

Squire Canyon Community Services  
District

**District Code**

Adopted January 5, 2010

**CHAPTER 1 - GENERAL PROVISIONS AND DEFINITIONS**

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**1.000 - Introduction**

Squire Canyon Community Services District was formed in 1984 under enabling California Government Code 61000 et seq. While a CSD may provide a number of municipal functions, the only function provided by SCCSD at this time is roads pursuant to Government Code Section 61100 (L). The mission of the District is to improve and maintain existing roads and appurtenances including drainage, etc. funded by annual parcel based special taxes including both Squire Canyon and Indian Knob Roads based on an easement 15 feet from centerline. Any additional functions must be approved by both the Local Agency Formation Commission and registered voters within the District service area. The District is governed by an elected Board of Directors who, subject to scheduling conflicts, convene regular public meetings at 7:30 pm on a quarterly basis on the second Tuesday in the months of January, April, July & October at the Avila Beach Community Center, 191 San Miguel Street in Avila Beach, CA. The District Manager/Engineer may be contacted at (805) 544-4011 or 612 Clarion Ct., San Luis Obispo, CA 93401.

**1.100 – Purpose**

The purpose is to create and codify a Code of Resolutions and Ordinances pursuant to Section 61040 (a) and 61045 (g) and Community Services District Law (Section 61000 et seq. of the California Government Code).

**1.200 - Enactment, Authority and Applicability**

- A. The resolutions and ordinances contained in the following chapters and sections shall constitute and be identified as "The Squire Canyon Community Services District Code " and may be cited within the following chapters and sections as "this Code", "the Code" and the "District Code".

- B. The provisions of this Code are adopted pursuant to the authority vested in the Squire Canyon Community Services District by the State of California, including but not limited to Sections 61000 et seq. of the Government Code. The general power of the District under this Section as adopted by the Board of Directors is limited to the following:  
(1) Acquire, construct, improve, and maintain streets, roads, rights-of-way, bridges, culverts, drains, curbs, gutters, sidewalks, and any incidental works. The District shall not acquire, construct improve, or maintain any work owned by another public agency unless that other public agency gives its written consent, pursuant to the aforementioned Government Code and any changes thereto.
- C. The Board of Directors may adopt further powers as defined under Section 61100 et seq. of the Government Code if it determines by resolution that it is feasible, economically sound, and in the public interest for the District to exercise such powers and complies with all Government Code procedures to exercise such powers including LAFCO approval pursuant to Government Code Section 61106.
- D. The provisions of this Code are applicable to all areas and facilities under the ownership and/or jurisdiction of the Squire Canyon Community Services District, as such jurisdiction is defined by California state law.

### **1.210 - Service Area**

The District's service area comprises the area within the boundaries of the District upon formation and approved by the San Luis Obispo County Local Area Formation Commission in 1984.

### **1.300 – Definitions**

This section defines the terms and phrases used in this Code that are technical or specialized, or that, for the purposes of this Code, may not reflect common usage. Individual Code chapters have their own specific list of definitions. Where any of the following definitions conflict with definitions used in any of the technical codes that may be adopted by the District, the definitions in this section shall prevail.

Applicant. The person or agent of the property of record making shall be the owner of premises for which an application is requested or his authorized agent requesting service from the District for which there is a fee or charge.

Board, or Board of Directors. The Board of Directors of the Squire Canyon Community Services District.

CEQA. The California Environmental Quality Act, Sections 21000 et seq. of the California Public Resources Code.

Change of ownership. A transfer of a present interest in the property, and a transfer of the right to beneficial use thereof, the value of which is substantially equal to the value of the fee interest, regardless of whether such transfer is voluntary, involuntary, or by operation of law, court order, grant, gift, devise, inheritance, trust, contract of sale, addition or deletion of an owner, property settlement, or any other means.

Community Services District Law. The provisions of Division 3 of Title 6 (commencing with Section 61000) of the Government Code, as the same may be amended or reenacted.

Conceptual Approval. A letter issued by SCCSD approving conceptual design of new roads. Such Conceptual Approval may contain conditions.

Contractor. An individual, firm, corporation, partnership or association duly licensed by the state to perform the type of work to be done under the permit.

County. The County of San Luis Obispo, California.

County Recorder's Office. The County of San Luis Obispo Recorder's Office.

District. The Squire Canyon Community Services District, formed under and by virtue of the laws of the State of California for the purpose of road maintenance as set forth under California Government Code Section 61000 et seq. The General Manager or his/her designee is the sole agent of District for purposes of the administration and implementation of the District Code.

District engineer. The engineer employed by the District and shall be a registered civil engineer in the state. The District Engineer may be the General Manager.

District inspector. The plan check engineer or designee acting under the direction of the District engineer.

Easement. That portion of private or public property designed for vehicular purposes and common utilities as set forth on recorded subdivision maps or other recorded and unrecorded documents. Easements include but are not restricted to recorded or unrecorded offers of dedication accepted or not accepted by SCCSD. Easements also include right-of-ways.

Employee. A person who is employed by the District under an employee agreement; or on a salary, daily wage or hourly pay. A District Employee may be an independent contractor.

Facility. Any road or appurtenance thereto within and under the jurisdiction of SCCSD.

SCCSD. Squire Canyon Community Services District.

General Manager. The General Manager appointed by the Board of Directors of the Squire Canyon Community Services District.

Government Code. California Government Code as the same may be amended or reenacted.

Health agency. The California Department of Health Services, or the San Luis Obispo County local health agency.

Lot: Any unit of land which qualifies as a parcel or lot under the Subdivision Map Act, and shall include all units of land: (1) which are contiguous to any other parcel (or are separated only by a road or easement), and (2) for which there is unity of ownership, and (3) which have an identical present use. The term "parcel" shall be given the same meaning as the term "site".

New addition. Additional space attached to an already existing structure.

New construction. Any construction of a previously non-existent structure or additions, modifications, or structural improvements which add square footage to floor space of existing structures requiring a discretionary or ministerial permit from the County Building Department.

Occupant: Any person actually occupying any premises, whether as owner or tenant, under contract or otherwise.

Owner. Any part owner, joint owner, tenant in common, joint tenant, tenant by the entirety, of the whole or a part of such building or land.

Person. Any and all persons, firms, joint ventures, partnerships, associations and corporations.

Premises. Any and all areas on a user's property, which are served or have the potential to be served by roads owned and/or maintained by the District.

Property. Real and personal property.

Rates and fees. The effective rates, fees, taxes, assessments, and charges, as adopted by the District.

Right-of Way. Those portions of properties designed to facilitate public access of all types and for common utilities as set forth on recorded subdivision maps including but not restricted to both recorded and unrecorded offers of dedication accepted or not accepted by SCCSD.

Road. Any easement or right-of-way and appurtenance thereto for public use and/or common utilities as set forth on a recorded subdivision map and within the service area of SCCSD.

State. The State of California.

Technical Codes. The Uniform Building Code, Uniform Sign Code, or any other document containing standards and/or specifications for construction adopted by reference as part of this title.

Tenant. A person who occupies the whole or a part of such building or land, and is not the owner.

User. The current owner of the premises receiving District services.

### **1.310 - Rules of Construction and Interpretation**

The General Manager shall have the responsibility and authority to interpret the provisions of this Code and advise the public about its requirements. The terms and phrases used in this Code shall be construed and interpreted as follows:

- A. Construction. When used in this Code, the word "shall," is always mandatory and "may" is discretionary. The present tense includes the past and future tenses; and the future tense includes the present. The singular number includes the plural number, and the plural the singular, unless the natural construction of the word indicates otherwise. The titles of every chapter and section of the Code of Ordinances are a part of each chapter and section and shall be construed as such when questions of meaning or construction arise.
- B. Number of days. Whenever a number of days is specified in this Code, or in any permit, condition of approval or notice issued or given as provided in this Code, such number of days shall be construed as business or working days, except where this Code otherwise uses the term "calendar days."
- C. Minimum requirements. When interpreting and applying the regulations of this Code, all provisions shall be considered to be the minimum requirements, unless stated otherwise.

### **1.400 - Amendments to Code**

The Squire Canyon Community Services District Code may be amended whenever the Board of Directors determines that public necessity, convenience, or welfare require. Any such amendments to this Code shall be initiated and processed in a manner consistent with the

requirements of the Board of Directors, with a public hearing on such amendments conducted by the Board.

### **1.500 - Damage to District Property**

It shall be unlawful and a violation of this Code for any person to willfully or carelessly destroy, damage, disturb, deface, or interfere with any streets, roads, rights-of-ways, bridges, culverts, drains, curbs, gutters, sidewalks, notices, signs, buildings, structures, vehicles, facilities equipment and any incidental works or any other property whatsoever under the ownership or jurisdiction of the District.

### **1.600 – Claims**

All claims for money or damages against the District that are exempt from the Tort Claims Act under Government Code Section 905, and that are not governed by any other statute or regulation expressly relating to such claim, shall be presented to the District within the time limitation and in the manner set forth in Government Code section 910 through 915.2.

- A. When a claim is required to be presented within a period of less than one year after the accrual of the cause of action is not presented within the required time, an application for leave to file a late claim may be made and processed in accordance with Government Code sections 911.4(b), 911.6 to 912.2, and 946.6. A late claim also shall be subject to Government Code section 946.4. (Government Code 935(e)).
- B. Claims shall be subject to the provisions of Government Code section 945.4 relating to the prohibition of lawsuits until the presentation of and action on a claim. No lawsuit for money or damages may be brought against the District on a cause of action for which a claim is required to be presented in accordance with this ordinance until a written claim has been presented to the District and has been acted upon by the District Board, or has been deemed to have been rejected by the District Board, in accordance with the procedures at Government Code sections 910 through 915.2. (Government Code 935(b)).
- C. Any lawsuit brought against the District on a claim subject to this Ordinance shall be subject to the provisions of Government Code sections 945.6 (lawsuit filing limitations) and 946 (lawsuit barred after claim allowed in full or part). Any lawsuit against the District on a claim subject to this ordinance must be commenced within the time limitations of Government Code section 945.6.

### **1.700 - Severability**

If any article, section, subsection, paragraph, subparagraph, sentence, clause, phrase or portion of this chapter is for any reason held to be invalid, unconstitutional or unenforceable, such decisions shall not affect the validity of the remaining portions of this chapter. It is hereby declared that this chapter and each article, section, subsection, paragraph, subparagraph, sentence, clause, phrase and portion thereof would have been adopted irrespective of the fact that one or more of such portions of this chapter be declared invalid, unconstitutional or unenforceable.

## **CHAPTER 2 – BOARD OF DIRECTORS AND ADMINISTRATION**

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## **2.000 - Board of Directors**

The District Board shall consist of five Directors, all of whom shall be registered electors residing within the District and all of whom shall be elected at large.

## **2.010 - Election of Director**

The election of the members of the Board of Directors shall be held on the same day as the statewide general election pursuant to Section 10404 of the Elections Code. Except as otherwise provided by community services district law, District elections are subject to the provisions of the Uniform District Election Law, Part 4 (commencing with Section 10500) of Division 10.

## **2.020 - Term of Office**

The term of office of each member of the Board of Directors is four years or until his or her successor qualifies and takes office. Directors shall take office at noon on the first Friday in December following their election.

## **2.030 - Vacancies**

Any vacancy in the office of a member elected to the Board of Directors shall be filled pursuant to Section 1780 of the Government Code.

## **2.050 – Compensation and Reimbursement of Expenses**

- A. (1) In addition to any compensation received pursuant to this section, Directors shall be allowed any actual and necessary expense incurred in the performance of their duties per standard District reimbursement procedures found in subparagraph B, below.
- B. Each Director is entitled to reimbursement for their actual and necessary expenses, including the cost of programs and seminars, incurred in the performance of the duties required or authorized by the Board.
  - (1) It is the policy of the District to exercise prudence with respect to hotel/motel accommodations. It is also the policy of the District for Directors and staff to stay at the main hotel/motel location of a conference, seminar, or class to gain maximum participation and advantage of interaction with others whenever possible.
  - (2) If lodging is in connection with a conference or organized education activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the member of the Board of Directors at the time of booking. If the group rate is not available, the Director shall use lodging that is comparable with the group rate. Personal phone calls, room service, and other discretionary expenditures are not reimbursable.
  - (3) Members of the Board of Directors shall use government and group rates offered by a provider of transportation for travel when available.
  - (4) Directors using his/her private vehicle on District business, shall be compensated at the prevailing IRS per diem mileage rate.
  - (5) Any Director traveling on District business shall receive in addition to transportation and lodging expenses, a per diem allowance to cover ordinary expenses such as meals, refreshments and tips. The amount set for per diem shall be considered fair reimbursement.



The per diem shall include \$10.00 for breakfast, \$15.00 for lunch, and \$20.00 for dinner, for a daily total of \$55.00.

(6) All travel and other expenses for District business, conferences, or seminars outside of the State of California shall require separate Board authorization, with specific accountability as to how the District shall benefit by such expenditure.

(7) All expenses that do not fall within the reimbursement policy set forth above shall be approved by the Board of Directors, at a public meeting, before the expense is incurred.

(8) Board members shall submit an expense report on the District form within ten (10) calendar days after incurring the expense. The expense report shall be accompanied by receipts documenting each expense except for per diem allowances (53232.3(d)).

(9) Members of the Board of Directors shall provide brief reports on meetings attended at the expense of the District at the next regular meeting of the Board of Directors.

### **2.100 – Board Officers**

The officers of the District shall be a President, a Vice President, a Secretary, a Treasurer, a Manager, and such other officers as may be prescribed by the Board from time to time to perform such duties as may be designated by the Board. The offices of General Manager, Secretary and Treasurer may be consolidated into one position. The President shall be a member of the Board, but neither the Treasurer nor the Manager may be a member of the Board.

### **2.110 – Officer Election and Term of Office**

The President and the Vice President of the Board shall be elected by the members of the Board for a two-year term. The election shall be held at any time during the first regular meeting following the date members of the Board are eligible to assume office following the general District election. The Manager, the Treasurer and the Secretary shall serve at the pleasure of the Board.

### **2.120 - President**

The President:

- A. Shall preside over meetings of the Board of Directors.
- B. May sign deeds, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly designated by the Board to some other officer or agent of the District or shall be required by law to be otherwise signed or executed and;
- C. Shall perform in general all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

### **2.130 - Vice President**

The Vice President shall in the absence of the President, assume the duties and powers of the President. In the absence of the President and the Vice President, at any meeting, a President pro tempore may be selected to assume the duties and powers of the President.

### **2.140 - Secretary**

The Secretary shall:

- A. Cause minutes of the meetings of the Board to be kept in one or more books provided for that purpose; and
- B. See that all notices are duly given as required by law; and

- C. Be custodian of the District records and of the seal of the District and affix the seal of the District to documents, the execution of which is on behalf of the District under its seal is duly authorized; and
- D. Perform in general all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board.

**2.150 –Treasurer**

The Treasurer shall see that all funds and securities of the District are deposited with the District's depository and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board.

**2.160 - Manager**

The Manager attend and participate at Board meetings and shall be responsible for all of the following:

- A. The implementation of policies established by the Board of Directors for the operation of the District;
- B. The appointment, supervision, discipline, and dismissal of the District's employees, consistent with the employee relations system established by the Board of Directors;
- C. The supervision of the District's facilities and services; and
- D. The supervision of the District's finances.

**2.170 - Officer Compensation**

The Manager, Treasurer and Secretary shall each receive the compensation determined by the Board. The Board may employ, fix the compensation of and prescribe the authorities and duties of other officers necessary or convenient for the business of the District.

**2.180- Bonds**

The Manager, Secretary, Treasurer and any other officer or agent of the District charged with the responsibility for the custody of any of its funds or property shall give bond in the sum and with such surety as the Board may determine.

**2.200 - Board of Directors Regular Meetings**

Regular meetings of the Board of Directors will be held at the Avila Beach Community Center, 191 San Miguel Street in Avila Beach, San Luis Obispo County, on a quarterly basis on the second Tuesday in the months of January, April, July, and October at 7:30 p.m., unless canceled by the President of the Board. All regular and special meetings and cancellations of regular meetings shall be properly noticed to the public per existing state law or District policy as may be amended from time to time. (California Government Code Section 54954 et. seq.)

## **2.205 – Agenda**

The District Secretary shall be responsible for preparing and delivering the agenda for Board meetings and seeing that it is posted in a location freely accessible to the public no later than 72 hours before each regular meeting. The agenda shall specify the time and location of the meeting and contain a brief general description of each item of business to be transacted or discussed at the meeting (Government Code section 54954.2.). Any member of the Board may request the District Secretary to place an item for discussion or action on the agenda. In order to allow sufficient time to prepare the agenda and back-up materials, the deadline for adding items to the agenda for a regular meeting shall be at 4:00 p.m., on the last Friday of the month previous to the meeting.

## **2.210 - Authority to Act on Matters not on the Agenda**

The Board shall take no action on any item not appearing on the posted agenda, except under the following conditions: (a) upon a determination by a majority of the Board that an emergency situation exists, which involves matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, including work stoppages or other activity which severely impairs public health, safety, or both, as determined by a majority of the members of the Board, or crippling disaster which severely impairs public health, safety, or both, as determined by a majority of the members of the Board. (b) Upon a determination by a two-thirds vote of the Board, or, if less than two-thirds of the Board members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the District subsequent to the agenda being posted. (c) The item was posted pursuant to 2.205 for a prior meeting of the Board occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken. (Government Code section 54954.2.)

## **2.215 - Availability of Meeting Agendas and Staff Reports**

Agendas and staff reports for Board of Directors' meetings are available to the public for review by request. Agendas may be mailed, emailed or faxed to the public as they are published. Copies of staff reports and agendas are available for a fee pursuant to Section 4.500. To obtain an agenda subscription or a copy of a staff report contact the District Manager at (805) 544-4011.

## **2.220 - Quorum Requirements**

A majority of all of the member of the Board shall constitute a quorum for the transaction of business. (Government Code Section 61045(a).)

## **2.225 - Majority Vote**

Except as otherwise specifically provided by law, a majority vote of the total membership of the Board of Directors is required for the Board of Directors to take action (Government Code Section 61045(c)).

## **2.230 - What Constitutes an Affirmative Vote**

Unless a Board member is not voting because of a conflict of interest, a Board member who is present shall be deemed to have voted in the affirmative on a matter unless the Board member votes against the measure by casting a “no” vote. When calling for the vote on a motion, the President of the Board shall normally ask if there is any opposition, since the remaining members present will be deemed to have voted in the affirmative unless they are not voting due to a conflict of interest.

### **2.235 - Record of Vote**

The minutes of the Board of Directors shall record the aye and no votes taken by the members of the Board of Directors for the passage of all ordinances, resolutions, or motions (Government Code Section 61045(d)).

### **2.240 – Ordinances**

District ordinances shall be adopted following the procedures of Article 7 (commencing with Section 25120) of Chapter 1 of Part 2 of Division 2 of Title 3 of the Government Code.

### **2.245 – Motions**

The three steps for bringing a motion before the Board are: (a) a member makes a motion; (b) another member seconds the motion; and (c) the President restates the motion and asks for any further discussion. While normally only one motion can be considered at a time and a motion must be disposed of before any other question is considered, (a) a motion may be amended before it is voted on, either by the consent of the members who moved and seconded, or, (b) a motion may be tabled before it is voted on by motion made to table, which is then seconded and approved by the Board. Any member of the Board, including the President, may make or second a motion.

### **2.250 - Conflict of Interest**

No member of the Board of Directors may participate in a hearing or take action on an item which creates a conflict of interest for the member. Where there is a conflict of interest, the conflicted member shall announce the conflict of interest and abstain from hearing or deciding the matter by stepping down from the dais. The member may participate in discussion on the item as a member of the public, but such discussion will be subject to the same limitations imposed on all other members of the public. Should the abstention of one or more conflicted members result in the lack of a quorum and the participation of a conflicted member be necessary for resolution of an item, the Board will follow the requirements of the Brown Act, the California Political Reform Act, and the Government Code to determine which conflicted member(s) shall be allowed to participate.

### **2.255 - Consent Agenda**

The District Manager may list on the agenda a "consent agenda", which shall consist of routine matters on which there is generally no opposition or need for discussion. Examples of consent agenda items might include approval of minutes, financial reports, and Manager's report. Any matter may be removed from the consent agenda and placed on the regular agenda at the request of any member of the Board. The entire consent agenda may be approved by a single motion made, seconded and approved by the Board.

### **2.260 - Oral Information Reports**

Any member of the Board may make an oral report for the purpose of informing the Board of any matter of interest to the District. The Board may also call on the District Manager, District staff, District engineer, or District legal counsel for oral informational reports on matters not on the agenda. Unless the Board makes one of the determinations required under Section 2.210, there shall be no discussion or action on matters covered in such oral reports.

### **2.265 - Public Comment**

Every agenda for a regular meeting shall provide an opportunity for members of the public to directly address the Board on items of interest that are within the subject matter jurisdiction of the

Board and which do not appear on the agenda. No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of the Board of Directors or District staff may briefly respond to statements made or questions posed by persons exercising their public comment rights pursuant to Section 2.265. It is the general policy of the Board to refer complaints and concerns from members of the public to the District Manager for investigation and resolution, if appropriate. In order to facilitate the meeting and public participation during the public forum session of the meeting, the Board may limit the total amount of time allocated for public comment on a particular issue (ten minutes shall be standard), and may limit the time allocated for public comment by an individual speaker (three minutes or less shall normally be standard).

### **2.270 - Public Hearings**

The procedure for conducting public hearings during a meeting of the Board shall be as follows: (a) no sooner than the time set for the public hearing, the President of the Board shall declare the public hearing open; (b) the President shall ask the District Manager whether notice of the public hearing has been given in the manner required by law; (c) the District Manager shall present a staff report concerning the subject of the hearing; (d) the President shall ask whether any members of the Board have any questions of the District Manager; (e) the President shall ask the District Manager whether any written comments on the subject matter of the public hearing have been received; (f) the President shall ask whether any members of the public wish to present written or oral comments on the subject of the public hearing; (g) public comment shall be directed to the President of the Board and limited to three minutes unless extended or shortened by the President at his/her discretion.; and, (h) following the close of presentation of comments, the President shall declare the public hearing closed. The Board may continue a public hearing from time to time.

### **2.275 - Special Meetings**

A special meeting may be called at any time by the President or by a majority of the members of the Board, by delivering written notice to each member of the Board and to each newspaper, and radio or television station requesting notice in writing. Such notice shall be received at least 24 hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at such meeting. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the District Secretary a written waiver of notice. Waiver may be given by telegram. Such written notice may also be dispensed with as to any member who was actually present at the meeting at the time it convenes. The call and notice must also be posed at least 24 hours before the meeting in a location freely accessible to the public. (Government Code section 54956).

### **2.280 - Closed Sessions**

A closed session may be held on any subject authorized under the Ralph M. Brown Act. The authority for a closed session must be included in the agenda. (Government Code Sections 54956.9, 54957, 54957.6 and 54956.8.) The Board shall not keep minutes of its closed sessions. (Government Code section 54957.2.)

### **2.285 – Adjournment**

A meeting of the Board shall be adjourned by (a) loss of a quorum, (b) motion made, seconded and approved to adjourn the meeting, or (c) by declaration of the President that the meeting is adjourned when the agenda has been completed and there is not further business to come before the Board. A regular or special meeting of the Board may be adjourned to a specific day and time (a) by motion made, seconded and approved, (b) by approval of less than a quorum if a

quorum is not present, or (c) by the District Secretary if all members are absent from any regular or adjourned regular meeting. (Government Code section 54955.)

### **2.300 - General Conflict of Interest Policy**

The public judges its government by the way public officials and employees conduct themselves in the posts to which they are elected or appointed. The people have a right to expect that every official and employee will conduct himself in a manner that will tend to preserve public confidence in and respect for the government he represents. Such confidence and respect can best be promoted if every official and employee, whether paid or unpaid, and whether elected or appointed, will uniformly treat all citizens with courtesy, impartiality, fairness and equality under the laws and avoid both actual and potential conflicts between their private self interests and the public interests.

No employee shall grant or make available to any person any consideration, treatment, advantage or favor beyond that which it is the general practice to grant or make available to residents and landowners within the District at large. No employee shall request, use or permit the use of any District owned or District supported property, vehicle, equipment, labor or service which is not the general practice to make available to residents and landowners within the District at large, or which is provided as a matter of stated policy for the use of employees in the conduct of official business.

### **2.310 - Contractual Conflicts of Interest**

Neither any member of the Board, nor any officer or employee of the District, shall be financially interested in any contract made by them in their official capacity, nor shall they be purchasers at any sale nor vendors at any purchase by them in their official capacity. Members of the Board and officers and employees of the District shall observe and comply with all of the provisions of Article 4 of Chapter 1 of Division 4 (commencing with Section 1090) of the Government Code.

### **2.320 - Economic Conflicts of Interest**

All members of the Board and officers of the District shall observe and comply with all applicable state laws and regulations including but not limited to Section 87100 et al. of the California Government Code. *The Political Reform Act, California Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission has adopted 2 Cal. Code of Regulations, Section 18730, which contains the terms of a standard conflict of interest code, subject to amendments from time to time, is hereby incorporated by reference and otherwise constitutes the conflict of interest code for the District.*

A. Appendix A to this Chapter is the 2008 version of Section 18730; and

B. Appendix B to this Chapter are the adopted disclosure categories.

### **2.330 - Gifts and Favors**

No member of the Board or officer or employee of the District shall accept any gift, whether in the form of money, thing, favor, loan or promise, that would not be offered or given to him or her were not a member of the Board or official or employee of the District

### **2.340 - Confidential Information**

No member of the Board or official or employee of the District, without prior formal authorization from the Board, shall disclose any confidential information concerning any person or information or strategy related to closed session items.

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CONFLICT OF INTEREST CODE

18730. Provisions of Conflict of Interest Codes

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

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

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

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

(3) Section 3. Disclosure Categories.

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

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

- (A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;
- (B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code section 87200; and
- (C) The filing officer is the same for both agencies.  
Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

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

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

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

- (A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.
- (B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.
- (C) Annual Statements. All designated employees shall file statements no later than April 1.
- (D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.



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

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

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

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

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

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

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

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Government Code section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to 2 Cal. Code Regs. section 18754.

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

(7) Section 7. Manner of Reporting.

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

(A) Investment and Real Property Disclosure. When an investment or an interest in real property<sup>3</sup> is required to be reported,<sup>4</sup> the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000), exceeds ten thousand dollars (\$10,000), exceeds one hundred thousand dollars (\$100,000), or exceeds one million dollars (\$1,000,000).

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

1. The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or greater than one hundred thousand dollars (\$100,000);
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a

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description of the gift; the amount or value of the gift; and the date on which the gift was received;

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

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

1. The name, address, and a general description of the business activity of the business entity;
2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).

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

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

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

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

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

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

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$420.

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(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$420 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

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

(8.2) Section 8.2. Loans to Public Officials.

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

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

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

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial

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institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

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

1. Loans made to the campaign committee of an elected officer or candidate for elective office.
2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.
4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

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

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

1. Loans made to the campaign committee of the elected officer.
2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans made, or offered in writing, before January 1, 1998.

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

(8.4) Section 8.4. Personal Loans.

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

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:
  - a. The date the loan was made.
  - b. The date the last payment of one hundred dollars (\$100) or more was made on the loan.
  - c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$250) during the previous 12 months.

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

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
2. A loan that would otherwise not be a gift as defined in this title.
3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.
5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

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

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(9) Section 9. Disqualification.

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

- (A) Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars (\$2,000) or more;
- (B) Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more;
- (C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;
- (D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management;  
or
- (E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$420 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

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

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

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

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- (A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or
- (B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value one thousand dollars (\$1,000) or more.

(10) Section 10. Disclosure of Disqualifying Interest.

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

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

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code section 83114 and 2 Cal. Code Regs. sections 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

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



**SQUIRE CANYON COMMUNITY SERVICES DISTRICT  
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**CONFLICT OF INTEREST CODE**

**DESIGNATED OFFICERS, EMPLOYEES AND CONSULTANTS  
WITH DISCLOSURE CATEGORIES**

**I. DESIGNATED POSITIONS**

The persons occupying the positions listed below are hereby considered designated officers and employees and are deemed to make, or participate in the making of, decisions, which may have a material effect on a financial interest.

**DESIGNATED POSITIONS:**

- A. Members of the Board of Directors
- B. General Manager/District Engineer
- C. District Legal Counsel
- D. District Treasurer
- E. District Secretary
- F. Certain Contract Consultants

**II. DISCLOSURE CATEGORIES**

- The disclosure categories for each of the above-designated positions (A) through (F) shall be those disclosure categories described in subparagraphs (A) through (E) of Section 7 of Regulation 18730 as follows:
  - A. Investments and Real Property Disclosure.
  - B. Personal Income Disclosure.
  - C. Business Entity Income Disclosure.
  - D. Business Position Disclosure.
  - E. Acquisition or Disposal During Report Period.
- The disclosure categories, if any, for consultants will be designated in their respective contracts.

## **CHAPTER 3 – PURCHASE POLICY AND PROCEDURES**

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### **3.000 - Introduction**

Government Code Section 61063 provides that each community services district shall adopt policies and procedures, including bidding regulations, governing the purchases of supplies and equipment not governed by Article 43 (commencing with Section 20608) of Chapter 1 of Part 3 of the Public Contracts Code.

### **3.100 - Applicability**

- A. The following policies are established for the purchase of supplies and equipment, as referenced in Government Code Section 54202.
- B. The procedures established herein shall not apply to the construction of any unit of work, as referenced in Public Contract Code Section 20680 et seq., the payment of contracted services or other payments that are authorized by statute or policies of the Board of Directors, such as personnel policies or the hiring of consultants.

### **3.200 – Purchasing Agent**

The District General Manager shall act as the Purchasing Agent for the District in connection with obtaining material, supplies and services.

### **3.300 – Budget Consistency**

All purchases by the District Purchasing Agent shall be consistent with budgets duly adopted by the District Board of Directors.

### **3.400 – Purchases of Materials, Supplies, and Services with an Estimated Cost of Less than \$20,000.00**

- A. The Purchasing Agent shall seek the most favorable terms and price through comparative pricing or competitive bidding, whichever method the Purchasing Agent deems most appropriate under the circumstances.
- B. The Purchasing Agent shall attempt to obtain at least three written quotations for purchases with an estimated cost in excess of \$2,500.00
- C. The Purchasing Agent may issue a warrant or change order up to \$5,000.00 with the counter-signature of a member of the Board of Directors.

- D. Unless there is an emergency pursuant to Subsection G, the Board of Directors shall approve all purchases in excess of \$5,000.00.
- E. Board approval shall not be required for materials, supplies and services of a recurring nature, the cost of which is not subject to negotiation and is fixed by tariff or regulation such as utility services; nevertheless, the Board shall approve all contracts for such material, supplies and services prior to the execution thereof.
- F. If the purchase of materials, supplies and services requires the execution of a formal contract, such contract shall be approved by the Board and executed by the president or General Manager.
- G. The General Manager may determine the existence of an emergency and thereon issue warrants up to ten thousand dollars (\$10,000) with counter the signature of a member of the Board of Directors. Said emergency shall be described in a written memorandum presented to the Board of Directors at the next regularly scheduled meeting of the Board of Directors.

**3.500 – Purchases of Materials, Supplies, and Services Equal to or Greater than \$20,000.00**

- A. Purchases and contracts for supplies and equipment equal to or greater than \$20,000.00 shall be by written contract with the vendor who, in response to the Notice of Inviting Proposals, submits a proposal that most closely meets the District's specifications with the consideration of price and delivery dates.
- B. Notice of Inviting Proposals shall include the following:
  - (1) A statement of specifications of equipment and/or supplies to be purchased;
  - (2) The location and deadline for submission of proposals;
  - (3) The location where the specifications and proposal blanks forms, if required, may be secured;
  - (4) The date, time and place assigned for the opening of sealed proposals;
  - (5) The type and character of proposal security required, if any;
  - (6) A statement that the District intends to award the Contract to the vendor who submits a proposal that most closely meets the District specifications with the consideration of price and delivery dates.
  - (7) That the District reserves the right to reject all proposals; and
  - (8) Notice that no vendor can withdraw its proposal for a period of 60 days from the date of opening proposals.
- C. The Notice of Inviting Proposals shall be published and distributed by the Purchasing Agent in a manner to reasonably assure that the proposed purchase is made to the lowest responsive and responsible vendor.
- D. Alternative Procedure. As an alternative to the procedures described in Paragraphs A, B and C, above, the Board of Directors may approve the purchase of supplies and equipment by accepting a proposal submitted by a vendor to another agency for similar equipment and/or supplies upon the Board of Directors approving the purchase by Resolution making the following findings:

- (1) The other agency's procedures for the purchase were substantially similar to the District's procedures as stated in Paragraphs A, B and C, above.
- (2) The equipment and/or supplies to be purchased by District is substantially similar to the supplies and equipment purchased by the other agency, so that the submitted proposals would be responsive to the District's specifications.
- (3) The negotiations regarding the purchase are minor and the proposed purchase is consistent with the policy of awarding the contract to the most responsive vendor with the consideration of price and delivery date.

### **3.600 – Non-Competitive Negotiations**

This approach involves procurement of supplies and equipment through solicitation of a proposal from only one source. such negotiations may be used in limited situations when the award of a contract is not feasible under the other methods and when said purchase is approved by resolution of the Board of Directors upon the following findings: (1) the purchase price is reasonable, and (2) one or more of the following exists:

- A. the produce is the only one that will properly meet the needs of the District because:
  - (1) The item is unique and is available only from a sole source; or
  - (2) The item is unique and is designed to match others used in or furnished to a particular installation, program, facility or location.
- B. Public exigency or emergency will not permit delay.
- C. The Federal Grantor authorized non-competitive negotiations.

### **3.700 – Consistency with State and Federal Laws**

In the event these policies and procedures are inconsistent with State or Federal law, then said State or Federal law shall control.

**CHAPTER 4 – EXTENSIONS, ANNEXATIONS, IMPROVEMENTS AND ALTERATIONS TO EXISTING DISTRICT ROADS**

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**4.000 - Purpose**

The provisions of this chapter are adopted to:

- A. Carry out the goals of SCCSD regarding the extension, construction, improvement or alteration of existing District roads 15 feet on each side of centerline by persons other than District operation and maintenance staff;
- B. Provide regulations and standards over District roads pursuant to Government Code Sections 61060(b) and 61103;
- C. Provide notice of District regulations and standards.

**4.010 - Scope and Applicability**

The provisions of this chapter apply to all roads, easements, right-of-ways and appurtenances thereto under the authority, ownership, and/or jurisdiction of SCCSD. The provisions of this chapter apply in addition to any applicable requirements of the County of San Luis Obispo.

All New Development, encroachments, construction and/or alterations of existing District roads as defined herein shall satisfy all applicable provisions of this chapter, including obtaining any permits and payment of any fees as required by this chapter. Determination of same shall be made only by the District Manager or designee by same, subject only to the SCCSD Board of Directors.

#### **4.100 – Definitions**

This section defines the terms and phrases as they are used in this chapter.

Annexation Fee. The fee imposed as a condition of annexing areas outside present District boundaries, to pay any and all of the District's costs of annexing the property to the District. Such costs include, but are not limited to, professional fees (engineering, legal, accounting, financial consultants, agencies, etc.), and the District's administrative costs and overhead.

Applicant. Owners (or their authorized Agent) of property petitioning the District for a permit for a lot, parcel, subdivision or other land designation that is contiguous to a District Road.

County. The County of San Luis Obispo.

Developer. A person having the right under the applicable laws and regulations governing land use within the area served by the District to apply for governmental approvals to change the use of, or to create improvements on, real property potentially served by the District.

Development Plan. A development plan as that term is used and defined in the land use ordinance of the County of San Luis Obispo.

Development Project. A development project as that term is used and defined in the Planning and Zoning Law, and shall include a development plan, plot plan, site plan, tentative map and final map where the Project gains access or partially gains access by District Road.

District. The Squire Canyon Community Services District.

District Fees and Charges. Those fees and charges that the SCCSD is obligated to pay by contract to its General Manager, General Manager's administrative staff, engineers, consultants, and lawyers for the processing of Permits.

District Road. All roads, easements, right-of-ways and appurtenances thereto under the authority, ownership, and/or jurisdiction of SCCSD.

District Road Commissioner or Road Commissioner. District Road Commissioner appointed by the District who shall be a registered engineer. The District Road Commissioner includes the appointed Road Commissioner's designee so long as the designee is a registered civil engineer.

Encroachment. Includes any opening or excavation for any purpose in a District road. Including but not limited to any tower, pole, plot line, pipe, pipe line, driveway, private road, fence, billboard, stand or building, or any structure or object of any kind or character which is placed in, under or over any portion of a District road.

New Development. Any new construction, development and land uses on parcels of land in the District that gains access or partially gains access by District Roads.

Parcel. Any unit of land which qualifies as a parcel or lot under the Subdivision Map Act, and shall include all units of land: (1) which are contiguous to any other parcel (or are separated only by a road or easement), and (2) for which there is unity of ownership, and (3) which have an identical present use. The term "parcel" shall be given the same meaning as the term "site".

Permit. District's final written approval.

Plot Plan. A plot plan as that term is used and defined in the land use ordinance of the County.

Site Plan. A site plan as that term is used and defined in the land use ordinance of the County.

Tentative Map. A tentative map as that term is used and defined in the California Subdivision Map Act and the subdivision ordinance of the County, and shall include a vesting tentative map as that term is used and defined in such Act and ordinance.

Tract. Any parcel of land authorized for development by the County.

#### **4.200 – District Approval Required**

Written approval of the District, in the form of a Permit is required for the following:

- A. Applications for New Development that is adjacent to or gains access by District Roads;
- B. Any encroachment into a District Road;
- C. The extension of any District Road;
- D. Annexations; and/or
- E. Relocation of District Roads.

#### **4.300 – Powers and Authority of District**

In addition to District's general authority as authorized by Community Services District law, the regulations adopted herein, the prohibitions, restrictions, powers, procedures and authority referenced in Streets and Highways Code Sections 1460 through 1470 and 1480 through 1496 are incorporated herein by this reference and as amended from time to time.

#### **4.400 – Permit Process**

The following procedures apply to New Development, extensions of any existing District Road, annexations, and relocation of District Roads.

##### **4.410 - Phase 1: Preliminary Approval**

The purpose of this phase is to determine "preliminary approval" of a proposed project while attempting to minimize costs to all parties. This phase follows the issuance of a Conceptual Letter for approval. Preliminary approval may include conditions.

Any person desiring preliminary approval from the District to serve a proposed New Development Project ("Preliminary Approval Letter") must apply in writing to the District Manager. The application shall be in a form and content as determined by the Manager and shall include, at a minimum, the date of the application; name, address and telephone number of the Applicant; name, address and telephone number of the property owner, if different from the Applicant; a description of the property proposed to be served; explanation of the proposed development project, including number of lots and types, at least a preliminary road design, a traffic study by a registered traffic engineer, proposed zoning; and any other information as the District Manager may require.

A deposit will be required of the Applicant at the time of application in order to offset all costs and expenses incurred by the District to review and process to completion the approval or rejection of the application, the deposit amount to be commensurate with the scope of the project as determined by the District Manager based in part on a District Engineering Report. A record of all such costs shall be provided to the Applicant on an ongoing monthly basis and any remaining deposit shall be refunded within 90 days of the District's final decision issue a Permit. If, during the application process, it is determined that previous deposits collected will not or do not offset said costs, the applicant is required to submit additional funds as determined by the District Manager. Non-payment of any deposits will result in immediate suspension of the application process until such time payment is received.

The District Board of Directors shall consider the application and supporting documents at one or more of its meetings and shall conduct at least one notice public hearing which may be continued before making a decision to grant preliminary approval or denial of the application.

A Preliminary Approval Letter for a proposed New Development project shall not be issued by the District unless the Board finds that all of the following conditions are satisfied.

- A. The Applicant has submitted a full and complete application and all District fees and charges have been paid or advanced.
- B. The property to be served is within the geographical boundaries of the District.
- C. The Applicant has executed an agreement, in a form acceptable to the District, to indemnify, defend and hold the District harmless from and against any and all loss or liability arising from out of, or in relation to, the processing or approval of the application or the construction of improvements that will be authorized if the application is approved.

A preliminary approval letter shall expire in one year after the date of issuance. Time extensions of 90-days each may be granted by the Board upon written request by the Applicant. A maximum of two such time extensions for a total of 180 days may be granted. If a preliminary approval letter expires, there shall be no refund of fees paid for the issuance of said letter.

#### **4.420 - Phase 2: Improvement Plans Approval**

The purpose of this phase is to facilitate District review and approval of plans and specifications for Permits.

Any person seeking Improvement Plan approval from the District for a proposed New Development project must apply in writing to the District Manager. The application shall be in a form and content as determined by the Manager and shall include, at a minimum, the date of the application; name, address and telephone number of the Applicant; name, address and telephone number of the property owner, if different from the Applicant; a description of the property proposed to be served; explanation of the proposed development project, including number of lots and types, proposed road design, connections to existing District and/or County roads, an EIR/EIS if required by the County, an updated traffic study (if required) by a registered traffic engineer, zoning; and any other information as the District Manager may require. The number of copies of each required document will be determined by the District Manager.

A deposit will be required from the Developer at the time of application in order to offset District fees and charges incurred by the District to review and process to completion the approval or rejection of the Improvement Plans, the deposit amount to be commensurate with the scope of the project as determined by the District Manager based in part on a District Engineering Report. This includes any preliminary planning and/or engineering. A record of all such costs shall be provided to the Applicant on an ongoing monthly basis and any remaining deposit shall be refunded within 90 days of the District approval of the Improvement Plans pending known outstanding invoices. If, during the application process, it is determined that previous deposits collected will not or do not offset said costs, the Developer is required to submit additional funds as determined by the District Manager. Non-payment of any deposits will result in immediate suspension of the process until such time payment is received.

The District Board of Directors shall consider the approval of the Improvement Plans and any associated documents at one or more of its meetings and shall conduct at least one noticed public hearing, which may be continued, before making a decision to grant approval of said Plans.

Approval of Plans for a proposed New Development project shall not be issued by the District unless the Board finds that all of the following conditions are satisfied:

- A. Applicant has provided District with an irrevocable offer of dedication for easements and, if applicable, the appropriate subordination agreement;



- B. The Applicant has submitted all requested information and documentation and all District fees and charges have been paid or advanced;
- C. The property to be served is within the geographical boundaries of the District; and
- D. The Applicant has complied with all other applicable sections of the District Code and other District ordinances, resolutions, rule and regulations.

Approval shall expire two years after the date of issuance. Time extensions of 90-days each may be granted by the Board upon written request by the Applicant. A maximum of two such time extensions for a total of 180 days may be granted. If Approval expires, there shall be no refund of fees paid for the issuance of said Approval.

#### **4.430 - Phase 3: Construction of Improvements**

The purpose of this phase is to facilitate District construction management of road improvements and appurtenances thereto.

Construction by the Applicant shall be subject to each of the following conditions:

- A. Prior to commencement of construction the Applicant shall execute a plan check, inspection and reimbursement agreement with the District;
- B. All work shall be performed by a competent and experienced contractor licensed for road and drainage construction and with experienced laborers;
- C. All work shall be performed in a good, workmanlike and safe manner and in accordance with the plans and specifications approved by the District, under its inspection, and to the satisfaction of the District Engineer. Risk of loss or damage to materials shall be borne by the Applicant until the facilities constructed are accepted by the District;
- D. All facilities shall be maintained by the contractor that installed the same for one year, or such longer period as shall be specified by the District, following the acceptance thereof by the District; pursuant to a warranty in the aforementioned agreement between the District and the Applicant which expressly benefits the District and
- E. The Applicant shall indemnify and hold the District, its officers, employees and agents harmless from any liability arising out of or in any way connected with such work done by or on behalf of the Applicant, his employees, agents or contractors.

#### **4.440 - Expiration of Agreement**

If work under the plan check, inspection and reimbursement agreement is not commenced within six months from the date of issuance thereof, or if after partial completion the work is discontinued for a period of one year, the permit shall thereupon expire and become void, and no further work shall be done until a new agreement is secured. A new fee shall be paid upon the issuance of the Agreement. The Applicant's abandonment of work will not extinguish Applicant's responsibility to reimburse the District for their expenses.

#### **4.450 - Repair and Replacement**

If, within a period of one year after completion of any improvement work authorized by a plan check, inspection and reimbursement agreement fails to fulfill any of the District's requirements or the specifications approved by the District, Applicant shall, without delay and without any cost to the District, repair, replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or structure. If Applicant fails to act promptly or if the exigencies of the case require repairs or replacements to be made before Applicant can be notified, the District may, at its option, make the necessary repairs or replacements or perform the necessary work, and require the Applicant to reimburse the District for the actual cost of those repairs, plus fifteen percent.

#### **4.460 – Bonds**

Applicant shall furnish the District, or if requested by the District, the County, with a labor and materials bond and a bond for faithful performance executed by a surety company permitted to do business in California. These bonds shall be for one hundred percent (100%) of the construction costs and any other costs that are called for in the project plans approved by the District. These bonds shall remain in force throughout the period required to complete the work. After final acceptance of the work, the Applicant shall provide the District with a warranty bond equal to ten percent (10%) of the construction costs for a period of one year to cover any defects in workmanship, materials or equipment which develop in that time. For purposes of these bonds, construction costs are defined as actual, not estimated.

#### **4.500 - Construction by District**

The District, as an alternate to Section 4.400, may construct when, in its sole discretion, the District determines it is in its best interest to do so. Such work may be performed by the District's personnel or by private contract, as determined by the District. Such work shall commence only after the Applicant has executed an Agreement and has advanced the total estimated cost of all facilities, paid all charges, and provided all easements as required by these regulations.

The District shall determine its actual costs incurred in any improvement, alteration, or extensions. Costs shall include labor, material, overhead, engineering, legal costs, administrative expenses, overhead allocable to such work, and any other cost attributable to Applicant's petition and construction. If the actual cost of such work exceeds the amount paid to the District, the District will invoice the Applicant for the excess. If such invoice is not paid promptly, the District may refuse water service through such facilities or to the Applicant. In the event the actual cost of such facilities is less than the amount advanced to the District, the District will promptly refund such difference.

#### **4.600 – Relocation**

The District may, at its sole discretion, permit the relocation or reconstruction of existing District Roads and/or facilities to accommodate construction widening or relocation of streets and roadways and will release easements no longer considered useful to the District on the following conditions:

- A. The entire cost of the relocation or reconstruction, including but not limited to requirements associated with any owners of property involved and utilities, shall be paid by the requesting party;
- B. The new location is such that it will not, in the opinion of the District, be subject to future relocation;
- C. There shall be conveyed to the District without cost, such easements or rights of way for new facilities locations as the District determines beneficial; and
- D. The procedures of Section 4.400 shall apply.

#### **4.700 - Annexations**

The District may, at its sole discretion, permit annexations to the District on the following conditions.

- A. The Applicant enters into an annexation agreement with the District;
- B. The Applicant agrees to all of the terms and conditions imposed by the District;
- C. The Applicant pays all District's costs related to the annexation; and
- D. The provisions of Section 4.400 apply to road improvements and/or extensions related to annexations.

#### **4.800 - Encroachments**

- A. It is unlawful for any person to construct encroachments in a District Road without a permit.
- B. The Road Commissioner is authorized to remove or abate encroachments constructed without a permit pursuant to the procedures of Sections 1480 through 1496 of the Streets and Highways Code.
- A. The District Road Commissioner is authorized to issue encroachment permits for all encroachments not included in the procedures referenced in Section 4.400, above. Said encroachment permits may include conditions.
- D. A property owner affected by the Road Commissioner's decision to issue, deny or condition an encroachment permit may appeal such decision to the Board of Directors as provided herein.
  - (1) The appeal shall be filed in writing with the District General Manager by the owner or his/her authorized agent, such as an owner's engineer or architect. Appeals shall set forth and state fully the name and address of the person to receive notice of the hearing referenced below and the reasons and grounds for the appeal and shall contain such other information as the General Manager or his/her designee shall prescribe.
  - (2) The fee for processing an appeal is \$400.00 (four hundred dollars) and shall be paid at the time the appeal is filed with the General Manager.
  - (3) Upon receipt of the appeal in proper form, the General Manager shall place the item on the Board of Directors Agenda for public hearing within a reasonable period of time.
  - (4) Notice of the hearing shall be given through the U.S. Mail with postage prepaid using the address identified in the appeal.
  - (5) The Board of Directors shall, on the date set, hold a public hearing on the appeal.
  - (6) The Board of Directors may grant the appeal in whole or in part, with or without conditions.
  - (7) The General Manager shall, within ten days of the Board of Directors' decision, mail a notice of the District's decision to the person designated on the appeal or any other person who has requested notice.

#### **4.900 – Enforcement**

It is unlawful for any person to violate any provision or to fail to comply with any of the Permit requirements of this chapter. In addition to the enforcement actions authorized by Community Services District Law and the Streets and Highways Code, violations of this chapter may be enforced as follows.

#### **4.910 – Public Nuisance: Enforcement by Civil Action**

In addition to the penalties provided in this chapter, any condition caused or permitted to exist in violation of any of the provisions of this chapter shall be deemed a public nuisance and may be abated as such, and every day such condition continues shall be regarded as a new and separate offense.

#### **4.920 – Injunctive Relief**

This chapter may also be enforced by injunction issued out of the superior court upon the suit of the District or the owner or occupant of any real property affected by such violation or prospective violation. This method of enforcement shall be cumulative and in no way affect the penal provisions hereof.

**4.930 – Remedies Cumulative**

The remedies prescribed by this section shall be cumulative, and the District's use of any one of the remedies and/or legal actions prescribed herein shall not bar the use of any other remedy provided by this chapter or by law for the purpose of enforcing the provisions hereof.

**4.940 – Attorneys' Fees**

In any civil action commenced by the District to abate a public nuisance, to enjoin a violation of any provision of this chapter, or to collect a civil debt owing to the District, the District shall be entitled to recover from the defendant in any such action reasonable attorneys' fees and costs of suit.

## CHAPTER 5 – INVESTMENT POLICY

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### **5.100 - Introduction**

The purpose of this written Investment Policy is to establish the guidelines for the prudent investment of Squire Canyon Community Services District funds (herein referred to as District's funds). The objectives of this policy are safety, liquidity, yield, and compliance with state and federal laws and policies.

District funds are to be managed with a high degree of care and prudence. Though all investments contain a degree of risk, the proper concern for prudence, maintenance of high level of ethical standards and proper delegation of authority reduces the potential for any realized loss.

This policy establishes the standards under which the District's Finance Officer will conduct business with financial institutions with regard to the investment process.

### **5.200 – Finance Officer**

The Board of Directors appoints the General Manager as the District Finance Officer and Treasurer.

### **5.300 - Scope**

The District investment portfolio shall consist of money held in a sinking fund of, or surplus money in, the District's treasury not required for the immediate necessities of the District. The District's investment portfolio shall be invested in accordance with this policy.

### **5.400 - Objectives**

The primary objectives are safety, liquidity, yield, and compliance.

- A. Safety. The investment portfolio shall be managed in a manner that ensures the preservation of capital. The objective is to minimize credit risk and interest rate risk.
- B. Liquidity. The investment portfolio shall remain sufficiently liquid to meet all operating requirements. This shall be accomplished by structuring the investment portfolio so that investments mature concurrent with cash needs.
- C. Yield. Yield shall be a consideration only after the requirements of safety and liquidity have been met.
- D. Compliance. This Investment Policy is written to be in compliance with California and Federal law.

### **5.500 – Standards of Care**

- A. Prudence. The Finance Officer will manage the portfolio pursuant to the "Prudent Investor Standard." When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds in the District's investment portfolio, the Finance Officer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.
- B. Disclosures. Finance Officer shall disclose any material interest in financial institutions with which he/she conducts the District business.

### **5.600 – Investments Authority**

- A. Permitted Investments. The District Finance Officer is authorized to invest in the following institutions:
  - (1) County pooled funds (California Government Code § 61730);
  - (2) The Local Agency Investment Fund created by the California State Treasury (California Government Code § 16429.1);
  - (3) One or more FDIC insured Banks and/or Savings and Loan Associations that are designated as District depositories by resolution of the Board of Directors (California Government Code § 61737.02); and
  - (4) Such other financial institutions or securities that may be designated by the Board of Directors from time to time in compliance with California and Federal law.
- B. Prohibited Investments. The District's Finance Officer shall not invest in:
  - (1) Inverse floaters, range notes or interest only strips that are derived from a pool of mortgages.;
  - (2) Any security that could result in a zero interest accrual if held to maturity; or
  - (3) A state or federal credit union, if a member of the District's Board of Directors or an administrative officer also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee, of the state or federal credit union.
- C. Diversified Investments. Investments, other than investments referenced in paragraphs A (1) and (2) above, will be diversified to avoid losses that may be associated with any one investment.

### **5.700 - Reports**

- A. Monthly Report. Finance Officer/Treasurer shall make monthly reports to the Board of investments made or retired during the preceding month.
- B. Quarterly Report. Finance Officer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the District's Board of Directors within thirty (30) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code § 53646). Required elements of the quarterly report are as follows:

- (1) Type of Investment;
- (2) Institution;
- (3) Date of Maturity (if applicable);
- (4) Amount of deposit or cost of the security;
- (5) Current market value of securities with maturity in excess of twelve months (if applicable);
- (6) Rate of Interest;
- (7) Statement relating the report to the Statement of Investment Policy;
- (8) Statement of the District's ability to meet cash flow requirements for the next six months; and
- (9) Accrued Interest (if applicable).

C. Annual Report. Prior to February 1, of each year, the Finance Officer shall file and submit an annual report to the District's auditor and Board of Directors which will contain the same information required in the quarterly report. The annual report will include a recommendation to the Board of Directors to either:

- (1) Readopt the District's then current annual Investment Policy; or
- (2) Amend the District's then current Investment Policy.

D. Limited Quarterly Report. If the District has placed all of its investments in the Local Agency Investment Fund (LAIF), created by California Government Code § 16429.1, or in Federal Deposit Insurance Corporation, insured accounts in a bank or savings and loan association, in a County investment pool, or any combination of these, the Finance Officer may submit to the Board of Directors, and the auditor of the District the most recent statement or statements received by the District from these institutions in lieu of the information required in paragraph 7.B, above. This special reporting policy does not relieve the Finance Officer of the obligation to prepare an annual investment report as identified in paragraph 7.C, above.