,762,514	1,707,154	2,752,139	2,188,423	2,254,636	2,475,142	3,200,941	3,139,374	2,539,174	2,339,012	2,096,790	2,227,833	28,683,132
Wastewater Final Effluent (Month 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	368,965	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

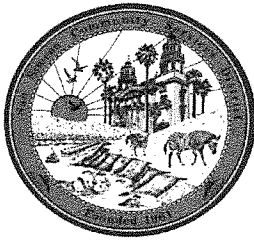
Superintendent's Report

January 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											



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



GENERAL MANAGER'S REPORT

Item 3.A.ii

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

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. Prepared and mailed the quarterly newsletter.

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

- Responded to four (4) public records requests.
- Enrolled and assisted three Board members with attendance at 2 webinars.
- Finalized the purchase and installation of a new PA system for the Board meetings.
- Finalized the draft version of the policy and procedures manual.

Update on the Beautification Grant – After discussion with the Board Chairperson, staff submitted a beautification grant project consisting of a habitat restoration project. The San Simeon Native Habitat Restoration Project includes the removal of invasive and non-native plants and the planting of native vegetation at two critical sites in the community of San Simeon in order to restore native habitat, to provide habitat connectivity and remediate previously disturbed areas for the benefit of community residents, coastal visitors and for the benefit of native wildlife and plant species. A copy of the application has been included as part of the Board packet.

Prop 84 Grant Update – There is no update at this time.

Capacity Fee Study Progress Report – Tuckfield and Associates is finalizing the draft version of the capacity fee study. This item will be placed on the March meeting agenda.

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

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

Enc: Phoenix Engineering Report, Oliveira Consulting Report, Beautification Grant Application,



Phoenix Civil Engineering, Inc.

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

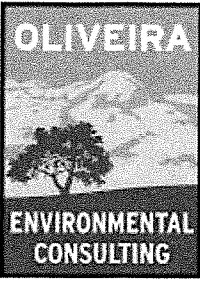
Memorandum – Project Design Status Water Systems Improvement Project Phase 1 San Simeon Community Services District Feb 7, 2019

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 75% 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.

Anticipated Activities for the Month of February:

- The design team is compiling the set of Contract Documents for the prospective tank contractors to bid.
- Research of USDA requirements for review/submission of the project. Incorporation of the EJCDC specification sections into the Contract Documents. This is a requirement of the USDA in case the District pursues USDA funding.
- Refinement of the OPCC to the District for review once the tank manufacturers provide cost data.



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February 7, 2019

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

Subject: Project Update – February 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.

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 as of last week, confirming the presence of native coastal terrace habitat and identifying mitigation measures to address any impacts.

In-season (springtime) rare plant survey of the site will be required based on the coastal marine terrace habitat observed on-site during initial biological assessment. This natural community is known to support rare plants, which cannot be ruled out unless springtime surveys are completed. 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.

It is recommended to publish the Final MND after rare plant survey and incorporate results into the analysis. Project biologist suggests an April timeframe for botanical survey, after-which the MND will be published.

Currently coordinating with County staff on this approach, since the County will have to rely on the MND to issue Conditional Use Permit/Coastal Development Permit and for development of water tanks;

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. Tribes have 30 days to request consultation on the project if they have any concerns. The comment period ended on January 7, 2019), consultation was requested and the project team was able to discuss project questions with Tribal Representatives.

Prepare Draft MND

Preparation of the Draft MND has begun. However, publication of the Final MND will be timed with the preparation of seasonally timed (April) 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.

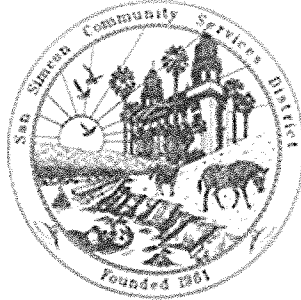
Thank you for the opportunity to provide a brief project update. Please feel free to contact me if you have any questions.

Sincerely,



Jeff Oliveira, Principal Environmental Planner
Oliveira Environmental Consulting LLC

**Infrastructure/Beautification Grant Program
Application – FY 2018-19**



Project Title: San Simeon Native Habitat Restoration Project

Agency Name: San Simeon Community Services District

Program Contact Person: Charlie Grace, General Manager

Address: 111 Pico Avenue, San Simeon, CA 93452

Phone Number: 805-927-4778

E-Mail Address: cgrace@graceenviro.com

Funds Requested: \$17,000

Project Summary

The **San Simeon Native Habitat Restoration Project** includes the removal of invasive and non-native plants and the planting of native vegetation at two critical sites in the community of San Simeon in order to restore native habitat, to provide habitat connectivity and remediate previously disturbed areas for the benefit of community residents, coastal visitors and for the benefit of native wildlife and plant species.

Charlie Grace, SSCSD General Manager

1/17/2019

Date

San Simeon Native Habitat Restoration Project San Simeon Community Services District

Program/Project Information

Organization and Mission

San Simeon, an official Disadvantaged Community, includes approximately 100 acres along the North Coast of San Luis Obispo County and serves 450 residents, providing affordable lodging for tourists visiting from all over California, the United States and the world.

The San Simeon Community Services District (SSCSD) is a Special Services District with responsibility for water, waste water treatment, road maintenance, lighting, and is in the process of obtaining approval for weed abatement services.

Description of Project

California native plants and the habitat they create help provide an important connection to nearby remaining wildlands while providing opportunities for educating residents and visitors about native plants and wildlife while simultaneously beautifying the community.

Landscape connectivity is a critical concept in ecology. Many species of plants and animals rely on connected patches of habitat to move around their territories, find mates, hunt, forage, and reproduce. In addition, people also find them desirable improvements to urban and suburban landscapes for recreation and access to nature.

The purpose of this project is to address the ecological and recreational benefits of habitat connectivity by creating natural habitat areas on two San Simeon District properties. Both sites proposed for habitat restoration are currently disturbed or otherwise lacking functional native habitat. This includes an approximately 40 foot by 45 foot (0.4 acre) portion of an existing easement along the north side of Pico Avenue, beginning near the current SSCSD office and extending west to the Avonne Avenue intersection. The habitat restoration project also includes the area immediately around the existing community Wastewater Treatment Plant (WWTP), along Arroyo del Padre Juan Creek. Please refer to the attached photos for additional information on project location.

The following tasks are intended to provide the necessary steps for implementing the proposed habitat restoration and community beautification project.

Task 1. Project Kick Off

This task includes project site preparation for both locations proposed for native habitat restoration and community beautification. This includes the inspection of each site on behalf of the project restoration ecologist (Oliveira Environmental Consulting LLC in association with Kevin Merk Associates LLC) in order to determine the specific species and number of plants to be established in order to restore functional native habitat. This includes working with a nursery to provide the necessary native plant stock, coordination with the SSCSD labor crew and

maintenance staff for removal of non-native/invasive plants, and general supervision of the labor crew. Cost Estimate: \$3,000.

Task 2. Purchase Native Plants for Habitat Restoration

This task includes the purchasing of the required native plant stock for habitat restoration at both sites. Cost Estimate: \$2,500.

Task 3. Site Preparation

This task includes the labor necessary for the preparation of each location proposed for planting within both restoration sites. This includes removing weeds and other non-native or invasive plant species, trash/debris removal and general maintenance activities to ensure that each planting location is prepared for planting. In order to save costs, it is anticipated that labor would be provided by the SSCSD, with supervision by the project restoration ecologist. Cost Estimate: \$2,000

Task 4. Plant Installation

This task includes the labor necessary for plant installation at each site. This includes general planting of all native plants purchased under Task 2 by the project restoration ecologist, including initial watering. Cost Estimate: \$4,500.

Task 5. Irrigation System Installation and Watering

This task includes installation of any necessary irrigation and hand watering to ensure the viability of plantings until such time that the plants have matured sufficiently to survive on their own. It is anticipated that native plants needing minimal to no watering would be utilized where appropriate to minimize the need for irrigation (e.g., willow cuttings along Arroyo del Padre Juan Creek may not require irrigation). For planting that requires regular watering until mature, it is anticipated that drip irrigation would be installed for temporary watering. Hand watering utilizing SSCSD labor will be used where appropriate in order to save on costs as well. Cost Estimate: \$3,000.

Task 6. Project Interpretation and Native Habitat Education

This task includes the creation and installation of signage and/or small kiosk at each site for the purpose of educating community residents and visitors about the details of the newly created habitat and the important role of native habitat in overall ecological health and the nature of landscape connectivity in providing a balanced habitat for native wildlife. Cost Estimate: \$2,000.

It is important to note that, as specified under the County's application information, this project does not include any ongoing maintenance or monitoring efforts associated with the proposed habitat restoration. Maintenance and monitoring will be provided under a separate project budget not associated with the County of San Luis Obispo Infrastructure/Beautification Grant.

Project Benefits

The community's existing vacant lots and undeveloped areas are inundated with invasive plants and weeds, significantly impacting the ability for native plants to become established and provide habitat and wildland connectivity for native wildlife. The SSCSD has two parcels proposed for habitat restoration that are currently disturbed or otherwise lacking functional native habitat. The benefits of native habitat restoration and wildland connectivity are discussed above under the Project Description.

Both parcels are walking distance from existing residential neighbors and visitor serving hotels, shops and restaurants. These two sites are currently disturbed such that they no longer provide functional habitat for native/special status plant and wildlife and detract from the environment that residents and visitors have come to expect from the community of San Simeon.

With respect to the Pico Avenue site, the proposed project represents the first habitat restoration and beautification effort on the east side of the community. In addition to beautifying this area of the community, the proposed project will provide a much needed safety improvement for pedestrians, cyclists, residents and visitors alike along a primary road used for coastal and visitor serving access.

The WWTP site represents a continuation of existing efforts to reclaim and restore the project site. This includes landscape improvements already reviewed by the California Coastal Commission and would provide for the critical restoration and subsequent beautification of the historically impacted Arroyo del Padre Juan Creek and the popular coastal access trail along the northern bank of the Creek.

In addition to the ecological benefits discussed above, the proposed project would provide an opportunity to educate residents and visitors on the variety of native plant and wildlife species found in the region and the importance of landscape connectivity.

Capitalizing on Existing Community Habitat Restoration and Beautification Efforts

It is important to note that a Landscape Plan (Kevin Merk Associates LLC, May 23, 2016) and associated planting palette for habitat restoration at the WWTP has already been created as part of an approved existing Coastal Development Permit application for historic WWTP improvements. This represents the SSCSD ongoing investment into this project and it is anticipated that this Landscape Plan will be utilized for implementing the proposed project at both sites.

In addition, in 2018 residents of San Simeon requested the SSCSD remove 18 unsightly large tree stumps located within the proposed Pico Avenue habitat restoration site. The SSCSD fulfilled this request and had the tree stumps removed as part of the community investment into local beautification. The native habitat restoration proposed under this grant application represents the continued efforts for community beautification already begun by the SSCSD.

Project Site Photos



1 Non-native vegetation encroaching into WWTP



2 Non-native myoporum encroaching onto WWTP

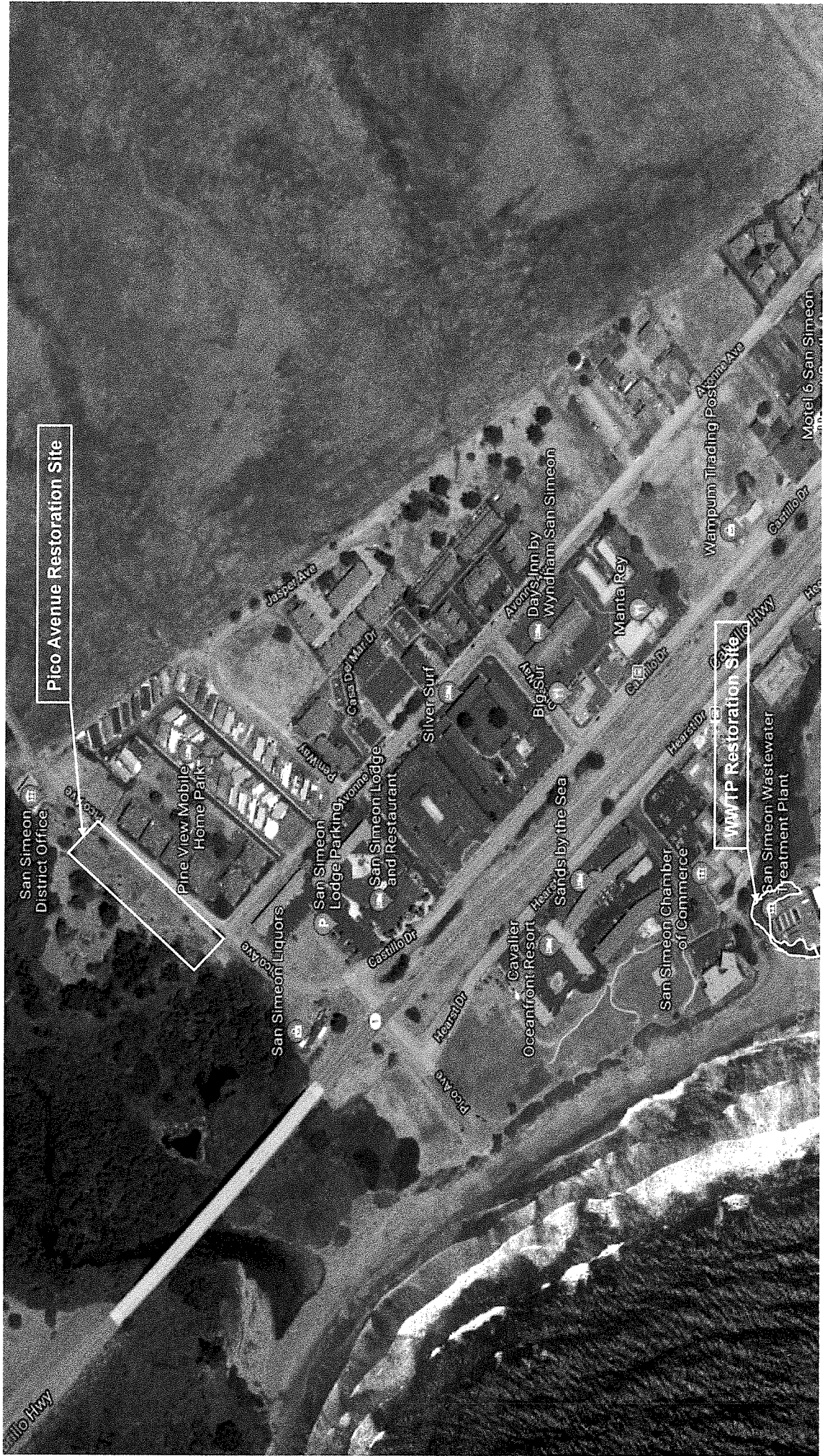
Project Site Photos Continued



3 Pico Ave. restoration site showing removed tree stumps.



4 Pico Ave. site showing non-native vegetation and proposed habitat restoration area.



Pico Avenue Restoration Site

WWTP Restoration Site



	SSCSD Waste Water Treatment Plant
	RipRap
	Arroyo Del Padre Juan Creek Centerline
Zone	
	Zone 1 : Coastal Bluff Scrub Restoration (0.15 acre)
	Zone 2 : Riparian Restoration (0.07 acre)
	Zone 3 : Enhancement (0.05 acre)



Unpermitted Rip Rap Violation Project
 San Simeon Community Services District

Figure 5
 Conceptual Landscape Plan

3. A. iv. DISTRICT FINANCIALS
Cortney Murguia
January 31, 2019

SAN SIMEON COMMUNITY SERVICES DISTRICT



3.A.iv FINANCIAL SUMMARY

Billing January 31, 2019

December Billing Revenue	\$ 60,542.76
Janaury Billing Revenue	\$ 71,242.96
Past Due (31 to 60 days)	\$ 814.00
Past Due (60 days)	\$ 110.52

ENDING BANK BALANCES

January 31, 2019

RABOBANK SUMMARY:

Well Rehab Project/USDA Checking Account **\$ 89.00**

PACIFIC PREMIER BANK:

Money Market Account Closing Balance December 31, 2018 **\$ 896,432.96**

Transfer of Funds from General Checking Account **\$ 30,000.00**

Interest for January **\$ 1,757.67**

Money Market Account Closing Balance January 31, 2019 **\$ 928,190.63**

Reserve Fund (250,000)

Wait-list Deposits (69,750)

Customer Deposits (9,300)

Available Funds **\$ 599,140.63**

General Checking Account January 31, 2019 **\$ 101,213.59**

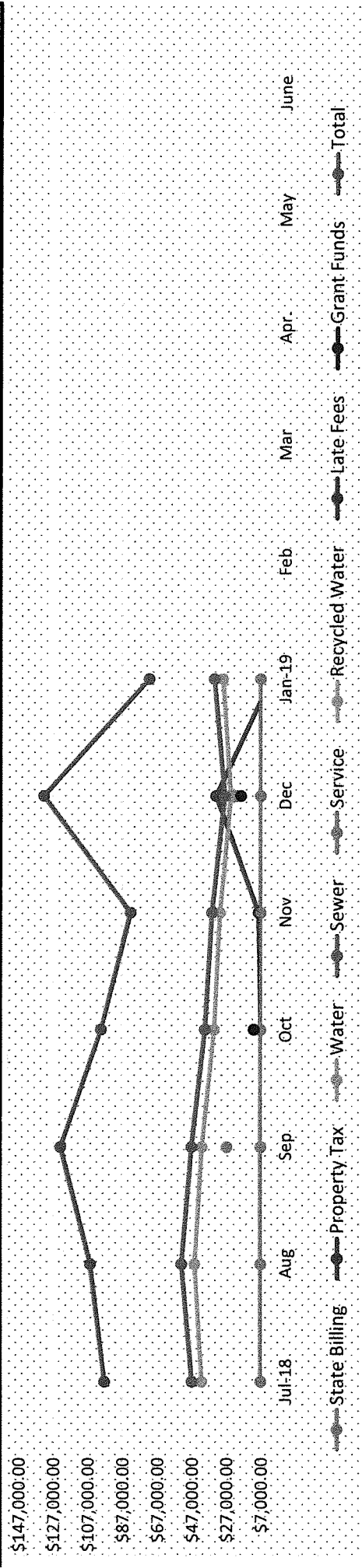
LAIF Closing Balance January 31, 2019 **\$ 539.63**

SAN SIMEON COMMUNITY SERVICES DISTRICT
Balance Sheet
As of January 31, 2019

	Jan 31, 19
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty cash	150.00
1015 · Pacific Prem - General Checking	100,978.89
1017 · Pacific Premier-Money Market	928,190.63
1022 · USDA checking	164.00
1040 · Cash in county treasury	108.33
1050 · LAIF - non-restricted cash	536.39
Total Checking/Savings	1,030,128.24
Other Current Assets	
1200 · Accounts receivable	69,482.13
1220 · A/R - Hearst Castle	20,971.00
1300 · Prepaid expenses	4,121.13
Total Other Current Assets	94,574.26
Total Current Assets	1,124,702.50
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	123,918.53
1680 · Generator	29,101.14
Total 1400 · Fixed assets	5,089,827.58
1690 · Accumulated depreciation	(2,388,080.17)
Total Fixed Assets	2,701,747.41
TOTAL ASSETS	3,826,449.91
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 · Payroll liabilities	149.94
2500 · Customer security deposits	9,300.00
2510 · Connect hookup wait list	69,750.00
2520 · USDA Loan	396,550.00
Total Other Current Liabilities	475,749.94
Total Current Liabilities	475,749.94
Total Liabilities	475,749.94
Equity	
3200 · Fund balance	3,238,681.99
Net Income	112,017.98
Total Equity	3,350,699.97
TOTAL LIABILITIES & EQUITY	3,826,449.91

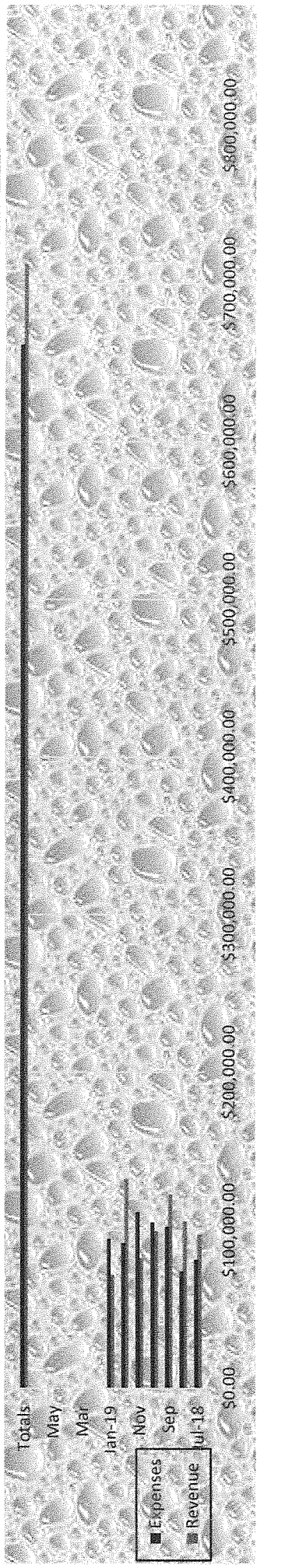
DISTRICT REVENUE FY 2018/2019

	Jul-18	Aug	Sep	Oct	Nov	Dec	Jan-19	Feb	Mar	Apr.	May	June	Totals
State Billing			\$26,723.91			\$20,971.00							\$47,694.91
Property Tax	\$1,288.59	\$0.00	\$169.19	\$7,205.82	\$8,542.19	\$33,187.58	\$1,319.32						\$51,712.69
Water	\$41,336.59	\$45,279.14	\$41,178.74	\$34,050.67	\$30,760.16	\$24,353.21	\$29,009.60						\$245,968.11
Sewer	\$47,258.33	\$53,156.35	\$47,379.43	\$39,628.31	\$35,491.84	\$28,149.21	\$34,169.78						\$285,233.25
Service	\$7,111.73	\$7,113.60	\$7,113.60	\$7,113.60	\$7,079.40	\$7,079.40	\$7,147.80						\$49,759.13
Recycled Water													\$0.00
Late Fees	\$461.43	\$201.49	\$290.08	\$168.71	\$600.53	\$135.60	\$178.43						\$2,036.27
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						\$712,524.41
Water Sold Cu Ft	334631	367360	332914	275609	243491	195107	236456						1985568
Water Sold Acre ft	7.68	8.43	7.64	6.33	5.59	4.48	5.43						45.58



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						\$712,524.41
Expenses	\$81,495.91	\$74,250.58	\$102,279.81	\$104,990.12	\$111,554.79	\$92,037.25	\$94,850.91						\$661,459.37
Balance	\$15,960.76	\$31,500.00	\$20,575.14	(\$5,456.01)	(\$29,080.67)	\$40,591.80	(\$23,025.98)						\$51,065.04



**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	\$633,514.87
Water Sold Cu Ft	311247	338869	297896	288860	223460	191579	276707	234583	213757	239168	260907	278,453	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	\$91,753.98
Property Tax	\$1,282.43		\$121.78	\$3,983.38	\$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
– January 9, 2019**

MINUTES
SAN SIMEON COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Wednesday, January 9, 2019
6:00 pm

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

1. REGULAR SESSION: @ 6:00 PM

A. (Acting) Chairperson McGuire - present General Manager, Charles Grace
Director Russell – present District Counsel, Natalie Frye Laacke
Director Kellas – present
Director Stanert – present
Director Smith – present

B. Swear in new Board member – Charlie Grace swore in Hunter Smith.

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

Amanda Rice (Cambria CSD Board member) spoke. She provided a summary of matters related to the wastewater treatment plant (WWTP) permitting and the formation of a joint committee. She also stated that CCSD staff was available with any questions.

3. SPECIAL PRESENTATIONS AND REPORTS:

A. STAFF REPORTS:

i. **Sheriff's Report** – None

ii. **Superintendent's Report** - Jerry Copeland provided a summary of December activities.

Director Russell commented about the filtration system.

Leroy Price commented about the rise in chloride levels.

iii. **General Manager's Report** – Charlie Grace provided a summary of December activities.

Director Kellas commented on the application deadline for the Beautification Grant.

Charlie Grace, Gwen Kellas, and Julia Stanert discussed the grant application.

Natalie Frye Laacke provided information related to adding the grant application onto the agenda as an emergency item stating that this matter did not meet the parameters to be added to the agenda.

iv. **District Financial Summary** – Cortney Murguia Update on Monthly Financial Status.

A motion was made to authorize the General Manager to transfer \$30,000.00 from general checking to the money market account.

Motion by: Director Kellas

2nd: Director Russell

All in: 4/1

Abstain; Director Smith

v. **District Counsel's Report** – Natalie Frye Laacke provided a summary of December activities.

B. **BOARD OF DIRECTORS AND COMMITTEE REPORTS:** None

C. **SPECIAL PRESENTATION:** Acting Chairperson McGuire complimented Cortney Murguia on several achievement's related to the community.

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

4. **CONSENT AGENDA ITEMS:**

Public Comment –

Leroy Price commented on the disbursement journal.

A. Review and approval of Minutes for the Regular Meeting on December 12, 2018.

B. Review and approval of Disbursements Journal.

Director Kellas asked that on page 3 of 4 the name Elaine be changed to Eileen.

Director Stanert asked that the last statement of her comment on page 4 of 4 be turned into two sentences.

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

Motion by: Director Russell

2nd: Director Kellas

All in: 5/0

5. **BUSINESS ITEMS:**

Public Comment – None

A. **Approval of the District Fiscal Audit for 2017-2018.**

A green sheet was provided to the BOD and members of the public with updated information related to the Board of Directors names listed in the audit.

Director Kellas inquired about an increase in the operations and maintenance line item re: the riprap engineering.

Charlie Grace replied to her comment about the language on the description being outdated, and that the monies are a combined total related to the riprap matter.

A motion was made to approve the District Fiscal Audit for 2017-2018.

Motion by: Director Stanert

2nd: Director Russell

All in: 4 /1

Abstain: Director Smith

B. Election of Chairperson and Vice Chairperson for the 2019 Calendar year.

Chairperson McGuire introduced the item.

Director Stanert nominated Director Kellas for the Chairperson role.

A motion for Director Kellas to serve as Chairperson was made.

Motion by: Director Stanert

2nd: Director Russell

All in: 4 /1

Abstain: Director Smith

Director Kellas nominated Director McGuire for Vice-Chairperson.

A motion for Director McGuire to serve as Vice-Chairperson was made.

Motion by: Director Kellas

2nd: Director Stanert

All in: 4 /1

Abstain: Director Smith

C. Adoption of Resolution 19-405. A resolution authorizing signatures for banking services on behalf of the District.

A motion was made to approve the adoption of Resolution 19-405 authorizing signatures for banking services.

Motion by: Director Kellas

2nd: Director Stanert

All in: 5/0

Roll Call: Chairperson McGuire: YES Director Russell: YES Director Kellas: YES

Director Stanert: YES Director Smith: YES

D. Adoption of Resolution 19-406. A resolution authorizing signatures for the Local Agency Investment Fund (LAIF) on behalf of the District.

A motion was made to approve the adoption of Resolution 19-406 authorizing signatures for LAIF.

Motion by: Director Kellas
2nd: Director Stanert
All in: 5/0

Roll Call: Chairperson McGuire: YES Director Russell: YES Director Kellas: YES
Director Stanert: YES Director Smith: YES

E. Discussion regarding appointment of members to the standing committee.

Chairperson McGuire introduced the item. She inquired about waiting for the appointment process and timelines.

Charlie Grace provided a timeline about committee meetings occurring before the February 13, 2019 Board meeting.

There was no action taken related to this item.

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

Director Stanert inquired about adding an agenda item related to the feasibility of the splash wall and a French drain.

Director Kellas commented on matters related to the riprap and added an agenda item.

Charlie Grace responded that this matter was being reviewed by Coastal Commission staff.

Director Russell commented about the required webinars for Board member.

Director Stanert inquired about the beautification grant application and suggested a possible proposal idea.

Chairperson McGuire and Natalie Fry Laacke commented that this action was restricted because it was not on the agenda.

7. ADJOURNMENT @ 6:48 PM

4. CONSENT AGENDA

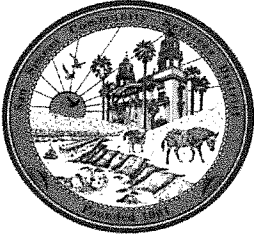
B. Consideration of approval of Disbursements Journal

SAN SIMEON COMMUNITY SERVICES DISTRICT
Disbursements Journal
 February 2019

Type	Date	Num	Name	Memo	Paid Amount
Check	02/25/2019	Elec Pymt	CalPERS Fiscal Services Division	Retiree Health monthly premium for March 2019.	-362.07
Check	02/25/2019	Elec Pymt	CalPERS Fiscal Services Division	Unfunded Accrued Liability only - prepaid for March 2019. Cust. ID # 7226734344.	-1,132.64
Liability Check	02/26/2019	Elec Pymt	United States Treasury (US Treasury)	95-2755743	-76.50
Paycheck	02/01/2019	1727	GWEN KELLAS	Board Service January 2 through February 1, 2019.	-92.35
Paycheck	02/01/2019	1728	HUNTER C SMITH	Board Service January 2 through February 1, 2019.	-92.35
Paycheck	02/01/2019	1729	JOHN K RUSSELL	Board Service January 2 through February 1, 2019.	-92.35
Paycheck	02/01/2019	1730	JULIA A GREENAN	Board Service January 2 through February 1, 2019.	-92.35
Paycheck	02/01/2019	1731	MARY M MCGUIRE	Board Service January 2 through February 1, 2019.	-92.35
Bill Pmt -Check	02/13/2019	1732	Lamon, Susan	Customer Security Deposit Refund for Account 391. Date 2/1/19.	-50.00
Bill Pmt -Check	02/13/2019	1733	Porter, Richard	Customer Security Deposit Refund for Account 205. Date 2/1/19.	-50.00
Bill Pmt -Check	02/13/2019	1734	Soung, Andre	Customer Security Deposit Refund for Account 395. Date 2/1/19.	-50.00
Bill Pmt -Check	02/13/2019	1735	Adamski Moroski Madden Cumberland & Green	Legal services on rip-rap project through 12/31/2018. Inv 46104 dated 01/17/19.	-236.50
Bill Pmt -Check	02/13/2019	1736	Adamski Moroski Madden Cumberland & Green	Legal services on policy manual updates through 12/31/2018. Inv 46106 dated 01/17/19.	-946.00
Bill Pmt -Check	02/13/2019	1737	Adamski Moroski Madden Cumberland & Green	General Legal Services through 12/31/2018. Inv 46105 dated 01/17/19.	-1,677.00
Bill Pmt -Check	02/13/2019	1738	Brooks Gallery	Install 1 whale art panel at Pico staircase to replace stolen artwork. Inv 1129 dated 1/7/19.	-1,072.50
Bill Pmt -Check	02/13/2019	1739	Harrington Industrial Plastics, LLC	Water Filters - 30-3/4" - quantity 3. Inv 013A6986 dated 1/10/19.	-1,442.24
Bill Pmt -Check	02/13/2019	1740	Harrington Industrial Plastics, LLC	Water Filters - 30-3/4" - quantity 6. Inv 013A7217 dated 1/28/19.	-3,634.13
Bill Pmt -Check	02/13/2019	1741	Jontronics	Case and stand for portable public address system for Board Meetings. Inv 19-1174 dated 1/31/19.	-459.03
Bill Pmt -Check	02/13/2019	1742	Kathleen Fry Bookkeeping Services	Bookkeeping Services January 2019. Inv 2019-01 dated 01/31/19.	-1,200.00
Bill Pmt -Check	02/13/2019	1743	Moss, Levy & Hartzheim, LLP	Audit to Date for FYE 6/30/2018. Inv 16950 dated 12/31/18.	-5,445.00
Bill Pmt -Check	02/13/2019	1744	Nossaman LLP	Legal services re: Rip Rap matter through 12/31/2018. Inv 491360 dated 1/17/19.	-625.00
Bill Pmt -Check	02/13/2019	1745	Phoenix Civil Engineering, Inc	Prof Svcs on Reservoir Project through 12/31/18. Inv 18-633 dated 1/4/19.	-8,649.88
Bill Pmt -Check	02/13/2019	1746	Phoenix Civil Engineering, Inc	Prof Svcs on Reservoir Project through 01/31/2019. Inv 19-003 dated 2/6/19.	-7,972.50
Bill Pmt -Check	02/13/2019	1747	SWRCB-State Water Resource Control Board	Annual ELAP fee - Environmental Laboratory Accreditation Program for Certificate #2880. WW Trmt Plant Facility. Inv #EA-0419-2880 dated 1/9/19.	-3,592.00
Bill Pmt -Check	02/13/2019	1748	SWRCB-State Water Resource Control Board	Annual Fees for Community Water System for 7/1/2018 - 6/30/2019. System # 4000568. Inv # SM-1020999 dated 12/19/2018.	-1,236.00
Bill Pmt -Check	02/13/2019	1749	Tuckfield & Associates	Prof Svcs for capacity charge study. Services 12/1-12/31/2018. Inv 0516 dated 12/31/18.	-1,350.00
Bill Pmt -Check	02/13/2019	1750	Tuckfield & Associates	Prof Svcs for capacity charge study. Services Jan 1 - Jan 31, 2019. Inv 0522 dated 1/31/19.	-1,237.50
Bill Pmt -Check	02/13/2019	1751	Grace Environmental	Operations Management and Maintenance Fees February 2019. Inv 1257 dated 02/01/19.	-51,892.67
TOTAL					-94,850.91

5. A. BUSINESS ITEMS

Adoption of Resolution 19-407. A resolution adopting a records retention schedule and authorizing destruction of certain district records.



BUSINESS ACTION ITEM STAFF REPORT

Item 5.A. Adoption of Resolution 19-407. A resolution adopting a records retention schedule and authorizing destruction of certain district records.

Summary:

At the October 10, 2018 regular Board meeting staff and District Counsel presented a draft version of the records retention schedule. During the meeting Director Kellas and Director Russell had two changes to the schedule. Staff has redlined these items and included a copy of the records retention schedule with this staff report.

California Government Code Section 60201 allows a special district to adopt, by resolution, a record retention schedule that classifies all the district's records by category and establishes a standard protocol for retention and destruction of records. A copy of that resolution, along with the record retention schedule reviewed at the October meeting, are included in this staff report and comply with the requirements of Government Code Section 60201.

Recommendation:

Staff recommends that the Board approve Resolution 19-407 which adopts the records retention schedule and a standard protocol for retention and destruction of records.

Enc: Copy of draft Resolution 19-407 and Records Retention Schedule.

RESOLUTION NO. 19-407

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN SIMEON COMMUNITY SERVICES DISTRICT, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ADOPTING A RECORDS RETENTION SCHEDULE AND AUTHORIZING DESTRUCTION OF CERTAIN DISTRICT RECORDS

WHEREAS, The San Simeon Community Services District (“District”) Board of Directors (“Board of Directors”) wishes to improve its records management practices through the adoption of a records retention schedule; and

WHEREAS, the Board of Directors recognizes that the maintenance of numerous records is expensive, slows document retrieval, and is not necessary after a certain period of time for the effective and efficient operations of the District; and

WHEREAS, Section 60200 of the Government Code of the State of California provides that the legislative body of a special district may authorize at any time the destruction or disposition of any duplicate record, paper, or document, the original or a permanent photographic record of which is in the files of any officer or department of the district; and

WHEREAS, Section 60201 of the Government Code of the State of California provides that district records which have served their purpose, which are not expressly required by law to be filed and preserved, and which will not adversely affect any interest of the district or public may be destroyed; and

WHEREAS, the District has a procedure to maintain a list of the types of records destroyed or disposed of that reasonably identifies the information contained in the records in each category.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SAN SIMEON COMMUNITY SERVICES DISTRICT DOES RESOLVE AS FOLLOWS:

1. The Board of Directors finds that the destruction or disposition of the records that have exceeded the retention periods as set forth in the Records Retention Schedule (attached hereto as Exhibit A) will not adversely affect any interest of the District or the public.
2. The records of the District, as set forth in the Records Retention Schedule attached hereto and incorporated herein by this reference, are hereby authorized to be destroyed as provided by Section 60201 et seq. of the Government Code of the State of California and in accordance with the provision of said schedule in accordance with District policies and procedures, without further action by the Board of Directors.

3. With the consent of the District Legal Counsel and the District General Manager, updates are hereby authorized to be made to the Records Retention Schedule without further action by the Board.
4. The term "record" as used herein shall include all documents and writings as defined by Section 60201 of the Government Code of the State of California.
5. This resolution shall become effective immediately upon its passage and adoption; however, District staff shall wait for a period of thirty (30) days following adoption of the resolution before disposing of any District records subject hereto.

PASSED AND ADOPTED by the Board of Directors of the San Simeon Community Services District on _____, 2019 by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Chairperson Board of Directors of the
San Simeon Community Services District

ATTEST:

Board Secretary of the
San Simeon Community Services

APPROVED AS TO FORM:

District Counsel

Records Retention Schedule
 San Simeon Community Services District
 Destruction of any record must be authorized by the legislative body (Gov. Code §§60200-60204)

Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Board Administration	Affidavits of Publication / Posting	Records documenting compliance with laws requiring public notice of governmental activities. May include: public or legal notices, certificates, affidavits or publication, and similar documents.	Calendar Year End+4 Years	GC 60201 CCP 343
Board Administration	Agenda reports (staff reports)	Paper copies of agenda packets should be maintained for 1 year as complete packets. Originals should be imaged immediately for permanent retention. The filmed record may serve as a permanent record.	Permanent	GC 60201
Board Administration	Agenda / Agenda Packets	Agendas and packets should be imaged immediately. A paper copy should be maintained for one year only	Permanent	GC 60201
Board Administration	Agreements / Contracts – Grants, Intra-Agency Agreements, Property Agreements, Leases, Water Supply, etc.	A written agreement between a grantee and a third party to acquire routine goods and services. A grant is a Financial assistance mechanism providing money, property, or both to an eligible entity to carry out an approved project or activity	Permanent	CCP 337 GC 60201
Board Administration	Articles of Incorporation	A written instrument that creates and defines the rights and privileges of a corporation. May include, but is not limited to original charter, petitions for incorporation, constitution, by-laws, amendments	Permanent	GC 60201(d)(1)

Legal Authority Abbreviations

CCP	Code of Civil Procedure (California)	GC	Government Code (California)	LC	Labor Code (California)	VC	Vehicle Code (California)
CCR	California Code of Regulations	H&S	Health & Safety Code	PC	Penal Code (California)		
CFR	Code of Federal Regulations	IRC	Internal Revenue Code	R&TC	Revenue & Taxation Code (California)		
EC	Elections Code (California)	IRS	Internal Revenue Service	USC	United States Code		

Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Board Administration	Biennial Review of the Conflict of Interest Code	Correspondence pertaining to review; the final revised Conflict of Interest Code is adopted by Resolution as an attachment and is part of the Agenda Packet	Calendar Year End+2 Years	GC60201
Board Administration	Closed Session Material		Calendar Year End+10 Years	GC 60201
Board Administration	Comments & Correspondence – BOARD MEMBERS	Letters, memoranda, other types of correspondence authored by, or received by, the Board members	Calendar Year End+2 Years	GC 60201
Board Administration	Comments & Correspondence – CUSTOMERS	Comments, correspondence, complaints regarding drinking water (odor, taste, color, etc.)	Calendar Year End+5 Years	GC 60201, 40 CFR 122.41(j)(2) & 40 CFR 141.33(b); 22 CCR 64470(a)
Board Administration	Comments & Correspondence – GENERAL MANAGER	Letters, memoranda, other types of correspondence authored by, or received by, the General Manager	Calendar Year End+2 Years	GC 60201
Board Administration	Economic Interest Statements – Form 700 (copies) (elected officials)	Copies of original statements of elected officials forwarded to Fair Political Practices Commission	Calendar Year End+4 Years (can image after 2 Years)	GC 81009(f), (g)
Board Administration	Economic Interest Statements – Form 700 (originals) (non-elected)	Originals of statements of designated employees	Calendar Year End+7 Years (can image after 2 Years)	GC 81009(e), (g)
Board Administration	Election – Administrative Documents	Not ballot cards or absentee voter lists/applications	Calendar Year End+2 Years	GC 60201

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 CFR Code of Federal Regulations IRC Internal Revenue Code R&TC Revenue & Taxation Code (California)
 EC Elections Code (California) IRS Internal Revenue Service USC United States Code

Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Board Administration	Election – Ballots & Protest Letters – Prop. 218 (assessment Districts)	Property related fees (Assessment Ballot proceeding)	Permanent	GC 53753(e)(2) CA Constitution Art. XIII
Board Administration	Proposition 218 Ballots & Protest Letters (Assessment Districts)	Property related fees (Assessment Ballot proceeding)	Calendar Year End+2 Years	GC 53753(e)(2) CA Constitution Art. XIII
Board Administration	Election – Campaign Statements	FPPC Forms 460, 470, etc.	Permanent	GC 81009(b)(g)
Board Administration	Election – Certificates of Election	Certificates of election; original reports and statements	Permanent	GC 60201, GC 81009(a)(d)
Board Administration	Election Petitions – Initiative/Recall/Ref. Charter Amendments	Not a public record – documents resulting in an election * Retention is from election results	8 Months *	EC 17200, 17400 GC 6253.5;
Board Administration	Election Petitions – No election	Not a public record. Not resulting in an election. * Retention is from final examination	8 Months *	EC 17200, 17400 GC 6253.5
Board Administration	Ethics Training	Records that indicate both the dates of training and the entity that provided the training	5 Years after receiving training	GC 53235.2(b)
Board Administration	FPPC Form 801 / 802	Gift to Agency Report / Tickets Provided to Agency Report	7 Years	2 CCR 18944.1 GC 81009(e)

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Board Administration	General Manager Projects	Various Projects – the department retains the originals (e.g. Engineering). Example of records-major improvements (e.g. treatment plant improvements), long-range planning, etc. Copies of various documents from the line departments and correspondence directing the line departments of how to approach / resolve various issues	Calendar Year End+10 Years	GC 60201 CCP 337.15
Board Administration	Historical Records	Records with Significant Historical Value	Permanent	GC 60201
Board Administration	Minutes	Minutes of District Board meetings; documents the proceedings of public bodies. Documents are to be imaged immediately. Paper records are to be maintained permanently by the Board	Permanent	GC 60201(d)(3)
Board Administration	Oaths of Office	Elected and public officials – Board Members	Current+6 Years	GC 60201; 29 USC 1113
Board Administration	Policies, District Board	Original policies adopted by the District Board	Until Superseded+2 Years	GC 60201
Board Administration	Public Records Request	Requests from the public to inspect or copy public documents	2 Years	GC 60201(d)(5)
Board Administration	Records Management Disposition Certification	Documentation of final disposition of records	Permanent	GC 60201
Board Administration	Records Retention Schedules	After Adoption / Approval	Permanent	GC 60201 CCP 343

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CFR	Code of Federal Regulations	IRC	Internal Revenue Code	R&TC	Revenue & Taxation Code (California)		
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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Board Administration	Recordings – audio	Audio Tapes, CD or DVD recordings of Board meetings made for preparation of Board meeting minutes	9030 Days, Provided Minutes have been Adopted *Modified from 30 to 90 days via Board action on 10/11/2018	GC 54953.5(b), GC 60201 64 Ops. Atty. Gen 317
Board Administration	Recordings, video – meetings of legislative bodies	Video Tapes, CDs or DVDs of public meetings made by or at the direction of the District (e.g., Board meetings)	Permanent *Modified from 2 years to permanent via Board action on 10/11/2018, 2 Years	GC 53160 GC 53161
Board Administration	Request to Speak	A person wishes to comment on an item that is on the Board agenda completes the request to speak form	Calendar Year End+2	GC 60201
Board Administration	Resolutions	Vital records. Originals may never be destroyed. Image immediately.	Permanent	GC 60201
Board Administration	State Reimbursement of Brown Act Cost (SB 90)	Claim Forms and Supporting Documentation	3 Years	GC 60201
Board Administration	Statement of Facts – Roster of Public Agencies Filing (State of California)	Form #SEC/STATE NP/SF 405	Calendar Year End+2 Years	GC 60201
Board Administration	Water Rights / State Board Hearings – PERMANENT HISTORICAL RECORDS	Documentation establishing water rights	Permanent	GC 60201

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Board Administration	Water Rights / State Board Hearings – LITIGATION RECORDS	Documentation of any litigation related to water rights (Other than records of significant historical value)	Permanent	GC 60201
Customer Service	Direct Pay Forms	Request for reimbursements, etc.	After Audit+4 Years	GC 60201
Customer Service	Service Orders	Requests from customers for services to be performed.	After Audit+5 Years	GC 60201

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CFR	Code of Federal Regulations	IRC	Internal Revenue Code	R&TC	Revenue & Taxation Code (California)		
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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Development	Annexations / Reorganizations	Notices, Resolutions, Certificates of Completion	Permanent	GC 60201 GC 60201(d)(1)
Development	Benchmark Data	Horizontal, vertical & control	Permanent	GC 60201
Development	Environmental Quality Soil Reports	Final Reports	Permanent	GC 60201
Development	Property, Abandonment	Buildings, condemnation	Permanent	GC 60201(d)(8)
Development	Property Acquisition/ Disposition	District owned. Supporting documents regarding sale, purchase, exchange, of property by District	Permanent	GC 60201(d)(8)
Engineering	Annexations / Boundary Changes		Permanent	GC 60201(d)(1)
Engineering	Appraisals	For real property owned by District – Not a public record (i.e. exempt from disclosure) until real estate transaction is complete	After Audit+5 Years	GC 60201; GC6254(h)
Engineering	Bids, Unaccepted	Unaccepted bid packages only	2 Years	GC 60201(d)(11)
Engineering	Bids, Notices & Affidavits, Accepted	Accepted	After Audit+4 Years	GC 60201 CCP 337
Engineering	Board Staff Reports, Backup & original source files for Board Meetings	This information is back-up information in addition to the Staff / Board reports kept by Board Administration	Permanent	GC 60201

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Engineering	Bonds, Surety	Documentation created and/or received in connection with the performance of work/services for the District	Close/Completion +10 Years	CCP 337.15 GC 60201
Engineering	California Environmental Quality Act (CEQA) / National Environmental Policy Act (NEPA)	Exemptions, Environmental Impact Report, Mitigation monitoring, negative declaration, notices of completion and determination, comments, statements of overriding consideration	Permanent	GC 60201 14 CCR 15095(c);
Engineering	Capital Improvement Program Budget – DRAFTS	Drafts – Finance maintains finals Permanently	Until Superseded	GC 60201
Engineering	Capital Improvements, Construction / Job Files – PERMANENT FILE	For Disaster Recovery Purposes: Agreements/Contracts, Bid Package (Winning), Board Letters (copy), Change Orders, Consultant Proposals (Successful), Environmental, Final As-Built Drawings (Record Drawings), Inspection Pictures, Inspection Reports, Material Testing Permits (Design, Environmental), Preliminary Design Report, Rights of Way / Easements, Soils, Geotechnical Reports, Specifications, Submittals, Surveys, CAD files, Engineer's Calculation Files	Permanent	GC 60201

Legal Authority Abbreviations

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Engineering	Capital Improvements, Construction / Job Files – ADMINISTRATIVE FILE / INSPECTION FILE	Project Administration: Bid Summary, Bonds, Certified Payroll, Grant Documents, Errors & Omissions, Insurance Certificates, Notifications. Progress Payments, Punch Lists, Videos Post-Construction & Pre-Construction. Correspondence (Transitory / Preliminary Drafts), Engineer's Estimates, Memoranda, NPDES, Permits (Construction & Street Opening)	Close/Completion+ 10 Years	CCP 337.15, GC 60201
Engineering	CCTV Inspections / Sewer	Video Documentation of Inspection with Field Notes	10 Years	GC 60201
Engineering	Deeds, Real Property	File with recorded documents; originals may not be destroyed	Permanent	GC 60201(d)(8)
Engineering	Easements, Maps of Easements	File with recorded documents, originals may not be destroyed	Permanent	GC 60201(d)(8)
Engineering	Encroachment Permits	For continuing encroachments over District easements, etc.	Permanent	GC 60201
Engineering	Encroachment Permits – Annual Blanket	CalTrans, Health Department, County, etc. (for Street Openings, Road Use, Construction purposes, etc.)	Permanent	GC 60201
Engineering	Facility Expansion Agreements	Files related to facility expansion	Permanent	GC 60201
Engineering	Fire Flow Letters	Water pressure to fire hydrants	Calendar Year End+2 Years	GC 60201

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Engineering	Grants / Community Development Block Grant (CDBG); Urban Development; other Federal and State grants and Loans	Grants documents and all supporting documents: applications, reports, contracts, project files, proposals, statements, sub-recipient docket, environmental review, grant documents, inventory, consolidated plan, etc.	Close/Completion+5 Years (but refer to grant for any close-out procedures)	GC 60201 24 CFR 570.502 24 CFR 85.42
Engineering	FEMA Claims	Storm Damage, etc. * Or three years after date of final Financial Status Report whichever is later.	10 Years *	GC 60201 FEMA Guidelines
Engineering	LAFCO Correspondence	Municipal service review and other documentation / correspondence	Calendar Year End+2 Years	GC 60201
Engineering	Master Plans & Reports	Water and wastewater facilities master plans; hydraulic computer models	Permanent	GC 60201
Engineering	Offers of Dedication / Conveyance Agreements	Water and wastewater offers of dedication from Developers	Permanent	GC 60201
Engineering	Pipeline Installations	Job Files for in-house and contract water and wastewater pipeline installations	Permanent	GC 60201, CCP 337.15
Engineering	Record Drawings / Plans / Maps / "As Built"	All originals should be maintained in Engineering, with copies at the various facilities	Permanent	GC 60201
Engineering	Regulatory Agencies	CCRWQCB, etc.	Permanent	GC 60201
Engineering	Rules & Regulations	For water, wastewater and recycled water service	Permanent	GC 60201

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CFR	Code of Federal Regulations	IRC	Internal Revenue Code	R&TC	Revenue & Taxation Code (California)		
EC	Elections Code (California)	IRS	Internal Revenue Service	USC	United States Code		

Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Engineering	Studies & Reports	Various Engineering Studies & Reports, including Feasibility Studies	Permanent	GC 60201
Engineering	Surface and Groundwater Management / Stream flow and Precipitation Data	USGS Records	10 Years	GC 60201
Engineering	Will Serve Files / Tract Files / Private Dev. / Service Availability Letters & Applications – Letters and Research	Various investigations and records related to providing water & wastewater service to various properties	Permanent	GC 60201

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Finance	Accounts Payable	Invoices, reports, investments, purchase orders. May contain independent contractor's compensation, expense reimbursement, or District credit card records	After Audit+7 Years	GC 60201(d)(12) CCP 337
Finance	Accounts Receivable	Checks received, reports, investments, receipt books	After Audit+4 Years	GC 60201, CCP 337
Finance	Annual Financial Report	Independent auditor analysis	Permanent	GC 60201
Finance	Assessments	Supplemental Assessments	Permanent	GC 60201
Finance	Audit Reports	Financial services; internal and/or external reports; independent auditor analysis	Permanent	GC 60201
Finance	Audit Hearing or Review	Documentation created and or received in connection with an audit hearing or review	After Audit+2 Years	GC 60201
Finance	Bank Account Reconciliations	Bank statements, receipts, certificates of deposit, Backup, etc.	After Audit+5 Years	GC 60201, 26 CFR 16001-1
Finance	Billing Adjustments		After Audit+4 Years	GC 60201
Finance	Billing records / Payment Stubs	Utility bill stubs – submitted with payment	(none)	GC 60201
Finance	Bonds / COPs (Debt)	Certificates / Notices / Transcripts / Registers / Statements / Reconciliations, Paid or cancelled bonds / Monthly Statements	Close/Completion+ 10 Years	CCP 336(a)(1) & (2), CCP 337.5; GC 43900, 60201

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CFR	Code of Federal Regulations	IRC	Internal Revenue Code	R&TC	Revenue & Taxation Code (California)		
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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Finance	Budget, Annual		Permanent	GC 60201
Finance	California State Tax Records	Forms filed annually; quarterly and year-end reports	After Audit+4 Years	R&TC 19530 R&TC 19704 GC 60201
Finance	Checks	Includes originals of payroll, canceled and voided checks, yellow copies of checks	After Audit+7 Years	GC 60201(d)(12)
Finance	Special District Financial Transaction Reports)	Finance	Permanent	GC 60201
Finance	Deferred Compensation Reports / 457 Reports	Finance – pension/retirement funds	7 Years	GC 60201(d)(12)
Finance	Deposits, Receipts / Cash Receipts / Cash Journals	Receipts for deposited checks, coins, currency	After Audit+4 Years	GC 60201, CCP 337
Finance	Federal Tax Records	May include Forms 1096, 1099	After Audit+4 Years	26 CFR 1.6001-1e IRS Reg 31.6001-1(e)(2), GC 60201
Finance	Financial Reports Generated from Financial System: Trial Balances, Delinquency Reports, etc.)	The database is the original	(none)	GC 60201
Finance	Fixed Assets Inventory	Reflects purchase date, cost, account number	Current+2 Years	GC 60201

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Finance	Fixed Assets Surplus Property	Auction; disposal – Listing of property; sealed bid sales of equipment	After Audit+4 Years	GC 60201; CCP 337
Finance	Fixed Assets	Title transfers when vehicle is sold	Until sold	VC 9900 et seq.
Finance	Fund Transfers	Internal; bank transfers & wires	After Audit+4 Years	GC 60201, CCP 337
Finance	General Ledgers	All annual financial summaries – all agencies	Permanent	GC 60201, CCP 337
Finance	Gifts/Bequests	Receipts or other documentation	After Audit+4 Years	GC 60201
Finance	Investment Reports, Transactions	Summary of transactions, inventory and earnings report	After Audit+4 Years	GC 60201, CCP 337
Finance	Journal Entries / Journal Vouchers		After Audit+7 Years	GC 60201(d)(12)
Finance	Payroll Employee Folders		After Audit+7 Years	GC 60201(d)(12)
Finance	Payroll, registers		After Audit+7 Years	29 CFR 516.5(a) LC 1174(d); GC 60201(d)(12)
Finance	Payroll, time cards/sheets		After Audit+7 Years	29 CFR 516.6; LC 1174; GC 60201(d)(12)

Legal Authority Abbreviations

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CFR	Code of Federal Regulations	IRC	Internal Revenue Code	R&TC	Revenue & Taxation Code (California)		
EC	Elections Code (California)	IRS	Internal Revenue Service	USC	United States Code		

Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Finance	Payroll, W-2s		After Audit+7 Years	IRS Reg 31.6001-1(e)(2), R&T 19530; 29 CFR 516.5 – 516.6, 29 USC 436, GC 60201(d)(12)
Finance	Payroll – Vacation Accruals	Reports (Preliminary drafts)	(none)	GC 60201
Finance	Purchasing RFQ's, RFP's	Requests for Qualifications; Requests for Proposals regarding goods and services	After Audit+5 Years	CCP 337 GC 60201
Finance	Purchasing, Requisitions, Purchase Orders	Original Documents	After Audit+4 Years	GC 60201 CCP 337
Finance	State Controller Reports	Annual reports	After Audit+4 Years	GC 60201
Finance	Stop Payments	Finance – bank statements	After Audit+5 Years	GC 60201
Finance	Supplemental Water Fees (Prop 218 Fees) / Tax Letters	File submitted to County Assessor for inclusion on Property Tax bill	10 Years	GC 60201
Finance	Tax Rolls	Sewer Charges Sent to County Assessor	10 Years	GC 60201
Finance	Warrant Register/Check Registers / Receipt Registers	Record of checks issued; approved by legislative body (copy is normally retained as part of agenda packet information)	After Audit+7 Years	GC 60201(d)(12)

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
General Administration	Associates (ACWA, AWA, CASA, etc.)	Material received from Associations, including notices of meetings, agendas, publications, etc.	(none)	n/a
General Administration	California Regulatory Agencies – CCRWQCB, State Reports, Surface Water Monitoring, etc.		Calendar Year End+20 Years	GC 60201
General Administration	Cities / Other Agencies	Correspondence to or from California Cities or the County of San Luis Obispo	Calendar Year End+10 Years	GC 60201
General Administration	Citizen Feedback	General correspondence. Not related to drinking water odor, taste, smell complaints	2 Years	GC 60201
General Administration	Complaints/Requests – Not related to Drinking Water	Various files, not related to specific lawsuits involving the District and not otherwise specifically covered by the retention schedule	2 Years	GC 60201
General Administration	Complaints / Requests – Drinking Water	Taste, Odor, Color, Smell, etc. of Drinking Water; should result in a Service Order	Calendar Year End+5 Years	40 CFR 122.41(j)(2) & 40 CFR 141.33(b); 22 CCR 64470
General Administration	Contracts & Insurance Certificates	Original contracts and agreements and back-up materials not maintained by Board Administration	Permanent	CCP 337, CG 60201
General Administration	Correspondence	General correspondence, including letters and e-mail; Various files, not otherwise specifically covered by the retention schedule	2 Years	GC 60201

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
General Administration	Insurance Certificates (Use of Facilities)		Permanent	GC 60201
General Administration	Legal Opinions	Confidential – not for public disclosure (attorney-client privilege)	Until Superseded+2 Years	GC 60201
General Administration	Litigation / Lawsuits	Case files	Close/Completion+10 Years	GC 60201
General Administration	Petitions	Submitted to legislative bodies (Not recall, referendum, or initiatives)	Current+2 Years	GC 60201
General Administration	Policies, Administrative	All policies and procedures, directives rendered by the District not assigned a resolution number	Until Superseded+2 Years	GC 60201
General Administration	Procedure Manuals	Administrative	Until Superseded+2 Years	GC 60201
General Administration	Strategic Plans		Permanent	GC 60201

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Human Resources	Accident/Illness Reports / SDI (State Disability Insurance)	<p>Not a public record;</p> <p>For Employee Medical Records & Employee Exposure Records regarding exposure to toxic substances or harmful physical agents – includes Material Safety Data Sheets (MSDS)</p> <p>Does NOT include: health insurance claims; first aid records of one-time treatments for minor injuries; records of employees who worked less than one (1) year if records are given to employee upon termination</p>	Length of Empl.+30 Years	<p>8 CCR</p> <p>3204(d)(1)(A);</p> <p>8 CCR 10102</p> <p>8 CCR 15400.2,</p> <p>GC 12946,</p> <p>GC 60201</p> <p>CCP 337 et seq.</p>
Human Resources	Benefit Policies		Termination +2 Years	<p>29 CFR</p> <p>1627.3(b)(2);</p> <p>GC 12946,</p> <p>GC 60201</p>
Human Resources	Cal-OSHA Logs (200, 300, 300A, 301, etc.), Citations, Violations		Calendar Year End+5 Years	<p>8 CCR</p> <p>14300.33(a);</p> <p>29 CFR 1904.33,</p> <p>29 CFR 1904.44;</p> <p>GC 60201;</p> <p>LC 6429c</p>
Human Resources	DMV Driver Information Reports / DMV Pull Notices	Personnel – Not a public record	Close/Completion+7 Years	<p>GC 60201,</p> <p>GC 12946</p> <p>8 USC 1324(a)</p>

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Human Resources	Drug Tests	Records of driver alcohol test results, records of driver verified positive controlled substance test results, documentation of refusal to take tests; driver evaluation and referrals; calibration documentation; records related to the administration of the testing programs; copy of calendar year summary.	5 Years	29 CFR 1627.3(b)(v), 49 CFR 382.401; GC 12946, 60201,
Human Resources	Employee Bonds / Public Official Bonds	Personnel fidelity bonds	Length of Empl.+4 Years	GC 60201, PC 801.5,803(c)
Human Resources	Employee Files – Official Personnel File	Personnel – Application, release authorizations, certifications, reassignments, outside employment, disciplinary actions, terminations, evaluations Not a public record (Not Medical Files)	Length of Empl.+10 Years	GC 12946 29 CFR 1602.31 & 1627.3(b), GC 60201; 29 USC 1113
Human Resources	Employee Files – Medical File	Medical records are part of personnel file – not a public record. Includes Respiratory Fit Tests Includes medical records made or maintained by a physician, nurse, or other health care personnel, or technician pertaining to employees exposed to toxic substances or harmful physical agents. It does not include first-aid records of one-time treatment made on-site by a non-physician or observation of minor scratches, cuts, burns, splinters, which do not involve medical treatment, loss of consciousness, restriction of work or motion, or transfer to another job	Length of Empl.+30 Years	29 CFR 1910.1020; 8 CCR 3204 (d)(1)(A)(B); GC 60201
Human Resources	Employee Handbook		Until Superseded+2	GC 60201

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Human Resources	Employment Applications / Recruitment Files – Not Hired	Applications submitted for existing or anticipated job openings, including any records pertaining to failure or refusal to hire applicant	Close/Completion+3 Years	GC 60201 GC 12946, 29 CFR 1602, 1627.3, 2 CCR 7287.0(c)(2), 8 CCR 11040(7(c))
Human Resources	I-9 Forms	Federal Immigration and Nationality Act; Immigration Reform/Control Act 1986	Length of Empl.+3 Years	Immigration Reform/Control Act 1986 Pub. L 99-603, Section 101(b)(3)(B)
Human Resources	Employment – Surveys and Studies	Includes surveys of classification, wage rates	Length of Empl.+2 Years	GC 60201, GC 12946, 29 CFR 516.6(2), 29 CFR 1602.14
Human Resources	Employment – Training Records (Not Ethics or Safety Training)	Sexual Harassment, etc.	Length of Empl.+7 Years	GC 60201 GC 12946
Human Resources	Insurance: Liability / Property	May include liability, property, general liability, auto liability, professional liability, excess liability	Permanent	GC 60201
Human Resources	Insurance, Risk Management Reports	Federal OSHA Forms; Loss Analysis Report; Safety Reports: Actuarial Studies	Calendar Year End+5 Years	29 CFR 1904.44 8 CCR 14300.33 29 CFR 1904.33,
Human Resources	MOUs, Negotiations, Work Papers		Permanent	GC 60201(d)(12)

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Human Resources	PERS & Deferred Compensation (457) Plans-Employee Benefits	Retirement & Deferred Compensation Plans	Close/Completion+6 Years	29 USC 1027
Human Resources	Safety Manual	Human Resources maintains the originals of the Safety Manuals; Maintenance & Operations maintains the Safety Meetings, agendas, Safety training material, sign-in sheets-copies	Until Superseded+5 Years	GC 60201
Human Resources	Unemployment Claim Files		After Audit+7 Years	GC 60201(d)(12)
Human Resources	Vehicle Titles ("Pink Slips")		Until Sold	GC 60201, VC 9900 et. seq.
Human Resources	Workers Compensation Files	Work-injury claims (including denied claims); claim files, reports, etc.	After Settlement+30 yrs	8 CCR 10102 8 CCR 15400.2, 8 CCR 3204(d)(1), GC 12946, CCP 337

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
IT/ Communications	Brochures/ Publications	Retain selected documents only for historic value	2 Years	GC 60201
IT/ Communications	Information Services, Internet/World Wide Web	Management policies and supporting documentation regarding Information Technology	Until Superseded+2 Years	GC 60201
IT/ Communications	Information Systems, Inventory	Hardware/software inventory logs; systems manuals	(none)	GC 60201
IT/ Communications	Information Systems, Network Information Systems (LAN/WAN)	Configuration maps and plans	(none)	GC 60201
IT/ Communications	Information Systems, Program Files and Directories		(none)	GC 60201
IT/ Communications	Information Systems, Backup Tapes	System generation. Used for Disaster Recovery Purposes Only	(none)	GC 60201
IT/ Communications	Marketing, Promotional	External Brochures, announcements, etc.	Calendar Year End+7 Years	GC 60201
IT/ Communications	Newsletter, District	May wish to retain permanently for historic reference	Permanent	GC 60201
IT/ Communications	Photographs and News Clippings	May contain photographs, newspaper or magazine clippings, commentaries and other items pertaining to the activities, actions of the District	Permanent	GC 60201
IT/ Communications	Press Releases	Related to District actions/activities	Calendar Year End+2 Years	GC 60201

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
IT/ Communications	Recordings, videotaped (Public Areas – Parking Lots, etc.)	Does not record “Regular and Ongoing Operations” of the District	2 Years	GC 53161
IT/ Communications	Service Request Form	Form used to request technical support.	1 Years	GC 60201

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Maintenance	Backflow Test Reports (Drinking Water)	Reports of testing and maintenance – water supply	Calendar Year End+3 Years	17 CCR 7605, GC 60201
Maintenance	CCTV Inspections / Sewer Videos & DVDs (Wastewater)		2 Years	GC 53161
Maintenance	Collections / Collection Repair Job Orders (Wastewater)		Calendar Year End+4 Years	GC 60201
Maintenance	Confined Space Entry Permits, Originals		Calendar Year End+3 Years	40 CFR 122.41(j)(2)
Maintenance	Customer Complaint Forms – May be Related to Drinking Water	Complaint forms and any record of corrective action taken.	Calendar Year End+5 Years	40 CFR 122.41(j)(2) & 40 CFR 141.33(b); 22 CCR 64470
Maintenance	Job Worksheets / Daily Work Sheets		Calendar Year End+4 Years	GC 60201
Maintenance	Leaks / Leak Reports		Calendar Year End+5 Years	40 CFR 122.41(j)(2) & 40 CFR 141.33(b); 22 CCR 64470
Maintenance	Log Books		Calendar Year End+4 Years	GC 60201
Maintenance	Maintenance Manuals	Equipment service/maintenance	Until Superseded	GC 60201

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Maintenance or Operations	O&M Manuals / Manuals / Policies & Procedures		Until Superseded	GC 60201
Maintenance	On Call Log Sheets		Calendar Year End+3 Years	GC 60201
Operations OR Maintenance	Pre-Trip Inspections / DOT Program / CHP Inspections / Vehicle Safety Checks / Daily Vehicle Inspections / Daily Equipment Checks		Calendar Year End+2 Years	GC 60201
Maintenance	Road Permits		Close/Completion+5 Years	GC 60201
Maintenance or Operations	Safety Meetings, agendas, Safety training material, sign-in sheets-copies (originals maintained by the Safety Officer)	Safety Committee, Safety Training. Human Resources is responsible for maintaining the Safety Manual	Calendar Year End+5 Years	GC 60201; 8 CCR 3203
Maintenance	Sanitary Sewer Overflows (SSOs)	SSO Record	Calendar Year End+5 Years	SWRCB Order 2006-03
Maintenance	Stoppage & Repairs / Spill Reports	NPDES Standards (not drinking water)	Calendar Year End+5 Years	GC 60201, 40 CFR 122.21, 122.41
Maintenance	Underground Service Alert-USA Tickets	Both Received and Called In	Calendar Year End+3 Years	GC 4216.2(d) & 4216.3(d)

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Maintenance	Used Oil Disposal		Calendar Year End+3 Years	22 CCR 66266.130(c)(5), H&S 25250.18(b), 25250.19(a)(3)
Maintenance	Vehicle & Equipment History Files		After Disposition+1 Years	GC 60201
Operations	Annual Reports (Consumer Confidence Reports)	A Drinking Water Report gives detailed information about the contaminants in tap water, which allows consumers to make informed choices about water and their health	Permanent	GC 60201, 40 CFR 141.33(a)
Operations	Asbestos Abatement	Documents, abatement projects, public buildings (Roof Tiles, etc.)	Permanent	GC 60201
Operations or Maintenance	Complaints: Drinking Water	Color, Odor, Taste, etc.	Calendar Year End+5 Years	40 CFR 122.41(j)(2); 40 CFR 141.33(b); 22 CCR 64470
Operations	Consumption Reports	Historical Data in Excel	(none)	GC 60201
Operations	Correspondence – DPH / DHS, etc.	General correspondence, including letters and e-mail; Various files, not otherwise specifically covered by the retention schedule	Calendar Year End+5 Years	GC 60201
Operations	Flow charts, Circular / Circular Charts		Calendar Year End+5 Years	GC 60201

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Operations	Hazardous Materials – Permits, Hazardous Materials Storage, Disposal, Manifests	[Permanent retention of environmentally sensitive materials is recommended]	Permanent	GC 60201
Operations	Hazardous Waste Generator Permit & Disposal Records (EPA)		Permanent	GC 60201
Operations	Lab Reports / Worksheets / Sampling / Chains of Custody / Red Log Books: DRINKING WATER	Lead & Copper (if contracted out)	Calendar Year End+12 Years	22 CCR 64400.20; 22 CCR 64690.80
Operations	Lab Reports / Worksheets / Sampling / Chains of Custody / Red Log Books: DRINKING WATER	Chemical	Calendar Year End+10 Years	40 CFR 141.33(a); 22 CCR 64470
Operations	Lab Reports / Worksheets / Sampling / Chains of Custody / Red Log Books: DRINKING WATER	Bacteriological & Organics	Calendar Year End+5 Years	40 CFR 141.33(a); 22 CCR 64470
Operations	Lab Reports / Worksheets / Sampling / Chains of Custody / Red Log Books: WASTEWATER	Wastewater & All Discharges from Treatment Plants	Calendar Year End+3 Years	40 CFR 122.21, 122.41

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Operations	Lab Reports / Worksheets/ Sampling / Chains of Custody / Red Log Books: WELLS	Well Water Quality	Permanent	GC 60201
Operations	NPDES Discharge Monitoring (Treatment Plants)		Calendar Year End+3 Years	40 CFR 122.21, 122.41
Operations	NPDES Permits		Until Superseded+3 Years	40 CFR 122.21, 122.41
Operations	Permits: Operating, etc.		Permanent	GC 60201
Operations	Pressure Vessel Certifications or Permits (Air Compressors, CNG Tank, Propane, etc.)		Until Superseded	GC 60201
Operations	Pump Stations / Lift Stations		Permanent	GC 60201
Operations	Reports: State Reports to DHS / DPH / DWR	Monthly and Annual	Calendar Year End+5 Years	GC 60201
Operations	Sanitary Surveys		Calendar Year End+10 Years	40 CFR 141.33(c)
Operations	Sewage Sludge Hauling		Calendar Year End+5 Years	WC 13263.2(b); 40 CFR 122.41(j)(2);

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Operations	Wells	Production, Water Quality	Permanent	GC 60201

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Risk Management	Accidents / Damage to District Property		Close/Completion+10 Years	GC 60201 CCP 337.15
Risk Management	Claims Against the District	Paid/Denied	Close/Completion+5 Years	GC 60201; CCP 337
Risk Management	Potential Claims		Calendar Year End+3 Years	GC 60101
Water Use Efficiency	Meter Operations	Reader reports; service orders; tests; maintenance reports	2 Years	GC 60201
Water Use Efficiency	Grants /Subvention for Water Conservation Programs	Grants documents and all supporting documents: applications, reports, contracts, project files, proposals, statements, sub-recipient dockets, etc.	10 Years or 3 years from expenditure report or final payment of grantee or subgrantee (whichever is later)	GC 60201 24 CFR 570.502 24 CFR 85.42
Water Use Efficiency	High Consumption Letters	Scanned to the customer's account.	1 Years	GC 60201
Water Use Efficiency	Rebate programs	Toilet Retrofit, Shower Head, etc.	After Audit+4 Years	GC 60201
Water Use Efficiency	Service Orders / Work Orders	All Data is entered into database (paper is a preliminary draft). Leaks, Meter Swaps, Re-Reads, No-Reads, Fire Fly Swaps, Meter Repair, etc.	(none)	GC 60201
Water Use Efficiency	Water Conservation Enforcement: Letters, Violations, etc.	Scanned to the Customer's account	Calendar Year End+2 Years	GC 60201

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Department	Type of Record	Description or Example of Record	Retention Period	Legal Authority
Water Use Efficiency	Water Conservation Enforcement: Pictures	Stored on hard drives to document violations	(none)	GC 60201

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5.B. BUSINESS ITEMS
Review of Draft Policy & Procedures Manual.



BUSINESS ACTION ITEM STAFF REPORT

Item 5.B. Review of Draft Policy & Procedures Manual.

Summary:

At the April 11, 2018 regular Board meeting the Board Chairperson appointed Director's Russell and Vice-Chairperson McGuire to the policy and procedures ad hoc committee. Since this time staff has been working with the ad hoc committee to review the draft version of a new policy and procedures manual for the Board of Directors and Staff (the "Policy Manual.")

As previously mentioned, it has been many years since the District's Policy and Procedure manual has been updated. Records indicate that the existing policy and procedures manual currently used by the District is from 2002. Below is a summary of the changes that were made from the 2002 Policy Manual:

- All sections were reviewed and updated, although some policies were left relatively unchanged, such as the ordinance adoption policy, discrimination/ harassment policy and the smoke-free workplace policy.
- New sections were added, such as the procurement policy and the social media policy;
- Policies regarding holiday pay, sick leave, vacation days, etc. have been eliminated, as the District does not currently have employees;
- The records retention policy has been separated from the Policy Manual because a separate resolution and retention schedule is recommended to be adopted.
- There is an entirely different numbering sequence and section titles.

Due to the number of edits and additions, "tracking" changes became extremely cumbersome and inefficient. However, if you want to compare the new sections to the previous sections, below is a reference guide that should be helpful:

- The former Series 1000 (General Policies) is incorporated in new Sections 1.00, 12.00 and 17.00.
- The former Series 2000 is being retained, as is, at this time and is discussed further below.

- The former Series 3000 was mostly eliminated as described above. However, policies that remained relevant to the District, despite not having employees, were incorporated in new Section 18.00.
- The former Series 4000 was mostly incorporated in new Section 18.00.
- The former Series 5000 and Series 6000 make up the majority of the new Policy Manual and are incorporated in Sections 2.00 through 16.00.

Staff is recommending that the entire 2002 Policy Manual be replaced by this new Policy Manual, with one notable exception. Staff and District Counsel are asking the Board to keep the existing Series 2000 in place while staff and Counsel review these policies and begin creating ordinances, procedures or other policies for these items. Series 2000 are policies and procedures relating to water and water services and connections. The Board may wish to form a new ad hoc committee to assist with this matter, or the current ad hoc committee can continue. Both the committee members, staff, and counsel are recommending that the new policy manual include matters related to the Board and staff only.

Recommendation:

Staff recommends the Board of Directors review the new Policy Manual and provide feedback and direction to staff on any changes. Staff requests that the Board have a discussion regarding the water/ sewer sections. At the next meeting, an agenda item can be added to decide to appoint an ad hoc committee or not. No motion or official action is required for this business item.

Enc: Draft Policy and Procedures Manual

SAN SIMEON COMMUNITY SERVICES DISTRICT

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

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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 from time to time. 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 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 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 Remuneration. Members of the Board of Directors shall receive a monthly "Director's Fee," 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 "Director's Fee".

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.

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 the review

Government Code Section 54952.2(c) and ensure their attendance is in conformance with the requirements of the Brown Act. (Please refer to 3.04)

The Chairperson shall work through the General Manager, counsel or other officer of the District to obtain such information as may be necessary and appropriate to assist the Board in its deliberations, and may 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, or 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.

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. Upon Board Action, a recording secretary may be appointed to record and transcribe the minutes of meetings.

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 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. The proceedings of all special meetings shall be recorded by audio. Recordings shall be retained in accordance with the record retention policy. 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, however the General Manager and the Board Chairperson may use their discretion as to which items are listed. The agenda shall also contain any matter requested by a majority of the board. Committee recommendations on topics to be updated on the agenda shall be given to the Board Chairperson or their designee.

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 from time to time 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) Reports, (3) Approval of Bills Paid (4) Informational Items. 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 less 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 may give his or her name – in an audible tone of voice for the record. All remarks shall be addressed to the Board as 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 new 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. 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. Minutes of the Board of Director 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 all three (3) 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 3 of 5 Directors are present at a meeting, a quorum exists and business can be conducted. However, if 1 Director abstains on a particular action and the other 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 an action is proposed requiring a two-thirds vote and 2 Directors abstain, the proposed action cannot be approved because 4 of the 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, 3 Directors must vote in favor of the appointment for it to be approved. If 2 of the 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. The Board may give directions, however, which are not formal action. Such directions do not require formal procedural process. 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 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 refer the matter to the General Manager for review and recommendation, etc.). Informal action by the Board is still Board action and shall only occur 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 to five 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, which 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, which typically require extensive research and review, but should not operate in such a way that they make management decisions better left to paid staff.
- 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 of the duties for each Committee. Additional duties and functions may be delegated by the Chairperson, as the needs arise, 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. 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.

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.*), or any other law. 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 at all times comply with the District's Ethics Policy for Board of Directors. 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 their 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 such 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 purposes of such activities 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.

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 which 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 of 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. A Director 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 would be 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 (such as The Cambrian, Sun-Bulletin, or Telegram Tribune) 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 insure 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 of 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 Chairpersons 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 or 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 their support of staff and their 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's operations, damage to land and improvements thereon occasionally occur due to the proximity of the District's facilities to the 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.

- When a property owner informs a District staff member of damage to their property (by telephone or in person), 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.
- As soon as possible after information about the damage has been received, it shall be given to the General Manager. The General Manager or his/her designee shall investigate the property owner's allegations.
- 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.

- 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.
- 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 he/she 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.

If an individual does not wish to file a claim on the District form, he/she 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:

- The name and post office address of the claimant.
- The post office address to which the person presenting the claim desires notices to be sent.
- The date, place, and other circumstances of the occurrence or transaction which gave rise to the claim asserted.
- 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.
- The name or names of the staff member(s) causing the injury, damage, or loss, if known.
- 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.
- 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."
- If the filed letter/claim does not meet the requirements of the California Government Code 910 and 910.2, then a letter shall be sent to the claimant informing them 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 or controlled substances or misuse of prescription or over-the-counter drugs which could impair staff's ability to perform his or her 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, for a violation of these policies, are 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 [with 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, 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 that 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 path way or walk way 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 which first seeks to preserve portfolio principal.
- Liquidity – Investments shall be made with maturity dates that are compatible with cash flow requirements and which 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 for 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 reconciliation's 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 and 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 which 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 governs 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 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 spouse or significant other, father, mother, daughter, son, sister, brother, and step-relatives and in-laws 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 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 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. Notice 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 and 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 Director, 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 from time to time, 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 method. 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 for Expenditures Exceeding \$50,000

When any expenditure is expected to exceed \$50,000, the District shall publish a notice inviting bids 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 less than three vendors are available to submit a proposal or less than three 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 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 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 less than three vendors are available to submit a proposal or less than three 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.

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.

20.04. 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[RL1].

In the case of such an emergency, the formal RFP process is suspended. The General Manager or his/her 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 vendors or contractors as applicable under this policy are unsuccessful, the General Manager may authorize a limited availability bidding process with less than three 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 \$50,000, 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. In addition, State law 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, which 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 more of a technical nature and involve little 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 to be 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 more of a technical nature and involve little professional judgment, cost can be included in the RFQ/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 Request for Proposal (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 less than three vendors are available to submit a proposal or less than three 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. The General Manager or his/her authorized 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 proposals. There may be special circumstances, however, when less than three vendors are available to submit a proposal or less than three 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 \$25,000, the General Manager or his/her authorized designee may execute a contract amendment to formalize the renewal. If the total amount of the original agreement and any amendments exceed \$25,000, 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 on 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. 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, disking, 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 the 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 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 which 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 Servicemember'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 _____, 2018.

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. Social media can be a fun and rewarding way to share one's life and opinions with family, friends and co-workers around the world. 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.

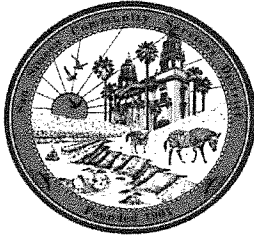
1. **Social Media.** In the rapidly expanding world of electronic communication, social media can mean many things. Social media includes all means of communicating or posting information or content of any sort on the Internet, including to a Staff Member's own or someone else's web log or blog, journal 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 who use social media to comment on District business should:
 - i. Neither claim nor imply that the Staff Member is speaking on behalf of the District. (Please refer to 2.04)
 - ii. 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 Judgement 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. Keep in mind you are more likely to resolve work-related issues by speaking directly to the individual or by utilizing the District's procedures for raising concerns or complaints (i.e., the District's Complaints/Claims, 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 without identifying themselves as a Staff Member. 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 Member 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 without prior written permission of the Board or their designee.

5.C. BUSINESS ITEMS

**Approval of Chairperson's appointment of members
to the standing committee.**



BUSINESS ACTION ITEM STAFF REPORT

Item 5.C. Approval of Chairperson's appointment of members to the standing committee.

Summary:

The Board Chairperson appoints members to the Budget and Water Committees, subject to approval by the Board. This year, the appointment process for the Chairperson and Vice-Chairperson was moved from the December meeting to January at the request of the Board. Therefore, appointment of members to standing committees is occurring at this February meeting. The first Water & Budget Committee meetings of the year will be held on March 13, 2019.

The Board Chairperson may request public comment from any person interested in being on either the Water or Budget Committee (3 minute max). Following public comment and any discussion from the Board, the Board Chairperson will appoint committee members.

Recommendation:

After the Board Chairperson makes appointments to the standing committees, Staff recommends a motion to approve the appointments.