

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, December 15, 2016 Regular Meeting at 5:30 P.M. With Closed Session

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

November 10, 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. ADJOURN TO CLOSED SESSION
 - E1. Call to Order
 - E2. Roll Call
 - E3. Government Code §54956.8 Real Property Negotiations. Agency Negotiators: Tracy M Boobar, Stephen C Tyler, and President Rick Walsh. Negotiating Parties: Scotia Community Services District & Town of Scotia Company LLC
 - E4. Closed Session Discussion
- F. ADJOURN TO OPEN SESSION
 - F1. Report out of Closed Session
- G. PUBLIC HEARING NONE

AGENDA FOR MEETING OF THE SCSD BOARD OF DIRECTORS

December 15, 2016

POSTED at 5:00 PM December 1, 2016

H. BUSINESS

H1. New Business -

- a. Swear in Board Members and Election of Board Officers
- b. Consider adoption of Planwest Partners Contract Renewal
- c. 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 Second Reading
- d. Introduce Draft Ordinance 2016-3: An Ordinance of the Board of Directors of the Scotia Community Services District Adopting Title V Streets and Street Lighting
- e. Consider Accepting Engineer Reports:
 - Water User Rate Analysis and Recommendations
 - Wastewater User Rate Analysis and Recommendations
 - Storm Drainage Engineer's Report for Assessment of Benefits
- f. Consider Initiating Proposition 218 Proceedings
 - Resolution 2016-21: A Resolution of the Board of Directors of the Scotia Community Services District Adopting Proposition 218 Procedures for User Fee Ballot Proceedings
 - Resolution 2016-22: A Resolution of the Board of Directors of the Scotia Community Services District Adopting Proposition 218 Procedures for Assessment Ballot Proceedings - Drainage

H2. Old Business - NONE

I. 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:
- 7. Board Clerk Report:

J. ADJOURNMENT

Next Regular Meeting of the SCSD will be January 19, 2017 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 <u>Americans with Disabilities Act</u>. 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 <u>Section 1094.6</u> of the <u>Code of Civil Procedure</u> 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, November 10, 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 5:29 pm with the following directors in attendance:

Diane Bristol Director - present

Gayle McKnight Director – present, left early 6:33

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

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

B. SETTING OF AGENDA

Motion: Move F1c Prop 218 update first in New Business

Motion: Walsh Second: Newmaker

Motion Vote: Ayes $-\underline{4}$ Opposed $-\underline{0}$ Absent $-\underline{1}$ Abstain $-\underline{0}$

R. Abrams requested an update on the meeting minutes, and clarification on certain events.

CONSENT CALENDAR

C. 1. Approval of Minutes from Previous Meetings

October 20, 2016

Motion: Accept the Consent Calendar

Motion: Walsh Second: Newmaker

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

D. PUBLIC COMMENT & WRITTEN COMMUNICATION

Written Communication

-Humboldt County approved 8 parcels, infrastructure parcels. Board requested mapping to be done of the parcels, and for this item to be placed on the December agenda

Public Comment

- Renee Abrams inquired about the County Board of Supervisors meeting on Tuesday, November 8
 and the passage of the Scotia Phase 1 subdivision on their Consent Calendar. Also inquired about
 the Eel River Groundwater meeting. SCSD Board and staff did not attend either, and could not
 provide comment.
- 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

Ordinance will be on display for public review in the front window of the SCSD office until adoption in December.

Motion: Motion to adopt the first reading of Ordinance 2016-2: An Ordinance of the Board of Directors of the Scotia Community Services District Adopting Title IV - Parks and Recreation, by title only.

Motion: Walsh Second: Newmaker

Motion Vote: Ayes $-\underline{4}$ **Opposed** $-\underline{0}$ **Absent** $-\underline{1}$ **Abstain** $-\underline{0}$

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

A synthesis of 3 policies, including the adopted Purchasing and Procurement Policy, which is being superseded by the adoption of this policy. This is an amendable document, and will change as the District begins to operate after Transition.

Motion: Adopt 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

Motion: Bristol **Second:** Newmaker

Motion Vote: Ayes $-\underline{3}$ Opposed $-\underline{0}$ Absent $-\underline{2}$ Abstain $-\underline{0}$

c. Proposition 218 Proceedings Update

T. Boobar submitted to the Board a written legal opinion in response to Russ Gans' (TOS legal counsel) legal opinion on noticing requirements for the Proposition 218 process. The Board directed legal counsel to send the opinion to Russ Gans office.

Updated the Board on the impending Proposition 218 process for Water, Wastewater, and Drainage. Engineer Reports are in progress, and the Assessor's office is working on assigning APN's to the 8 infrastructure parcels created.

The Proposition 218 process initiation is projected for the December regular meeting.

F2. Old Business – NONE

G. REPORTS

1. President's Report: None

2. Board Director Reports: None

3. Interim Manager's Report: None

4. Special Counsel's Report: None

5. Engineer's Report: Absent

6. Fire Chief's Status Report: Absent

7. Board Clerk Report: Discussed scheduling over the next few months, around the holidays, etc.

H. ADJOURNMENT

Meeting adjourned at 6:54 pm by Board President Rick Walsh.

These minutes were approved by the Board of Directors of the Scotia Community Services District of December 15, 2016 at its duly-noticed regular meeting in Scotia, CA. APPROVED:		
Rick Walsh, President Board of Directors Scotia Community Services District ATTEST:	Date	
Leslie Marshall, Board Clerk Scotia Community Services District	Date	

Scotia Community Services District

Staff Report

DATE: December 15, 2016

TO: Scotia Community Services District Board of Directors

FROM: Steve Tyler, Interim District Manager

SUBJECT: Election of Board Officers per GC §61043(a)

RECOMMENDATION:

The Administrative staff recommends that the Board elect officers for the Scotia Community Services District Board of Directors.

ACTION:

Elect Board Officers

DISCUSSION:

Per GC §61043(a), within 45 days after each general district or unopposed election, the board of directors shall meet and elect the officers of the board of directors. A board of directors may elect the officers of the board of directors annually. The officers of a board of directors are a president and a vice president. The president shall preside over meetings of the board of directors and the vice president shall serve in the president's absence or inability to serve. A board of directors may create additional offices and elect members to those offices, provided that no member of a board of directors shall hold more than one office.

FISCAL IMPACT:

None

Scotia Community Services District Staff Report

DATE: December 15, 2016

TO: Scotia CSD Board of Directors

FROM: Steve Tyler, Interim General Manager

SUBJECT: SCSD Professional Services Contract Extension 4, with Scope 4 with Planwest

Partners Inc.

RECOMMENDATION:

Authorize the Board President to sign staffing contract extension 4 and scope with Planwest Partners Inc. for Staffing services.

DISCUSSION:

This fourth contract extension utilizes the same scope and budget approved in extension 3 on August 18, 2016.

ACTION:

Commission Chair sign and date staffing services agreement with Planwest Partners Inc..

FISCAL IMPACT:

See attached scope within Contract and Scope Agreement.

EXTENSION FOUR OF AGREEMENT BETWEEN THE SCOTIA COMMUNITY SERVICES DISTRICT AND BLANWEST BARTNERS INC

PLANWEST PARTNERS INC. FOR PROFESSIONAL SERVICES

THIS AGREEMENT EXTENSION for Professional Services ("Agreement") is made by and between Planwest Partners Inc., a planning consulting firm, hereinafter referred to as "Consultant," and the Scotia Community Services District, hereinafter referred to as "District." This Agreement is effective as of date signed by both parties and extends the Original Agreement through March 31, 2017.

1. Scope of Services. Consultant will perform professional services for District in accordance with Exhibit A, Scope of Services, attached hereto and incorporated herein.

2. Term.

- a) <u>Commencement</u>. No services shall be performed or furnished under this Agreement until District has provided notice to commence services to the Consultant, which shall not occur until after full execution of this Agreement by both parties and receipt by District of all insurance certificates.
- b) <u>Termination</u>. Either party may terminate this Agreement upon 10 days written notice. In such event, Consultant will be entitled to invoice District for and to receive payment for all acceptable services performed or furnished under the Agreement, if applicable, and all reimbursable expenses incurred through the effective date of termination.
- c) <u>Time for Completion</u>. Consultant shall complete specific tasks in accordance with time frames outlined in Exhibit A.

3. Compensation for Services.

- a) <u>Payment</u>. District shall pay Consultant on a time and materials basis at the rates specified in Exhibit B, Payment Schedule, attached hereto and incorporated herein.
- b) Invoicing. Consultant shall prepare and submit its invoices to District no more than once per month and shall provide a time summary of work performed. District to pay undisputed invoices within 30 days of receipt. If District disputes an invoice, it may withhold that portion so contested and shall pay the undisputed amount.
- **4. Professional Standards**. The standard of care for all professional services performed or furnished by Consultant under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. Consultant shall be responsible for the professional and technical soundness, accuracy, and adequacy of all work and materials furnished under this Agreement.
- 5. Independent Contractor Status. Consultant is performing services as an independent contractor for District, and is neither an employee nor an agent of District. Except as otherwise provided in this Agreement, Consultant shall have sole control over the manner and method of performance of the services, and District's only interest shall be in the results of such services. District's liability hereunder shall be limited to payment of the compensation provided in this Agreement. Consultant agrees and acknowledges that it is not entitled to any benefits or insurance, including without limitation any medical, unemployment, or disability benefits, on District's account. This Section shall also apply to any of Consultant's subcontractors.

- **6. Document Submission and Title to Documents**. Consultant agrees that all data, plans, reports, maps, memoranda, manuals, letters and other written or graphic work produced in the performance of this Agreement is considered work made for hire and shall be the property of District upon delivery. District may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Agreement.
- 7. **Designation of Representative**. Consultant and District shall designate specific individuals to act as representatives ("Designated Representative"), who shall have District to transmit instructions, receive information, and implement the Agreement on behalf of each respective party. Either party may change its Designated Representative or the address of its Designated Representative by giving reasonable notice to the other party.
- **8. Notice**. All notices required or permitted hereunder shall be in writing and shall be deemed to have been properly given and delivered when delivered personally (including by commercial messenger or courier or by facsimile transmission) or four (4) days after deposit in the U. S. mail with all postage or charges fully prepaid and addressed to the authorized representative of the appropriate party.

Scotia Community Services District Rick Walsh, Board President 122 Main Street Scotia, CA 95565 Planwest Partners Inc. George Williamson, Principal Planner 1125 16th Street, Suite 200 Arcata, CA 95521

9. Indemnification.

When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify and hold harmless District and its boards, task forces, officials, employees and agents (collectively "Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or sub-contractors or any entity or individual for which Consultant shall bear legal liability in the performance of professional services under this Agreement.

10. Insurance.

- a) Insurance Requirements.
 - i. Prior to performing any services hereunder and until the services have been completed in accordance with this Agreement and accepted by District, the Consultant shall maintain insurance in full compliance with all of the provisions of this Section 10. In the event the Consultant sublets or subcontracts any part of the services, each subcontractor shall be bound by the same terms and conditions concerning insurance as outlined herein and this Section 10 will be made a part of any such subcontract agreement.
 - ii. As evidence of specified insurance coverage, District may, in lieu of actual policies, accept certificates issued by the insurance carrier showing such policies in force for the specified period and naming District as an additional insured thereunder, except Professional Liability Insurance and Workers Compensation.
 - iii. District reserves the right at any time during the term of the Agreement to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice.
- b) <u>Professional or Errors and Omissions Insurance</u>. Consultant shall purchase and maintain such Professional or Errors and Omissions Insurance for the services performed and furnished as will provide protection from any claim arising out of any negligent act, error or omission in rendering or failing to render professional services either committed or alleged to have been committed by Consultant or by anyone employed by Consultant to perform or furnish any of the services, or by anyone for whose acts any of them may be liable. Such coverage shall not be subject to a Self-

- Insured Retention (SIR) greater than \$100,000, and for not less than \$1,000,000 Single Limit, any one claim and annual aggregate.
- c) <u>Workers' Compensation Insurance</u>. Consultant shall purchase and maintain such Workers' Compensation covering all employees and volunteers as required by the State of California, and on a state-approved policy form.
- d) <u>Commercial General Liability</u>. Insurance Services Office (ISO) "Commercial General Liability" policy form CG 00 01 or equivalent. Coverage for additional insured shall not be limited to vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than \$1,000,000 general aggregate.
- e) <u>Automobile Liability Insurance</u>. ISO Business Auto Coverage for CA 0001 including symbol 1 or equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant or Consultant's employees will use personal autos in the performance of any duties under this Agreement, Consultant shall provide evidence of personal auto liability coverage for each such person.
- 11. Dispute Resolution. The parties agree to negotiate any disputes over the performance of their respective rights and obligations under this Agreement in good faith for a period of at least 30 days after the date of notice invoking the need for dispute resolution or exercising rights under law. Neither party may initiate court action prior to such good faith negotiation and following that prior to good faith third-party mediation.
- **12. Governing Law, Venue**. This Agreement and performance hereunder and all suits and special proceedings shall be interpreted in accordance with California law. Venue shall be fixed in Humboldt County.
- **13. Authority**. Each party hereto warrants and represents to the other party that such party has the full right, power and District to enter into this Agreement and has obtained all necessary consents and approvals to consummate the transaction contemplated hereby.
- **14. Negotiated Agreement, Interpretation**. This Agreement has been negotiated by the parties hereto. Each of the parties has had full opportunity to have this Agreement reviewed by an attorney acting on such party's behalf. The language of the Agreement shall not be construed for or against either party by reason of the authorship or alleged authorship of any provision hereof or by reason of the status of the respective parties.
- **15. Entire Agreement/Modifications and Amendments.** This Agreement and all attachments constitutes the entire agreement between District and Consultant as to the subject matter hereof. It supersedes all prior communications, representations, or agreements, whether oral or written. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required.
- **16. Assignment, Subcontract**. Consultant may assign its rights, interests, duties or obligations under this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date of the last party signing.

SCOTIA COMMUNITY SERVICES DISTRICT:	Designated Representative:
Date:	Name: Rick Walsh, Board President Phone: (707) 506-3030
Attest:	
PLANWEST PARTNERS INC:	Designated Representative:
By Its: Principal	Name: George Williamson Phone: (707) 825-8260 Fax: (707) 825-9181
Date:	E-mail: georgew@planwestpartners.com
Attach: Exhibit A, Exhibit B	

EXHIBIT A

Scotia Community Services District Scope 3

Part 1. Scope of Services for Conducting a Second Round of 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 Adopts Resolution and Procedures to Call Public Hearing and Reviews any Changes to the Rate Studies and Engineers Reports

This Scope includes a Proposition 218 Process to establish user fees and benefit assessments for the following services:

User FeesBenefit AssessmentsWaterStorm Drainage

Wastewater

It is recommended that the Board follow adopted procedures for the tabulation and acceptance of protests as laid out in SCSD Resolutions 2016-21 & 2016-22.

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

Rate Studies

Article XIII D, Section 6(b) of the California 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 California 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 2 Notice

<u>User Fee Notice Requirements</u>:

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, 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 3 Informational Meeting and Outreach

In addition to noting the date and location of the public hearings, the date(s) of any regular or special Board meetings that will be held for informational purposes to receive public comment will be noticed with proper noticing requirements. Additional outreach efforts by CSD staff, such as presentations to affected property owners, may 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 4 Hearing

Not less than 45 days after the notices are mailed, the SCSD Board must hold a public hearing on the fees and assessments. Any report or study may be entered into the record of this hearing, as may 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 5 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.

<u>User Fee Protest Requirements</u>

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.

Part 2. Scope of Services: Technical, Managerial, and Financial Report Assistance

Staff will assist SHN with content for the Technical, Managerial, and Financial Reports as needed.

Part 3. Scope of Services Ongoing Staffing

The current staffing agreement ends November 30, 2016. This scope extends staffing services to March 30, 2017, and may be extended at Client's discretion. This scope 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

*Task 5.4 does not have time allotted, as staff does not currently feel that working group meetings will be needed in this staffing scope.

EXHIBIT B - PAYMENT SCHEDULE

Compensation for Scope of Services

Board Secretary/Clerk: \$58.00 per hour Interim General Manager: \$58.00 per hour

District Engineer: \$58.00 per hour

Planner: \$58.00 per hour

GIS Analyst: \$62.00 per hour Planner/Analyst: \$84.00 per hour

Principal: \$108.00 per hour

+ direct expenses

Professional Services Agreement December 2016 Extension 4

Scotia Community Services District

Staff Report

DATE: December 15, 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 Ordnance 2016-2, second 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 Ordnance 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.
- (1) 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 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-Thursday 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-Thursday 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-Thursday 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 offroad 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:

- o 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.
- o A "Private Citizen/Business" shall be defined as other potential users not fitting within the "non-profit group" or "vendor" definition.
- o A "Commercial Event" shall be defined as an event being held for the purpose of private financial gain for an individual or organization.
- o 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.
- o 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:

- o A Certificate of Insurance of \$2,000,000 liability coverage. (General Aggregate and Each Occurrence)
- o An endorsement, naming the "Scotia Community Services District, it's elected or appointed officers, officials, employees and volunteers" as additionally insured.
- o 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.
- o 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: <u>Severability</u>. 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: <u>California Environmental Quality Act (CEQA) Determination.</u> 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: <u>Limitation of Actions</u>. 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
I hereby certify that the foregoing	rk's Certificate is a true and correct copy of Ordinance No. 2016-2, of the Board of Directors of the Scotia Community y, California on the day of by the following vote:
AYES: NOES: ABSENT: ABSTENTIONS:	Clerk, Scotia Community Services District

Scotia Community Services District

Staff Report

DATE: December 15, 2016

TO: Scotia Community Services District Board of Directors

FROM: Steve Tyler, Interim District Manager

SUBJECT: SCSD Draft Streets and Street Lighting Ordinance

RECOMMENDATION:

The Administrative staff recommends that the Board review the SCSD Draft Streets and Street Lighting Ordinance ("SSLO") and provide staff with any comments or questions.

ACTION:

None

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 draft SSLO was developed utilizing information obtained from other agencies that provide streets and street lighting services and includes input provided by the SCSD Board. Staff will revise the draft SSLO with any additional Board input and present a final ordinance for consideration of adoption and first reading at the January 2017 Board meeting.

Staff is developing an additional ordinance in preparation for providing the service of storm water drainage. The draft ordinance will be presented to the Board, for review and comments, next month.

FISCAL IMPACT:

None

ATTACHMENT:

SCSD Draft Streets and Street Lighting Ordinance

ORDINANCE NO. 2017 - 1

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SCOTIA COMMUNITY SERVICES DISTRICT ADOPTING TITLE V – STREETS AND STREET LIGHTING

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

Section 1: Title V (Streets and Street Lighting) is hereby adopted as follows:

TITLE V - STREETS AND STREET LIGHTING

CHAPTER 1 – PURPOSE

SEC. 1.01. PURPOSE AND POLICY. This article sets forth the standards, processes and fees associated with streets and street lighting services. The District desires to encourage the long-term maintenance of streets and street lighting under District ownership where the maintenance is either required by Humboldt County or requested by residents of a specific area under the responsibility of the District. This article is intended to implement the provisions of the Improvement Act of 1911 (Division 7 of the Streets & Highways Code §5000 *et seq.*) herein referred to as the "Act."

CHAPTER 2 – DISTRICT DESIGNATED STREETS, ALLEYS, AND LIGHTING

SEC. 2.01. DESIGNATED STREETS AND ALLEYS.

A. The streets and alleys of District responsibility are defined by resolution and approved by the Board of Directors of the SCSD and designated on maps of the District, as prepared and compiled by SHN or other organization, and are on file in the District office. Any additions to the District responsibility which have been accepted and approved by the Board of Supervisors and SCSD Board of Directors in future phases of subdivision will be adopted in the same manner.

SEC. 2.02. DESIGNATED LIGHTING.

- A. The lights of District responsibility are defined by resolution and approved by the Board of Directors of the SCSD and designated on maps of the District, as prepared and compiled by SHN or other organization, and are on file in the District office. Any additions to the District responsibility which have been accepted and approved by the Board of Supervisors and SCSD Board of Directors in future phases of subdivision will be adopted in the same manner.
- B. The District owns and maintains approximately twenty (20) decorative lights that primarily front Main Street. These lights are maintained by District staff or a sub-contractor, at the

- District's discretion. The historic decorative lights are separately metered and the District will pay associated electric charges to PG&E.
- C. The District is responsible for payment of the electric charges associated with PG&E Lights, which includes any maintenance costs. The PG&E Lights are owned and maintained by PG&E and located throughout the residential streets in Scotia.

CHAPTER 3 - GENERAL PROVISIONS

- **SEC. 3.01. VANDALISIM OF STREET LAMPS.** No person shall vandalize, break, or damage any lamppost or public lamp; nor extinguish any public light or any light maintained at any place for public convenience or safety, except when he is authorized to do so; nor remove, or cause the removal of, any portion from any public lamp or post; nor obliterate, deface, destroy or interfere
- **SEC. 3.02. FENCE PROHIBITIONS.** No person shall place, use or maintain any fence, blockage, etc. within a public easement or right of way.
- **SEC. 3.03. BARBED WIRE PROHIBITED.** No person shall place, use or maintain any barbed wire on any fence, etc. thereof, fronting on a public lane, alley, avenue, street, highway, sidewalk, crosswalk, park or place.
- **SEC. 3.04. WATER DISCHARGE FROM PRIVATE PROPERTY.** No person shall cause or permit water from private property to be discharged in or to flow into or on any District street, alley or easement or cause erosion problems.

SEC. 3.06. WHEELED DEVICES IN POSTED AREAS.

A. No person shall bicycle, roller skate, skateboard or use any other wheeled device propelled, in whole or in part, by human power in any District public area posted against such activities or uses. The provisions of this section shall not apply to wheeled devices which are reasonably necessary to assist those with a temporary or permanent disability.

CHAPTER 4 - OBSTRUCTION OF STREETS AND SIDEWALKS

SEC. 4.01. OBSTRUCTION OF STREETS AND SIDEWALKS PROHIBITIONS AND — EXCEPTIONS.

- A. It is declared a nuisance and is unlawful for any person to place an obstruction of any kind in a District street or alley, or to authorize, procure or permit any obstruction to be placed therein or thereon; provided that (1) merchants and others receiving and delivering goods, whose premises are not served by an alley, shall be allowed two hours from the time such goods are deposited on a sidewalk or parkway until they are removed, and (2) a space five feet in width shall at all times be kept clear for a combination of persons passing. Each day any such obstruction is maintained or permitted in any such street or alley shall be deemed a separate offense.
- B. The provisions of this section shall not apply to:

- 1. The temporary obstruction of streets or alleys while buildings are being moved from one place to another.
- 2. Temporary obstructions for which encroachment permits have first been obtained from the General Manager.
- Potted shrubs, plants, or other landscaping, clocks, drinking fountains and public telephones placed or maintained upon a public parkway or sidewalk within the District by any person who has first obtained a permit in writing to do so from the General Manager.
- **SEC. 4.02. GATES.** It is unlawful to place or leave any gate extended across or upon any District street, alleyway or easement so as to be an obstruction to persons passing thereon.
- **SEC. 4.03. STORING PRIVATE PROPERTY.** No person shall store private property upon any District street, alley, or easement or other public place in the District, so as to obstruct the free use of them, as determined by the District. Items prohibited include, but are not limited to, appliances, inoperable vehicles, fire wood, construction materials, wagons, bikes, scooters, trampolines, basketball hoops, trash, garbage, compost piles, cans, or debris. Operable vehicles may be parked no longer than 24 hours. Long term operable vehicle parking is prohibited and subject to tow away per the California Vehicle Code and as determined by the District.

CHAPTER 5 - WIRES OVER STREETS

- **SEC. 5.01. PERMIT REQUIRED.** No one without an easement shall run, stretch or maintain through, along or across any District street, alley or easement any wire, cable, rope or cord, on poles or otherwise, without first obtaining a permit to do so from the District.
- **SEC. 5.02. ELECTRIC OR NON-ELECTRICAL WIRES.** Any person now holding, or who may hereafter obtain, a franchise permitting the use of public streets, avenues, alleys, highways or public places in the District for the purpose of running or stretching wires therein, shall comply with the regulations set out in this section concerning the running or stretching of such wires. All wires used for the purpose of conducting an electric current or electricity for the purpose of producing electric light or non-electrical shall be run or stretched at least thirty feet above the ground and all other wires shall be placed at least two feet below the electric light or non-electrical wires.

CHAPTER 6 – EXCAVATIONS

- **SEC. 6.01. LIGHTING DANGEROUS PLACES.** Any person by whom makes dangerous a public street, avenue, alley, sidewalk, public park or place that may be made dangerous shall do the following:
 - A. Obtain an appropriate permit from the SCSD; and

- B. Erect, and, so long as the danger may continue, maintain around the portion thereof so made dangerous, a good and substantial barrier approved by SCSD; and
- C. Cause to be maintained during every night, from sunset to daylight, suitable warning lights at the ends of every portion so made dangerous, and at every side of a street crossing so made dangerous.

SEC. 6.02. PROPERTY OWNER RESPONSIBILITY FOR MAINTENANCE.

- A. The District may permit a property owner to maintain trees within a District alley easement, provided that the type of tree planted therein is approved by District.
- B. All trimming and other maintenance work upon such trees shall be done by a licensed tree trimmer or by the owner under the general supervision of the District and in accordance with this chapter.

SEC. 6.03. PROPERTY OWNER RESPONSIBILITY FOR REMOVAL.

A. The District, with concurrence of the General Manager, may permit a property owner to remove trees from District property or easement adjoining or within his property.

SEC. 6.04. NUISANCE ON PRIVATE PROPERTY.

- A. Whenever any tree adjacent to or overhanging any District street, alley or public area is in such condition as to constitute a hazard or impediment to public travel, it shall be declared a public nuisance.
- B. If the owner of the private property on which the tree is located does not correct or remove the nuisance within ten days after receipt of written notice thereof from the District, the District shall cause the nuisance to be corrected or removed and the cost thereof shall be assessed to the owner.
- C. Property owners are prohibited from using any pesticide or herbicide within District streets, alleys or easements and shall control such usage on private property from encroaching on District property, easement or public space.

SEC. 6.05. LIABILITY. Nothing contained in this chapter shall be deemed to impose any liability upon the District, its officers or employees, nor to relieve the owner of private property from the duty to keep any tree on his property from constituting a public nuisance.

SEC. 6.06. APPEAL.

- A. Any person aggrieved by the action or proposed action of the District acting under this chapter may appeal the decision to the Board of Directors, whose decision shall be final.
- B. Such person shall file a notice of appeal, in writing, with the District clerk within seven (7) business days after the action or proposed action of the District.

SEC. 6.07. UTILITY MAINTENANCE.

- A. Any person owning, maintaining or operating any gas pipes, or mains beneath the surface or any District planting strip, street, easement or public area shall properly maintain such utilities so as to prevent damage to District property or easement.
- B. If such person neglects to provide proper maintenance of such utilities and such neglect results in damage to District property or easement, the full cost of repair shall be borne by such person.

CHAPTER 7. – ENFORCEMENT

SEC. 7.01 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. 7.02 DESIGNATED EMPLOYEES. A violation of this section is punishable as a misdemeanor or infraction, chargeable at the General Manager's or District's Counsel's discretion. Each act that violates this Streets and Street Lighting Ordinance is a violation of the SCSD's laws and shall constitute a separate offense.

SEC. 7.03 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 (6) 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 \$50 for the first violation;
 - (2) A fine not exceeding \$100 for the second violation of the same ordinance within one year;
 - (3) A fine not exceeding \$250 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:	, 2017	
ATTEST:		APPROVED:
Clerk, Scotia Community S		President, Scotia Community Services District Certificate
passed and adopted at a regu	lar meeting of the County, California	rue and correct copy of Ordinance No. 2017-1, Board of Directors of the Scotia Community a on the day of

Clerk, Scotia Community Services District

Scotia Community Services District Staff Report

DATE: December 15, 2016

TO: Scotia Community Services District Board of Directors

FROM: Steve Tyler, Interim District Manager

SUBJECT: Water and Wastewater User Rate Analysis, Engineer's Reports for Assessment of

Storm Drainage Benefits

RECOMMENDATION:

Staff recommends that the Board review and discuss the attached documents related to the Water and Wastewater User Rate Analysis, Engineer's Reports for Assessment of Storm Drainage Benefits.

ACTION:

Consider approval of the User Rate Analyses, the Engineer's Reports.

DISCUSSION:

Staff is introducing the following SHN Engineers & Geologists (SHN) documents;

- Water User Rates Analysis and Recommendations,
- Wastewater User Rates Analysis and Recommendations,
- Storm Drainage Engineer's Reports for Assessment of Benefits

Earlier in 2016, and through the first Proposition 218 process, the SCSD Board approved monthly User Fee/Benefit Assessment Rate of \$231-\$246 for the first five (5) fiscal years that was used to develop the attached SHN Water and Wastewater User Rate Analysis and Engineer's Report for Assessment of Benefits.

The 218 noticing and balloting process requires finalization and Board approval of these documents.

Public hard copies are available for public review at the Planwest Offices.

FISCAL IMPACT: None

The Following Reports will be available as a hardcopy Attachments at the Thursday Meeting December 15, 2016

- Water User Rates Analysis and Recommendations,
- Wastewater User Rates Analysis and Recommendations,
- Storm Drainage Engineer's Reports for Assessment of Benefits

Scotia Community Services District Staff Report

DATE: December 15, 2016

TO: Scotia Community Services District Board of Directors

FROM: Steve Tyler, Interim District Manager and Tracy Boobar, Legal Counsel

SUBJECT: Updated Prop 218 Balloting Process and Timeline for User Fee and Benefit

Assessment

The SCSD is considering initiating a Proposition 218 process for establishing property-related user fees and assessments that will support District acceptance and management of the services currently owned and managed by the Town of Scotia Company, LLC. (TOS).

The SCSD conducted Proposition 218 proceedings on June 16, 2016 for the following:

• Domestic drinking water

- Wastewater collection, treatment and reuse
- Fire protection services

- Storm water drainage
- Parks and recreation
- Limited street lighting
- Limited alleys and streets

Of those services the Parks and Recreation Assessment, and Street and Street Lighting passed at the June public hearing and balloting process.

Now, in December, the SCSD is running another Proposition 218 proceeding for the following:

- Domestic drinking water and Raw Water
- Limited Storm water drainage
- Wastewater collection, treatment and reuse

It is recommended that the Board adopt and follow procedures for the tabulation and acceptance of protests as laid out in SCSD Resolutions 2016-21 & 2016-22.

Staff has prepared an updated Prop 218 process that serves to clarify the legal framework for establishing property-related user fees and benefit-based assessments, as well as address noticing, balloting, and tabulation requirements, available as a memo from the Board Clerk, if desired.

The following will be the Scotia CSD's Prop 218 Process:

- 1. Board Adoption of Prop 218 Procedure Resolutions
- 2. Board Review and Acceptance of Rate Studies and Engineers Reports
- 3. Direct Staff to send Notice & send Notice
- 4. Informational Meetings and Outreach
- 5. Public Hearing
- 6. Protest (Ballot Tabulation)

Tentative Timeline

ACTION ITEMS	TENTATIVE DATES	STATUS
- Board adopts resolutions for Prop 218 Procedures, and to	December 15,	In
initiate mail ballot proceedings and call public hearing for User	2016	Progress
Fees (water and wastewater) and Benefit Assessment (storm		
water drainage)		
- Board accepts Rate Studies and Engineers Reports; reviews		
draft notice/ballot; and directs staff to mail out notices & ballots		
Staff finalizes notice/ballot	December 16 – 22,	
	2016	
Staff mails notice/ballot to property owners (45 day noticing	December 23,	
period begins)	2016	
Board sets informational item on agenda for user fee/benefit	January 19, 2017	
assessment process; public comment received	-	
Board sets informational item on agenda for user fee/benefit	Sp. February 2,	
assessment process; public comment received	2017	
Board conducts public hearing and clerk or other independent	February 16, 2016	
entity tabulates submitted ballots (45 day noticing period ends	-	
February 6)		

Attachments: None, Optional Memo available if desired from Board Clerk

RESOLUTION NO. 2016-21

A RESOLUTION OF THE SCOTIA COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

ADOPTING PROPOSITION 218 PROCEDURES FOR USER FEE BALLOT PROCEEDINGS

WHEREAS, Proposition 218 was adopted on November 6, 1996, adding Articles XIIIC and XIIID to the California Constitution; and

WHEREAS, Article XIIID of the California Constitution imposes certain procedural and substantive requirements relating to user fees (as defined below); and

WHEREAS, the Proposition 218 Omnibus Implementation Act (Government Code §53750 et seq.) clarifies Proposition 218; and

WHEREAS, Proposition 26 amended Cal. Const. arts. XIIIA and XIIIC and provided a new definition of "tax"; and

WHEREAS, article XIIIC Section 1(e)(7) makes "assessments and property-related fees" an exception to the new definition of "tax"; and

WHEREAS, the Scotia Community Services District shall apply Government Code §61123 allowing community services districts to levy property-related user fees; and

WHEREAS, the Scotia Community Services District shall be responsible for the maintenance and operation of the water treatment facilities and wastewater treatment facilities; and

WHEREAS, some of the requirements of Proposition 218 are unclear and require judicial interpretation or legislative implementation; and

WHEREAS, the Scotia Community Services District Board of Directors ("Board") believes it to be in the best interests of the community to record its decisions regarding the implementation of the provisions of Proposition 218, relating to user fees and to provide the community with a guide to those decisions and how they have been made.

NOW, THEREFORE, the Scotia Community Services District Board of Directors does hereby resolve as follows:

SECTION 1. All the above recitals and attached exhibits are hereby incorporated by reference.

SECTION 2. **Statement of Legislative Intent.** It is the Board's intent in adopting this Resolution, to adopt user fee ballot proceedings that are consistent, and in compliance with, Articles XIIIC and XIIID of the California Constitution and with the Proposition 218 Omnibus Implementation Act and the provisions of other statutes authorizing the levy of user fees. It is not the intent of the Board to vary in any way from the requirements of Articles XIIIC and XIIID or the Proposition Omnibus Implementation Act.

SECTION 3. **Definition of Property-Related Fee.** Proposition 218, article XIIID section 2(e) defines "fee" as any levy or charge imposed upon real property by an agency "as an incident of property ownership, including a user fee or charge for a property related service." Article XIIID section 2(h) defines "property-related service" as "a public service having direct relationship to property ownership."

SECTION 4. Scotia Community Services District ("SCSD"), a newly formed public agency, has no user fees at this time. According to SHN Engineering Consultants reports and SCSD budget, the SCSD has a treated water revenue requirement for the Fiscal Year ("FY") 2016-17 of \$454,150. The projected revenue requirement for FY 2016-17 for raw water is \$35,130. The projected revenue requirement for FY 2016-17 for wastewater is \$620,280. These projected revenue requirements do not include the necessary capital improvements to the water treatment and wastewater treatment plants (See Exhibit C). In order to provide water and wastewater treatment and services, the SCSD must have a source of revenue.

SECTION 5. The Board hereby declares its intention to levy and collect user fees pursuant to California law on identified parcels within the District's boundaries. These user fees shall be utilized to pay the costs associated with the operation, maintenance and improvements for the water treatment, raw water, wastewater treatment and water distribution infrastructure and facilities.

SECTION 6. The Board hereby directs staff to mail the notice of the public hearing regarding the levy of a user fee to be held on February 16, 2017 at 5:30 p.m. at the Scotia Community Services District office located at 122 Main Street, Scotia. The Board also directs staff to include in the notice envelope the user fee ballot and Resolution 2016-21.

SECTION 7. **User Fee Notice and Ballot Proceedings.** The Board directs staff to use the following procedures for the user fee ballot proceeding required by article XIIID, section 6(b) of the California Constitution:

- A. **User Fee Substantive Requirements.** The fee which shall be imposed must comply with the following requirements:
 - 1. Revenues derived from the fee cannot exceed the funds required to provide the property-related service.
 - 2. Revenues shall not be used for any other purpose than the purpose herein described.
 - 3. The amount of fee imposed on a parcel as an incident of ownership shall not exceed the proportional cost of the service attributable to the parcel.
 - 4. The service must be actually used of immediately available to the owner of the property.
 - 5. No fee shall be charged for general government services; the service must not be available in the same manner to the public at large.

B. User Rate Analysis as Evidence of Compliance.

Proposition 218 places the burden of demonstrating the validity of user fees on the SCSD. Although not legally required, the Board has directed the filing of a User Rate Analysis and Recommendations from SHN Engineering. The report compiled by registered, professional certified engineers shall demonstrate the SCSD's compliance

with the requirements outlined in subsection A (above) and provide a record of evidence required under article XIIID, section 6(b) of the California Constitution. The User Rate Analysis and Recommendations for water and wastewater are attached as Exhibits C and D.

- C. **Notice.** The following guidelines shall apply to giving the record property owners of each identified parcel notice of a user fee:
 - 1. Article XIIID, Section 6(a)(1) requires the SCSD to "provide written notice by mail of the proposed fee or charge to the record owner of each...parcel upon which the fee or charge is proposed for imposition." The Proposition 218 Omnibus Implementation Act (Gov't Code Section 53750 et seq.) defines "record owner" as "the owner of a parcel whose name and address appears on the last equalized secured property tax assessment roll."
 - 2. The record owner(s) of each parcel to be assessed shall be determined from the last equalized Humboldt County property tax roll. If the property tax roll indicates more than one owner, each owner shall receive notice. Only one protest per parcel may be counted. Only record property owners shall receive notice via mail as permitted by SCSD Resolution 2016-4.
 - 3. The draft form of notice is attached to this resolution as Exhibit A. It shall contain:
 - (a) The amount of proposed user fee for each parcel
 - (b) The basis upon which the user fee was calculated
 - (c) The reason for the user fee
 - (d) The date, time and location of the public hearing
 - 4. The notice shall be sent at least forty-five (45) days prior to the date set for the public hearing on the user fee.
 - 5. The notice provided by this section, and in accordance with article XIIID, section 4 of the California Constitution, shall supersede and be in lieu of any other statutes requiring notice to levy or increase a user fee, including but not limited to the notice required by the state statute authorizing the user fee and Government Code §54954.6. (Proposition 218 Omnibus, Gov't Code Sec. 53753)
 - 6. Failure of any person to receive notice shall not invalidate the proceedings.
 - 7. The cost of providing notice will NOT be included as a cost for purposes of the user fee.
- D. **User Fee Ballot.** The following guidelines shall apply to the user fee ballot:
 - 1. The ballot required by article XIIID, section 4(d) of the California Constitution shall be mailed to all property owners of record within the district at least forty-five (45) days prior to the date of the public hearing on the proposed user fee.
 - 2. The form of the ballot is attached to this resolution as Exhibit B.
 - 3. All ballots must be returned to the Board Clerk by mail or in person, sealed in the envelope provided not later than the date for return of ballots stated on the notice described in section 4(d).
 - 4. The District-provided envelopes shall be "security envelopes" which conceal the contents therein. The envelopes shall denote the property to which the ballot applies.

- 5. A ballot must be signed under penalty of perjury. Only one ballot will be accepted for each parcel.
- 6. Because user fees are levied on record property owners, tenants of real property shall not have the power or authority to submit a user fee ballot unless they are the record owner on the Humboldt County tax roll.
- 7. Only ballots with original signatures, not photocopies, will be accepted. Ballots will not be accepted via email or fax. Ballots not submitted in the security envelope provided by the District shall not be counted.
- 8. The Board Clerk may issue a duplicate ballot to any property owner whose original ballot was lost or destroyed. Such ballots shall be clearly marked as duplicate ballots and shall be accompanied by sufficient information for the Clerk to verify the location and ownership of the property in question and the identity of the individual casting the ballot in order to verify its authenticity.
- 9. A user fee ballot proceeding is not an election.
- 10. User fee ballots shall remain sealed until the tabulation of ballots commences at the conclusion of the public hearing. A user fee ballot may be submitted, changed, or withdrawn by the person who submitted the ballot prior to the conclusion of the public testimony on the proposed user fee at the public hearing.
- 11. Prior to public hearing, neither the user fee ballot nor the envelope in which it is submitted shall be treated as a public record, pursuant to Government Code §6254(c) and any other applicable law, in order to prevent potential unwarranted invasions of the submitter's privacy and to protect the integrity of the balloting process.

E. Public Hearing.

- 1. At the public hearing, the Board of Directors shall hear all oral and written public testimony regarding the proposed user fee and accept ballots until the close of the public hearing which hearing may be continued from time to time.
- 2. The Board of Directors may impose reasonable time limits on both the length of the entire hearing and the length of each speaker's testimony.
- 3. At the conclusion of the hearing, the Clerk shall call for any remaining ballots and then complete a tabulation of the ballots, including those received during the public hearing.
- 4. If it is not possible to tabulate the ballots on the same day as the public hearing, or if additional time is necessary for public testimony, the Board may continue the public hearing to a later date to receive additional testimony, information or to finish tabulating the ballots; or may close the public hearing and continue the item to a future meeting to finish tabulating the ballots.
- 5. If according to the final tabulation of the ballots, ballots submitted in protest of the user fee exceed the ballots submitted in favor of the user fee a "majority protest" exists and the Board shall not impose the user fee.
- F. **Tabulating Ballots.** The following guidelines shall apply to tabulating user fee ballots:

- 1. The Clerk shall determine the validity of the ballots. The Clerk shall accept as valid all ballots except those in the following categories:
 - a) A photocopy of the ballot which does not contain an original signature;
 - b) An unsigned ballot;
 - c) A ballot which lacks an identifiable "yes" or "no" vote;
 - d) A ballot which appears to be tampered with or otherwise invalid based upon its appearance or method of delivery or other circumstances;
 - e) A ballot which is submitted on a form which is different than the form of ballot provided by the District;
 - f) A ballot submitted to the District via email or fax.
 - g) A ballot not returned to the District in its District-provided "security envelope."

The Clerk's decision, after consultation with the Special Counsel, that a ballot is invalid, shall be final and may not be appealed to the Board of Directors.

- 2. An impartial person designated by Board who does not have a vested interest in the outcome of the proposed user fee shall tabulate the user fee ballots submitted, and not withdrawn, in support or opposition to the proposed user fee. The impartial person may include the Board Clerk. During and after tabulation, the user fee ballots shall be treated as disclosable public records, as defined in the Public Records Act, and shall be equally available for inspection by proponents and opponents of the proposed user fee.
- 3. A property owner who has submitted a user fee ballot may withdraw the ballot and submit a new or changed ballot at any time until the conclusion of the public hearing on the user fee.
- 4. A property owner's failure to receive an user fee ballot shall not invalidate the proceedings conducted under this section and section 4, article XIIID of the California Constitution.

SECTION 8. The Board Clerk shall attest and certify to the passage and adoption of this Resolution, and it shall become effective immediately upon its approval.

PASSED AND ADOPTED this 15 th day of December 2016 by the following vote:
AYES:
NOES:
ABSTAIN:
ABSENT:
ATTEST:
Board Clerk

Attachments: Exhibit A: Form of Notice

Exhibit B: Form of User Fee Ballot

Exhibit C: Water User Rate Analysis and Recommendations

Exhibit D: Wastewater User Rate Analysis and Recommendations



Notice of Public Hearing & Proposed Water Rates

Why did you receive this ballot?

You are a record property owner to be served by the Scotia Community Services District (SCSD) and are being asked to vote on a proposed funding measure to establish and maintain water services for the community of Scotia.

The enclosed ballot is your opportunity to participate in deciding whether local funding will be approved for establishing water treatment and distribution services, as well as the provision of raw water by the SCSD. Your vote is important because only returned ballots will be counted.

Who is the Scotia Community Services District?

Scotia was built in the 1880s and has been maintained since then as a true company town located in the heart of California redwood country. Today Scotia is owned and operated by the Town of Scotia Company, LLC (TOS) which owns and leases out all residences and most businesses. However, the Town of Scotia is in the process of subdividing the properties and selling them into private ownership. To facilitate this transition to private ownership, the SCSD was formed to provide the town with essential services, including water services.

Why is a funding measure needed?

Water services in the community of Scotia have been privately funded by TOS and are in the process of being transferred to the SCSD, to be funded by the community. Establishing water rates will allow the SCSD to assume ownership and management of water infrastructure, and begin providing water service to the community.

The principle reasons for establishing the proposed water rates:

- o Fund ongoing operations, maintenance, repairs, debt payments, and infrastructure costs for water service.
- o Ensure revenue sufficiency to meet the operation and maintenance (O&M) and capital needs of the water treatment and distribution system.
- o Plan for revenue stability to provide for adequate operating reserve and capital reserve.
- o Provide a system to ensure fairness and equity in the user fees.
- o Minimize rate impacts to reduce financial hardship on customers.
- Maintain simplicity for ease of administration and implementation, as well as customer understanding.

How are the rates calculated?

The rate structure is designed to ensure that users pay only their proportionate share of costs. Rates include a service charge (base rate) and a commodity rate (water usage based on volume). The base rate is categorized into customers with similar service requirements and demand patterns, or in this case, meter sizes.

Typical Monthly Residential Rate

The rates represent an **average** individual residential user charge of approximately \$80/month, based upon the **example** calculation depicted below:

EXAMPLE (for Average Residence):

(5%-inch meter = \$47.69 Base Fee)

(1,236 cubic feet of water used per month \div 100 = 12.36 units x \$2.63 = \$32.51 Commodity Fee)

\$80.20/month Water Fee

How much are the proposed water rates?

Proposed Water Base Rate

The following table shows the proposed Base Rate (meter charge) for water customers. A base is a cost recovery mechanism that generally is included in the rate structure to recover meter, customer and public fire protection related costs (i.e., costs related to maintaining hydrants), which provides a stable source of revenue independent of water consumption. Therefore, customer costs related to meter reading, billing, and hydrant maintenance are recovered through the base rate.

Proposed Monthly Base Rate FY 2016-2017		
Meter Size (inches)	Monthly Base Rate	
5/8"	\$47.69	
3/4"	\$71.54	
1"	\$119.23	
1 ½"	\$238.46	
2"	\$381.54	
3"	<mark>\$715.38</mark>	
4"	\$1,192.30	
6"	\$2,384.60	
8"	\$3,815.36	

Proposed Water Commodity Rate

The following illustrates the proposed Commodity Rate for water customers. The commodity rate is water usage based on volume that will recover the SCSD's variable volume-related costs. Because a portion of the revenues required from each customer is to be recovered through uniform monthly base rates, commodity rates are designed to recover only revenues expended for the cost for additional water and other associated costs (for example, electricity to pump the additional water).

Proposed Commodity Rate is \$2.63 per 100 cubic feet (cf) of water used

Proposed Raw Water Rate

The SCSD will be supplying raw water, diverted from the raw water feed line to a few irrigation and other industrial use customers. The raw water rate is based upon the cost of pumping (electrical cost/cf + Pump Replacement Cost).

Proposed Raw Water Rate is \$0.22 per 100 cf of water used

The total amount of Water User Fees proposed to be collected from identified parcels within the SCSD for fiscal year 2016-2017 is \$366.878 for treated water and \$33,590 for raw water.

Will the water rates increase in the future?

As a "start-up" district, the projected expenses are based upon industry standards and guided estimates. The District must establish its operations to see the actual revenues and expenditures, on which future rates may be more accurately based. Revenues and expenses will have to be monitored throughout the next several years and adjustments made in the user rates when necessary and practical.

Per State law, revenues generated from the proposed water rates must only be used to fund the actual costs of providing water services, including the cost of debt incurred to finance capital improvement projects by the SCSD, such as a new water treatment facility.

Revenues collected in the first few years are projected to exceed estimated O&M, debt service and replacement expenses. During the first few years, revenues that exceed O&M, debt service and equipment replacement costs may be placed in a capital reserve fund to offset any debt financing requirements for future capital improvements, and to offset increases due to inflation, or will be carried over for use for the same purpose in the next fiscal year.

The District's proposed water rates are established with an annual 1.5% escalation factor to account for cost of living increases for an initial five-year period. The proposed water rates may also be increased to an amount not to exceed 3% based on the consumer price index (CPI) if approved by the SCSD.

Additionally, proposed changes to water rates may also occur based on "pass through" costs, which include the purchase of uncontrolled, mandatory services (such as, utility costs). Further details and explanations are in the District's User Rate Analysis.

Any new or increased water rates above the allowed CPI increase would require another Proposition 218 proceeding and record property owner approval.

See the table below which details the anticipated water rates (Base Rate and Commodity Rate) over the next 5 years.

Water Rates over the Initial 5-year Period					
	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
	Monthly Base	Rate per Meter	Size		
⁵ / ₈ "	\$47.69	\$48.52	\$49.14	\$49.96	\$50.79
3/4**	<mark>\$71.54</mark>	\$72.78	\$73.71	\$74.95	\$76.19
1"	\$119.23	\$121.29	\$122.84	\$124.91	\$126.9 <mark>7</mark>
1 1/2"	\$238.46	\$242.59	\$245.69	\$249.82	\$253.94
2"	\$381.54	\$388.15	\$393.10	\$399.71	\$406.32
3"	\$715.38	\$727.77	\$737.06	\$749.45	\$761.8 <mark>3</mark>
4"	\$1,192.30	\$1,212.95	\$1,228.43	\$1,249.08	\$1,269.72
6"	\$2,384.60	\$2,425.89	\$2,456.86	\$2,498.15	\$2,539.44
8"	\$3,815.36	\$3,881.43	\$3,930.98	\$3,997.04	\$4,063.11
Monthly Commodity Rate					
Treated Water (per 100 cf water used)	\$2.63	\$2.68	\$2.71	\$2.76	\$2.80
Raw Water (per 100 cf water used)	\$0.22	\$0.22	\$0.2 <mark>3</mark>	\$0.23	\$0.23

The above schedule shows the approximate rate schedule over the next 5-year period. These numbers do not account for pass through costs, or inflation above the 1.5% built in CPI.

If I have questions, concerns, or want to return my ballot in person, where can I go?

On Thursday, June 16, 2016, at 5:30 p.m., the Board of Directors of the SCSD will hold a noticed public hearing on the proposed water rates at the SCSD Office, located at 122 Main Street, Scotia, California.

At the hearing, the Board will consider oral and written testimony (as well as written objections and protests) regarding the proposed water rates. The enclosed ballot may be returned to the SCSD at the public hearing prior to the end of public comment period, or may be mailed or hand delivered to the SCSD prior to the public hearing.

The Board will not impose the water rate if, upon the conclusion of the public hearing, a majority of record property owners file written protests opposing the rates. Only one written protest per affected property will be counted towards the majority protest.

If you have questions about this notice or the proposed water rates, please contact SCSD at (707) 506-3030 Mondays and Thursdays from 1:00 p.m. to 5:00 p.m., or at infoscotiacsd@gmail.com. Completed Water Rates Ballots, as well as written comments and protests for the Board's consideration at the hearing, can be delivered to the SCSD Office or mailed to PO Box 104, Scotia, CA 95565.

Water Services

Official Ballot

Mail completed ballot in enclosed return envelope to: PO BOX 104, SCOTIA, CA 95565

Ballot Question: Shall the Board of Directors of the Scotia Community Services District be empowered and authorized to establish water rates for the community of Scotia? If passed, the water rates may be continued in future years and would be established with an annual 1.5% escalation factor to account for cost of living increases for an initial five-year period. The water rates may also be increased to an amount not to exceed 3% based on the consumer price index (CPI), and further adjusted for any pass through costs.

	YES, I approve the proposed rates for Water Sei	rvices	
	NO, I protest the proposed rates for Water Servi	ces	
Signed:	Signature of Record Property Owner, or Authorized Representative	Date:	
Print Name:	I hereby declare, under penalty of perjury, that I am the record property owne the parcel identified on this official ballot	r or record property owner's authorized	representative of

INSTRUCTIONS FOR THE COMPLETION AND RETURN OF OFFICIAL BALLOTS

This ballot may be completed by the persons or entities owning the property identified by parcel number on this ballot. An explanation of who may complete the ballot on behalf of the record property owner and additional instructions are provided on the other side of this ballot.

To be tabulated, ballots MUST be received before the end of the public input portion of the public hearing scheduled for **Thursday**, **June 16**, **2016**, **at 5:30** p.m. at the Scotia Community Services District Office, located at 122 Main Street, Scotia, California.

You are invited to attend the public hearing. You may return your ballot in the following ways:

- 1. Mail your ballot to the address shown on the enclosed return envelope. Ballots are due on June 16, 2016 by 5:30 p.m.
- 2. Deliver it in person at the June 16, 2016 public hearing by 5:30 p.m.

Who May Complete This Official Ballot

- 1. If the property is owned by an individual, the individual may sign.
- 2. If the property is held by more than one person, any one may sign for all.
- 3. If the property is owned by a corporation, the ballot may be signed for the corporation by an officer or officers authorized to make contracts or by resolution of the corporation's Board of Directors.
- 4. If the property is owned by another legal entity, the ballot may be signed by any person authorized by law to make contracts for the entity.
- 5. If the property is owned by a public agency, the ballot may be signed by any person authorized by law to make contracts for the agency or by resolution of the agency's Governing Board.

Steps for Completing the Official Ballot

- 1. Verify that the record owner name and parcel number listed on the ballot are correct. If they are not correct, please call (707) 506-3030 or email infoscotiacsd@gmail.com.
- 2. Fill in or clearly mark the ballot to support or protest the proposed water rate.
- Sign and date the ballot. Only official ballots which are signed and marked with the property owner's protest will be counted. After marking your protest, simply FOLD the ballot so that your protest is on the inside of the fold. Then place the ballot in the return envelope provided.
- 4. If you make a mistake in completing your ballot or wish to change or withdraw your ballot, please call (707) 506-3030.

(See enclosed notice for further information)

Please see other side to complete this Official Ballot

Upon request, Notices and Ballots in languages other than English may be provided.

Parcel Information

Owner of Record: «Assessee_Name»

Parcel Number: «Parcel_Number»

Formula:

Monthly Base Fee (by meter size)

+

Monthly Commodity Fee (per 100 cubic feet of water used)

=

Estimated Monthly Water Fee per EDU

FOLD HERE (this side should be on outside after fold)

RESOLUTION NO. 2016-22

A RESOLUTION OF THE SCOTIA COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

ADOPTING PROPOSITION 218 PROCEDURES FOR ASSESSMENT BALLOT PROCEEDINGS

WHEREAS, Proposition 218 was adopted on November 6, 1996, adding articles XIIIC and XIIID to the California Constitution; and

WHEREAS, article XIIID of the California Constitution imposes certain procedural and substantive requirements relating to the assessments (as defined); and

WHEREAS, the Proposition 218 Omnibus Implementation Act (Government Code §53750 et seq.) clarifies Proposition 218; and

WHEREAS, Proposition 26 amended Cal. Const. arts. XIIIA and XIIIC and provided a new definition of "tax"; and

WHEREAS, article XIIIC Section 1(e)(7) makes "assessments and property-related fees" an exception to the new definition of "tax"; and

WHEREAS, the Scotia Community Services District shall apply Government Code §61122 allowing community services districts to levy benefit assessments pursuant to individual assessment acts as well as "any other statutory authorization enacted on or after January 1, 2006; and

WHEREAS, under the Benefit Assessment Act of 1982, Section 54703 *et seq.* of the Government Code, the Scotia Community Services District may levy annual assessments for the operation, maintenance, acquisition of land or facilities, expansion, construction and installation of the storm drainage system; and

WHEREAS, the Scotia Community Services District shall be responsible for the maintenance and operation of the storm drainage system; and

WHEREAS, some of the requirements of Proposition 218 remain unclear and require judicial interpretation or legislative implementation; and

WHEREAS, a previous Proposition 218 hearing was held for the proposed Assessment on June 16, 2016, in which a weighted majority protest existed, with the results as described in SCSD Resolution 2106-19; and

WHEREAS, a new balloting process for Storm Drainage is being held, based on a reduced Storm Drainage layout; and

WHEREAS, the Scotia Community Services District Board of Directors ("Board") believes it to be the best interests of the community to record its decisions regarding the implementation of the provisions of Proposition 218 relating to assessments and to provide the community with a guide to those decisions and how they have been made.

NOW, THEREFORE, the Scotia Community Services District Board of Directors does hereby resolve as follows:

SECTION 1: All the above recitals and attached exhibits are hereby incorporated by reference.

SECTION 2: **Statement of Legislative Intent**. It is the Board's intent in adopting this resolution, to establish assessment ballot proceedings that are consistent, and in compliance with, Articles XIIIC and XIIID of the California Constitution and with the Proposition 218 Omnibus Implementation Act and the provisions of other statutes authorizing the levy of assessments. It is not the intent of the Board to vary in any way from the requirements of Articles XIIIC and XIIID or the Proposition Omnibus Implementation Act.

SECTION 3: **Definition of Assessment**. Proposition 218 defines "assessment" as any levy or charge upon real property by an agency for a special benefit conferred upon the real property. "Assessment" includes, but is not limited to, "special assessment," "benefit assessment," "maintenance assessment" and "special assessment tax." This means that an assessment that is not a charge upon real property for a special benefit conferred upon the real property is not an "assessment" but rather a "tax" for purposes of article XIIID, section 2(b) of the California Constitution.

SECTION 4: Scotia Community Services District, a newly formed public agency, has adopted Assessments for Parks and Recreation, and Streets and Street Lighting, and is working to levy a Benefit Assessment for Storm Drainage. The Engineer's Report for Assessment of Storm Drainage Benefits (Exhibit C) describes the projected revenue requirements for the Fiscal Year ("FY") 2016-17 for Storm Drainage \$26,290. These projected revenue requirements do not include capital improvements the Board has determined are necessary in the near future. In order to provide special benefits to properties within the District, the Board has determined that a revenue source is necessary.

SECTION 5. The Board hereby declares its intention to levy and collect assessments pursuant to California law on identified parcels within the District's boundaries. These assessments shall be utilized to pay the costs associated with the operation, maintenance and improvements for storm drainage services.

SECTION 6: The Board of Directors accepts the preliminary "Engineer's Report" required under California Constitution article XIIID, section 4(b) "Storm Drainage: Engineer's Report for Assessment of Benefits". (Exhibit C) The Board acknowledges that minor changes may occur prior to the public hearing.

SECTION 7. The Board hereby directs staff to mail the notice of the public hearing regarding the levy of an assessment to be held on February 16, 2017 at 5:30 p.m. at the Scotia Community Services District office located at 122 Main Street, Scotia. The Board also directs staff to include the assessment ballot and Resolution 2016-22.

SECTION 8: **Assessment Ballot Proceeding.** The Board directs staff to use the following procedures in the assessment ballot proceedings required by article XIIID, section 4 of the California Constitution:

A. Identification of Assessment Parcels.

The Engineer's Report has identified the parcels upon which a special benefit shall be conferred. The amount of the proposed assessment for each identified parcel shall be calculated and the record owner shall be determined by the tax roll and notified.

B. Amount of Assessment.

Only special benefits are assessable. The amount of each assessment shall be limited to each identified parcel's proportionate share of the public improvement or property-related service based upon that parcel's special benefit from the improvement or service. The amount shall be proportional to and no greater than the special benefits conferred on the property.

C. Special Benefit.

For the purposes of determining the amount of the assessment:

- 1. Special benefit means a particular and distinct benefit over and above general benefits conferred on real property located in the assessment district or to the public at large;
- 2. Special benefits are those which the assessed property receives, due to the improvement or service, in excess of the general public benefit;
- 3. The fact that other property within the city or within the area will be, to a greater or lesser extent, specially benefited by the improvement or service, will not have the effect of depriving assessed property of its character as a specially benefited property;
- 4. A special benefit is immediate and of such a character as can be seen and traced. General benefits are remote and sometimes contingent.

D. Engineer's Report.

The Board shall direct the filing of an engineer's report that shall comply with the applicable state statute authorizing the assessment and with article XIIID, Section 4 of the California Constitution.

- 1. The detailed engineer's report (Exhibit C) shall be prepared by a registered professional engineer certified by the State of California.
- 2. The report shall describe and identify the boundaries of the District.
- 3. The engineer's report shall identify the improvement or service to be funded by the assessment.
- 4. The engineer's report shall estimate the annual cost, including all planning, administrative, and ancillary costs authorized by law to be funded by the assessment.
- 5. The report shall identify the entire special benefit attributable to the improvement or service, which benefit shall be separated from the general benefit, if any. Each parcel assessed shall be specially benefitted by the

- improvement or service. The engineer's report shall also provide the evidence upon which this Board may find that a special benefit exists.
- 6. The engineer's report shall apportion the assessment to each parcel in the district according to its respective special benefit.
- 7. The report shall include an Assessment Roll containing the proposed Levy for each Assessor or Parcel Number within the District.

E. Notice.

The following guidelines shall apply to giving notice of an assessment:

- 1. The record owner(s) of each identified parcel to be assessed shall be determined from the last equalized property tax roll. If the property tax roll indicates more than one owner, each owner shall receive notice. Only record owners shall receive notice.
- 2. The form of notice is attached to this Resolution as Exhibit A.
- 3. The notice shall be sent at least forty-five (45) days prior to the date set for the public hearing on the assessment.
- 4. The notice provided by this section and in accordance with article XIIID, section 4 of the California Constitution, shall supersede and be in lieu of any other statutes requiring notice to levy or increase an assessment, including but not limited to the notice required by the state statute authorizing the assessment and Government Code §54954.6.
- 5. Failure of any person to receive notice shall not invalidate the proceedings.
- 6. The cost of providing notice will NOT be included as a cost of the assessment.

F. Assessment Ballots.

The following guidelines shall apply to the assessment ballots:

- 1. The Storm Drainage Assessment shall have a separate assessment ballot and each record owner shall have a separate vote.
- 2. The ballot required by article XIIID, section 4(d) of the California Constitution shall be mailed to all property owners of record within the assessment district at least forty-five (45) days prior to the date of the public hearing on the proposed assessment.
- 3. The form of the ballot is attached to this resolution as Exhibit B.
- 4. All ballots must be returned to the Board Clerk by mail or in person, sealed in the envelope provided not later than the date for return of ballots stated on the notice.
- 5. The District-provided envelopes shall be "security envelopes" which conceal the contents therein. The envelopes shall denote the property(ies) to which the ballot applies.
- 6. A ballot must be signed under penalty of perjury. For properties with more than one owner of record, ballots will be accepted from each owner of record. Each owner of record is entitled to vote. If more than one owner of record votes, the Board Clerk shall apportion the voting rights between the owners based upon respective record interests as the Clerk deems correct, proper, and appropriate.

- However, if only one owner votes, the Clerk shall tabulate that vote on behalf of the entire parcel.
- 7. Because assessments are levied on property and tenants are not directly liable to the District for payment of assessments, a tenant of real property shall not have the power or authority to submit an assessment ballot. Any tenant that is directly liable to the District for payment of assessments shall have the power to submit an assessment ballot.
- 8. Only ballots with original signatures, not photocopies, will be accepted. Ballots will not be accepted via email or fax. Ballots not submitted in the security envelope provided by the District shall not be counted.
- 9. The Board Clerk may issue a duplicate ballot to any property owner whose original ballot was lost or destroyed. Such ballots shall be clearly marked as duplicate ballots and shall be accompanied by sufficient information for the Clerk to verify the location and ownership of the property in question and the identity of the individual casting the ballot in order to verify its authenticity.
- 10. An assessment ballot proceeding is not an election.
- 11. Assessment ballots shall remain sealed until the tabulation of ballots commences at the conclusion of the public hearing. An assessment ballot may be submitted, changed, or withdrawn by the person who submitted the ballot prior to the conclusion of the public testimony on the proposed assessment at the public hearing.
- 12. Prior to public hearing, neither the assessment ballot nor the envelope in which it is submitted shall be treated as a public record, pursuant to Government Code §6254(c) and any other applicable law, in order to prevent potential unwarranted invasions of the submitter's privacy and to protect the integrity of the balloting process.

G. Public Hearing.

- 1. At the public hearing, the Board of Directors shall hear all oral and written public testimony regarding the proposed assessment and accept ballots until the close of the public hearing which hearing may be continued from time to time.
- 2. The Board of Directors may impose reasonable time limits on both the length of the entire hearing and the length of each speaker's testimony.
- 3. At the conclusion of the hearing, the Clerk shall complete a tabulation of the ballots, including those received during the public hearing.
- 4. If it is not possible to tabulate the ballots on the same day as the public hearing, or if additional time is necessary for public testimony, the Board may continue the public hearing to a later date to receive additional testimony, information or to finish tabulating the ballots; or may close the public hearing and continue the item to a future meeting to finish tabulating the ballots.
- 5. If according to the final tabulation of the ballots, ballots submitted against the assessment exceed the ballots submitted in favor of the assessment, weighted according to the proportional financial obligation of each affected property, a "majority protest" exists and the Board shall not impose or increase the assessment.

- 6. If according to the final tabulation of the ballots, no majority protest exists, the Board may adopt a resolution to establish the assessment district and levy the assessments.
- H. **Tabulating Ballots**. The following guidelines shall apply to tabulating assessment ballots:
 - 1. The Clerk shall determine the validity of the ballots. The Clerk shall accept as valid all ballots except those in the following categories:
 - a) A photocopy of the ballot which does not contain an original signature;
 - b) An unsigned ballot;
 - c) A ballot which lacks an identifiable "yes" or "no" vote;
 - d) A ballot which appears to be tampered with or otherwise invalid based upon its appearance or method of delivery or other circumstances;
 - e) A ballot which is submitted on a form which is different than the form of ballot provided by the District;
 - f) A ballot submitted to the District via email.
 - g) A ballot not returned to the District in its District-provided "security envelope."

The Clerk's decision, after consultation with the Special Counsel, that a ballot is invalid, shall be final and may not be appealed to the Board of Directors.

- 2. An impartial person designated by the Board who does not have a vested interest in the outcome of the proposed assessment shall tabulate the assessment ballots submitted, and not withdrawn, in support or opposition to the proposed assessment. The impartial person may include the Board Clerk. During and after tabulation, the assessment ballots shall be treated as disclosable public records (as defined in the Public Records Act) and shall be equally available for inspection by proponents and opponents of the proposed assessment. They shall be preserved by the Board Clerk for two years and be available as a public record.
- 3. A property owner who has submitted an assessment ballot may withdraw the ballot and submit a new or changed ballot at any time until the conclusion of the public hearing on the assessment.
- 4. A property owner's failure to receive an assessment ballot shall not invalidate the proceedings conducted under section 4, article XIIID of the California Constitution.

SECTION 8: The Board Clerk shall attest and certify to the passage and adoption of this Resolution, and it shall become effective immediately upon its approval.

PASSED ANI	O ADOPTED this 15 th day of December, 2016 by the following vote:
AYES: NOES: ABSTAIN: ABSENT:	
ATTEST:	
	Board Clerk
Attachments:	Exhibit A: Form of Notice
	Exhibit B: Form of Assessment Ballot
	Exhibit C: Engineer's Report for Assessment of Storm Drainage Benefits



Notice of Public Hearing & Proposed Storm Drainage Assessment

Why did you receive this ballot?

You are a record property owner to be served by the Scotia Community Services District (SCSD) and are being asked to vote on a proposed funding measure to establish and maintain storm drainage services for the community of Scotia.

The enclosed ballot is your opportunity to participate in deciding whether local funding will be approved for establishing storm drainage services by the SCSD. Your vote is important because only returned ballots will be counted.

Who is the Scotia Community Services District?

Scotia was built in the 1880s and has been maintained since then as a true company town located in the heart of California redwood country. Today Scotia is owned and operated by the Town of Scotia Company, LLC (TOS) which owns and leases out all residences and most businesses. However, the Town of Scotia is in the process of subdividing the properties and selling them into private ownership. To facilitate this transition to private ownership, the SCSD was formed to provide the town with essential services, including storm drainage.

Why is a funding measure needed?

Storm drainage services in the community of Scotia has been privately funded by TOS and is in the process of being transferred to the SCSD, to be funded by the community.

The SCSD is proposing to establish a long-term community-based revenue source (benefit assessment) for the express purpose of funding the ongoing operation and maintenance of the storm drainage system for the community, and endeavors to improve the overall storm drainage system that directly affect the properties and quality of life of residents, tenants, employees and owners of properties within the SCSD.

The future of storm drainage services would be at risk if a consistent source of funding cannot be established through the SCSD. In absence of the assessments, improvements and maintenance will not be able to occur, lots will not be able to be established, and future lots will not be sold to any distinct or separate owner.

Any funds collected from the benefit assessment shall be expended **only** for storm drainage services provided by the SCSD. Any unexpended funds remaining at the end of the fiscal year shall be carried over for the same use in the next fiscal year.

What would this measure provide?

The proposed assessment will provide a stable revenue source to fund the ongoing operations, maintenance, renovation, and potential debt service of the SCSD storm drainage facilities that provide special benefits to properties within the SCSD. The continued operations and maintenance of storm drainage services will allow distinct ownership of separate lots.

A more detailed description of the proposed improvements, budget and assessment can be found in the District's Engineer's Report, which is available for public inspection at the SCSD office. According to Community Services District law, assessments may only be levied to recover the actual cost of providing services. The District will conduct annual financial audits to ensure that revenues are expended as authorized.

What are the benefits to the community?

The District's proposed assessments will fund improvements, projects, and expenditures for the storm drainage system that specially benefit properties within the District, which may include:

Operation and Maintenance of storm drainage system improvements, which may include but is not limited to, inspection, repair and servicing of drainage basins, inlets, catch basins, manholes, outlets, drywells, pumps, filters, swales, ponds, storm drain pipes, and related drainage facilities in connection with the properties of the District, as well as any offsite improvements and facilities directly associated with the aforementioned infrastructure that is deemed necessary to service or protect the properties.

- o Acquisition of land or facilities for storm drainage purposes.
- Resource Development including the construction, installation and/or expansion of various drainage facilities, inlets, outlets, culverts, catch basins, drainage ditches and ways, underground piping, junction boxes and manholes and related drainage facilities within the District.
- o Facility Enhancements/Rehabilitation including periodic repairs and renovations of drainage facilities including but not limited underground piping and culvers, inlets, outlets, drainage related basins, junction boxes and manholes, ditches, gutters, and related equipment and amenities.
- o Capital Improvements including major repairs of storm drainage facilities that may include repair or replacement, replacement of permanent fixtures, structural repairs, as well as the construction and installation of new facilities.

How much is the proposed assessment?

The proposed assessment amount to be levied against your parcel is printed in the accompanying Official Assessment Ballot. Proposed storm drainage assessments were calculated on the following basis:

\$22.27 per Equivalent Benefit Unit (EBU) per year (\$1.86 per month) x Apportioned EBU's = Total Annual Cost

The proposed assessment uses a weighted method of apportionment, known as an Equivalent Benefit Unit (EBU) methodology, which uses a single-family home as the basic unit of assessment. The average structural area for residential properties in the District is represented by one EBU, which is calculated as 1,500 square feet (ft²). The EBU methodology for assigning proportionality of benefit assessments was chosen because a majority of structures located within the District are of similar wood frame construction and all installed within a similar time period. Other land uses are converted to a weighted EBU based on an assessment formula that equates the property's specific characteristics associated with density factors to compare the proportional benefit of each property as compared to a single-family home. Further details may be found in the Engineer's Report.

The total amount of storm drainage assessments proposed to be collected from identified parcels within the SCSD for fiscal year 2016-2017 is \$50,384. If approved, the first annual assessment will appear on your 2016/2017 property tax bills, should the infrastructure be transferred to the SCSD by the assessment tax roll deadline. The proposed assessments will be levied for fiscal year 2016-17 and continued every year thereafter.

Will this assessment increase in the future?

The District's proposed assessments are established with an annual 1.5% escalation factor to account for cost of living increases for an initial five-year period. The proposed assessments may also be increased to an amount not to exceed 3% based on the consumer price index (CPI) if approved by the SCSD. This will allow the SCSD to budget for inflation.

Additionally, proposed changes to assessments may also occur based on "pass through" costs, which include the purchase of uncontrolled, mandatory services (such as, utility costs). Further details and explanations may be found in the District's Engineer's Report.

Any new or increased storm drainage assessments above the allowed CPI increase would require another Proposition 218 proceeding and property owner approval.

If I have questions, concerns, or want to return my ballot in person, where can I go?

On Thursday, June 16, 2016, at 5:30 p.m., the Board of Directors of the SCSD will hold a noticed public hearing on the proposed assessment at the SCSD Office, located at 122 Main Street in Scotia.

At the hearing, the Board will consider all oral and written testimony (and written objections and protests) regarding the proposed assessments. The enclosed assessment ballot for storm drainage services may be returned to the SCSD at the public hearing prior to the end of public comment period, or may be mailed or hand delivered to the SCSD prior to the public hearing.

In tabulating the ballots, the ballots will be weighted according to the proportional financial obligation of the affected property (i.e. the total amount of the assessment, as shown under "parcel information" on the ballot). Upon the conclusion

of the public hearing, the Board will not impose the assessment if ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment (majority protest). If you have questions about this notice or the proposed assessment, please contact SCSD at (707) 506-3030 Mondays and Thursdays from 1:00 p.m. to 5:00 p.m. or at infoscotiacsd@gmail.com. Completed Assessment Ballots, as well as written comments and protests for the Board's consideration at the hearing, can be delivered to the SCSD Office or mailed to P.O. Box 104, Scotia, CA 95565.

Storm Drainage

Official Assessment Ballot

Mail completed assessment ballot in enclosed return envelope to: PO BOX 104, SCOTIA, CA 95565

Ballot Question: Shall the Board of Directors of the Scotia Community Services District be empowered and authorized to establish an assessment for storm drainage services for an amount not to exceed \$22.27 per Equivalent Benefit Unit (EBU) per year? If passed, the assessment may be continued in future years and would be established with an annual 1.5% escalation factor to account for cost of living increases for an initial five-year period. The assessment may also be increased to an amount not to exceed 3% based on the consumer price index (CPI), and further adjusted for any pass through costs.

	YES, I approve the proposed assessment for Storm Drainage		
	NO, I protest the proposed assessment for Storm Drainage		
Signed:	Signature of Record Property Owner, or Authorized Representative		
Print Name:	I hereby declare, under penalty of perjury, that I am the record property owner or record property owner's authorized representative of the parcel identified on this official assessment ballot		

INSTRUCTIONS FOR THE COMPLETION AND RETURN OF OFFICIAL ASSESSMENT BALLOTS

This assessment ballot may be completed by the persons or entities owning the property identified by parcel number on this ballot. An explanation of who may complete the assessment ballot on behalf of the record property owner and additional instructions are provided on the other side of this ballot.

To be tabulated, assessment ballots MUST be received before the end of the public input portion of the public hearing scheduled for **Thursday**, **June 16**, **2016**, **at 5:30 p.m. at the Scotia Community Services District Office**, **located at 122 Main Street**, **Scotia**, **California**.

You are invited to attend the public hearing. You may return your assessment ballot in the following ways:

- 1. Mail your assessment ballot to the address shown on the enclosed return envelope. Ballots are due on June 16, 2016 by 5:30 p.m.
- 2. Deliver it in person at the June 16, 2016 public hearing by 5:30 p.m.

Who May Complete This Official Assessment Ballot

- 1. If the property is owned by an individual, the individual may sign.
- If the property is held by more than one person, any one may sign for all.
- 3. If the property is owned by a corporation, the assessment ballot may be signed for the corporation by an officer or officers authorized to make contracts or by resolution of the corporation's Board of Directors.
- 4. If the property is owned by another legal entity, the assessment ballot may be signed by any person authorized by law to make contracts for the entity.
- 5. If the property is owned by a public agency, the assessment ballot may be signed by any person authorized by law to make contracts for the agency or by resolution of the agency's Governing Board.

Steps for Completing the Official Assessment Ballot

- 1. Verify that the owner name and parcel number listed on the assessment ballot are correct. If they are not correct, please call (707) 506-3030 or email infoscotiacsd@gmail.com.
- 2. Fill in or clearly mark the box next to the word "YES" or "NO" to approve or protest the proposed assessment.
- 3. Sign and date the assessment ballot. Only official assessment ballots which are signed and marked with the property owner's approval or protest will be counted. After marking your vote, simply FOLD the assessment ballot so that your vote is on the inside of the fold. Then place the assessment ballot in the return envelope provided.
- 4. If you make a mistake in completing your assessment ballot or wish to change or withdraw your assessment ballot, please call (707) 506-3030.

(See enclosed notice for further information)

Please see other side to complete this assessment ballot

Upon request, Notices and Ballots in languages other than English may be provided.

Parcel Information

Owner of Record: «Missing merge field»

Parcel Number: «Missing merge field»

Equivalent Benefit Units (EBU): «Missing merge field»

Cost per EBU per Year: «Missing merge field»

Annual Cost: «Missing merge field»

Formula: # of EBU's x \$22.27 per EBU per Year = Annual Cost

— FOLD HERE (this side should be on outside after fold)