



SCOTIA COMMUNITY SERVICES DISTRICT
NOTICE IS HEREBY GIVEN THAT A
REGULAR MEETING
OF THE BOARD OF DIRECTORS

WILL BE HELD AT:
122 MAIN STREET
SCOTIA, CALIFORNIA

Thursday, January 21, 2016
Regular Meeting at 5:30 P.M.

AGENDA

- A. **CALL TO ORDER/ ROLL CALL** The Presiding officer will call the meeting to order and call the roll of members to determine the presence of a quorum.

PLEDGE OF ALLEGIANCE

- B. **SETTING OF AGENDA**

The Board may adopt/ revise the order of the agenda as presented.

- C. **CONSENT CALENDAR**

C1. Approval of Minutes from Previous Meetings

December 17, 2015

- D. **PUBLIC COMMENTS & WRITTEN COMMUNICATIONS**

Regularly scheduled meetings provide an opportunity for members of the public to directly address the SCSD Board Members on any action item that has been described in the agenda for the meeting, before or during consideration of that item, or on matters not identified on the agenda within the Board jurisdiction. Comments are not generally taken on non-action items such as reports or information. Comments should be limited to three minutes.

- E. **PUBLIC HEARING- None**

- F. **BUSINESS**

F1. New Business –

- a. **Consider adoption of Resolution 2016-1: A Resolution of the Board of Directors of the Scotia Community Services District to Adopt the Scotia Community Services District Personnel Policies**
- b. **Consider adoption of Resolution 2016-2: A Resolution of the Board of Directors of the Scotia Community Services District to Adopt the Scotia Community Services District Conflict of Interest Code**
- c. **Consider adoption of Resolution 2016-3: A Resolution of the Board of Directors of the Scotia Community Services District to Adopt a Letter of Intent to Accept All Dedicated Facilities and Properties from the Town of Scotia and Provide Utility and Other Services**

AGENDA FOR MEETING OF THE SCSD BOARD OF DIRECTORS

January 21, 2015

POSTED at 2:00 PM January 18, 2015

- d. **Proposition 218 Introduction of balloting process, scope, and timeline for User Fee and Benefit Assessment**
- e. **Board Calendar FY 2016-17**
- f. **Board Training Opportunities – CSDA Free Ethics Training**

F2. Old Business - NONE

G. REPORTS

No specific action is required on these items, but the Board may briefly discuss any particular item raised.

1. **President's Report:**
2. **Board Director Reports:**
3. **Interim Manager's Report:**
4. **Special Counsel's Report:**
5. **Engineer's Report:** Rate Study Update
6. **Fire Chief's Status Report:**
7. **Board Clerk Report:** Board Photo, Form 700

Form 700 Annual Statements *due by March 1, 2016* for

- o Elected State Officers
- o Judges and Court Commissioners
- o State Board and Commission Members listed in Government Code Section 87200

H. ADJOURNMENT

Next Regular Meeting of the SCSD will be February 18, 2016 at 5:30 PM.
A Special meeting may be held prior to that.

Notice regarding the Americans with Disabilities Act: The District adheres to the [Americans with Disabilities Act](#). Persons requiring special accommodations or more information about accessibility should contact the District Office. Notice regarding Rights of Appeal: Persons who are dissatisfied with the decisions of the SCSD Board of Directors have the right to have the decision reviewed by a State Court. The District has adopted [Section 1094.6](#) of the [Code of Civil Procedure](#) which generally limits the time within which the decision may be judicially challenged to 90 days.

**Minutes of the Special Board Meeting of the
Scotia Community Services District
Thursday, December 17, 2015 - 5:30 P.M.
122 Main Street, Scotia, CA 95565**

A. CALL TO ORDER/ ROLL CALL/PLEDGE OF ALLEGIANCE

The regular meeting of the Board of Directors of the Scotia Community Services District convened at 5:31 pm with the following directors in attendance:

Diane Bristol Director - present
John Broadstock Director - present
Gayle McKnight Director – absent
Susan Pryor Director – present
Rick Walsh President - present

Staff: T. Boobar, S. Davidson, L. Marshall, S. Tyler

B. SETTING OF AGENDA

Additions/revisions to the agenda: none

C. CONSENT CALENDAR

C1. Approval of Minutes from Previous Meetings

November 19, 2015

December 3, 2015

Motion: Motion to adopt consent calendar

Motion: Broadstock **Second:** Pryor

Motion Vote: Ayes - 4 Opposed – 0 Absent - 1 Abstain - 0

D. PUBLIC COMMENTS & WRITTEN COMMUNICATIONS

Renee Abrams asked for the location of the posted minutes on the SCSD website. Board Clerk described, and set aside time after the meeting to show Mrs. Abrams the location of the posted minutes.

E. PUBLIC HEARING- None

F. BUSINESS

F1. New Business –

a. Swearing in of Appointed Board Members

Introduced by Board President Walsh. Directors Bristol and Pryor recited their oaths aloud, and signed Elections paperwork after the meeting was adjourned.

b. Election of Board Officers per GC §61043(a)

Current President Rick Walsh and Vice President Gayle McKnight will remain in their officer positions for the next term of office.

Motion: Motion to leave current positions to remain the same

Motion: Pryor **Second:** Bristol

Motion Vote: Ayes - 3 Opposed – 0 Absent - 1 Abstain – 1

c. Consider adoption of Resolution 2015-11: A Resolution of the Board of Directors of the Scotia Community Services District to Adopt the Scotia Community Services District Bylaws

Introduced by President Walsh.

Motion: Motion to adopt 2015-11 by title only

Motion: Pryor **Second:** Broadstock

Motion Vote: Ayes - 4 Opposed - 0 Absent - 1 Abstain - 0

Motion: Motion to adopt Resolution 2015-11: A Resolution of the Board of Directors of the Scotia Community Services District to Adopt the Scotia Community Services District Bylaws

Motion: Bristol **Second:** Pryor

Motion Vote: Ayes - 4 Opposed - 0 Absent - 1 Abstain - 0

d. Consider adoption of Resolution 2015-12: A Letter of Intent between Scotia Community Services District and Town of Scotia, LLC. To accept assets and infrastructure conveyed by Covenant and Agreement (signed by the Town of Scotia LLC on February 5, 2014) to Dedicate Property and Convey Other Assets to the Scotia Community Services District

Introduction by President Walsh. S. Tyler suggested that the Board table the item, or direct staff to meet with Mr. Bacik to adapt a more comprehensive letter with TOS. Board tabled the item and directed staff to meet with Mr. Bacik. Public Comment by R. Abrams clarifying a spelling error.

Motion: Motion to table Resolution 2015-12: A Letter of Intent between Scotia Community Services District and Town of Scotia, LLC. Until the next scheduled meeting.

Motion: Broadstock **Second:** Pryor

Motion Vote: Ayes - 4 Opposed - 0 Absent - 1 Abstain - 0

e. Board Training and Approval- January 2016

Board Clerk introduced, Board discussed.

F2. Old Business

a. DCI Builders Update

Board clerk introduced, Board discussed.

G. REPORTS

1. President's Report: None

2. Board Director Reports: None

3. Interim Manager's Report: wished everyone Happy Holidays

4. Special Counsel's Report: Legal Counsel reported that setting time/date/place of meetings requires no resolution because by Board input there are no changes; Personnel Policies update: on the way; reported on attending the Eel River groundwater sustainability working group.

5. Engineer's Report: Received the updated Detailed Engineering Analysis from TOS and SHN. The update to the water and wastewater sections was more intensive than staff was expecting. Gave brief overview of changes.

6. Fire Chief's Status Report: received Fire Chief's Report handout from Chief Broadstock. Chief Broadstock gave verbal report. The department is receiving more calls, with less volunteers to respond. The Department was successful in obtaining Measure Z funds.

7. Board Clerk Report: None

H. ADJOURNMENT

Meeting adjourned at 6:25pm by Board President Rick Walsh.

These minutes were approved by the Board of Directors of the Scotia Community Services District on January 21, 2016 at its duly-noticed regular meeting in Scotia, CA.

APPROVED:

Rick Walsh, President
Board of Directors
Scotia Community Services District

Date

ATTEST:

Leslie Marshall, Board Clerk
Scotia Community Services District

Date

Scotia Community Services District

Staff Report

DATE: January 21, 2016
TO: Scotia Community Services District Board of Directors
FROM: Steve Tyler, Interim District Manager
SUBJECT: SCSD Personnel Policies and Procedures

RECOMMENDATION:

The Administrative staff recommends that the Board approve the SCSD Personnel Policies and Procedures (“PP&P”).

ACTION:

Adopt the SCSD PP&P, by Resolution

DISCUSSION:

The State of California requires all Community Services Districts to develop and adopt a Personnel Policies and Procedures document.

The SCSD PP&P was developed utilizing information obtained from other agencies and organizations that provide similar services as SCSD. The legal and administrative staff has reviewed and revised the PP&P to assure that SCSD complies with all State and Federal regulations.

The SCSD General Manager has the authority and responsibility for implementing the PP&P. This includes training of all SCSD employees and updating the PP&P as required to determine compliance with all State and Federal regulations.

FISCAL IMPACT:

None

RESOLUTION NO. 2016-1

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SCOTIA COMMUNITY SERVICES DISTRICT
TO ADOPT THE SCOTIA COMMUNITY SERVICES DISTRICT
PERSONNEL POLICIES AND PROCEDURES**

WHEREAS, the Scotia Community Services District (“Scotia CSD”) is organized and operates pursuant to the California Government Code Section 61000, *et seq.*; and

WHEREAS, California Government Code Section 61045(g) requires the Board to adopt administrative policies, including personnel policies, for the operation of the Scotia Community Services District; and

WHEREAS, to provide direction on all personnel issues in the Scotia CSD, and to ensure the consistent application of all federal, state, local and District rules and regulations regarding District employees, it is necessary to adopt a personnel policy.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Scotia Community Service District as follows:

Section 1: The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

Section 2: The Scotia Community Services District Personnel Policies and Procedures, dated January 21, 2016, attached hereto as Exhibit “A” and by this reference made a part hereof, is hereby adopted as the official personnel policy of this District.

This resolution shall be effective upon its adoption.

Dated: _____, 20__

APPROVED:

Rick Walsh, Board President, Scotia CSD

ATTEST:

Board Clerk, Scotia CSD

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2016-1, passed and adopted at a regular meeting of the Board of Directors of the Scotia Community Service District, County of Humboldt, State of California, held on the 21st day of January, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Board Clerk, Scotia CSD



PERSONNEL POLICIES AND PROCEDURES

OF

SCOTIA COMMUNITY SERVICES DISTRICT

January 21, 2016

SECTION 1.0 BASIS OF AUTHORITY

1.1 Resolution No. 2016-1 dated 1/21/2016

SECTION 2.0 PERSONNEL POLICIES

2.1 Intent

2.1.1 The purpose of the Scotia Community Services District (“SCSD”) Personnel Policies and Procedures document is to provide direction on all personnel issues in the SCSD. The Personnel Policies and Procedures will ensure consistent application of all personnel rules and regulations for all District employees.

2.2 District Rights

2.2.1 It is the exclusive right of SCSD, except as otherwise provided in these policies and procedures, to make all decisions of a managerial or administrative character, including but not limited to:

2.2.2 Managing and directing its business and personnel.

2.2.3 Managing, controlling, and determining the mission, its departments, building facilities and operations.

2.2.4 Creating, changing, combining or eliminating jobs, policies, departments and facilities in whole or in part.

2.2.5 Subcontracting or discontinuing work for economic or operational reasons.

2.2.6 Specifying or assigning work requirements, including overtime.

2.2.7 Scheduling working hours and shifts.

2.2.8 Adopting rules of conduct and penalties for any violations.

2.2.9 Taking whatever action necessary to prepare for, and to operate in, an emergency.

2.2.10 Hiring, promoting, transferring, assigning, classifying positions, retaining employees, and suspending, demoting, discharging or taking disciplinary action against employees.

2.2.11 Terminating, demoting or furloughing employees from duties for legitimate reasons. The General Manager may determine the order of layoff and those employees who will be affected based on the needs of the District.

2.2.12 Determining the policies, standards, procedures, methods, means and personnel by which SCSD operations are to be conducted.

2.2.13 Nothing in these policies and procedures shall be construed to interfere with the SCSD's right to manage its operations in the most economical and efficient manner consistent with the best interests of all the citizens of SCSD.

2.3 **Classes of Employment** – Employment classifications shall be included in each job description and may include, but shall not be limited to, the following:

2.3.1 Regular Full-Time Employee: An employee who is appointed to a regular, allocated position, regularly scheduled to work eighty (80) hours per bi-weekly pay period.

2.3.2 Regular Part-Time Employee: An employee who is appointed to a regular, allocated position, regularly scheduled to work at least thirty (30) hours per bi-weekly pay period, but not more than 1,040 hours per calendar year and whose employment is anticipated to exceed 6 months in duration.

2.3.3 Part-time Employee: An employee who is appointed to a position to work less than thirty (30) hours per bi-weekly pay period and whose employment is anticipated to exceed 3 months in duration. Such employees do not receive any leave, health insurance, or other benefits, except those required by law.

2.3.4 Seasonal Employee: An employee who is appointed to a position which is either seasonal in nature (not to exceed six months in a calendar year) and recurs year to year, or who covers peak workloads, regular employee absences, or a vacant position for a period not to exceed nine months. Such employees do not receive any leave, health insurance, or other benefits except those required by law.

2.4 **Working Hours / Pay Information**

2.4.1 Work Hours: The SCSD shall establish regular work hours for each employee. The General Manager may change working hours of individual employees to accommodate the functional needs of the SCSD. Alternate work schedules may be authorized by the General Manager provided the alternate schedule does not disrupt or interfere with business operations and service to customers. Employees on alternate work schedules may be required to alter such schedule to cover for absences of other staff members. When possible, forty-eight (48) hours advance notice shall be provided for change in working hours. For the purposes of pay, hours worked include all the time during which an employee is required to be on the employer's premises, on duty, or at a prescribed work place.

2.4.2 Workweek: The workweek is Sunday through Saturday, except that the General Manager may specify an alternate workweek period for any employee. The base compensation for employees shall be deemed to be compensation per bi-weekly pay period and is predicated upon a forty (40) hour workweek for full-time employees. A bi-weekly pay period shall

consist of eighty (80) working hours for full-time employees and the base compensation provided shall be payment in full for all services rendered to the SCSD except as otherwise provided. If an alternate work schedule is approved pursuant to Section 2.4.1, the workweek and pay period may not coincide.

2.4.3 Workplace Assignment: The place of work and department or division to which an employee is assigned shall be determined by the General Manager or designee, who may also reassign the employee at any time to a different workplace, department or division.

2.4.4 Advances: Advances in pay are not permitted.

2.4.5 Rest and Meal Breaks: During a regular eight (8) hour shift, a 30 minute unpaid off duty meal period will be provided. This meal period shall begin no later than by the end of the employees fifth hour of work. If an employee works more than ten (10) hours, a second unpaid off duty meal break must be provided no later than the end of the tenth (10th) hour of work. In addition, any employee who works at least 3.5 hours shall have a mandatory ten (10) minute paid rest break. These 10 minute paid breaks shall be offered for every four (4) hours worked. Also, any employee wishing to express breast milk shall be accommodated as detailed in Labor Code §1030. Time allowed for rest periods may not be accumulated from one half of the workday to another, nor may rest periods be used to alter an employee's normal work hours and meal periods. **2.4.6 Overtime:** There are certain periods where overtime may be necessary. The General Manager or designee may require overtime work. All employees are expected to work overtime when deemed necessary, but may not work overtime without the specific authorization of the General Manager or designee.

Hours of work, in these Personnel Policies and Procedures and for purposes of determining overtime eligibility, means only those hours that an employee is at their assigned place of work, being compensated for these hours by SCSD and performing their assigned duties at the direction of the General Manager or designee. Hours of work, for purposes of determining overtime eligibility, does not include any compensated or uncompensated leave time, including holidays.

All Fair Labor Standards Act ("FLSA") non-exempt employees shall be eligible for overtime compensation when:

- A regular full-time employee works in excess of the number of hours in his or her normal work day, provided that the employee has worked eight hours prior to the commencement of overtime;
- An employee who works more than forty (40) hours in any fixed and regularly recurring period of 168 hours or seven consecutive 24 hour

periods (“week”);

- An employee who, because of shift changes, works two (2) or more shifts in any twenty-four (24) hour period and is off duty less than eight (8) hours between shifts. In such case, the employee shall be compensated for any additional shift(s) in the same manner as for other overtime notwithstanding the above;

FLSA non-exempt employees whose normal workweek varies from the normal five (5) days in a calendar week of seven (7) days shall not be eligible for overtime compensation except as described above.

Employees who are employed in classifications eligible for exemption from the overtime provisions of the FLSA and designated by the SCSD Board of Directors to be salaried are exempt from the overtime provisions of the FLSA.

2.4.7 Absenteeism and Tardiness: Regular attendance is necessary to ensure adequate service to customers and to avoid overburdening coworkers. Employees must notify the General Manager or immediate supervisor promptly, but in no case later than thirty (30) minutes before the start of the work period, if he or she is going to be absent or late for work.

2.4.8 Termination: The SCSD reserves the right to terminate any employee with cause at any time.

2.4.9 Resignation: Two (2) weeks’ notice is customary and should be given unless circumstances make such notice impossible. Failure to provide sufficient notice may be considered grounds for ineligibility for rehire at a later date. The General Manager may approve resignations with less than two (2) weeks’ notice.

2.5 Salary Administration

2.5.1 Establishment of Job Classifications and Salary Schedules: The Board of Directors shall establish classes and shall establish salary ranges. Salary ranges shall be reviewed as determined by the Board. Nothing shall require the Board to adopt a salary increase based solely on cost of living or market analysis.

2.6 Salary Steps and Payroll

2.6.1 Minimum Wage. Federal and state minimum wage standards shall always be met.

2.6.2 Salary Steps. The Board shall adopt a five-step pay range for each class. Initial appointment shall generally be at the first step of the range; however, the Board may authorize advanced step hiring for the General Manager; and

when recruiting difficulties exist, the General Manager may authorize that an allocated position be filled at a step above the minimum of the range commensurate with the qualifications of the prospective appointee which are above the minimum requirements set forth in the class specifications. Annually, on an employee's anniversary date, a regular full-time employee may be granted a step increase if performance is satisfactory and advancement is recommended by the supervisor. The General Manager shall have the authority at any time to increase or decrease the salary of any employee. Step increases are not automatic. If an employee promotes to a higher class, the effective date of the promotion shall become the employee's new review date.

2.6.2 Any part-time employee may be granted a step increase if performance satisfactory and advancement is recommended by the supervisor after the employee has worked 2,080 hours at their present step. Step increases are not automatic, if an employee promotes to a higher class, the effective date of the promotion shall become the employee's new review date.

2.6.3 Salary upon Promotion. Upon promotion, an employee appointed to a position with a higher salary range shall have his or her salary adjusted to the first step of the new range or to the step in the new range which is at least 5% higher than the salary the employee was receiving prior to the promotion, whichever is greater, provided that the new salary is within the new range. Any pay supplements received by the employee and which are a percentage of base salary (except above class pay and special assignment pay) shall be added to the pre-promotion base salary prior to determining the appropriate step in the new range.

2.6.4 "Y" Rates. Whenever the effect of a reclassification is to place the incumbent in a class having a lower salary range, the General Manager may direct that the capital letter "Y" be set opposite the reclassified position in the department budget and all payroll and other personnel records. Whenever the "Y" is set opposite a position, the incumbent shall continue to receive his or her previously authorized salary until termination of employment in the position, or until a higher rate of pay may be authorized, whichever comes first.

2.6.5 Salary upon Demotion. If an employee demotes through no fault of the employee, other than a voluntary demotion, the employee shall be "Y-rated" at the employee's current salary and remain at that salary until the salary falls within the range for the employee's demoted class. If an employee voluntarily demotes, the employee shall be placed at the highest step of the range that represents a reduction in pay. If an employee is demoted for failure to complete expected tasks following a promotion, the employee shall return to the step of the range the employee held prior to promotion, but may be granted any merit step increases that would have occurred had the employee not accepted a promotion. If an employee is demoted for cause as

a result of a disciplinary action, the employee shall be placed at the step of the range stated in the order of discipline.

- 2.6.6 Special Assignment Supplement.** The General Manager may authorize a 5% salary increase to any employee designated by the General Manager to be on special assignment.
- 2.6.7 Receipt of Supplemental Pay.** No employee shall receive supplemental pay when on vacation, sick leave, sick leave in conjunction with the receipt of State Disability Insurance or Worker's Compensation temporary disability payments, compensatory time off, holiday, unless such employee shall have been performing duties for a period of not less than four (4) full bi-weekly pay periods or such supplemental duties are scheduled, upon assignment, to last not less than four (4) full bi-weekly pay periods.
- 2.6.8 Standby Pay.** The Board shall determine appropriate standby pay when deemed necessary.
- 2.6.9 Work Above Class.** The General Manager or designee may temporarily assign any employee to perform duties normally assigned to a classification with a higher salary. If an employee is assigned to a classification with a higher salary range, the employee shall be compensated, at an amount equal to what the employee would receive if promoted to the higher class or 5% if no class exists. Employees who are being paid for working in a higher classification are not eligible for merit increases in the higher classification.
- 2.6.10 License/Certificate Fee.** The SCSD agrees to pay the cost of renewing state required licenses or certifications that are necessary for the employee, as determined by the General Manager, to fulfill the requirements of the job classification or the tasks assigned to the employee. The General Manager may also authorize the payment of professional organization dues or membership fees if the General Manager considers it in the best interest of employee development that may benefit SCSD.
- 2.6.11 Paycheck Exceptions.** A paycheck exception is defined as the incorrect reporting of payroll or failure to process the following payroll actions, causing an employee to receive less than the pay to which he or she is entitled for that pay period with regard to step increase, supplemental pay, and overtime. Paycheck exceptions shall normally be paid no later than the following paycheck.

All payroll errors resulting in either gross or net salary overpayment must be repaid to the SCSD. Employees shall be allowed, at employee's option, to use accrued annual and holiday leave to repay the SCSD in cases of payroll error resulting in gross salary overpayment as determined by the General Manager.

- 2.6.12 Under-filling Positions Authorized in the Budget.** Whenever a position is

authorized in the budget as adopted by the Board of Directors, the General Manager may fill that position with either the job classification that appears in the budget or with some other appropriate job classification, provided the salary range is not greater than that of the job classification that appears in the budget.

2.7 Personnel Records and Evaluations

2.7.1 Personnel Records: The SCSD maintains all necessary personnel information. The employee must notify his or her supervisor of any changes in the following:

- Home address
- Home telephone number
- Marital status
- Beneficiary of Insurance
- Number of dependents
- Emergency contact

Current employees of SCSD shall have the right to review and obtain copies of their personnel files. Employees shall be given an opportunity to read and initial any report or evaluation to be added to their personnel files, but an employee shall not be required to sign any such report. An employee's signature on a report shall be understood to be acknowledgment of receipt and shall not be construed as agreement or disagreement with its content. If the employee refuses to sign any report or evaluation, a notation to that effect may be entered on the document. An employee shall have the right to submit written comments regarding any document in his or her personnel file and to have such comments included in his or her personnel file along with the document.

2.7.2 Evaluations: Employee performance evaluations will be prepared by the employee's supervisor prior to the anniversary date of employment, prior to the granting of any step increase, and as may be determined, the General Manager or designee. Evaluation forms will be as designated by the General Manager. It is the employee's supervisor who has the responsibility and authority to prepare the evaluation report. At the request of the employee, the supervisor will meet with the employee to discuss the evaluation prior to the supervisor completing the evaluation with his or her final signature.

Except in cases of termination or leave of absence, evaluation with a rating of "unsatisfactory" shall receive a follow-up evaluation no more than ninety (90) days from the date of the final review of the initial unsatisfactory evaluation.

An employee shall have the right to submit written comments regarding any

evaluation and to have such comments included in his or her personnel file along with the evaluation.

2.8 Leave

2.8.1 General Policy: The SCSD provides employees with paid and unpaid time off and leave options to cover illness, vacation, family emergencies, and other occurrences requiring time away from the job. Unless otherwise provided by law, all leave is granted at the discretion of the General Manager.

2.8.2 Vacation: The Board shall determine vacation time at time of employment.

2.8.3 Holidays: Full-time and regular part-time employees become eligible for any Board approved paid holidays after completing one full pay period. Holiday pay for regular part-time employees is based on the average hours worked in the preceding five (5) pay periods.

Regular Holidays

Employees who work a regular holiday will be paid time and a half of the regular hourly rate for all hours worked on the holiday. The Board shall determine the holiday schedule.

2.8.4 California Paid Sick Leave: Generally employees begin to accrue sick leave on the first day of employment. Employees are entitled to use paid sick leave beginning on the 90th day of employment. Only 24 hours of sick leave is required under California state law. Employees eligible for benefits shall accrue one hour of sick leave per 30 hours worked. The sick leave cannot be carried over from year to year. Employees may have additional sick leave negotiated by contract upon employment.

Sick leave may be authorized for any of the following reasons:

- a) Illness, injury or quarantine of the employee;
- b) Medical, dental or optical care of the employee;
- c) Illness, injury or quarantine of a member of the employee's immediate family that requires the employee to tend, care for, or otherwise provide for the care of such person. Immediate family means the spouse, child, parent, sibling, grandparent, grandchild, great grandparent, great grandchild of the employee; or the child, parent, sibling, grandparent, grandchild, great grandparent or great grandchild of the employee's spouse;
- d) Illness, injury or quarantine during an authorized vacation or on a floating holiday as evidenced by satisfactory proof attesting to the nature and length of the disability. Sick leave for non-emergency medical,

dental, or optical care during an authorized vacation or on a floating holiday period is not permitted.

- e) An amount sufficient which, when added to an employee's disability indemnity under Worker's Compensation, will result in a payment to the employee not more than the employee's regular salary.
- f) An amount sufficient which, when added to an employee's disability indemnity under State Disability Insurance (in accordance with State Disability Insurance rules), will result in a payment to the employee not more than the employee's regular salary.
- g) Care for a new or adopted child.

No employee shall be entitled to sick leave because of:

- a) Disability arising from any illness or injury purposely self-inflicted or caused by the employee's misconduct;
- b) Illness, injury, quarantine or disability while on leave without pay;

2.8.5 Bereavement Leave: Bereavement leave provides time to attend to funeral arrangements and other responsibilities associated with the death of an immediate family member. **Regular full-time and regular part-time employees may be allowed to be absent with pay for up to five (5) regularly scheduled work days** in the event of the death of an immediate family member. Immediate family members include parent, spouse, child, sibling, grandparent, great grandparent, grandchild or great grandchild of the employee or employee's spouse. Bereavement leave is not granted automatically, and must be approved by the General Manager. If an employee requires more than five (5) days away from the job, vacation time may be requested.

2.8.6 Jury Duty: Employees must inform the supervisor when the initial notice or questionnaire is received for jury duty. Since time off with pay will be granted for such duty, the employee must remit to SCSD the jury duty pay. If the employee chooses to keep the jury duty pay, personal leave must be used.

Because employees may be called for jury duty late in the morning or released early in the day, supervisors may require employees to work the remaining fraction of the workday. If employees do not comply with this obligation, they will not be paid their SCSD salary for time not at work.

2.8.7 Witnesses: Employees subpoenaed as a witness in a civil or criminal trial or hearing must provide their supervisor with a copy of the court order requiring appearance prior to the date of the appearance. They must use personal leave for this time off unless the trial or hearing involves SCSD as

determined by the General Manager and under these circumstances, the employee will be given paid time off for this appearance. Any witness fees received by the employee while receiving paid time off for such court appearance shall be paid to the SCSD together with any mileage allowed if the employee uses SCSD-provided transportation.

Other Court Related Appearances: Employees who are called as expert witnesses in a trial in which SCSD has no interest must use personal leave for the time off.

If an employee is personally involved in a court case as a party such as the plaintiff or defendant, he or she must take personal leave to appear in court or to transact business associated with the case.

2.8.8 Military Leave: Military leave will be granted consistent with the California Military and Veterans Code.

2.8.9 General Leaves of Absence: A leave of absence without pay provides a means for employees to take prolonged time off without terminating employment. Such leaves are granted only when there is an expectation that the employee will return to work. Employees may request a leave of absence without pay for employee or family illness, maternity or paternity leave, adoption, education, or training which will benefit SCSD, or urgent or substantial personal reasons. The General Manager will determine whether the leave can be granted based on urgency and workload requirements. No employee who has been granted a leave of absence without pay shall accrue any vacation, sick leave or holiday during the time of such leave. For an employee who has been granted an unpaid leave of absence, SCSD will only continue paying health, dental, vision and life insurance premiums through the end of the month in which such leave commenced. SCSD payment of health, dental, vision and life insurance premiums will resume beginning with the month in which the employee returns to paid status or as otherwise provided by any SCSD insurance contractual requirements.

2.8.10 Pregnancy Disability Leave: Leave without pay shall be granted to temporary, part-time and regular employees in accordance with state and federal laws. Leave for medical reasons may be granted with a physician's statement, and employees may use sick leave or other accrued leave. Current law provides up to four (4) months leave for pregnancy disability. Employees may also be eligible for an additional twelve (12) weeks of leave under the California Family Rights Act (CFRA). The SCSD will comply with any state or federal law and reserves any rights of restrictions.

2.8.11 State Family Leave: In accordance with State law (CFRA), any employee with one (1) or more years of continuous service with the SCSD and a minimum of 1,250 hours on payroll in the twelve (12) months prior to the start date of the leave, may take a family care leave of up to twelve (12)

weeks in a twelve-month period. The SCSD elects to use a rolling twelve month period to determine eligibility for leave. An eligible employee who takes such family care leave shall be returned to employment in the same or comparable position upon return from said leave.

Family care leave may be utilized in conjunction with the birth of a child of the employee, the placement of a child with an employee in connection with the adoption of the child by the employee, for the serious medical condition or illness of the employee, or to allow the employee to care for a parent, spouse, or child who has a serious health condition.

An eligible employee who takes family care leave shall be required to use accrued vacation, compensatory time, floating holiday, and regular holiday time during such leave. In accordance with SCSD regulations governing the use of sick leave, the employee may also use accrued sick leave time.

For an employee covered under the SCSD's medical, dental, vision and/or life insurance, the SCSD shall make premium payments as though the employee were in paid status for the duration of the leave. An employee who takes family care leave in an unpaid status shall be eligible for all other fringe benefit on the same terms as an employee on any other unpaid leave of absence.

2.8.12 Federal Family Leave Act: The SCSD will comply with the Family Leave Act, maintaining all rights or restrictions that are required by the Act.

2.8.13 School Activities: The SCSD shall comply with any federal or state law requiring an employer to grant time off to participate in a child's school activities. Current state law provides that parents may take up to 40 hours per year, but not more than 8 hours per month, to participate in their children's school activities. An employee may take unpaid leave or may use accrued vacation, compensatory leave, or a floating holiday to the extent that this is consistent with the Fair Labor Standards Act.

2.8.14 Unpaid Medical Leave: Employees physically unable to work and under a doctor's care who have exhausted all sick leave and other accrued leave such as vacation or compensatory time may be granted unpaid medical leave until the attending physician releases the employee to return to work. Supervisors may request a doctor's verification of the employee's physical condition. Leaves of absence for disability related to pregnancy are governed by the California Fair Employment and Housing Act.

2.8.15 Unpaid Leave, Non-Medical: This covers leave for non-medical, urgent, or substantial personal reasons requiring time off from the job. All personal leave must be used before an unpaid leave of absence will be granted.

2.8.16 Leave of Absence without Pay/Benefits: While an employee is on an unpaid leave of absence, except as may otherwise be provided in this policy,

no vacation or sick leave will be earned, no seniority will be accrued, and no holidays will be paid. Employees using a combination of leave credits and disability insurance payments will accrue leave credits and holidays on a prorated basis. Granting of unpaid leave status allows the employee to return to his or her former position or a comparable position to which he or she otherwise would have been allowed had he or she not been on leave.

Employees may continue participating in health, dental, and life insurance plans by paying the appropriate premium during the period of time in which such premiums are not paid by SCSD.

2.8.17 Administrative Leave: Administrative Leave is paid time off granted by the General Manager for circumstances not defined in other paid leave categories that the Manager considers justifiably payable.

2.8.18 Abuse of Leave:

- Expiration of Leave: Failure to return to work upon the expiration of leave constitutes an automatic resignation.
- Inappropriate Use of Leave: If an employee uses leave for purposes other than for which it was granted, it may be terminated, employment with SCSD may be terminated, and pay for the leave may need to be reimbursed to SCSD, as determined by the General Manager.
- Unauthorized Leave: Absence without approved leave, voluntary or involuntary, for five consecutive workdays constitutes resignation from the SCSD on the last day worked.

2.8.19 Time off to vote: The SCSD will accommodate employees who need to take time off to participate in public elections. If an employee is unable to vote in an election during non-working hours, the SCSD will grant up to two (2) hours of paid time off to vote.

2.9 Worker's Compensation

2.9.1 Under the Worker's Compensation Act, provisions are made for benefit payments if an employee is disabled in the course of employment and misses work as a result of the disabling condition. The Worker's Compensation Act also provides free medical and hospital service, if necessary, for the disabling condition. In order to meet the requirements of the act, the SCSD carries Worker's Compensation Insurance. For the employee's protection, it is mandatory that any injury, no matter how slight, be reported immediately to the employee's supervisor.

2.9.2 Employees who are receiving temporary disability indemnity payments under Division 4 or Division 4.5 of the Labor Code shall accumulate vacation, holidays and sick leave during such period of time that they are

drawing such temporary disability indemnity. The SCSD shall continue to provide health, dental, vision and life insurance plan coverage for regular full-time and regular part-time employees as if they were on payroll as regular employees.

- 2.9.3** Employees disabled in the course of employment and eligible for Worker's Compensation Benefits shall be on paid administrative leave until the effective date of temporary disability indemnity payments to the employee or until it is determined that recovery from disability is sufficient to release the employee to return to work, whichever occurs sooner. With the commencement of temporary disability indemnity payments, the employee may use accrued leave in an amount such that the combination of leave time and temporary indemnity payments equals the employee's regular salary. When and if the leave time is exhausted, the employee shall be on unpaid leave until it is determined that recovery from disability is sufficient to release the employee to return to work or it is determined that the employee's disability is permanent and the employee will not be able to return to work.

2.10 Benefits

- 2.10.1 Medical Coverage:** Employees may be eligible for participation in the SCSD's medical insurance plan, which provides health, dental, and/or vision coverage in accordance with provisions adopted by the SCSD Board.

If a covered employee loses coverage for any reason, the employee may continue medical coverage at his or her own expense in accordance with the provisions of the California Consolidation Omnibus Budget Reconciliation Act (COBRA) and such other provisions as may be adopted by the SCSD Board of Directors. Cal-COBRA gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under the SCSD's health plan when a qualifying event would normally result in the loss of eligibility. Some qualifying events are resignation, termination of employment, death of employee, a reduction in an employee's hours or leave of absence, an employee's divorce or legal separation, and a dependent child no longer meeting eligibility requirements.

Under Cal-COBRA, the employee or beneficiary pays the full cost of coverage at the SCSD's group rate plus an administration fee.. Coverage can continue for eighteen (18) months after termination, or as much as twenty-nine (29) months if the employee is disabled, provided the employee has paid the applicable premiums at least two (2) weeks prior to the premium due date.

- 2.10.2 IRC 125 and 129 Plans:** The SCSD may establish a pre-tax plan as provided under IRC 125 and IRC 129 of the Internal Revenue Service Code. This plan may provide 1) a cafeteria plan in addition to or in lieu of health,

dental, and/or vision insurance; 2) a dependent care assistance plan for pretax payment of child care expenses; 3) a medical spending account for pre-tax payment of out-of-pocket medical expenses up to a limit established by the SCSD; and/or 4) pre-tax payment of medical premiums. Participation in such plans will be established by the plan document.

2.10.3 Life Insurance: All regular full-time and regular part-time employees are eligible for participation in the SCSD's life insurance plan in accordance with provisions adopted by the SCSD Board by resolution.

2.10.4 Safety Equipment: The SCSD shall provide designated employees with safety prescription glasses whenever safety glasses are required by the CAL/OSHA or other State or Federal regulation. The SCSD will not provide for broken lenses or frames unless such breakage is the result of an on-the-job accident. The SCSD shall provide designated employees with safety shoes as specified by the General Manager whenever such shoes are required by the CAL/OSHA or other State of Federal regulations.

2.11 Outside Employment

2.11.1 Outside employment cannot be incompatible with the employee's duties and/or responsibilities. An employee's work for the SCSD must not be adversely affected by any outside employment, as determined by the General Manager. In addition it is the employee's responsibility to avoid conflicts of interest under the Political Reform Act of 1974.

2.12 Discipline

2.12.1 The SCSD retains the discretion to determine what constitutes proper disciplinary action and procedure in individual situations. Employees of the SCSD are considered at-will employees and employment may be terminated at any time with cause.

SECTION 3.0 EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

3.1 Equal Employment Opportunity Policies

3.1.1 It is the policy of the SCSD to comply with the spirit and letter of all laws prohibiting discrimination. The SCSD shall provide equal opportunity in the provision of programs, services, and employment opportunities. No person shall be discriminated against with regard to recruitment, selection, appointment, training, promotion, retention, discipline, or other aspects of employment because of race, creed, color, religion, sex, marital status, ancestry, national origin, physical disability, mental disability, medical condition, age, political affiliation, sexual orientation, or other non-merit factors.

3.2 Sexual and Other Harassment Policies:

3.2.1 It is the policy of the SCSD to provide a workplace free of harassment. Harassment is prohibited, is considered an act of misconduct and may result in disciplinary action up to and including termination. This policy applies to all of the SCSD's employees and agents, including supervisory and non-supervisory employees. All supervisors and managers are responsible for implementing and monitoring compliance with this policy.

3.2.2 Harassment is defined as unwelcome or unsolicited verbal, physical, sexual, or visual conduct which is made a term or condition of employment; is used as the basis for employment decisions; or creates an intimidating, hostile, or offensive working environment. Examples of what may be considered harassment, depending on the facts and circumstances, include, but are not limited to, the following:

- Verbal harassment: Derogatory or vulgar comments regarding a person's race, sex, gender, age, religion, ethnic heritage, national origin, disability, or other classifications protected by law; verbal abuse of a sexual nature; graphic verbal commentaries about an individual's body; sexually degrading words used to describe an individual; suggestive or obscene letters, notes or invitations.
- Physical harassment: Hitting, pushing, touching, assaulting, impeding or blocking movement or other aggressive physical conduct, or threats to take such action.
- Sexual harassment: Unwelcome or unsolicited sexual advances, demands for sexual favors, or other verbal or physical conduct of a sexual nature. Sexual harassment includes, but is not limited to, making unwanted sexual advances and requests for sexual favors where either (1) submission to such conduct is made an explicit or implicit term or condition of employment; (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (3) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.
- Visual harassment: leering, making sexual gestures, displaying sexually suggestive objects, pictures, cartoons, posters, or other writing or graphic materials.

3.2.3 Any employee who has a complaint of harassment at work involving anyone, including supervisors, co-workers, or visitors, should promptly notify the General Manager or designee.

3.2.4 Supervisors who become aware of any harassment, whether it involves employee-to-employee, employee to-supervisor or supervisor-to-employee

conduct, must promptly report the matter to the General Manager. If supervisors observe such harassment, they should take immediate action to stop it and report it to the General Manager.

3.2.5 Special privacy safeguards will be applied in handling all harassment complaints. All employees should be aware that the privacy of the charging party and the person accused of harassment will be, to the extent practicable, kept confidential. The SCSD will take appropriate corrective action, up to and including termination of employment, to remedy all violations of this policy.

- The SCSD strictly prohibits any form of retaliation against anyone who complains of harassment to management.

3.3 Sex Discrimination Policy Statement

3.3.1 The SCSD is committed to equal employment opportunity for all employees and applicants for employment without regard to an individual's sex or other non-merit factors. Applicants of both sexes will be recruited for all vacancies unless sex has been established as a bona fide occupational qualification.

Employees of both sexes shall have equal opportunity to any available job that he or she is qualified to perform. No distinction shall be made between men and women in compensation, benefits, or other conditions of employment.

3.4 Religion and National Origin Policy Statement

3.4.1 The SCSD is committed to providing equal employment opportunity and shall not discriminate against any employee or applicant for employment because of religion, national origin, or other non-merit factor. The SCSD shall make reasonable accommodations to the religious observances and practices of employees or prospective employees when such accommodation can be made without undue hardship on the conduct of business. Business necessity, costs or expenses, and any resulting personnel problems will be considered when making a determination on reasonable accommodation.

3.5 Americans with Disabilities Act (“ADA”) Policy Statement

3.5.1 It is the policy of the SCSD to comply with the ADA and all other laws that prohibit discrimination. The SCSD shall hire otherwise qualified applicants who can perform the essential functions of the job without regard to an individual's physical disability or mental disability. The SCSD shall reasonably accommodate the physical disabilities or mental disabilities of employees or applicants who are otherwise qualified unless the accommodation would impose an undue hardship.

3.6 Equal Employment Opportunity Program Details

3.6.1 Responsibilities. To ensure equal employment opportunity for all individuals, the SCSD has designated specific responsibilities to various staff members. The following positions shall undertake the responsibilities described below.

- **SCSD Board of Directors:** The Board has the ultimate responsibility for setting a climate in which equal employment opportunity goals can be achieved through the establishment of policy and supporting programs.
- **General Manager:** The General Manager has overall responsibility for all Equal Employment Opportunity Issues and compliance with the Americans with Disabilities Act. The General Manager shall ensure that the organization's policies of equal opportunity are effectively implemented at all levels of the organization.
- **Managers and Supervisors:** Each manager and supervisor shall ensure that the SCSD's policy of equal employment opportunity is implemented in the unit and shall:
 - a. Assure compliance with Equal Employment Opportunity/Affirmative Action and Americans with Disabilities Act programs and policies in their units.
 - b. Assist in developing and implementing Equal Employment Opportunity/Affirmative Action and Americans with Disabilities Act programs.
 - c. Ensure that the SCSD's policies and programs are communicated and upheld by all unit employees.
 - d. Develop and implement equal employment in response to identified deficiencies in the unit.
 - e. Cooperate in the investigation and resolution of discrimination complaints.
 - f. Ensure that all recruitments, interviews, offers of employment, development programs, transfers, job assignments, promotions, and separations are consistent with the SCSD's Equal Employment Opportunity policy.
- **Employees:** Employees shall adhere to and support Equal Employment Opportunity policies and procedures and the Americans with Disabilities Act via their actions and behaviors.
- The EEOP can be contacted for additional information or support at

(916)227-2859 or at workplacefairness.org.

3.6.2 Definitions

- **Discrimination.** The following laws establish requirements for nondiscrimination in employment:
 - a. Title VII of the Civil Rights Act of 1964 (Title VII) prohibits employment discrimination based on race, color, religion, sex, or national origin;
 - b. The Equal Pay Act of 1963 (EPA) protects men and women who perform substantially equal work in the same establishment from sex-based wage discrimination;
 - c. The Age Discrimination in Employment Act of 1967 (ADEA) protects individuals who are 40 years of age or older;
 - d. Title I and Title V of the Americans with Disabilities Act of 1990 (ADA) prohibit employment discrimination against qualified individuals with disabilities in the private sector and in state and local governments;
 - e. Sections 501 and 505 of the Rehabilitation Act of 1973 prohibit discrimination against qualified individuals with disabilities (who work in the federal government); and
 - f. The Civil Rights Act of 1991, among other things, provides monetary damages in cases of intentional employment discrimination.
 - g. The California Fair Employment and Housing Act establishes the requirement for nondiscrimination in employment on the basis of race, religion, creed, color, national origin, age (40 and over), ancestry, disability (mental and physical) including HIV and AIDS, medical condition (cancer and genetic characteristics), marital status, sex, sexual orientation, or denial of family and medical care leave.

Discrimination in employment as prohibited by federal, state, and other directives includes but is not limited to:

- a. Exclusion from employment or work activities for non-job related reasons.
- b. Verbal harassment; e.g., racial or ethnic slurs or epithets.
- c. Harassment of any kind initiated because of an individual's race, sex, age, handicap, religion, or ethnicity.

- **Sexual Harassment. Sexual harassment in any form will not be tolerated by the SCSD.** Harassment on the basis of sex is a violation of Title VII of the Civil Rights Act of 1964, as amended, and The Fair Employment and Housing Act, Government Code Section 12940. Sexual Harassment includes but is not limited to:
 - a. Verbal harassment; e.g., graphic verbal comments about an individual's body, suggestive letters or notes, swearing, cursing, derogatory comments, or slurs that have a sexual connotation.
 - b. Physical harassment; e.g., touching, assault, impeding or blocking movement, or any interference with normal work or movement when directed sexually at an individual.
 - c. Visual forms of harassment; e.g., sexual gestures, derogatory or sexually suggestive posters, cartoons, or drawings of a sexual nature.
 - d. Quid pro quo - conditioning an employment offer or benefit upon an exchange of sexual favors.
 - e. Sexual advances or harassment which interferes with an individual's work performance or creates an intimidating, hostile, or offensive working environment.

3.6.3 Complaint Process. This section states the SCSD's policy, guidelines, and procedures regarding discrimination and sexual harassment.

The SCSD's policy is to provide a work environment free from any type of discrimination and sexual harassment. Discrimination and sexual harassment are illegal and will not be tolerated by the SCSD. Appropriate disciplinary action, including the possibility of termination, will be taken against employees found responsible for discrimination or sexual harassment, and against supervisors who allow such practices to continue.

The SCSD will not discriminate against or harass any employee for filing a complaint. Employees, supervisors or managers who retaliate against an employee for filing a complaint are in violation of this policy.

3.6.4 Guidelines

- **Process for Resolving Complaints:** The SCSD encourages employees to try to resolve their complaints informally within their work units before considering a formal complaint. However, employees may file a formal complaint without going through the informal complaint process.
- **Date of Occurrence:** The date and time that an employee realizes that he or she has been discriminated against or sexually harassed. The date of occurrence is an important factor in the investigation process.

- **Informal Complaint Process:** An employee who believes that he or she is being discriminated against or sexually harassed by a co-worker or supervisor is encouraged to:
 - a. Confront whoever is doing the discriminating or harassing in a polite but firm manner. The employee should state how he or she feels about what is occurring.
 - b. Request the person to stop the discriminating/harassing behavior because it is intimidating, offensive, and/or uncomfortable. If possible, the employee should bring a witness for this discussion.
 - c. Write a statement for the employee's own records about the incident, noting the date of occurrence, time, and other details; summarize in writing the results of any conversation(s) with the person who is doing the discriminating/harassing. This information may be important if there is a formal investigation later.

If the discrimination or harassment continues and has not been resolved in the daily work environment, or if the employee does not wish to confront the person doing the discriminating or harassing, the employee is encouraged to present the complaint as follows:

- a. If a co-worker perpetrates the discrimination or harassment, the employee should present the complaint to his or her supervisor.
- b. If the employee's supervisor perpetrates the discrimination or harassment, the employee should present the complaint to the next level of management.
- c. If the employee does not feel comfortable with the above, or if the supervisor or manager would be the General Manager, he or she should present the complaint to the SCSD's Board of Directors. The supervisor or next level of management will attempt to resolve the issue with an objective, confidential investigation to begin within three working days of the date of the employee contact.

A written response will be given to the employee within fifteen (15) working days of the date of the employee contact.

- **Formal Complaint Process:**
 - a. If the employee chooses to bypass the informal complaint process, a formal complaint shall be made no later than 10 days after the employee should reasonably have been aware of the alleged act of discrimination or harassment.
 - b. If the complaint is not resolved through the informal complaint

process, a formal complaint should be made as soon as possible, but not later than 45 days after the employee should reasonably have been aware of the alleged act of discrimination or harassment, or if the employee chooses to bypass the informal complaint process, then a formal complaint may be presented in one of two ways:

- i. In writing to the General Manager
 - ii. Orally to the General Manager
- c. Within five (5) working days of receiving the complaint, the General Manager if the complaint is against the General Manager, will appoint an investigator to conduct a thorough, impartial, and confidential inquiry.
 - d. The investigator will interview the parties involved and complete a written report including recommended course of action for the General Manager within fifteen (15) working days of receiving the complaint. The General Manager may extend the time required for completion of the investigation if there are extenuating circumstances.
 - e. Within five (5) working days of receiving the recommendation, the General Manager will take appropriate action to resolve the complaint, unless the complaint is against the General Manager, in which case the report of the investigation and any recommendation will be referred to the SCSD Board of Directors to take appropriate action to resolve the complaint within (10) working days of receiving the report.

The employee who initiated the complaint will be notified of the decision through his or her manager unless the complaint was against the manager, in which case, the General Manager will contact the employee. If the complaint was against the General Manager, the Board of Directors will contact the employee.

- **Appeal:** If the complainant is not satisfied with the decision, he or she may file an appeal within fifteen (15) calendar days of receiving the decision with the President of the Board of Directors. The President may decide to refer the appeal to the full Board, refer the appeal to a committee of the Board, or refer the case to a hearing officer for a non-binding recommendation. The Board shall consider the recommendation in a closed session and issue a decision within thirty (30) days after consideration.

SECTION 4.0 MISCELLANEOUS PROCEDURES

4.1 Work Rules

- 4.1.1 The General Manager may establish work rules to govern daily operations of the SCSD and may amend such rules as needed.

4.2 Confidentiality

- 4.2.1 Certain materials, files and information are confidential and occasionally sensitive. SCSD employees are responsible for knowing which information is confidential and what may be released and for maintaining the security and confidentiality of confidential materials. Release of confidential information may be damaging to the safety and security of employees or customers, may result in loss of privacy for employees or customers and may subject the SCSD to liability or damage the SCSD's image. Failure to maintain confidentiality may subject the employee to disciplinary action.

- 4.2.2 **Disclosure of Closed Session Information.** An employee shall not disclose confidential information acquired by being present during a closed session to a person not entitled to receive such information, unless the Board authorizes disclosure of that information. (Government Code 54963)

Confidential information means a communication made in a closed session that is specifically related to the basis for the Board to meet lawfully in closed session. (Government Code 54963)

An employee who willfully discloses confidential information acquired during a closed session may be subject to disciplinary action if he/she has received training or notice as to the requirements of this policy. (Government Code 54963)

The General Manager, or designee, shall provide a copy of this policy to all employees who attend closed sessions. New employees who may attend closed sessions shall also receive a copy of this policy.

The district shall not take disciplinary action against any employee for disclosing confidential information acquired in a closed session, nor shall the disclosure be considered a violation of the law or Board policy, when the employee is: (Government Code 54963)

- Making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of the law, including disclosing facts necessary to establish the illegality or potential illegality of a Board action that has been the subject of deliberation during a closed session.
- Disclosing information that is not confidential but acquired during a closed session.

- Expressing an opinion about propriety or legality of board closed session action, including disclosure of the extent and nature of the illegal or potentially illegal action.

4.2.3 Other Disclosures: An employee who willfully releases confidential/privileged information about the district, the public, or staff shall be subject to disciplinary action.

No employee shall disclose confidential information acquired in the course of his/her official duties. Confidential information includes information that is not a public record subject to disclosure under the Public Records Act, information that by law may not be disclosed, or information that may have a material financial effect on the employee.

Any action by an employee that inadvertently or carelessly results in release of confidential/privileged information shall be recorded, and the record shall be placed in the employee's personnel file. Depending on the circumstances, the General Manager, or designee, may deny the employee further access to any privileged information and shall take any steps necessary to prevent any further unauthorized release of such information.

4.3 Acceptance of Gifts

4.3.1 Occasionally, SCSD employees may be offered or receive gifts, often as small as candy, baked goods, promotional items, flowers, etc., from customers, vendors or others. In these circumstances, it is inappropriate to accept the gift when offered. If the gift is received without prior notice to the employee, the gift must be returned, used for work-related purposes or shared in its entirety with staff and/or visitors to SCSD offices. In no circumstances may an employee accept cash or its equivalent or alter the level of service or purchasing based on such gifts.

4.3.2 Any honorarium paid to an SCSD employee for a work-related speaking engagement or other presentation such as an appearance shall be returned to the SCSD.

4.3.3 As public employees, SCSD employees are covered by provisions of the fair Political Practices Commission and conflict of interest legislation. Guidelines require designated employees to report meals, gifts, or expenditures on the employee's behalf of over \$50.00 on conflict of interest forms. All employees shall report gifts of any value to their supervisor.

4.4 Nepotism

4.4.1 No SCSD supervisor or manager may directly or indirectly supervise a spouse, parent, child, sibling, grandparent, grandchild, niece, or nephew of the employee or the employee's spouse, unless otherwise approved by the General Manager.

4.5 Use of SCSD Resources

- 4.5.1 General:** Incidental use of SCSD equipment is permissible as long as it is kept to a minimum, does not conflict with SCSD business, is on the employee's own time, and is not used for personal profit. Supervisors are expected to monitor use. All use must be consistent with the provisions of Section 26.
- 4.5.2 Cell Phones:** Employees issued a District phone will not use it for personal use.
- 4.5.3 SCSD Business-Related Education:** The SCSD would like to support employees' desire to further their education. SCSD equipment may be used for educational purposes with management approval. If the employee requires more than five (5) megabytes of file server disk storage, management approval is required. Printer paper should be reimbursed at the same rate as copy paper.
- 4.5.4 SCSD Staff:** SCSD staff shall not be used for personal business during working hours.
- 4.5.5 Personal Software:** No personal software shall be installed or loaded on the SCSD network (including workstation hard disks). SCSD maintains a collection of approved/maintained software and no other software may be installed or loaded without approval from the General Manager.
- 4.5.6 Software Installation and Changes to Configuration:** No software will be installed on SCSD owned workstations by employees. No configuration changes will be made to SCSD owned computers with the exception of: colors, screen resolution, file directory defaults, and desktop wallpaper. SCSD owned computers are the property and maintenance responsibility of the SCSD and will be upgraded by technology support staff only.
- 4.5.7 Privately Owned Computers:** An employee has all rights and authority over their own personal equipment. No SCSD owned software will be installed by the employee on a privately owned computer without prior approval of management. When a user installs SCSD owned software, they are responsible for maintenance and upgrades. Regardless of software ownership, the privately owned computer is not and will not be the maintenance responsibility of SCSD and will not be upgraded or maintained by SCSD staff or contracted service providers. This policy will allow for the separation of responsibility; SCSD staff is responsible for SCSD computers and applications, and the home user is responsible for the home user's own private computer.

4.6 Workplace Privacy

- 4.6.1** Any information contained on SCSD networks, hard disks, files, desks, and

lockers is not "personal/confidential." The SCSD may have need, during the normal course of business, to search computer or hard copy files or an employee's desk for necessary information. The SCSD will not guarantee that items of a personal nature will be undisturbed if this type of search is necessary. If employees have information that they deem personal and confidential, it should not be located at the SCSD. Common sense and courtesy will be exercised in the event staff needs to search another employee's work area, but personal items of a sensitive nature may be inadvertently disturbed.

- 4.6.2** Employees should not encrypt documents of a business nature unless they are highly sensitive. In this case, the encrypted password should be given to the employee's supervisor for emergency access. All desks, filing cabinets, and hard disks that lock should have a key located with the employee's supervisor for emergency purposes.

4.7 Smoking Prohibited

- 4.7.1** The SCSD provides its employees and visitors with a safe work place free of smoke, smokeless tobacco, electronic cigarettes, and all by-products. As such, smoking is prohibited in all work areas and District vehicles. Employees or visitors wishing to smoke must do so in designated areas outside any SCSD buildings but no closer than 20 feet from any doorway or open window.

4.8 Personal Appearance

- 4.8.1** The SCSD promotes an attractive, professional, and high quality workplace for our customers and our employees. Accordingly, staff is expected to dress in a manner appropriate for the type of work performed.

4.9 Drug and Alcohol Abuse

- 4.9.1** The SCSD is a drug-free workplace. The SCSD recognizes the problems and hazards associated with drug and alcohol use. Therefore, the SCSD prohibits the use, possession, or distribution of drugs and alcohol on its property. To ensure a drug and alcohol-free environment, the SCSD has adopted the following policy:

The use, possession, or distribution of any alcoholic beverages, intoxicants, narcotics, illegal or unauthorized drugs, "look-alike", or simulated drugs, prescription drugs not prescribed for the employee, and related paraphernalia on SCSD worksites or in SCSD vehicles is strictly prohibited. Employees shall not report to work under the influence of any drug, alcoholic beverage, intoxicant, narcotic, or other substance, including prescribed drugs and medication that will adversely affect their working ability, alertness, response, or coordination, or jeopardize the safety of themselves, co-workers, and the public. The SCSD reserves the

right to require a drug test of any employee reasonably believed to be under the influence.

Serious offenses may be grounds for termination. Depending on the nature of the offense, and extenuating circumstances involved, the General Manager shall determine the appropriate level of discipline.

Drug testing may be required of certain job classifications, as described in the job description.

4.10 Electronic Mail

4.10.1 It is the SCSD's policy that the electronic mail (e-mail) system, like other SCSD property, be used in a professional and lawful manner and solely for the benefit of the SCSD.

- **The Nature of E-Mail:** When a message is deleted from the e-mail system, a record of it may remain on the computer system. Because there is the possibility that inappropriate communications on e-mail may be not only widely published, but also indelibly stored, the SCSD requires that all employees exercise appropriate discretion in using the e-mail system. Even though e-mail is a less formal communication than business letters, employees must remember that e-mail messages are SCSD communications and must be treated as such.

Accordingly, the e-mail system may not be used to send jokes or other comments to others that may be perceived as discriminatory, harassing, offensive, or disruptive. Employees may not use the e-mail system to send material that disparages an individual, the SCSD, or business entity or discloses personal information without authorization.

- **Access to E-Mail:** The e-mail system is not a private mode of communication. When you use e-mail, you are creating SCSD documents that may be read by others in circumstances, including, but not limited to, the following business or legal purposes:
 - a. During regular system maintenance;
 - b. When a business need exists to access the employee's mail box;
 - c. In response to a legal request to disclose e-mail messages from law enforcement officials or in ongoing legal proceedings;
 - d. When the SCSD has reason to believe that the employee is using e-mail in violation of SCSD policies (including, but not limited to, its policies prohibiting discrimination and harassment, misappropriation of SCSD property, or using SCSD equipment for personal purposes);
or

- e. For periodic, unannounced inspection by the SCSD for business purposes.

System security features, including passwords and message delete functions, do not prevent the SCSD from accessing any message at any time. Employees must be aware that the possibility of such access always exists. Should employees make incidental use of the e-mail system to transmit personal messages, such messages will be treated no differently than other messages and may be accessed by the SCSD under any of the circumstances in the preceding list.

Solicitations, offers to buy and sell goods or services, and other personal messages to large groups via the e-mail system are not appropriate uses of this SCSD asset.

4.12 Solicitation Policy

- 4.12.1** It is the SCSD's policy that no solicitation and/or advertising of any nature be permitted in SCSD facilities unless authorized by the General Manager and/or the Board of Directors. The purpose of this policy is to prevent the unnecessary interruption of SCSD business and to establish a common procedure governing solicitation and/or advertising.

4.13 Workplace Violence Prevention

- 4.13.1** The SCSD is committed to preventing workplace violence and to maintaining a safe work environment. To help ensure a safe environment, the SCSD may install security cameras.
- 4.13.2** All employees should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons and other dangerous or hazardous devices or substances are prohibited.
- 4.13.3** Conduct that threatens, intimidates, or coerces another employee, a customer, or member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment.
- 4.13.4** All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to your immediate supervisor or any other members of management. This includes threats by employees, customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible. All suspicious individuals or activities should be reported as soon as possible.

4.14 Use of Vehicles.

- 4.14.1** From time-to-time, SCSD employees may be required to drive either a

SCSD vehicle or the employee's personal vehicle on SCSD business. This policy is being implemented to assist the organization in managing the risk and exposure related to employees driving on SCSD business. The goal of this policy is for all employees to maintain a good driving record, carry an amount of insurance as determined by the General Manager, and assist the SCSD in minimizing the risk factor of over exposure to litigation and claims resulting from auto accidents while conducting SCSD business.

4.14.2 Documentation: Any SCSD employee who drives a personal vehicle on SCSD business must provide the following at the start of employment and at the start of each fiscal year:

- Proof of insurance for all personal vehicles used when conducting SCSD business. Verification may include a copy of the declaration sheet stating (a) name of insurance carrier; (b) effective date of coverage; (c) limits of coverage.
- A current, valid, California Driver's license.

4.14.3 An approved driver's list will be maintained for all employees who must drive as a part of their jobs. Supervisors will be responsible for identifying these positions (work-based needs). All drivers must be able to legally drive in California. An employee who loses the right to drive, or whose license is restricted for any reason, must immediately report such to his or her supervisor.

4.14.4 Motor Vehicle Record Reporting Requirements: All employees are required to immediately report to their supervisor or manager when they have been involved in an accident while driving on SCSD business in a personal or SCSD vehicle. If an employee reports two (2) at-fault (preventable) accidents within a 24-month period, a review of the employee's insurance coverage and job-related driving activity will be required.

4.14.5 Insurance Liability Coverage and Limits: All drivers must carry insurance with minimums of no less than the State of California legal requirement, or a greater amount as determined by the General Manager. The current minimum State requirement is:

- \$15,000 bodily injury liability per person
- \$30,000 bodily injury liability per occurrence
- \$5,000 property damage liability coverage

In addition to the minimum coverage required, SCSD employees must provide their own comprehensive coverage if they want their vehicles insured. The SCSD insurance will not cover auto body damage to employees' vehicles. For those employees with comprehensive coverage, the

SCSD will pay their deductible, up to \$250, for accidents occurring while on SCSD business, provided the employee is not at fault.

4.15 Travel Policy

4.15.1 General Policy: Travel on SCSD business or individual contract business shall be by the most economical means consistent with the situation, as determined by the General Manager. The SCSD will reimburse authorized travelers for their necessary and reasonable expenses incurred while traveling on SCSD business.

The General Manager must approve travel on SCSD business outside of Humboldt County in advance. All reimbursement requests must be signed by the employee and approved by the General Manager or designee.

Employees may make their own plane/rental car/lodging reservations or have the SCSD staff make them. Travel shall be by the least expensive method (plane or private car), consistent with the work needs of the SCSD as determined by the General Manager or designee. An employee wishing to travel by private car rather than public transportation shall be reimbursed only up to the cost of public transportation and necessary car rental as determined by the General Manager.

4.15.2 Local Travel: The SCSD will fully reimburse authorized travelers for local transit expenses. Receipts must support any amount over \$3.50.

4.15.3 Parking: The SCSD will fully reimburse authorized travelers for parking expenses. Receipts are required for amounts over \$6.00.

4.15.4 Private Automobile: The SCSD will fully reimburse mileage at the standard Internal Revenue Service (IRS) allowable mileage rate. Any increases or decreases in the allowable rate will occur simultaneously with the publication date of the new IRS rate as determined by the General Manager or designee.

4.15.5 Rental Car: The General Manager or designee may authorize use of a rental car. Employees should rent compact cars when traveling unless business necessity dictates otherwise, as determined by the General Manager or designee.

Authorized travelers may claim cost of gas, oil, and related auto expenses when supported by receipts and when such expenses are not part of the rental agreement. Travelers should accept the corporate rate whenever possible. This rate includes necessary insurance. When the corporate rate is taken, travelers do not need to accept the over-the-counter insurance unless they do not have required coverage on their personal insurance. If a traveler must take over-the-counter insurance because personal Insurance does not meet SCSD minimums, the extra insurance cost will not be reimbursed.

For economic reasons, travelers are strongly encouraged to fill the gas tank of the rental car themselves before turning it back in to the rental agency.

- 4.15.6 Tolls:** The SCSD will fully reimburse authorized travelers for tolls. Receipts are required for amounts over \$6.00.
- 4.15.7 Lodging:** The SCSD will fully reimburse authorized travelers for actual lodging expenses consistent with the area of travel when supported by the itemized bill from the establishment. Lodging and the cost of lodging must be pre-approved by the General Manager or designee.
- 4.15.8 Meals:** The SCSD will reimburse the actual reasonable, as may be defined by the General Manager, cost of meals excluding alcohol, to authorized travelers on SCSD business outside Humboldt County. Any exception to this restriction will require specific approval by the General Manager or designee.
- 4.15.9 Business Meals:** SCSD-authorized travelers are allowed to host meals for other persons when the meal is related to the business. Travelers may claim actual cost for the meal when supported by receipts. The reason for the meal and the names and titles of guests will be listed on the travel claim form. Any deviation from the above guidelines requires approval by the General Manager or designee. Expenses for business meals consumed within Humboldt County will be reimbursed for the client only unless the appropriate manager pre-approves the employee's meal or it is consistent with the written policy of the General Manager. Documentation as listed in the above paragraph must be supplied.
- 4.15.10 Registration Fees:** The SCSD will fully reimburse authorized travelers for registration fees required to attend a seminar, organized luncheon meeting, etc., when supported by receipt. Reimbursement will occur only when the employee has prior written authorization and is representing the SCSD.
- 4.15.11 Phone Calls:** Authorized phone calls on a business trip are calls made in the course of SCSD business. All long distance business calls should be placed on a station-to-station basis using a telephone credit card, except that SCSD will reimburse the employee for one call of reasonable length to home each day that the employee is required to stay overnight outside of the area on SCSD business. Phone call reimbursement is subject to the limitations in the below section on "Incidental Expenses".
- 4.15.12 Incidental Expenses:** The SCSD will reimburse authorized travelers for actual incidental expenses incurred, such as personal phone calls, taxi driver and baggage tips, etc. up to a maximum of \$8.00 per day (no receipt required) when certified by the claimant. These are claimed and itemized as incidentals on the claim form.

4.15.13 Travel Extension: When employees traveling by air wish to extend an authorized trip beyond the time required for business, they may do so on their own time as long as they obtain pre-approval for vacation taken. The SCSD will reimburse the employee for the cost of lodging and meals only up to the initial return date.

4.15.14 Adequate Records: It is the responsibility of the traveler to keep adequate documentation of expenses claimed for reimbursement. Incidentals, while not requiring receipts, must be itemized on a log with the date, description of each incidental expense, and amount attached to the travel claim. All receipts must be original. They should be placed in chronological order and attached to 8 1/2 X 11 sheets of paper with the date and explanation next to the receipt. Any claim submitted that does not follow these guidelines may be returned to the claimant for correction. Any exceptions to this policy require written approval by the General Manager or designee.

4.16 Educational Reimbursement Policy

4.16.1 Reimbursement is subject to determination by the General Manager that a course is career related and subject to approval by the General Manager who may prepare and issue guidelines for the administration of this policy.

4.17 Political Activities

4.17.1 Employees shall not engage in political activities of any kind either during the employee's work hours or on District property.

To Be Added:

- Staff Report for Conflict of Interest Code

- Resolution 2016-2: A Resolution of the Board of Directors of the Scotia Community Services District to Adopt the Scotia Community Services District Conflict of Interest Code

- SCSD Conflict of Interest Code

Scotia Community Services District Staff Report

DATE: January 21, 2015
TO: Scotia Community Services District Board of Directors
FROM: Tracy M. Boobar, Special Counsel
Steve Tyler, Interim District Manager
SUBJECT: Letter of Intent to Accept All Dedicated Facilities and Properties from the Town of Scotia and Provide Utility and Other Services, with Resolution 2016-3

RECOMMENDATION:

The administrative staff recommends that the Board approve the Letter of Intent (“Letter of Intent”) and accompanying Resolution 2016-3, to “Accept All Dedicated Facilities and Properties from the Town of Scotia and Provide Utility and Other Services.”

ACTION:

Consider approval of the Letter of Intent and adoption of Resolution 2016-3

DISCUSSION:

Please review the Letter of Intent and Resolution 2016-3 which describes the terms for accepting all dedicated facilities and properties from the Town of Scotia, as requested by Frank Bacik, President, Town of Scotia Company, LLC. (“TOS”)

Administrative Staff have met and discussed this Letter of Intent (“letter”) with Mr. Bacik on December 23, 2015 and January 5, 2016.

This letter is intended to provide an overview of the District’s opinion of current status, plan for transition of utility facilities and a projected schedule. The letter is *not* meant to be a comprehensive document, legal opinion or to require comment on the part of TOS.

TOS has been conducting substantive negotiations for alternative acquisition and operation of TOS water and wastewater facilities with the Public Utilities Commission (“PUC”) referred to as Plan B. This letter is intended to provide a basis for proceeding with the planned District formation, transfer of utility and public facilities and operations, etc., as described in the LAFCo reviewed and approved Covenant and Agreement (“C&A”) referred to as Plan A.

TOS requires a commitment from the District in the form of a Resolution of the District Board (Resolution 2016-3), which includes a written plan and process, employing the terms provided in the letter, previously discussed with TOS, as noted above.

After reviewing the updated DEA for the wastewater facility, and research and discussion with wastewater treatment plant manufacturers and engineering companies that build the plants, staff believes Plan A to be fiscally viable.

FISCAL IMPACT: None

Exhibit A

January 21, 2016

Mr. Frank Bacik,
President, Town of Scotia Company, LLC
108 Main Street
P.O. Box 245
Scotia, California 95565

Subject: A Letter of Intent to Accept all Dedicated Facilities and Properties from the Town of Scotia and Provide Utility and Other Services

Dear Frank:

Introduction - Thank you for continuing to meet and work with us. As discussed at the meetings on December 23, 2015 and January 5, 2016, this letter is intended to provide an “overview” of the District’s opinion of current status, plan for transition of utility facilities and projected schedule. It is not meant to be a comprehensive document, legal opinion or to require commitment on the part of Town of Scotia (TOS).

Overview – District Staff understands that TOS now requires, and believes the community will benefit from, a timely expression of “Intent to Serve” from the District in the form of the following written plan which includes a summary of the Current Status for context, and projection of a timeframe for Facility Transfer, completion of the Utility Rate Study and Benefit Assessment Analysis, a framework for an Operational Transition process.

District Administrative Staff recently provided such statement to TOS on Monday January 4, 2016, and staff discussed this information in the meeting on January 5. It is Staff’s impression that TOS found this information, and the subsequent discussion positive, productive and meaningful, potentially providing a basis for proceeding with the planned District formation, transfer of utility and public facilities and operations, etc., as described in the LAFCo reviewed and approved Covenant and Agreement (sometimes referred to as C&A or Plan A).

Alternate Negotiations - TOS has frequently and candidly discussed with District staff that given unanticipated expenses, District formation delays, and earlier completion of Phase 1 of linear infrastructure construction, TOS has also been conducting substantive negotiations for alternative acquisition and operation of Scotia utilities and community facilities (sometimes referred to the Public Utilities Commission or PUC process or Plan B). TOS has stated that these negotiations are now advanced, and given business necessity, TOS is considering withdrawing all voluntary material support from the District in favor of this alternative approach.

The District appreciates that TOS needs a written expression of the District’s understanding and commitment that the District intends to be financially self-sufficient.

Commitment Required by TOS - TOS needs to have, a Resolution of the District Board, which includes a written plan and process, employing the terms provided in this letter and discussed in the recent meetings.

Staff intends to recommend that the SCSD Board of Directors shall adopt the framework described in this letter by Resolution of the Board at its next noticed meeting of January 21, 2016. Adoption by the Board shall be intended to indicate the District’s commitment to use best efforts to implement the plans and projections described below, without deliberately denying, deviating from or obstructing implementation of that plan and proposal.

Exhibit A

Current Status - Staff understands TOS believes it is critical to the success of any Board-adopted statement or framework to include context. Staff has drafted the following to provide that context:

The Scotia Community Services District (SCSD) was created and has been officially meeting for approximately 2 years. The first year was a slow start as little progress was made prior to the hiring of contracted staff. Progress was accelerated in the second year as contract staff developed District Policies, Procedures, and Ordinances; created and submitted a working budget schedule; updated and reformatted the District website with current policies and procedures; staffed the SCSD office, contracted ADA compliance assessments for facilities; and more importantly, worked with SHN Engineers on the Rate Study.

Without an adopted rate structure in place, the District is unable to collect user fee revenue to support operations. A major component of the Rate Study was to determine the current condition and upgrade costs of the sewer and water plants and other proposed facility real estate (Museum, Theater and Ballfields). The initial plant upgrade costs contained in the SHN Detailed Engineering Analysis of 2009 were 6 years old.

Beyond the proposed updated treatment plant costs, the District investigated the added costs of bringing the proposed transfer facility's into ADA compliance and continued operational condition. These added items included: 1) A separate District Office Building; 2) Winema Theater ADA and roof improvements; 3) Museum ADA and building improvements; and 4) Ball Fields bathroom and bleacher improvements. In order to properly set the appropriate rate structure in the Rate Study, it was imperative that the District have a complete picture of the overall proposed costs. This slowed the Rate Study and transition schedule process and resulted in TOS looking into alternative means of providing utility service with a PUC-certified Private Utility Operator.

The District does not want to see a Private or Investor-Owned Utilities Provider (Plan B) own and operate the sewer and/or water plants. Private ownership would effectively- deprive the District of required revenue necessary to function. The District Board and staff have determined that if either the water or sewer plant were sold to a private utility provider, the District would not have necessary revenue, and would be unable to accept, own or operate the remaining facilities, and this would effectively "dissolve" the SCSD.

Facility Transition - The District fully intends to complete its obligations under the "LAFCo" Plan as described in the Covenant and Agreement (C&A), determine an appropriate rate and debt obligation structure as set in the Rate Study, perform the Prop 218 *property owner approval* process, and then accept the proposed transfer of facilities. The District cannot accept facilities until such time that it can collect revenue sufficient to operate in a balanced budget.

The District does not intend to ask the TOS to incur any additional costs beyond completing the Rate Study and supporting the contract staff through this process. Staff estimates that this will be until July 1, 2016, at which time the rate schedule will be in effect and transfer of facilities can take place in accordance with the C&A.

The District anticipates that at the time of transfer, the TOS will provide cash contributions as stated in the LAFCo application.

The District does not require TOS to make any water and sewer plant upgrades or repairs, but only provide those expenses necessary to keep the plants in operational condition and in compliance with State permits. Other than the LAFCo stated cash contributions and continued operational and staff support through June 2016, the District does not anticipate that the TOS provide any other additional support.

The District intends, if acceptable to both parties, to enter into a "Transition Agreement". An "Escrow" account is acceptable for transfer of contributions, conveyances etc. Staff anticipates that the escrow account will reference the existing or mutually modified Covenant & Agreement ("C&A"), with a listing of assets to be transferred and/or as modified. The District fully intends to execute the District Indemnification Obligation clause as contained in the C&A Exhibit H.

Exhibit A

Utility Rate Study - The District has gone through several District Rate Study debt obligation scenarios and is close to setting the final rates, pending SHN updates. The most recent proposed facility improvement cost of \$5,175,000 in debt obligations, requires a monthly rate of \$227/month. This computation has not been presented to the Board and will require their consideration. Staff believes that one more District debt obligation rate scenario (i.e. debt obligation reduction) will be required to arrive at the final rate. The District intends to meet the rate adoption and implementation schedule as discussed at the December 23, 2015 meeting and as specifically described in the Attachment to this letter (schedule and cost projections from Planwest Partners Inc.).

Operational Transition - Once facilities are accepted, the District will own and operate the treatment plants. The District has several options that have been considered for operations and maintenance. The District will need immediate revenue in order to achieve this. In order to provide this support, and irrespective of the operations option selected, the District proposes to authorize staff to negotiate and enter into an agreement with the TOS whereby it could provide cash support for operations during an interim initial period; reimbursement to TOS would be either credited to TOS' utility bills or reimbursed at a future date, such that this initial / interim transitional support is at "no-cost" to TOS as negotiated. It is estimated that this situation may last from 3 to 6 months, to be negotiated on the basis of best available information. The District has explored several options for actual operations: interim operational transition could be negotiated with TOS. Options include, but are not limited to the following:

- 1) Contract with a Private Contractor for temporary operations,
- 2) Contract with TOS for temporary operations and labor support, or
- 3) Hire permanent employees and reimburse TOS for advanced support.

Regardless of which option is agreed upon, immediately upon transfer, the District would own the plants and be responsible for compliance with its State permits and for any upgrades or repair costs to the plant facilities.

Administrative District Actions - The District intends to coordinate and cooperate with TOS during the phased project development. The TOS shall make available phased project documentation as may be required for subsequent District approvals and acceptance. The TOS shall dedicate all fee title or easements as may be required for facility transfer. The phased improvements shall comply with District ordinances and applicable industry and regulatory standards. The SCSD Board intends to deliver an "Intent to Serve" acknowledgement, or other formal compliance notice as may be required by relevant State or Local government agency requiring such notice or information. The SCSD Staff intends to authorize linear infrastructure improvements with the dedication of each phase. The SCSD intends to make such determinations regarding the linear infrastructure as Administrative or Authorized Staff actions, as allowed by State and Local law. TOS will be treated fairly and in equity with the ratepayers and landowners which may be served by SCSD.

For example, upon filing of multi-phase subdivision maps, staff shall exercise administrative review and have decision making authority provided by the SCSD Ordinances and policies. TOS has requested conformation of the following:

- If infrastructure improvements completed by TOS for any given subdivision phase are
 - available for inspection to the district's staff or consultants; and
 - those improvements comply with the District's ordinances and regulations;
 - comply with applicable industry and regulatory standards; and
 - appropriate, scheduled connection or meter fees are paid, etc., then:
- The District Staff shall deliver a "project approval authorization," "will serve" acknowledgement, or other formal notice, compliance acknowledgement or authorization as may be required by any relevant State of CA or Humboldt County Agency or department requiring such notice or information.

Exhibit A

The District acknowledges that such determinations and the transmission of “Will Serve” and similar notices are well within the administrative discretion of the staff and management.

Cooperation and Coordination -The District understands that as a matter of business necessity, time is of the essence for TOS to come to an understanding, and to receive assurance under the Board’s Resolution, that it will be dealt with timely, fairly and in accord with law and procedure. TOS has informed the District that in an alternative operational structure such determinations are definitive and streamlined via Public Utility Commission procedures.

As TOS considers whether to incur additional, significant effort and expense in connection with formation and transfer of Utility ownership and operations to the District, Administrative, Staff and the Board agree to commit to the following, as you have specifically requested.

The District will:

- Take all timely and appropriate actions to set utility rates and complete the Prop 218 rate protest approval process;
- Cooperate with TOS in the preparation for State Water Resources Control Board (SWRCB) Technical, Managerial, and Financial (TMF) review;
- Cooperate with TOS on preparation of required utility system Operation & Maintenance manuals;
- Negotiate with TOS on a mutually workable Operations Transition Agreement
 - for funding during an interim period of months;
 - while the District acquires initial revenue;
 - with cost offset provisions through TOS utility billings or other form of offset or repayment.
- Cooperate with TOS retail and commercial property buyers’ or lenders’ requirements (inquiries re District info, services, Rules and Ordinances, service or connection fees, etc.)

Respectfully,

Steve C. Tyler, Interim General Manager

Scotia Community Services District Scope 2

Part 1 Scope of Services for Conducting Proceedings for Property-Related Fees and Assessments

The following scope of services outlines tasks and actions needed to establish property-related user fees and assessments to maintain and improve essential services and facilities for the Scotia Community Services District (CSD). Planwest offers a team of planners and services specialists with Proposition 218 experience, including preparing mailed notices associated with such proceedings, conducting required public hearing and tabulation.

Task 1 Board Review of Detailed Engineering Analysis

Planwest will review Revision 4 of the Detailed Engineering Analysis (DEA), prepared by SHN, for Board consideration and approval. The DEA will serve as the basis for preparing Rate Studies to establish user fees, and Engineers Reports to establish benefit assessments for the following services:

<u>User Fees</u>	<u>Benefit Assessments</u>
Water	Parks and Recreation
Wastewater	Fire Protection
	Streets and Street Lighting
	Storm Drainage

It is recommended that the Board adopt procedures for the tabulation and acceptance of protests. Such procedures typically address the following issues:

- The location at which protests will be accepted prior to the hearing.
- What information should be included on a protest (generally, a printed name, a parcel address or APN, a signature, and an indication that the document is a protest).
- How protest will be accepted (generally by mail or personal delivery, not fax or email).
- Who may submit a protest.
- Whether protests will be opened prior to the hearing.
- How protests may be withdrawn.
- The contact information for questions about the process.
- How protests will be tabulated.
- That protests will be disclosable public records once opened.

Key Actions: Board accepts DEA at regular board meeting, and adopts resolution(s) initiating proceedings, including preparation of rate studies and engineer's reports, and procedures for the tabulation and acceptance of protests.

Task 2 Board Review of Rate Studies and Engineers Reports

Planwest will review Rate Studies and Engineer's Reports, prepared by SHN, for Board consideration and approval. A description of the state requirements for rate studies and engineers reports are described below.

Rate Studies

Article XIII D, Section 6(b) of the Constitution sets forth substantive requirements for property-related fees. Specifically, Section 6(b) provides that: A fee or charge shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements:

- (1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.
- (2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- (3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
- (4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted. Standby charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with Section 4.
- (5) No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners....

The rate study will be prepared to demonstrate that the proposed fees and charges are imposed as an incident of property ownership, and will serve as evidentiary support of compliance with the five substantive requirements.

Engineers Report

Article XIII D, Section 4 of the Constitution sets forth substantive requirements for assessments. Specifically, Section 4(a) provides that:

An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

The Engineer's Reports will be prepared to demonstrate that the properties in question receive a special benefit over and above the benefits conferred on the public at large, and will serve as evidentiary support of compliance with the substantive requirements described above.

Key Actions: Board accepts the Rate Studies and Engineer’s Reports at regular board meeting, and adopts resolution(s) to call the public hearings.

Task 3 Notice

User Fee Notice Requirements:

Article XIII D, Section 6(a) includes the following requirements for the mailed notice with respect to a property-related fee:

The agency shall provide written notice by mail of the proposed fee or charge to the record owner of each identified parcel upon which the fee or charge is proposed for imposition, the amount of the fee or charge proposed to be imposed upon each, the basis upon which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, together with the date, time, and location of a public hearing on the proposed fee or charge.

Where a property-related fee is charged by direct billing, Government Code Section 53755 authorizes (but does not require) that notice may be mailed to *customers*, rather than to *property owners*, when it is the customers who are billed for a service. Even if notice is mailed to customers pursuant to Section 53755, it must also be sent to record property owners “if the agency desires to preserve any authority it may have to record or enforce a lien.” In the case of Scotia, current customers and property owners are the same (TOS, HRC, ERP, and School District).

The notice will include pertinent information about the rate setting process and a description of the proposed rate structure (i.e., rate tables). The notice will also indicate any automatic future increases proposed, such as adjustments for inflation. Note that Government Code Section 53756 specifically limits the types of adjustments permissible and the period (no more than five years) over which adjustments can be applied without conducting new Section 6(a) proceedings.

Information will be included in the notice about when the proposed fee will go into effect, how often the fee is billed, and how the fee is collected. The notice will also indicate where property owners/customers can get information about their historical water use, their meter size, or other criteria factors that go into calculation of the amount they will be charged. Property owners/customers might be referred to look at past bills, call the agency, or (for meter size) look at the information stamped on their water meter. The notice will provide information about the public hearing and how to submit written protests, and will reference adopted procedures for tabulation and acceptance of protests.

Assessment Notice Requirements

Article XIII D, Section 4(c) includes the following requirements for the mailed notice with respect to assessments:

The amount of the proposed assessment for each identified parcel shall be calculated and the record owner of each parcel shall be given written notice by mail of the proposed assessment, the total amount thereof chargeable to the entire district, the amount chargeable to the owner’s particular parcel, the duration of the payments, the reason for the assessment and the basis upon which the amount of the proposed assessment was calculated, together with the date, time, and location of a public hearing on the proposed assessment. Each notice shall also include, in a conspicuous place thereon, a summary of the procedures applicable to the completion, return,

and tabulation of the ballots required pursuant to subdivision (d), including a disclosure statement that the existence of a majority protest, as defined in subdivision (e), will result in the assessment not being imposed.

Each notice will contain a ballot whereby the owner may indicate his or her name, reasonable identification of the parcel, and his or her support or opposition to the proposed assessment. The notice will provide information about the public hearing(s) and how to submit ballots, and will reference the adopted procedures for tabulation and acceptance of ballots.

Task 4 Informational Meeting and Outreach

In addition to noting the date and location of the public hearings, the mailed notices will announce the date(s) of any regular or special Board meetings that will be held for informational purposes to receive public comment. The date of the informational meetings will be announced in the notices, and also advertised in press releases sent to local media. Additional outreach efforts by CSD staff, such as presentations to affected property owners, will be made for promoting the assessment.

Key Action: Hold informational meetings (during 45 day period that must elapse between mailing of the ballots and the public hearing).

Task 5 Hearing

Not less than 45 days after the notices are mailed, the Board must hold a public hearing on the fees and assessments. Any report or study will be entered into the record of this hearing, as will any written communications and written protests/ballots received from property owners, customers, or members of the public. Written protests and ballots will be accepted by the Clerk through the end of the public testimony portion of the public hearing.

A typical procedure for the public hearing is as follows:

1. Chair announces hearing.
2. Staff gives report.
3. Staff announces both the number of “writings purporting to be protests” that have so far been received as well as the threshold at which a majority protest exists.
4. Public testimony
5. Chair does a “last call” for protests and closes public testimony.
6. Clerk announces the final number of protests and whether a majority protest exists.
7. Legislative body discusses item.
8. If there is no majority protest, the legislative body may (but is not required to) adopt the fee/assessment.

It is common for agencies to continue consideration of the matter to a later date after closing public testimony in order to give the Clerk an opportunity to tabulate protests after the meeting (preferably in an announced public location). This may be necessary if there is a need to check the validity of protests, or (where the agency has not been opening protests as they come in) the need to open the protests.

Task 6 Protest

To be counted, written protests must be received before the close of the public hearing. The deadline applies regardless of whether the written protest is mailed or hand-delivered at the public hearing. The Clerk will be tabulating the written protests and reporting the outcome, unless a separate independent entity is arranged.

User Fee Protest Requirements

Article XIII D, Section 6(a) provides that:

At the public hearing, the agency shall consider all protests against the proposed fee or charge. If written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge.

Note that only written protests count in these proceedings and, unlike for benefit assessments, protests are counted on a one protest per parcel basis. This is clarified by Government Code Section 53755(d), which provides that:

One written protest per parcel, filed by an owner of the parcel, shall be counted in calculating a majority protest to a proposed new or increased fee or charge subject to the requirements of Section 6 of Article XIII D of the California Constitution.

Protests proceedings provide that “‘property ownership’ shall be deemed to include owners of real property that are directly liable to pay the assessment, fee, or charge in question.” This would include, at a minimum, customers on the records of the local agency.

Assessment Protest Requirements

Article XIII D, Section 4(e) provides that:

At the public hearing, the agency shall consider all protests against the proposed assessment and tabulate the ballots. The agency shall not impose an assessment if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.

Key Action: Tabulate ballots at public hearing or alternate date. Announce results.

User Fee and Benefit Assessment – Proposed Timeline

Action Item	Date
Board discusses Prop 218 balloting process scope for User Fee (water and wastewater) and Benefit Assessment (for all other services)	January 21, 2016
Board accepts Detailed Engineering Analysis (contingent on SHN) and adopts resolution to initiate ballot proceeding	February 18, 2016
Board accepts Rate Studies and Engineers Reports (contingent on SHN) and adopts resolution to call public hearing	February 18, 2016

Action Item	Date
Notice sent to property owners	February 22, 2016
Board sets informational item on agenda for user fee/benefit assessment process; public comment received	March 3 & 17, 2016 (Special/Regular Board Meeting)
Board sets informational item on agenda for user fee/benefit assessment process; public comment received	March 3 & 17, 2016 (Special/Regular Board Meeting)
Hold Public Hearing and tabulate submitted ballots	April 21, 2016 (45 days after ballots are mailed) (Regular Board Meeting)

Part 2 Scope of Services: Additional ADA assessments

In addition to the ADA access assessments being conducted for the Winema Theatre, Museum and Day Care Facility, the scope will be expanded to include ADA access assessments for the Fire Hall, Park Bathrooms and Ballpark Bleachers.

Part 3 Scope of Services Ongoing Staffing

The current staffing agreement ended October 31. This is extended to June 30 2016 and would include:

- 5.1 CSD Board Meetings preparations & attendance
- 5.2 Administrative Duties including office staffing
- 5.3 Website postings & management
- 5.4 Working Group meetings preparations & attendance
- 5.5 Budgeting

Town of Scotia: Planwest Partners Staffing for Scotia CSD Projected Scope 2													
Task	Rate	Planwest Partners Inc.							Expense	Total			
		Principal GW	Interim GM Steve Tyler	Planner CM	Planner SA	Clerk LM	GIS Analyst	GIS Analyst					
Task 1 - 218 Process (inclusive)													
1.1 Board Review of Detailed Engineering Analysis	\$104	\$58	16.00	12.00			\$58	\$40	\$58				\$7,636.00
1.2 Board Review of Rate Studies and Engineers Reports			16.00	16.00									\$1,864.00
1.3 Noticing Process			2.00	12.00									\$2,176.00
1.4 Informational Meeting and Outreach			2.00	12.00				8.00					\$1,052.00
1.5 Hearing			4.00	4.00				4.00					\$1,372.00
1.6 Protest				6.00									\$704.00
Task 2 - Additional ADA Assessments (inclusive)													\$468.00
2.1 ADA Assessments													\$3,330.00
Task 3 - General Board Secretary/Clerk/Interim General Manager Duties (per month)													\$3,330.00
5.1 CSD Board Meetings prep & attendance			8.00					20.00					\$80.00
5.2 Administrative Duties			6.00				24.00	16.00					\$2,380.00
5.3 Website postings & Management										6.00			\$348.00
5.4 Working Group Meetings prep & attendance			12.00					12.00					\$40.00
5.5 Budgeting		2.00	6.00					2.00					\$636.00
Staff Hours		2.00	72.00	62.00	24.00	62.00	6.00	62.00	6.00				Total Hrs 228

RESOLUTION NO. 2016-3

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SCOTIA COMMUNITY SERVICES DISTRICT
TO ADOPT A LETTER OF INTENT TO ACCEPT ALL DEDICATED FACILITIES
AND PROPERTIES FROM THE TOWN OF SCOTIA AND PROVIDE UTILITY AND
OTHER SERVICES**

WHEREAS, the Humboldt Local Agency Formation Commission (“LAFCo”) in Resolution 10-09 approved the formation of the Scotia Community Services District on October 13, 2010; and

WHEREAS, the Scotia Community Services District (“SCSD”) is organized and operates pursuant to the California Government Code Section 61000, *et seq.*; and

WHEREAS, the Scotia Community Services District Board (the Board) was created in 2014; and

WHEREAS, the SCSD has taken on contract staff to provide support; and

WHEREAS, in September, 2015, the Board adopted its first annual budget for FY 2015/16 as required by California Government Code Section 61110(a); and

WHEREAS, the Board has adopted required board policies including Board Policies, Purchasing and Procurement, Injury Illness and Prevention Program and Public Records Policy Manual. The Personnel Policy and Conflict of Interest Policy are scheduled for adoption at the January board meeting; and

WHEREAS, the Board has adopted comprehensive water and wastewater ordinances; and

WHEREAS, the SCSD staff is prepared to begin the Proposition 218 process to set utility rates and fees; and

WHEREAS, in the Covenant and Agreement, signed on February 5, 2014 by Frank Shaw Bacik, President of the Town of Scotia, LLC, the TOS agreed to convey title to the dedicated property (“Dedicated Properties”) to the SCSD; and

WHEREAS, the staff and Board of the SCSD have diligently and efficiently analyzed the condition of the Dedicated Properties.

WHEREAS, the Town of Scotia (TOS) desires an "Intent to Serve" letter (Exhibit A) and accompanying resolution to provide assurance to TOS that it will be dealt with in a timely manner, fairly and in accordance with law and procedure.

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

Section 1: The Recitals, and Attachments and Exhibits set forth are incorporated herein and made a part of this Resolution.

Section 2: The SCSD intends to complete its obligations under the LAFCo Plan as described in the Covenant and Agreement dated February 5, 2014 ("C & A", or also known as Plan A) and execute the District Indemnification Obligation clause as negotiated.

Section 3: The SCSD intends to work with SHN Engineers to complete the Rate Study in a timely and responsive manner, determine an appropriate rate and debt obligation structure with revenue sufficient to operate in a balanced budget.

Section 4: On or Upon accepting the Rate Study, the SCSD intends to conduct the Proposition 218 rate protest approval process in accordance with the schedule, on or before July 2016, and costs shown in the Planwest Partners Inc.'s document (Exhibit B).

Section 5: The SCSD does not require the TOS to make any water or sewer treatment plant upgrades or repairs, but only provide necessary expenses to keep the plants operational and in compliance with State permits until transferred to the SCSD.

Section 6: On or upon the approved rates, the SCSD is prepared to begin providing water and wastewater service to the Scotia community, and intends to accept all dedicated properties as described in the C & A, and all referenced exhibits. The SCSD would then own, operate, repair and be responsible for the facilities transferred and be responsible for compliance with its State permit. TOS shall transfer the treatment plants in operational order and in compliance with State permits. Upon initial property transfer, the TOS shall transfer to the SCSD the \$20,000 office equipment, \$135,000 contingency and \$766,000 Fire Department contributions.

Section 7: The SCSD intends to negotiate and enter into an agreement with TOS, whereby TOS would provide cash support for operations not to exceed an interim initial 6 month period; reimbursement to TOS could be either credited to TOS utility bills or reimbursed at a future date, such that this initial / interim transitional support is at "no-cost" to TOS as negotiated.

Section 8: The District intends, if acceptable to both parties, to enter into a "Transition Agreement. An "Escrow" account, and/or Transition Agreement, would be an acceptable method for the transfer of contributions, property conveyances, etc. The SCSD anticipates that the escrow account will reference the existing or mutually modified C & A, which lists the assets to be transferred and close on or before July, 2016.

Section 9: The SCSD intends to coordinate and cooperate with TOS during the phased project development. The TOS shall make available phased project documentation as may be required for subsequent SCSD approvals and acceptance. The TOS shall dedicate all fee title or easements as may be required for facility transfer. The phased improvements shall comply with SCSD rules and regulations, applicable industry and regulatory standards. The SCSD Board intends to deliver an "Intent to Serve" acknowledgement, or other formal compliance notice as may be required by relevant State or Local government agency requiring such notice or information. The SCSD

intends to authorize linear infrastructure improvements with the dedication of each phase. The SCSD intends to make such determinations regarding the linear infrastructure as Administrative or Authorized Staff actions, as allowed by State and Local law. TOS will be treated fairly and in equity with the ratepayers and landowners which may be served by SCSD.

Section 10: The SCSD intends to purchase from TOS the "Day Care" or Post Office building, to be used as the SCSD office. As part of this property purchase, TOS shall negotiate with the SCSD, the "right of first refusal" and shall not accept any other purchase offer during this refusal period. The TOS shall allow the SCSD to use the existing board office for an interim period of six (6) months, at no cost.

Section 11: The SCSD intends to construct a new wastewater treatment plant at a location above the 100-year flood elevation, as may be required by regulatory agencies. The TOS shall cooperate and make all available attempt to assist the SCSD in obtaining a suitable TOS property location.

Section 12: The TOS will cooperate and provide requested documentation on the treatment plants necessary for the SCSD to apply any revenue application, design requirements, or insurance applications.

Section 13: During this transition period, the SCSD and TOS will cooperate with each other in good faith; will be timely, fairly, and in accord with law and procedure; will conduct open and honest negotiations; and work towards a successful transition. The SCSD and TOS will cooperate on future documentation and required permits including, but not limited to, a mutually workable Operations and Maintenance Plan, Transition Agreement, SWRCB TMF review, State Operating Permits, Water Rights License and easements, etc. The SCSD will cooperate with TOS for the retail commercial or residential buyers' or lenders requirements. The TOS will cooperate with SCSD in providing necessary utility easements (drainage, etc) over private property where required.

Section 14: This resolution shall be effective upon adoption.

Dated: January 21, 2016

APPROVED:

Rick Walsh, Board President, Scotia CSD

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2016-03, passed and adopted at a regular meeting of the Board of Directors of the Scotia Community Services District, County of Humboldt, State of California, held on the 21st day of January, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk of the Board, Scotia CSD

Scotia Community Services District

Staff Report

DATE: January 21, 2016
 TO: Scotia Community Services District Board of Directors
 FROM: Steve Tyler, Interim District Manager and Tracy Boobar, Legal Counsel
 SUBJECT: Prop 218 Introduction of balloting process, scope, and timeline for User Fee and Benefit Assessment Analysis

Scope of Services for Conducting Proceedings for Property-Related Fees and Assessments

The following scope of services outlines the tasks and actions needed to establish property-related user fees and assessments to maintain and improve essential services and facilities for the Scotia Community Services District (CSD). Planwest offers a team of planners and services specialists with Proposition 218 experience, including drafting the mailed notices associated with such proceedings and conducting the required public hearing and tabulation.

Task 1 Board Review of Detailed Engineering Analysis

Planwest will review Revision 4 of the Detailed Engineering Analysis (DEA), prepared by SHN, for Board consideration and approval. The DEA will serve as the basis for preparing Rate Studies to establish user fees, and Engineers Reports to establish benefit assessments for the following services:

<u>User Fees</u>	<u>Benefit Assessments</u>
Water	Parks and Recreation
Wastewater	Fire Protection
	Streets and Street Lighting
	Storm Drainage

It is recommended that the Board adopt procedures for the tabulation and acceptance of protests. Such procedures typically address the following issues:

- The location at which protests will be accepted prior to the hearing.
- What information should be included on a protest (generally, a printed name, a parcel address or APN, a signature, and an indication that the document is a protest).
- How a protest will be accepted (generally by mail or personal delivery, but not fax or email).
- Who may submit a protest.
- Whether protests will be opened prior to the hearing.
- How protests may be withdrawn.
- The contact information for questions about the process.

- How protests will be tabulated.
- That protests will be disclosable public records once opened.

Key Actions: Board accepts DEA at regular board meeting, and adopts resolution(s) initiating proceedings, including preparation of rate studies and engineer’s reports, and procedures for the tabulation and acceptance of protests.

Task 2 Board Review of Rate Studies and Engineers Reports

Planwest will review Rate Studies and Engineer’s Reports, prepared by SHN, for Board consideration and approval. A description of the state requirements for rate studies and engineers reports are described below.

Rate Studies

Article XIII D, Section 6(b) of the Constitution sets forth substantive requirements for property-related fees. Specifically, Section 6(b) provides that:

A fee or charge shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements:

- (1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.
- (2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.
- (3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.
- (4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted. Standby charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with Section 4.
- (5) No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners....

The rate study will be prepared to demonstrate that the proposed fees and charges are imposed as an incident of property ownership, and will serve as evidentiary support of compliance with the five substantive requirements.

Engineers Report

Article XIII D, Section 4 of the Constitution sets forth substantive requirements for assessments. Specifically, Section 4(a) provides that:

An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

The Engineer's Reports will be prepared to demonstrate that the properties in question receive a special benefit over and above the benefits conferred on the public at large, and will serve as evidentiary support of compliance with the substantive requirements described above.

Key Actions: Board accepts the Rate Studies and Engineer's Reports at regular board meeting, and adopts resolution(s) to call the public hearings.

Task 3 Notice

User Fee Notice Requirements:

Article XIII D, Section 6(a) includes the following requirements for the mailed notice with respect to a property-related fee:

The agency shall provide written notice by mail of the proposed fee or charge to the record owner of each identified parcel upon which the fee or charge is proposed for imposition, the amount of the fee or charge proposed to be imposed upon each, the basis upon which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, together with the date, time, and location of a public hearing on the proposed fee or charge.

Where a property-related fee is charged by direct billing, Government Code Section 53755 authorizes (but does not require) that notice may be mailed to *customers*, rather than to *property owners*, when it is the customers who are billed for a service. Even if notice is mailed to customers pursuant to Section 53755, it must also be sent to record property owners "if the agency desires to preserve any authority it may have to record or enforce a lien." In the case of Scotia, current customers and property owners are the same (TOS, HRC, ERP, and School District). It should be determined whether volunteer notice should be provided to tenants.

The notice will include pertinent information about the rate setting process and a description of the proposed rate structure (i.e., rate tables). The notice will also indicate any automatic future increases proposed, such as adjustments for inflation. Note that Government Code Section 53756

specifically limits the types of adjustments permissible and the period (no more than five years) over which adjustments can be applied without conducting new Section 6(a) proceedings.

Information will be included in the notice about when the proposed fee will go into effect, how often the fee is billed, and how the fee is collected. The notice will also indicate where property owners/customers can get information about their historical water use, their meter size, or other criteria factors that go into calculation of the amount they will be charged. Property owners/customers might be referred to look at past bills, call the agency, or (for meter size) look at the information stamped on their water meter.

The notice will provide information about the public hearing and how to submit written protests, and will reference the adopted procedures for tabulation and acceptance of protests.

Assessment Notice Requirements

Article XIII D, Section 4(c) includes the following requirements for the mailed notice with respect to assessments:

The amount of the proposed assessment for each identified parcel shall be calculated and the record owner of each parcel shall be given written notice by mail of the proposed assessment, the total amount thereof chargeable to the entire district, the amount chargeable to the owner's particular parcel, the duration of the payments, the reason for the assessment and the basis upon which the amount of the proposed assessment was calculated, together with the date, time, and location of a public hearing on the proposed assessment. Each notice shall also include, in a conspicuous place thereon, a summary of the procedures applicable to the completion, return, and tabulation of the ballots required pursuant to subdivision (d), including a disclosure statement that the existence of a majority protest, as defined in subdivision (e), will result in the assessment not being imposed.

Each notice will contain a ballot whereby the owner may indicate his or her name, reasonable identification of the parcel, and his or her support or opposition to the proposed assessment. The notice will provide information about the public hearing(s) and how to submit ballots, and will reference the adopted procedures for tabulation and acceptance of ballots.

Task 4 Informational Meeting and Outreach

In addition to noting the date and location of the public hearings, the mailed notices will announce the date(s) of any regular or special Board meetings that will be held for informational purposes to receive public comment. The date of the informational meetings will be announced in the notices, and also advertised in press releases sent to local media. Additional outreach efforts by CSD staff, such as presentations to affected property owners, will be made for promoting the assessment.

Key Action: Hold informational meetings (during 45 day period that must elapse between mailing of the ballots and the public hearing).

Task 5 Hearing

Not less than 45 days after the notices are mailed, the Board must hold a public hearing on the fees and assessments. Any report or study will be entered into the record of this hearing, as will any written communications and written protests/ballots received from property owners, customers, or members of the public. Written protests and ballots will be accepted by the Clerk through the end of the public testimony portion of the public hearing.

A typical procedure for the public hearing is as follows:

1. Chair announces hearing.
2. Staff gives report.
3. Staff announces both the number of “writings purporting to be protests” that have so far been received as well as the threshold at which a majority protest exists.
4. Public testimony
5. Chair does a “last call” for protests and closes public testimony.
6. Clerk announces the final number of protests and whether a majority protest exists.
7. Legislative body discusses item.
8. If there is no majority protest, the legislative body may (but is not required to) adopt the fee/assessment.

It is common for agencies to continue consideration of the matter to a later date after closing public testimony in order to give the Clerk an opportunity to tabulate protests after the meeting (preferably in an announced public location). This may be necessary if there is a need to check the validity of protests, or (where the agency has not been opening protests as they come in) the need to open the protests.

Task 6 Protest

To be counted, written protests must be received before the close of the public hearing. The deadline applies regardless of whether the written protest is mailed or hand-delivered at the public hearing. The Clerk will be tabulating the written protests and reporting the outcome, unless a separate independent entity is arranged.

User Fee Protest Requirements

Article XIII D, Section 6(a) provides that:

At the public hearing, the agency shall consider all protests against the proposed fee or charge. If written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge.

Note that only written protests count in these proceedings and, unlike for benefit assessments, protests are counted on a one protest per parcel basis. This is clarified by Government Code Section 53755(d), which provides that:

One written protest per parcel, filed by an owner or tenant of the parcel, shall be counted in calculating a majority protest to a proposed new or increased fee or charge subject to the requirements of Section 6 of Article XIII D of the California Constitution.

Protests by certain tenants appear to be authorized by Article XIII D, Section 2(g), which provides that “‘property ownership’ shall be deemed to include tenancies of real property where tenants are directly liable to pay the assessment, fee, or charge in question.” This would likely include, at a minimum, tenants shown as customers on the records of the local agency.

Assessment Protest Requirements

Article XIII D, Section 4(e) provides that:

At the public hearing, the agency shall consider all protests against the proposed assessment and tabulate the ballots. The agency shall not impose an assessment if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.

Key Action: Tabulate ballots at public hearing or alternate date. Announce results.

**Scotia Community Services District
User Fee and Benefit Assessment – Proposed Timeline**

Action Item	Dates
Board discusses Prop 218 balloting process scope for User Fee (water and wastewater) and Benefit Assessment (for all other services)	January 21, 2016
Board accepts Detailed Engineering Analysis (contingent on SHN) and adopts resolution to initiate ballot proceeding	February 18, 2016
Board accepts Rate Studies and Engineers Reports (contingent on SHN) and adopts resolution to call public hearing	February 18, 2016
Notice sent to property owners	February 22, 2016
Board sets informational item on agenda for user fee/benefit assessment process; public comment received	March 3 & 17, 2016 (Special/Regular Board Meeting)
Board sets informational item on agenda for user fee/benefit assessment process; public comment received	March 3 & 17, 2016 (Special/Regular Board Meeting)
Hold Public Hearing and tabulate submitted ballots	April 21, 2016 (45 days after ballots are mailed) (Regular Board Meeting)

January 2016							
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
					1 New Years Day	2	
3	4*	5 SCSD WG MTG 11am Scotia	6 SCSD Staff MTG 10 am PW	7* CSDA Webinar: Prevailing Wage Updates for 2016	8	9	
10	11*	12 CSDA Webinar: Harassment Prevention Training	13	14* SCSD Staff MTG 11 am SCOTIA	15	16	
17	18 M L King Jr Day	19	20 SCSD Staff MTG 10 am PW	21* SCSD REG BD MTG 5:30pm	22	23	
24	25*	26	27 SCSD Staff MTG 10 am PW	28*	29	30	
31	- Begin Trainings						

February 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1*	2 SCSD WG MTG 11am Scotia	3 SCSD Staff MTG 10 am PW	4*	5	6
7	8*	9	10	11* SCSD Staff MTG 11 am SCOTIA	12 Lincoln's Birthday	13
14	15* Presidents' Day	16	17 SCSD Staff MTG 10 am PW	18* SCSD REG BD MTG 5:30pm	19	20
21	22*	23	24 SCSD Staff MTG 10 am PW	25*	26	27
28	29*					

March 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 SCSD WG MTG 11am Scotia	2 SCSD Staff MTG 10 am PW	3*	4	5
6	7*	8	9	10* SCSD Staff MTG 11 am SCOTIA	11	12
13 Daylight Savings Time (Spring Forward)	14*	15	16 SCSD Staff MTG 10 am PW	17* St. Patrick's Day SCSD REG BD MTG 5:30pm	18	19
20	21*	22	23 SCSD Staff MTG 10 am PW	24*	25 Good Friday	26
27 Easter	28*	29	30 SCSD Staff MTG 10 am PW	31*		
	- Annual Form 700's Due 3/17/16 - Start Budget Process					

April 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 April Fools Day	2
3	4*	5 SCSD WG MTG 11am Scotia	6 SCSD Staff MTG 10 am PW	7*	8	9
10	11*	12	13	14* SCSD Staff MTG 11 am SCOTIA	15 Tax Day	16
17	18*	19	20 SCSD Staff MTG 10 am PW	21* SCSD REG BD MTG 5:30pm	22	23
24	25*	26	27 Admin Assistant's Day SCSD Staff MTG 10 am PW	28*	29	30

May 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2*	3 SCSD WG MTG 11am Scotia	4 SCSD Staff MTG 10 am PW	5*	6	7
8 Mother's Day	9*	10	11	12* SCSD Staff MTG 11 am SCOTIA	13	14
15	16*	17	18 SCSD Staff MTG 10 am PW	19* SCSD REG BD MTG 5:30pm	20	21
22	23*	24	25 SCSD Staff MTG 10 am PW	26* Publish Public Notice for Budget Adoption	27	28
29	30 Memorial Day	31				

June 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
			1 SCSD Staff MTG 10 am PW	2*	3	4	
5	6*	7 SCSD WG MTG 11am Scotia	8	9* SCSD Staff MTG 11 am SCOTIA	10	11	
12	13*	14	15 SCSD Staff MTG 10 am PW	16* SCSD REG BD MTG 5:30pm	17	18	
19 Father's Day	20*	21	22 SCSD Staff MTG 10 am PW	23*	24	25	
26	27*	28	29 SCSD Staff MTG 10 am PW	30*			
			- Budget and Appropriations Limit Adoption 6/16/16 - Begin NPDES Permit Process 6/30/16				

July 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4 Independence Day	5 SCSD WG MTG 11am Scotia	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21* SCSD REG BD MTG 5:30pm	22	23
24	25	26	27	28	29	30
31	- Send to Humboldt County: Budget Deadline & Appropriations Limit 7/1/16 - Begin TMF Report (?) 7/1/16 - Begin 2015-16 Annual Audit					

August 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2 SCSD WG MTG 11am Scotia	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18* SCSD REG BD MTG 5:30pm	19	20
21	22	23	24	25	26	27
28	29	30	31			

September 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
				1	2	3	
4	5 Labor Day	6 SCSD WG MTG 11am Scotia	7	8	9	10	
11	12	13	14	15* SCSD REG BD MTG 5:30pm	16	17	
18	19	20	21	22	23	24	
25	26	27	28	29	30		
	- Final Budget to the County (with any adjustments) 9/30/16						

October 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4 SCSD WG MTG 11am Scotia	5	6	7	8
9	10 Columbus Day	11	12	13	14	15
16	17	18	19	20* SCSD REG BD MTG 5:30pm	21	22
23	24	25	26	27	28	29
30	31 Halloween					

November 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 SCSD WG MTG 11am Scotia	2	3	4	5
6	7	8	9	10	11 Veterans Day	12
13	14	15	16	17* SCSD REG BD MTG 5:30pm	18	19
20	21	22	23	24 Thanksgiving Day	25	26
		Holiday Week SCSD Offices Closed				
27	28	29	30			

December 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6 SCSD WG MTG 11am Scotia	7	8	9	10
11	12	13	14	15* SCSD REG BD MTG 5:30pm	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
Christmas	Holiday Week SCSD Offices Closed					
	- Swearing in of new Board Members - Election of Officers					

From: [Neil McCormick](#)
To: lesliem@planwestpartners.com
Subject: CSDA Says Thank You with Free Ethics Training
Date: Friday, January 08, 2016 12:42:24 PM

If this email does not display properly, please view our [online version](#).
To ensure receipt of our email, [please add](#) 'CSDA@informz.net' to your address book.



Thank You from the California Special Districts Association



Thank you for renewing your membership in CSDA. We appreciate your investment and continued support of this association.

As promised, we are offering your entire board of directors and staff access to free AB1234 Ethics Compliance Training, just for renewing your dues by the January 5, 2016 deadline. This is an on-demand training that your staff and board can take at their convenience on a computer of their choice. The training will be available until March 2, 2016. To verify completion of this training, we ask that you complete and submit a short test to the CSDA office by March 21, 2016.

Click the following links to participate in this free offer:

1. [Full information regarding this offer.](#)
2. [Launch training video.](#)
3. [Print and complete this test.](#)

Fax completed tests to 916.520.2470 or email to cassandras@csda.net.

We also encourage you to take advantage of the full range of benefits we offer:

- Excellent educational programs with discounted member pricing.
- Access to cost-effective risk management services and tax-exempt financings.
- Job postings.
- Listserv and other member communication tools.
- Added-value benefit programs like the Special District Purchasing Card.
- One hour free legal advice per year/per district.
- Online bookstore with discounted member pricing.
- Free downloadable publications.

With our membership of more than 1,000 agencies, CSDA is respected for our strong collective voice at the Capitol. In addition, we are committed to developing programs and services designed to make your district, staff, and representatives more successful and effective in serving your constituencies.

Should you ever have any questions or need assistance, please make CSDA your first call at (877) 924-2732. And, once again, thank you for your support!

[California Special Districts Association](#) | 1112 | Street | Suite 200 | Sacramento, CA 95814



If you prefer not to receive any further email from CSDA, please [unsubscribe here](#). Please note: unsubscribing from individual mailings will unsubscribe you from all mailings, including the CSDA *e-News* - one of CSDA's major benefits and sources of news to our members.



2015/2016 Statement of Economic Interests



Form 700

A Public Document

Also available on the FPPC website:

- ***Form 700 in Excel format***
- ***Reference Pamphlet for Form 700***

California Fair Political Practices Commission

428 J Street, Suite 620 • Sacramento, CA 95814

Email Advice: advice@fppc.ca.gov

Toll-free advice line: 1 (866) ASK-FPPC • 1 (866) 275-3772

Telephone: (916) 322-5660 • Website: www.fppc.ca.gov

December 2015

What's New

Gifts of Travel

Effective January 1, 2016, if an individual receives a travel payment that is a reportable gift, he or she must disclose the travel destination. (See the Schedule E instructions for information about other details that must be disclosed.) This applies to travel taken on or after January 1, 2016. An individual who is filing a 2015 annual statement is not required to disclose the travel destination, but may do so.

Who must file:

- Elected and appointed officials and candidates listed in Government Code Section 87200
- Employees, appointed officials, and consultants filing pursuant to a conflict of interest code ("code filers"). **Obtain your disclosure categories, which describe the interests you must report, from your agency;** they are not part of the Form 700
- Candidates running for local elective offices that are designated in a conflict of interest code (e.g., county sheriffs, city clerks, school board trustees, and water board members)
- Members of newly created boards and commissions not yet covered under a conflict of interest code
- Employees in newly created positions of existing agencies

See Reference Pamphlet, page 3, at www.fppc.ca.gov.

Where to file:

87200 Filers

State offices	⇒	Your agency
Judicial offices	⇒	The clerk of your court
Retired Judges	⇒	Directly with FPPC
County offices	⇒	Your county filing official
City offices	⇒	Your city clerk
Multi-County offices	⇒	Your agency

Code Filers — State and Local Officials, Employees, and Consultants Designated in a Conflict of Interest Code: File with your agency, board, or commission unless otherwise specified in your agency's conflict of interest code (e.g., Legislative staff files directly with FPPC). In most cases, the agency, board, or commission will retain the statements.

Members of Boards and Commissions of Newly Created Agencies: File with your newly created agency or with your agency's code reviewing body.

Employees in Newly Created Positions of Existing Agencies: File with your agency or with your agency's code reviewing body. See Reference Pamphlet, page 3.

Candidates: File with your local elections office.

How to file:

The Form 700 is available at www.fppc.ca.gov. Form 700 schedules are also available in Excel format. All statements must have an original "wet" signature or be duly authorized by your filing officer to file electronically under Government Code Section 87500.2. Instructions, examples, FAQs, and a reference pamphlet are available to help answer your questions.

When to file:

Annual Statements

⇒ March 1, 2016

- Elected State Officers
- Judges and Court Commissioners
- State Board and Commission Members listed in Government Code Section 87200

⇒ April 1, 2016

- Most other filers

Individuals filing under conflict of interest codes in city and county jurisdictions should verify the annual filing date with their local filing officers.

Statements postmarked by the filing deadline are considered filed on time.

Assuming Office and Leaving Office Statements

Most filers file within 30 days of assuming or leaving office or within 30 days of the effective date of a newly adopted or amended conflict of interest code.

Exception:

If you assumed office between October 1, 2015, and December 31, 2015, and filed an assuming office statement, you are not required to file an annual statement until March 1, 2017, or April 3, 2017, whichever is applicable. The annual statement will cover the day after you assumed office through December 31, 2016. See Reference Pamphlet, pages 6 and 7, for additional exceptions.

Candidate Statements

File no later than the final filing date for the declaration of candidacy or nomination documents.

Amendments

Statements may be amended at any time. You are only required to amend the schedule that needs to be revised. It is not necessary to amend the entire filed form. Obtain amendment schedules at www.fppc.ca.gov.

There is no provision for filing deadline extensions unless the filer is serving in active military duty.

Statements of 30 pages or less may be faxed by the deadline as long as the originally signed paper version is sent by first class mail to the filing official within 24 hours.

Introduction

The Political Reform Act (Gov. Code Sections 81000-91014) requires most state and local government officials and employees to publicly disclose their personal assets and income. They also must disqualify themselves from participating in decisions that may affect their personal economic interests. The Fair Political Practices Commission (FPPC) is the state agency responsible for issuing the attached Statement of Economic Interests, Form 700, and for interpreting the law's provisions.

Gift Prohibition

Gifts received by most state and local officials, employees, and candidates are subject to a limit. For years 2015-2016, the limit is \$460 from a single source during a calendar year.

In addition, state officials, state candidates, and certain state employees are subject to a \$10 limit per calendar month on gifts from lobbyists and lobbying firms registered with the Secretary of State. See Reference Pamphlet, page 10.

State and local officials and employees should check with their agency to determine if other restrictions apply.

Disqualification

Public officials are, under certain circumstances, required to disqualify themselves from making, participating in, or attempting to influence governmental decisions that will affect their economic interests. This may include interests they are not required to disclose (i.e., a personal residence is often not reportable, but may be disqualifying). Specific disqualification requirements apply to 87200 filers (e.g., city councilmembers, members of boards of supervisors, planning commissioners, etc.). These officials must publicly identify the economic interest that creates a conflict of interest and leave the room before a discussion or vote takes place at a public meeting. For more information, consult Government Code Section 87105, Regulation 18707, and the Guide to Recognizing Conflicts of Interest at www.fppc.ca.gov.

Honorarium Ban

Most state and local officials, employees, and candidates are prohibited from accepting an honorarium for any speech given, article published, or attendance at a conference, convention, meeting, or like gathering. See Reference Pamphlet, page 10.

Loan Restrictions

Certain state and local officials are subject to restrictions on loans. See Reference Pamphlet, page 14.

Post-Governmental Employment

There are restrictions on representing clients or employers before former agencies. The provisions apply to elected state officials, most state employees, local elected officials, county chief administrative officers, city managers, including the chief administrator of a city, and general managers or chief administrators of local special districts and JPAs. The FPPC website has fact sheets explaining the provisions.

Late Filing

The filing officer who retains originally-signed or electronically filed statements of economic interests may impose on an individual a fine for any statement that is filed late. The fine is \$10 per day up to a maximum of \$100. Late filing penalties may be reduced or waived under certain circumstances.

Persons who fail to timely file their Form 700 may be referred to the FPPC's Enforcement Division (and, in some cases, to the Attorney General or district attorney) for investigation and possible prosecution. In addition to the late filing penalties, a fine of up to \$5,000 per violation may be imposed.

For assistance concerning reporting, prohibitions, and restrictions under the Act:

- Email questions to advice@fppc.ca.gov.
- Call the FPPC toll-free at (866) 275-3772.

Form 700 is a Public Document Public Access Must Be Provided

Statements of Economic Interests are public documents. The filing officer must permit any member of the public to inspect and receive a copy of any statement.

- Statements must be available as soon as possible during the agency's regular business hours, but in any event not later than the second business day after the statement is received. Access to the Form 700 is not subject to the Public Records Act procedures.
- No conditions may be placed on persons seeking access to the forms.
- No information or identification may be required from persons seeking access.
- Reproduction fees of no more than 10 cents per page may be charged.

Types of Form 700 Filings

Assuming Office Statement:

If you are a newly appointed official or are newly employed in a position designated, or that will be designated, in a state or local agency's conflict of interest code, your assuming office date is the date you were sworn in or otherwise authorized to serve in the position. If you are a newly elected official, your assuming office date is the date you were sworn in.

- Investments, interests in real property, and business positions held on the date you assumed the office or position must be reported. In addition, income (including loans, gifts, and travel payments) received during the 12 months prior to the date you assumed the office or position is reportable.

For positions subject to confirmation by the State Senate or the Commission on Judicial Performance, your assuming office date is the date you were appointed or nominated to the position.

Example:

Maria Lopez was nominated by the Governor to serve on a state agency board that is subject to state Senate confirmation. The assuming office date is the date Maria's nomination is submitted to the Senate. Maria must report investments, interests in real property, and business positions she holds on that date, and income (including loans, gifts, and travel payments) received during the 12 months prior to that date.

If your office or position has been added to a newly adopted or newly amended conflict of interest code, use the effective date of the code or amendment, whichever is applicable.

- Investments, interests in real property, and business positions held on the effective date of the code or amendment must be reported. In addition, income (including loans, gifts, and travel payments) received during the 12 months prior to the effective date of the code or amendment is reportable.

Annual Statement:

Generally, the period covered is January 1, 2015, through December 31, 2015. If the period covered by the statement is different than January 1, 2015, through December 31, 2015, (for example, you assumed office between October 1, 2014, and December 31, 2014 or you are combining statements), you must specify the period covered.

- Investments, interests in real property, business positions held, and income (including loans, gifts, and travel payments) received during the period covered by the statement must be reported. Do not change the preprinted dates on Schedules A-1, A-2, and B unless you are required to report the acquisition or disposition of an interest that did not occur in 2015.

- If your disclosure category changes during a reporting period, disclose under the old category until the effective date of the conflict of interest code amendment and disclose under the new disclosure category through the end of the reporting period.

Leaving Office Statement:

Generally, the period covered is January 1, 2015, through the date you stopped performing the duties of your position. If the period covered differs from January 1, 2015, through the date you stopped performing the duties of your position (for example, you assumed office between October 1, 2014, and December 31, 2014, or you are combining statements), the period covered must be specified. The reporting period can cover parts of two calendar years.

- Investments, interests in real property, business positions held, and income (including loans, gifts, and travel payments) received during the period covered by the statement must be reported. Do not change the preprinted dates on Schedules A-1, A-2, and B unless you are required to report the acquisition or disposition of an interest that did not occur in 2015.

Candidate Statement:

If you are filing a statement in connection with your candidacy for state or local office, investments, interests in real property, and business positions held on the date of filing your declaration of candidacy must be reported. In addition, income (including loans, gifts, and travel payments) received during the 12 months prior to the date of filing your declaration of candidacy is reportable. Do not change the preprinted dates on Schedules A-1, A-2, and B.

Candidates running for local elective offices (e.g., county sheriffs, city clerks, school board trustees, or water district board members) must file candidate statements, as required by the conflict of interest code for the elected position. The code may be obtained from the agency of the elected position.

Amendments:

If you discover errors or omissions on any statement, file an amendment as soon as possible. You are only required to amend the schedule that needs to be revised; it is not necessary to refile the entire form. Obtain amendment schedules from the FPPC website at www.fppc.ca.gov.

Instructions Cover Page

Enter your name, mailing address, and daytime telephone number in the spaces provided. **Because the Form 700 is a public document, you may list your business/office address instead of your home address.**

Part 1. Office, Agency, or Court

- Enter the name of the office sought or held, or the agency or court. Consultants must enter the public agency name rather than their private firm's name. (Examples: State Assembly; Board of Supervisors; Office of the Mayor; Department of Finance; Hope County Superior Court)
- Indicate the name of your division, board, or district, if applicable. (Examples: Division of Waste Management; Board of Accountancy; District 45). **Do not use acronyms.**
- Enter your position title. (Examples: Director; Chief Counsel; City Council Member; Staff Services Analyst)
- If you hold multiple positions (i.e., a city council member who also is a member of a county board or commission), you may be required to file statements with each agency. To simplify your filing obligations, you may complete an expanded statement.
- To do this, enter the name of the other agency(ies) with which you are required to file and your position title(s) in the space provided. **Do not use acronyms.** Attach an additional sheet if necessary. Complete one statement covering the disclosure requirements for all positions. Each copy must contain an original signature. Therefore, before signing the statement, make a copy for each agency. Sign each copy with an original signature and file with each agency.

If you assume or leave a position after a filing deadline, you must complete a separate statement. For example, a city council member who assumes a position with a county special district after the April 1 annual filing deadline must file a separate assuming office statement. In subsequent years, the city council member may expand his or her annual filing to include both positions.

Example:

Scott Baker is a city council member for the City of Lincoln and a board member for the Camp Far West Irrigation District – a multi-county agency that covers Placer and Yuba counties. Scott will complete one Form 700 using full disclosure (as required for the city position) and covering interests in both Placer and Yuba counties (as required for the multi-county position) and list both positions on the Cover Page. Before signing the statement, Scott will make a copy and sign both statements. One statement will be filed with City of Lincoln and the other will be filed with Camp Far West Irrigation District. Both will contain an original signature.

Part 2. Jurisdiction of Office

- Check the box indicating the jurisdiction of your agency and, if applicable, identify the jurisdiction. Judges, judicial candidates, and court commissioners have statewide jurisdiction. All other filers should review the Reference Pamphlet, page 13, to determine their jurisdiction.
- If your agency is a multi-county office, list each county in which your agency has jurisdiction.

- If your agency is not a state office, court, county office, city office, or multi-county office (e.g., school districts, special districts and JPAs), check the "other" box and enter the county or city in which the agency has jurisdiction.

Example:

This filer is a member of a water district board with jurisdiction in portions of Yuba and Sutter Counties.

Part 3. Type of Statement

1. Office, Agency, or Court	
Agency Name (Do not use acronyms)	
Feather River Irrigation District	
Division, Board, Department, District, if applicable	Your Position
N/A	Board Member
▶ If filing for multiple positions, list below or on an attachment. (Do not use acronyms)	
Agency: N/A	Position:
2. Jurisdiction of Office (Check at least one box)	
<input type="checkbox"/> State	<input type="checkbox"/> Judge or Court Commissioner (Statewide Jurisdiction)
<input checked="" type="checkbox"/> Multi-County Yuba & Sutter Counties	<input type="checkbox"/> County of
<input type="checkbox"/> City of	<input type="checkbox"/> Other

Check at least one box. The period covered by a statement is determined by the type of statement you are filing. If you are completing a 2015 annual statement, **do not** change the pre-printed dates to reflect 2016. Your annual statement is used for reporting the **previous year's** economic interests. Economic interests for your annual filing covering January 1, 2016, through December 31, 2016, will be disclosed on your statement filed in 2017. See Reference Pamphlet, page 4.

Combining Statements: Certain types of statements may be combined. For example, if you leave office after January 1, but before the deadline for filing your annual statement, you may combine your annual and leaving office statements. File by the earliest deadline. Consult your filing officer or the FPPC.

Part 4. Schedule Summary

- Complete the Schedule Summary after you have reviewed each schedule to determine if you have reportable interests.
- Enter the total number of completed pages including the cover page and either check the box for each schedule you use to disclose interests; **or** if you have nothing to disclose on any schedule, check the "No reportable interests" box. Please **do not** attach any blank schedules.

Part 5. Verification

Complete the verification by signing the statement and entering the date signed. All statements must have an original "wet" signature or be duly authorized by your filing officer to file electronically under Government Code Section 87500.2. Instructions, examples, FAQs, and a reference pamphlet are available to help answer your questions. **When you sign your statement, you are stating, under penalty of perjury, that it is true and correct.** Only the filer has authority to sign the statement. An unsigned statement is not considered filed and you may be subject to late filing penalties.

FPPC Form 700 (2015/2016)

FPPC Advice Email: advice@fppc.ca.gov

FPPC Toll-Free Helpline: 866/275-3772 www.fppc.ca.gov

Instructions – 1

COVER PAGE

Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)

1. Office, Agency, or Court

Agency Name (Do not use acronyms)

Division, Board, Department, District, if applicable Your Position

► If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency: Position:

2. Jurisdiction of Office (Check at least one box)

- State Judge or Court Commissioner (Statewide Jurisdiction)
- Multi-County _____ County of _____
- City of _____ Other _____

3. Type of Statement (Check at least one box)

- Annual:** The period covered is January 1, 2015, through December 31, 2015.
-or-
The period covered is ____/____/____, through December 31, 2015.
- Assuming Office:** Date assumed ____/____/____
- Candidate:** Election year _____ and office sought, if different than Part 1: _____
- Leaving Office:** Date Left ____/____/____ (Check one)
 - The period covered is January 1, 2015, through the date of leaving office.
 - or-
 - The period covered is ____/____/____, through the date of leaving office.

4. Schedule Summary (must complete) ► Total number of pages including this cover page: _____

Schedules attached

- Schedule A-1 - Investments** – schedule attached **Schedule C - Income, Loans, & Business Positions** – schedule attached
 - Schedule A-2 - Investments** – schedule attached **Schedule D - Income – Gifts** – schedule attached
 - Schedule B - Real Property** – schedule attached **Schedule E - Income – Gifts – Travel Payments** – schedule attached
- or-
 None - No reportable interests on any schedule

5. Verification

MAILING ADDRESS STREET CITY STATE ZIP CODE
(Business or Agency Address Recommended - Public Document)

DAYTIME TELEPHONE NUMBER E-MAIL ADDRESS
()

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed _____ Signature _____
(month, day, year) (File the originally signed statement with your filing official.)

Which Schedule Do I Use?

Common Reportable Interests

Schedule A-1	Stocks, including those held in an IRA or a 401K
Schedule A-2	Business entities (including certain independent contracting), sole proprietorships, partnerships, LLCs, corporations, and trusts
Schedule B	Rental property in the jurisdiction
Schedule C	Non-governmental salaries of public official and spouse/registered domestic partner
Schedule D	Gifts from businesses (such as tickets to sporting or entertainment events)
Schedule E	Travel payments from third parties (not your employer)

Common Non-Reportable Interests

Schedule A-1	Insurance policies, government bonds, diversified mutual funds, certain funds similar to diversified mutual funds (such as exchange traded funds) and investments held in certain retirement accounts. See Reference Pamphlet, page 13, for detailed information. (Regulation 18237)
Schedule A-2	Savings and checking accounts and annuities
Schedule B	A residence used exclusively as a personal residence (such as a home or vacation cabin)
Schedule C	Governmental salary (such as a school district)
Schedule D	Gifts from family members
Schedule E	Travel paid by your government agency

Remember:

- ✓ Mark the “No reportable interests” box on Part 4 of the Schedule Summary on the Cover Page if you determine you have nothing to disclose and file the Cover Page only. **Make sure you carefully read all instructions to ensure proper reporting.**
- ✓ The Form 700 is a public document.
- ✓ **Most individuals must consult their agency’s conflict of interest code for reportable interests.**
- ✓ Most individuals file the Form 700 with their agencies.

Questions and Answers

General

- Q. What is the reporting period for disclosing interests on an assuming office statement or a candidate statement?
- A. On an assuming office statement, disclose all reportable investments, interests in real property, and business positions held on the date you assumed office. In addition, you must disclose income (including loans, gifts and travel payments) received during the 12 months prior to the date you assumed office.

On a candidate statement, disclose all reportable investments, interests in real property, and business positions held on the date you file your declaration of candidacy. You must also disclose income (including loans, gifts and travel payments) received during the 12 months prior to the date you file your declaration of candidacy.

- Q. I hold two other board positions in addition to my position with the county. Must I file three statements of economic interests?
- A. Yes, three are required. However, you may complete one statement listing the county and the two boards on the Cover Page or an attachment as the agencies for which you will be filing. Report your economic interests using the largest jurisdiction and highest disclosure requirements assigned to you by the three agencies. Make two copies of the entire statement before signing it, sign each copy with an original signature, and distribute one original to the county and to each of the two boards. Remember to complete separate statements for positions that you leave or assume during the year.
- Q. I am a department head who recently began acting as city manager. Should I file as the city manager?
- A. Yes. File an assuming office statement as city manager. Persons serving as “acting,” “interim,” or “alternate” must file as if they hold the position because they are or may be performing the duties of the position.
- Q. As a designated employee, I left one state agency to work for another state agency. Must I file a leaving office statement?
- A. Yes. You may also need to file an assuming office statement for the new agency.

- Q. My spouse and I are currently separated and in the process of obtaining a divorce. Must I still report my spouse’s income, investments, and interests in real property?
- A. Yes. A public official must continue to report a spouse’s economic interests until such time as dissolution of marriage proceedings is final. However, if a separate property agreement has been reached prior to that time, your estranged spouse’s income may not have to be reported. Contact the FPPC for more information.

Investment Disclosure

- Q. I have an investment interest in shares of stock in a company that does not have an office in my jurisdiction. Must I still disclose my investment interest in this company?
- A. Probably. The definition of “doing business in the jurisdiction” is not limited to whether the business has an office or physical location in your jurisdiction. See Reference Pamphlet, page 13.
- Q. My spouse and I have a living trust. The trust holds rental property in my jurisdiction, our primary residence, and investments in diversified mutual funds. I have full disclosure. How is this trust disclosed?
- A. Disclose the name of the trust, the rental property and its income on Schedule A-2. Your primary residence and investments in diversified mutual funds registered with the SEC are not reportable.
- Q. I am required to report all investments. I have an IRA that contains stocks through an account managed by a brokerage firm. Must I disclose these stocks even though they are held in an IRA and I did not decide which stocks to purchase?
- A. Yes. Disclose on Schedule A-1 or A-2 any stock worth \$2,000 or more in a business entity located in or doing business in your jurisdiction.

Questions and Answers Continued

Q. I am the sole owner of my business, an S-Corporation. I believe that the nature of the business is such that it cannot be said to have any "fair market value" because it has no assets. I operate the corporation under an agreement with a large insurance company. My contract does not have resale value because of its nature as a personal services contract. Must I report the fair market value for my business on Schedule A-2 of the Form 700?

A. Yes. Even if there are no *tangible* assets, intangible assets, such as relationships with companies and clients are commonly sold to qualified professionals. The "fair market value" is often quantified for other purposes, such as marital dissolutions or estate planning. In addition, the IRS presumes that "personal services corporations" have a fair market value. A professional "book of business" and the associated goodwill that generates income are not without a determinable value. The Form 700 does not require a precise fair market value; it is only necessary to check a box indicating the broad range within which the value falls.

Q. I own stock in IBM and must report this investment on Schedule A-1. I initially purchased this stock in the early 1990s; however, I am constantly buying and selling shares. Must I note these dates in the "Acquired" and "Disposed" fields?

A. No. You must only report dates in the "Acquired" or "Disposed" fields when, during the reporting period, you initially purchase a reportable investment worth \$2,000 or more or when you dispose of the entire investment. You are not required to track the partial trading of an investment.

Q. On last year's filing I reported stock in Encoe valued at \$2,000 - \$10,000. Late last year the value of this stock fell below and remains at less than \$2,000. How should this be reported on this year's statement?

A. You are not required to report an investment if the value was less than \$2,000 during the **entire** reporting period. However, because a disposed date is not required for stocks that fall below \$2,000, you may want to report the stock and note in the "comments" section that the value fell below \$2,000. This would be for informational purposes only; it is not a requirement.

Q. We have a Section 529 account set up to save money for our son's college education. Is this reportable?

A. If the Section 529 account contains reportable interests (e.g., common stock valued at \$2,000 or more), those interests are reportable (not the actual Section 529 account). If the account contains solely mutual funds, then nothing is reported.

Income Disclosure

Q. I reported a business entity on Schedule A-2. Clients of my business are located in several states. Must I report all clients from whom my pro rata share of income is \$10,000 or more on Schedule A-2, Part 3?

A. No, only the clients located in or doing business on a regular basis in your jurisdiction must be disclosed.

Q. I believe I am not required to disclose the names of clients from whom my pro rata share of income is \$10,000 or more on Schedule A-2 because of their right to privacy. Is there an exception for reporting clients' names?

A. Regulation 18740 provides a procedure for requesting an exemption to allow a client's name not to be disclosed if disclosure of the name would violate a legally recognized privilege under California or Federal law. This regulation may be obtained from our website at www.fppc.ca.gov. See Reference Pamphlet, page 14.

Q. I am sole owner of a private law practice that is not reportable based on my limited disclosure category. However, some of the sources of income to my law practice are from reportable sources. Do I have to disclose this income?

A. Yes, even though the law practice is not reportable, reportable sources of income to the law practice of \$10,000 or more must be disclosed. This information would be disclosed on Schedule C with a note in the "comments" section indicating that the business entity is not a reportable investment. The note would be for informational purposes only; it is not a requirement.

Questions and Answers Continued

Q. I am the sole owner of my business. Where do I disclose my income - on Schedule A-2 or Schedule C?

A. Sources of income to a business in which you have an ownership interest of 10% or greater are disclosed on Schedule A-2. See Reference Pamphlet, page 8, for the definition of “business entity.”

Q. My husband is a partner in a four-person firm where all of his business is based on his own billings and collections from various clients. How do I report my community property interest in this business and the income generated in this manner?

A. If your husband’s investment in the firm is 10% or greater, disclose 100% of his share of the business on Schedule A-2, Part 1 and 50% of his income on Schedule A-2, Parts 2 and 3. For example, a client of your husband’s must be a source of at least \$20,000 during the reporting period before the client’s name is reported.

Q. How do I disclose my spouse’s or registered domestic partner’s salary?

A. Report the name of the employer as a source of income on Schedule C.

Q. I am a doctor. For purposes of reporting \$10,000 sources of income on Schedule A-2, Part 3, are the patients or their insurance carriers considered sources of income?

A. If your patients exercise sufficient control by selecting you instead of other doctors, then your patients, rather than their insurance carriers, are sources of income to you. See Reference Pamphlet, page 14, for additional information.

Q. I received a loan from my grandfather to purchase my home. Is this loan reportable?

A. No. Loans received from family members are not reportable.

Q. Many years ago, I loaned my parents several thousand dollars, which they paid back this year. Do I need to report this loan repayment on my Form 700?

A. No. Payments received on a loan made to a family member are not reportable.

Real Property Disclosure

Q. During this reporting period we switched our principal place of residence into a rental. I have full disclosure and the property is located in my agency’s jurisdiction, so it is now reportable. Because I have not reported this property before, do I need to show an “acquired” date?

A. No, you are not required to show an “acquired” date because you previously owned the property. However, you may want to note in the “comments” section that the property was not previously reported because it was used exclusively as your residence. This would be for informational purposes only; it is not a requirement.

Q. My daughter is buying her first home and I am the co-signer on the loan. I won’t occupy the home, but my daughter will. The home is located in my agency’s jurisdiction. Must I report this property?

A. No. Property occupied by a family member is not reportable as long as you are not receiving rental income or using the property for business purposes.

Gift Disclosure

Q. If I received a reportable gift of two tickets to a concert valued at \$100 each, but gave the tickets to a friend because I could not attend the concert, do I have any reporting obligations?

A. Yes. Since you accepted the gift and exercised discretion and control of the use of the tickets, you must disclose the gift on Schedule D.

Q. Mary and Joe Benson, a married couple, want to give a piece of artwork to a county supervisor. Is each spouse considered a separate source for purposes of the gift limit and disclosure?

A. Yes, each spouse may make a gift valued at the gift limit during a calendar year. For example, during 2015 the gift limit was \$460, so the Bensons may have given the supervisor artwork valued at no more than \$920. The supervisor must identify Joe and Mary Benson as the sources of the gift.

Questions and Answers Continued

Q. I am a Form 700 filer with full disclosure. Our agency holds a holiday raffle to raise funds for a local charity. I bought \$10 worth of raffle tickets and won a gift basket valued at \$120. The gift basket was donated by Doug Brewer, a citizen in our city. At the same event, I bought raffle tickets for, and won a quilt valued at \$70. The quilt was donated by a coworker. Are these reportable gifts?

A. Because the gift basket was donated by an outside source (not an agency employee), you have received a reportable gift valued at \$110 (the value of the basket less the consideration paid). The source of the gift is Doug Brewer and the agency is disclosed as the intermediary. Because the quilt was donated by an employee of your agency, it is not a reportable gift.

Q. My agency is responsible for disbursing grants. An applicant (501(c)(3) organization) met with agency employees to present its application. At this meeting, the applicant provided food and beverages. Would the food and beverages be considered gifts to the employees? These employees are designated in our agency's conflict of interest code and the applicant is a reportable source of income under the code.

A. Yes. If the value of the food and beverages consumed by any one filer, plus any other gifts received from the same source during the reporting period total \$50 or more, the food and beverages would be reported using the fair market value and would be subject to the gift limit.

Q. I received free admission to an educational conference related to my official duties. Part of the conference fees included a round of golf. Is the value of the golf considered informational material?

A. No. The value of personal benefits, such as golf, attendance at a concert, or sporting event, are gifts subject to reporting and limits.

Instructions – Schedules A-1 and A-2 Investments

“Investment” means a financial interest in any business entity (including a consulting business or other independent contracting business) that is located in, doing business in, planning to do business in, or that has done business during the previous two years in your agency’s jurisdiction in which you, your spouse or registered domestic partner, or your dependent children had a direct, indirect, or beneficial interest totaling \$2,000 or more at any time during the reporting period. See Reference Pamphlet, page 13.

Reportable investments include:

- Stocks, bonds, warrants, and options, including those held in margin or brokerage accounts and managed investment funds (See Reference Pamphlet, page 13.)
- Sole proprietorships
- Your own business or your spouse’s or registered domestic partner’s business (See Reference Pamphlet, page 8, for the definition of “business entity.”)
- Your spouse’s or registered domestic partner’s investments even if they are legally separate property
- Partnerships (e.g., a law firm or family farm)
- Investments in reportable business entities held in a retirement account (See Reference Pamphlet, page 15.)
- If you, your spouse or registered domestic partner, and dependent children together had a 10% or greater ownership interest in a business entity or trust (including a living trust), you must disclose investments held by the business entity or trust. See Reference Pamphlet, page 15, for more information on disclosing trusts.
- Business trusts

You are not required to disclose:

- Insurance policies, government bonds, diversified mutual funds, certain funds similar to diversified mutual funds (such as exchange traded funds) and investments held in certain retirement accounts. See Reference Pamphlet, page 13, for detailed information. (Regulation 18237)
- Bank accounts, savings accounts, money market accounts and certificates of deposits
- Insurance policies
- Annuities
- Commodities
- Shares in a credit union
- Government bonds (including municipal bonds)
- Retirement accounts invested in non-reportable interests (e.g., insurance policies, mutual funds, or government bonds) (See Reference Pamphlet, page 15.)

- Government defined-benefit pension plans (such as CalPERS and CalSTRS plans)
- Certain interests held in a blind trust (See Reference Pamphlet, page 16.)

Use Schedule A-1 to report ownership of less than 10% (e.g., stock). Schedule C (Income) may also be required if the investment is not a stock or corporate bond. See second example below.

Use Schedule A-2 to report ownership of 10% or greater (e.g., a sole proprietorship).

To Complete Schedule A-1:

Do not attach brokerage or financial statements.

- Disclose the name of the business entity.
- Provide a general description of the business activity of the entity (e.g., pharmaceuticals, computers, automobile manufacturing, or communications).
- Check the box indicating the highest fair market value of your investment during the reporting period. If you are filing a candidate or an assuming office statement, indicate the fair market value on the filing date or the date you took office, respectively.
- Identify the nature of your investment (e.g., stocks, warrants, options, or bonds).
- An acquired or disposed of date is only required if you initially acquired or entirely disposed of the investment interest during the reporting period. The date of a stock dividend reinvestment or partial disposal is not required. Generally, these dates will not apply if you are filing a candidate or an assuming office statement.

Examples:

John Smith holds a state agency position. His conflict of interest code requires full disclosure of investments. John must disclose his stock holdings of \$2,000 or more in any company that is located in or does business in California, as well as those stocks held by his spouse or registered domestic partner and dependent children.

Susan Jones is a city council member. She has a 4% interest, worth \$5,000, in a limited partnership located in the city. Susan must disclose the partnership on Schedule A-1 and income of \$500 or more received from the partnership on Schedule C.

Reminders

- Do you know your agency’s jurisdiction?
- Did you hold investments at any time during the period covered by this statement?
- Code filers – your disclosure categories may only require disclosure of specific investments.

SCHEDULE A-1

Investments

Stocks, Bonds, and Other Interests (Ownership Interest is Less Than 10%)

Do not attach brokerage or financial statements.

Name _____

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF THIS BUSINESS _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)

Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/15 ____/____/15
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF THIS BUSINESS _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)

Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/15 ____/____/15
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF THIS BUSINESS _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)

Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/15 ____/____/15
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF THIS BUSINESS _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)

Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/15 ____/____/15
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF THIS BUSINESS _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)

Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/15 ____/____/15
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY _____

GENERAL DESCRIPTION OF THIS BUSINESS _____

FAIR MARKET VALUE
 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT
 Stock Other _____
(Describe)

Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/15 ____/____/15
ACQUIRED DISPOSED

Comments: _____

Instructions – Schedule A-2

Investments, Income, and Assets of Business Entities/Trusts

Use Schedule A-2 to report investments in a business entity (including a consulting business or other independent contracting business) or trust (including a living trust) in which you, your spouse or registered domestic partner, and your dependent children, together or separately, had a 10% or greater interest, totaling \$2,000 or more, during the reporting period and which is located in, doing business in, planning to do business in, or which has done business during the previous two years in your agency's jurisdiction. See Reference Pamphlet, page 13. A trust located outside your agency's jurisdiction is reportable if it holds assets that are located in or doing business in the jurisdiction. Do not report a trust that contains non-reportable interests. For example, a trust containing only your personal residence not used in whole or in part as a business, your savings account, and some municipal bonds, is not reportable.

Also report on Schedule A-2 investments and real property held by that entity or trust if your pro rata share of the investment or real property interest was \$2,000 or more during the reporting period.

To Complete Schedule A-2:

Part 1. Disclose the name and address of the business entity or trust. If you are reporting an interest in a business entity, check "Business Entity" and complete the box as follows:

- Provide a general description of the business activity of the entity.
- Check the box indicating the highest fair market value of your investment during the reporting period.
- If you initially acquired or entirely disposed of this interest during the reporting period, enter the date acquired or disposed.
- Identify the nature of your investment.
- Disclose the job title or business position you held with the entity, if any (i.e., if you were a director, officer, partner, trustee, employee, or held any position of management). A business position held by your spouse is not reportable.

Part 2. Check the box indicating **your pro rata** share of the **gross** income received **by** the business entity or trust. This amount includes your pro rata share of the **gross** income **from** the business entity or trust, as well as your community property interest in your spouse's or registered domestic partner's share. Gross income is the total amount of income before deducting expenses, losses, or taxes.

Part 3. Disclose the name of each source of income that is located in, doing business in, planning to do business in, or that has done business during the previous two years in your agency's jurisdiction, as follows:

- Disclose each source of income and outstanding loan **to the business entity or trust** identified in Part 1 if your pro rata share of the **gross** income (including your community property interest in your spouse's or registered domestic partner's share) to the business entity or trust from that source was \$10,000 or more during the reporting

period. See Reference Pamphlet, page 11, for examples. Income from governmental sources may be reportable if not considered salary. See Regulation 18232. Loans from commercial lending institutions made in the lender's regular course of business on terms available to members of the public without regard to your official status are not reportable.

- Disclose each individual or entity that was a source of commission income of \$10,000 or more during the reporting period through the business entity identified in Part 1. See Reference Pamphlet, page 8, for an explanation of commission income.

You may be required to disclose sources of income located outside your jurisdiction. For example, you may have a client who resides outside your jurisdiction who does business on a regular basis with you. Such a client, if a reportable source of \$10,000 or more, must be disclosed.

Mark "None" if you do not have any reportable \$10,000 sources of income to disclose. Using phrases such as "various clients" or "not disclosing sources pursuant to attorney-client privilege" may trigger a request for an amendment to your statement. See Reference Pamphlet, page 14, for details about requesting an exemption from disclosing privileged information.

Part 4. Report any investments or interests in real property held or leased **by the entity or trust** identified in Part 1 if your pro rata share of the interest held was \$2,000 or more during the reporting period. Attach additional schedules or use FPPC's Form 700 Excel spreadsheet if needed.

- Check the applicable box identifying the interest held as real property or an investment.
- If investment, provide the name and description of the business entity.
- If real property, report the precise location (e.g., an assessor's parcel number or address).
- Check the box indicating the highest fair market value of your interest in the real property or investment during the reporting period. (Report the fair market value of the portion of your residence claimed as a tax deduction if you are utilizing your residence for business purposes.)
- Identify the nature of your interest.
- Enter the date acquired or disposed only if you initially acquired or entirely disposed of your interest in the property or investment during the reporting period.

SCHEDULE A-2

Investments, Income, and Assets of Business Entities/Trusts

(Ownership Interest is 10% or Greater)

CALIFORNIA FORM 700

FAIR POLITICAL PRACTICES COMMISSION

Name _____

▶ 1. BUSINESS ENTITY OR TRUST

Name _____

Address (Business Address Acceptable) _____

Check one
 Trust, go to 2 Business Entity, complete the box, then go to 2

GENERAL DESCRIPTION OF THIS BUSINESS

<p>FAIR MARKET VALUE</p> <input type="checkbox"/> \$0 - \$1,999 <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<p>IF APPLICABLE, LIST DATE:</p> <p style="text-align: center;">____/____/15 ____/____/15</p> <p style="text-align: center;">ACQUIRED DISPOSED</p>
--	--

NATURE OF INVESTMENT

 Partnership Sole Proprietorship _____ Other

YOUR BUSINESS POSITION _____

▶ 1. BUSINESS ENTITY OR TRUST

Name _____

Address (Business Address Acceptable) _____

Check one
 Trust, go to 2 Business Entity, complete the box, then go to 2

GENERAL DESCRIPTION OF THIS BUSINESS

<p>FAIR MARKET VALUE</p> <input type="checkbox"/> \$0 - \$1,999 <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<p>IF APPLICABLE, LIST DATE:</p> <p style="text-align: center;">____/____/15 ____/____/15</p> <p style="text-align: center;">ACQUIRED DISPOSED</p>
--	--

NATURE OF INVESTMENT

 Partnership Sole Proprietorship _____ Other

YOUR BUSINESS POSITION _____

▶ 2. IDENTIFY THE GROSS INCOME RECEIVED (INCLUDE YOUR PRO RATA SHARE OF THE GROSS INCOME TO THE ENTITY/TRUST)

<input type="checkbox"/> \$0 - \$499	<input type="checkbox"/> \$10,001 - \$100,000
<input type="checkbox"/> \$500 - \$1,000	<input type="checkbox"/> OVER \$100,000
<input type="checkbox"/> \$1,001 - \$10,000	

▶ 2. IDENTIFY THE GROSS INCOME RECEIVED (INCLUDE YOUR PRO RATA SHARE OF THE GROSS INCOME TO THE ENTITY/TRUST)

<input type="checkbox"/> \$0 - \$499	<input type="checkbox"/> \$10,001 - \$100,000
<input type="checkbox"/> \$500 - \$1,000	<input type="checkbox"/> OVER \$100,000
<input type="checkbox"/> \$1,001 - \$10,000	

▶ 3. LIST THE NAME OF EACH REPORTABLE SINGLE SOURCE OF INCOME OF \$10,000 OR MORE (Attach a separate sheet if necessary.)

None or Names listed below

▶ 3. LIST THE NAME OF EACH REPORTABLE SINGLE SOURCE OF INCOME OF \$10,000 OR MORE (Attach a separate sheet if necessary.)

None or Names listed below

▶ 4. INVESTMENTS AND INTERESTS IN REAL PROPERTY HELD OR LEASED BY THE BUSINESS ENTITY OR TRUST

Check one box:
 INVESTMENT REAL PROPERTY

Name of Business Entity, if Investment, or Assessor's Parcel Number or Street Address of Real Property _____

Description of Business Activity or City or Other Precise Location of Real Property _____

<p>FAIR MARKET VALUE</p> <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<p>IF APPLICABLE, LIST DATE:</p> <p style="text-align: center;">____/____/15 ____/____/15</p> <p style="text-align: center;">ACQUIRED DISPOSED</p>
--	--

NATURE OF INTEREST

 Property Ownership/Deed of Trust Stock Partnership

Leasehold _____ Yrs. remaining Other _____

Check box if additional schedules reporting investments or real property are attached

▶ 4. INVESTMENTS AND INTERESTS IN REAL PROPERTY HELD OR LEASED BY THE BUSINESS ENTITY OR TRUST

Check one box:
 INVESTMENT REAL PROPERTY

Name of Business Entity, if Investment, or Assessor's Parcel Number or Street Address of Real Property _____

Description of Business Activity or City or Other Precise Location of Real Property _____

<p>FAIR MARKET VALUE</p> <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<p>IF APPLICABLE, LIST DATE:</p> <p style="text-align: center;">____/____/15 ____/____/15</p> <p style="text-align: center;">ACQUIRED DISPOSED</p>
--	--

NATURE OF INTEREST

 Property Ownership/Deed of Trust Stock Partnership

Leasehold _____ Yrs. remaining Other _____

Check box if additional schedules reporting investments or real property are attached

Comments: _____

Instructions – Schedule B Interests in Real Property

Report interests in real property located in your agency's jurisdiction in which you, your spouse or registered domestic partner, or your dependent children had a direct, indirect, or beneficial interest totaling \$2,000 or more any time during the reporting period. See Reference Pamphlet, page 13.

Interests in real property include:

- An ownership interest (including a beneficial ownership interest)
- A deed of trust, easement, or option to acquire property
- A leasehold interest (See Reference Pamphlet, page 14.)
- A mining lease
- An interest in real property held in a retirement account (See Reference Pamphlet, page 15.)
- An interest in real property held by a business entity or trust in which you, your spouse or registered domestic partner, and your dependent children together had a 10% or greater ownership interest (Report on Schedule A-2.)
- Your spouse's or registered domestic partner's interests in real property that are legally held separately by him or her

You are not required to report:

- A residence, such as a home or vacation cabin, used exclusively as a personal residence (However, a residence in which you rent out a room or for which you claim a business deduction may be reportable. If reportable, report the fair market value of the portion claimed as a tax deduction.)
- Please note: A non-reportable residence can still be grounds for a conflict of interest and may be disqualifying.
- Interests in real property held through a blind trust (See Reference Pamphlet, page 16, for exceptions.)

To Complete Schedule B:

- Report the precise location (e.g., an assessor's parcel number or address) of the real property.
- Check the box indicating the fair market value of your interest in the property (regardless of what you owe on the property).
- Enter the date acquired or disposed only if you initially acquired or entirely disposed of your interest in the property during the reporting period.
- Identify the nature of your interest. If it is a leasehold, disclose the number of years remaining on the lease.
- If you received rental income, check the box indicating the gross amount you received.
- If you had a 10% or greater interest in real property and received rental income, list the name of the source(s) if your pro rata share of the gross income from any single

tenant was \$10,000 or more during the reporting period. If you received a total of \$10,000 or more from two or more tenants acting in concert (in most cases, this will apply to married couples), disclose the name of each tenant. Otherwise, mark "None."

- Loans from a private lender that total \$500 or more and are secured by real property may be reportable. **Loans from commercial lending institutions made in the lender's regular course of business on terms available to members of the public without regard to your official status are not reportable.**

When reporting a loan:

- Provide the name and address of the lender.
- Describe the lender's business activity.
- Disclose the interest rate and term of the loan. For variable interest rate loans, disclose the conditions of the loan (e.g., Prime + 2) or the average interest rate paid during the reporting period. The term of a loan is the total number of months or years given for repayment of the loan at the time the loan was established.
- Check the box indicating the highest balance of the loan during the reporting period.
- Identify a guarantor, if applicable.

If you have more than one reportable loan on a single piece of real property, report the additional loan(s) on Schedule C.

Example:

Joe Nelson is a city planning commissioner. Joe received rental income of \$12,000 during the reporting period from a single tenant who rented property Joe owned in the city's jurisdiction. If Joe had received the \$12,000 from two or more tenants, the tenants' names would not be required as long as no single tenant paid \$10,000 or more. A married couple would be considered a single tenant.

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS 4600 24th Street	
City Sacramento	
FAIR MARKET VALUE	IF APPLICABLE, LIST DATE:
<input type="checkbox"/> \$2,000-\$10,000	<input type="checkbox"/> / / 15
<input type="checkbox"/> \$10,001-\$100,000	<input type="checkbox"/> ACQUIRED <input type="checkbox"/> DISPOSED
<input checked="" type="checkbox"/> \$100,001-\$1,000,000	
<input type="checkbox"/> Over \$1,000,000	
NATURE OF INTEREST	
<input checked="" type="checkbox"/> Ownership/Deed of Trust	<input type="checkbox"/> Easement
<input type="checkbox"/> Leasehold	<input type="checkbox"/> Other
Yrs. remaining	
IF RENTAL PROPERTY, GROSS INCOME RECEIVED	
<input type="checkbox"/> \$0 - \$499	<input type="checkbox"/> \$500 - \$1,000
<input type="checkbox"/> \$1,001 - \$10,000	<input type="checkbox"/> OVER \$100,000
<input checked="" type="checkbox"/> \$10,001 - \$100,000	
SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.	
<input type="checkbox"/> NONE	
Henry Wells	
NAME OF LENDER*	
Sophia Petroillo	
ADDRESS (Business Address Acceptable)	
2121 Blue Sky Parkway, Sacramento	
BUSINESS ACTIVITY, IF ANY, OF LENDER	
Restaurant Owner	
INTEREST RATE	TERM (Month/Years)
8 % <input type="checkbox"/> NONE	15 Years
HIGHEST BALANCE DURING REPORTING PERIOD	
<input type="checkbox"/> \$500 - \$1,000	<input type="checkbox"/> \$1,001 - \$10,000
<input checked="" type="checkbox"/> \$10,001 - \$100,000	<input type="checkbox"/> OVER \$100,000
<input type="checkbox"/> Guarantor, if applicable	

Reminders

- Income and loans already reported on Schedule B are not also required to be reported on Schedule C.
- Real property already reported on Schedule A-2, Part 4 is not also required to be reported on Schedule B.
- Code filers – do your disclosure categories require disclosure of real property?

SCHEDULE B
Interests in Real Property
 (Including Rental Income)

Name _____

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS

 CITY

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:
 \$2,000 - \$10,000
 \$10,001 - \$100,000
 \$100,001 - \$1,000,000
 Over \$1,000,000

ACQUIRED _____/_____/15 DISPOSED _____/_____/15

NATURE OF INTEREST
 Ownership/Deed of Trust Easement
 Leasehold _____ Yrs. remaining _____ Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED
 \$0 - \$499 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.
 None

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS

 CITY

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:
 \$2,000 - \$10,000
 \$10,001 - \$100,000
 \$100,001 - \$1,000,000
 Over \$1,000,000

ACQUIRED _____/_____/15 DISPOSED _____/_____/15

NATURE OF INTEREST
 Ownership/Deed of Trust Easement
 Leasehold _____ Yrs. remaining _____ Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED
 \$0 - \$499 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.
 None

* You are not required to report loans from commercial lending institutions made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

NAME OF LENDER*

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

INTEREST RATE TERM (Months/Years)
 _____% None _____

HIGHEST BALANCE DURING REPORTING PERIOD
 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000
 Guarantor, if applicable

NAME OF LENDER*

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

INTEREST RATE TERM (Months/Years)
 _____% None _____

HIGHEST BALANCE DURING REPORTING PERIOD
 \$500 - \$1,000 \$1,001 - \$10,000
 \$10,001 - \$100,000 OVER \$100,000
 Guarantor, if applicable

Comments: _____

Instructions – Schedule C

Income, Loans, & Business Positions

(Income Other Than Gifts and Travel Payments)

Reporting Income:

Report the source and amount of gross income of \$500 or more you received during the reporting period. Gross income is the total amount of income before deducting expenses, losses, or taxes and includes loans other than loans from a commercial lending institution. See Reference Pamphlet, page 11. You must also report the source of income to your spouse or registered domestic partner if your community property share was \$500 or more during the reporting period.

A source of income must be reported only if the source is located in, doing business in, planning to do business in, or has done business during the previous two years in your agency's jurisdiction. See Reference Pamphlet, page 13, for more information about doing business in the jurisdiction. Reportable sources of income may be further limited by your disclosure category located in your agency's conflict of interest code.

Reporting Business Positions:

You must report your job title with each reportable business entity even if you received no income during the reporting period. Use the comments section to indicate that no income was received.

Commonly reportable income and loans include:

- Salary/wages, per diem, and reimbursement for expenses including travel payments provided by your employer
- Community property interest (50%) in your spouse's or registered domestic partner's income - **report the employer's name and all other required information**
- Income from investment interests, such as partnerships, reported on Schedule A-1
- Commission income not required to be reported on Schedule A-2 (See Reference Pamphlet, page 8.)
- Gross income from any sale, including the sale of a house or car (Report your pro rata share of the total sale price.)
- Rental income not required to be reported on Schedule B
- Prizes or awards not disclosed as gifts
- Payments received on loans you made to others
- An honorarium received prior to becoming a public official (See Reference Pamphlet, page 10, concerning your ability to receive future honoraria.)
- Incentive compensation (See Reference Pamphlet, page 12.)

Reminders

- Code filers – your disclosure categories may not require disclosure of all sources of income.
- If you or your spouse or registered domestic partner are self-employed, report the business entity on Schedule A-2.
- Do not disclose on Schedule C income, loans, or business positions already reported on Schedules A-2 or B.

You are not required to report:

- Salary, reimbursement for expenses or per diem, or social security, disability, or other similar benefit payments received by you or your spouse or registered domestic partner from a federal, state, or local government agency.
- Stock dividends and income from the sale of stock unless the source can be identified.
- Income from a PERS retirement account.

See Reference Pamphlet, page 11, for more exceptions to income reporting.

To Complete Schedule C:

Part 1. Income Received/Business Position Disclosure

- Disclose the name and address of each source of income or each business entity with which you held a business position.
- Provide a general description of the business activity if the source is a business entity.
- Check the box indicating the amount of gross income received.
- Identify the consideration for which the income was received.
- For income from commission sales, check the box indicating the gross income received and list the name of each source of commission income of \$10,000 or more. See Reference Pamphlet, page 8. **Note: If you receive commission income on a regular basis or have an ownership interest of 10% or more, you must disclose the business entity and the income on Schedule A-2.**
- Disclose the job title or business position, if any, that you held with the business entity, even if you did not receive income during the reporting period.

Part 2. Loans Received or Outstanding During the Reporting Period

- Provide the name and address of the lender.
- Provide a general description of the business activity if the lender is a business entity.
- Check the box indicating the highest balance of the loan during the reporting period.
- Disclose the interest rate and the term of the loan.
 - For variable interest rate loans, disclose the conditions of the loan (e.g., Prime + 2) or the average interest rate paid during the reporting period.
 - The term of the loan is the total number of months or years given for repayment of the loan at the time the loan was entered into.
- Identify the security, if any, for the loan.

SCHEDULE C

Income, Loans, & Business Positions

(Other than Gifts and Travel Payments)

CALIFORNIA FORM 700

FAIR POLITICAL PRACTICES COMMISSION

Name _____

▶ 1. INCOME RECEIVED	▶ 1. INCOME RECEIVED
<p>NAME OF SOURCE OF INCOME _____</p> <p>ADDRESS <i>(Business Address Acceptable)</i> _____</p> <p>BUSINESS ACTIVITY, IF ANY, OF SOURCE _____</p> <p>YOUR BUSINESS POSITION _____</p> <p>GROSS INCOME RECEIVED</p> <p><input type="checkbox"/> \$500 - \$1,000 <input type="checkbox"/> \$1,001 - \$10,000</p> <p><input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> OVER \$100,000</p> <p>CONSIDERATION FOR WHICH INCOME WAS RECEIVED</p> <p><input type="checkbox"/> Salary <input type="checkbox"/> Spouse's or registered domestic partner's income <i>(For self-employed use Schedule A-2.)</i></p> <p><input type="checkbox"/> Partnership <i>(Less than 10% ownership. For 10% or greater use Schedule A-2.)</i></p> <p><input type="checkbox"/> Sale of _____ <i>(Real property, car, boat, etc.)</i></p> <p><input type="checkbox"/> Loan repayment</p> <p><input type="checkbox"/> Commission or <input type="checkbox"/> Rental Income, <i>list each source of \$10,000 or more</i></p> <p>_____ <i>(Describe)</i></p> <p><input type="checkbox"/> Other _____ <i>(Describe)</i></p>	<p>NAME OF SOURCE OF INCOME _____</p> <p>ADDRESS <i>(Business Address Acceptable)</i> _____</p> <p>BUSINESS ACTIVITY, IF ANY, OF SOURCE _____</p> <p>YOUR BUSINESS POSITION _____</p> <p>GROSS INCOME RECEIVED</p> <p><input type="checkbox"/> \$500 - \$1,000 <input type="checkbox"/> \$1,001 - \$10,000</p> <p><input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> OVER \$100,000</p> <p>CONSIDERATION FOR WHICH INCOME WAS RECEIVED</p> <p><input type="checkbox"/> Salary <input type="checkbox"/> Spouse's or registered domestic partner's income <i>(For self-employed use Schedule A-2.)</i></p> <p><input type="checkbox"/> Partnership <i>(Less than 10% ownership. For 10% or greater use Schedule A-2.)</i></p> <p><input type="checkbox"/> Sale of _____ <i>(Real property, car, boat, etc.)</i></p> <p><input type="checkbox"/> Loan repayment</p> <p><input type="checkbox"/> Commission or <input type="checkbox"/> Rental Income, <i>list each source of \$10,000 or more</i></p> <p>_____ <i>(Describe)</i></p> <p><input type="checkbox"/> Other _____ <i>(Describe)</i></p>

▶ 2. LOANS RECEIVED OR OUTSTANDING DURING THE REPORTING PERIOD

* You are not required to report loans from commercial lending institutions, or any indebtedness created as part of a retail installment or credit card transaction, made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

<p>NAME OF LENDER* _____</p> <p>ADDRESS <i>(Business Address Acceptable)</i> _____</p> <p>BUSINESS ACTIVITY, IF ANY, OF LENDER _____</p> <p>HIGHEST BALANCE DURING REPORTING PERIOD</p> <p><input type="checkbox"/> \$500 - \$1,000</p> <p><input type="checkbox"/> \$1,001 - \$10,000</p> <p><input type="checkbox"/> \$10,001 - \$100,000</p> <p><input type="checkbox"/> OVER \$100,000</p>	<p>INTEREST RATE TERM (Months/Years)</p> <p>_____ % <input type="checkbox"/> None _____</p> <p>SECURITY FOR LOAN</p> <p><input type="checkbox"/> None <input type="checkbox"/> Personal residence</p> <p><input type="checkbox"/> Real Property _____ <i>Street address</i></p> <p>_____ <i>City</i></p> <p><input type="checkbox"/> Guarantor _____</p> <p><input type="checkbox"/> Other _____ <i>(Describe)</i></p>
--	--

Comments: _____

Instructions – Schedule D Income – Gifts

A gift is anything of value for which you have not provided equal or greater consideration to the donor. A gift is reportable if its fair market value is \$50 or more. In addition, multiple gifts totaling \$50 or more received during the reporting period from a single source must be reported.

It is the acceptance of a gift, not the ultimate use to which it is put, that imposes your reporting obligation. Except as noted below, you must report a gift even if you never used it or if you gave it away to another person.

If the exact amount of a gift is unknown, you must make a good faith estimate of the item's fair market value. Listing the value of a gift as "over \$50" or "value unknown" is not adequate disclosure. In addition, if you received a gift through an intermediary, you must disclose the name, address, and business activity of both the donor and the intermediary. You may indicate an intermediary either in the "source" field after the name or in the "comments" section at the bottom of Schedule D.

Commonly reportable gifts include:

- Tickets/passes to sporting or entertainment events
- Tickets/passes to amusement parks
- Parking passes not used for official agency business
- Food, beverages, and accommodations, including those provided in direct connection with your attendance at a convention, conference, meeting, social event, meal, or like gathering
- Rebates/discounts not made in the regular course of business to members of the public without regard to official status
- Wedding gifts (See Reference Pamphlet, page 16)
- An honorarium received prior to assuming office (You may report an honorarium as income on Schedule C, rather than as a gift on Schedule D, if you provided services of equal or greater value than the payment received. See Reference Pamphlet, page 10, regarding your ability to receive future honoraria.)
- Transportation and lodging (See Schedule E.)
- Forgiveness of a loan received by you

You are not required to disclose:

- Gifts that were not used and that, within 30 days after receipt, were returned to the donor or delivered to a charitable organization or government agency without

Reminders

- Gifts from a single source are subject to a \$460 limit. See Reference Pamphlet, page 10.
- Code filers – you only need to report gifts from reportable sources.

Gift Tracking Mobile Application

- FPPC has created a gift tracking app for mobile devices that helps filers track gifts and provides a quick and easy way to upload the information to the Form 700. Visit FPPC's website to download the app.

being claimed by you as a charitable contribution for tax purposes

- Gifts from your spouse or registered domestic partner, child, parent, grandparent, grandchild, brother, sister, and certain other family members (See Regulation 18942 for a complete list.). The exception does not apply if the donor was acting as an agent or intermediary for a reportable source who was the true donor.
- Gifts of similar value exchanged between you and an individual, other than a lobbyist registered to lobby your state agency, on holidays, birthdays, or similar occasions
- Gifts of informational material provided to assist you in the performance of your official duties (e.g., books, pamphlets, reports, calendars, periodicals, or educational seminars)
- A monetary bequest or inheritance (However, inherited investments or real property may be reportable on other schedules.)
- Personalized plaques or trophies with an individual value of less than \$250
- Campaign contributions
- Up to two tickets, for your own use, to attend a fundraiser for a campaign committee or candidate, or to a fundraiser for an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The ticket must be received from the organization or committee holding the fundraiser.
- Gifts given to members of your immediate family if the source has an established relationship with the family member and there is no evidence to suggest the donor had a purpose to influence you. (See Regulation 18943.)
- Free admission, food, and nominal items (such as a pen, pencil, mouse pad, note pad or similar item) available to all attendees, at the event at which the official makes a speech (as defined in Regulation 18950(b)(2)), so long as the admission is provided by the person who organizes the event.
- Any other payment not identified above, that would otherwise meet the definition of gift, where the payment is made by an individual who is not a lobbyist registered to lobby the official's state agency, where it is clear that the gift was made because of an existing personal or business relationship unrelated to the official's position and there is no evidence whatsoever at the time the gift is made to suggest the donor had a purpose to influence you.

To Complete Schedule D:

- Disclose the full name (not an acronym), address, and, if a business entity, the business activity of the source.
- Provide the date (month, day, and year) of receipt, and disclose the fair market value and description of the gift.

**SCHEDULE D
 Income – Gifts**

▶ NAME OF SOURCE *(Not an Acronym)*

 ADDRESS *(Business Address Acceptable)*

 BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

▶ NAME OF SOURCE *(Not an Acronym)*

 ADDRESS *(Business Address Acceptable)*

 BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

▶ NAME OF SOURCE *(Not an Acronym)*

 ADDRESS *(Business Address Acceptable)*

 BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

▶ NAME OF SOURCE *(Not an Acronym)*

 ADDRESS *(Business Address Acceptable)*

 BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

▶ NAME OF SOURCE *(Not an Acronym)*

 ADDRESS *(Business Address Acceptable)*

 BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

▶ NAME OF SOURCE *(Not an Acronym)*

 ADDRESS *(Business Address Acceptable)*

 BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____
___/___/___	\$ _____	_____

Comments: _____

Instructions – Schedule E Travel Payments, Advances, and Reimbursements

Travel payments reportable on Schedule E include advances and reimbursements for travel and related expenses, including lodging and meals.

Gifts of travel may be subject to the gift limit. In addition, certain travel payments are reportable gifts, but are not subject to the gift limit. To avoid possible misinterpretation or the perception that you have received a gift in excess of the gift limit, you may wish to provide a specific description of the purpose of your travel. See the FPPC fact sheet entitled "Limitations and Restrictions on Gifts, Honoraria, Travel, and Loans" at www.fppc.ca.gov.

You are **not** required to disclose:

- Travel payments received from any state, local, or federal government agency for which you provided services equal or greater in value than the payments received, such as reimbursement for travel on agency business from your government agency employer.
- A payment for travel from another local, state, or federal government agency and related per diem expenses when the travel is for education, training or other inter-agency programs or purposes.
- Travel payments received from your employer in the normal course of your employment that are included in the income reported on Schedule C.
- A travel payment that was received from a non-profit entity exempt from taxation under Internal Revenue Code Section 501(c)(3) for which you provided equal or greater consideration, such as reimbursement for travel on business for a 501(c)(3) organization for which you are a board member.

Note: Certain travel payments may not be reportable if reported on Form 801 by your agency.

To Complete Schedule E:

- Disclose the full name (not an acronym) and address of the source of the travel payment.
- Identify the business activity if the source is a business entity.
- Check the box to identify the payment as a gift or income, report the amount, and disclose the date(s).
 - **Travel payments are gifts** if you did not provide services that were equal to or greater in value than the payments received. You must disclose gifts totaling \$50 or more from a single source during the period covered by the statement.

When reporting travel payments that are gifts, you must provide a description of the gift and the **date(s)** received. If the travel occurred on or after January 1, 2016, you must also disclose the **travel destination**.

- **Travel payments are income** if you provided services that were equal to or greater in value than the payments received. You must disclose income totaling \$500 or more from a single source during the period covered by the statement. You have the burden of proving the payments are income rather than gifts. When reporting travel payments as income, you must describe the services you provided in exchange for the payment. You are not required to disclose the date(s) for travel payments that are income.

Example:

City council member Rick Chandler is the chairman of a 501 (c)(6) trade association and the association pays for Rick's travel to attend its meetings. Because Rick is deemed to be providing equal or greater consideration for the travel payment by virtue of serving on the board, this payment may be reported as income. Payments for Rick to attend other events for which he is not providing services are likely considered gifts.

▶ NAME OF SOURCE	
Health Services Trade Association	
ADDRESS (Business Address Acceptable)	
1230 K Street, Ste. 610	
CITY AND STATE	
Sacramento, CA	
BUSINESS ACTIVITY, IF ANY, OF SOURCE	<input type="checkbox"/> 501 (c)(3)
Association of Healthcare Workers	
DATE(S):	AMT: \$ 588.00
(if applicable)	
TYPE OF PAYMENT: (must check one) <input type="checkbox"/> Gift <input checked="" type="checkbox"/> Income	
DESCRIPTION: Travel reimbursement for board meeting	

Name _____

**SCHEDULE E
Income – Gifts
Travel Payments, Advances,
and Reimbursements**

- Mark either the gift or income box.
- Mark the “501(c)(3)” box for a travel payment received from a nonprofit 501(c)(3) organization or the “Speech” box if you made a speech or participated in a panel. These payments are not subject to the \$460 gift limit, but may result in a disqualifying conflict of interest.
- For gifts of travel that occurred on or after January 1, 2016, provide the travel destination.

▶ NAME OF SOURCE *(Not an Acronym)*

ADDRESS *(Business Address Acceptable)*

CITY AND STATE

501 (c)(3) or DESCRIBE BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE(S): ____/____/____ - ____/____/____ AMT: \$ _____
(If gift)

▶ MUST CHECK ONE: Gift **-or-** Income

Made a Speech/Participated in a Panel

Other - Provide Description _____

▶ If Gift, Provide Travel Destination _____

▶ NAME OF SOURCE *(Not an Acronym)*

ADDRESS *(Business Address Acceptable)*

CITY AND STATE

501 (c)(3) or DESCRIBE BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE(S): ____/____/____ - ____/____/____ AMT: \$ _____
(If gift)

▶ MUST CHECK ONE: Gift **-or-** Income

Made a Speech/Participated in a Panel

Other - Provide Description _____

▶ If Gift, Provide Travel Destination _____

▶ NAME OF SOURCE *(Not an Acronym)*

ADDRESS *(Business Address Acceptable)*

CITY AND STATE

501 (c)(3) or DESCRIBE BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE(S): ____/____/____ - ____/____/____ AMT: \$ _____
(If gift)

▶ MUST CHECK ONE: Gift **-or-** Income

Made a Speech/Participated in a Panel

Other - Provide Description _____

▶ If Gift, Provide Travel Destination _____

▶ NAME OF SOURCE *(Not an Acronym)*

ADDRESS *(Business Address Acceptable)*

CITY AND STATE

501 (c)(3) or DESCRIBE BUSINESS ACTIVITY, IF ANY, OF SOURCE

DATE(S): ____/____/____ - ____/____/____ AMT: \$ _____
(If gift)

▶ MUST CHECK ONE: Gift **-or-** Income

Made a Speech/Participated in a Panel

Other - Provide Description _____

▶ If Gift, Provide Travel Destination _____

Comments: _____