

LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: SEPTEMBER 22, 2020

TO: BOARD OF DIRECTORS
Lake Arrowhead Community Services District

FROM: CATHERINE CERRI, General Manager

SUBJECT: ADOPTION OF RESOLUTION 2020-10,
ADOPTING AN AMENDED CONFLICT OF
INTEREST CODE PURSUANT TO THE
POLITICAL REFORM ACT OF 1974

A. RECOMMENDATION

That the Board of Directors adopts Resolution 2020-10 adopting an amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.

B. REASON FOR RECOMMENDATION

Pursuant to Government Code Section 87306.5, on or before July 1st of every even-numbered year, the County Board of Supervisors directs the District to review its Conflict of Interest Code and file a Biennial Notice reflecting the results of that review.

The District has reviewed the Code and is proposing an amendment pursuant to the attached resolution. The proposed amendment includes the addition of the new position of the Public Programs Supervisor, and clarifying language was added to Disclosure Category 2. The amended Conflict of Interest Code must be submitted within 90 days of submitting the Biennial Notice. The Biennial Notice was emailed and the original was mailed to San Bernardino County Clerk of the Board of Supervisors on September 9, 2020.

C. BACKGROUND INFORMATION

The Political Reform Act requires every local government agency to review its conflict of interest code biennially.

District staff, with the assistance of Best Best & Krieger, has reviewed the District's Code and determined that it is advisable and necessary pursuant to Sections 87306 and 87307 of the Political Reform Act of 1974 to amend and update the District's Code.

D. FISCAL IMPACT

There will be no fiscal impact associated with this item.

E. ENVIRONMENTAL IMPACT

None.

F. ATTACHMENTS

- Notice of Intention to Amend the Conflict of Interest Code of LACSD
- Resolution No. 2020-10
- Legislative Version Amended Conflict of Interest Code (Redline)

NOTICE OF INTENTION TO AMEND THE CONFLICT OF INTEREST CODE OF THE LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

NOTICE IS HEREBY GIVEN that the Lake Arrowhead Community Services District (the "District") intends to amend the District's Conflict of Interest Code (the "Code") pursuant to Government Code Section 87306.

The Appendix of the Code designates those employees, members, officers, and consultants who are subject to the District's Code. The District's proposed amendment includes a new position that must be designated and revises language of disclosure categories.

The proposed amended Code will be considered by the Board of Directors on September 22, 2020, at 5:30 p.m. The meeting will be conducted pursuant to the provisions of the Governor's Executive Order N-29-20 dated March 17, 2020 and will be held remotely via teleconferencing only online at <https://global.gotomeeting.com/join/987557245>, or by phone at 1 (646) 749-3122, access code 987-557-244. Any interested person may be present telephonically and comment at the public meeting or may submit written comments concerning the proposed amendment.

Any comments or inquiries should be directed to the attention of Kathleen Field, Executive Assistant, Lake Arrowhead Community Services District, P.O. Box 700, Lake Arrowhead, CA 92352; (909) 336-7117, kfield@lakearrowheadcsd.com. Written comments must be submitted no later than September 22, 2020, at 5:00 p.m.

Copies of the proposed amended Code may also be obtained from the Executive Assistant.

RESOLUTION NO. 2020-10

RESOLUTION OF THE BOARD OF DIRECTORS, COMMUNITY SERVICES DISTRICT, COUNTY OF SAN BERNARDINO, CALIFORNIA, ADOPTING AN AMENDED CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code Section 81000, et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees, and consultants of the Lake Arrowhead Community Services District (the "District"), and which requires all public agencies to adopt and promulgate a conflict of interest code; and

WHEREAS, the Board of Directors adopted a Conflict of Interest Code (the "Code") which was amended on October 9, 2018, in compliance with the Act; and

WHEREAS, subsequent changed circumstances within the District have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the District's Code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are significant and may include criminal and civil liability, as well as equitable relief which could result in the District being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, notice of the time and place of a public meeting on, and of consideration by the Board of Directors of, the proposed amended Code was provided to each affected designated employee and was publicly posted for review; and

WHEREAS, a public meeting was held upon the proposed amended Code at a regular meeting of the Board of Directors on September 22, 2020, at which all present were given an opportunity to be heard on the proposed amended Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Lake Arrowhead Community Services District, that the Board of Directors does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the Secretary of the Board of Directors and available to the public for inspection and copying during regular business hours;

BE IT FURTHER RESOLVED, that the said amended Conflict of Interest Code shall be submitted to the Board of Supervisors of the County of San Bernardino for approval and shall become effective immediately upon approval by the Board of Supervisors of the proposed amended Code as submitted.

APPROVED AND ADOPTED by the Board of Directors of the Lake Arrowhead Community Services District at a regular meeting held on September 22, 2020, by the following votes:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

John Wurm, President of the Board of
Directors of the Lake Arrowhead
Community Services District

ATTEST:

(SEAL)

Kathleen Field, Secretary of
Board of Directors of the Lake
Arrowhead Community Services District

CERTIFICATION

I, Kathleen Field, Board Secretary of the Lake Arrowhead Community Services District, hereby certify that the foregoing is a full, true, and correct copy of the Resolution No. 2020-10 adopted by the Board of Directors of said Agency at the regular meeting of said Board held on the 22nd day of September 2020, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Kathleen Field, Secretary of the Lake
Arrowhead Community Services District
and to the Board of Directors

LEGISLATIVE VERSION
(SHOWS CHANGES MADE)

CONFLICT OF INTEREST CODE

OF THE

LAKE ARROWHEAD

COMMUNITY SERVICES DISTRICT

CONFLICT OF INTEREST CODE
OF THE
LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT
(~~Adopted October 9, 2018~~ Amended September 22, 2020)

The Political Reform Act (Gov. Code § 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 Regs. Section 18730 which contains the terms of a standard conflict of interest code which can be incorporated by reference in an agency's code. After public notice and hearing Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Lake Arrowhead Community Services District** (the "**District**").

All officials and designated positions required to submit a statement of economic interests shall file their statements with the **Executive Assistant** as the District's Filing Officer. The **Executive Assistant** shall retain the originals of all statements filed and shall make said statements available for public inspection and reproduction, during regular business hours. (Gov. Code Section 81008.)

APPENDIX

CONFLICT OF INTEREST CODE

OF THE

LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

~~(Adopted October 9, 2018 Amended September 22, 2020)~~

PART "A"

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

District Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3(b), are NOT subject to the District's Code, but must file disclosure statements under Government Code Section 87200 et seq. [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments¹:

Members of the Board of Directors

General Manager

Finance Manager

Financial Consultants

¹

Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Administrative Assistant (ALL)	5
Customer Service Supervisor	2, 5
District Engineer	2, 3, 5, 6
District Inspector	2, 3, 5, 6
Engineering/Project Manager	2, 3, 5
Engineering Technician (ALL)	3, 5, 6
Equipment Mechanic (ALL)	5
Executive Assistant	4
Field Operations Manager	5
Field Operations Supervisor (W)	5
Field Operations Supervisor (WW)	5
General Counsel	1, 2
Human Resources Manager	5, 7
Mechanical Maintenance Supervisor	5
Operations Manager	5
<u>Public Programs Supervisor</u>	<u>2, 5</u>
Wastewater Operations Supervisor	5
Water Operations Supervisor	5

DESIGNATED POSITIONS'
TITLE OR FUNCTION

DISCLOSURE CATEGORIES
ASSIGNED

Consultant and New Positions²

² Individuals providing services as a consultant as defined in Regulation 18700.3(a) or in a new position created since this Code was last amended that make or participate in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The General Manager may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regs 18219 and 18734.) The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

PART “B”

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned.³ “Investment” means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in or doing business in the jurisdiction, are planning to do business in the jurisdiction, or have done business during the previous two years in the jurisdiction of the District.

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the jurisdiction of the District.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the District, the jurisdiction of the District, including any leasehold, beneficial or ownership interest or option to acquire property.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the District.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the District.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the Designated Position’s department, unit or division.

Category 6: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, subject to the regulatory, permit, or licensing authority of the designated position’s department, unit or division.

Category 7: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, if such entities or

³ This Conflict of Interest Code does not require the reporting of gifts from outside this agency’s jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg. 18730.1)

sources have filed claims against the District in the past 2 years, or have a claim pending before the District.