



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, March 17, 2016
Regular Meeting at 5:30 P.M.

AGENDA

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

PLEDGE OF ALLEGIANCE

- B. SETTING OF AGENDA**

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

- C. CONSENT CALENDAR**

C1. Approval of Minutes from Previous Meetings

February 18, 2016

- D. PUBLIC COMMENTS & WRITTEN COMMUNICATIONS**

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

- E. PUBLIC HEARING- None**

- F. BUSINESS**

F1. New Business –

- a. Second reading and consider adoption of Ordinance 2016-1 Scotia Community Services District Authorizes the Use of Mail Ballots for the Election per Election Code §4000**
- b. Consider adoption of Resolution 2016-2 Scotia Community Services District Conflict of Interest Code**
- c. FY 2016-2017 Budget Workshop**

F2. Old Business –

- a. Rate Study – review, discuss, and accept final User Fee and Benefit Assessment Analysis.**

G. REPORTS

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

- 1. President's Report:**
- 2. Board Director Reports:**
- 3. Interim Manager's Report:**
- 4. Special Counsel's Report:**
- 5. Engineer's Report:**
- 6. Fire Chief's Status Report:**
- 7. Board Clerk Report:** Eel River Groundwater Meeting

H. ADJOURNMENT

Next Regular Meeting of the SCSD will be April 21, 2016 at 5:30 PM.
A Special meeting may be held prior to that.

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

*AGENDA FOR MEETING OF THE SCSD BOARD OF DIRECTORS
March 17, 2015
POSTED at 2:00 PM March 14, 2015*

**Minutes of the Special Board Meeting of the
Scotia Community Services District**
Thursday, February 18, 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 5:30 pm with the following directors in attendance:

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

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

B. SETTING OF AGENDA

Additions/revisions to the agenda: NONE

C. CONSENT CALENDAR

C1. Approval of Minutes from Previous Meetings

January 21, 2016

Motion: Motion to approve the Consent Calendar

Motion: Pryor **Second:** Bristol

Motion Vote: Ayes - 5 Opposed – 0 Absent - 0 Abstain - 0

D. PUBLIC COMMENTS & WRITTEN COMMUNICATIONS - None

E. PUBLIC HEARING- None

F. BUSINESS

F1. New Business –

a. REVISED Proposition 218 Process

Interim General Manager introduced Colette Metz of Planwest Partners to speak on the Revised 218 Process. Colette went over the 218 process in the Staff report and attachment. Legal Counsel clarified the definition of tenant and legal standing of tenants per the 218 process. Went through the 218 schedule and laid out how the Detailed Engineering Analysis, Engineers Reports and Rate Studies all fit into the process.

Public Comment: Renee Abrams opened with questions regarding SCSD billing tenants; asked about updating the adopted Letter of Intent (legal counsel advised that an update would require another resolution process); and asked for an update on the County subdivision process, specifically in regard to the subdivision affecting the 218 process. Ted Vivatson, owner at Eel River Brewery asked for clarification of tenants, lease terms and the method in which utilities being paid affecting the tenant standing within the 218 process. Legal counsel advised that these concerns will all be covered in one-on-one meetings at a later date. Ted also asked about the base rate, which the Interim General Manager said will be covered in Item F2a on the agenda.

Direction: President Walsh directed staff to use the SCSD Board Clerk to tabulate the ballots in the 218 proceedings, and to use the SCSD P.O. Box as the mail-in location for the ballots.

b. First Reading and consider adoption of Ordinance 2016-1 Scotia Community Services District authorizes the use of mail ballots for the election per Election Code §4000

President Walsh introduced, Board and staff discussed.

Motion: Motion to read by title only

Motion: McKnight **Second:** Pryor

Motion Vote: Ayes - 5 Opposed - 0 Absent - 0 Abstain - 0

Motion: Motion to accept as first reading of Ordinance 2016-1 Scotia Community Services District authorizes the use of mail ballots for the election per Election Code §4000.

Motion: Bristol **Second:** Pryor

Motion Vote: Ayes - 5 Opposed - 0 Absent - 0 Abstain - 0

c. Review Resolution 2016-4 Scotia Community Services District Board of Directors Calling for a Mail Ballot Assessment Proceeding

Introduced by legal counsel. No action taken.

F2. Old Business –

a. Rate Study – review, discuss, and direct to finalize proposed rates.

Introduced by President Walsh. District Engineer introduced the staff report and lead discussion. The Board must set the rate to account for inflation, and it is recommended to factor in a 5 year cost of living increase for sewer and water, and an unlimited (by law) CPI increase for the benefit assessments. Interim General Manager pointed out that the District is starting out with no funds in reserve. Board discussed options.

Public Comment: Renee Abrams provided comment about importance of voter education process. Ted Vivatson of Eel River Brewery asked questions, and expressed his understanding of setting rates from a business standpoint.

Motion: Motion to accept recommended option #4 of Staff Report analysis: “Using SHN's 2020 highest rate of \$227/mo and applying future inflation increases of 1.5%/yr results in a rate spread of \$231/mo to \$246. It is proposed to use this higher rate spread to generate "early" years' revenue in order to lower future loan/debt obligations, account for unforeseen contingencies (specifically the proposed treatment plant construction) and provide adequate cash reserves.”

Motion: Broadstock **Second:** McKnight

Motion Vote: Ayes - 5 Opposed - 0 Absent - 0 Abstain - 0

G. REPORTS

1. President’s Report: None

2. Board Director Reports: None

3. Interim Manager’s Report: will begin working on Budget process

4. Special Counsel’s Report: Update on Conflict of Interest Code, urged Board to reach out if they ever have any concerns.

5. Engineer’s Report: None

6. Fire Chief's Status Report: None

7. Board Clerk Report: Working Group Report, Form 700 Annual Statements *due by March 1, 2016*, update Board Directory after meeting

H. ADJOURNMENT

Meeting adjourned at 7:07 pm by Board President Rick Walsh.

These minutes were approved by the Board of Directors of the Scotia Community Services District on March 17, 2016 at its duly-noticed regular meeting in Scotia, CA.

APPROVED:

Rick Walsh, President
Board of Directors
Scotia Community Services District

Date

ATTEST:

Leslie Marshall, Board Clerk
Scotia Community Services District

Date

Scotia Community Services District
Staff Report

DATE: March 17, 2016
TO: Scotia Community Services District Board of Directors
FROM: Tracy M. Boobar, Special Counsel
SUBJECT: Ordinance No. 2016-1: To Authorize the Use of Mail Ballot Elections

RECOMMENDATION:

Special Counsel recommends that the Board approve the Second Reading of and adopt Ordinance No. 2016-1 Authorizing the General Use of a Mail Ballot Elections by the Scotia Community Services District.

ACTION: Second Reading and Adoption of Ordinance 2016-1.

DISCUSSION:

The Scotia Community Services District intends to begin Prop. 218 proceedings in order to set rates for property-related and assessment benefit fees associated with providing water, wastewater, streets and lighting, parks and recreation, and fire services. These Prop. 218 proceedings require an ‘election’ or ballot process to determine if there are any protest votes (property related) or votes in favor (assessment benefits).

Ordinance 2016-1 creates a SCSD law, which allows the Board of Directors to use “mail ballot elections” in place of the traditional polling place and formal election day proceedings. Mail ballots have been found encourage higher voter participation and to be cost effective.

FISCAL IMPACT: None. The use of mail ballot elections will provide a cost-effective method of submitting issues to the community.

ORDINANCE NO. 2016-1

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE
SCOTIA COMMUNITY SERVICES DISTRICT
TO AUTHORIZE THE USE OF MAIL BALLOT ELECTIONS**

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

Section 1. The Use of Mail Ballot Elections is hereby adopted as follows:

- A. The California Elections Code provides that any election or assessment ballot proceeding required or authorized by Article XIII C or XIII D of the California Constitution may be conducted wholly by mail.
- B. In accordance with Section 4000 of the California Elections Code, the Board of Directors approval is required to authorize the use of mail ballots for such an election.
- C. The Board of Directors finds that mail ballot elections held elsewhere in the State have been shown to achieve higher voter turn out and also to be less expensive than the more traditional means of voting, and that authorizing the use of mail ballot elections for proceedings pursuant to Article XIII C or XIII D of the California Constitution is, therefore, in the public interest.

Section 2. Mail Ballot Elections.

- A. The Board of Directors is authorized to conduct elections wholly by mail ballot as described in subsection B of this section. The Board of Directors shall determine whether an election will be conducted by mail at the time the election is called. Actions of the Board of Directors pursuant to this section shall be set forth in a resolution approved at a regular or special meeting of the Board of Directors.
- B. The following items may be the subject of a mail ballot election:
 - (1) Any election to approve a special tax as required or authorized by Article XIII C of the California Constitution.
 - (2) Any election to approve a property-related fee or charge as required or authorized by Article XIII D of the California Constitution.
 - (3) Any assessment ballot proceeding required or authorized by Article XIII D of the California Constitution; provided that such proceeding be denominated an “Assessment Ballot Proceeding” rather than an election.
- C. Elections authorized by this section shall not occur on the same date as a statewide direct primary election or statewide general election.
- D. Elections authorized by this ordinance shall be deemed special elections and shall be conducted in accordance with the special provisions as may be adopted by resolution by the Board of Directors with respect to assessment ballot proceedings and elections for property-related fees and charges, and, with respect to elections on taxes, in

accordance with the provisions for mail ballot elections set forth in Elections Code sections 4100 and following, as now exist or may hereafter be amended.

Section 3. This is not a project for purposes of the California Environmental Quality Act (CEQA)

Section 4. This ordinance shall be effective on the thirty-first day after the date of its adoption.

DATE: _____

ATTEST:

APPROVED:

Clerk, Scotia Community Services District

President, Scotia Community Services District

Clerk's Certificate

I hereby certify that the foregoing is a true and correct copy of Ordinance No. 2016-1, passed and adopted at a regular meeting of the Board of Directors of the Scotia Community Services District, Humboldt County, California on the 17th day of March, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk, Scotia Community Services District

Scotia Community Services District

Staff Report

DATE: March 17, 2016
TO: Scotia Community Services District Board of Directors
FROM: Tracy M Boobar, Special Counsel to the SCSD
SUBJECT: SCSD Conflict of Interest Code

RECOMMENDATION:

Legal counsel recommends that the Board approve the SCSD Conflict of Interest Code (“COI”).

ACTION:

Adopt the SCSD COI, by Resolution.

DISCUSSION:

In the Political Reform Act, Government Code Sections 81000, the State of California requires all Community Services Districts to develop and adopt a Conflict of Interest Code. This Code is designed to list the individuals required to disclose conflicts as well as the categories of disclosures.

The SCSD COI was developed by referencing the model code developed by the Fair Political Practices Commission (2 Cal. Adm. Code Section 18730). This adoption by reference is specifically allowed under California law. At some time in the future, the SCSD may desire a stand-alone policy to be used by employees and the Board.

In addition, the statutes require a list of positions within the SCSD that shall be required to disclose potential conflicts of interest. The list must also define what each category shall be for the SCSD.

FISCAL IMPACT:

None

RESOLUTION NO. 2016-2

SCOTIA COMMUNITY SERVICES DISTRICT

ADOPTING A CONFLICT OF INTEREST CODE

WHEREAS, the Political Reform Act, Government Code §81000, et seq., requires every state or local government agency to adopt and promulgate a Conflict of Interest Code; and

WHEREAS, the Fair Political Practices Commission has adopted a regulation, 2 California Administrative Code (Cal. Adm. Code) §18730, which contains the terms of a standard model Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments to the Political Reform Act; and

WHEREAS, the Scotia Community Services District may incorporate in its Conflict of Interest Code, by reference, regulation 2 Cal. Adm. Code §18730; and

WHEREAS, the Scotia Community Services District has determined that the attached Conflict of Interest Code accurately sets forth the current organizational structure of departments, their designated positions and the respective categories of financial interests which should be made reportable and those boards and commissions which should be designated and the respective categories of financial interests which should be made reportable by their members.

NOW, THEREFORE, be it resolved by the Scotia Community Services District as follows:

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

Section 2. With the additions attached hereto as Exhibit A, the terms of 2 Cal. Adm. Code §18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and made a part of the Conflict of Interest Code of the Scotia Community Services District.

Section 3. The terms of 2 Cal. Adm. Code §18734, relating to Designated Employees and Consultants, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference and made a part of the Conflict of Interest Code of the Scotia Community Services District.

Section 4. The Board Clerk will review the SCSO Conflict of Interest Code on an annual basis and if changes are required will submit a revised code for Board approval, or if no changes are necessary, so notify the Board by the applicable deadline specified in the Political Reform Act.

Section 5. This Resolution shall be effective upon adoption.

Attachments:

Exhibit A- Disclosure Categories

Exhibit B- Provisions of Conflict of Interest Codes

Exhibit C- Designated Employees and Consultants – Positions Pending Code Amendment

PASSED AND ADOPTED this 17th day of March, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____

Board President

ATTEST: _____

Board Clerk

Exhibit A

Designated Employees	Disclosure Category
District Engineer	1, 2
Fire Chief	1
Consultants*	1

*Consultants shall be considered for the purposes of this Conflict of Interest Code as designated employees and shall disclose pursuant to categories 1 and 2.

Disclosure Categories

Category 1

All designated employees shall disclose all business entities and non-profit organizations in which they have an investment or in which they are a director, officer, partner, trustee, employee or hold any position of management; all interests in real property; and all sources of income including gifts, loans and travel payments.

Category 2

Designated employees assigned to this category shall disclose all interests in real property. In addition, they shall disclose business entities or non-profit organizations in which they have an investment or in which they are a director, officer, partner, trustee, employee or hold any position of management; and income, including gifts, loans and travel payments; if the business entity, non-profit organization or source of income has an interest in real property or is in the building and construction industry, including but not limited to architects, developers, contractors, sub-contractors, materials suppliers or consultants.

Note

Any member of the Board of Directors, General Manager, District Attorney, and Board Clerk are required, pursuant to GC §87103 to disclose investments, interests in real property and other income. No other or additional disclosure requirements are imposed by this Conflict of Interest Code.

Any member of the Board of Directors, General Manager, District Attorney, and Board Clerk must disqualify themselves from making or participating in making of any decisions which will foreseeably have a material financial effect, distinguishable from its effect on the public generally, on any economic interest, as defined by GC §87103.

Exhibit B

§ 18730. Provisions of Conflict of Interest Codes.
2 CA ADC § 18730
BARCLAYS OFFICIAL CALIFORNIA CODE OF REGULATIONS

Barclays Official California Code of Regulations Currentness
Title 2. Administration
Division 6. Fair Political Practices Commission
Chapter 7. Conflicts of Interest
Article 2. Disclosure (Refs & Annos)

2 CCR § 18730
§ 18730. Provisions of Conflict of Interest Codes.

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

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

(1) Section 1. Definitions.

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

(2) Section 2. Designated Employees.

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

(3) Section 3. Disclosure Categories.

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

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

Exhibit B

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

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

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

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

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code. 2

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

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

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

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

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

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive

Exhibit B

any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

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

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

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

(A) Contents of Initial Statements.

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

(B) Contents of Assuming Office Statements.

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

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

(D) Contents of Leaving Office Statements.

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

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property ³ is required to be reported, ⁴ the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;

Exhibit B

4. A statement whether the fair market value of the investment or interest in real property equals or exceeds \$2,000, exceeds \$10,000, exceeds \$100,000, or exceeds \$1,000,000.

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

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

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

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

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

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

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

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

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

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

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

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

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

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

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

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$460.

Exhibit B

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$460 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

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

(8.2) Section 8.2. Loans to Public Officials.

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

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

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

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

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

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

Exhibit B

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

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

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of \$500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

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

1. Loans made to the campaign committee of the elected officer.

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

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

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

(8.4) Section 8.4. Personal Loans.

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

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of \$100 or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than \$250 during the previous 12 months.

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

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

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph

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has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

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

(9) Section 9. Disqualification.

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

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

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

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

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

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$460 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

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

(9.5) Section 9.5. Disqualification of State Officers and Employees.

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

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

Exhibit B

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

(10) Section 10. Disclosure of Disqualifying Interest.

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

(11) Section 11. Assistance of the Commission and Counsel.

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

(12) Section 12. Violations.

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

1 Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

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

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

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

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

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

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Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

HISTORY

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14). Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).
4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).
7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).
8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).
9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).
10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).
11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.
12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).
13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).
14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).
15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).
16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).
17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).

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18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).
19. Editorial correction of subsection (a) (Register 98, No. 47).
20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).
21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).
22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).
23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).
24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).
25. Editorial correction of History 24 (Register 2003, No. 12).
26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).
27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).
28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).
29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).
30. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 10-31-2008; operative 11-30-2008. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative

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Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2008, No. 44).

31. Amendment of section heading and section filed 11-15-2010; operative 12-15-2010. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2010, No. 47).

32. Amendment of section heading and subsections (a)-(b)(1), (b)(3)-(4), (b)(5)(C), (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) and amendment of footnote 1 filed 1-8-2013; operative 2-7-2013. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2013, No. 2).

33. Amendment of subsections (b)(8.1)-(b)(8.1)(A), (b)(8.2)(E)3. and (b)(9)(E) filed 12-15-2014; operative 1-1-2015 pursuant to section 18312(e)(1)(A), title 2, California Code of Regulations. Submitted to OAL for filing and printing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2014, No. 51).

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2 CCR § 18730, 2 CA ADC § 18730

END OF DOCUMENT

Exhibit C

§ 18734. Designated Employees and Consultants - Positions Pending Code Amendment.
2 CA ADC § 18734
BARCLAYS OFFICIAL CALIFORNIA CODE OF REGULATIONS

Barclays Official California Code of Regulations Currentness
Title 2. Administration
Division 6. Fair Political Practices Commission
Chapter 7. Conflicts of Interest
Article 2. Disclosure (Refs & Annos)

2 CCR § 18734

§ 18734. Designated Employees and Consultants - Positions Pending Code Amendment.

(a) New Positions and Consultants' Interim Disclosure: Consultants and newly created positions as set forth in Regulation 18219 that make or participate in the making of decisions that may foreseeably have a material effect on any financial interest shall file interim disclosure under this category.

(b) Disclosure Requirements: Persons in positions specified in subdivision (a) of this regulation shall file under the broadest disclosure category in the agency's conflict-of-interest code until the agency amends its code to reflect the position. However, the agency may determine that the broadest disclosure is not necessary and set interim disclosure that is more tailored to positions with a limited range of duties. This determination shall include a description of the position's duties and, based upon that description, a statement of the extent of disclosure requirements.

(c) Public Records: Records pertaining to positions that file under this category are public records and must be retained for the public's inspection in the same manner and location as the agency's conflict-of-interest code as set forth in Section 81008(a). This includes any written documents that support a limited disclosure category.

(d) Time of Filing: Persons in positions specified in this regulation shall file an initial statement within 30 days of assuming office and shall continue to file annually in the same manner and location specified in the agency's conflict-of-interest code.

(e) Annual Statement: Any statement filed under this provision is deemed to satisfy the requirement of Section 87302(b), which requires that an initial or annual statement be filed.

(f) Nothing in this regulation shall be construed to exempt any agency from complying with provisions of Section 87306.

(g) Effective Date: This regulation shall be effective January 1, 2010.

Note: Authority cited: Section 83112, Government Code. Reference: Section 87302, Government Code.

HISTORY

1. New section filed 11-12-2009; operative 1-1-2010. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2009, No. 46).

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2. Amendment of section heading and section filed 2-23-2011; operative 2-10-2011, pursuant to California Code of Regulations, title 2, section 18312(c)(3). Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2011, No. 8). A Certificate of Compliance must be transmitted to OAL within 120 days or emergency language will be repealed on 6-11-2011.

3. Editorial correction of History 2 (Register 2011, No. 13).

4. Amendment of subsection (b), new subsections (c)-(c)(3), repealer of subsection (g) and subsection relettering filed 4-1-2011; operative 2-10-2011, pursuant to California Code of Regulations, title 2, section 18312(c)(3). Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2011, No. 13). A Certificate of Compliance must be transmitted to OAL within 120 days or emergency language will be repealed on 6-11-2011.

5. Reinstatement of section as it existed prior to the 2-10-2011 emergency amendments filed 2-23-2011 and 4-1-2011 by operation of Government Code section 11422.1(c) (Stats. 1971, c. 1303). See Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2011, No. 34).

This database is current through 2/26/16 Register 2016, No. 9

2 CCR § 18734, 2 CA ADC § 18734

END OF DOCUMENT

**Scotia Community Services District
Staff Report**

DATE: March 17, 2016
TO: Scotia Community Services District Board of Directors
FROM: Steve Tyler, Interim General Manager
SUBJECT: Budget Workshop

RECOMMENDATION:

Staff recommends the Scotia Community Services District Board discuss with staff considerations pertinent to the budgeting process.

ACTION: None.

DISCUSSION:

Verbal, as presented by the Interim General Manager.

FISCAL IMPACT: None.