



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, November 10, 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

October 20, 2016

- D. **PUBLIC COMMENT & WRITTEN COMMUNICATION**

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 Ordinance 2016-2: An Ordinance of the Board of Directors of the Scotia Community Services District Adopting Title IV - Parks and Recreation – First Reading**
- b. **Consider adoption of Resolution 2016-20: A Resolution of the Board of Directors of the Scotia Community Services District to Adopt the Scotia Community Services District Financial Management Policy**
- c. **Proposition 218 Proceedings Update**

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:**
- 6. Fire Chief's Status Report: Quarterly Report**
- 7. Board Clerk Report:**

H. ADJOURNMENT

Next Regular Meeting of the SCSD will be December 15, 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 Regular Board Meeting of the
Scotia Community Services District
Thursday, October 20, 2016
Regular Meeting at 5:30 P.M.

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
Gayle McKnight	Director – present
Paul Newmaker	Director – absent
Susan Pryor	Director – present
Rick Walsh	President – absent

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

B. SETTING OF AGENDA – No Changes

C. CONSENT CALENDAR

C1. Approval of Minutes from Previous Meetings

September 22, 2016

October 6, 2016

Motion: Motion to approve the consent calendar

Motion: Pryor **Second:** Bristol

Motion Vote: Ayes - 3 **Opposed** – 0 **Absent** - 2 **Abstain** - 0

D. PUBLIC COMMENT & WRITTEN COMMUNICATION

Chief Broadstock presented on a structure fire at HRC on October 16th at approximately 9:10pm. Cause was an electrical shortage in the crane section of the building, 30' up, no ground fire. Hose reels weren't working and the sprinkler system did not activate. Risers were shut off., and were not flagged as out of service. Chief Broadstock sent HRC a list of suggestions/recommendations to HRC fire prevention person, and has not received any response. TOS will be following up with a letter to HRC regarding the fire. SCSD Board directs staff to draft a letter to HRC and the CA State Fire Marshal.

The Board received a Proposition 218 legal opinion from Russ Gans, legal counsel for TOS, as written communication.

Board received reminder from the Humboldt County Elections Office to update the Conflict of Interest Policy.

Board received word that the Draft Transition Agreement between SCSD and TOS had been received by staff, and that staff is working on it.

Director Bristol submitted an informational pamphlet from a paintball company interested in using the Soccer Park as a location for their paintball park.

E. PUBLIC HEARING – NONE

F. BUSINESS

F1. New Business –

a. Draft Financial Management Policy

This draft policy is a fusion of three polices. Steve D. comments are not yet input. Board discussed limits for signatories, and how many signatories. Staff directed Clerk to look for original table.

F2. Old Business – None

a. Draft Parks and Recreation Ordinance

Staff introduced. Board briefly discussed. November will be the first reading, on for adoption in December. Legal Counsel presented new enforcement section, explained how it allows legal enforcement of the ordinance.

b. Insurance ACWA and SDRMA Quotes

Steff Presented. Board commented. No Action was taken.

G. REPORTS

1. President's Report: Absent

2. Board Director Reports: None

3. Interim Manager's Report: County Update – Board of Supervisors tentatively set to hear Scotia Subdivision Phase 1 on November 8, 2016, Transition Agreement Update – emailed to staff today, CAO Meeting Report – staff and Board President met with CAO and Public Works Director to discuss property taxes in Scotia.

4. Special Counsel's Report: None.

5. Engineer's Report: Pase 2 construction is proceeding. SHN reinforcing bridge to keep it from settling after recent sewer construction.

6. Fire Chief's Status Report: None - Quarterly Report next month

7. Board Clerk Report: Clerk gone next month November 14-16, possibly 17th. Move Regular Meeting to November 10th - Yes at 5:30

G. ADJOURNMENT

Meeting adjourned at 6:51 pm by Vice President Gayle McKnight.

These minutes were approved by the Board of Directors of the Scotia Community Services District on November 10, 2016 at its duly-noticed regular meeting in Scotia, CA.

APPROVED:

Gayle McKnight, Vice 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: November 10, 2016
TO: Scotia Community Services District Board of Directors
FROM: Steve Tyler, Interim District Manager
SUBJECT: SCSD Parks and Recreation Ordinance 2016-2

RECOMMENDATION:

The Administrative staff recommends that the Board consider adoption of Ordinance 2016-2: An Ordinance of the SCSD Board adopting Title IV – Parks and Recreation.

ACTION:

Adopt Ordinance 2016-2, *first reading*.

DISCUSSION:

Community Services Districts are required to adopt Ordinances for each service that is provided to the residents of the District. The SCSD Ordinance Title II- Water Service, was adopted on 11/19/2015 and the SCSD Ordinance Title III- Wastewater Service was adopted on 11/19/2015.

The Parks and Recreation Ordinance 2016-2 was developed utilizing information obtained from other agencies that provide parks and recreation services and includes input provided by the SCSD Board.

FISCAL IMPACT:

None

ATTACHMENT:

SCSD Parks and Recreation Ordinance 2016-2.

ORDINANCE NO. 2016 - 2

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE
SCOTIA COMMUNITY SERVICES DISTRICT
ADOPTING TITLE IV – PARKS AND RECREATION**

The Board of Directors of the Scotia Community Services District does ordain as follows:

Section 1: Title IV (Parks and Recreation) is hereby adopted as follows:

TITLE IV - PARKS AND RECREATION

CHAPTER 1 –PURPOSE

SEC. 1.01. PURPOSE AND POLICY. This article sets forth the standards, processes and fees associated with open space maintenance services. The District desires to encourage the long-term maintenance of undeveloped or recreational land under District ownership where the maintenance is either required by Humboldt County or requested by residents of a specific area. This article is intended to implement the provisions of the Landscaping and Lighting Act of 1972 (Streets and Highway Code Section 22500 et seq.) herein referred to as the "Act."

CHAPTER 2. -RECREATION AND PARK SYSTEM-WIDE REGULATIONS

SEC. 2.01. RECREATIONAL USE DEFINED. Recreational use is considered any area open for safe public use that contains trails, improved footpaths, parks, tot lots, playgrounds, or those areas having access to scenic views or open space.

SEC. 2.02. OVERNIGHT USE PROHIBITED. There is to be no camping or loitering on the grounds or in public buildings or structures between sunset and sunrise unless a Facility Use Permit are first obtained from the District.

SEC. 2.03. FIRES. Open fires are prohibited. Cooking fires will be allowed on grounds only in those areas equipped with District provided equipment designated for the containment of cooking fires.

SEC. 2.04. GLASS. Glass may be used in designated areas only, subject to General Manager approval. An additional deposit may be required for glass to be used at special events.

SEC. 2.05 PETS. Pets may be off leash at outdoor facilities in designated areas and facilities only. Pets must be under voice control at all times. Animal owners are responsible for removal of animal excrement from the facilities.

SEC. 2.06. CONDUCT - ALCOHOLIC BEVERAGES.

- (a) Patrons may use alcoholic beverages with meals in designated areas at recreation and parks system facilities, provided they conduct themselves in an orderly manner;
- (b) Alcoholic beverages may be served or may be sold with California Department of Alcoholic Beverage Control ("ABC") permit only at designated recreation and parks system facilities where sales are not prohibited, and provided a Facility Use Permit have been secured (see SEC. 28.08 for further details);

- (c) No person shall be under the influence of intoxicating substances as provided in Section 647 (f) of the California Penal Code;
- (d) The District may withdraw the privilege to use alcoholic beverages at any time if the Sections and Chapters as are contained in this ordinance are not abided by;
- (e) Use of illegal substances other than alcohol is prohibited.
- (f) Use of tobacco shall be in designated smoking areas only.

SEC. 2.07. INJURY TO OR MISUSE OF RECREATION AND PARKS SYSTEM PROPERTY.

NO PERSON SHALL:

- (a) Willfully mark, deface, injure, tamper with, displace, or remove any buildings, bridges, tables, benches, fireplaces, railings, bleachers, ball fields, water lines, paving or paving materials or other public utilities or parts thereof, signs, notices or placards, whether temporary or permanent, monuments, stakes, posts or other boundary markers, or other structures or equipment, or recreation and parks system property or appurtenances whatsoever, either real or personal.
- (b) Litter, soil or defile buildings, structures, grounds, equipment or other recreation and parks system property or appurtenances whatsoever. Trash, litter and other debris must be deposited into the proper receptacles.
- (c) Remove any soil, rock, stones, turf, trees, shrubs, or plants, down timber or other wood or materials or make any excavations by tool, equipment or any other means or agency.
- (d) Construct or erect any building or structure of whatever kind, whether permanent or temporary in character, or run or string any public utility into, upon or across such land except by District permit.
- (e) Trespass upon any area where prohibited.
- (f) Hunt, molest, or otherwise harm wildlife and plant life within the recreation and parks system.
- (g) Announce, advertise or call the public attention in any way to any article or service for sale or hire, except by District permit.
- (h) Paste, glue, tack or otherwise post any sign, placard, advertisement, or inscription, nor shall any person erect or cause to be erected any sign whatever within the recreation and parks system without permission from the District.
- (i) Use any system for amplifying sounds, whether for speech or music or otherwise within the recreation and parks system unless a Facility Use Permit is first secured from the District.
- (j) Discharge any weapon of any type within the recreation and park system boundaries for any reason.
- (k) Make fires of any type for any reason in any area that is not properly equipped and designated to contain a fire.
- (l) Use model rockets and remote control model airplanes or drones in Scotia Parks and Open Space without prior written approval from the District's General Manager.

SEC. 2.08. POLLUTING WATERS OR DUMPING REFUSE PROHIBITED.

NO PERSON SHALL:

- (a) Throw, discharge, or otherwise place or cause to be placed in the waters of any fountain, pond, stream or any other body of water in or adjacent to any component of the

recreation and park system or any tributary, stream, storm sewer or drain flowing into such waters any substance, matter or things, liquid or solid, which will or may result in the pollution of said waters.

- (b) Dump, deposit, or leave any trash not created within the boundaries of the recreation and park system.

SEC. 2.09. OPERATION OF MOTORIZED VEHICLES--PROHIBITED ACTS.

NO PERSON SHALL:

- (a) Fail to comply with all applicable provisions of the Vehicle Code of the State of California in regard to equipment and operation of motorized vehicles together with such chapters as are contained in this ordinance.
- (b) Fail to obey all law enforcement officers and District employees who are hereafter authorized and instructed to require persons within the boundaries of the recreation and park system to adhere to the provisions of these chapters.
- (c) Fail to observe carefully all traffic signs, parking signs, and all other signs posted for the proper control of traffic and to safe guard life and property.
- (d) Operate a motorized vehicle, other than SCSD-authorized vehicles, within the boundaries of the facility except in those areas designated as driveways.

SEC. 2.10. OPERATION OF NON-MOTORIZED VEHICLES--PROHIBITED ACTS.

NO PERSON SHALL:

- (a) Non-motorized vehicles shall be defined as any form of transportation in which human or gravitational energy powers the source of transportation. Examples of such transportation include but are not limited to bicycles, skateboards, roller blades, roller skates, etc.
- (b) Fail to comply with all applicable provisions of the Vehicle Code of the State of California in regard to equipment and operation of non-motorized vehicles together with such chapters as are contained in this ordinance.
- (c) Fail to obey all law enforcement officers and District employees who are hereafter authorized and instructed to require persons within the boundaries of the recreation and park system to adhere to the provisions of these chapters.
- (d) Fail to observe carefully all traffic signs, parking signs, and all other signs posted for the proper control of traffic and to safe guard life and property.
- (e) Operate non-motorized vehicles on any sidewalks, on pathways designated for pedestrian traffic only, and within turf and landscaped areas.

CHAPTER 3. - OPERATION OF WINEMA THEATER

SEC. 3.01. HOURS OF OPERATION. All events may begin at 8:00am, and shall conclude at 10:00 p.m. Sunday-Thursday, and at Midnight on Friday and Saturday.

SEC. 3.02. FACILITY CAPACITY. The maximum overall capacity of the Winema Theater is 464 persons. This includes 278 persons in fixed seating, and 186 additional capacity for seating on the lower level main floor. Additional seating must follow the additional seating template, provided by the SCSD and Fire Chief, which follows the California Code, allowing for minimum of four foot (4') rows for exit. Any alternative seating templates must be approved by the Fire Chief.

SEC. 3.03 DECORATIONS. Decorations for events may NOT be secured with pins, nails, tacks, or any other materials that may leave holes or cause any damage to the facility.

SEC. 3.04. AMERICANS WITH DISABILITIES ACT (ADA) COMPLIANCE. If an event at the Winema Theater is open to the public, it must comply with all current ADA regulations.

SEC. 3.05. WINEMA THEATER POCKET PARK. The Winema Theater Pocket Park will be operational during daylight hours only.

CHAPTER 4. - OPERATION OF SCOTIA MUSEUM

SEC. 4.01. HOURS OF OPERATION. The Museum hours of operation will be determined, and may be changed, at the Board of Directors discretion. Hours will be posted at the Museum, in a conspicuous location.

SEC. 4.02. MUSEUM FEES. Museum fees will be determined, and may be changed, at the Board of Directors discretion.

SEC. 4.03. FACILITY CAPACITY. TBD.

SEC. 4.04. RESTROOM FACILITIES. Restroom facilities are for Museum Patrons ONLY.

SEC. 4.05. EXHIBITS. Museum exhibits and displays are not to be handled, moved, touched, climbed on, jumped off, or any such manner of touching unless explicated stated via signage, etc. This includes the locomotive equipment in the Museum Pocket Park adjacent to the museum building.

SEC. 4.06. MUSEUM POCKET PARK. The Museum Pocket Park will be operational during daylight hours only.

CHAPTER 5. - OPERATION OF FIREMAN'S PARK

SEC. 5.01. GROUP BARBECUE COMPLEX. Individuals or organizations desiring use of any portion of the group barbecue complex within Fireman's Park for an organized function shall obtain a Facility Use Permit.

SEC. 5.02. PICNIC TABLES/BARBECUES. The public may use the picnic tables and barbecues in the park on a first-come first-served basis, unless otherwise reserved for a private party with a Reservation Permit. Reservation Permit Applications and rental fees are due thirty (30) working days prior to the event. Reservations should be made as early as possible to avoid schedule conflicts. At least 48 hours' notice of cancellation is required. Deposits will be returned within 30 days after the event.

SEC. 5.03. RESTROOM FACILITIES. Restrooms may be reserved for special events, and will require a deposit fee and non-refundable restroom cleaning fee. Restroom facilities will remain locked unless otherwise noticed. Restroom use is limited to daylight hours only. The restroom key is to be used only by the Reservation Holder and associated party. The restroom will remain clean and locked when guests are finished. Upon return of the restroom facility key to the SCSD Office, the deposit will be returned within 30 days to the applicant. The key will not be duplicated, loaned, or given to others. If the key is lost, the deposit is forfeited, and a new deposit will be required to have a key reissued. Key check out may be revoked at any time.

SEC. 5.04. OVERNIGHT USE PROHIBITED. All events shall conclude at 10:00 p.m. Sunday-Thursdays and at Midnight on Friday and Saturday. Overnight use is prohibited unless a Facility Use Permit is first obtained from the District.

SEC. 5.05. FIRES. Open fires are prohibited. Cooking fires will be allowed on grounds only in those areas equipped with District provided equipment designated and in portable barbecues designated for the containment of cooking fires.

SEC. 5.06. PETS. The designated off leash area is defined as the fenced area of Fireman's Park. All pet waste must be appropriately removed. Horses and other livestock are not allowed.

SEC. 5.07. AMERICANS WITH DISABILITIES ACT (ADA) COMPLIANCE. If an event at the Fireman's Park is open to the public, it must comply with all current ADA regulations.

CHAPTER 6. - OPERATION OF BASEBALL PARK

SEC. 6.01. LIGHTING. Baseball Park Lighting will be available for a charge with a valid Facility Use Permit, and charged at a rate set by the Board of Directors in the Fee Schedule.

SEC. 6.02. GROUP BASEBALL PARK USE. The Baseball Park may be used by groups with a valid Facility Use Permit. See Fee Schedule for permit fees.

SEC. 6.03. RESTROOM FACILITIES. Restroom facilities will remain locked unless otherwise noticed. Restroom use is limited to daylight hours only. Restrooms may be reserved for special events, and will require a deposit fee. The restroom key is to be used only by the Reservation Holder and associated party. The restroom will remain clean and locked when guests are finished. Upon return of the restroom facility key to the SCSD Office, the deposit will be returned within 30 days to the applicant. The key will not be duplicated, loaned, or given to others. If the key is lost, the deposit is forfeited, and a new deposit will be required to have a key reissued. Key check out may be revoked at any time.

SEC. 6.04. OVERNIGHT USE PROHIBITED. All events shall conclude at 10:00 p.m. Sunday-Thursdays and at Midnight on Friday and Saturday. Overnight use is prohibited unless a Facility Use Permit is first obtained from the District.

SEC. 6.05. HORSESHOE PITS. The public may use the horseshoe pits on a first come basis. Any individual or organization desiring to use the horseshoe pits for an organized function must do so by obtaining a Facility Use Permit.

SEC. 6.06. AMERICANS WITH DISABILITIES ACT (ADA) COMPLIANCE. If an event at the Baseball Park is open to the public, it must comply with all current ADA regulations.

CHAPTER 7. - OPERATION OF SOCCER FIELD

SEC. 7.01. RESTROOM FACILITIES. Restrooms may be reserved for special events, and will require a deposit fee and non-refundable restroom cleaning fee. Restroom facilities will remain locked unless otherwise noticed. Restroom use is limited to daylight hours only. The restroom key is to be used only by the Reservation Holder and associated party. The restroom will remain clean and locked when guests are finished. Upon return of the restroom facility key to the SCSD Office, the deposit will be returned within 30 days to the applicant. The key will not be duplicated, loaned, or given to others. If the key is lost, the deposit is forfeited, and a new deposit will be required to have a key reissued. Key check out may be revoked at any time.

SEC. 7.02. OVERNIGHT USE PROHIBITED. All events shall conclude at 10:00 p.m. Sunday-Thursdays and at Midnight on Friday and Saturday. Overnight use is prohibited unless a Facility Use Permit are first obtained from the District.

SEC. 6.06. AMERICANS WITH DISABILITIES ACT (ADA) COMPLIANCE. If an event at the Soccer Field is open to the public, it must comply with all current ADA regulations.

CHAPTER 8. - OPERATION OF COMMUNITY FOREST

SEC. 8.01. RIVER ACCESS. Use of motorized vehicles on the river bar is prohibited. The River bar and access road is designated for pedestrian traffic only. River access will be open Sunrise to Sunset. Camping is not authorized. The District does not provide lifeguards at the river, swim at your own risk.

SEC. 8.02. UNAUTHORIZED TAKE FROM THE COMMUNITY FOREST, INCLUDING THE RIVER BAR. Shall comply with Section 27.01(c) of this ordinance. Any unauthorized take of any natural resource from the community forest is prohibited and will be considered a violation of this ordinance and be dealt with according to Chapter 10.

CHAPTER 9. - PERMITS, FEES AND DEPOSITS

SEC. 9.01. FACILITY USE PERMITS REQUIRED. A valid facility use permit is required for individuals or organizations to use any indoor facility or any outdoor facility which may include, but shall not be limited to, any of the following:

- (a) Nonspontaneous large group activities consisting of fifty (50) or more persons;
- (b) The charging of an admission or entrance fee;
- (c) The use of District facilities not ordinarily available for public use;
- (d) Regularly occurring organized team or league use of District sports fields or courts;
- (e) The sale of merchandise, food or beverages;
- (f) The sale or service of alcoholic beverages;
- (g) The setting up of booths, stages, vending carts or stands, kiosks, bleachers or similar structures;
- (h) The barricading of any District street or other street use that would impede the normal flow of traffic;
- (i) Amplified music or sound;
- (j) The need for access to District utilities;
- (k) The need for garbage collection specific to the activity or event; or
- (l) The staging or shooting of commercial motion or television pictures or still photography, exempting local businesses, filming for educational purposes, and tourism productions, as further defined by the District Board, when such activities do not otherwise require a District permit.
- (m) Any use of the Winema Theater.
- (n) The General Manager or Board of Directors may impose additional permits or permit requirements.

SEC. 9.01.a. EVENT TYPE DEFINITIONS. The District shall issue permits based on the following definition of use:

- (a) Event - defined as use with estimated attendance of less than 500 persons and no more than posted capacities at indoor facilities; for which off road and facility parking space is adequate; for which street closures are not required; and for which cancellation of approved vendor programs is not required.
 - i. *Major Event* - Major Events are classified as events drawing more than 50 people total or events that close a District street. A non-refundable application-processing fee must accompany the application. Applications must be submitted at least 30 days in advance of event date.
 - ii. *Minor Event* - Minor Events are classified as events drawing 50 people or less that do not close any streets. A non-refundable application-processing fee must accompany the application. Applications must be submitted at least 30 days in advance of event date.
- (b) Large Scale Community Event - defined as use with estimated attendance of more than 500 persons but no more than posted capacities at indoor facilities or for which off-road and facility parking space is adequate; or for which street closures may be required; or for which cancellation of an approved vendor program is required. A non-refundable application-processing fee must accompany the application. Applications must be submitted at least 30 days (60 days for events over 1000 participants) in advance of event date.
- (c) Vendor Contract - defined as use by those individuals approved by the District Board of Directors, offering ongoing programs on a regular basis for no more than twelve months. Anyone wishing to sell food or goods at any park facilities, must have a current business license, insurance, and a valid Vending Permit. Please allow up to 30 days for the application process.
- (d) *Business License for Booth Sales* - Any person or organization, including a non-profit organization, who is selling food or merchandise at a special event must have a 1-day booth permit. Information only booths do not need a booth permit.
- (e) *Film Permits* – A Photography/Motion Picture Permit is required for use of SCSD parks, buildings, or grounds for the staging or shooting of commercial motion or television pictures and photography.

SEC. 9.02. FACILITY USE PERMIT PROCESS. Any individuals or organizations seeking issuance of a Facility Use Permit hereunder shall file a permit application to use District facilities on the appropriate application form provided by the District. All requests must be filed with the District along with the required application processing fee, deposit, use fees, proof of appropriate insurance coverage, and fees for other services at least thirty (30) working days prior to the actual event date. The General Manager, under direction of the Board, may impose additional conditions for approval. All Event Permits shall be reviewed by the Fire Chief.

SEC. 9.03. FACILITY USE FEES. Facility use fees, as established and adopted by the District Board on an annual basis in the Fee Schedule, shall be charged for and must accompany each Facility Use Permit request required hereunder for said facility use permit request to be fully and properly executed by the District.

SEC. 9.03.a FEE STRUCTURE DEFINITIONS. The District shall identify the following fee structure definitions when charging customers for use of facilities:

- A "Non-Profit Group" shall be defined as any group or organization which can supply proof of non-profit status via the Internal Revenue Service code. Other Governmental entities shall be considered as falling within the guidelines of this definition.
- A "Vendor" shall be defined as an individual or organization, approved by the District Board of Directors, that has a fully executed vendor contract for use of District parks and recreation facilities.
- A "Private Citizen/Business" shall be defined as other potential users not fitting within the "non-profit group" or "vendor" definition.
- A "Commercial Event" shall be defined as an event being held for the purpose of private financial gain for an individual or organization.
- An "Event Host" shall be defined as a District employee who has received training regarding use of District facilities for outside events. Event hosts are required for all events at District facilities for those events sponsored by a District approved vendor.
- The "All Day Rate" shall be defined as a fee charged specifically for use of the Winema Theater and which includes access to the facility for greater than four (4) consecutive hours.
- The "Half-Day Rate" shall be defined as a fee charged specifically for use of the Winema Theater and which includes access to the facility for a maximum of four consecutive hours.

SEC. 9.03.b. FACILITY USE FEES. The District shall charge rates for use of District-owned facilities as outlined in the Fee Schedule.

SEC. 9.03.c. EVENT SERVICES FEES. The District shall charge a fee per hour for an event host for events requiring a host. The minimum charge shall be two hours. Other events service fees shall be determined each year and are based on the direct expense associated with providing said service. Such event fees shall be established and adopted by the Board in the Fee Schedule.

SEC. 9.03.d. RECREATION PROGRAM FEES. The District shall charge participants program fees based on the direct expenses associated with each individual program. Program fees shall be determined each year and as programs are added to the Fee Schedule. Program fees shall be adopted by the Board within two months of the inception or change of fees.

SEC. 9.04. DEPOSIT. A deposit, as established and adopted by the District's Board in the Fee Schedule must accompany each Facility Use Permit request. The deposit shall be refunded to the applicant within thirty (30) working days if the facility is restored to pre-use conditions. If District clean-up is required to restore the facility to pre-use conditions or damage is noted to the facility, any refund will be less the expense associated with returning the facility to pre-use conditions.

SEC. 9.04.a. FACILITY USE DEPOSIT FEES. The District shall charge a deposit for events which qualify and are defined as special events or large-scale community events, as outlined in the Fee Schedule.

SEC. 9.05. INSURANCE. All events requiring a Facility Use Permit shall obtain Liability Insurance for the event; a Facility Use Permit request shall not be considered fully executed unless the individual or organization seeking issuance of a Facility Use Permit obtains and furnishes liability coverage for the event which is acceptable to the District.

Insurance is required for all Facility Use Permits except as otherwise prohibited by law or in the event an exemption is obtained from the General Manager. When required insurance must be submitted to the SCSD thirty (30) business days prior to the event, event holder will provide:

- A Certificate of Insurance of \$2,000,000 liability coverage. (General Aggregate and Each Occurrence)
- An endorsement, naming the "Scotia Community Services District, it's elected or appointed officers, officials, employees and volunteers" as additionally insured.
- The endorsement must also provide a statement that the insurance will be primary and that the insurance will not be cancelled without prior 30-day written notice given to the Scotia Community Services District.
- Liability Release Form – add language

SEC. 9.06. PERMITS FOR USE OF FACILITIES. The District shall only grant a Facility Use Permit for organized use of a facility when each of the following findings can be made:

- (a) The requested area of the recreation and parks system for which the facility is located within is available during the period for which the Facility Use Permit is requested;
- (b) The expected attendance does not exceed the capacity of the facility or area, as determined by the International Building Code (IBC) and National Fire Prevention Association (NFPA) standards;
- (c) The use for which the Facility Use Permit is sought complies with the use established for the facility or area requested.

SEC. 9.07. USE OF SOUND AMPLIFICATION SYSTEM. The District shall only grant permission for use of any sound amplification system when each of the following findings can be made:

- (a) The individual or organization seeking permission for use of a sound amplification system must file, with the District, a Facility Use Permit request for the facility in which use of the sound amplification system is requested.
- (b) The sound amplification system proposed will not unduly inconvenience or disturb neighboring properties or other recreation and parks system facility users, nor violate any established Noise Ordinance.
- (c) The maximum noise from use of the sound amplification system complies with Humboldt County's Noise Regulations.
- (d) The use for which permission is sought complies with the use established for the facility or area requested.

For those events at which sound amplification systems are utilized, the following requirements shall also be required:

- (a) A District employee, or other designee, will be assigned to be present throughout the event.

SEC. 9.08. SALE OR SERVICE OF ALCOHOLIC BEVERAGES. The District shall only grant permission for sale or service of alcoholic beverages when each of the following conditions are met:

- (a) The individual or organization seeking permission for sale or service of alcoholic beverages must file, with the District, a Facility Use Permit request for the facility in which the sale of alcoholic beverages is requested;
- (b) The individual or organization seeking permission has a valid permit from the ABC to sell alcohol;
- (c) If applicable, the individual or organization seeking permission has secured outside security services;

- (d) The use for which permission is sought complies with the use established for the facility or area requested.
- (a) A District employee, or other designee, will be assigned to be present throughout the event;
- (b) Facilities will not be rented for events at which the consumption of alcoholic beverages will be a principal activity.

The General Manager has the authority to impose additional conditions, including insurance and liability provisions, as a requirement for issuance of a fully executed Facility Use Permit. Additional Fees and Rates may be required at events that intend to sell or serve alcohol.

SEC. 9.09. USE OF DISTRICT-OWNED EQUIPMENT. The District may make available to individuals or organizations recreation-related equipment, which can be utilized for outdoor use, as determined by the General Manager or Board of Directors. District shall only grant permission for use of District-owned equipment when each of the following findings can be made:

- (a) The individual or organization seeking permission for use of District-owned equipment must be requesting said equipment in conjunction with an event at a District facility which is being sponsored by the individual or organization;
- (b) The Individual or organization must file, with the District, a Facility Use Permit request for the facility in which the equipment will be utilized;
- (c) The requested equipment is available during the period for which use of the equipment is requested;
- (d) The individual or organization requesting use of SCSD-owned equipment furnishes the District with appropriate liability coverage.

SEC. 9.10 WAIVER. A waiver of the fees and/or deposit for certain types of protected activities may be available upon the discretion of the General Manager.

SEC. 9.11. APPEALS. An appeal of the action of District staff on any Facility Use Permit pursuant to this chapter must be in writing and filed by or on behalf of the individual or organization seeking the Facility Use Permit, within (10) days after the action of District staff on the Facility Use Permit request. The appeal shall set forth in detail the factual and legal basis of the appeal. The Board of Directors shall consider and act on the appeal within forty-five (45) days after the appeal is filed. The individual or organization filing the appeal shall be entitled to submit oral or written evidence to the Board in support of the appeal. Action of the Board of Directors on the appeal shall be final.

CHAPTER 10. – ENFORCEMENT

SEC. 1.0 AUTHORITY. California Government Code Section 61064(a) states the “violation of any rule, regulation, or ordinance adopted by a board of directors is a misdemeanor punishable pursuant to Section 19 of the Penal Code.” California Government Code Section 61064(b) allows any citation issued by the SCSD for the violation of a rule, regulation, or ordinance adopted by the Board “may be processed as an infraction pursuant to subdivision (d) of Section 17 of the Penal Code.” Finally, Cal. Gov’t Code 61064(c) allows the Board to confer on “designated uniformed district employees the power to issue citations for misdemeanor and infraction violations of state law, city or county ordinances, or district rules, regulations, or ordinances when the violation is

committed within a facility and in the presence of the employee issuing the citation. District employees shall issue citations pursuant to Chapter 5C (commencing with Section 853.5) of Title 3 of Part 2 of the Penal Code.”

SEC. 2.0 DESIGNATED EMPLOYEES. Each act that violates this Parks and Recreation Ordinance is a violation of the Scotia Community Services District’s rules and shall constitute a separate offense. A violation of this section is punishable as a misdemeanor or infraction, chargeable at the General Manager’s or District’s Counsel’s discretion.

SEC. 3.0 PENALTY. (A) It shall be unlawful for any person to violate any provision or to fail to comply with any of the requirements of this ordinance or the provisions of any ordinance adopted by reference by this ordinance. Any person violating any of such provisions or failing to comply with any of the mandatory requirements of this ordinance shall be guilty of a misdemeanor. Any person convicted of a misdemeanor under the provisions of this ordinance shall be punishable by a fine of not more than \$1,000 or by imprisonment in the county jail for a period not exceeding six months, or by both such fine and imprisonment. Each such person shall be guilty of a separate offense for each and every day during any portion of which any violation of any provision of this ordinance, or the provisions of any ordinance adopted by reference by this ordinance, is committed, continued, or permitted by such person and shall be punishable accordingly. Any violation of this ordinance which is declared to be a misdemeanor shall be considered and treated as an infraction subject to the procedures described in Cal. Penal Code §§ 19.6 and 19.7, when:

- (1) The District Manager or District Counsel files a complaint charging the offense as an infraction unless the defendant, at the time he is arraigned, after being informed of his rights, elects to have the case proceed as a misdemeanor; or
- (2) The court, with the consent of the defendant, determines that the offense is an infraction in which event the case shall proceed as if the defendant had been arraigned on an infraction complaint.

(B) In addition to the penalties provided by this section, any condition caused or permitted to exist in violation of any of the provisions of this ordinance, or the provisions of any ordinance adopted by reference by this ordinance, shall be deemed a public nuisance and may be summarily abated by this District, and each day such condition continues shall be regarded as a new and separate offense.

(C) Each violation of this ordinance expressly declared to be an infraction is punishable by:

- (1) A fine not exceeding \$100 for the first violation;
- (2) A fine not exceeding \$200 for the second violation of the same ordinance within one year;
- (3) A fine not exceeding \$500 for each additional violation of the same ordinance within one year.

Section 2: Severability. If any section, subsection, sentence, clause or phrase of this chapter is for any reason held to be invalid or unconstitutional, the decision shall not affect the validity of the remaining portions of the Chapter. The Board of Directors hereby declares that it would have passed this Chapter, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid under law.

Section 3: California Environmental Quality Act (CEQA) Determination. Under the EIR that was completed upon the formation of the Scotia Community Services District, a determination was made that the District would not result in a significant environmental impact. This ordinance is also exempt from the California Environmental Quality Act (CEQA) Guidelines pursuant to Section 15061(b)(3) of the CEQA Guidelines.

Section 4: Limitation of Actions. Any action to challenge the validity or legality of any provision of this ordinance on any grounds shall be brought by court action commenced within ninety (90) days of the date of adoption of this ordinance.

Section 5: This ordinance will take effect thirty (30) days after the date of its adoption.

DATE: _____, 2016

ATTEST:

APPROVED:

Clerk, Scotia Community Services District
District

President, Scotia Community Services
District

Clerk's Certificate

I hereby certify that the foregoing is a true and correct copy of Ordinance No. 2016-2, passed and adopted at a regular meeting of the Board of Directors of the Scotia Community Services District, Humboldt County, California on the _____ day of _____, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk, Scotia Community Services District

Scotia Community Services District

Staff Report

DATE: November 10, 2016

TO: Scotia Community Services District Board of Directors

FROM: Steve Tyler, Interim District Manager

SUBJECT: SCSD Financial Management Policy, with Resolution 2016-20

RECOMMENDATION:

The Administrative staff recommends that the Board consider adoption of Resolution 2016-20: A Resolution of the SCSD Board for the SCSD Financial Management Policy (FMP).

ACTION:

Adopt Resolution 2016-20

DISCUSSION:

The California, State Water Resources Control Board (SWRCB), Division of Drinking Water, requires a Technical, Managerial and Financial (TMF) assessment be completed by all public water systems that are applicants for SWRCB funding programs, new water systems and *change of water system ownership*.

SHN has completed and submitted the required TMF, for SWRCB review and approval. Included in the TMF are the SCSD Purchasing and Procurement Policy (PPP), adopted on 9/17/2015 and the SCSD Bylaws, adopted on 12/17/2015. Additionally, the TMF Element 13; Budget Control, requires a Financial Management Policy to be developed and adopted. The attached FMP meets that requirement.

The FMP was developed utilizing information obtained from other agencies and includes language from the SCSD adopted PPP and the SCSD adopted Personnel Policies and Procedures. The FMP establishes the best practices to assure that the District's assets are safeguarded against loss from unauthorized use or disposition and to control the purchases of goods and services.

The SCSD General Manager has the authority and responsibility for implementing the FMP. This includes training all SCSD employees and updating the FMP as required to comply with all State regulations.

FISCAL IMPACT:

None

ATTACHMENT:

SCSD Financial Management Policy and Resolution 2016-20.

RESOLUTION NO. 2016-20

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SCOTIA COMMUNITY SERVICES DISTRICT
TO ADOPT THE SCOTIA COMMUNITY SERVICES DISTRICT
FINANCIAL MANAGEMENT POLICY**

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 for the operation of the Scotia Community Services District; and

WHEREAS, on September 17, 2015 the Scotia CSD adopted a Purchasing and Procurement Policy to ensure the appropriate safeguards against loss, that transactions are executed and recorded properly, and to control purchases before the Scotia CSD is obligated to pay; and

WHEREAS, the Scotia CSD intends to assume control and management of the water and waste water treatment plants in the community of Scotia after transitioning from the Town of Scotia; and

WHEREAS, the State Water Resources Control Board requires a more complete and extensive financial management policy than the Purchasing and Procurement Policy established in 2015.

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 Purchasing and Procurement Policy, dated September 17, 2015, attached hereto as Exhibit “A” and by this reference made a part hereof, is hereby redacted and subsumed by the Financial Management Policy as the official purchasing and procurement policy of this District.

Section 3: The Scotia Community Services District Financial Management Policy, dated November 10, 2016, attached hereto as Exhibit “B” and by this reference made a part hereof, is hereby adopted as the official financial management, purchasing and procurement policy of this District.

This resolution shall be effective upon its adoption.

Dated: November 10, 2016

APPROVED:

Rick Walsh, Board President, Scotia CSD

ATTEST:

City Clerk, Scotia CSD

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2016-20, 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 tenth day of November, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Board Clerk, Scotia CSD

Scotia



Community Services District

FINANCIAL MANAGEMENT POLICY
OF THE
SCOTIA COMMUNITY SERVICES DISTRICT

ADOPTED
November 10, 2016

FINANCIAL MANAGEMENT POLICY

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1. GENERAL PURPOSE

The purpose of these policies is to establish guidelines for developing financial goals and objectives, making financial decisions, reporting the financial status of the Scotia Community Services District (“SCSD” or “District”), and managing the District’s funds.

It is also intended to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with the Board's authorization and recorded properly.

The intent of the District is to control purchases before the District is obligated to pay for goods or services. This Financial Management Policy is designed to accomplish this goal while providing a clearly documented record of the entire process.

Purpose of Reserve Policy

Adequate reserve funds are critical to the successful and stable, short and long-term operation of the District.

Adequate reserves for District operations, maintenance and capital improvements ensure that customers experience both stable rates for service and the security that the District can respond to emergencies, especially regarding water and wastewater quality issues. Adequate reserves ensure that the District will at all times have sufficient funding available to meet its operating, capital and debt service cost obligations, together with future debt or capital obligations, as well as any unfunded mandates, including costly regulatory requirements.

The District manages its working capital in a manner that allows the District to fund costs consistent with its annually updated five-year capital improvement program and five-year rate study financial plan, and that avoids significant rate fluctuations due to changes in cash flow requirements. The ability of the District to maintain reserve funds is a critical factor in providing reliable service, mitigating rate increases, and ensuring overall financial strength.

Adequate reserves directly affect the District’s bond rating and ultimately the ability to access debt markets at favorable interest rates, thereby ensuring the ability to finance and construct the infrastructure necessary to renew existing systems and expand service levels to meet future needs.

Annually during the budget adoption process, the District Board approves the appropriate levels and uses for reserve funds based upon the needs of the District.

The District’s reserve fund policy shall be periodically reviewed and adjusted to meet the needs of the District.

2. FINANCIAL RESPONSIBILITIES

It is the responsibility of the Board of Directors (Board) to formulate financial policies and review operations and activities on a periodic basis.

The Board delegates this oversight responsibility to the General Manager.

The General Manager acts as the primary fiscal agent, implementing all financial policies and procedures. The General Manager, with recommendations of the Board of Directors is responsible for the coordination of the following: Annual budget presentation, management of the funds and other fund investments, selection of the outside auditors, and approving revenue and expenditure objectives in accordance with the Board approved long-term plans.

The General Manager has the day-to-day operations responsibility for managing District funds, ensuring the accuracy of the accounting records, internal controls, financial objectives and policies, financial statement preparation, and bank reconciliation review and approval.

The General Manager is responsible for the preparation of the Chart of Accounts, Reporting Formats, Accounts Payable Processing, Payroll input and Payroll processing, Cash Receipts input, Journal Entries for General Ledger, required tax reporting, as well as bank reconciliations. The General Manager may delegate or contract for these services.

3. CONFLICT OF INTEREST

Members of the Board of Directors are prohibited from activities that might present conflicts of interest. The powers of directorship may not be used to personally benefit the Director at the District's expense. If a Director has a financial interest in a District transaction, the Director must fully disclose the interest and abstain from voting. Loans to Directors are prohibited.

4. BUDGETING PROCESS

The District's General Manager shall be responsible for presenting to the Board an annual operating budget draft sixty (60) days prior to the end of the fiscal year.

The Board shall review and approve the final draft recommended fiscal year budget revenues, expenditures and cash flow.

5. COMPENSATION AND PAYROLL

Payroll is executed bi-monthly. Paychecks or direct deposits will be provided to each employee by the General Manager or designee.

Monthly payroll expenses shall be verified by the General Manager or designee against payroll reports and direct deposit reports and reconciled with checking account reports.

The compensation of the General Manager or designee shall be determined by the Board of Directors. Compensation is based on a board-approved process that considers comparable data and General Manager performance. The salaries of all other employees shall be determined by the District's General Manager. Compensation ranges for all staff positions shall be approved by the District's General Manager. No employee of the District may be compensated outside of the approved range, without the approval of the General Manager and Board of Directors.

6. BANK ACCOUNTS AND INVESTMENT ACCOUNTS

The General Manager, or designee shall maintain and oversee bank and investment accounts, and ensure the District's day-to-day financial operations. Several accounts may be maintained by the District which may include but are not limited to:

1. Checking Account
2. Local Agency Investment Fund (LAIF) Account
3. Certificates of Deposit
4. Brokerage Account
5. Loan Accounts

These accounts may be changed as the District's financial conditions and requirements change.

7. INVESTMENTS REPORTS AND INVESTMENTS POLICY

Investments shall be reported with the monthly financial statements at cost or market value. The General Manager shall review and determine the general investment strategy for all funds.

8. CHECKING ACCOUNT

All checks, cash, money orders, and credit card deposits, are reviewed by the General Manager and deposited in the appropriate accounts. Fund raising events, and miscellaneous contributions, shall be deposited into the accounts. Monies shall be transferred from the checking account into the investment account when necessary, by the General Manager. Checks are written weekly to meet obligations, or ongoing operational expenditures.

Checks shall be issued only after the purchase order has been approved and signed by the designated staff person, and reviewed and initialed by the General Manager.

Checks shall be issued as needed to meet deadlines and take advantage of discounts. Check writing shall be batched and done weekly where possible.

9. RESERVE FUND

The District shall maintain a reserve fund, with the minimum amount of the annual operating expenses as set by the Board annually by resolution. When the fund balance falls below this minimum, the General Manager and the Board shall develop a plan and budget for rebuilding it, within the next fiscal year.

Capital Reserve Fund

The Capital Reserve is intended for general use on Capital projects. The funds come from contributions from other agencies or from funds that were budgeted on capital projects in prior years but unspent. This fund is spent directly on capital expenditures over the current or future year's normal capital budget and is not held in reserve for some other purpose.

Included in this fund are the connection fees collected from developers to pay for the new

facilities necessary to deliver water and wastewater service to newly developed property. These fees include, but are not limited to, offsite improvements such as the development's fair share cost of wells, reservoirs, transmission mains, treatment plant capacity, wastewater facilities and other necessary facilities. The fees are collected at rates established by the Board of Directors based upon specific financial rate studies. The rates charged are based on a project's equivalent dwelling unit (EDU) or equivalent basis. These funds are restricted to the design and construction of capital facilities.

This Capital Reserve Fund is drawn down annually as planned capital expenditures amounts are made. At the end of each fiscal year any unspent budgeted capital amount will be reallocated to this fund and will be used in the following year's capital budget.

Debt Service Reserve Fund

Debt Service Reserve Funds required to be maintained at a level sufficient to fund maximum annual debt service payments. These funds are to be used in the event that the District is unable to meet its required semi-annual debt service obligation. Reserve funds will be used to make the last two semi-annual debt service payments. Annual interest earnings on reserve funds shall be applied to each year's debt service payments. Any reserve funds related to state revolving fund loans shall be treated identically to reserve funds as these loans are contractually defined as parity debt to the District's senior lien bonds.

Board Restricted Funds

Rate Stabilization Fund

This fund is governed by legal covenants for the District's revenue bonds. The purpose of the fund is to assist in smoothing rates to pay SCSD debt service and to assure that minimum debt service coverage ratios required by the District's covenants would be met in the future. Funds deposited into this reserve are treated as operating revenues in the year of deposit and will be treated as operating revenues in years of use for the purposes of computing the District's debt service coverage ratio.

This fund is applied in the five-year financial plan and annual rate model along with other reserve funds to smooth future rate increases. This fund will provide a buffer should revenue estimates in any year not meet projections. The Rate Stabilization Fund will be drawn down to smooth rate increases. Specifically, they will be applied in any year where other revenues are not sufficient to meet the required debt service coverage ratio. They will also be applied if meeting only minimum coverage levels could result in the District's ratings being downgraded.

O&M Operating Reserve Fund

The O&M Operating Reserve will vary over time with a goal of maintaining three-months average operating expenses excluding depreciation. This reserve is considered a working cash requirement. It bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers.

Capital Replacement Reserve Fund

This fund pays for the replacement of existing facilities and equipment as it reaches the end of its useful life or for major repairs that extend the useful life of facilities. The purpose of this policy is to "fund depreciation" at 100% in future.

Unrestricted Reserves

Unrestricted reserves also termed "General Reserves" represent a remainder balance of cash that is not yet designated for some use by the Board of Directors.

10. SIGNATURE POLICY

The General Manager and one designated signatory (two signatures) shall, unless otherwise decided by the Board, sign all checks, drafts, or orders for payment of money, contracts, and commitments for services issued in the District's name for all amounts greater than \$25,000. In the absence of either individual, the signature of the Board President must be obtained.

The District checking account shall require signatures by any two of the following persons:

- o General Manager (permanent and/or bonded)
- o Board Members designated as signatories

11. REVENUE AND INCOME PROCEDURES

The General Manager in conjunction with the Board, develops and proposes revenue goals and objectives and submits them for Board discussion and approval.

12. RECORDING RECEIPTS

Checks and Payments

The following procedures for payment received through the mail or given to a staff person shall be in place: Mail should be opened by Board Clerk or General Manager. All checks shall be endorsed with the District's official stamp, or signed by the General Manager. All checks and money orders received through the mail shall be recorded by date, name of company or individual, designation, and amount. Cash will not be accepted through the mail.

After recording checks, individual deposit ticket shall be prepared and scanned electronically. That record shall include date of deposit, name of sender, amount, and designation. A copy of the bank deposit slip is retained in chronological order with copies of the deposited checks. All checks and money orders shall be deposited the same business week if possible, and no later than the next business week into the District's Bank Account.

Gifts and Donations

Gifts received, such as donations, should be properly recorded. Transactions should be periodically rechecked by the General Manager.

Goods and Shipments

Goods received shall be initialed and dated on the receiving record (packing list). If only a partial shipment is received, the items received shall be clearly indicated and a photocopy given to the District Clerk. Upon receipt of all items, the person receiving the goods shall again initial and date the receiving record (packing list) indicating which goods were received

in the final shipment then given to the District Clerk.

13. **EXPENDITURES PROCEDURES**

All expenditures shall be approved by the General Manager. All expenditures shall be coded by account number using the District's Chart of Accounts.

The General Manager maintains standard accounting records containing all aspects of the District's financial operations electronically.

Invoices shall be approved by either the General Manager. Following the review and approval, check payment vouchers shall be prepared and the invoices shall be distributed to the District's County Account for check payment preparation. Upon payment of a bill, a copy of the check or duplicate of stub shall be stapled onto the bill and payment date and check number shall be printed on the invoice. The paid invoices shall be filed alphabetically according to company/individual name and shall be kept on a fiscal year basis on file. Record shall be kept for 3 years, or otherwise in accordance with the Record Retention Schedule.

Expenditure Classification

The control mechanism and method of documentation for purchases are determined by the type of expenditure. The District recognizes the following expenditure classifications:

- a. **Purchase Order**
All purchases of goods which require a purchase order.
- b. **Contract**
All formal contracts for services or goods and informal contracts for services.
- c. **Recurring**
All utilities, payroll taxes & benefits, employee health insurance, monthly rental payments and cash transfers between accounts.
- d. **Debt Payments**
All interest and principal payments on bond issues, lease-purchase payments (including those related to issuance of certificates of participation by other entities), transfers to fiscal or paying agents and any other long-term indebtedness.
- e. **Travel**
All advances and reimbursements for travel, mileage reimbursement for use of personal automobiles and local meal expenses.
- f. **Petty Cash**
All reimbursements of purchases from the petty cash fund and increases in petty cash or change funds.
- g. **Customer Refunds**
All utility billing deposit refunds and overpayment refunds to customers.
- h. **Other**
All other purchases which cannot be classified in one of the above categories.

Control Procedures

Purchasing shall be controlled according to their classification as indicated above by the following procedures:

- a. **Purchase Order**

The purchase of all supplies, materials and capital assets in excess of \$50.00 shall require a purchase order. Vendors from whom the District is likely to order several small items shall be issued blanket purchase orders.

b. Contract

Control procedures for non-budgeted contract purchases shall be further classified as: Contract Construction, Professional Services, or Other Services. For all classifications, contract purchases below \$5,000 require a purchase order, and will follow purchase order procedures. Contract purchases between \$5,000 and \$25,000 require a formal contract, approved and signed by the General Manager. Any purchase above \$25,000 requires a formal contract approved by the Board, and signed by the General Manager, and, if the contract purchase is a contract for construction, shall require formal bidding procedures. Sole source contracts shall require board determination and approval.

c. Recurring

These purchases shall be controlled by the budget. The Board shall adopt an annual budget which shall include, but is not limited to, line items for electricity/natural gas, telephone, telemetry, employer payroll taxes, retirement contributions, each type of employee benefit, insurance, each type of on-going rental, equipment and software maintenance and support contracts.

The General Manager shall monitor the relationship of year-to-date Purchases in these line items to the adopted budget. Purchases which exceed the budgeted amount but are not more than ten percent (10%) or \$5,000 greater, shall be approved by the General Manager.

Transfers of cash between accounts for recurring purchases exceeding \$5,000 shall be approved by the Board.

Monthly budget statements shall be presented to the Board detailing monthly and year-to-date purchases. Unusual or large variances will be explained to the Board.

All other recurring payments shall be approved by the General Manager.

d. Debt Payments

These purchases shall be controlled by the amortization schedules created by the debt instruments. All such payments shall be approved by the General Manager. Any demand for payments not contemplated in the debt instruments shall be approved by the Board.

e. Travel

These purchases shall be controlled as delineated in Section 16.

f. Petty Cash

A petty cash fund provides a systematic method for paying and recording out-of-pocket cash payments too small to be made by check. These purchases shall be approved by the General Manager. The General Manager shall maintain control of, and responsibility for, payments disbursed from the Petty Cash fund.

Total Petty Cash Fund shall be limited to \$250.00 per quarter. The amounts of the petty cash or change funds shall be changed only by Board action. No single expenditure from

the petty cash fund shall exceed \$50.00. Reimbursements shall be for the specific amount of payments made, and receipts must be kept as record.

Any overage or shortage in petty cash shall be taken into account in the reimbursement amount to insure that the balance of the fund does not exceed or fall below the amount as authorized by the Board. The General Manager shall monitor any overages/shortages on a continuing basis.

g. Customer Refunds

- (i). Utility Account Deposits - These purchases shall be controlled by the utility billing system. Normally, closing bills will be prepared which may show a balance due to the customer. Such refunds shall be approved by the General Manager.
- (ii). Inspection Deposit Refunds - These purchases shall be approved by a General Manager.
- (iii). Other Deposits - Occasionally other deposits will be refunded. These shall be approved by the General Manager.

h. Credit Card Use

Credit card purchases shall be classified in the expenditure category which best suits the type of goods or services procured. The Board shall approve application for any credit cards.

All credit cards shall be physically controlled by the General Manager who shall have custodial responsibility for them. All purchases on these cards shall be subject to the same controls which would apply if the District had a normal open account at specific stores (i.e. purchase order/blanket purchase order).

The fuel card is intended primarily for retail fuel purchases. It may be used from time to time for out-of-town personal automobile use while on District business. The General Manager shall physically control the card and have custodial responsibility for it. When used for out of town travel, all of the normal travel controls shall be observed.

Credit cards may be issued to any District employee as determined by the General Manager. The card will be in the District's name. The primary purpose of the credit card is as a payment method for staff travel, however, the card can be used to pay for any purchase when it is the most efficient method. Purchases made with a credit card must comply with all approval requirements set forth in this expenditure policy. Before receiving a credit card, employees must sign a "credit cardholder use agreement" setting forth their obligations under this program.

i. Phone Orders

Orders for goods or services placed by telephone, fax or other electronic media shall be subject to the normal purchase order or travel controls. Purchase orders or travel authorizations shall be prepared in advance of placing the order.

j. Transfers Between Accounts

Transfers between accounts, shall be authorized by the General Manager, are not to exceed \$5,000.00, and shall be approved in advance where possible. Approval shall be by

the Board or General Manager in accordance with the limits on approval of purchase orders. If it is not possible to obtain approval in advance, approval shall be upon receipt of goods or services.

14. PURCHASING

Any expenditure in excess of an amount determined by the Board of Directors for the purchase of a single item should have bids from three (3) suppliers if possible. These bids are reviewed by the General Manager and the bid award must be specifically approved in advance by the District's General Manager.

Purchase of less than the approved amount may be made at the discretion of the District's General Manager without competitive bids. However, for fixed assets, reasonable diligence should be exercised to comparatively shop for available sources.

Any purchase made by a Board member on behalf of the District will require prior approval by the General Manager.

Purchase Order Procedures

1. Requisition and Preparation

The General Manager will provide authorized users access to the purchasing software. The software system may require a vendor name, date, account number to be charged, quantity, description, and unit price. The software system may assign a consecutive number to the purchase order and print a working copy. The computer system shall print an original for signature.

2. Approval

Purchase orders for office supplies and equipment expected to be less than \$5,000 may be approved and signed by the General Manager. Purchase orders for field supplies and equipment expected to be less than \$5,000 may be approved and signed by the General Manager. Purchase Orders for engineering supplies and equipment expected to be less than \$5,000 may be approved and signed by the General Manager. The General Manager may approve and sign purchase orders expected to be \$25,000 or less without Board approval. Purchase orders expected to exceed \$25,000 must be approved in advance by the Board and signed by the General Manager.

In addition, the the General Manager, may designate additional field employees to approve and sign for purchase orders not expected to exceed \$750. Such designation shall be in writing to the General Manager.

3. Issuance to Vendors

The purchase order number shall be provided to the vendor and a copy sent to the vendor as needed.

The signed copy shall be given to the District Clerk to match with the receiving copy and invoice.

4. Receipt of Goods

See Section 12: Recording Receipts.

5. Blanket Purchase Orders

Blanket purchase orders shall be prepared for vendors from whom several small purchases are expected to be made. The blanket purchase order shall be for a period not to exceed one year. The following additional information shall be included on all blanket purchase orders:

- Total cumulative purchases to be allowed
- Maximum amount of any one purchase
- List of persons authorized to make purchases
- Period covered by purchase order
- Notice of cancellation of previous blanket purchase orders

Cumulative purchases shall be tracked on the computer system as invoices are received. If cumulative purchases reach the maximum allowed prior to expiration of the blanket purchase order, the amount exceeding the maximum will be noted on the blanket purchase orders and approved by the General Manager.

Any change in terms or persons authorized to make purchases shall result in the issuance of a new blanket purchase order and the cancellation of the old one. Vendors shall be notified in writing of any change in the terms of a currently valid blanket purchase order.

6. Approval for Payment

The District Clerk shall match the invoice, the purchase order copy, and the receiving record of the purchase order prior to submitting the purchase order for approval. If the invoice exceeds the amount indicated on the purchase order by more than 10%, the District Clerk shall so indicate on the purchase order and the person approving the purchase order shall initial such notation indicating approval to pay the higher amount.

7. Other Purchases

It is recognized that circumstances may arise which require personnel to purchase supplies immediately while physically distant from the District office. If possible, such supplies shall be purchased from vendors to whom blanket purchase orders have been issued. When necessary, verbal approval shall be obtained from a person authorized to sign a purchase order for the anticipated amount. The purchase shall then be documented with a vendor invoice and a standard purchase order from the employee making the purchase.

The invoice and purchase order shall be given to the person who made the verbal authorization as soon as possible. That person shall review the invoice and purchase order and counter-sign the purchase order.

Purchase Order Documentation System

a. General

Documentation of compliance with the Financial Management Policy shall be summarized on a purchase order form. The classification of the expenditure shall be clearly indicated on the purchase order form. The purchase order shall list all invoices or

statements to be paid with one check. No payments shall be made without a properly approved purchase order form.

b. Preparation of Purchase Order

Purchase orders shall be numbered consecutively as prepared. The purchase order number shall be entered in the computer software system when the account payable is entered.

All required supporting documents shall be attached to the purchase order form prior to approval.

c. Supporting Documents Required

Required supporting documents are determined by the classification of expenditure as follows:

- (i). Purchase Orders:
 - Vendor invoice or statement
 - Copy of purchase order
 - Receiving document of purchase order initialed and dated by person receiving goods
- (ii). Contracts:
 - Vendor invoice or statement initialed and dated by person affirming that work was done
- (iii). Recurring Purchases:
 - Vendor invoice or statement initialed and dated by person affirming that service was received
 - No documentation required for cash transfers between accounts - purchase order must be signed by the General Manager
- (iv). Debt Payments:
 - No documents required - purchase order must be signed by the General Manager
- (v). Travel Purchases:
 - Travel and Automobile Use Approval Form (Appendix A)
 - Travel and Automobile Use Expense Accounting Form (not required for advance payments) (Appendix B)
 - Receipts for airfare, lodging, meals, other purchases for which a receipt is normally given. Unless the Board or this policy establishes other permitted reimbursement rates for travel, meals, lodging and other actual and necessary expenses, the District will reimburse expenses at the U.S. General Services Administration (GSA) rate for travel, meals, lodging, and other actual and necessary expenses.
- (vi). Petty Cash Purchases:
 - Receipts and paid-out tags

(vii). Customer Refunds:

Utility Account Deposits

The “Utility Account Deposit” may substitute as the purchase order. The list is to be initialed and dated by the District Clerk. The General Manager shall approve the utility account deposits list on a regular basis.

Inspection Deposits

For customers to receive refunds, they must have the Sewer Inspection Report with the deposit receipt number notated.

d. **Other**

Vendor invoice or statement initialed and dated by person affirming receipt of goods or services with a memorandum explaining nature of expenditure and why it does not fall within one of the normal classifications.

e. **Purchase Order Approval**

Purchase orders must be approved and signed by the designated staff person prior to preparation of a check by the District Clerk.

f. **Filing of Documentation**

Purchase orders and attached documentation shall be filed alphabetically by vendor promptly after issuance of a check.

Contracts, special deposit documents, and debt agreements shall be filed separately as appropriate.

15. CREDIT CARD EXPENDITURES

The Board will approve the issuance of a District-issued credit card for employees who travel frequently. Employees must utilize that card only for business travel. Employees must submit a voucher that explains the business reason for items purchased using the credit card. The General Manager must approve the voucher, which is then submitted District Board Clerk for recording and reconciliation.

16. LOCAL TRAVEL AND EXPENSE REIMBURSEMENTS

Employees must abide by the sections contained within this policy. Travel and expense reports for mileage, meals, hotel, supplies, etc., will be maintained by each employee and then submitted to the General Manager for approval and payment.

Mileage to and from the employee’s residence to the place of work will not be paid by the District. Reimbursements will be based on the mileage rate established by IRS and approved through the budgeting process.

All expenditure receipts must be attached to the expense voucher as a condition for payment.

Travel Expenditure Procedures

a. **Approval**

All out of town travel and local meal purchases by Board members and staff shall be approved in advance. Local use of personal automobiles shall also be approved in advance.

Travel, local meals (ie. meals provided by the General Manager's discretion to employees during emergencies) or vehicle use to be incurred by District staff shall be approved by the General Manager..

For the General Manager and Board members, approval shall be by any other Board member.

b. **Advance Payments**

Advance payments may be made for estimated cost of pre-approved out of town travel or local meal expenses. Local personal automobile use shall be paid as reimbursement only.

Advances may be made no more than three working days before the commencement of the activity.

c. **Reimbursement and Accounting**

Reimbursement for out of town travel and for local meals shall be made for the actual cost less any advance payment. Reimbursement for all personal automobile use shall be made using the Internal Revenue Service approved business mileage rate.

The staff member must account to the District within ten (10) days of the end of the activity for all advances and expenses. If the documented expenses exceed advances, the difference shall be reimbursed to the staff member. If advances exceed documented expenses, the difference must be refunded to the District with the accounting.

17. FINANCIAL STATEMENTS

The General Manager shall prepare and present quarterly Financial Statements in a format approved by the Board. The statements shall be presented to the Board for review, and shall include: net assets and revenues, expenses, gains and losses, Restricted Funds, Cash Management Fund, Property and Equipment Fund, etc.

18. BANK RECONCILIATIONS

Bank reconciliations shall be completed monthly by the General Manager or designee and cross-referenced with the cash and receipts logs and the monthly Financial Statements. The Financial Statements shall be compiled and reviewed by the General Manager, and approved by the Board. T

All Bank Statements, Credit Card Statements, and Endowment Fund Reports will be reconciled every month by the General Manager, and records will be kept in the District office.

19. AUDIT

According to CA Government Code §61118(a), the Board shall provide for regular audits of

the district's accounts and records pursuant to CA Government Code §26909.

The audit shall be completed by a certified public accountant or public accountant. Where an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards, and a report thereof shall be filed with the Controller and with the county auditor of the county in which the special district is located. The report shall be filed within 12 months of the end of the fiscal year or years under examination. The General Manager shall have direct responsibility in overseeing the implementation of the Annual Financial Audit.

The General Manager shall recommend to the Board for approval, the selection of a firm to perform the annual audit. In addition, the staff shall assist when necessary in the audit preparation, and report the final results to the Board of Directors. A representative of the audit firm shall be required to make a presentation to the Board.

The General Manager or the Auditor shall prepare the any required tax or audit forms and they shall be reviewed by the Board President before submission to the County and State.

Notwithstanding the provisions of this section, a special district shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements

According to CA Government Code §6118(b) the Board shall also provide for the annual financial reports to the Controller pursuant to Article 9 (commencing with Section 53890) of Chapter 4 of Part 1 of Division 2 of Title 5.

20. NOTES, LOANS, ETC.

All notes, loans and other indebtedness to be contracted in the name of the District, except open accounts and all other routine banking transactions, shall require the signature of the General Manager, unless otherwise specified by the Board or established in the present management policies and procedures. All indebtedness must be approved by the Board of Directors.

21. DEEDS, CONVEYANCES, ETC.

The General Manager and the Board President, with consultation from legal counsel, shall execute all Deeds, Conveyances, Mortgages, Leases, Contracts and other instruments in the name of the District.

22. LEASES AND OTHER CONTRACTUAL AGREEMENTS

Leases and other contractual agreements are negotiated by the designated District negotiators and executed with the approval of the Board. This applies to buildings to be leased from and/or to the District.

The General Manager is authorized to develop and enter into contractual agreements with

vendors, bankers, and third parties for the purpose of ensuring the District's general operations. The Board may review such agreements and make recommendations if necessary.

23. INSURANCES

Reasonable and adequate coverage will be maintained to protect the District's interests as well as the Board of Directors and the District's employees. The following insurance policies shall be kept on a yearly basis: Commercial Property Contents and Computer Policy, General and Professional Liability Insurance, Directors and Officers Liability Insurance, Employee's Dishonesty Bond Insurance, Employee's Life Insurance, Workers Compensation Insurance, Long-Term Disability Insurance, and Employees Health Insurance.

Insurance Policies shall be carefully reviewed by the General Manager and Legal Counsel.

24. PROPERTY AND EQUIPMENT

Property and equipment shall be stated at historical cost. Depreciation is computed over the estimated useful lives of the assets. A Depreciation schedule shall be prepared and maintained by the District's General Manager on an annual basis, taking into consideration the annual equipment inventory. A Property Removal Form shall be required for the removal of the District's property, supplies, and/or equipment from the District's premises. The District will follow surplus requirements regarding excess property under Government Code §50568 et. seq. and §54220 et. seq.

25. EQUIPMENT INSTALLATION

Purchase, installation and maintenance of electronic and radio equipment, office equipment, computer equipment, etc. shall be approved by the General Manager after discussion and approval by the Board of Directors. Staff Members and other managers shall be responsible for receiving and supervising the installation of equipment scheduled for their facility or working area, and for maintaining and protecting the equipment installed in their offices.

26. DONATED MATERIALS AND SERVICES

Donated materials and equipment shall be reflected in the Financial Statements at their estimated values measured on the date of receipt.

27. CONFIDENTIALITY AND RECORDS SECURITY

Financial records may be restricted where appropriate. Records will be scrubbed for sensitive information. Only the General Manager, or others so authorized, shall have access to financial records (vendor files, checks, journals, payroll, etc.).

28. DOCUMENT RETENTION

Financial documents are retained for a period of time in accordance with the District's Records Retention Schedule, and keeping with State law and the recommendations of the IRS.

Appendix A

**SCOTIA COMMUNITY SERVICES DISTRICT
TRAINING AND TRAVEL APPROVAL FORM**

Employee	Date Submitted
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TYPE OF ACTIVITY

<input type="checkbox"/> Out of Town Travel	<input type="checkbox"/> Local Meal
<input type="checkbox"/> Conference	<input type="checkbox"/> Local Automobile Use
<input type="checkbox"/> Training	<input type="checkbox"/> Local Automobile Use (Emergency)

DESCRIPTION OF ACTIVITY

Location	
Dates	
Sponsor/Instructors	
Specific nature of training:	
How will this training meet the needs of the District?	
Type of transportation to be used:	
Other training functions attended this year:	

ESTIMATED COST AND ADVANCE PAYMENT REQUEST

	Estimated Cost	Advance Approved
Personal Automobile Use – ___miles RT (@\$0.565/mi)*		
Other Transportation – District Vehicle Fuel		
Lodging		
Meals – dinner 1 night		
Registration		
Other (describe)		
Totals		
Approved by:	Date:	

Appendix B

**SCOTIA COMMUNITY SERVICES DISTRICT
TRAINING AND TRAVEL EXPENSE FORM**

Employee	Date Submitted
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TYPE OF ACTIVITY

<input type="checkbox"/> Out of Town Travel	<input type="checkbox"/> Local Automobile Use
<input type="checkbox"/> Local Automobile Use (Emergency)	<input type="checkbox"/> Training
<input type="checkbox"/> Conference	<input type="checkbox"/> Local Meal

DESCRIPTION OF ACTIVITY

Location	
Activity	
Dates	

ACCOUNTING

Automobile Use:	Miles: ___miles RT x \$0.565* =				
Public Transportation:					
Lodging:					
Meals	Date	Breakfast	Lunch	Dinner	
Other (explain):					
Total Expenses – (Charged to VISA <input type="checkbox"/>)					
Less Advance Received (in any)					
Due to (from) Employee					

Approved by:	Date:
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Appendix C

**SCOTIA COMMUNITY SERVICES DISTRICT
CREDIT CARDHOLDER USE AGREEMENT**

Employee: _____

The above named employee (Cardholder) of the Scotia Community Services District has been issued a District credit card. The Cardholder has been provided with a copy of the District’s Purchasing and Procurement Policy and hereby agrees to comply with all terms and conditions set forth therein, including but not limited to:

1. **Official Use Only** – District credit cards are for official use only. Charging personal expenses on District cards is not allowed under any circumstances. Doing so, even if the intent is to reimburse the District later, will result in disciplinary action, up to and including termination.
2. **Timely, Accurate, and Supported Payments** – Credit card payments will be processed on a timely basis and adequate supporting documentation (such as vendor order forms, receipts, invoices, and credit card receipts) will be retained for all charges and attached to payment purchase orders.
3. **Disputed Charges** – The vendor and issuing bank will be notified immediately by the General Manager of any disputed charges.
4. **Lost or Stolen Cards** – The issuing bank and the General Manager will be notified immediately of a lost or stolen card. Failure to do so could make the cardholder responsible for any fraudulent use of the card.
5. **Surrender Upon Request or Separation** – The credit card will be surrendered immediately upon retirement, termination, or upon request of the department head. Use of the credit card for any purpose after its surrender is prohibited.
6. **Credit Card Limit** – The credit limit of this card is \$_____
7. **Other Restrictions:** _____

Cardholder Signature

Date