Notice is hereby given that a
REGULAR MEETING
Of the Board of Directors will be held at:
400 Church Street, Scotia, CA 95565

Thursday, January 21, 2021

Regular Meeting at 5:30 P.M.

AGENDA

A. CALL TO ORDER/ ROLL CALL/ PLEDGE OF ALLEGIANCE The Presiding Officer will call the meeting to order and the Board Clerk will call the roll of members to determine the presence of a quorum. PLEASE REMEMBER TO SILENCE ALL CELL PHONES

In accordance with the Governor's Executive Orders N-25-20 and N-29-20 SCSD Board of Directors shall conduct the District's business via teleconference as the Board chambers are closed at this time. **This meeting may be accessed by using the following call-in number: 1 669 900 6833. When prompted enter the meeting i.d.** 846 0613 0560 **and the following password** 853795. Please submit public comments in writing 24 hours ahead of the meeting, if possible. If anyone who wishes to teleconference the meeting and has ADA access needs, please call the SCSD Administrative Office not less than 24 hours in advance of the meeting time to make accommodations.

B. SETTING OF AGENDA The Board may adopt/revise the order of the agenda as presented

C. CONSENT CALENDAR Consent Calendar items are routine, to be acted upon by the Board of Directors at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be moved so that it may be acted upon separately in business.

1. Approval of Previous Meeting Minutes—Regular Meeting December 17, 2020 pp. 3
2. Approval of Previous Meeting Minutes – Special Meeting January 7, 2021 pp. 8
3. Approval of RCB Check Registers December 1-31, 2020 pp. 9
4. Approval of Umpqua Check Registers December 1-31, 2020 pp. 14
5. Approval of RCB Mastercard Statement-– 1-08-2021 pp. 19
6. Approval of Umpqua Visa Statement— 12-31-2020 pp. 21
7. Approval of Planwest Partners Invoice— December 2020 pp. 24

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

1. Call to Order
2. Roll Call
3. Government Code §54956.9; Discuss pending litigation with District Legal Counsel

4. Closed session discussion

F. ADJOURN TO OPEN SESSION

1. Report out of closed session

G. PUBLIC HEARING - None

H. BUSINESS

1. New Business

a. Adopt Resolution 2021 – 1 A Resolution of the Scotia Community Services District Board of Directors Amending the Personnel Policies & Procedures pp. 27

b. Adopt Resolution 2021 – 2 A Resolution of the Scotia Community Services District Board of Directors Amending the Master Fee Schedule pp. 70

c. Adopt Resolution 2021 – 3 A Resolution of the Scotia Community Services District Board of Directors Adopting the Final FY 2019-20 Audit Conducted by Anderson, Lucas, Sommerville & Borges pp. 81

2. Old Business - None

I. REPORTS **(5 minutes each)**

The Board may briefly discuss any particular item raised; no action will be taken on these items.

1. President's Report:

2. Board Director Reports:

3. General Manager's Report:

4. Board Clerk's Report:

5. District Counsel's Report:

6. Engineer's Report:

7. Fire Chief's Report:

J. BOARD TRAINING – None

K. ADJOURNMENT

Next Regular Meeting of the SCSD will be February 18, 2021 at 5:30 PM. A Special meeting may be held prior to that.

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

Minutes of the REGULAR Board Meeting for the
Scotia Community Services District
Thursday, December 17, 2020 at 5:30 P.M.

A. CALL TO ORDER/ ROLL CALL PLEDGE OF ALLEGIANCE at 5:32 PM

Diane Black, Vice President – Present

Paul Newmaker, President– Present

Susan Pryor, Director – Present

Nina Sellen, Director – Present

Incoming Director Ansted - Present

Staff Present: Leslie Marshall, General Manager; Julie Hawkins, Board Clerk

Other persons present: Barbara Guest of Anderson, Lucas, Somerville & Borges, LLP

B. SETTING OF AGENDA The Board may adopt/revise the order of the agenda as presented

Moving closed session item until after Business so Director Ansted can participate.

Moving calendar item to after audit (item H1c)

C. CONSENT CALENDAR Consent Calendar items are routine, to be acted upon by the Board of Directors at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be moved so that it may be acted upon separately in business.

1. Approval of Previous Meeting Minutes—Regular Meeting November 19, 2020
2. Approval of October 1-October 31, 2020 RCB Check Registers
3. Approval of October 1-31,2020 Umpqua Check Registers
4. Approval of November 1- November 30, 2020 RCB Check Registers
5. Approval of November 1- November 30, 2020 Umpqua Check Registers
6. Approval of RCB Mastercard Statement— Closing Date November 6th, 2020
7. Approval of RCB Mastercard Statement— Closing Date December 8th, 2020
8. Approval of Umpqua Visa Statement— Closing date October 30, 2020
9. Approval of Umpqua Visa Statement— Closing Date November 30, 2020
10. Approval of Planwest Partners Invoice— November 2020
11. Board Director Stipends

No public comment

Motion: To Approve Consent Calendar

Motion: Pryor **Second:** Newmaker

Motion Vote: Ayes All – Black, Newmaker, Pryor, Sellen **Opposed:** None **Absent:** None

Abstain: None

D. PUBLIC COMMENT & WRITTEN COMMUNICATION

No public comment or written communication from the public prior to the meeting.

E. ADJOURN TO CLOSED SESSION at 6:18 PM *Item moved to after Business

1. Call to Order
2. Roll Call

Diane Black, Vice President – Present

Paul Newmaker, President– Present

Susan Pryor, Director – Absent (Director Pryor excused herself from the meeting at 6:16 PM

Nina Sellen, Director – Present

Delia Ansted, Director - Present

3. Government Code §54956.9; Discuss pending litigation with District Legal Counsel
4. Closed session discussion

F. ADJOURN TO OPEN SESSION at 6:46 PM

1. Report out of closed session

Direction was given to staff.

G. PUBLIC HEARING - None

H. BUSINESS

1. New Business

a. Swear in Returning Board Members Appointed in Lieu of Election and New Board Member Appointed Pursuant to District

Board Clerk conducted the oaths of office for each director.

No Public Comment

b. Election of Board Officers and Appointment of Signatory(s) (2 Motions)

Board discussed and determined that the Board Officers and Signatories should remain the same.

No Public Comment

Motion: To Appoint Paul Newmaker as President

Motion: Pryor **Second:** Sellen

Motion Vote: Ayes All – Ansted, Black, Newmaker, Pryor, Sellen **Opposed:** None **Absent:** None

Abstain: None

Motion: To Appoint Diane Black as Vice President

Motion: Newmaker **Second:** Pryor

Motion Vote: Ayes All – Ansted, Black, Newfmaker, Pryor, Sellen **Opposed:** None **Absent:** None

Abstain: None

Motion: To Keep Signatories as they currently are.

Motion: Black **Second:** Sellen

Motion Vote: Ayes All – Ansted, Black, Newfmaker, Pryor, Sellen **Opposed:** None **Absent:** None

Abstain: None

c. Approve 2021 Calendar Year Board Meeting Schedule

Board Discussed and approved.

No Public Comment

Motion: To Approve 2021 Calendar Year Board Meeting Schedule

Motion: Pryor **Second:** Black

Motion Vote: Ayes All – Ansted, Black, Newfmaker, Pryor, Sellen **Opposed:** None **Absent:** None

Abstain: None

d. Draft FY 2019-2020 Audit Presentation by Barbara Guest of Anderson, Lucas, Somerville & Borges, LLP

Barbara Guest presented the Draft Audit for FY 2019-2020. Barbara explained that this audit went smoothly because during this fiscal year there weren't any asset transfers. There were no questions from the GM or the Board. The final audit will be presented at the January meeting for approval.

No public comment

Motion: To Accept draft audit for FY 2019-20 and approve for final audit.

Motion: Black **Second:** Newmaker

Motion Vote: Ayes All – Ansted, Black, Newfmaker, Pryor, Sellen **Opposed:** None **Absent:** None

Abstain: None

e. Release the Scotia Soccer Field ADA Improvements Bid Package for Bidding and Quotations

LM introduced. The Board discussed.

We hope to get three bids, but that is not a requirement, just an internal preference.

No public comment

Motion: To Approve Plans and Bid Specifications, and Authorize Bid Advertisement for the Soccer Field ADA Accessibility Improvement Project.

Motion: Newmaker **Second:** Black

Motion Vote: Ayes All – Ansted, Black, Newfmaker, Pryor, Sellen **Opposed:** None **Absent:** None

Abstain: None

Director Pryor left at 6:16 PM

I. Old Business – None

J. REPORTS (5 minutes each)

The Board may briefly discuss any particular item raised; no action will be taken on these items.

1. **President's Report: None**
2. **Board Director Reports: None**
3. **General Manager's Report:**

-Corridor project is moving ahead. Concrete work was started. Work on the 6th street sewer and storm drainage will take place this week.

-Pump automation will be done by Portland Construction.

-Filter inspection is complete. It is meeting state standards but not in as good shape as they had hoped. More media is needed and it will be ordered. The report is due by 12/31/20.

-Tesla: No word

-CalOES: No word on grant

-PG&E: No word on meter

-FEMA Closeout: waiting to be assigned a closeout analyst

-Starting discharge on 12/1, stopping 12/31 for vegetation removal.

-Responded to state re NPDES, working with legal on response.

-Sub for McMurray and sons started demo on the carpenter roof. Asbestos removal is expected to take 3 weeks, plus 3 weeks for the roof replacement, in total the project is expected to take 9 weeks. No tarp was placed on the roof so a lot of rain fell into the open hole in the roof into the carpenter shop. They will be coming out to close up the hole with tarps and repair any damage done.

-Museum roof: Rain catchment and interim mitigation being done until roof replacement in early spring. Bat exclusion scheduled for early January.

- Baseball restrooms: Precast restrooms – county requiring flood proof doors which increased the project cost estimate by $38,000. Total estimated cost for project is $135,000. Budgeted $250,000.

-Museum: Possibility that we will be able to get grants for new audio equipment for the theater. VP Black asked about the condition of the theater audio system. LM reported that it has been inspected by Sound Advice and they said they had been destroyed by rats.

-CCC was contacted for vegetation removal for the disc golf course. We're looking at a "public facilities" grant that could potentially fund the disc golf course.

-No response yet on our COVID-19 grant. They are still reviewing grants. We hope to get a response by 12/31/20.

4. **Board Clerk's Report: None**
5. **5.District Counsel's Report: None**

6. **Engineer's Report: None**
7. **Fire Chief's Report: None**

K. BOARD TRAINING – Tabled to a special meeting to be held 1/7/2020.

Motion: To table training to a special meeting.

Motion: Black **Second:** Ansted

Motion Vote: Ayes All – Ansted, Black, Newfmaker, Sellen **Opposed:** None **Absent:** Pryor **Abstain:** None

L. ADJOURNMENT @ 7:13 PM by President Newmaker

Next Regular Meeting of the SCSD will be January 21, 2021 at 5:30 PM. A Special meeting may be held prior to that.

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

Minutes of the SPECIAL Board Meeting for the
Scotia Community Services District
Thursday, January 7, 2021 at 5:30 P.M.

A. CALL TO ORDER/ ROLL CALL PLEDGE OF ALLEGIANCE at 5:32 PM

Delia Ansted, Director - Present

Diane Black, Vice President – Present

Paul Newmaker, President– Present

Susan Pryor, Director – Present

Nina Sellen, Director – Present

Staff Present: Leslie Marshall, General Manager; Julie Hawkins, Board Clerk

B. SETTING OF AGENDA The Board may adopt/revise the order of the agenda as presented

None

C. CONSENT CALENDAR Consent Calendar items are routine, to be acted upon by the Board of Directors at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be moved so that it may be acted upon separately in business.

None

D. PUBLIC COMMENT & WRITTEN COMMUNICATION - None

E. PUBLIC HEARING - None

F. BUSINESS - None

G. OLD BUSINESS – None

H. REPORTS

The Board may briefly discuss any particular item raised; no action will be taken on these items.

1. **President's Report: None**
2. **Board Director Reports: None**
3. **General Manager's Report: None**
4. **Board Clerk's Report: None**
5. **5.District Counsel's Report: None**
6. **Engineer's Report: None**
7. **Fire Chief's Report: None**

I. BOARD TRAINING – Sexual Harassment Training

Board and staff attended training via On-Demand webinar presented by CSDA.

J. ADJOURNMENT @ 7:51 PM by President Newmaker

Next Regular Meeting of the SCSD will be January 21, 2021 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.

Scotia Community Services District
Account QuickReport
As of December 31, 2020

Type	Date	Num	Name	Memo	Amount	Balance
10000 · RCB Checking 28239						1,102,843.03
Deposit	12/01/2020			Deposit	10,345.37	1,113,188.40
Liability Check	12/01/2020	E-pay	EDD	093-5926-6 QB Tracking # ...	-245.34	1,112,943.06
Liability Check	12/01/2020	E-pay	United States Treas...	82-1570573 QB Tracking #...	-1,374.68	1,111,568.38
Liability Check	12/01/2020	E-pay	EDD	093-5926-6 QB Tracking # ...	-48.20	1,111,520.18
Check	12/01/2020	51517	John Hancock USA	PARS #86360	-237.18	1,111,283.00
Liability Check	12/01/2020	E-pay	EDD	093-5926-6 QB Tracking # ...	-46.19	1,111,236.81
Liability Check	12/01/2020	E-pay	United States Treas...	82-1570573 QB Tracking #...	-176.10	1,111,060.71
Liability Check	12/02/2020		QuickBooks Payroll ...	Created by Payroll Service ...	-4,460.10	1,106,600.61
Paycheck	12/03/2020	DD1097	Athina S Lee	Direct Deposit	0.00	1,106,600.61
Paycheck	12/03/2020	DD1098	Brandon W Wishneff	Direct Deposit	0.00	1,106,600.61
Paycheck	12/03/2020	DD1099	Jason E Manning	Direct Deposit	0.00	1,106,600.61
Paycheck	12/03/2020	DD1100	Julie A Hawkins	Direct Deposit	0.00	1,106,600.61
Deposit	12/07/2020			Deposit	971.92	1,107,572.53
Bill Pmt -Check	12/07/2020	EFT	AT&T		-792.20	1,106,780.33
Bill Pmt -Check	12/08/2020	51518	Mendes Supply Co		-91.44	1,106,688.89
Bill Pmt -Check	12/08/2020	51519	North Coast Laborat...	155428,155493,15532,155...	-1,600.00	1,105,088.89
Bill Pmt -Check	12/08/2020	51520	PACE supply	3292-00	-365.41	1,104,723.48
Bill Pmt -Check	12/08/2020	51521	Penny's Creations &...		-250.00	1,104,473.48
Bill Pmt -Check	12/08/2020	51522	SDRMA	7724	-2,064.12	1,102,409.36
Bill Pmt -Check	12/08/2020	51523	Sequoia Gas Co.		-36.62	1,102,372.74
Bill Pmt -Check	12/08/2020	51524	Telstar Instruments	Project 10-37278	-2,595.42	1,099,777.32
Bill Pmt -Check	12/08/2020	51525	Thrifty Supply	71209	-53.42	1,099,723.90
Bill Pmt -Check	12/08/2020	51526	USA Blue Book		-35.87	1,099,688.03
Bill Pmt -Check	12/08/2020	51527	Wendt Construction		-943.55	1,098,744.48
Bill Pmt -Check	12/08/2020	51528	Wyckoff Plumbing		-34.15	1,098,710.33
Bill Pmt -Check	12/09/2020	51529	Pintermedia		-25.00	1,098,685.33
Bill Pmt -Check	12/09/2020	51530	Prentice, Long PC		-1,700.00	1,096,985.33
Bill Pmt -Check	12/09/2020	51531	Recology Eel River	20214	-207.62	1,096,777.71
Bill Pmt -Check	12/09/2020	51532	Steves Septic		-750.00	1,096,027.71
Deposit	12/14/2020			Deposit	4,343.63	1,100,371.34
Bill Pmt -Check	12/15/2020	51533	Diane Black		-250.00	1,100,121.34
Bill Pmt -Check	12/15/2020	51534	Nina Sellen		-250.00	1,099,871.34
Bill Pmt -Check	12/15/2020	51535	Paul Newmaker		-250.00	1,099,621.34
Bill Pmt -Check	12/15/2020	51536	Scott Pitcairn		-250.00	1,099,371.34
Bill Pmt -Check	12/15/2020	51537	Susan Pryor		-250.00	1,099,121.34
Check	12/15/2020	51538	John Hancock USA	PARS #86360	-265.77	1,098,855.57
Liability Check	12/15/2020	E-pay	EDD	093-5926-6 QB Tracking # ...	-241.15	1,098,614.42
Liability Check	12/15/2020	E-pay	United States Treas...	82-1570573 QB Tracking #...	-1,392.76	1,097,221.66
Liability Check	12/15/2020	E-pay	EDD	093-5926-6 QB Tracking # ...	-50.50	1,097,171.16
Liability Check	12/16/2020		QuickBooks Payroll ...	Created by Payroll Service ...	-4,537.95	1,092,633.21
Bill Pmt -Check	12/16/2020	51539	Planwest Partners		-11,512.83	1,081,120.38
Deposit	12/16/2020			Deposit	3,229.82	1,084,350.20
Paycheck	12/17/2020	DD1101	Athina S Lee	Direct Deposit	0.00	1,084,350.20
Paycheck	12/17/2020	DD1102	Brandon W Wishneff	Direct Deposit	0.00	1,084,350.20
Paycheck	12/17/2020	DD1103	Jason E Manning	Direct Deposit	0.00	1,084,350.20
Paycheck	12/17/2020	DD1104	Julie A Hawkins	Direct Deposit	0.00	1,084,350.20
Bill Pmt -Check	12/21/2020	EFT	Card Service Center...		-2,467.07	1,081,883.13
Bill Pmt -Check	12/21/2020	EFT	Umpqua Bank CC P...		-20,016.46	1,061,866.67
Bill Pmt -Check	12/21/2020	51540	BWS Distributors	Customer # 0063925	-675.36	1,061,191.31
Bill Pmt -Check	12/21/2020	51541	Humboldt County D...		-1,233.10	1,059,958.21
Bill Pmt -Check	12/21/2020	51542	Mobley Construction		-600.00	1,059,358.21
Bill Pmt -Check	12/21/2020	51543	PACE supply	3292-00	-23.92	1,059,334.29

Scotia Community Services District
Account QuickReport
As of December 31, 2020

Type	Date	Num	Name	Memo	Amount	Balance
Bill Pmt -Check	12/21/2020	51544	PARS	SCO020	-300.00	1,059,034.29
Bill Pmt -Check	12/21/2020	51545	Penny's Creations &...		-345.00	1,058,689.29
Bill Pmt -Check	12/21/2020	51546	Rogers Machinery		-245.74	1,058,443.55
Bill Pmt -Check	12/21/2020	51547	SHN	017138	-1,535.00	1,056,908.55
Bill Pmt -Check	12/21/2020	51548	Valley Pacific Petrol...		-644.29	1,056,264.26
Bill Pmt -Check	12/21/2020	51549	Whitchurch Enginee...		-2,420.00	1,053,844.26
Deposit	12/21/2020			Deposit	31,272.39	1,085,116.65
Deposit	12/21/2020			Deposit	4,807.29	1,089,923.94
Deposit	12/21/2020			Deposit	2,310.86	1,092,234.80
Bill Pmt -Check	12/22/2020	51550	Enterprise Rent-A-Car		-229.51	1,092,005.29
Check	12/22/2020			Stop Payment CHK # 51384	-25.00	1,091,980.29
Deposit	12/23/2020			Deposit	7,838.45	1,099,818.74
Deposit	12/24/2020			Deposit	41,049.18	1,140,867.92
Deposit	12/24/2020			Deposit	1,170.44	1,142,038.36
Deposit	12/28/2020			Deposit	4,429.99	1,146,468.35
Deposit	12/28/2020			Deposit	1,338.21	1,147,806.56
Liability Check	12/29/2020	E-pay	EDD	093-5926-6 QB Tracking # ...	-355.40	1,147,451.16
Liability Check	12/29/2020	E-pay	United States Treas...	82-1570573 QB Tracking #...	-1,773.40	1,145,677.76
Liability Check	12/29/2020	E-pay	EDD	093-5926-6 QB Tracking # ...	-39.10	1,145,638.66
Check	12/29/2020	51551	John Hancock USA	PARS #86360	-252.32	1,145,386.34
Liability Check	12/30/2020		QuickBooks Payroll ...	Created by Payroll Service ...	-5,285.24	1,140,101.10
Paycheck	12/31/2020	DD1105	Athina S Lee	Direct Deposit	0.00	1,140,101.10
Paycheck	12/31/2020	DD1106	Brandon W Wishneff	Direct Deposit	0.00	1,140,101.10
Paycheck	12/31/2020	DD1107	Jason E Manning	Direct Deposit	0.00	1,140,101.10
Paycheck	12/31/2020	DD1108	Julie A Hawkins	Direct Deposit	0.00	1,140,101.10
Total 10000 · RCB Checking 28239					37,258.07	1,140,101.10
TOTAL					**37,258.07**	**1,140,101.10**

Scotia Community Services District
Account QuickReport
As of December 31, 2020

Type	Date	Num	Name	Memo	Split	Amount	Balance
12150 · RCB Clarifier							167,535.40
Total 12150 · RCB Clarifier							167,535.40
TOTAL							**167,535.40**

Scotia Community Services District
Account QuickReport
As of December 31, 2020

Type	Date	Num	Name	Memo	Original Amount	Paid Amount	Balance
12000 · RCB Savings 10367							1,003.90
Total 12000 · RCB Savings 10367							1,003.90
TOTAL							**1,003.90**

Scotia Community Services District
Account QuickReport
As of December 31, 2020

Type	Date	Num	Memo	Original Amount	Paid Amount	Balance
12100 · RCB Cust Deposit Savings 10797						6,272.54
Total 12100 · RCB Cust Deposit Savings 10797						6,272.54
TOTAL						**6,272.54**

Scotia Community Services District
Account QuickReport
As of May 31, 2020

Type	Date	Num	Name	Memo	Split	Amount	Balance
12153 · Umpqua CD Drainage							
Transfer	02/04/2020			Funds Transfer	10000 · RCB C...	35,711.00	35,711.00
Deposit	02/29/2020			Interest	40210 · Interes...	40.70	35,751.70
Total 12153 · Umpqua CD Drainage						35,751.70	35,751.70
TOTAL						**35,751.70**	**35,751.70**

Scotia Community Services District
Account QuickReport
As of December 31, 2020

Type	Date	Num	Name	Memo	Split	Amount	Balance
12155 · Umpqua CD Wastewater							201,574.45
Total 12155 · Umpqua CD Wastewater							201,574.45
TOTAL							**201,574.45**

Scotia Community Services District
Account QuickReport
As of December 31, 2020

Type	Date	Num	Name	Memo	Split	Amount	Balance
12152 · Umpqua Checking BT Loan							938,434.98
Total 12152 · Umpqua Checking BT Loan							938,434.98
TOTAL							**938,434.98**

Scotia Community Services District
Account QuickReport
As of December 31, 2020

Type	Date	Num	Name	Memo	Split	Amount	Balance
12151 · Umpqua Park & Rec Savings							272,877.57
Total 12151 · Umpqua Park & Rec Savings							272,877.57
TOTAL							**272,877.57**

Scotia Community Services District
Account QuickReport
As of December 31, 2020

Type	Date	Num	Name	Memo	Split	Amount	Balance
12154 · Umpqua CD Streets & Streetlight							107,601.45
Total 12154 · Umpqua CD Streets & Streetlight							107,601.45
TOTAL							**107,601.45**

Card Service Center

mastercard.

SCOTIA COMM SVCS DIST
Account Number: XXXX XXXX XXXX 0143

Billing Questions:	Website:	Send Billing Inquiries To:
800-367-7576	www.cardaccount.net	Card Service Center, PO Box 569120, Dallas, TX 75356

REDWOOD CAPITAL BANK Credit Card Account Statement
December 9, 2020 to January 8, 2021

SUMMARY OF ACCOUNT ACTIVITY

Previous Balance	$2,467.07
- Payments	$2,469.11
- Other Credits	$0.00
+ Purchases	$1,841.03
+ Cash Advances	$0.00
+ Fees Charged	**$0.00**
+ Interest Charged	**$0.00**
= New Balance	$1,838.99
Account Number	XXXX XXXX XXXX 0143
Credit Limit	$27,000.00
Available Credit	$25,161.00
Statement Closing Date	January 8, 2021
Days in Billing Cycle	31

PAYMENT INFORMATION

New Balance:	$1,838.99
Minimum Payment Due:	$55.17
Payment Due Date:	**February 2, 2021**

TRANSACTIONS

An amount followed by a minus sign (-) is a credit unless otherwise indicated.

Tran Date	Post Date	Reference Number	Transaction Description	Amount
12/21	12/21	F112700PL00CHGDDA	AUTOMATIC PAYMENT - THANK YOU	$2,469.11-
			TOTAL XXXXXXXXXXXXX0143 $2,469.11-	

Transactions continued on next page

Please see reverse side of page 1 for important information.

5762 0001 BHH 001 7 4 210108 0 PAGE 1 of 2 15 1127 4709 VB5 D1AB5762 8513

REDWOOD CAPITAL BANK
1550 N BROWN RD 150
LAWRENCEVILLE GA 30043

Card Service Center

Account Number: XXXX XXXX XXXX 0143
New Balance: $1,838.99
Minimum Payment Due: $55.17
Payment Due Date: February 2, 2021

Please use enclosed envelope to remit payment.

Amount Enclosed: $

☐ Indicate name or address change on reverse side and check here.

Make Check Payable to:

CARD SERVICE CENTER
PO BOX 569100
DALLAS TX 75356-9100

SCOTIA COMM SVCS DIST 8513
PO BOX 104
SCOTIA CA 95565-0104

5590614709700143000055170018389 92

Card Service Center

mastercard.

SCOTIA COMM SVCS DIST
Account Number: XXXX XXXX XXXX 0143

TRANSACTIONS (continued)

An amount followed by a minus sign (-) is a credit unless otherwise indicated.

Tran Date	Post Date	Reference Number	Transaction Description	Amount
12/21	12/22	0230537PM00L28ESM	USPS PO 0570740678 SCOTIA CA	$14.15
12/23	12/24	0531461PP00EZ88TQ	RENAISSANCE COMPUTING ARCATA CA	$1,050.28
12/25	12/27	5545885PRLQNST6GE	USCELL RECURRING 1111111111 IL	$321.16
12/27	12/28	5543286PS5SM7EVY1	INTUIT *PAYROLLEE USAG 833-830-9255 CA	$8.00
12/28	12/30	8543839PWWGNMQF74	NORTHCOAST HORTICULTUR FORTUNA CA	$188.79
01/01	01/03	554295002JHMAX6Q4	ZOOM.US 888-799-9666 8887999666 CA	$14.99
01/02	01/03	5543286025V1AAS9L	CLEARPATHGPS, INC. 805-979-3442 CA	$65.00
			LESLIE D MARSHALL	
			TOTAL XXXXXXXXXXXX1117 $1,662.37	
12/09	12/11	8543839P9WGNMQ1EL	HOBY'S MARKET SCOTIA CA	$2.04
12/28	12/30	5542950PWRTSJT2W3	PAYPAL *SHANISEPLUN 4029357733 CA	$125.52
01/05	01/07	852307206WGN8ZM5V	ROOT 101 NURSERY RIO DELL CA	$51.10
			BRANDON W WISHNEFF	
			TOTAL XXXXXXXXXXXX1133 $178.66	

INTEREST CHARGE CALCULATION

Your **Annual Percentage Rate (APR)** is the annual interest rate on your account

Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Days in Billing Cycle	Interest Charge
Purchases	14.24% (v)	$0.00	31	**$0.00**
Cash Advances	14.24% (v)	$0.00	31	**$0.00**

(v) - variable

To avoid additional interest charges, pay your New Balance in full on or before the Payment Due Date.

Exciting news! Go online today and check out the all-new enhancements to the Card Service Center website. E-statements, additional payment options, links to Preferred Points website, and other helpful sites. Visit us today at www.cardaccount.net to enroll your credit card account(s) on the newly enhanced website.

Thank you for the opportunity to serve your credit card needs. Should your future plans include travel, please contact us at 1-800-367-7576.

Account Summary

Billing Cycle		12/31/2020
Days In Billing Cycle		31
Previous Balance		$20,016.46
Purchases	+	$19,107.26
Cash	+	$0.00
Balance Transfers	+	$0.00
Special	+	$0.00
Credits	-	$0.00
Payments	-	$20,016.46-
Other Charges	+	$0.00
Finance Charges	+	$0.00
NEW BALANCE		**$19,107.26**

Credit Summary

Total Credit Line	$40,000.00
Available Credit Line	$20,892.74
Available Cash	$0.00
Amount Over Credit Line	$0.00
Amount Past Due	$0.00
Disputed Amount	$0.00

Account Inquiries

Call us at: (866) 777-9013
Lost or Stolen Card: (866) 839-3485

Go to www.umpquabank.com

Write us at PO BOX 1952, SPOKANE, WA 99210-1952

Payment Summary

NEW BALANCE	**$19,107.26**
MINIMUM PAYMENT	**$19,107.26**
PAYMENT DUE DATE	**01/25/2021**

NOTE: *Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.*

Corporate Activity

TOTAL CORPORATE ACTIVITY $20,016.46-

Trans Date	Post Date	Reference Number	Transaction Description	Amount
12/21	12/21	2146774	INTERNET PMT-THANK YOU	$20,016.46-

Cardholder Account Summary

LESLIE D MARSHALL #### #### #### 3777	Payments & Other Credits	Purchases & Other Charges	Cash Advances	Total Activity
	$0.00	$18,759.40	$0.00	$18,759.40

Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
12/08	12/09	PPLN01	24692160344100423566577	PG&E/EZ-PAY 800-743-5000 CA	$18,759.40

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT - *

UMPQUA BANK
PO BOX 1952
SPOKANE WA 99210-1952

UMPQUA BANK

Account Number
3769

Check box to indicate name/address change on back of this coupon ☐

AMOUNT OF PAYMENT ENCLOSED

$ _____ . __

Closing Date	New Balance	Total Minimum Payment Due	Payment Due Date
12/31/20	$19,107.26	$19,107.26	01/25/21

BL ACCT 00002823-20000001
SCOTIA CSD
PO BOX 104
SCOTIA CA 95565

38269

MAKE CHECK PAYABLE TO:

UMPQUA BANK
PO BOX 2310
SPOKANE WA 99210-2310

e-Statement

56 4807 2509 0004 3769 01910726 01910726 7

IMPORTANT INFORMATION

Finance Charge Calculation Methods and Computation of Average Daily Balance Subject to Finance Charge: The Finance Charge Calculation Method applicable to your account for Cash Advances and Credit Purchases of goods and services that you obtain through the use of your card is specified on the front side of this statement and explained below:

Method A - Average Daily Balance (including current transactions): The Finance Charge on purchases begins on the date the transaction posted to your account. The Finance Charge on Cash Advances begins on the date you obtained the cash advance, or the first day of the billing cycle within which it is posted to your account, whichever is later. There is no grace period.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of your account. To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Method E - Average Daily Balance (excluding current transactions): To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances if Method E is specified as applicable to cash advances) reflected on your monthly statement, you must pay the New Balance shown on your monthly statement on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day and subtract any payments, credits, non-accruing fees, and unpaid finance charges. We do not add in any new purchases or cash advances. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Method G - Average Daily Balance (including current transactions): To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances, if Method G is specified as applicable to cash advances) reflected on your monthly statement and, on any new purchases (and if applicable, cash advances) appearing on your next monthly statement, you must pay the New Balance, shown on your monthly statement, on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Payment Crediting and Credit Balance: Payments received at the location specified on the front of the statement after the phrase "MAKE CHECK PAYABLE TO" will be credited to the account specified on the payment coupon as of the date of receipt. Payments received at a different location or payments that do not conform to the requirements set forth on or with the periodic statement (e.g. missing payment stub, payment envelope other than as provided with your statement, multiple checks or multiple coupons in the same envelope) may be subject to delay in crediting, but shall be credited within five days of receipt. If there is a credit balance due on your account, you may request in writing, a full refund. Submit your request to the Account Inquiries address on the front of this statement.

By sending your check, you are authorizing the use of the information on your check to make a one-time electronic debit from the account on which the check is drawn. This electronic debit, which may be posted to your account as early as the date your check is received, will be only for the amount of your check. The original check will be destroyed and we will retain the image in our records. If you have questions please call the customer service number on the front of this billing statement.

Closing Date: The closing date is the last day of the billing cycle; all transactions received after the closing date will appear on your next statement.

Annual Fee: If your account has been assessed an annual fee, you may avoid paying this annual fee by sending written notification of termination within 30 days following the mailing date of this bill. Submit your request to the Account Inquiries address on the front of this statement. You may use your card(s) during this 30 day period but immediately thereafter must send your card(s), which you have cut in half, to this same address.

Negative Credit Reports: You are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

BILLING RIGHTS SUMMARY

In Case of Errors or Inquiries About Your Bill: If you suspect there is an error on your account or you need information about a transaction on your bill, send your written inquiry to the Account Inquiries address on the front of this statement within 60 days of the date of the statement containing the transaction in question. You may telephone us, however a written request is required to preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Please provide a legal document evidencing your name change, such as a court document.
Please use blue or black ink to complete form

NAME CHANGE

Last

First Middle

ADDRESS CHANGE

Street

City State ZIP Code

Home Phone ( ) - Business Phone ( ) -

Cell Phone ( ) - E-mail Address

SIGNATURE REQUIRED TO AUTHORIZE CHANGES Signature

52069 - 38269

Cardholder Account Summary

BRANDON W WISHNEFF #### #### #### 3785	Payments & Other Credits	Purchases & Other Charges	Cash Advances	Total Activity
	$0.00	$347.86	$0.00	$347.86

Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
12/10	12/11	PPLN01	24492150345719597411096	HOPPER 855-500-3548 MA	$105.98
12/10	12/11	PPLN01	24801970345839000010066	REDWOOD COAST FUELS 707-575-0505 CA	$237.69
12/14	12/16	PPLN01	24275040350030026638178	HOBY'S MARKET SCOTIA CA	$4.19

Finance Charge Summary / Plan Level Information

Plan Name	Plan Description	FCM[1]	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
Purchases									
PPLN01 001	PURCHASE	E	$0.00	0.06008%(D)	21.9900%	$0.00	$0.00	0.0000%	$19,107.26
Cash									
CPLN01 001	CASH	A	$0.00	0.06554%(D)	23.9900%	$0.00	$0.00	0.0000%	$0.00

* Periodic Rate (M)=Monthly (D)=Daily
** includes cash advance and foreign currency fees
[1] FCM = Finance Charge Method
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.

Days In Billing Cycle: 31
APR = Annual Percentage Rate

PLANWEST PARTNERS, INC.

INVOICE

DATE: December 31, 2020
TO: Paul Newmaker, Board President
Scotia Community Services District

INVOICE # 20-226-12
PN
Approved for Payment

PROJECT: Scotia Community Services District Staffing Services for December 2020

Task 1 – Administrative Duties

1.1 Administrative Duties
General Admin tasks- filing, document prep, travel for meetings/staffing, responded to all incoming correspondence. Checked SCSD mail, phone messages. Staff meetings, operations meetings, etc.

1.2 Policies, Procedures, Ordinances
Reviewed Master Fee Schedule, Financial Management Policy for retirement plan.

1.3 Community Meetings Preparation and Attendance
Met with parties on various District matters. Construction Meetings and continued coordination for Corridor Project/Phase 3 Subdivision plans via conference call.

1.4 CSD Board Meeting Preparation
Prepared agenda and board packet and attended regular and special board meetings. Zoom conference meetings for COVID-19. Coordinated with remote Board Clerk, Asst. GM on agenda.

1.5 Bookkeeping, Billing, Invoicing, and Banking
Accounts receivable and payable. QuickBooks and financial accounting. Banking. Payroll.

1.6 Website Postings, Emails, File Management
Regular website maintenance and development. Website posting and document publishing. General e-mail responses/correspondence. Filing records, etc. Email responses.

1.7 Budgeting
General budget review. Journal Entry corrections. Reclassifications. Draft Audit review/changes.

1.8 Grant Research and Writing
Continued correspondence with SHN on water and wastewater planning grant applications. FEMA grant meetings, SDRMA claim. USDA Search Grant defunding. Submitted Humboldt County Grant for Covid 19 related equipment.

1.9 Personnel
Management and coordination of personnel, scheduling, policy review, etc. Conducted new Operator job interviews. Trained new Administrative position.

Task 2 – Operations/Management of District Assets
Continued operations for water, wastewater, parks and recreation, streets and street lighting, and storm drainage. WW Board meeting/inspection NPDES review and coordination with all staff, CIWQS/Lyris reporting, local limits study, log pond vegetation removal, park rentals, etc.

TEL: (707) 825-8260
FAX: (707) 825-9181
P.O. Box 4581
Arcata, CA 95518
planners@planwestpartners.com
www.planwestpartners.com

PLANWEST PARTNERS, INC.

Services December 2020

Senior Planner	0 hours @ $94.76 per hour	$	0.00
General Manager*	109.50 hours @ $80.34 per hour	$	8,797.23
Asst. GM	28 hours @ $59.74 per hour	$	1,672.72
W/WW Operations Superintendent**	13 hours @ $59.74 per hour	$	776.62
GIS Analyst	0 hours @ $74.16 per hour	$	0.00
Asst. Planner/Clerk*	0 hours @ $63.86 per hour	$	0.00
Operator License Expenses		$	0.00
Mileage Expenses	0 miles @ $ 0.575/ mile	$	0.00
AMOUNT THIS INVOICE # 20-226-12		**$**	**11,246.57**

* time and activities may include travel.
** Ops Superintendent hours now include license stipend hours and other licensure reimbursements.

Please make check payable to: Planwest Partners
P.O. Box 4581
Arcata, CA 95518
Tax Identification Number: 90-0262382

TEL: (707) 825-8260
FAX: (707) 825-9181
P.O. Box 4581
Arcata, CA 95518
planners@planwestpartners.com
www.planwestpartners.com

Scotia CSD: Planwest Partners Staffing - December 2020

Task	Budget	Nov	Planwest Partners Inc.										
			Senior Planner	General Manager LM	Asst. GM ST	Ops Super-intendent BG	GIS Analyst JB	Asst. Planner/ Clerk	Planning Tech/Admin	Expense	Month Total	Year to Date Total	Remaining Budget
Rate	$231,715.68		$94.76	$80.34	$59.74	$59.74	$74.16	$63.86	$43.26				
Task 1 - Administrative Duties	**$144,454.08**										**$7,584.92**	**$52,584.41**	**$91,869.67**
1.1 Administrative Duties		$1,761.82		14.00	3.00	10.00				$0.00	$1,901.38	$10,091.76	
1.2 Policies, Procedures, Ordinances		$259.56		1.50							$120.51	$2,419.47	
1.3 Community Meetings prep & attendance		$602.55		5.00							$401.70	$2,811.90	
1.4 CSD Board Meeting (Prep & Attendance, Minutes)		$642.72		11.50							$923.91	$5,262.27	
1.5 Bookkeeping, Banking, Billing, and Invoicing		$1,365.78		19.00							$1,526.46	$12,251.85	
1.6 Website/Emails/File Management		$1,011.98		14.00							$1,124.76	$5,996.15	
1.7 Budgeting		$0.00		9.00							$723.06	$2,129.01	
1.8 Grant Research and Writing		$1,405.95		2.50							$200.85	$3,314.03	
1.9 Personnel		$522.21		7.50	1.00						$662.29	$8,307.98	
Task 2 - Operations/Management	**$87,261.60**										**$3,661.65**	**$28,826.45**	**$58,435.16**
2.1 Treated Water, Raw Water, and Distribution		$1,588.26		8.00	9.00	1.00					$1,240.12	$13,053.24	
2.2 Wastewater Collection, Treatment, Discharge, NPDES		$1,771.09		13.00	7.00	2.00					$1,582.08	$11,308.68	
2.3 Stormwater and Drainage		$0.00		0.00							$0.00	$0.00	
2.4 CSD Streets & Alleys, Street Lighting		$0.00		0.00							$0.00	$0.00	
2.5 Parks Recreation: Community Forest, Theatre, Museum, Carpenter shop, Landscaping		$420.24		4.00	8.00						$799.28	$4,143.18	
2.6 Land & Easements		$160.68		0.50							$40.17	$321.36	
Staff Hours			0.00	109.50	28.00	13.00	0.00	0.00	0.00	Total Hrs	150.50		
Total	$231,715.68	$11,512.83	$0.00	$8,797.23	$1,672.72	$776.62	$0.00	$0.00	$0.00	$0.00	$11,246.57	$81,410.86	$150,304.83

Monthly Expenses	Expense .
Mileage: 25.80 @ $0.575/mile (miles)	$0.00
Noticing Expenses	$0.00
Printing Expenses	$0.00
Postage Expenses	$0.00
Monthly Expense Total	$0.00

Scotia Community Services District
Staff Report

DATE: January 21, 2021

TO: Scotia Community Services District Board of Directors

FROM: Leslie Marshall, General Manager

SUBJECT: Adopt Resolution No. 2021-1: A Resolution of the Scotia Community Services District Board of Directors Amending the Personnel Policies and Procedures.

RECOMMENDATION:

The administrative staff recommends the Board review the Personnel Policies and Procedures revisions and adopt Resolution No. 2021-1: A Resolution of the Scotia Community Services District Board of Directors Amending the Personnel Policies and Procedures.

ACTION:

Motion to adopt Resolution No. 2021-1: A Resolution of the Scotia Community Services District Board of Directors Amending the Personnel Policies and Procedures.

DISCUSSION:

All District Resolutions are periodically reviewed, by administrative staff, for accuracy, clarification and content. The Personnel Policies and Procedures (PPP) were last amended and adopted on October 15, 2020.

The initial PPP was presented to the Board, for review and adoption, on January 21, 2016. At that time ***Section 6.0 Benefits; Sub-sections 6.1 Health Insurance and 6.4 Retirement, of the PPP,*** were written generically because the District did not have any permanent employees. Additionally, administrative staff had not researched and presented a health insurance or retirement plan, for the Board review and consideration for adoption. The Board has, since that time, adopted a health insurance and a retirement plan. The attached revised PPP identifies and defines both plans that have been adopted by the Board.

FISCAL IMPACT:

None

ATTACHMENTS:

Attachment A: Resolution No. 2021-1; Personnel Policies and Procedures.
Attachment B: Draft Personnel Policies and Procedures (with redline revisions).

RESOLUTION NO. 2021 – 1

A RESOLUTION OF THE SCOTIA COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS AMENDING THE PERSONNEL POLICIES AND PROCEDURES

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

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

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

WHERAS, the Personnel Policies and Procedures required update to reflect the SCSD's right to conduct a pre-employment physical for applicants responding to a job within the Operations Division of the District to ensure the applicant is able to perform the duties of the job with or without accommodation; and

WHEREAS, the original Personnel Policies and Procedures were adopted on January 21, 2016 under Resolution 2016-1 and was amended under Resolution 2018-18, 2019-22, 2020-4, 2020-11, and 2020-13 and is amended under this resolution, and may be amended again at any time.

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

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

Section 2: The Scotia Community Services District Personnel Policies and Procedures, dated January 21, 2021, attached hereto as Exhibit "A" and by this reference made a part hereof, is hereby adopted as the official personnel policy and procedures of this District.

This resolution shall be effective upon its adoption.

Dated: January 21, 2021

APPROVED: ATTEST:

_____ _____

Paul Newmaker, Board President, Scotia CSD Board Clerk, Scotia CSD

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2021 - 1, passed and adopted at a regular meeting of the Scotia Community Service District Board of Directors, County of Humboldt, State of California, held on the 21st day of January 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

_____

Board Clerk, Scotia CSD

Attached: Scotia Community Services District Personnel Policies and Procedures

PERSONNEL POLICIES AND PROCEDURES

OF THE

SCOTIA COMMUNITY SERVICES DISTRICT

Adopted ~~November~~ January ~~15~~21, ~~2018~~2016

Amended January~~October~~ 21~~15~~, 2021~~0~~

SECTION 1.0 BASIS OF AUTHORITY

1.1 Resolution No. 2016-1 dated 1/21/2016, Amended in Resolution No. 2017-12 dated 12/14/2017, Amended in Resolution No. 2018-18 dated 11/15/18, Amended in Resolution No. 2020-11 dated 08/20/20, Amended in Resolution No. 2020-13 dated 10/15/20.

1.2 Intent

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

1.3 District Rights

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

1.3.2 Managing and directing its business and personnel.

1.3.3 Managing, controlling, and determining the mission, its divisions, building facilities and operations.

1.3.4 Creating, changing, combining or eliminating jobs, policies, divisions and facilities in whole or in part.

1.3.5 Subcontracting or discontinuing work for economic or operational reasons.

1.3.6 Specifying or assigning work requirements, including overtime.

1.3.7 Scheduling working hours and shifts.

1.3.8 Adopting rules of conduct and penalties for any violations.

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

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

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

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

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

SECTION 2.0 EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

2.1 Equal Employment Opportunity Policies: It is the policy of the SCSD to comply with the spirit and letter of all laws prohibiting discrimination. The SCSD shall provide equal

opportunity in the provision of programs, services, and employment opportunities. No person shall be discriminated against regarding recruitment, selection, appointment, training, promotion, retention, discipline, or other aspects of employment because of race, creed, color, religion, sex, marital status, ancestry, national origin, physical disability, mental disability, medical condition, age, political affiliation, sexual orientation, or other non-merit factors.

2.1.1 Definitions

Non-Discrimination: The following laws establish requirements for non-discrimination in employment:

a. Title VII of the Civil Rights Act of 1964 (Title VII) prohibits employment discrimination based on race, color, religion, sex, or national origin.

b. The Equal Pay Act of 1963 (EPA) protects men and women who perform substantially equal work in the same establishment from sex-based wage discrimination.

c. The Age Discrimination in Employment Act of 1967 (ADEA) protects individuals who are 40 years of age or older.

d. Title I and Title V of the Americans with Disabilities Act of 1990 (ADA) prohibit employment discrimination against qualified individuals with disabilities in the private sector and in state and local governments.

e. Sections 501 and 505 of the Rehabilitation Act of 1973 prohibit discrimination against qualified individuals with disabilities (who work in the federal government).

f. The Civil Rights Act of 1991, among other things, provides monetary damages in cases of intentional employment discrimination.

g. The California Fair Employment and Housing Act establishes the requirement for nondiscrimination in employment based on race, religion, creed, color, national origin, age (40 and over), ancestry, disability (mental and physical) including HIV and AIDS, medical condition (cancer and genetic characteristics), marital status, sex, sexual orientation, or denial of family and medical care leave.

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

a. Exclusion from employment or work activities for non-job-related reasons.

b. Verbal harassment; e.g., racial or ethnic slurs or epithets.

c. Harassment of any kind initiated because of an individual's race, sex, age handicap, religion, or ethnicity.

Sexual Harassment: *Sexual harassment in any form will not be tolerated by the SCSD.* Harassment based on sex is a violation of Title VII of the Civil Rights Act of 1964, as amended, and The Fair Employment and Housing Act, Government Code Section 12940. Sexual Harassment includes but is not limited to:

a. Verbal harassment; e.g., graphic verbal comments about an individual's body, suggestive letters or notes, swearing, cursing, derogatory comments, or slurs that have a sexual connotation.

b. Physical harassment; e.g., touching, assault, impeding or blocking movement, or any interference with normal work or movement when directed sexually at an individual.

c. Visual forms of harassment; e.g., sexual gestures, derogatory or sexually suggestive posters, cartoons, or drawings of a sexual nature.

d. Quid pro quo: conditioning an employment offer or benefit upon an exchange of sexual favors.

e. Sexual advances or harassment which interferes with an individual's work performance or creates an intimidating, hostile, or offensive working environment.

2.2 Sexual and Other Harassment Policies

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

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

a. Verbal harassment: Derogatory or vulgar comments regarding a person's race, sex, gender, age, religion, ethnic heritage, national origin, disability, or other classifications protected by law; verbal abuse of a sexual nature; graphic verbal commentaries about an individual's body; sexually degrading words used to describe an individual; suggestive or obscene letters, notes or invitations.

b. Physical harassment: Hitting, pushing, touching, assaulting, impeding or blocking movement or other aggressive physical conduct, or threats to take such action.

c. Sexual harassment: Unwelcome or unsolicited sexual advances, demands for sexual favors, or other verbal or physical conduct of a sexual nature. Sexual harassment includes, but is not limited to, making unwanted sexual advances and requests for sexual favors where either (1) submission to such conduct is made an explicit or implicit term or condition of employment; (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (3) such

conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

d. Visual harassment: leering, making sexual gestures, displaying sexually suggestive objects, pictures, cartoons, posters, or other writing or graphic materials.

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

2.2.4 Supervisors who become aware of any harassment, whether it involves employee-to-employee, employee-to-supervisor or supervisor-to-employee conduct, must promptly report the matter to the General Manager. If supervisors observe such harassment, they should take immediate action to stop it and report it to the General Manager.

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

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

2.3 **Gender Discrimination Policy Statement:** The SCSD is committed to equal employment opportunity for all employees and applicants for employment without regard to an individual's gender or other non-merit factors. Applicants of all genders will be recruited for all vacancies.

Employees of all genders shall have equal opportunity to any available job that they are qualified to perform. No distinction shall be made between genders in compensation, benefits, or other conditions of employment.

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

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

2.6 Equal Employment Opportunity Program Details

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

SCSD Board of Directors: The Board has the ultimate responsibility for setting a climate in which equal employment opportunity goals can be achieved through the establishment of policy and supporting programs.

General Manager: The General Manager has overall responsibility for all Equal Employment Opportunity Issues and compliance with the Americans with Disabilities Act. The General Manager shall ensure that the organization's policies of equal opportunity are effectively implemented at all levels of the organization.

Managers and Supervisors: Each manager and supervisor shall ensure that the SCSD's policy of equal employment opportunity is implemented in the unit and shall:

a. Assure compliance with Equal Employment Opportunity/Affirmative Action and Americans with Disabilities Act programs and policies in their divisions.

b. Assist in developing and implementing Equal Employment Opportunity/Affirmative Action and Americans with Disabilities Act programs.

c. Ensure that the SCSD's policies and programs are communicated and upheld by all unit employees.

d. Develop and implement equal employment in response to identified deficiencies in the divisions.

e. Cooperate in the investigation and resolution of discrimination complaints.

f. Ensure that all recruitments, interviews, offers of employment, development programs, transfers, job assignments, promotions, and separations are consistent with the SCSD's Equal Employment Opportunity policy.

Employees: Employees shall adhere to and support Equal Employment Opportunity policies and procedures and the Americans with Disabilities Act via their actions and behaviors The EEOP can be contacted for additional information or support at (916)227-2859 or at workplacefairness.org.

2.7 Complaint Process

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

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

responsible for discrimination or sexual harassment, and against supervisors who allow such practices to continue.

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

2.7.2 Process for Resolving Complaints: The SCSD encourages employees to try to resolve their complaints informally within their divisions before considering a formal complaint. However, employees may file a formal complaint without going through the informal complaint process.

2.7.3 Date of Occurrence: The date and time that an employee realizes that he or she has been discriminated against or sexually harassed. The date of occurrence is an important factor in the investigation process.

2.7.4 Informal Complaint Process: An employee who believes that he or she is being discriminated against or sexually harassed by a co-worker or supervisor is encouraged to:

a. Confront whoever is doing the discriminating or harassing in a polite but firm manner. The employee should state how he or she feels about what is occurring.

b. Request the person to stop the discriminating/harassing behavior because it is intimidating, offensive, and/or uncomfortable. If possible, the employee should bring a witness for this discussion.

c. Write a statement for the employee's own records about the incident, noting the date of occurrence, time, and other details; summarize in writing the results of any conversation(s) with the person who is doing the discriminating/harassing. This information may be important if there is a formal investigation later.

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

a. If a co-worker perpetrates the discrimination or harassment, the employee should present the complaint to his or her supervisor. If the employee's supervisor perpetrates the discrimination or harassment, the employee should present the complaint to the next level of management.

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

A written response will be given to the employee within fifteen (15)

working days of the date of the employee contact.

2.7.5 Formal Complaint Process: If the employee chooses to bypass the informal complaint process, a formal complaint shall be made no later than 10 days after the employee should reasonably have been aware of the alleged act of discrimination or harassment.

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

a. In writing to the General Manager (or to the SCSD Board of Directors if the complaint is against the General Manager)

b. Orally to the General Manager (or to the SCSD Board of Directors if the complaint is against the General Manager)

Within five (5) working days of receiving the complaint, the General Manager (or if the complaint is against the General Manager, the SCSD Board of Directors) will appoint an investigator to conduct a thorough and impartial inquiry. The investigation shall be kept as confidential as legally allowed.

The investigator will interview the parties involved and complete a written report including recommended course of action for the General Manager (or SCSD Board of Directors) within a timely manner of receiving the complaint. The General Manager (or SCSD Board of Directors) may extend the time required for completion of the investigation if there are extenuating circumstances.

Within five (5) working days of receiving the recommendation, the General Manager (or SCSD Board of Directors) will take appropriate action to resolve the complaint within (10) working days of receiving the report.

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

SECTION 3.0 PERSONNEL POLICIES

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

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

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

employment is anticipated to exceed 6 months in duration.

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

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

3.2 Working Hours / Pay Information

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

Employees are required to track their time as directed by the General Manager, including utilizing a time clock if available.

3.2.2 Workweek: The workweek is Sunday through Saturday, except that the General Manager may specify an alternate workweek period for any employee. The base compensation for employees shall be deemed to be compensation per bi-weekly pay period and is predicated upon a forty (40) hour workweek for full-time employees. A bi-weekly pay period shall consist of eighty (80) working hours for full-time employees and the base compensation provided shall be payment in full for all services rendered to the SCSD except as otherwise provided.

Typical work week will be five (5) 8-hour shifts during non-daylight savings time, and four (4) 10-hour shifts during daylight savings time, unless otherwise specified by the General Manager. Weekend shift hours will be a two (2) hour maximum, unless under approved circumstances, or under emergency circumstances approved by the General Manager.

For the augmented four (4) 10-hour work schedule, holidays listed in the policy section 4.2.3 that fall on non-regularly scheduled workdays will be paid holiday time for the full hour workday. Any actual hours worked will be paid as overtime, as specified in section 4.2.2.

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

3.2.4 Determination of Rates of Pay: For all District positions, the appropriate pay range shall be approved by the Board of Directors. The Board of Directors may from time to time authorize changes in rates of pay. Wage adjustments may be considering factors such as the minimum wage, cost of living index, and other labor market data.

3.2.5 Advances: Advances in pay are not permitted.

3.2.6 Rest and Meal Breaks: During a regular eight (8) hour shift, a 30-minute unpaid off duty meal period will be provided. This meal period shall begin no later than by the end of the employees fifth hour of work. If an employee works more than ten (10) hours, a second unpaid off duty meal break must be provided no later than the end of the tenth (10th) hour of work. In addition, any employee who works at least 4 hours shall have a mandatory ten (10) minute paid rest break. These 10-minute paid breaks shall be offered for every four (4) hours worked. Also, any employee wishing to express breast milk shall be accommodated as detailed in Labor Code §1030. Time allowed for rest periods may not be accumulated from one half of the workday to another, nor may rest periods be used to alter an employee's normal work hours and meal periods.

Meal Breaks must be taken at an off-site location or in an area designated by the General Manager. For health and safety reasons, employees shall not be allowed to eat at their desks.

3.2.7 Overtime: There are certain periods where overtime may be necessary. The General Manager or designee may require overtime work. All employees are expected to work overtime when deemed necessary, but may not work overtime without the specific authorization of the General Manager or designee.

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

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

a. An employee who works more than forty (40) hours in any fixed and regularly recurring period of 168 hours or seven consecutive 24-hour periods ("week");

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

c. All approved overtime, including emergency overtime, will be provided at a rate of one-and-one-half hours for each overtime hour worked. SCSD will

allow overtime as cash.

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

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

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

3.2.9 Discipline: The SCSD reserves the right to terminate any employee with cause at any time. Cause may include, but is not limited to:

a. Incompetence or inefficiency in the performance of the duties of the position;

b. Insubordination, including but not limited to, refusal to do assigned work or refusal to follow directives;

c. Carelessness or negligence in the performance of duty or in the care or use of SCSD property;

d. Discourteous, offensive, or abusive conduct or language toward other employees or the public;

e. Dishonesty;

f. Drinking alcoholic beverages or the illegal use or possession of a controlled substance on the job, or reporting to work while under the influence of an alcoholic beverage or a controlled substance;

g. Involvement in a work-related accident while under the influence of an alcoholic beverage or a controlled substance;

h. Conviction of any crime involving moral turpitude. Moral turpitude, for the purpose of employee discipline, will be defined as: fraud, dishonesty, serious sexual offenses, embezzlement, theft, falsification of records, extortion, or other acts contrary to justice, honesty or morality;

i. Repeated and unexcused absences or tardiness;

j. Abuse of the sick leave policy;

k. Falsification of any information supplied to the SCSD;

l. Persistent violation or refusal to obey safety rules and regulations;

m. Offering of anything of value or offering any service in exchange for special treatment in connection with the employee's job or employment, or the

accepting of anything of value for the granting of special treatment to another employee or to any member of the public;

n. Willful or persistent violation of the directives of a supervisor or rules of the SCSD;

o. Any willful failure of good conduct tending to injure the public service;

p. Abandonment of position;

q. Interfering with the work or progress of another employee;

r. Altercations;

s. Carrying a firearm or other dangerous weapons on SCSD property or while conducting SCSD business;

t. Gambling on SCSD property or on SCSD business;

u. Sleeping on the job or leaving during work hours without authorization;

v. Conviction of any felony involving moral turpitude or conviction of any felony involving the use, possession, sale or transporting of any illegal, restricted, regulated or controlled substance or drug, including, but not limited to, marijuana or any of its derivatives or extracts;

w. Unauthorized entry, copying, possession, use or viewing of personnel or confidential files, documents or information;

x. Violation of the SCSD's sexual harassment policy;

y. Failing to report any of these violations to the SCSD.

Employee discharge for poor performance or misconduct ordinarily will be preceded by an oral warning, a written warning, a suspension and/or demotion.

SCSD reserves the right to proceed directly to a higher level of discipline, up to and including termination, for misconduct or performance deficiency, without resort to the prior disciplinary steps, when the SCSD deems such actions appropriate and necessary.

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

3.3 Salary Administration

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

3.4 Salary Steps and Payroll

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

3.4.2 Salary Steps: The Board shall adopt a five-step pay range for each class. Initial appointment shall generally be at the first step of the range; the Board may authorize advanced step hiring for the General Manager; the General Manager may authorize that an allocated position be filled above the first step of the range, based on experience and qualifications.

a. Annually, on an employee's anniversary date, a regular full-time employee may be granted a step increase if performance is satisfactory and advancement is recommended by the supervisor. The General Manager shall have the authority at any time to increase or decrease the salary of any employee. Step increases are not automatic. If an employee promotes to a higher class, the effective date of the promotion shall become the employee's new review date.

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

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

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

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

3.4.6 Special Assignment Supplement: The General Manager may authorize a 5%

salary increase to any employee designated by the General Manager to be on special assignment.

3.4.7 Receipt of Supplemental Pay: No employee shall receive supplemental pay when on vacation, sick leave, sick leave in conjunction with the receipt of State Disability Insurance or Worker's Compensation temporary disability payments, compensatory time off, or holiday, unless such employee shall have been performing duties for a period of not less than four (4) full bi-weekly pay periods or such supplemental duties are scheduled, upon assignment, to last not less than four (4) full bi-weekly pay periods.

3.4.8 Standby Pay: Standby pay is defined as on-call 24 hours per day for seven (7) consecutive days, physically able and ready to respond to any SCSD alarm/emergency to include, but not limited to, water treatment plant and distribution system, wastewater treatment plant and collection system, storm water drainage system, streets and street lighting system, and parks and recreation facilities issues. Individuals on standby must stay within a 30 minute response time to the district offices.

Standby pay will be at a lower hourly rate for controlled standby time. Standby pay will be at a fixed rate of $100 per seven (7) day period, unless otherwise determined by the General Manager.

3.4.9 Work Above Class: The General Manager or designee may temporarily assign any employee to perform duties normally assigned to a classification with a higher salary. If an employee is assigned to a classification with a higher salary range, the employee shall be compensated, at an amount equal to what the employee would receive if promoted to the higher class or 5% if no class exists. Employees who are being paid for working in a higher classification are not eligible for merit increases in the higher classification.

3.4.10 License/Certificate Fee: The SCSD agrees to pay the cost of renewing state required licenses or certifications that are necessary for the employee, as determined by the General Manager, to fulfill the requirements of the job classification or the tasks assigned to the employee. The General Manager may also authorize the payment of professional organization dues or membership fees if the General Manager considers it in the best interest of employee development that may benefit SCSD.

3.4.11 Paycheck Exceptions: A paycheck exception is defined as the incorrect reporting of payroll or failure to process the following payroll actions, causing an employee to receive less than the pay to which he or she is entitled for that pay period (i.e. step increase, supplemental pay, and overtime). Paycheck exceptions shall normally be paid no later than the following paycheck.

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

3.4.12 Under-filling Positions Authorized in the Budget: Whenever a position is

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

3.5 Personnel Records and Evaluations

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

a. Home address

b. Home telephone number

c. Marital status

d. Beneficiary of Insurance

e. Number of dependents

f. Emergency contact

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

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

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

An employee shall have the right to submit written comments regarding any evaluation and to have such comments included in his or her personnel file along with the evaluation.

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

Act of 1974.

3.7 **Probationary Period:** All new employees must complete to the SCSD satisfaction a probationary period of not less than twelve months. The probationary period begins on the initial day of work performed by the employee.

During the probationary period, an employee may be discharged by the SCSD for any reason and with or without cause or advance notice. In the event of an illness or injury, with the exception of an industrial injury, requiring absence from work exceeding ten days, the number of days absent shall be added to the length of the probationary period.

A performance review will be conducted by the employee's supervisor before the completion of the twelve-month probationary period.

Completion of the probationary period does not, however, guarantee employment for any specific duration.

3.8 **Call Back:** Call back time worked will qualify as overtime pay, at a minimum of two hours.

SECTION 4.0 LEAVE

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

No newly hired regular full-time employee shall be entitled *to use* benefits provided by this chapter until after he/she has completed their first full month of employment and completion of the individual eligibility requirements for any specific benefit. Credit to sick leave and vacation accrual benefits however, begins with the regular full-time employee's initial date of hire. Regular part-time and temporary employees are not eligible for the benefits described in this chapter, except as specifically noted.

Nothing herein is intended to extend rights, privileges or guarantees of employment status beyond those of at-will employment.

4.2 **Holidays**

4.2.1 Full-time and regular part-time employees become eligible for approved paid holidays after completing one full month of employment. Regular full-time employees will be paid eight hours for each scheduled holiday. Regular part-time employees will be paid for the hours they normally work for the day which the holiday falls.

4.2.2 Employees who work a holiday will be paid time and a half of the regular hourly rate for all hours worked on the holiday.

4.2.3 All regular employees shall be entitled to the following paid holidays:

a. New Year's Day (January 1)

b. Martin Luther King Day (3rd Monday in Jan.)

c. President's Day (3rd Monday in Feb.)

d. Memorial Day (Last Monday in May)

e. Independence Day (Fourth of July)

f. Labor Day (First Monday in Sept.)

g. Columbus Day (Second Monday in Oct.)

h. Veteran's Day (November 11)

i. Thanksgiving Day (Fourth Thursday in Nov.)

j. Friday after Thanksgiving

k. Day before Christmas (1/2 Day)

l. Christmas Day (December 25)

4.2.4 When a holiday falls upon a Saturday, the preceding Friday shall be the holiday. When a scheduled holiday falls upon a Sunday, the following Monday shall be the holiday.

4.2.5 Employees on authorized leave of absence, military, workers compensation, and medical leave at the time of holiday observance will be ineligible for holiday pay. If a holiday falls during an employee's approved vacation period, the employee will be paid for the holiday and will not be charged with a vacation day for the day the holiday is observed. When computing overtime pay, full-time employees do not receive credit for hours paid on holidays that are not actually worked.

4.3 Vacation

4.3.1 The District encourages employees to use all accrued vacation benefits. Regular full-time and permanent part-time scheduled employees are eligible for paid vacation at the following accrual rates. Temporary employees will not accrue vacation time. Vacation is earned and accrued from the first day of employment at the following rate. Permanent part-time employee (working a minimum of 20 hours a week) accrued vacation will be prorated.

Years of Continuous Employment	Vacation Accrual Rate
0 - 4.999 Years	12 days/year
5th Anniversary through 9.99 Years	16 days/year
10th Anniversary through 14.99 Years	20 days/year
15th Anniversary through 19.99 Years	24 days/year
20th Anniversary through 24.99 Years	28 days/year
25th Anniversary through 29.99 Years	32 days/year
30th Anniversary & All Years Following	36 days/year

4.3.2 Vacation time is earned and accrued monthly. Vacation periods and eligibility must be approved by the employee's supervisor and General Manager prior to the employee taking such vacation. Employees can take only vacation accrued and earned except in extenuating circumstances subject to approval by the General

Manager.

4.3.3 The District encourages all employees to take their earned vacation each year. Employees may accumulate up to sixty (60) days of vacation (a maximum of 480 hours, prorated for part-time employees). Once this cap is reached, no further vacation will accrue until some vacation is used. When some vacation is used, vacation compensation will begin to accrue again. Vacation earned after maximum accumulation (480 hours) will be paid with regular pay period.

4.3.4 Employees on authorized leave of absence, military, workers compensation and medical leave, will not accrue vacation during the absence. However, vacation time accrued prior to the extended leave of absence will remain in effect after the employee returns to work.

4.4 Sick Leave

4.4.1 All employees are provided a paid sick leave benefit. Employees begin to accrue sick leave on the first day of employment.

4.4.2 Regular Full-time employees shall accrue one day (8 hours) per month. Regular part-time employees, working a minimum of 20 hours per week, shall accrue one half day (4 hours) per month. Employees may have additional sick leave negotiated by contract upon employment. There is no limit on the amount of sick leave an employee may accumulate. Employees are entitled to use paid sick leave beginning on the 90th day of employment. A record of accumulated sick leave and sick leave used will be maintained at the District's administrative office.

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

a. Illness, injury or quarantine of the employee;

b. Medical, dental or optical care of the employee;

c. Illness, injury or quarantine of a member of the employee's immediate family that requires the employee to tend, care for, or otherwise provide for the care of such person. Immediate family means the spouse, child, parent, sibling, grandparent, grandchild, great grandparent, great grandchild of the employee; or the child, parent, sibling, grandparent, grandchild, great grandparent or great grandchild of the employee's spouse;

d. Sick leave for non-emergency medical, dental, or optical care during an authorized vacation or on a floating holiday period is not permitted;

e. An amount sufficient which, when added to an employee's disability indemnity under Worker's Compensation, will result in a payment to the employee not more than the employee's regular salary;

f. An amount sufficient which, when added to an employee's disability indemnity under State Disability Insurance (in accordance with State Disability Insurance rules), will result in a payment to the employee not more than the employee's regular salary;

g. Attending to issues related to domestic violence;

h. Care for a new or adopted child.

No employee shall be entitled to sick leave because of:

a. Illness, injury, quarantine or disability while on leave without pay.

4.4.4 It is your responsibility to notify your supervisor as soon as possible, but no later than 30 minutes after the start of the work shift, or can conclusively establish that you were unable to do so because of reasons beyond your control, if you are unable to come to work due to illness or injury. If the illness lasts more than two days, you must keep your supervisor notified on your condition and estimated return to work.

4.4.5 Employees on authorized leave of absence, military, workers compensation, or medical leave will not accrue sick leave during the absence. However, sick leave accrued prior to the extended leave of absence will remain in effect after the employee returns to work.

4.4.6 An employee may be required to file a document with their supervisor stating the cause of absence. The District may request a doctor's certificate clearing you to return to work if the illness or injury so merits. A doctor's certificate may also be required on any absence exceeding five workdays.

4.4.7 When applicable, at the employee's request, the District will coordinate its sick leave benefits with Worker's Compensation benefits. If you receive Worker's Comp payments, you must report them to the District for proper accounting and coordination. You may not receive more in total compensation from both the District and the insurer, than your regular wage. If you coordinate these two benefits, you will only be charged for the amount of sick leave needed to make up the difference between your regular salary and the amount paid by Worker's Comp.

4.4.8 In the event you become ill or incapacitated longer than your accumulated time off (including vacation), health and life insurance benefits will remain in effect as long as terms of the benefit policy then in effect allows. Any employee share of benefit premiums, if applicable, will be deducted from your paycheck from the District. When you no longer get a paycheck because you have exhausted your paid leave, you must pay the employee share of benefit premiums, if applicable, to continue benefit coverage.

4.5 Bereavement Leave

4.5.1 Bereavement leave provides time to attend to funeral arrangements and other responsibilities associated with the death of an immediate family member.

4.5.2 Regular full-time and regular part-time employees may be allowed to be absent with pay for up to five (5) regularly scheduled work-days in the event of the death of an immediate family member. Immediate family members include parent, spouse, child, sibling, grandparent, great grandparent, grandchild or great grandchild of the employee or employee's spouse.

4.5.3 In exceptional circumstances the General Manager may, at his/her discretion, grant bereavement leave for someone other than those members listed in the definition of immediate family.

4.5.4 Bereavement leave is not granted automatically and must be approved by the General Manager. If an employee requires more than five (5) days away from the job, use of vacation time may be requested.

4.6 Pregnancy Disability Leave

4.6.1 The SCSD will comply with any state or federal law regarding pregnancy disability. If you are disabled by pregnancy, childbirth or related medical condition, you are eligible to take a pregnancy disability leave (PDL). The PDL is for any period of actual disability caused by your pregnancy, childbirth or related medical condition up to four (4) months per pregnancy. Employees may also be eligible for an additional twelve (12) weeks of leave under the California Family Rights Act (CFRA). You may be required to provide certification from your health care provider.

4.6.2 As with any medical condition, your disability period begins the first day you are unable to do your regular or customary work. DI benefits are based on the period of time your physician/ practitioner certifies you are unable to do your regular or customary work.

4.6.3 You may substitute accrued sick leave or accrued vacation before taking the remainder as an unpaid leave. Leave without pay shall be granted to temporary, part-time and regular employees in accordance with state and federal laws. When you are on unpaid leave, you will not accrue sick leave, vacation, or holiday benefits.

4.6.4 For the duration of the authorized leave, the District shall maintain your health and life insurance coverage consistent with the District's existing policy. Upon return, the District will reinstate you to your original or equivalent position.

4.7 Family Care Leave

4.7.1 Full-time employees may use a portion of their accrued sick leave as family care (kin care) leave to care for sick immediate family members. You may use up to half of the sick time accrued per calendar years (e.g. up to 6 days) to care for a sick family member, regardless of the seriousness of the illness. Immediate family members covered include mother, father, grandmother, grandfather, son, daughter, brother, sister, and spouse.

In exceptional circumstances the General Manager may, at his/her discretion, grant family sick leave for someone other than those members listed in the definition of immediate family.

Family care leave time will not carry forward from year to year. You must provide as much notice as possible to request family care leave, and if the leave lasts more than two days, you must keep your supervisor notified.

4.7.2 **State Family Leave:** In accordance with State law (CFRA), any employee with one (1) or more years of continuous service with the SCSD and a minimum of 1,250 hours on payroll in the twelve (12) months prior to the start date of the leave, may take a family care leave of up to twelve (12) weeks in a twelve-month period. The SCSD elects to use a rolling twelve-month period to determine eligibility for leave.

An eligible employee who takes such family care leave shall return to employment in the same or comparable position upon return from said leave.

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

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

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

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

4.8 General Unpaid Leaves of Absence

4.8.1 A leave of absence without pay provides a means for employees to take prolonged time off without terminating employment. Such leaves are granted only when there is an expectation that the employee will return to work. Employees may request a leave of absence without pay for employee or family illness, maternity or paternity leave, adoption, education, or training which will benefit SCSD, or urgent or substantial personal reasons. The General Manager will determine whether the leave can be granted based on urgency and workload requirements. Employees granted a leave of absence without pay shall not accrue any vacation, sick leave or holiday during the time of such leave.

For an employee who has been granted an unpaid leave of absence, SCSD will only continue paying health, dental, vision and life insurance premiums through the end of the month in which such leave commenced. SCSD payment of health, dental, vision and life insurance premiums will resume beginning with the month in which the employee returns to paid status or as otherwise provided by any SCSD insurance contractual requirements.

4.8.2 Except as otherwise herein provided, leaves of absence without pay that are in the best interest of the District may be granted by the approval of the General Manager. Requests for leaves of absence without pay shall be submitted in writing by the employee to their supervisor who shall consider such requests on their individual merits and circumstances and shall forward his/her recommendation to the General Manager for approval. Reasons for rejection of such requests shall be submitted to the employee by the General Manager.

4.8.3 When an employee is on an unpaid leave of absence, they shall not accrue sick

leave, vacation, or holiday benefits. The General Manager may determine that an employee's anniversary date, for the purposes of merit increase qualification, longevity increase qualification, and vacation accrual rate determination, has changed if the unpaid leave of absence exceeds twenty (20) working days.

4.8.4 **Leave of Absence without Pay/Benefits:** While an employee is on an unpaid leave of absence, except as may otherwise be provided in this policy, no vacation or sick leave will be earned, no seniority will be accrued, and no holidays will be paid. Employees using a combination of leave credits and disability insurance payments will accrue leave credits and holidays on a prorated basis. Granting of unpaid leave status allows the employee to return to his or her former position or a comparable position to which he or she otherwise would have been allowed had he or she not been on leave.

Employees may continue participating in health, dental, and life insurance plans by paying the entire premium at their sole expense during the period.

SCSD will not contribute to the premiums during this period.

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

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

4.9 Catastrophic Leave

4.9.1 Catastrophic illness or injury is a severe illness or injury which is expected to incapacitate the employee for an extended period of time, and which creates financial hardship because the employee has exhausted all of his/her accumulated paid leave time. Catastrophic illness or injury is further defined as a debilitating illness or injury of an employee's spouse, or legally dependent child that results in the employee being required to take time off from work for an extended period to care for the family member, when this creates a financial hardship because the employee has exhausted all of his/her accumulated paid leave time. An employee's job-related illness or injury subject to worker's compensation coverage shall not be eligible for this catastrophic leave provision.

4.9.2 Paid vacation time may be donated under the following conditions:

a. Any regular employee may donate accumulated vacation time to an eligible employee. Sick leave cannot be donated.

b. Donations must be made in increments of one regular workday (or more) from the donating employee.

c. The donation of paid vacation time is irreversible. Should the employee receiving the donated hours not use all donated leave for the catastrophic illness/injury, any balance will remain with that employee or will be converted to cash upon the employee's separation from the District.

d. Donated paid vacation time shall be converted to its cash value and then credited to the recipient in hours at the recipient's base hour rate as vacation credit.

e. Employees donating paid vacation time shall do so in writing on a form developed by the General Manager.

f. All donation transactions shall be credited effective the pay period following submittal of the form requesting the paid time donation.

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

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

4.12 Time off to vote: The SCSD will accommodate employees who need time off to participate in public elections. If an employee is unable to vote in an election during non-working hours, the SCSD will grant up to two (2) hours of paid time off to vote. Time off for voting shall be taken off at the beginning or end of the regular work shift, whichever accommodates the most time for voting and the least time taken off work. At least two days' notice that time off is needed must be provided to a supervisor.

4.13 Jury Duty: Employees must inform the supervisor when the initial notice or questionnaire is received for jury duty.

Time off with pay will be granted for such duty. Any regular employee ordered to jury duty during their regularly scheduled working hours shall be entitled to be paid the difference between their regular wages and jury duty pay. In addition, employees serving on jury duty shall keep their mileage payment, if any.

If the jury duty time is less than a full day, the employee is expected to work any regularly scheduled working hours outside of the actual jury duty time. If employees do not comply with this obligation, they will not be paid for time not at work.

Jury duty shall not be counted as hours worked for purposes of overtime calculations.

4.14 Witnesses: Employees subpoenaed as a witness in a civil or criminal trial or hearing must provide their supervisor with a copy of the court order requiring appearance prior to the date of the appearance. They must use personal leave for this time off unless the trial or hearing involves SCSD as determined by the General Manager and under these circumstances, the employee will be given paid time off for this appearance. Any witness

fees received by the employee while receiving paid time off for such court appearance shall be paid to the SCSD (along with any mileage allowed if the employee uses SCSD-provided transportation).

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

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

4.15 **Military Leave:** Military leave will be granted consistent with the California Military and Veterans Code, State and Federal laws. Any employee may take leaves of absence to accommodate service in the Armed Forces, Military Reserves, and National Guard. Specific terms of the absence and employees' rights to reinstatement, seniority, benefits, and compensation after military leave are governed by law.

4.16 **Abuse of Leave:** Abuse of leave is defined as the following:

a. **Expiration of Leave:** Failure to return to work upon the expiration of leave constitutes an automatic resignation.

b. **Inappropriate Use of Leave:** If an employee uses leave for purposes other than for which it was granted, leave may be terminated, employment with SCSD may be terminated, and pay for the leave may need to be reimbursed to SCSD, as determined by the General Manager.

c. **Unauthorized Leave:** Absence without approved leave, voluntary or involuntary, for five consecutive workdays constitutes resignation from the SCSD on the last day worked.

SECTION 5.0 WORKER'S COMPENSATION

5.1 Worker's Compensation

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

5.1.2 Employees who are receiving temporary disability indemnity payments under Division 4 or Division 4.5 of the Labor Code shall accumulate vacation, holiday and sick leave during such period that they are drawing such temporary disability indemnity. The SCSD shall continue to provide health, dental, vision and life insurance plan coverage for regular full-time and regular part-time employees as if they were on payroll as regular employees.

5.1.3 Work-related illness or injury will be treated in the manner prescribed by the Worker's Compensation Insurance carried by the District. This includes immediate

diagnosis and treatment at a hospital or emergency room if necessary, and follow-up care with appropriate physicians.

5.1.4 You will be placed on a Workers' Compensation leave if temporarily and completely disabled from work for more than five days. A doctor's written certificate is required. While on Workers' Compensation leave, you are required to provide periodic updates on your medical condition to the General Manager. Prior to returning to work, you must provide written release from your doctor that permits you to return to work and indicates any restrictions on full duty. As discussed above, Worker's Comp benefits may be coordinated with the District's sick leave benefits at the employee's request.

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

SECTION 6.0 BENEFITS

6.1 Health Insurance

6.1.1 Employees may be eligible for participation in the SCSD's medical insurance plan, which provides health, and may include: dental and/or vision coverage in accordance with provisions adopted by the SCSD Board. Medical insurance is provided for regular full-time or regular part-time employees who average at least 20 hours per week. Medical insurance is **NOT** provided to temporary employees. Medical coverage will become effective on the first day of the month following the date of employment. The current Board approved medical insurance plan is provided by the Special District Risk Management Authority (SDRMA) Health Benefits Program (HBP). The specific SDRMA HBP plan is the *Blue Shield Silver PPO Plan (Plan). The Plan does not include any ancillary coverage (dental and/or vision plan options).*

6.1.2 SCSD employee d~~D~~ependent coverage will be provided when appropriate, ~~but~~ the employee is required to contribute 50% of the cost for dependents~~an amount determined by the District~~ through the insurance plan. SCSD will provide the employee with a copy of the Plan. ~~towards dependent coverage.~~ The maximum dependent child age is 26. Disabled dependent children are not subject to the dependent age restrictions; however, a verification form will be required certifying the disability.

6.1.3 Retiring employees who meet the District's retirement plan guidelines will have the same medical benefits as an active employee, until the age of 65.

6.1.4 Domestic Partners of SCSD employees or retirees may receive benefits from the District as long as they are registered through the State of California and/or they have an active and valid notarized Affidavit for Domestic Partnership on file with the District. For an employee or retiree to include their domestic partner as a dependent under the plan, the employee or retiree and their domestic partner must meet the following criteria:

a. Both persons must share a common residence

b. Neither person can be married to someone else nor be a member of another domestic partnership with someone else that has not been terminated, dissolved, or nullified

c. The two individuals are not related by blood in a way that would prevent them from being married to each other in the state of California

d. Both persons must be at least 18 years of age

e. Both persons must be capable of consenting to the domestic partnership

6.1.5 Dependents of deceased employees may be entitled to health coverage under the District group policy. The District may contribute toward the premium based on the District's current insurance plan. The dependent share of the premium would be due to the District on the 10th of each month. Failure to make timely payments could result in cancellation of the coverage. Such cancellation would be irrevocable.

6.1.6 The District's Board of Directors may authorize from time to time, changes in the health insurance company, benefits, levels, premium distributions, and/or other aspects of the District's health insurance program, as it deems advisable.

6.1.7 It may be allowable for an employee to decline healthcare coverage with the District if they are enrolled in another healthcare plan through another source. Health care premium compensation in lieu of the healthcare may be allowed. Both options would be based on the District's current healthcare plan.

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

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

at least two (2) weeks prior to the premium due date.

6.2 **Life Insurance:** All full-time employees are eligible for participation in the SCSD's life insurance plan if the SCSD Board adopts a Life Insurance benefit. Life insurance will be paid for in accordance with provisions adopted by the SCSD Board by resolution, and the SCSD's insurance carrier.

6.3 **Disability Insurance:** The District will participate in state and federal disability programs.

6.4 **Retirement**

6.4.1 The District will provide a retirement plan for all full-time employees. The full-time employee will be required to pay a portion of the monthly premium, based on the retirement plan approved by the Board of Directors (Board). The Board has the authority to modify and/or change the retirement plan based on financial issues specific to the adopted fiscal budget. The Board will provide one fiscal year (July 1st through June 30th) notice to all full-time employees prior to any modification or change in the existing retirement plan. The current Board approved retirement plan is the Public Agency Retirement Services (PARS) plan. The PARS plan is an Internal Revenue Code (IRC), Section 401(A) tax-qualified profit-sharing plan (Plan), with a flexible investment platform and no unfunded benefit obligations created. The Plan provides for both SCSD and employee contribution options. All eligible SCSD employees shall receive an employer (SCSD) contribution equal to 7.0% of salary per year. Contributions shall be made in equal installments throughout the year to coincide with SCSD payroll. The employer contribution is variable within this plan. Future contributions may be subject to change by SCSD. SCSD requires a mandatory employee contribution ~~to~~of 7.0% of salary. While not individually variable, employees can change the contribution level with consensus of ***ALL*** employees (annually?). Eligible SCSD employees will be allowed to enroll in the Plan ***after 180 days of continuous employment.*** Eligible SCSD employees shall be 100% vested in SCSD contributions if they have attained five (5) years of SCSD employment ***or*** have reached the age of sixty-two (62), at the time of retirement/termination from SCSD.

6.4.2 **Deferred Compensation:** A deferred compensation plan which allows you to defer a portion of your salary from income taxes may be available to employees based on the District's current retirement plan.

6.5 **IRC 125 and 129 Plans:** The SCSD may establish a pre-tax plan as provided under IRC 125 and IRC 129 of the Internal Revenue Service Code. This plan may provide 1) a cafeteria plan in addition to or in lieu of health, dental, and/or vision insurance; 2) a dependent care assistance plan for pretax payment of child care expenses; 3) a medical spending account for pre-tax payment of out-of-pocket medical expenses up to a limit established by the SCSD; and/or 4) pre-tax payment of medical premiums. Participation in such plans will be established by the plan document.

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

employees with safety shoes as specified by the General Manager whenever such shoes are required by the CAL/OSHA or other State of Federal regulations. The current Safety Show~~w~~e Allowance is set at $150.00.

SECTION 7.0 MISCELLANEOUS PROCEDURES

7.1 Work Rules: The General Manager may establish work rules to govern daily operations of the SCSD and may amend such rules as needed.

7.2 Confidentiality

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

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

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

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

The General Manager, or designee, shall provide a copy of this policy to all employees who attend closed sessions. New employees who may attend closed sessions shall also receive a copy of this policy.
The District shall not take disciplinary action against any employee for disclosing confidential information acquired in a closed session, nor shall the disclosure be considered a violation of the law or Board policy, when the employee is (Government Code 54963):

a. Making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of the law, including disclosing facts necessary to establish the illegality or potential illegality of a Board action that has been the subject of deliberation during a closed session.

b. Disclosing information that is not confidential but acquired during a closed session.

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

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

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

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

7.3 Acceptance of Gifts

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

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

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

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

7.5 Use of SCSD Resources

7.5.1 General: Incidental use of SCSD equipment is permissible if it is kept to a minimum, does not conflict with SCSD business, is on the employee's own time, and is not used for personal profit. Supervisors are expected to monitor use.

7.5.2 Cell Phones: Employees issued a District phone will not use it for personal use.

7.5.3 SCSD Business-Related Education: The SCSD would like to support employees' desire to further their education. SCSD equipment may be used for educational purposes with management approval. If the employee requires more than five (5)

megabytes of file server disk storage, management approval is required. Printer paper should be reimbursed at the same rate as copy paper. All files saved on SCSD equipment is subject to disclosure under the Public Records Act laws.

7.5.4 **SCSD Staff:** SCSD staff shall not be used for personal business during working hours.

7.5.5 **Personal Software:** No personal software shall be installed or loaded on the SCSD network (including workstation hard disks). SCSD maintains a collection of approved/maintained software and no other software may be installed or loaded without approval from the General Manager.

7.5.6 **Software Installation and Changes to Configuration:** No software will be installed on SCSD owned workstations by employees. No configuration changes will be made to SCSD owned computers except for: colors, screen resolution, file directory defaults, and desktop wallpaper. SCSD owned computers are the property and maintenance responsibility of the SCSD and will be upgraded by technology support staff only.

7.5.7 **Privately Owned Computers:** An employee has all rights and authority over their own personal equipment. No SCSD owned software will be installed by the employee on a privately-owned computer without prior approval of management. When a user installs SCSD owned software, they are responsible for maintenance and upgrades. Regardless of software ownership, the privately-owned computer is not and will not be the maintenance responsibility of SCSD and will not be upgraded or maintained by SCSD staff or contracted service providers. This policy will allow for the separation of responsibility; SCSD staff is responsible for SCSD computers and applications, and the home user is responsible for the home user's own private computer.

7.6 Workplace Privacy

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

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

7.7 **Smoking Prohibited:** The SCSD provides its employees and visitors with a safe work place free of smoke, smokeless tobacco, electronic cigarettes, and all by-products. As such, smoking is prohibited in all work areas and District vehicles. Employees or visitors wishing

to smoke must do so in designated areas outside any SCSD buildings but no closer than 20 feet from any doorway or open window.

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

7.9 **Pre-Employment Physical:** Certain specified job classification applicants shall be required to undergo a pre-employment physical examination to determine if the applicant is able to perform the duties of the job with or without accommodation.

a. Prior to scheduling an applicant for a pre-employment physical, the applicant shall be issued a conditional offer of employment informing the applicant that their employment with SCSD is contingent upon a successful pre-employment physical evaluation.

b. SCSD shall pay for the pre-employment physical examination and shall have the authority to choose the medical professional who will conduct the examination.

c. The examination shall be conducted within a reasonable time following the conditional offer of employment letter being issued.

d. If a medical professional determines that an applicant is unable to perform the duties of the job with or without accommodation, the offer of employment shall be rescinded.

e. If the applicant refuses to sign the consent forms or submit to the physical examination, SCSD may withdraw their offer of employment.

f. The applicant's medical history shall be treated confidentially and kept separate from other employment related record.

g. The results of the examination shall not be used to discriminate against persons covered by the ADA.

Typical physical requirements – The Physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. **Applicants shall be subject to a pre-employment physical examination to ensure they are able to perform the duties of the job.**

Requires the mobility to work in an office and field environment. Requires the ability to sit, walk, stand, run, jump, climb, balance, bend, squat, twist, and reach while performing office duties and Treatment Plant work; lift and/or move approximately 50 pounds unassisted, use hands to finger, handle feel or operate objects, tools, and controls. Must be able to maintain effective audio-visual discrimination and perception needed for making observations, communicating with others, reading and writing, must be able to hear normal speech and other audible events, even in combination with other environmental and equipment noise. Must be able to use a telephone to communicate verbally and a keyboard to communicate through written means, to review information and enter/retrieve data, to see and read characters on a computer screen.

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

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

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

SCSD can require that the employee or applicant for a position submit to drug testing under the following circumstances:

7.10.1 Reasonable Suspicion

The General Manager shall have the authority to order an employee to submit to a drug and/or alcohol test to be undertaken in a manner prescribed by this policy, when General Manager has a reasonable suspicion that an employee is intoxicated or under the influence of drugs or alcohol on the job or during breaks or meal periods.

"Reasonable suspicion" is a belief based on objective facts sufficient to lead a reasonably prudent supervisor to suspect that an employee is under the influence of drugs or alcohol to the extent that the employee's ability to perform the functions of the job is impaired or to the extent that the employee's ability to perform his/her job safely is reduced.

Existence of reasonable suspicion shall be based on the total circumstances and will normally include more than one of the following factors. For example, except for possession, any combination of any of the following may constitute reasonable suspicion:

a. Slurred speech;

b. Alcohol odor on breath;

c. Unsteady walking and movement;

d. An accident involving the employee, SCSD property and/or equipment or property where the cause may be symptomatic of suspected use of alcohol or drugs;

e. Physical altercation;

f. Verbal altercation

g. Deviation from employee's normal behavior

h. Possession of alcohol or drugs unrelated to job responsibilities will be sufficient grounds for reasonable suspicion

i. Information obtained from a reliable person with personal knowledge

j. Increased absenteeism

k. Performance of work with reduced efficiency and/or effectiveness

l. Increased disciplinary actions

The General Manager, ordering an employee to be required to submit to a drug and/or alcohol test, shall document in writing the facts constituting reasonable suspicion that the employee in question is intoxicated or under the influence of drugs.

7.10.2 Pre-Employment Testing

a. Not being disqualified from employment based upon the result upon such test. Employment shall be denied if applicant refuses to sign the consent form or submit to the medical and/or chemical testing.

b. If an alcohol or drug screen is positive, the applicant shall not be hired unless they provide a bona fide verification of a valid current prescription for the drug identified in the drug screen or other medically acceptable explanation for positive test.

c. All offers of employment with the SCSD shall be conditioned upon the applicants.

   1. Signing of a consent form indicating receipt of a copy of this policy;

   2. Submittal to a medical and chemical test for evidence of drug and/or alcohol use, designated by the SCSD; and

   3. Not being disqualified from employment based upon the result upon such test. Employment shall be denied if applicant refuses to sign the consent form or submit to the medical and/or chemical testing.

   4. If an alcohol or drug screen is positive, the applicant shall not be hired unless they provide a bona fide verification of a valid current prescription for the drug identified in the drug screen or other medically acceptable explanation for positive test.

7.10.3 Post-Accident Testing

If an employee is involved in an accident during the course of performing his/her duties, he or she shall submit to chemical testing. If testing is done, the following shall apply:

a. If an initial drug screen is positive, the employee must provide within a reasonable time (normally 24 hours of request) bona fide verification of a

valid current prescription for the drug identified in the drug screen or other medically acceptable explanation for the positive test. The prescription must be in the employee's name. If the employee does not provide acceptable verification of a valid prescription, or if the prescription is not in the employee's name, or if the employee has not previously notified his or her supervisor of the use of a potentially impairing legal drug, the employee may be subject to disciplinary action, up to and including termination.

b. The decision to discipline or terminate will be carried out in conformance with the disciplinary procedures outlined in the SCSD's Personnel Policy.

7.10.4 SCSD may perform random drug testing for employees in safety sensitive positions.

7.10.5 Any employee who refuses to submit to such testing or conducts himself or herself during such testing so as to induce a false, incorrect or invalid result shall be subject to disciplinary action up to and including termination.

7.10.6 Each employee shall notify his/her supervisor and provide medication drug side effect information before beginning work, when taking any medications or drugs (prescription or non-prescription) which may interfere with the safe and effective performance of duties or operation of SCSD equipment.

7.10.7 SCSD may require the testing to be done through a blood test, urinalysis, or other drug and/or alcohol screening method. Testing must be approved by the District Manager or his/her designee and must be done by a licensed/certified individual.

7.11 Electronic Mail

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

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

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

7.11.3 **Access to E-Mail:** The e-mail system is not a private mode of communication. When you use e-mail, you are creating SCSD documents that may be read by others in circumstances, including, but not limited to, the following business or legal purposes:

a. During regular system maintenance;

b. When a business need exists to access the employee's mail box;

c. In response to a legal request to disclose e-mail messages from law enforcement officials or in ongoing legal proceedings;

d. When the SCSD has reason to believe that the employee is using e-mail in violation of SCSD policies (including, but not limited to, its policies prohibiting discrimination and harassment, misappropriation of SCSD property, or using SCSD equipment for personal purposes); or

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

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

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

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

7.13 Workplace Violence Prevention

7.13.1 The SCSD is committed to preventing workplace violence and to maintaining a safe work environment. To help ensure a safe environment, the SCSD may install security cameras.

7.13.2 All employees should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons and other dangerous or hazardous devices or substances are prohibited.

7.13.3 Conduct that threatens, intimidates, or coerces another employee, a customer, or member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment.

7.13.4 All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to your immediate supervisor or any other members of management. This includes threats by employees, customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible. All suspicious individuals or activities should be reported as soon as possible.

7.14 Use of Vehicles

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

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

a. Proof of insurance for all personal vehicles used when conducting SCSD business. Verification may include a copy of the declaration sheet stating (a)name of insurance carrier; (b) effective date of coverage; (c) limits of coverage.

b. A current, valid, California Driver's license.

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

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

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

a. $15,000 bodily injury liability per person

b. $30,000 bodily injury liability per occurrence

c. $5,000 property damage liability coverage

In addition to the minimum coverage required, SCSD employees must provide their own comprehensive coverage if they want their vehicles insured. The SCSD insurance will not cover auto body damage to employees' vehicles. For those employees with comprehensive coverage, the SCSD will pay their deductible, up to $250, for accidents occurring while on SCSD business, provided the employee is not at fault.

7.14.6 **No Personal Use.** District owned vehicles shall not be used for any purpose other

than District business or in the performance of a duty as a District employee. Personal use of District owned vehicles is prohibited, without prior approval from the District Manager.

7.14.7 DMV Pull-Notice Program. The SCSD is responsible for insuring that regular and temporary employees operate a SCSD owned or privately owned vehicle for SCSD business are enrolled in the DMV Pull-Notice Program.

Prior to hiring, all applicants for regular or temporary positions that operating a SCSD owned or privately owned vehicle for SCSD business must provide (at applicant's expense) SCSD with a current driving record from the Department of Motor Vehicles. The date on which the driving record was obtained shall be no more than 5 business days prior to the proposed hire date. The SCSD will review the driving record to determine whether the applicant can be authorized to drive SCSD vehicles and/or ~~equipment, and~~equipment and will submit enrollment forms to the DMV Pull-Notice Program as appropriate.

Contracted temporary agencies are responsible for insuring that temporary employees are enrolled in the DMV Pull Notice Program.

7.14.8 GPS. The District reserves the right to utilize Global Positioning Systems on any of its vehicles.

7.14.9 Vehicle Policy. It is the policy of the District that:

a. Any driver of a vehicle for District business must have in his or her possession a valid California Driver's License.

b. Any driver who drives a vehicle in the course and scope of District business must have proof of private automobile insurance *in excess of the minimum standards of the Financial Responsibility Law of the State Vehicle Code.*

c. Employees shall be prohibited from carrying passengers in District vehicles who are not related to District business.

d. Employees are specifically prohibited from carrying hitchhikers.

e. The Board or its designee may grant approval in writing to carry specific passenger(s) or to use a District vehicle in appropriate circumstances and on a case-by-case basis without amendments to this ordinance.

f. Employees shall be required to observe all traffic rules, regulations, or other courtesies at all times. While operating a vehicle on District business, drivers shall operate vehicles not only in compliance with traffic laws, but in compliance with safe driving practices including but not limited to:

   1. Obeying posted speed limits.

   2. All occupants shall use safety belts properly adjusted and securely fastened. The driver of the vehicle shall ensure that all passengers are properly wearing seat belts.

   3. Fines and penalties imposed by a court for violation while on District business shall be personal reasonability of the

driver.

g. A District vehicle shall not be used for any purpose other than District business or in the performance of a duty as District employee, without prior approval from the District General Manager.

h. District owned vehicles shall not be used to push another stalled vehicle or be used for other activities that may cause damage to the District vehicle.

i. Vehicle keys shall never be left in unattended vehicles, even when parked in a secured enclosure.

j. District vehicles must be locked when not in use, including when parked in the designated District parking areas for each department.

k. The use of any tobacco product by any driver of a District vehicle is prohibited.

l. The use of alcohol by any driver of a District vehicle is prohibited.

m. Employees are prohibited from using cellular phones or other communication equipment such as smartphones and laptop computers for any purpose including, but not limited to, placing calls, text messaging or instant messaging, while driving a District vehicle unless a hands-free devise is in use.

n. Parking citations issued to a District vehicle shall be the responsibility of the employee who parked the vehicle.

o. Employees shall operate District vehicle in an ordinary, reasonable manner consistent with the intended use of the vehicle. Except for vehicles engaged in law enforcement work, they shall not be used in activities which may damage the vehicle.

p. The costs of repairing damages to District vehicles resulting from gross negligence, abuse or willful misconduct by the employee having custody of the vehicle shall be recoverable from the employee.

7.15 Travel Policy

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

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

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

7.15.2 Local Travel: The SCSD will fully reimburse authorized travelers for local transit

expenses. Receipts are required for reimbursement.

7.15.3 Parking: The SCSD will fully reimburse authorized travelers for parking expenses. Receipts are required for reimbursement.

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

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

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

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

7.15.6 Tolls: The SCSD will fully reimburse authorized travelers for tolls. Receipts are required for reimbursement.

7.15.7 Lodging: The SCSD will fully reimburse authorized travelers for actual lodging expenses consistent with the area of travel when supported by the itemized bill from the establishment. Lodging and the cost of lodging must be pre-approved by the General Manager or designee.

7.15.8 Meals: The SCSD will reimburse the actual reasonable, as may be defined by the General Manager, cost of meals excluding alcohol, to authorized travelers on SCSD business outside Humboldt County. Any exception to this restriction will require specific approval by the General Manager or designee. Meal reimbursement shall be capped at $45 per day, with $10 breakfast, $15 lunch, $20 dinner

7.15.9 Business Meals: SCSD-authorized travelers are allowed to host meals for other persons when the meal is related to the business. Travelers may claim actual cost for the meal when supported by receipts. The reason for the meal and the names and titles of guests will be listed on the travel claim form. Any deviation from the above guidelines requires approval by the General Manager or designee. Expenses for business meals consumed within Humboldt County will be reimbursed for the client only unless the appropriate manager pre-approves the employee's meal or it is consistent with the written policy of the General Manager. Documentation as listed in the above paragraph must be supplied.

7.15.10 Registration Fees: The SCSD will fully reimburse authorized travelers for registration fees required to attend a seminar, organized luncheon meeting, etc.,

when supported by receipt. Reimbursement will occur only when the employee has prior written authorization and is representing the SCSD.

7.15.11 Phone Calls: Authorized phone calls on a business trip are calls made during SCSD business. All long-distance business calls should be placed on a station-to-station basis using a telephone credit card, except that SCSD will reimburse the employee for one call of reasonable length to home each day that the employee is required to stay overnight outside of the area on SCSD business. Phone call reimbursement is subject to the limitations in the below section on "Incidental Expenses".

7.15.12 Incidental Expenses: The SCSD will reimburse authorized travelers for actual incidental expenses incurred, such as personal phone calls, taxi driver and baggage tips, etc. up to a maximum of $8.00 per day when certified by the claimant. These are claimed and itemized as incidentals on the claim form.

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

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

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

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

Scotia Community Services District
Staff Report

DATE: January 21, 2021

TO: Scotia Community Services District Board of Directors

FROM: Leslie Marshall, General Manager

SUBJECT: Adopt Resolution No. 2021-2: A Resolution of the Scotia Community Services District Board of Directors Amending the FY 2020/2021 Master Fee Schedule.

RECOMMENDATION:

The administrative staff recommends the Board review the Master Fee Schedule revisions and adopt Resolution No. 2021-2: A Resolution of the Scotia Community Services District Board of Directors Amending the FY 2020/2021 Master Fee Schedule.

ACTION:

Motion to adopt Resolution No. 2021-2: A Resolution of the Scotia Community Services District Board of Directors Amending the FY 2020/2021 Master Fee Schedule.

DISCUSSION:

All District Resolutions are periodically reviewed, by administrative staff, for accuracy, clarification and content. The District's Master Fee Schedule was last amended and adopted on May 21, 2020.

The revised Master Fee Schedule adds two (2) new charges, to be included in **Section 3. Water and Wastewater Deposits and Miscellaneous Charges.** The charges are a **3.8. Tampering Fee** and a **3.9 Fire Hydrant Testing Fee.** Additional revisions were made to Section 3 for clarification and to reflect specific language in the District's Water Ordinance.

FISCAL IMPACT:

Cost recovery for District specific to tampering and fire hydrant testing services.

ATTACHMENTS:

Attachment A: Resolution No. 2021-2: FY 2020/2021 Master Fee Schedule.
Attachment B: FY 2020/2021 Master Fee Schedule (with redline revisions).

RESOLUTION NO. 2021-2

A RESOLUTION OF THE SCOTIA COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS AMENDING THE FY 2020-2021 MASTER FEE SCHEDULE

WHEREAS, in an effort to achieve recovery of staff costs, it is necessary to establish fees charged by the Scotia Community Services District to provide services without adversely impacting the District's service funds; and

WHEREAS, in order to recover these costs, and communicate these with the public, it is necessary to establish new fees through the Master Fee Schedule; and

WHEREAS, as required by Article XIIID Sections 4 and 6(b) of the California Constitution, Districts can only charge rates or fees that are equal to or less than the reasonably anticipated costs of providing the service, conferring a benefit, granting a privilege, performing regulatory duties, enforcing laws, or as a condition of property development; and

WHEREAS, the Scotia Community Services District Master Fee Schedule will be reviewed on an annual basis and adjusted accordingly; and

WHEREAS, the Board of Directors has determined that it is in the best interest of the District to adopt fees for District services.

NOW, THEREFORE, BE IT RESOLVED:

1. The Scotia Community Services District Board of Directors hereby approves establishing fees for District services pursuant to the Master Fee Schedule attached hereto as Exhibit "A" and made a part hereof by this reference.

2. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED on the 21th day of January 2021, by the following vote of the governing body:

APPROVED: ATTEST:

_____ _____

Paul Newmaker, Board President, Scotia CSD Board Clerk, Scotia CSD

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2021-2, passed and adopted at a regular meeting of the Board of Directors of the Scotia Community Service District, County of Humboldt, State of California, held on the 21st day of January 2021, by the following vote:

AYES:
NOES:
ABSENT:
ABSTENTIONS:

_____

Board Clerk, Scotia CSD

Attached: Scotia Community Services District FY 2020/21 Master Fee Schedule

SCOTIA COMMUNITY SERVICES DISTRICT
FY 2021~~0~~/2022~~1~~ MASTER FEE SCHEDULE

SECTION 1. WATER SYSTEM

The following water system fees are applicable to the Scotia Community Services District (District).

1. **Existing Water Service Connection**. Where the Developer has installed the new water service line and the District will merely be installing a new meter, the fee shall be as follows:

New Meter Fees	
5/8 Inch (meter set only)	$201.35
3/4 Inch (meter set only)	$266.04
1 Inch (meter set only)	$305.82
Greater Than 1 Inch	Special Quote

2. **Splitting/Relocating Water Service**. The charge for splitting an existing water service shall be the actual charge for material, labor, and equipment not to exceed the charges for a new service. The charge for relocating an existing service shall be actual costs for materials, labor, and equipment not to exceed charges for a new service less credit for existing meter. Any related inspection costs will be charged on a time and materials basis.

3. **Backflow Prevention Device Charges**. Maintenance and testing of these devices is the responsibility of the customer and shall be tested by a certified backflow tester. The customer shall submit a copy of the test results annually. Failure to provide certified back-flow test results as required shall result in the District providing the test and inspection at the customer's expense.

4. **Water Hauler Fees and Charges**. Charges for potable water shall be based on the ~~2019~~ ~~?~~ Water Hauler Guidelines. Raw water will not be available for water hauler use or sale.

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5. **Temporary Construction Meters**. A $40.00 meter setting fee will be charged for the installation of this meter. There shall be imposed a monthly rate for the temporary service, based on meter size in the table below and a charge for the quantity of water used at the current flow in Section 1.7

6. **Meter Tests – Deposit**. If a customer desires to have the meter serving their premises tested, they shall first deposit Thirty-Five Dollars ($35.00) and pay the actual cost to test the meter.

7. **Monthly Water Service Rates**. These utility charges shall apply to all customers within the District's limits. A monthly rate for water service provided by the District shall be as shown below.

A. Monthly Water Base Rate. The monthly base rate shall be determined by size of water meter and location of service. The monthly Base Rate is a requisite service charge for all utility customers, regardless of any actual water usage or account status. If a customer's service is discontinued for non-payment, monthly Base Rates shall continue to accrue.

B. Monthly Consumption Charge: The monthly quantity charge rate shall be charged per 100 cubic-feet (HCF) of water used.

C. Monthly Raw Water Charge: The Raw (non-potable) Water Rate shall be charged per 100 HCF of water used.

The rates and minimum water service charges are billed monthly to customers within the service area of the District shall be as follows:

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"	$62.91	$63.86	$64.81	$65.79	$66.77
¾"	$94.37	$95.79	$97.23	$98.69	$100.17
1"	$157.28	$159.64	$162.03	$164.46	$166.93
1 ½"	$314.56	$319.28	$324.07	$328.93	$333.86
2"	$503.29	$510.84	$518.50	$526.28	$534.17
3"	$943.67	$957.83	$972.19	$986.78	$1,001.58
4"	$1,572.78	$1,596.37	$1,620.32	$1,644.62	$1,669.29
6"	$3,145.57	$3,192.75	$3,240.64	$3,289.25	$3,338.59
8"	$5,032.91	$5,108.40	$5,185.03	$5,262.81	$5,341.75
Monthly Commodity Rate					
Treated Water (per 100 cf water used)	$2.66	$2.70	$2.74	$2.78	$2.82
Raw Water (per 100 cf water used)	$0.23	$0.23	$0.24	$0.24	$0.24

SECTION 2. WASTEWATER SYSTEM FEES

The following sewer system fees are applicable to the Scotia Community Services District.

1. **Monthly Sewer Service Rates**. These utility charges shall apply to all customers within the District's limits and applied as follows:

A. A monthly Base Rate shall be imposed on all customers, per equivalent dwelling unit (EDU) regardless of any actual ~~usage;~~usage.
B. A monthly Flow Rate based on one hundred cubic feet (100 cf) of metered water used; and
C. a monthly Strength Fee based on per pound (lb.) of BOD and TSS.

The monthly base rate is a requisite service charge for all utility customers within the District's limits, regardless of actual usage or account status. If a customer's service is discontinued for non-payment, the monthly Base Rate shall continue to accrue.

The rates and minimum sewer service charges billed monthly to customers within the service area of the District shall be as follows:

Wastewater Rates over the Initial 5-year Period					
	FY 16/17	**FY 17/18**	**FY 18/19**	**FY 19/20**	**FY 20/21**
Base Rate (per EDU)	$75.25	$76.38	$77.53	$78.69	$79.87
Monthly Flow Rate					
Flow Rate (per 100 cf used)	$4.11	$4.18	$4.24	$4.30	$4.37
Monthly Strength Rate					
BOD (per ~~lb~~lb.)	$0.3626	$0.3680	$0.3736	$0.3792	$0.3849
TSS (per ~~lb~~lb.)	$0.5414	$0.5495	$0.5578	$0.5661	$0.5746

2. **Special Sewer Discharge Permit.** A $250.00 fee shall be collected on each special sewer discharge permit that is processed and issued. There will be an additional charge for actual gallons discharged to the public sewer system based on strength of discharged wastewater.

SECTION 3. WATER AND WASTEWATER DEPOSITS AND MISCELLANEOUS CHARGES

1. **Security Deposits** The following deposits shall be collected if a customer fails to meet the District's guidelines for creditworthiness:

Security Deposits		
Type of Service	**Base Deposit**	**Max. Deposit**
Single Family Residential		
Water & Sewer	$100.00	$150.00
Water only	$ 50.00	$ 75.00
Sewer only	$ 50.00	$ 75.00
Multi-family Units		
Water only/1st Unit	$ 35.00	$150.00
Additional Units	$ 20.00	$100.00
Water & sewer/1st Unit	$ 50.00	$ 75.00
Additional	$ 40.00	$ 60.00
Commercial		
Water & Sewer	2.5 times the Monthly Base Rate	
Water Only	2.5 times the Monthly Base Rate	
Sewer Only	2.5 times the Monthly Base Rate	

2. **Security Deposit - Guidelines for Creditworthiness**. A customer must meet one of the following criteria to meet the District's guideline for creditworthiness when considering an alternative to the collection of a security deposit:

A. Prior service within the District showing timely payments within the previous two (2) years, or

B. Produce a letter of credit from PG&E, or another ~~recognized~~ Humboldt County utility company showing timely payments for a period of one (1) year.~~, or~~

~~C. Produce a positive rating report from a recognized credit reporting agency.~~

3. **Monthly Billing.** Utility accounts are billed monthly and due and payable upon presentation and must be paid in full by the due date on the bill, 15 days from the billing date. Any payment postmarked by the due date will be accepted as timely. If not paid in full, the bill becomes delinquent 20 days (5-day grace period) after the billing date and will be charged a 10% penalty. A disconnect warning will be mailed indicating a service disconnection date if payment has not been received within 53 days past the billing date. If payment in full is not received within 60 days of the billing date (40-day grace period), a final warning notice will be delivered/mailed/telephoned, at least forty-eight (48) hours prior to disconnection, indicating the service disconnection date for non-payment is imminent. Payment to restore service will include all past due charges, current charges, late fee penalties, and a reconnection fee (plus penalties) will be made and collected prior to renewing service following a disconnection. ~~ontinuance.~~ Customers that demonstrate a household annual income that is 200 percent below the federal poverty level will have any interest charges waived.

4. **Account Initiation Charge.** There shall be an initiation charge of Thirty-Five Dollars ($35.00) to set up an account for a new customer or change a location for a current customer.

5. **Reconnection Charge.** A reconnection charge of Fifty ~~orty~~ Dollars ($5~~4~~0.00) for the first reconnection and Sixty-Five Dollars ($65.00) thereafter plus penalties will be made and collected prior to renewing service following a discontinuance. Reconnection fees shall not exceed the actual cost of reconnection for customers that demonstrate an annual household income more than 200 percent below the federal poverty level ~~ine~~.

6. **Returned Checks.** If a check tendered as payment for any rate or charge is returned to the District uncollected, there shall thereupon become due an additional charge of Thirty ~~wenty~~ Dollars ($3~~2~~0.00).

7. **Broken Lock Fee**. If a service is locked and the lock is broken, a charge of Thirty ~~wenty-Five~~ Dollars ($30~~25~~.00) shall be assessed to the customer in addition to any other fees or penalties.

8. **Tampering Fee.** If a service, including but not limited to the curb stop, gates, meter, valves or any other part of the District's water system, is tampered with a charge of Two Hundred and Fifty Dollars (250.00) shall be assessed to the customer in addition to any

other fees or penalties specific to damage caused by tampering. The water service may be disconnected until the situation has been resolved.

9. Fire Hydrant Testing. When a property owner requests that a District fire hydrant be tested, for any reason, a charge of Three Hundred and Fifty Dollars (350.00) shall be assessed to the property owner.

SECTION 4. WATER SHORTAGE EMERGENCY FINES AND PENALTIES

1. Fines and Penalties. Except as otherwise provided by Board action, violations of any provision of the District Code pertaining to water shortage emergency fines and penalties shall be fined as follows:

Fines and Penalties		
Violation	**Classification**	**Penalty**
First violation	Infraction	$ 10.00
Second violation	Infraction	$ 30.00
Third violation and subsequent violations within a 6-month period	Misdemeanor	$100.00

SECTION 5. PARKS AND RECREATION FEES

1. APPLICATION PROCESSING FEES. The District shall charge a fee to process all applications for events as defined in the Parks and Recreation Ordinance.

APPLICATION PROCESSING FEES
Application Processing Fees cover Staff time to Process Facility Use Permits. Application Processing Fees are non-refundable and must be submitted at the time a Facility Use Permit application is turned in, at least 30 days prior to the event. See event definitions in Title IV Chapter 9 Section 9.01.a. of the Parks and Recreation Ordinance.

Large Scale Community Event	$150
Major Event	$150
Minor Event	$100
Expressive Event	$100

2. FACILITY USE DEPOSIT FEES. The District shall charge a deposit for events which qualify and are defined as special events and require a Facility Use Permit as follows:

Events WITHOUT Alcohol - $250 deposit
Events WITH Alcohol - $500 deposit
Concert Rentals - $1,000 deposit

Deposits are refundable provided there are not damages to the facility and the facility is clean, consistent with the Parks and Recreation Ordinance. Deposits will not be refunded if the reservation is cancelled less than 1 month prior to event. Half of deposit will be returned if District is able to rebook facility.

3. FACILITY USE FEES. The District shall charge the following rates for use of a District-owned facility for each use specified below:
Rental fees are due 30 days prior to event. All-day rate applies to hours between 8 a.m. and 1 a.m., including cleanup. Requests for extended hours are subject to City approval and additional costs. Changes made to Facility Use Permit less than 30 days prior to event are subject to City approval and may require additional charge. Any changes must be made in writing.

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.

WINEMA THEATER		
Private Citizen/Business	$45.00/hour	
Half Day Rate	$176.00	($44.00/hr)
All Day Rate	$344.00	($43.00/hr)
Non-Profit Groups/Vendors	$35.00/hour	
Commercial Events*	$450.00/day	
*Requires Event Host		
SCOTIA MUSEUM		
Private Citizen/Business	$35.00/hour	
Non-Profit Groups/Vendors	$25.00/hour	
FIREMAN'S PARK		
Private Citizen/Business	$25.00/hour	
Half Day Rate	$96.00	($24.00/hr)
All Day Rate	$184.00	($23.00/hr)
Non-Profit Groups/Vendors	$15.00/hour	
Commercial Events*	$250.00/day	
*Requires Event Host		
PARKS		
Soccer Field	$28.00/hour	
Baseball Park		
Baseball Field	$28.00/hour	
Horseshoe Pit	$20 for 2 hours	
Lighting	$26.00/hour	

4. EVENT SERVICES FEES. The District shall charge a fee of $35 per hour (unless overtime wages apply) for an event host for those events requiring such a host. The minimum

charge shall be two hours. Other event 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.

SPECIAL EVENT SERVICES

Event Setup

Events with less than 100 persons	$50.00
Events with 101-200 persons	$80.00
Events with more than 200 persons	$105.00

Event Cleanup

Events with less than 100 persons	$100.00
Events with 101-200 persons	$125.00
Events with more than 200 persons	$150.00

SECTION 6. STORM DRAINAGE FEES

1. **INSPECTION FEES.** The District is responsible to annually inspect all private facilities for any violation of the provisions of the Storm Drainage ordinance. Private facilities shall be responsible for the cost of inspection and any associated inspection costs including but not limited to testing.

SECTION 7. DOCUMENT DUPLICATION AND DISTRIBUTION

The following charges are hereby established for the photocopying and mailing of printed material (not applicable to news media and not applicable to allied agencies in case of police reports for investigative purposes):

1. Photocopies.

A. Per 8 1/2" x 11" and legal size page:
Per 1-side page..... $0.10
Per 2-side page..... $0.20

B. Per 11" x 17" page: Per 1-side page..... $0.20
Per 2-side page..... $0.40

C. Per 24' x 36" page: Per 1-side page..... $3.00

D. Conversion of Documents to Electronic Image: $2.00 plus $0.10/page

2. Copies of Video Tapes, Audio Tapes, CDs, DVDs. $3.00/each, plus actual cost for duplication

3. **Mailing**. $2.00/each, plus actual postage cost

Scotia Community Services District
Staff Report

DATE: March 19, 2020

TO: Scotia Community Services District Board of Directors

FROM: Leslie Marshall, General Manager

SUBJECT: Resolution 2021-3: A Resolution of the Scotia Community Services District Board of Directors to Accept the Independent Audit Report for July 1, 2019 – June 30, 2020.

RECOMMENDATION:

The Administrative staff recommends that the SCSD Board consider Adopting Resolution 2021-3: A Resolution of the Scotia Community Services District Board of Directors to Accept the Independent Audit Report for July 1, 2019 – June 30, 2020.

ACTION:

Adopt Resolution 2021-3: A Resolution of the Scotia Community Services District Board of Directors to Accept the Independent Audit Report for July 1, 2019 – June 30, 2020.

DISCUSSION:

Per GC §61118(a) the board of directors shall provide for regular audits of the district's accounts and records pursuant to GC §26909. Scotia CSD has contracted with Anderson, Lucas, Somerville and Borges, LLP from Fortuna, CA to conduct the District's first annual audit. A draft of this Audit was presented to the Board for review and approval at the December 17, 2020 Board Meeting. The following summarized changes were made from the audit that was presented to the Board in December:

- Balanced Credit card accounts;
- Reconciled accounts based on auditor recommendations: 11 CPA AJE's and 1 CSD AJE's;
- Corrected entries that were mis-allocated by class or account;
- Made correcting journal entries to ensure CSD and Auditor accounts were balanced.

FISCAL IMPACT:

$15,150.00 expended of the $22,000 budgeted for Annual Audit, final bill pending.

ATTACHMENTS:

Attachment A: Resolution 2021-3: A Resolution of the Scotia Community Services District Board of Directors to Accept the Independent Audit Report for July 1, 2019 – June 30, 2020.

Attachment B: ALSB Letter to the Board

Attachment C: ALSB Current Prior Year Comments Recommendations

Attachment D: ALSB Standards Findings Letter

RESOLUTION NO. 2021-3

A RESOLUTION OF THE SCOTIA COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS TO ACCEPT THE INDEPENDENT AUDIT REPORT FOR JULY 1, 2019-JUNE 30, 2020

WHEREAS, CA Government Code §26909 requires that the financial statements of Special Districts be audited annually by independent public auditors in accordance with standards applicable to financial audits contained in Government Audit Standards issued by the Controller General of the United States and guidelines; and

WHEREAS, an independent audit report of the Scotia Community Services District for fiscal year 2019-20 has been completed by the certified public accounting firm of Anderson, Lucas, Somerville & Borges; and

WHEREAS, the audit report complies with all independent audit reporting and information requirements as specified by Generally Accepted Accounting Principles, Generally Accepted Auditing Standards, and the Minimum Audit Requirements of California Special Districts issued by the State Controller's Office; and

WHEREAS, the Annual Financial Statement for the Scotia Community Services District present fairly, in all material respects, the respective financial position of the business-type activities, the seven major funds, and the aggregate remaining fund information of the Scotia Community Services District, as of June 30, 2020.

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

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

Section 2: The Fiscal Year 2019-2020, ending June 30, 2020 Independent Audit Report has been accepted attached as Exhibit A.

This resolution shall be effective upon its adoption.

Dated: January 21, 2021

APPROVED:

_____

Paul Newmaker, Board President, Scotia CSD

ATTEST:

_____

Board Clerk, Scotia CSD

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2021-3, passed and adopted at a regular meeting of the Scotia Community Service District Board of Directors, County of Humboldt, State of California, held on the 21st day of January 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

_____

Board Clerk, Scotia CSD

SCOTIA COMMUNITY SERVICES DISTRICT

BASIC FINANCIAL STATEMENTS

June 30, 2020

SCOTIA COMMUNITY SERVICES DISTRICT

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June 30, 2020

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ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP
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JAMES M. ANDERSON (1964-2001)
EUGENE B. LUCAS (1950-2013)
DAVID A. SOMERVILLE, INACTIVE

INDEPENDENT AUDITORS' REPORT

Board of Directors
Scotia Community Services District
Scotia, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Scotia Community Services District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Minimum Audit Requirements for California Special Districts issued by the State Controller's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Board of Directors
Scotia Community Services District

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Scotia Community Services District as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison, if provided, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

ANDERSON, LUCAS, SOMERVILLE, & BORGES, LLP

October 15, 2020
Fortuna, California

Anderson, Lucas, Somerville, & Borges

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EXHIBIT A

SCOTIA COMMUNITY SERVICES DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 1,387,536	$ 1,354,267	$ 2,741,803
Restricted Cash	-	6,647	6,647
Accounts Receivable	-	136,383	136,383
Loan Costs, Net of Amortization	59,843	-	59,843
Prepaid Insurance	-	6,003	6,003
Deposit	55	-	55
Total Current Assets	1,447,434	1,503,300	2,950,734
Capital Assets, Net of Accumulated Depreciation			
Water Services	-	4,084,683	4,084,683
Sewer Services	-	2,205,357	2,205,357
Governmental Services	8,534,304	-	8,534,304
Total Capital Assets, Net of Accumulated Depreciation	8,534,304	6,290,040	14,824,344
Total Assets	**9,981,738**	**7,793,340**	**17,775,078**
LIABILITIES			
Current Liabilities			
Accounts Payable	1,148	35,392	36,540
Payroll Liabilities	-	470	470
Credit Card Payable	22,175	-	22,175
Loan Interest Payable	8,530	-	8,530
Customer Deposits	-	4,989	4,989
Current Portion of Long Term Debt	55,000	-	55,000
Total Current Liabilities	86,853	40,851	127,704
Loan Payable, less Current Portion	1,090,000	-	1,090,000
Total Long-Term Liabilities	1,090,000	-	1,090,000
Total Liabilities	**1,176,853**	**40,851**	**1,217,704**
NET POSITION			
Net Investment in Capital Assets	8,534,304	6,290,040	14,824,344
Restricted	-	-	-
Unrestricted	270,581	1,462,449	1,733,030
Total Net Position	**$ 8,804,885**	**$ 7,752,489**	**$ 16,557,374**

The accompanying notes are an integral part of these financial statements

EXHIBIT B

SCOTIA COMMUNITY SERVICES DISTRICT
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total District: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Total District: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total District: Total
Primary Government							
Governmental Activities:							
Streets and Lighting	$ 22,779	$ 63,301	-	-	40,522	-	40,522
Storm Drainage	15,163	26,094	-	-	10,931	-	10,931
Parks and Recreation	98,983	159,304	-	-	60,321	-	60,321
General and Administrative	-	1,190	-	-	1,190	-	1,190
Total Governmental Activities	136,925	249,889	-	-	112,964	-	112,964
Business-type Activities:							
Water Services	559,594	510,814	-	-	-	(48,780)	(48,780)
Sewer Services	499,750	734,683	14,983	-	-	249,916	249,916
Total Business-Type Activities	1,059,344	1,245,497	14,983	-	-	201,136	201,136
Total District Activities	$ 1,196,269	1,495,386	$ 14,983	$ -	112,964	201,136	314,100
General Revenues:							
Interest Income					2,872	-	2,872
Interest Expense					(27,636)	-	(27,636)
Insurance Proceeds					-	189,504	189,504
Operating Transfers					7,302	(7,302)	-
Total General Revenues and Transfers					(17,462)	182,202	164,740
Change in Net Position					95,502	383,338	478,840
Net Position - Beginning of Year					8,709,383	7,369,151	16,078,534
					-	-	-
Net Position - End of Year					$ 8,804,885	$ 7,752,489	$ 16,557,374

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

EXHIBIT C

SCOTIA COMMUNITY SERVICES DISTRICT
Balance Sheet of Governmental Funds
June 30, 2020

ASSETS	
Cash and Cash Equivalents	$ 1,387,536
Restricted Cash	-
Accounts Receivable, Net of Allowance	-
Deposits	55
Total Assets	**1,387,591**
LIABILITIES	
Accounts Payable	1,148
Credit Card Payable	22,175
Loan Interest Payable	8,530
Total Liabilities	31,853
FUND BALANCE	
Restricted	-
Unassigned	1,355,738
Total Fund Balance	1,355,738
Total Liabilities and Fund Balance	**$ 1,387,591**

The accompanying notes are an integral part of these financial statements

Exhibit D

SCOTIA COMMUNITY SERVICES DISTRICT

Statement of Revenues, Expenditures, And Changes in Fund Balances in Governmental Funds

For the Year Ended June 30, 2020

OPERATING REVENUES	
Streets and Lighting	$ 63,301
Storm Drainage	26,094
Parks and Recreation	159,304
Contributions and Donations	-
Other Income	1,190
Total Operating Revenues	249,889
OPERATING EXPENDITURES	
Current Expenditures:	
Services and Supplies	113,327
Capital Expenditures:	
Vehicle	5,431
Park improvements	24,366
Security Camera System	3,433
Line Locator	1,853
Total Operating Expenditures	148,410
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	101,479
NONOPERATING REVENUES (EXPENDITURES)	
Principal Payments on Debt	(26,000)
Note Payable Paid	(172,293)
Loan Costs	(60,793)
Interest Income	2,872
Interest Expense	(27,636)
Total Nonoperating Revenues (Expenditures)	(283,850)
OTHER FINANCING SOURCES (USES)	
Proceeds from Long-Term Debt	1,171,000
Transfers In (Out)	7,302
NET CHANGE IN FUND BALANCE	995,931
FUND BALANCE - Beginning of Year	359,807
FUND BALANCE - End of Year	**$ 1,355,738**

The accompanying notes are an integral part of these financial statements

SCOTIA COMMUNITY SERVICES DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2020

Reconciliation:

Total Fund Balances of Governmental Funds (Exhibit C)	$ 1,355,738
Amounts reported for governmental activities in the statement of net position are different because: Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds balance sheet. However, the statement of net position includes those capital assets. In the current period, these amounts were as follows:	
Capital Assets	8,591,627
Accumulated Depreciation	(57,323)
Loan Costs	59,843
Long-term liabilities applicable to the District are not due and payable in the current period and, accordingly, are not reported as governmental fund laiabilites. All liabilities, both current and long-term, are reported in the statement of net position as follows:	
Long-term Debt	(1,145,000)
Net Position - Governmental Activities (Exhibit A)	**$ 8,804,885**

The accompanying notes are an integral part of these financial statements

SCOTIA COMMUNITY SERVICES DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

Reconciliation:

Net Change in Fund Balance - Total Governmental Funds (Exhibit D)	$	995,931
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense as follows:		
Capital Outlay Expense		35,083
Depreciation Expense		(22,648)
Amortization of Loan Costs		(950)
The repayment of principal of long-term debt consumes current financial resources, and therefore, is reported as debt service principal payments in the governmental funds. However, these payments have no impact on net position, and therefore, are not reported in the statement of activities as follows:		
Loan Proceeds		(1,171,000)
Loan Costs		60,793
Note Payable Paid		172,293
Debt Service Principal		26,000
Change in Net Position - Governmental Activities (Exhibit B)	**$**	**95,502**

The accompanying notes are an integral part of these financial statements

Exhibit G

SCOTIA COMMUNITY SERVICES DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2020

	Water Activities	Sewer Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 144,227	$ 1,210,040	$ 1,354,267
Restricted Cash	3,323	3,324	6,647
Accounts Receivable	54,803	81,580	136,383
Prepaid Insurance	3,001	3,002	6,003
Total Current Assets	205,354	1,297,946	1,503,300
Total Capital Assets, Net of Accumulated Depreciation	4,084,683	2,205,357	6,290,040
Total Assets	4,290,037	3,503,303	7,793,340
LIABILITIES			
Current Liabilities			
Accounts Payable	23,055	12,337	35,392
Customer Deposits	2,494	2,495	4,989
PARS Payable	235	235	470
Total Current Liabilities	25,784	15,067	40,851
Total Liabilities	25,784	15,067	40,851
NET POSITION			
Net Investment in Capital Assets	4,084,683	2,205,357	6,290,040
Unrestricted	179,570	1,282,879	1,462,449
Total Net Position	**$ 4,264,253**	**$ 3,488,236**	**$ 7,752,489**

The accompanying notes are an integral part of these financial statements

Exhibit H

SCOTIA COMMUNITY SERVICES DISTRICT
Statement Of Revenues, Expenses, And Changes In Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Water	Sewer	Total
OPERATING REVENUES			
Treated Water Sales	$ 459,560	$ -	$ 459,560
Raw Water Sales	44,101	-	44,101
Sewer Charges	-	734,683	734,683
Service Connections and Other	-	-	-
Other Operating Revenue	-	7,153	7,153
Total Operating Revenues	503,661	741,836	1,245,497
OPERATING EXPENSES			
Personnel Expenses	57,156	100,526	157,682
Lab Testing and Monitoring	1,174	43,065	44,239
Professional Fees	6,530	70,708	77,238
Other Contract Services	2,715	8,445	11,160
Fees and Permits	2,871	7,571	10,442
Insurance	20,563	24,093	44,656
Office Supplies	138	81	219
Operating Supplies	1,160	2,162	3,322
Chemical Supplies	24,692	7,864	32,556
Electrical	195,278	39,250	234,528
Repairs and Maintenance	4,574	22,452	27,026
Log Pond Maintenance	-	7,893	7,893
Travel, Training and Meetings	1,846	-	1,846
Vehicle Expenses	4,746	5,248	9,994
Utilities and Communications	5,885	5,066	10,951
Administrative Costs Allocation	111,763	97,792	209,555
Depreciation	118,503	57,534	176,037
Total Operating Expenses	559,594	499,750	1,059,344
Operating Income	(55,933)	242,086	186,153
NON-OPERATING REVENUES (EXPENSES)			
Grant Revenue	-	14,983	14,983
Insurance Proceeds	-	189,504	189,504
Operating Transfer In (Out)	(3,894)	(3,408)	(7,302)
Contributed Capital Assets	-		-
Total Non-Operating Revenues (Expenses)	(3,894)	201,079	197,185
Net Income	(59,827)	443,165	383,338
NET POSITION			
Beginning of Year	4,324,080	3,045,071	7,369,151
End of Year	**4,264,253**	**3,488,236**	**7,752,489**

The accompanying notes are an integral part of these financial statements

Exhibit I

SCOTIA COMMUNITY SERVICES DISTRICT
Statement Of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Users	$ 503,985	$ 742,451	$ 1,246,436
Cash Paid for Goods and Services	(379,865)	(339,377)	(719,242)
Cash Paid for Contract Employees	(57,205)	(101,223)	(158,428)
Net Cash Provided by Operating Activities	66,915	301,851	368,766
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Grant Revenue	-	14,983	14,983
Insurance Claim Proceeds	-	189,504	189,504
Transfers to Other Funds	(3,894)	(3,408)	(7,302)
Net Cash Provided (Used) by Non-Capital Financing Activities	(3,894)	201,079	197,185
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(32,818)	(25,597)	(58,415)
Proceeds from Sale of Capital Assets	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(32,818)	(25,597)	(58,415)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	-	-	-
Net Cash Provided by Investing Activities	-	-	-
Net Increase in Cash and Cash Equivalents	30,203	477,333	507,536
Cash and Cash Equivalents - Beginning of Year	117,347	736,031	853,378
Cash and Cash Equivalents - End of Year	**$ 147,550**	**$ 1,213,364**	**$ 1,360,914**

The accompanying notes are an integral part of these financial statements

Exhibit I

SCOTIA COMMUNITY SERVICES DISTRICT
Statement Of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Water	Sewer	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES			
Operating Income	$ (55,933)	$ 242,086	$ 186,153
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities:			
Depreciation	118,503	57,534	176,037
(Increase) Decrease in:			
Accounts Receivable	3,325	615	3,940
Prepaid Expenses	(3,001)	(3,002)	(6,003)
Increase (Decrease) in:			
Accounts Payable	4,718	5,316	10,034
Accrued Liabilities	(49)	(50)	(99)
Customer Deposits	(648)	(648)	(1,296)
Total Adjustments	122,848	59,765	182,613
Net Cash Provided by Operating Activities	**$ 66,915**	**$ 301,851**	**$ 368,766**

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Scotia Community Services District was formed in 2014 under Government Code 61000 to provide water, wastewater, parks and recreation, limited streets and street lighting, and storm drainage services to the community of Scotia.

The District is governed by a board of five directors elected at large from the area within the District's boundaries.

In May 2017, the Board approved the Asset Transfer and Transition Agreement with the Town of Scotia. Real property assets were transferred from the Town of Scotia to the District at no cost. These included the following:

- Water treatment facilities and river intake and distribution system infrastructure
- Wastewater treatment facilities and collection system and discharge infrastructure
- Parks and recreation facilities (Museum, Winema Theatre, Fireman's Park, carpenter shop, and Scotia Soccer Field and Community Forest.
- Streets and street lighting
- Storm drainage infrastructure

In addition to the real property, Town of Scotia also contributed $155,000 for a contingency fund and purchase of office equipment. Town of Scotia also pre-paid water and sewer utilities in advance to facilitate the transfer.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the District has the options to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity

There are no significant activities or organizations over which the District has financial accountability which would require inclusion in the financial statements. Other entities operate within the District's boundaries. The following criteria were used to include or exclude other entities:

1. Simple Accountability:

The District's ability to appoint a voting majority of the other entities' governing board and, either:

a. The District's ability to impose its will on the other entity, or

b. The existence of a financial benefit or burden consideration between the other entity and the District

2. Fiscal dependency of the other entity upon the District.

C. Financial Statement Measurement Focus, Basis of Accounting and Presentation

The District is a multi-function special purpose government that uses separate funds to account for the transactions related to each if its distinct functions. Separate financial statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements. The District has no non-major funds.

The District uses a governmental fund to account for the activities of its various parks and recreation properties, streets and street lighting, and storm drainage infrastructure, while it uses proprietary funds to account for its water and sewer activities.

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual method of accounting. Under this method of accounting, revenues are recognized when earned and measurable and expenses are recognized when the related liabilities are incurred. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. In general, the District considers most revenue items measurable and available only when cash is received. Typically, the revenues subject to accrual are charges for services, interest income, and intergovernmental revenues. Expenditures are recorded when the related liability is incurred.

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Cash Equivalents

Cash and cash equivalents for purposes of the statement of cash flows includes amounts in demand deposits as well as short-term investments with an original maturity date of three months or less.

E. Capital Assets

Capital assets, which include property, plant, equipment, vehicles and infrastructure assets, are reported in the applicable governmental or business-type activities column in the district-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are recorded at cost or estimated historical cost if actual historical cost is not available. Donated assets are recorded at their fair market value on the date donated. The District has an informal capitalization threshold of $500. Improvements are capitalized, while the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset's life are recorded as expenses in the period incurred. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Water System	40 Years
Sewer System	40 Years
Other Equipment	5 to 10 Years
Vehicles	5 Years
Buildings and Improvements	40 Years

F. Charges for Services

Charges for services result from the District providing water and sewer services to District residents.

G. Net Position

The government-wide financial statements utilize a net position presentation. Net position categories are as follows:

- **Net Investment in Capital Assets** -Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, and reduced by debt balances outstanding or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- **Restricted** – Restricted consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through Enabling legislation.

- **Unrestricted** – Unrestricted consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fund Balance

The financial statements, governmental funds report fund balance as non-spendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

- **Non-spendable fund balance** -amounts that cannot be spent because they are either (a) not Spendable in form or (b) legally or contractually required to be maintained intact.

- **Restricted fund balance** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation.

- **Committed fund balance** -amounts that can only be used for specific purposes determined By formal action of the District's highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

- **Assigned fund balance** – amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.

- **Unassigned fund balance** – the residual classification for the District's general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board of Directors established, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

I. Inventory

The District does not maintain a supplies inventory. Supplies are purchased as needed and expensed when purchased.

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Policy for Defining Operating and Non-operating Revenues

Operating revenues consist of customer fees for water and sewer services and operating expenses consist of expenses related to providing such services. Non-operating revenues consist of other revenues and expenses such as interest, grants, and government support.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. Inter-fund Activity

Authorized transfers between funds are treated as interfund transfers and included in the results of operations of both governmental and proprietary funds. Cash collected or payments made by one fund on behalf of another fund are treated as short-term interfund loans that affect only the statement of net assets of the funds involved. Interfund loan balances are reported in fund financial statements. Interfund loan balances between similar fund types are eliminated in the district-wide Statement of Net Position while interfund loan balances between governmental and business-type funds are reported in the district-wide Statement of Net Position.

During the fiscal year ended June 30, 2020, the District made inter-fund operating transfers as detailed at Note 8.

NOTE 2 — CASH AND INVESTMENTS

Cash and investments as of June 30, 2020 are classified as follows:

	Governmental Activities	Business-Type Activities	Total
Cash and Investments	$ 1,387,536	1,354,267	$ 2,741,803
Cash - Restricted	-	6,647	6,647
	$ 1,387,536	$ 1,360,914	$ 2,748,450

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 3 — CAPITAL ASSETS

Depreciation expense was charged to various functions at June 30, 2020 as follows:

Governmental Activities:	
Parks and Recreation	$ 22,648
Business-type Activities:	
Water Fund	$ 118,503
Wastewater Fund	57,534
Total Business-type Activities	$ 176,037
Total Depreciation Expense	$ 198,685

The following is a summary of capital assets for the year ended June 30, 2020:

	June 30, 2020				
	Beginning Balance	Additions	Deletions	Contributed Assets	Ending Balance
GOVERNMENTAL					
Capital Assets Not Being Depreciated					
Land	$ 7,818,300	$ -	$ -	$ -	$ 7,818,300
Total Capital Assets, Not Being Depreciated	7,818,300	-	-	-	7,818,300
Other Capital Assets					
Office Building	220,000	-	-	-	220,000
Office Building Improvements	20,365	-	-	-	20,365
Office Equipment	7,825	-	-	-	7,825
Museum	95,020	-	-	-	95,020
Museum Improvements	3,140	-	-	-	3,140
Park Gate Automatic	14,151	-	-	-	14,151
Theatre	156,548	-	-	-	156,548
Carpenter Shop	221,195	-	-	-	221,195
2019 Ford Truck	-	5,431	-	-	5,431
Park Fields Improvements	-	24,366	-	-	24,366
Equipment	-	5,286	-	-	5,286
Total Other Capital Assets	738,244	35,083	-	-	773,327
Less: Accumulated Depreciation	(34,675)	(22,648)	-	-	(57,323)
Capital Assets, Net	**$ 8,521,869**	**$ 12,435**	**$ -**	**$ -**	**$ 8,534,304**

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 3 — CAPITAL ASSETS (Continued)

	June 30, 2020				
	Beginning Balance	Additions	Deletions	Contributed Assets	Ending Balance
WATER					
Water Facility	$ 504,000.00	$ -	$ -	$ -	$ 504,000
Distribution Lines	1,400,000	-	-	-	1,400,000
Office Equipment	716	-	-	-	716
Raw Water Tank	916,200	-	-	-	916,200
Treated Water Tank	573,000	-	-	-	573,000
Fire Water Tanks	229,050	-	-	-	229,050
River Intake Pumps	30,400	-	-	-	30,400
River Intake Structure	625,000	-	-	-	625,000
River Pump House	100,000	-	-	-	100,000
2019 Ford Truck	-	16,292	-	-	16,292
Equipment	-	6,526	-	-	6,526
CIP (Corridor Phase)	-	10,000	-	-	10,000
Total Other Capital Assets	4,378,366	32,818	-	-	4,411,184
Less: Accumulated Depreciation	(207,999)	(118,503)	-		(326,502)
Capital Assets, Net	**$ 4,170,367**	**$ (85,685)**	**$ -**	**$ -**	**$ 4,084,682**

	June 30, 2020				
	Beginning Balance	Additions	Deletions	Contributed Assets	Ending Balance
SEWER					
Capital Assets Not Being Depreciated					
Land (Log Pond)	$ 419,197	$ -	$ -	$ -	$ 419,197
Total Capital Assets, Not Being Depreciated	419,197	-	-	-	419,197
Other Capital Assets					
Waste Disposal Facilities	240,700	-	-	-	240,700
Fencing	15,342	-	-	-	15,342
Generator and Propane Tank	30,088	-	-	-	30,088
Vehicles	15,476	-	-	-	15,476
Collection System.	109,720	-	-	-	109,720
Wastewater Distribution Lines	84,960	-	-	-	84,960
Collection Lines	1,400,000	-	-	-	1,400,000
Office Equipment	1,500	-	-	-	1,500
2019 Ford Truck	-	14,482	-	-	14,482
Equipment	-	11,116	-	-	11,116
Total Other Capital Assets	1,897,786	25,598	-	-	1,923,384
Less: Accumulated Depreciation	(79,690)	(57,534)	-	-	(137,224)
Capital Assets, Net	**$ 2,237,293**	**$ (31,936)**	**$ -**	**$ -**	**$ 2,205,357**

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 4 — LONG TERM DEBT

The District received a loan through Umpqua Bank for $1,171,000 at 2.98% interest with payments beginning 4/1/2020 for future ADA improvements to public buildings in Scotia. The maturity date is October 2036. Payments are due April 1 and October 1 each year. The District paid off the installment note with Town of Scotia early with these funds.

The Town of Scotia provided an installment interest note in 2018 for $175,000 at 6% interest over 3-year period with a balloon payment due April 2021 for $169,196 for the purchase of the office building. Monthly payments total $1,049. This loan was paid off during the year.

The following are principal and interest requirements for the next five years until the maturity date:

Years Ending June 30	Principal	Interest	Total
2021	55,000	33,719	88,719
2022	56,000	32,065	88,065
2023	58,000	30,381	88,381
2024	60,000	28,638	88,638
2025	62,000	26,835	88,835
2026-2030	335,000	105,417	440,417
2031-2036	519,000	55,905	574,905
Total	$ 1,145,000	$ 312,960	$ 1,457,960

NOTE 5 – PENSION PLAN AND EMPLOYEE BENEFIT TRUST

The District adopted The Scotia Community Services District Public Agency Retirement Services (PARS) Defined Contribution Plan (the Plan) effective September 1, 2018 for the benefit of its eligible employees to provide retirement benefits to the employees. The Plan and Trust were established to hold assets of the Plan which qualifies under Section 401(a) as a governmental profit-sharing plan.

It is the intention of the employer to make contributions to the Plan equal to 7% of compensation. Such contributions will be made before the close of the Plan Year and be allocated to each participant in the ratio that each participant's compensation bears to the compensation of all participants. The employee will make mandatory contributions equal to 6% of compensation.

The employees are fully vested in their employee contribution account. Vesting in the employer contribution account occurs within 5 years of service with the employer. Should an employee terminate before being fully vested, they shall forfeit that portion of their account in which they are not vested.

Total retirement plan contribution expense for 2020 was $3,600.

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 6 — PARTICIPATION IN INSURANCE AUTHORITIES

The District is a member of the Special District Risk Management Authority (SDRMA). SDRMA is a not-for-profit public agency formed under California Government Code and provides a full-service risk management program for California's local governments. SDRMA provides comprehensive property, liability, and workers compensation protection. Each member organization pays a premium based on the level of coverage requested. Rates and/or premiums are reviewed and established annually by SDRMA's Board of Directors. Member organizations share surpluses and deficits proportionately to their participation in the SDRMA. Each entity has an equal voice in the selection of SDRMA's Board of Directors.

A summary of coverage under this arrangement for the fiscal year ended June 30, 2020 is as follows:

General liability and auto bodily injury and property damage coverage	$2.5 million per occurrence/accident
Public Officials personal	$500,000 per occurrence
Errors & Omissions	$2.5 million per occurrence
Employee/Public Officials Dishonesty	$1 million per occurrence
Property Pollution	$2 million per occurrence
Public Officials Personal liability coverage	$500,000 per occurrence
Employment Practices Aliability	$2.5 million per occurrence
Employment Benefits	$2.5 million per occurrence
Property Loss	$1 billion per occurrence
Boiler & Machinery	$100 million per occurrence

SCOTIA COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 7 — SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 15, 2020, the date the financial statements were available to be issued.

The Town of Scotia, LLC is improving the infrastructure throughout the town in multiple phases. In August 2018, Phase 2 was completed and additional distribution and collection lines for water and sewer with an estimated fair market value of $1,600,000 were transferred to the District. Phase III will be completed in 2021.

In September 2019, the District was provided a USDA Grant for $29,800 to prepare a Preliminary Engineering Report for the drinking water system.

The District may be affected by the recent and ongoing outbreak of the Covid-19 disease which was declared a pandemic by the World Health Organization in March 2020. The extent to which the virus impacts the District's operations will depend on future developments, which are highly uncertain, including the duration and severity of the outbreak. While management expects this matter to negatively impact its results of operations, cash flows and financial position, the related impact cannot be reasonably estimated at this time.

NOTE 8 — OPERATING TRANSFERS

During the year ended June 30, 2020, the District made operating transfers to cover the allocable costs of the building acquired for use as the District's Administrative office. The allocations were based on estimates generated by project engineers in the District's original budgeting process. A summary of the items and amounts are as follows:

Capital Outlay - Building Improvements	$ -
Debt Service Payments - Interest	5,590
Debt Service Payments - Principal	4,146
Total Allocable Expenditures	$ 9,736
Allocated to Water Fund - 40%	$ 3,894
Allocated to Sewer Fund - 35%	$ 3,408
Total Interfund Transfers	**$ 7,302**

Exhibit K

SCOTIA COMMUNITY SERVICE DISTRICT
Budgetary Comparison Schedule
Budget and Actual - Governmental Funds
For the Year Ended June 30, 2020

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Rental Income	$ 6,000	$ 6,000	$ 8,189	$ 2,189
Contributions	-	-	-	-
Benefit Assessments	240,000	240,000	240,510	510
Interest Income	500	500	2,872	2,372
Late fees	-	-	1,190	1,190
Miscellaneous	200	200	-	(200)
		-		
Total Revenues	246,700	246,700	252,761	6,061
EXPENDITURES				
Current Expenditures:				
General and Administrative				
Legal	2,520	2,520	21,058	18,538
Auditor	2,640	2,640	16,125	13,485
Board Stipend	720	720	5,700	4,980
Bookkeeping	720	720	2,108	1,388
IT Services	240	240	-	(240)
Engineering	6,400	6,400	24,673	18,273
Personnel Staff & Benefits	86,900	86,900	182,227	95,327
Allocated Admin Costs			(209,555)	(209,555)
Materials and Services				
Permits, Licenses, Dues, Publications	3,000	3,000	730	(2,270)
General Supplies, Lab, Monitoring	200	200	404	204
Utilities- Communications	15,000	15,000	11,396	(3,604)
General Maintenance & Repairs	11,400	11,400	10,405	(995)
Liability Insurance	14,000	14,000	14,475	475
Electrical	12,000	12,000	12,546	546
Contracted Maintenance Services	9,500	9,500	7,352	(2,148)
Travel, Training, Meetings	2,500	2,500	2,711	211
Other	1,400	1,400	2,214	814
Office Supplies	8,000	8,000	8,758	758
Total Current Expenditures	177,140	177,140	113,327	(63,813)
Other Expenditures				
Annual Debt Service	240	240	53,636	53,396
Note Payable Principal	-	-	172,293	172,293
Loan Costs	-	-	60,793	60,793
Transfer to Reserve Fund	33,650	33,650	-	(33,650)
Transfer to Equipment Replacement	7,500	7,500	-	(7,500)
Total Other Expenditures	41,390	41,390	286,722	245,332
Non-Current Expenditures:	-	-	-	-
Proceeds from Long-Term Debt	-	-	(1,171,000)	(1,171,000)
Capital Outlay	217,900	217,900	35,083	(182,817)
Total Expenditures	436,430	436,430	(735,868)	1,172,298
Excess (Deficiency) of Revenues Over Expenditures	(189,730)	(189,730)	988,629	(1,178,359)
Operating Transfers	-	-	7,302	(7,302)
Excess (Deficiency) of Revenue and Other Transfers Over (Under) Expenditures		$ (189,730)	995,931	(1,185,661)
FUND BALANCE - Beginning			359,807	
FUND BALANCE - Ending			$ 1,355,738	

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Board of Directors and Senior Management
Scotia Community Services District

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Scotia Community Services District as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered Scotia Community Services District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we considered to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We noted other matters involving the internal control and its operation that we have reported to management of Scotia Community Services District in a separate letter dated October 15, 2020.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, including the Special District Risk Management Authority (SDRMA) and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Lucas, Somerville & Borges

October 15, 2020
Fortuna, California

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October 15, 2020

Board of Directors and Senior Management
Scotia Community Services District

Professional standards require that we communicate certain other internal control and compliance matters to you, which includes immaterial noncompliance, control deficiencies that are not considered significant deficiencies or material weaknesses, or other matters involving internal control, unless inconsequential. This letter is intended to satisfy this requirement.

Current Year Comments and Recommendations

None

Prior Year Comments and Recommendations

REQUIRED SUPPLEMENTAL INFORMATION

Comment

Governmental Accounting Standard Board (GASB) No. 34 and 41 made changes in the form and content of financial statements for governmental entities. In addition to the changes in financial statement form, they also required inclusion of what is known as Management's Discussion and Analysis and budgetary comparison schedules in each annual set of audited financial statements. It is intended to provide an "objective and easily readable analysis of the government's financial activities based on currently known facts, decisions or conditions." The District has not included such information in their annual report, resulting in a qualification statement as part of the annual auditor's report.

The budgetary comparison schedules should be presented in the RSI for the general fund and for each major special revenue fund that has a legally adopted annual budget. The schedule should provide at least three separate types of information: The original budget, the final budget and the actual inflows, outflows, and balances on the same basis as the legally adopted budget. Currently, the budget includes all proprietary revenue and expenses.

Recommendation
We recommend the District maintain separate budgets for the proprietary accounts and the general fund. This will make it easier to compile a comparison schedule for the general fund. We recommend that the District consider providing the required Management's Discussion and Analysis (MD&A) and budgetary comparison to actual schedule as a component of their annual financial statements. If desired, we can provide the District with literature and examples to generate and produce such information. If provided, this information would enhance the overall financial information that the District makes available to the local customers and users of the District services and efforts.

Status
The District has provided budgets for the general fund and has included this information under supplementary information in the current year.

CAPITAL ASSETS AND DEPRECIATION

Observation
Capital assets were acquired during the past year. However, no annual depreciation was recorded.

Recommendation
Going forward, the District should begin to track all assets acquired each year, whether through direct purchase, contributions, or through alternative means, such as grants or loan financing. Ultimately, the goal would be for the District to maintain their capital asset listing for each year, as well as calculating and recording the annual depreciation expense.

Status
The slow transition of contributed government assets will take a few years and several phases before it is complete. For the current year, our firm has provided the depreciation schedule to assist the District with tracking their fixed assets.

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The above comments and observations are meant to be constructive suggestions for improvements in the operating and accounting system of the Scotia Community Services District. We would be pleased to discuss any of the items mentioned above with you at greater length, should you so desire.

We also want to thank management, and the accounting and administrative staff for all of their help and assistance during the course of the audit.

Anderson, Lucas, Somerville & Borges

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October 15, 2020

To the Board of Directors
Scotia Community Services District
P.O. Box 104
Scotia, CA 95565

District Board Members and Members of Management:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Scotia Community Services District for the year ended June 30, 2020. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated August 12, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our audit engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements do not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audits

We performed the audits according to the planned scope and timing previously communicated to you in our engagement letter.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Note 1, the District changed accounting policies related to various fund nomenclature by adopting Statement of Governmental Accounting Standards (GASB Statements) No 54 - *Fund Balance Reporting and Government Fund Type Definitions* and No 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on managements' knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were Accumulated Depreciation and Depreciation Expense.

Managements' estimate of the accumulated depreciation and related expense for the current year was based on management's estimate of the life expectancy of the fixed assets. We reviewed the capital asset listing, selected a sample and recalculated the accumulated and current year depreciation expense. We were satisfied that the calculations used were reasonable.

The disclosures in the financial statements are neutral, consistent, and clear. We noted no disclosures that were considered sensitive because of their significance to the financial statement users.

Difficulties Encountered in Performing the Audits

We encountered no difficulties in dealing with management in performing and completing our audits.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

Board of Directors
Scotia Community Services District

Corrected and Uncorrected Differences

Professional standards require us to accumulate all known and likely differences identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected differences in the financial statements, if any. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following material differences detected as a result of audit procedures were corrected by management:

1. Record depreciation expense	$	198,685
2. Record loan interest payable	$	8,530

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 15, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District, financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the Scotia Community Services District and is not intended to be and should not be used by anyone other than these specified parties.

ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP
Anderson, Lucas, Somerville, & Borges