

This brief is being provided to inform the board, staff, and public of the details of an agenda item that requires no action from the board. The President of the Board will provide board members, staff, and the public the opportunity to ask questions about this topic when this agenda item is announced.

Date: 8/18/2023

Originator: General Manager

Agenda Topic Title: : General Manager Report

Purpose of Brief: Informational Briefing

Supporting Documents Included: Yes

Water Distribution System:

- Well 29 Project on track Tank ship date is 9 /26 /2023
- Booster Stations – booster 29 onsite for well 29 Rehab project
- Well 29 Rehab Grant finalized Field work has begun.
- New WB DDW Draught Report required for the GM CSD system. (Safer Clearinghouse Report)
- Tanks – Exterior of Storage Tanks Painting Quotes should be in by mid- June.
- Total Water production July 1131901 Gal.

Sewer Transmission System and Septic Tanks:

- Leach Fields - Falling Water Leach field expansion completed July 31 and online
- Falling Water Leach Field CV Salts average is about 620 PPM for this month (Maxum Contaminant level) is 700 PPM.
- The Septic tank inspections – Started Jun 1 23.
- 2 Qtr. State report Done.
- Total Sewer Flows July 297900 Gal.

Financial Reports

- P&L
- Aging report

Other Reports

- Employee Benefits

Gold Mountain CSD - Fire Fund
Balance Sheet
As of July 31, 2023

	Jul 31, 23
ASSETS	
Current Assets	
Checking/Savings	
1004 · Fidelity Investments	
1002 · Reserved for Annexation	30,000.00
1003 · Reserve for Fuel Break Maint.	7,504.00
1004 · Fidelity Investments - Other	121,939.46
Total 1004 · Fidelity Investments	159,443.46
1005 · Plumas Bank -Checking Fire(9646)	134,013.85
Total Checking/Savings	293,457.31
Accounts Receivable	
11001 · Due from HOA	-18,087.00
Total Accounts Receivable	-18,087.00
Total Current Assets	275,370.31
Fixed Assets	
1500 · General Equipment	110,739.58
1510 · Accumulated Depreciation	-58,387.38
1520 · Investment in Fixed Assets	-52,352.20
Total Fixed Assets	0.00
TOTAL ASSETS	275,370.31
LIABILITIES & EQUITY	
Equity	
3001 · Fund Balance	7,708.44
3002 · Assigned Fund Balance	57,500.00
3003 · Fund Capital Reserve	189,391.00
3004 · Fund Operational Reserve	21,043.00
Net Income	-272.13
Total Equity	275,370.31
TOTAL LIABILITIES & EQUITY	275,370.31

Gold Mountain CSD - Fire Fund
Transaction List by Date
July 2023

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Amount</u>
Jul 23					
07/13/2023	1371	Kyle Felker Consulting		5420 · Hazardous Fuel Manag...	120.00
07/25/2023	1372	Kathryn Kogge	Firewise meeting	5230 · Firewise Support	152.13
Jul 23					



Ballot Measures and Public Agencies

Individual Activities

2014 Version

www.ca-ilg.org/ballot-measure-activities

Important policy decisions affecting local agencies in California are made by the electorate through the initiative and referendum process. What role may local agencies and their officials play in the initiative and referendum process?

The following series of questions and answers provide general guidelines and analyses of issues regarding the ballot measure activities of individuals. The purpose of this guide is to provide guidance that represents the Institute's best judgment, based on the law, on how to avoid stepping over the line that divides lawful from unlawful conduct. As a general matter, the Institute believes in not snuggling right up to any such lines, but instead giving them some berth.

It is also important to remember that just because a given course of action may be lawful, it may not satisfy the agency's or the public's notions of what constitutes an appropriate use of public resources. Proper use of public resources is a key stewardship issue for public officials. In determining proper use of public resources, it is important to remember the law creates only minimum standards. In addition, there may be potential political implications of walking too close to the line in terms of the public's overall reaction to a ballot measure and where one wants the public's attention to be focused.

This guide is offered for general information only and is not intended as legal advice. Reasonable attorneys can and do disagree on where the boundaries are on these issues; moreover, the specific facts of the situation are an important element of the analysis. **Always consult an attorney knowledgeable about this area of the law when analyzing what to do in specific situations.**

For more information on legal issues associated with use of public resources and ballot measure activities, see parts 1-3 of this resource available at www.ca-ilg.org/ballot-measure-activities:

- Part 1: General Framework
- Part 2: Before a Measure is Put on the Ballot
- Part 3: Specific Questions

Individual Activities

1. What may individual public officials do to support or oppose ballot measures?

Individual officials and employees can work on the campaign during their personal time, including lunch hours, coffee breaks, vacation days, etc. They can make a campaign contribution to a ballot measure campaign committee using personal funds, and/or pay for and attend a campaign fundraiser during personal time. They can also make campaign appearances during personal time.

2. May I use agency letterhead or my title when communicating my support for a ballot measure?

Restrictions on the use of an agency's seal, logos and letterhead are common.¹ As a general matter, public agency letterhead is a public resource bought and paid for with taxpayer funds. As a result, it should not be used for ballot measure advocacy activities.²

Sometimes campaigns will use a facsimile letterhead that looks like official agency letterhead but is paid for with private funds. If the agency's letterhead is to be used in this manner, the governing body of the agency should approve such use and the letterhead should clearly indicate that it was not paid for with public funds.³ Other Political Reform Act requirements may also apply, for example, placing the name of the committee or candidate on the outside of the envelope.⁴

Using an agency's logo, letterhead or seal with the intent to deceive voters into thinking the communication is from an agency can be a violation of California election law.⁵ California law makes it a misdemeanor to use city seals with the intention of creating an impression that a document is authorized by a public official.⁶

The tradition when using titles ("county supervisor," "mayor," or "council member") is to indicate that the titles are used for identification purposes only. The theory underlying this policy is to be clear that one is not communicating on behalf of the agency.

For more information on this topic, see "Who Gets to Use Agency Seals, Logos, Letterhead and Other Insignia" available at www.ca-ilg.org/AgencySeals_Logos_Letterhead.

3. Can I contribute to the ballot measure campaign from my campaign funds?

Yes. The Fair Political Practices Commission has generally advised that candidates and officeholders may transfer funds from their candidate committees to ballot measure committees.⁷ In general, money raised to support a person's election to office is considered to be held in trust for expenses associated with the election of the candidate or for expenses associated with holding

office.⁸ As such, these funds must be used only for may only be used for political, legislative, or governmental purposes.⁹

Although the Commission hasn't specifically explained why, one theory is because ballot measures are legislative in nature.

Note, however, that special disclosure rules apply to candidate-sponsored ballot measure committees.¹⁰

4. May I fundraise for the measure, so private resources can pay for campaign activities? What about approaching those who do business with my agency for financial support for the campaign?

The answer is generally yes, although with two caveats.

In terms of legal restrictions, one needs to be aware that the restrictions against seeking campaign contributions from those involved in license and permit proceedings also applies to solicitations of contributions to ballot measure campaigns.¹¹ For more information about this restriction, see "Campaign Contributions May Cause Conflicts for Appointees and Commissioners," which is available online at <http://www.fppc.ca.gov/index.php?id=103>. Local agencies may have their own, broader restrictions.

Even under circumstances when the law does not constrain an official's political fund-raising activities (other than requiring disclosure of donors), it is important to be extraordinarily judicious in choosing who to ask for campaign contributions. If an individual or company has matters pending with one's agency, they (and others, including the media and one's fellow candidates) are going to perceive a relationship between the decision and whether they contribute to one's campaign. The unkind characterization for this dynamic is "shake-down."

Two important points to remember:

- The legal restrictions on campaign fund-raising are minimum standards.
 - Public officials who indicate their actions on a matter will be influenced by whether they receive a campaign contribution put themselves at risk of being accused of soliciting a bribe or extortion.
- 5. May we ask staff to support the ballot measure, for example, by asking them to endorse the measure, make campaign contributions or volunteer their time?***

It's not a good idea. California law has a strong tradition of separating the electoral process from decisions relating to public employment.

For this reason, state law forbids elected officials and employees from soliciting campaign funds from employees.¹² (The exception is if the solicitation is made to a significant segment of the public that happens to include agency officers or employees.¹³)

State law also forbids conditioning employment related decisions on supporting a candidate or “other corrupt condition or consideration” which includes urging “individual employee’s action.”¹⁴

Note that there are exceptions to these restrictions if the ballot measure would affect the rate of pay, hours of work, retirement, civil service or other working conditions.¹⁵

6. May I ask fellow elected and appointed officials to contribute time, endorsements and/or money to the campaign?

The same state law that prohibits solicitations of campaign contributions from one’s employees’ prohibits solicitations of one’s fellow officials in the same jurisdiction.¹⁶

7. I generally share my views on ballot measures with my friends and constituents; is it okay to send that out using my public agency email address and the public agency email system?

Local officials who have used their agency emails for such purposes have faced criticism. In fact one such use led to a lawsuit that went to the California Court of Appeal. Although a divided court ultimately found that sending an editorial against a ballot measure via email on one’s lunch hour constituted advocacy, it involved only a minimal use of public resources.¹⁷

The better practice is to use a personal email address and send such information from a non-public agency computer system.

8. May I attend a fundraiser for the ballot measure, using public funds to pay for the ticket?

No. This squarely violates the proscription against using public funds for ballot measure advocacy.

9. What about if someone gives me one or more tickets to a fundraiser on a ballot measure?

From time to time a public official will be invited by candidates or ballot measure campaigns to attend political fundraisers. The rule is that a committee or candidate may provide **two tickets** per event to an official without the invited official having to report the value of the ticket on his or her Statement of Economic Interests.¹⁸ If the official receives more than two tickets, the face value of the extra tickets must be reported on his or her Statement of Economic Interests.

10. I have an agency cell phone; what if someone calls me on it to discuss ballot measure campaign activities?

The safest approach is to ask the caller to call you back on a non-agency line.¹⁹

11. May I wear my public agency uniform while expressing my views about a ballot measure?

No, California law specifically prohibits wearing public agency uniforms while participating in political activities.²⁰

Thanks to Our Supporters

The Institute for Local Government would like to thank the following partners for their support:

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The Institute for Local Government receives funding from a variety of sources. Its public service ethics program relies on support from private donations like the ones acknowledged above, as well as publications sales and training fees to produce resources to assist local officials in their service to their communities.

About the Institute for Local Government

The Institute for Local Government is the nonprofit 501(c)(3) research and education affiliate of the League of California Cities and the California State Association of Counties. For more information and to access the Institute's resources on ethics visit www.ca-ilg.org/trust. If you would like to access this resource directly, go to www.ca-ilg.org/ballot-measure-activities.

The Institute welcomes feedback on this resource:

- *Email:* ethicsmailbox@ca-ilg.org Subject: *Legal Issues Associated with Use of Public Resources and Ballot Measure Activities Part 4: Individual Activities*
- *Mail:* 1400 K Street, Suite 205 ▪ Sacramento, CA ▪ 95814

References and Resources

Note: Sections in the California Code are accessible at <http://leginfo.legislature.ca.gov/>. Fair Political Practices Commission regulations are accessible at www.fppc.ca.gov/index.php?id=52. A source for case law information is www.findlaw.com/cacases/ (requires registration).

- ¹ The Institute has collected samples of such policies on its website, available at www.ca-ilg.org/post/sample-policies-related-use-agency-insignia.
- ² See Cal. Penal Code § 424; Cal. Gov't Code § 8314.
- ³ See, for example, San Diego County Water Authority Administrative Code, § 1.08.10(d) ("The official seal and any emblem, symbol, logo or other distinctive mark of the Authority shall be used solely for Authority purposes and programs, unless otherwise authorized by the Board. Private, commercial or non-commercial use of the official seal, mark, name or identity of the Authority is prohibited."). The code is available online at: www.sdcwa.org/about/who-admincode.phtml.
- ⁴ See Cal. Gov't Code § 84305.
- ⁵ Cal. Elect. Code § 18304.
- ⁶ See Cal. Gov't Code §34501.5, which provides:
 - (a) Any person who uses or allows to be used any reproduction or facsimile of the seal of the city in any campaign literature or mass mailing, as defined in Section 82041.5, with intent to deceive the voters, is guilty of a misdemeanor.
 - (b) For purposes of this section, the use of a reproduction or facsimile of a seal in a manner that creates a misleading, erroneous, or false impression that the document is authorized by a public official is evidence of intent to deceive.

Note that a parallel state-wide provision for county and special district seals does not exist, however many have adopted local provisions.

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- ⁷ California Fair Political Practices Commission Advice Letters No. I-00-068 (May 31, 2000) and I-91-153 (April 01, 1991).
- ⁸ See Cal. Gov't Code § 89510(b).
- ⁹ Cal. Gov't Code § 89512 (an expenditure of campaign funds must be reasonably related to a legislative or governmental purpose, unless the expenditure confers a substantial personal benefit, in which case such expenditures must be directly related to a political, legislative or governmental purpose). "Substantial personal benefit" means a campaign expenditure which results in a direct personal benefit with a value of more than \$200. Cal. Gov't Code § 89511(b)(3).
- ¹⁰ 2 Cal. Code Regs. § 18521.5.
- ¹¹ Cal. Gov't Code § 84308(b).
- ¹² See Cal. Gov't Code § 3205 (except for those communications to a significant segment of the public that happens to include fellow public officials and employees).
- ¹³ See Cal. Gov't Code § 3205(c).
- ¹⁴ See Cal. Gov't Code § 3204, which reads as follows:
- No one who holds, or who is seeking election or appointment to, any office or employment in a state or local agency shall, directly or indirectly, use, promise, threaten or attempt to use, any office, authority, or influence, whether then possessed or merely anticipated, to confer upon or secure for any individual person, or to aid or obstruct any individual person in securing, or to prevent any individual person from securing, any position, nomination, confirmation, promotion, or change in compensation or position, within the state or local agency, upon consideration or condition that the vote or political influence or action of such person or another shall be given or used in behalf of, or withheld from, any candidate, officer, or party, or upon any other corrupt condition or consideration. This prohibition shall apply to urging or discouraging the individual employee's action.
- ¹⁵ See Cal. Gov't Code § 3209 ("Nothing in this chapter prevents an officer or employee of a state or local agency from soliciting or receiving political funds or contributions to promote the passage or defeat of a ballot measure which would affect the rate of pay, hours of work, retirement, civil service, or other working conditions of officers or employees of such state or local agency, except that a state or local agency may prohibit or limit such activities by its employees during their working hours and may prohibit or limit entry into governmental offices for such purposes during working hours.").
- ¹⁶ See Cal. Gov't Code § 3205 (a) ("An officer or employee of a local agency shall not, directly or indirectly, solicit a political contribution from an officer or employee of that agency, or from a person on an employment list of that agency, with knowledge that the person from whom the contribution is solicited is an officer or employee of that agency.").
- ¹⁷ See *DiQuisto v. County of Santa Clara*, 181 Cal. App. 4th 236 (2010) (Note dissenting opinion disagreeing with majority's minimal-use-of-public-resources conclusion).
- ¹⁸ 2 Cal. Code Regs. § 18946.4(c).

- ¹⁹ *See* Cal. Gov't Code § 8314(b)(2) (““Campaign activity" does not include the incidental and minimal use of public resources, such as equipment or office space, for campaign purposes, including the referral of unsolicited political mail, telephone calls, and visitors to private political entities.”).
- ²⁰ *See* Cal. Gov't Code § 3206 (“No officer or employee of a local agency shall participate in political activities of any kind while in uniform.”).

For Review and initial.

RM

2/22/2023

Rich McLaughlin

Date

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**STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES**

AGREEMENT NUMBER: 4600015011

**FUNDING AGREEMENT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES
AND
GOLD MOUNTAIN COMMUNITY SERVICES DISTRICT**

**FOR THE
GOLD MOUNTAIN CSD WELL REHABILITATION PROJECT**

A PART OF THE SMALL COMMUNITY DROUGHT RELIEF PROGRAM

FUNDED BY

**THE BUDGET ACT OF 2021 AS AMENDED
(STATS. 2022, ch. 44, § 25)**

**FUNDING AGREEMENT BETWEEN
THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND
GOLD MOUNTAIN COMMUNITY SERVICES DISTRICT
4600015011
SMALL COMMUNITY DROUGHT RELIEF PROGRAM**

THIS FUNDING AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" and the Gold Mountain Community Services District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee," which parties do hereby agree as follows:

1. **PURPOSE.** State shall provide funding pursuant to the Budget Act of 2021, as amended (Stats. 2022, ch. 44, § 25), to the Grantee to assist in financing the Gold Mountain CSD Well Rehabilitation Project (Project). By executing this Agreement, the Grantee certifies that the purpose of the Project is in response to a drought scenario, as defined by Water Code section 13198(a) and is intended to: (1) address immediate impacts on human health and safety; (2) address immediate impacts on fish and wildlife resources; or, (3) provide water to persons or communities that lose or are threatened with the loss or contamination of water supplies.
2. **TERM OF FUNDING AGREEMENT.** The term of this Funding Agreement begins on the date this Funding Agreement is initially executed by State, through final payment plus three (3) years unless otherwise terminated or amended as provided in this Agreement. However, all work shall be completed by December 31, 2024, and no funds may be requested after March 31, 2025.
3. **PROJECT COST.** The reasonable cost of the Project is estimated to be \$239,742.
4. **FUNDING AMOUNT.** The maximum amount payable by the State under this Agreement shall not exceed \$198,036.
5. **GRANTEE REQUIRED COST SHARE.** Grantee agrees to fund the difference between the actual Project Cost in Paragraph 3 and the amount specified in Paragraph 4, if any.
6. **BASIC CONDITIONS.** State shall have no obligation to disburse money for the Project under this Funding Agreement until Grantee has satisfied the following conditions:
 - A. For the term of this Funding Agreement, Grantee submits timely Quarterly Progress Reports as required by Paragraph 13, "Submission of Reports."
 - B. Grantee submits all deliverables as specified in Paragraph 13 of this Funding Agreement and in Exhibit A.
 - C. Prior to the commencement of construction or implementation activities, Grantee shall submit the following to the State:
 - i. Final plans and specifications certified by a California Registered Civil Engineer as to compliance for the Project as listed in Exhibit A of this Funding Agreement.
 - ii. Work that is subject to the California Environmental Quality Act (CEQA) and or environmental permitting shall not proceed under this Funding Agreement until the following actions are performed:

- a. Grantee submits to the State all applicable environmental permits as indicated on the Environmental Information Form to the State, and
- b. Documents that satisfy the CEQA process are received by the State, and
- c. Grantee receives written concurrence from the State of the Lead Agency's CEQA document(s) and State notice of verification of environmental permit submittal.

State's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for which it is required. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the Project or to require changes, alterations, or other mitigation. Grantee must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act (NEPA) by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.

7. DISBURSEMENT OF FUNDS. State will disburse to Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Funding Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations pursuant to any federal statute or regulation. Any and all money disbursed to Grantee under this Funding Agreement shall be deposited in a separate account and shall be used solely to pay Eligible Project Costs.
8. ELIGIBLE PROJECT COST. Grantee shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project included in this Agreement. Work performed on the Project after November 21, 2022, shall be eligible for reimbursement.

Costs that are not eligible for reimbursement include, but are not limited to the following items:

- A. Costs incurred prior to November 21, 2022.
- B. Operation and maintenance costs, including post-construction performance and monitoring costs.
- C. Purchase of equipment not an integral part of the Project.
- D. Establishing a reserve fund.
- E. Monitoring and assessment costs for efforts required after Project construction is complete.
- F. Replacement of existing funding sources for ongoing programs.
- G. Payment of federal or state taxes.
- H. Costs incurred as part of any necessary response and cleanup activities required under the Comprehensive Environmental Response, Compensation, and Liability Act; Resource Conservation and Recovery Act; Hazardous Substances Account Act; or other applicable law.
- I. Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).

- J. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to November 21, 2022.
- K. Overhead and indirect costs. "Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include but are not limited to: central service costs; general administration of the Grantee; non-project-specific accounting and personnel services performed within the Grantee's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition; conference fees; and, generic overhead or markup. This prohibition applies to the Grantee and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.
9. METHOD OF PAYMENT. After the disbursement requirements in Paragraph 6 "Basic Conditions" are met, State will disburse the whole or portions of State funding to Grantee, following receipt from Grantee via US mail or Express mail delivery of a "wet signature" invoice, or an electronic invoice certified and transmitted via DocuSign for costs incurred, including Cost Share, and timely Quarterly Progress Reports as required by Paragraph 13, "Submission of Reports." Payment will be made no more frequently than monthly, in arrears, upon receipt of an invoice bearing the Funding Agreement number. State will notify Grantee, in a timely manner, whenever, upon review of an Invoice, State determines that any portion or portions of the costs claimed are not eligible costs or is not supported by documentation or receipts acceptable to State. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to State to cure such deficiency(ies). If Grantee fails to submit adequate documentation curing the deficiency(ies), State will adjust the pending invoice by the amount of ineligible or unapproved costs.

Invoices submitted by Grantee shall include the following information:

- A. Costs incurred for work performed in implementing the Project during the period identified in the particular invoice.
- B. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular invoice for the implementation of the Project.
- C. Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
- i. Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - ii. Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - iii. One set of sufficient evidence (i.e., receipts, copies of checks, timesheets) must be provided for all costs included in the invoice.
 - iv. Each invoice shall clearly delineate those costs claimed for reimbursement from the State's funding amount, as depicted in Paragraph 4, "Funding Amount" and those costs that represent Grantee's costs, as applicable, in Paragraph 5, "Grantee Required Cost Share."
 - v. Invoices can be submitted by one of the following methods.

- a. Via email at Colt.Brockman@water.ca.gov
- b. Mail the invoice with the original "wet signature" to the following address: Colt Brockman, California Department of Water Resources, Northern Region Office, 2440 Main Street, Red Bluff, CA 96080

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Grantee shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs/cost share). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder plus interest. Additionally, the State may request an audit pursuant to Paragraph D.5 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 115, 470, 487-489.)

10. WITHHOLDING OF DISBURSEMENTS BY STATE. If State determines that the Project is not being implemented in accordance with the provisions of this Funding Agreement, or that Grantee has failed in any other respect to comply with the provisions of this Funding Agreement, and if Grantee does not remedy any such failure to State's satisfaction, State may withhold from Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and State notifies Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 11, the portion that has been disbursed shall thereafter be repaid immediately as directed by State. State may consider Grantee's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 11, "Default Provisions." If State notifies Grantee of its decision to withhold the entire funding amount from Grantee pursuant to this Paragraph, this Funding Agreement shall terminate upon receipt of such notice by Grantee and the State shall no longer be required to provide funds under this Funding Agreement and the Funding Agreement shall no longer be binding on either party.
11. DEFAULT PROVISIONS. Grantee will be in default under this Funding Agreement if any of the following occur:
 - A. Substantial breaches of this Funding Agreement, or any supplement or amendment to it, or any other agreement between Grantee and State evidencing or securing Grantee's obligations.
 - B. Making any false warranty, representation, or statement with respect to this Funding Agreement, the application, or any documents filed to obtain grant funding.
 - C. Failure to operate or maintain the Project in accordance with this Funding Agreement.
 - D. Failure to make any remittance required by this Funding Agreement, including any remittance recommended as the result of an audit conducted pursuant to Paragraph D.5.
 - E. Failure to submit timely progress reports.
 - F. Failure to routinely invoice State.
 - G. Failure to meet any of the requirements set forth in Paragraph 12, "Continuing Eligibility."

Should an event of default occur, State shall provide a notice of default to the Grantee and shall give Grantee at least ten (10) calendar days to cure the default from the date the notice is sent via first-class mail to the Grantee. If the Grantee fails to cure the default within the time prescribed by the State, State may do any of the following:

- A. Declare the funding disbursed be immediately repaid.
- B. Terminate any obligation to make future payments to Grantee.
- C. Terminate the Funding Agreement.
- D. Take any other action that it deems necessary to protect its interests.

In the event State finds it necessary to enforce this provision of this Funding Agreement in the manner provided by law, Grantee agrees to pay all costs incurred by State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

12. **CONTINUING ELIGIBILITY.** Grantee must meet the following ongoing requirement(s) to remain eligible to receive State funds:
- A. Grantee must adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Wat. Code, § 12406) for data sharing, transparency, documentation, and quality control.
 - B. If the Grantee diverting surface water, the Grantee must maintain compliance with diversion reporting requirements as outlined in Water Code section 5100 et seq.
 - C. If applicable, maintain compliance with the Urban Water Management Planning Act (Wat. Code, § 10610 et seq.).
 - D. If applicable, maintain compliance with Sustainable Water Use and Demand Reduction requirements outlined in Water Code Section 10608, et seq.
 - E. On March 4, 2022, the Governor issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. The EO may be found at: <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf>. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under State law. The EO directs DWR to terminate funding agreements with, and to refrain from entering any new agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine that the Grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State shall provide the Grantee advance written notice of such termination, allowing the Grantee at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.
13. **SUBMISSION OF REPORTS.** The submittal and approval of all reports is a requirement for the successful completion of this Funding Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to State. All reports shall be submitted to the State's Project Manager and shall be submitted via email or DWR's "Grant Review and Tracking System" (GRanTS). If requested, Grantee shall promptly provide any additional information deemed necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the

State, of a Project Completion Report is a requirement for the release of any funds retained for such project.

- A. Quarterly Progress Reports: Grantee shall submit Quarterly Progress Reports to meet the State's requirement for disbursement of funds. Quarterly Progress Reports shall be sent directly to the Project Manager via email or uploaded via GRanTS, and the State's Project Manager notified of upload. Quarterly Progress Reports shall, in part, provide a brief description of the work performed, Grantee's activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Funding Agreement during the reporting period. The first Quarterly Progress Report should be submitted to the State no later than three months after the execution of the agreement with future reports then due on successive three-month increments based on the invoicing schedule and this date.
- B. Project Completion Report: Grantee shall prepare and submit to State a Project Completion Report for the Project. Grantee shall submit the Project Completion Report within ninety (90) calendar days of project completion. The Project Completion Report shall include, in part, a description of actual work done, any changes or amendments to the Project, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during the Project. The Project Completion Report shall also include, if applicable, certification of final project by a registered civil engineer, consistent with Standard Condition D.17, "Final Inspections and Certification of Registered Civil Engineer". A DWR "Certification of Project Completion" form will be provided by the State.

14. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects and in consideration of the funding made by State, Grantee agrees to ensure or cause to be performed the commencement and continued operation of the Project, and shall ensure or cause the Project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. Grantee or their successors may, with the written approval of State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Funding Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of Grantee to ensure operation and maintenance of the Project in accordance with this provision may, at the option of State, be considered a breach of this Funding Agreement and may be treated as default under Paragraph 11, "Default Provisions."

15. NOTIFICATION OF STATE. Grantee shall promptly notify State, in writing, of the following items:
- A. Events or proposed changes that could affect the scope, budget, or work performed under this Funding Agreement. Grantee agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
 - B. Any public or media event publicizing the accomplishments and/or results of this Funding Agreement and provide the opportunity for attendance and participation by State's

representatives. Grantee shall make such notification at least 14 calendar days prior to the event.

- C. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Grantee agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State has determined what actions should be taken to protect and preserve the resource. The Grantee agrees to implement appropriate actions as directed by the State.
 - D. The initiation of any litigation or the threat of litigation against the Grantee regarding the Project or that may affect the Project in any way.
 - E. Final inspection of the completed work on a project by a Registered Civil Engineer, in accordance with Standard Condition D.17, "Final Inspections and Certification of Registered Civil Engineer." Grantee shall notify the State's Project Manager of the inspection date at least 14 calendar days prior to the inspection in order to provide State the opportunity to participate in the inspection.
16. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Funding Agreement shall be in writing. Notices may be transmitted by any of the following means:
- A. By delivery in person.
 - B. By certified U.S. mail, return receipt requested, postage prepaid.
 - C. By "overnight" delivery service, provided that next-business-day delivery is requested by the sender.
 - D. By electronic means.
 - E. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.
17. PERFORMANCE EVALUATION. Upon completion of this Funding Agreement, Grantee's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.

18. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Funding Agreement are as follows:

Department of Water Resources
Arthur Hinojosa
Manager, Division of Regional Assistance
P.O. Box 942836
Sacramento, CA 94236
Phone: (916) 902-6713
Email: Arthur.Hinojosa@water.ca.gov

Gold Mountain Community Services District
Gordon Bennie
Board President
PO Box 5
Portola, CA 96122
Phone: (530) 832-5945
Email: gordongmcsd@gmail.com

Direct all inquiries to the Project Manager:

Department of Water Resources
Colt Brockman
Environmental Scientist
2440 Main Street
Red Bluff, CA 96080
Phone: (530) 529-7345
Email: Colt.Brockman@water.ca.gov

Gold Mountain Community Services District
Skyler Allingham
General Manager
PO Box 5
Portola, CA 96122
Phone: (619) 248-1048
Email: skyler.allinghamgmsd@gmail.com

Either party may change its Project Representative or Project Manager upon written notice to the other party.

19. STANDARD PROVISIONS AND INTEGRATION. This Funding Agreement is complete and is the final Agreement between the parties. The following Exhibits are attached and made a part of this Funding Agreement by this reference:

Exhibit A – WORK PLAN

Exhibit B – BUDGET

Exhibit C – SCHEDULE

Exhibit D – STANDARD CONDITIONS

Exhibit E – GRANTEE'S AUTHORIZING RESOLUTION

Exhibit F – REPORT FORMATS AND REQUIREMENTS

Exhibit G – STATE AUDIT DOCUMENT REQUIREMENTS

Exhibit H – INFORMATION NEEDED FOR ESCROW PROCESSING AND CLOSURE

Exhibit I – APPRAISAL SPECIFICATIONS

Exhibit J – ADVANCE PAYMENT

IN WITNESS WHEREOF, the parties hereto have executed this Funding Agreement.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

GOLD MOUNTAIN COMMUNITY SERVICES
DISTRICT

Arthur Hinojosa
Arthur Hinojosa, Manager
Division of Regional Assistance

Skyler Allingham
Skyler Allingham, General Manager

Date 3/6/2023

Date 3/6/2023

Approved as to Legal Form and Sufficiency

James Herink For
Robin Brewer, Assistant General Counsel
Office of General Counsel

3/6/2023

Exhibit A

WORK PLAN

Project Title: Gold Mountain CSD Well Rehabilitation Project

Funding Recipient: Gold Mountain Community Services District

Project Description: The Project includes the construction of a new detention tank with a size of up to 62,000 gallons to allow sufficient time for carbon dioxide (CO₂) naturally entrapped in the community's groundwater sources to dissipate so the existing wells can be used to supply sufficient water for the community during this drought. This task also includes a booster pump and associated appurtenances to connect the tank to the Grantee's existing water system.

One of the Grantee's wells (Well 29) is currently producing water with naturally entrapped CO₂ making the water unusable. The solution is the installation of a detention tank allowing CO₂ to dissipate and the potable water to be pumped into the Grantee's distribution system.

Task 1 – Project Administration

This task includes project administration, invoicing, and reporting.

Project administration includes working with DWR to develop and execute the Grant Agreement, administration of the Project including overseeing the budget and schedule, construction management and inspection, making payments to engineers and contractors after inspections and/or approval of work, and other activities related to the completion of the Project. Includes attending weekly/monthly meetings (as needed) with DWR Project Manager.

Invoicing includes, preparing and submitting invoices and appropriate backup documentation to the DWR Project Manager describing the work completed and listing the costs incurred during the billing cycle.

Reporting includes preparing and submitting progress reports. Prepare quarterly reports and submit them to DWR. Draft Grant Completion Report and submit for DWR comment. Prepare final Grant Completion Report incorporating DWR comments. All reports should be prepared as specified in Exhibit F of this Agreement.

Deliverables:

- Meeting Agendas
- Meeting Minutes/Action Items
- Invoices and supporting documents
- Quarterly progress reports
- Draft Grant completion report
- Final Grant completion report

Task 2 – Engineering, Procurement, and Environmental

This task includes filling out the Environmental Information Form (EIF), preparing CEQA documentation, and obtaining other necessary permits for the Project. EIF and the CEQA documentation need to be submitted to the DWR's project manager for review and concurrence prior to beginning construction.

This task also includes planning, preparing design plans, technical specifications, and cost estimates, and the procurement of necessary materials to implement the Project.

Deliverables:

- Environmental Information Form
- Final CEQA Documentation
- necessary permits
- 100% Plans, Specifications, and Cost Estimates

Task 3: Construction and Implementation

This task also includes preparing bid documents, advertising the construction of the Project, and awarding the contracts.

This task also includes the construction of the Project and performing construction inspection and construction management.

Deliverables:

- Bid Documents
- Proof of advertisement
- Copy of awarded contract
- Copy of notice to proceed
- Construction Schedule
- Construction Photographs
- Final As-Built Drawings
- Project Completion Form
- After Construction Photographs

Exhibit B
BUDGET

All work associated with the Project must be completed prior to payment of retention. Backup documentation for cost share will not be reviewed for the purposes of invoicing. The Grantee is required to maintain all financial documents related to the Project in accordance with Exhibit G (State Audit Document Requirements for Grantees).

Task	Funding Amount	Cost Share: Non-State Fund Source	Total Cost
Task 1 – Project Administration	\$ 3,640	\$0	\$3,640
Task 2 – Engineering, Procurement, and Environmental	\$102,697	\$21,664	\$124,361
Task 3 – Construction and Implementation	\$91,699	\$3,699	\$95,398
Grand Total	\$198,036	\$25,363	\$223,399

Exhibit C
SCHEDULE

Task	Start Date	End Date
Task 1 – Project Administration	1/2/2023	12/31/2024
Task 2 – Engineering, Procurement, and Environmental	1/2/2023	6/30/2023
Task 3 – Construction and Implementation	4/15/2023	12/31/2024

Exhibit D
STANDARD CONDITIONS

D.1. ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:

- A. **Separate Accounting of Funding Disbursements:** Grantee shall account for the money disbursed pursuant to this Funding Agreement separately from all other Grantee funds. Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Grantee shall keep complete and accurate records of all receipts and disbursements on expenditures of such funds. Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.
- B. **Disposition of Money Disbursed:** All money disbursed pursuant to this Funding Agreement shall be deposited in a separate account, administered, and accounted for pursuant to the provisions of applicable law.
- C. **Remittance of Unexpended Funds:** Grantee shall remit to State any unexpended funds that were disbursed to Grantee under this Funding Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from State to Grantee of funds or, within thirty (30) calendar days of the expiration of the Funding Agreement, whichever comes first.

D.2. **ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE:** Grantee shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Funding Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Grantee's headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the State Department of Water Resources." The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.

D.3. **AMENDMENT:** This Funding Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request. Requests solely for a time extension must be submitted at least 90 days prior to the work completion date set forth in Paragraph 2. Any other request for an amendment must be submitted at least 180 days prior to the work completion date set forth in Paragraph 2. State shall have no obligation to agree to an amendment.

D.4. **AMERICANS WITH DISABILITIES ACT:** By signing this Funding Agreement, Grantee assures State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.5. **AUDITS:** State reserves the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Grantee to conduct a final audit to State's specifications, at Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Grantee to

comply with this provision shall be considered a breach of this Funding Agreement, and State may elect to pursue any remedies provided in Paragraph 11 or take any other action it deems necessary to protect its interests. The Grantee agrees it shall return any audit disallowances to the State.

Pursuant to Government Code section 8546.7, the Grantee shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Funding Agreement with respect of all matters connected with this Funding Agreement, including but not limited to, the cost of administering this Funding Agreement. All records of Grantee or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement.

- D.6. BUDGET CONTINGENCY: If the Budget Act of the current year covered under this Funding Agreement does not appropriate sufficient funds for this program, this Funding Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State to make any payments under this Funding Agreement. In this event, State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Funding Agreement and Grantee shall not be obligated to perform any provisions of this Funding Agreement. Nothing in this Funding Agreement shall be construed to provide Grantee with a right of priority for payment over any other Grantee. If funding for any fiscal year after the current year covered by this Funding Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Funding Agreement with no liability occurring to State or offer a Funding Agreement amendment to Grantee to reflect the reduced amount.
- D.7. CEQA: Activities funded under this Funding Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by the State's Project Manager and the State has completed its CEQA compliance. Work funded under this Agreement that is subject to a CEQA document shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Grantee is not complete at the time the State signs this Agreement, once State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with Paragraph 11.
- D.8. CHILD SUPPORT COMPLIANCE ACT: The Grantee acknowledges in accordance with Public Contract Code section 7110, that:
- A. The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq.; and
 - B. The Grantee, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.9. CLAIMS DISPUTE: Any claim that the Grantee may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the

Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.

- D.10. **COMPETITIVE BIDDING AND PROCUREMENTS:** Grantee's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by State under this Funding Agreement must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the Grantee does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' *State Contracting Manual* rules must be followed and are available at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>.
- D.11. **COMPUTER SOFTWARE:** Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.12. **CONFLICT OF INTEREST:** All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.
- A. **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest, and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - B. **Former State Employees:** For the two-year period from the date, he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date, he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
 - C. **Employees of the Grantee:** Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
 - D. **Employees and Consultants to the Grantee:** Individuals working on behalf of the Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

- D.13. DELIVERY OF INFORMATION, REPORTS, AND DATA: Grantee agrees to expeditiously provide throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by State.
- D.14. DISPOSITION OF EQUIPMENT: Grantee shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory, State shall provide Grantee with a list of the items on the inventory that State will take title to. All other items shall become the property of Grantee. State shall arrange for delivery from Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by State.
- D.15. DRUG-FREE WORKPLACE CERTIFICATION: Certification of Compliance: By signing this Funding Agreement, Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:
- A. Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by the Government Code section 8355.
 - B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
 - i. The dangers of drug abuse in the workplace,
 - ii. Grantee's policy of maintaining a drug-free workplace,
 - iii. Any available counseling, rehabilitation, and employee assistance programs, and
 - iv. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
 - C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Funding Agreement:
 - i. Will receive a copy of Grantee's drug-free policy statement, and
 - ii. Will agree to abide by terms of Grantee's condition of employment, contract, or subcontract.
- D.16. EASEMENTS: Where the Grantee acquires property in fee title or funds improvements to real property already owned in fee by the Grantee using State funds provided through this Funding Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other title restriction must be in the first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.

Where the Grantee acquires an easement under this Agreement, the Grantee agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State

permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner.

Failure to provide an easement acceptable to the State may result in termination of this Agreement.

- D.17. FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER: Upon completion of the Project, Grantee shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Funding Agreement.
- D.18. GOVERNING LAW: This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.19. GRANTEE'S RESPONSIBILITIES: Grantee and its representatives shall:
- A. Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Project Exhibit B (Budget) and Exhibit C (Schedule).
 - B. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Grantee in the application, documents, amendments, and communications filed in support of its request for funding.
 - C. Comply with all applicable California, federal, and local laws and regulations.
 - D. Implement the Project in accordance with applicable provisions of the law.
 - E. Fulfill its obligations under the Funding Agreement and be responsible for the performance of the Project.
 - F. Obtain any and all permits, licenses, and approvals required for performing any work under this Funding Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. Grantee shall provide copies of permits and approvals to State.
 - G. Be solely responsible for design, construction, and operation, and maintenance of the Project. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee under this Agreement.
 - H. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
- D.20. INDEMNIFICATION: Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including any breach of this Agreement. Grantee shall require its contractors or subcontractors

to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.

- D.21. INDEPENDENT CAPACITY: Grantee, and the agents and employees of the Grantee, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.22. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Funding Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Funding Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.
- D.23. INSPECTIONS OF PROJECT BY STATE: State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grantee. This right shall extend to any subcontracts, and Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Funding Agreement with State.
- D.24. LABOR CODE COMPLIANCE: The Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Grantee affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- D.25. MODIFICATION OF OVERALL WORK PLAN: At the request of the Grantee, the State may at its sole discretion approve non-material changes to the portions of Exhibits A, B, and C that concern the budget and schedule without formally amending this Funding Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Grantee to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.
- D.26. NONDISCRIMINATION: During the performance of this Funding Agreement, Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital/domestic partner status, gender identity, and denial of medical and family care leave or pregnancy disability leave. Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and

harassment. Grantee and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated thereunder (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission are incorporated into this Agreement by reference. Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Funding Agreement.

- D.27. OPINIONS AND DETERMINATIONS: Where the terms of this Funding Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.28. PERFORMANCE BOND: Where contractors are used, the Grantee shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Grantee in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Any bond issued pursuant to this paragraph must be issued by a California-admitted surety. (Pub. Contract Code, § 7103; Code Civ. Proc., § 995.311.)
- D.29. PRIORITY HIRING CONSIDERATIONS: If this Funding Agreement includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Funding Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.
- D.30. PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with Grantee's service of water, without prior permission of State. Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Grantee to meet its obligations under this Funding Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.
- D.31. PROJECT ACCESS: The Grantee shall ensure that the State, the Governor of the State, or any authorized representatives of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Agreement.
- D.32. REMAINING BALANCE: In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Funding Agreement, any remaining funds revert to the State. The State will notify the Grantee stating that the Project file is closed, and any remaining balance will be disencumbered and unavailable for further use under this Funding Agreement.
- D.33. REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this Funding Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.34. RETENTION: The State shall withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of Eligible Project Costs until the Project is completed and Final

Report is approved. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.

- D.35. RIGHTS IN DATA: Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Funding Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to State for financial support. Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this Paragraph for any public purpose.
- D.36. SEVERABILITY: Should any portion of this Funding Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Funding Agreement shall continue as modified.
- D.37. SUSPENSION OF PAYMENTS: This Funding Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- A. Grantee, its contractors, or subcontractors have made a false certification, or
 - B. Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Funding Agreement.
- D.38. SUCCESSORS AND ASSIGNS: This Funding Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.
- D.39. TERMINATION BY GRANTEE: Subject to State approval which may be reasonably withheld, Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, Grantee must provide a reason(s) for termination. Grantee must submit all progress reports summarizing accomplishments up until termination date.
- D.40. TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 11, the State may terminate this Funding Agreement and be relieved of any payments should Grantee fail to perform the requirements of this Funding Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 11.
- D.41. TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days' advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.42. THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.43. TIMELINESS: Time is of the essence in this Funding Agreement.
- D.44. TRAVEL: Travel includes the reasonable and necessary costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Funding Agreement. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources for excluded employees. These rates may

be found at: <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>.

Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State.

- D.45. **UNION ORGANIZING:** Grantee, by signing this Funding Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Funding Agreement. Furthermore, Grantee, by signing this Funding Agreement, hereby certifies that:
- A. No State funds disbursed by this Funding Agreement will be used to assist, promote, or deter union organizing.
 - B. Grantee shall account for State funds disbursed for a specific expenditure by this Funding Agreement to show those funds were allocated to that expenditure.
 - C. Grantee shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
 - D. If Grantee makes expenditures to assist, promote, or deter union organizing, Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that Grantee shall provide those records to the Attorney General upon request.
- D.46. **VENUE:** The State and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.47. **WAIVER OF RIGHTS:** None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

Exhibit E
GRANTEE'S AUTHORIZING RESOLUTION
RESOLUTION NO. 2021/22-05

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GOLD MOUNTAIN
COMMUNITY SERVICES DISTRICT AUTHORIZING THE GRANT APPLICATION,
ACCEPTANCE, AND EXECUTION FOR THE WELL 29 REHABILITATION
PROJECT**

WHEREAS the Gold Mountain Community Services District proposes to implement the Well 29 Rehabilitation Project;

WHEREAS the Well 29 Rehabilitation Project is being implemented in response to a drought scenario, as defined by Water Code section 13198(a) and is intended to: (1) address immediate impacts on human health and safety; (2) address immediate impacts on fish and wildlife resources; or (3) provide water to persons or communities that lose or are threatened with the loss or contamination of water supplies;

WHEREAS the Gold Mountain Community Services District has the legal authority and is authorized to enter into a funding agreement with the State of California; and

WHEREAS the Gold Mountain Community Services District intends to apply for grant funding from the California Department of Water Resources for the Well 29 Rehabilitation Project.

THEREFORE, BE IT RESOLVED by the Board of Directors of the Gold Mountain Community Services District as follows:

1. That pursuant and subject to all of the terms and provisions of Budget Act of 2021 (Stats. 2021, Ch. 69, § 112), the Gold Mountain Community Services District General Manager, or designee is hereby authorized and directed to prepare and file an application for funding with the Department of Water Resources, and take such other actions as necessary or appropriate to obtain grant funding
2. The Gold Mountain Community Services District General Manager, or designee is hereby authorized and directed to execute the funding agreement with the Department of Water Resources and any amendments thereto.
3. The Gold Mountain Community Services District General Manager, or designee is hereby authorized and directed to submit any required documents, invoices, and reports required to obtain grant funding.

CERTIFICATION I hereby certify that the foregoing Resolution was duly and regularly adopted by the Board of Directors of the Gold Mountain Community Services District at the meeting held on 26 August 2021, motion by Cary Curtis and seconded by Kim Seney, motion passed by the following vote:

AYES: Cary Curtis, Kim Seney, Rene St. Pierre, Marty Heinrich, Kathy Kogge

NOES: N/A

ABSTAIN: N/A

ABSENT: N/A

Attest:



Cary Curtis

President, Board of Directors



Tiana Bradley

Board Secretary

Exhibit F**REPORT FORMATS AND REQUIREMENTS**

The following reporting formats should be utilized. Please obtain State approval prior to submitting a report in an alternative format.

1. PROGRESS REPORTS

Progress reports shall generally use the following format. This format may be modified as necessary to effectively communicate information.

PROJECT STATUS

Describe the work performed during the time period covered by the report including but not limited to:

PROJECT INFORMATION

- Legal matters
- Engineering Evaluations
- Environmental matters
- Status of permits, easements, rights-of-way, rights of entry, and approvals as may be required by other State, federal, and/or local agencies
- Major accomplishments during the quarter (i.e., tasks completed, milestones met, meetings held or attended, press releases, etc.)
- Issues/concerns that have, will, or could affect the schedule or budget, with a recommendation on how to correct the matter
- Describe differences between the work performed and the work outlined in the Overall Work Plan, including change orders
- Demonstrate financial ability to pay local cost share of Eligible Project Costs required to complete the Project
- Estimate the percentage completion of the overall project
- Identify key issues that need to be resolved
- Photos documenting progress

COST INFORMATION

- Provide a list showing all project costs incurred during the time period covered by the report by the Grantee and each contractor working on the Project and which of these costs are Eligible Project Costs
- A discussion on how the actual budget is progressing in comparison to the project budget included in the Overall Work Plan
- A list of any changes approved to the budget in accordance with Funding Agreement and a revised budget, by task, if changed from latest budget in the Overall Work Plan
- A discussion of whether there have been any changes to the Grantee's finance plan for payment of the Grantee's share of Eligible Project Costs

SCHEDULE INFORMATION

- A schedule showing actual progress versus planned progress
- A discussion on how the actual schedule is progressing in comparison to the original or last reported schedule
- A list of any changes approved to the Schedule in accordance with Funding Agreement and a revised schedule, by task, if changed from latest reported schedule

2. PROJECT COMPLETION REPORT

Project Completion Reports shall generally use the following format.

EXECUTIVE SUMMARY – Should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original application
- Description of actual work completed and any deviations from the work plan identified in the Funding Agreement

REPORTS AND/OR PRODUCTS – The following items should be provided

- Final Evaluation report
- Electronic copies of any data collected, not previously submitted
- As-built drawings
- Final geodetic survey information
- Self-Certification that the Project meets the stated goal of the funding agreement (e.g. 100-year level of flood protection, HMP standard, PL-84-99, etc.)
- Project photos
- Discussion of problems that occurred during the work and how those problems were resolved
- A final project schedule showing actual progress versus planned progress

COSTS AND DISPOSITION OF FUNDS – A list showing:

- The date each invoice was submitted to State
- The amount of the invoice
- The date the check was received
- The amount of the check (If a check has not been received for the final invoice, then state this in this section.)
- A summary of the payments made by the Grantee for meeting its cost sharing obligations under this Funding Agreement.
- A summary of final funds disbursement including:
 - Labor cost of personnel of agency/ major consultant /sub-consultants. Indicate personnel, hours, rates, type of profession, and reason for consultant, i.e., design, CEQA work, etc.

- Evaluation cost information, shown by material, equipment, labor costs, and any change orders
- Any other incurred cost detail
- A statement verifying separate accounting of funding disbursements
- Summary of project cost including the following items:
 - Accounting of the cost of project expenditure;
 - Include all internal and external costs not previously disclosed; and
 - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

ADDITIONAL INFORMATION – Any relevant additional Information should be included.

Exhibit G**STATE AUDIT DOCUMENT REQUIREMENTS**

The following provides a list of documents typically required by State Auditors and general guidelines for Grantees. List of documents pertains to both State funding and Grantee's Cost Share, if any, and details the documents/records that State Auditors would need to review in the event of this Funding Agreement is audited. Grantees should ensure that such records are maintained for three (3) years after final disbursement pursuant to this Agreement.

State Audit Document RequirementsInternal Controls

1. Organization chart (e.g., Agency's overall organization chart and organization chart for the State funded Program/Project).
2. Written internal procedures and flowcharts for the following:
 - a) Receipts and deposits
 - b) Disbursements
 - c) State reimbursement requests
 - d) Expenditure tracking of State funds
 - e) Guidelines, policy, and procedures on State-funded Program/Project
3. Audit reports of the Agency internal control structure and/or financial statements within the last two years.
4. Prior audit reports on the State funded Program/Project.

State Funding:

1. Original Funding Agreement, any amendment(s), and budget modification documents.
2. A listing of all grants, loans, or subventions received from the State.
3. A listing of all other funding sources for the Program/Project.

Contracts:

1. All subcontractor and consultant contracts and related or partners' documents, if applicable.
2. Contracts between the Agency and member agencies as related to the State-funded Program/Project.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the Funding Agreement.
2. Documentation linking subcontractor invoices to State reimbursement, requests, and related Funding Agreement budget line items.
3. Reimbursement requests submitted to the State for the Funding Agreement.

Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State.
2. Deposit slips (or bank statements) showing deposits of the payments received from the State.

3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the grants or loans.
4. Bank statements showing the deposit of the receipts.

Accounting Records:

1. Ledgers showing entries for funding receipts and cash disbursements.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to requests for Funding Agreement reimbursement.

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Agency staff that worked on the State funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Agency personnel who provided services charged to the program

Project Files:

1. All supporting documentation maintained in the project files.
2. All Funding Agreement related correspondence.

Exhibit H**INFORMATION NEEDED FOR ESCROW PROCESSING AND CLOSURE**

The Grantee must provide the following documents to the State Project Representative during the escrow process. Property acquisition escrow documents must be submitted within the term of this Funding Agreement and after a qualified appraisal has been approved.

- Name and Address of Title Company Handling the Escrow
- Escrow Number
- Name of Escrow Officer
- Escrow Officer's Phone Number
- Dollar Amount Needed to Close Escrow
- Legal Description of Property Being Acquired
- Assessor's Parcel Number(s) of Property Being Acquired
- Copy of Title Insurance Report
- Entity Taking Title as Named Insured on Title Insurance Policy
- Copy of Escrow Instructions in Draft Form Prior to Recording for Review Purposes
- Copy of Final Escrow Instructions
- Verification that all Encumbrances (Liens, Back Taxes, and Similar Obligations) have been Cleared Prior to Recording the Deed to Transfer Title
- Copy of Deed for Review Purposes Prior to Recording
- Copy of Deed as Recorded in County Recorder's Office
- Copy of Escrow Closure Notice

Exhibit I**APPRAISAL SPECIFICATIONS**

For property acquisitions funded this Funding Agreement, the Grantee must submit an appraisal for review and approval by the Department of General Services or DWR's Real Estate Branch prior to reimbursement or depositing State funds into an escrow account. All appraisal reports, regardless of report format, must include all applicable Appraisal Specifications below. Appraisals for a total compensation of \$150,000 or more shall be reported as a Self-Contained Appraisal Report. Appraisals for a total compensation of less than \$150,000 may be reported as a Summary Appraisal Report, which includes all information necessary to arrive at the appraiser's conclusion. Appraisal Specifications 14, 16, 21, 23-25, and 28 shall be narrative analysis regardless of the reporting format.

1. Title page with sufficient identification of appraisal assignment.
2. Letter of transmittal summarizing important assumptions and conclusions, value estimate, date of value and date of report.
3. Table of contents.
4. Assumptions and Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions as needed.
5. Description of the scope of work, including the extent of data collection and limitations, if any, in obtaining relevant data.
6. Definition of Fair Market Value, as defined by Code of Civil Procedure, section 1263.320.
7. Photographs of subject property and comparable data, including significant physical features and the interior of structural improvements, if applicable.
8. Copies of Tax Assessor's plat map with the subject marked along with all contiguous assessor's parcels that depict the ownership.
9. A legal description of the subject property, if available.
10. For large, remote or inaccessible parcels, provide aerial photographs or topographical maps depicting the subject boundaries.
11. Three-year subject property history, including sales, listings, leases, options, zoning, applications for permits, or other documents or facts that might indicate or affect use or value.
12. Discussion of any current Agreement of Sale, option, or listing of subject property. This issue required increased diligence since state agencies often utilize non-profit organizations to quickly acquire sensitive-habitat parcels using Option Agreements. However, due to confidentiality clauses, the terms of the Option are often not disclosed to the state. If the appraiser discovers evidence of an Option or the possible existence of an Option, and the terms cannot be disclosed due to a confidentiality clause, then the appraiser is to cease work and contact the client.
13. Regional, area, and neighborhood analyses. This information may be presented in a summary format.
14. Market conditions and trends including identification of the relevant market area, a discussion of supply and demand within the relevant market area, and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area. This information may be presented in a summary format.
15. Discussion of subject land/site characteristics (size, topography, current use, elevations, zoning and land use issues, development entitlements, General Plan designation, utilities, offsite

improvements, access, land features such as levees and creeks, offsite improvements, easements and encumbrances, covenants, conditions and restrictions, flood and earthquake information, toxic hazards, water rights, mineral rights, toxic hazards, taxes and assessments, etc.).

16. Description of subject improvements including all structures, square footage, physical age, type of construction, quality of construction, condition of improvements and/or identification of any permanent plantings. Discussion of construction cost methodology, costs included and excluded, accrued depreciation from all causes, remaining economic life, items of deferred maintenance and cost to cure, and incurable items. Construction cost data must include cost data source, date of estimate or date of publication of cost manual, section and page reference of cost manual, copies of cost estimate if provided from another source, replacement or reproduction cost method used, and supporting calculations including worksheets or spreadsheets.
17. Subject property leasing and operating cost history, including all items of income and expense.
18. Analysis and conclusion of the larger parcel for partial taking appraisals. For partial taking appraisals, Appraisal Specifications generally apply to the larger parcel rather than an ownership where the larger parcel is not the entire ownership.
19. Include a copy of a recent preliminary title report (within the past year) as an appraisal exhibit. Discuss the title exceptions and analyze the effect of title exceptions on fair market value.
20. For appraisals of partial takings or easements, a detailed description of the taking or easement area including surface features and topography, easements, encumbrances or improvements including levees within the subject partial take or easement, and whether the take area is characteristic of the larger parcel. Any characteristics of the taking area, including existing pre-project levees that render the take area different from the larger parcel must be addressed in the valuation.
21. Opinion of highest and best use for the subject property, based on an in depth analysis supporting the concluded use which includes the detail required by the complexity of the analysis. Such support typically requires a discussion of the four criteria of tests utilized to determine the highest and best use of a property. If alternative feasible uses exist, explain and support market, development, cash flow, and risk factors leading to an ultimate highest and best use decision.
22. All approaches to market value applicable to the property type and in the subject market. Explain and support the exclusion of any usual approaches to value.
23. Map(s) showing all comparable properties in relation to the subject property.
24. Photographs and plat maps of comparable properties.
25. In depth discussion of comparable properties, similarities and differences compared to the subject, adjustments to the comparable data, and discussion of the reliability and credibility of the data as it relates to the indicated subject property value. Improved comparable sales which are used to compare to vacant land subject properties must include an allocation between land and improvements, using methodology similar to methodology used in item 16 above to estimate improvement value when possible, with an explanation of the methodology used.
26. Comparable data sheets.
 - a) For sales, include information on grantor/grantee, sale/recordation dates, listed or asking price as of the date of sale, highest and best use, financing, conditions of sale, buyer motivation, sufficient location information (street address, post mile, and/or distance from local landmarks

- such as bridges, road intersections, structures, etc.), land/site characteristics, improvements, source of any allocation of sale price between land and improvements, and confirming source.
- b) For listings, also include marketing time from list date to effective date of the appraisal, original list price, changes in list price, broker feedback, if available.
- c) For leases, include significant information such as lessor/lessee, lease date and term, type of lease, rent and escalation, expenses, size of space leased, tenant improvement allowance, concessions, use restrictions, options, and confirming source. When comparing improved sales to a vacant land subject, the contributory value of the improvements must be segregated from the land value.
27. For appraisals of easements, a before and after analysis of the burden of the easement on the fee, with attention to how the easement affects highest and best use in the after condition. An Easement Valuation Matrix or generalized easement valuation references may be used ONLY as a reference for a secondary basis of value.
28. For partial taking and easement appraisals, valuation of the remainder in the after condition and analysis and identification of any change in highest and best use or other characteristics in the after condition, to establish severance damages to the remainder in the after condition, and a discussion of special and general benefits, and cost to cure damages or construction contract work.
29. There are occasions where properties involve water rights, minerals, or salable timber that require separate valuations. If an appraisal assignment includes water rights, minerals, or merchantable timber that requires separate valuation, the valuation of the water rights, minerals, or merchantable timber must be completed by a credentialed subject matter specialist.
30. For partial taking and easement appraisals, presentation of the valuation in California partial taking acquisition required format.
31. Implied dedication statement.
32. Reconciliation and final value estimate. Include analysis and comparison of the comparable sales to the subject, and explain and support conclusions reached.
33. Discussion of any departures taken in the development of the appraisal.
34. Signed Certification consistent with the language found in Uniform Standards of Professional Appraisal Practice.
35. If applicable, in addition to the above, appraisals of telecommunication sites must also provide:
- a) A discussion of market conditions and trends including identification of the relevant market, a discussion of supply and demand within the relevant market area and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area.
- b) An analysis of other (ground and vault) leases comparable to subject property. Factors to be discussed in the analysis include the latitude, longitude, type of tower, tower height, number of rack spaces, number of racks occupied, placement of racks, power source and adequacy, back-up power, vault and site improvements description and location on site, other utilities; access, and road maintenance costs.

Exhibit J
ADVANCE PAYMENT

Water Code section 13198.4(c) authorizes advanced payment by the State for grantees that demonstrate cash flow issues. A project may receive an advanced payment of twenty-five (25) percent of its grant award; the remaining seventy-five (75) percent of the grant award will be reimbursed in arrears after the advanced funds have been fully expended. Within ninety (90) calendar days of execution of the Grant Agreement, the Grantee may provide the State an Advanced Payment Request. Advanced Payment Requests received ninety-one (91) calendar days after the execution of this Agreement will not be eligible to receive an advanced payment. The Advanced Payment Request shall contain the following:

- A. If the Grantee is requesting the advanced payment, the request(s) shall include:
 1. Descriptive information of each project with an update on project status
 2. Description and documentation of the cash flow issues the Grantee has that requires funds to be advanced
 3. The names of the entities that will receive the funding for each project
 4. A detailed Funding Plan which includes how the advanced payment will be expended (in terms of workplan, budget, and schedule) within the timeframe agreed upon by DWR and the Grantee. The Funding Plan must clearly identify the total budget (at Budget Category Level) for each project clearly showing the portion of advanced payment and reimbursement funds.
 5. Any other information that DWR may deem necessary
- B. Upon review and approval of the Advanced Payment Request, DWR may authorize payment of the requested amount or a lesser amount for those entities that have requested advanced funds. Based on the project's Funding Plan and other considerations, DWR may develop a "Disbursement Schedule," to disburse funds in installments. This Disbursement Schedule may change based on the project's ongoing compliance with the Advanced Payment requirements and the project's cash flow needs.
- C. Once DWR authorizes the Advanced Payment Request, the Grantee shall submit Advanced Payment Invoice(s) for the initial amount based on the "Disbursement Schedule" containing the request for each project requesting advanced funds, to the State with signature and date of the Grantee's Project Representative, as indicated in Paragraph 18, "Project Representative." The Grantee shall be responsible for the timely distribution of the advanced funds. The Advanced Payment Invoice(s) shall be submitted on forms provided by the State and shall meet the following format requirements:
 1. Invoice shall contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 2. Invoice shall be itemized based on the budget categories specified in Exhibit B, "Budget."
 3. The State Project Manager will notify the Grantee, in a timely manner, when, upon review of an Advance Payment Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). If costs are not consistent with the tasks in Exhibit A, the State will reject the claim and remove them from the Accountability Report.

4. On a quarterly basis, the Grantee will submit an Accountability Report to the State that demonstrates how actual expenditures compare with the scheduled budget. The Accountability Report shall include the following information:
 - i. An itemization of how advanced funds have been spent to-date (Expenditure Report), including documentation that supports the disbursements (e.g., contractor invoices, receipts, personnel hours, etc.). Accountability Reports shall be itemized based on the budget categories (i.e., tasks) specified in Exhibit B.
 - ii. An updated Accountability Report including an updated Funding Plan that depicts how the remaining advanced funds will be expended and the activities and deliverables associated with the advanced funds within the timeframe agreed upon by DWR and the Grantee when the advanced payment request was approved.
 - iii. Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.
 - iv. Proof of distribution of advanced funds, if applicable.
- D. Once the Grantee has spent all advanced funds in a budget category, then the method of payment will revert to the reimbursement process for that budget category specified in Paragraph 9, "Method of Payment."

**Gold Mountain CSD
A/R Aging Summary
As of July 31, 2023**

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
	63.83	0.00	0.00	0.00	0.00	63.83
	296.84	0.00	0.00	26.42	264.29	587.55
	0.00	296.60	0.00	23.78	0.00	320.38
	0.00	296.84	0.00	26.43	0.00	323.27
	0.00	593.44	0.00	50.21	0.00	643.65
	0.00	293.94	0.00	0.00	0.00	293.94
	293.94	0.00	0.00	0.00	0.00	293.94
	532.77	0.00	0.00	0.00	0.00	532.77
	293.94	0.00	0.00	0.00	0.00	293.94
T	1,120.65	0.00	0.00	0.00	0.00	1,120.65
	0.00	528.72	0.00	0.00	0.00	528.72
	0.00	296.60	0.00	24.00	0.00	320.60
	0.00	293.94	0.00	0.00	0.00	293.94
	300.17	0.00	0.00	65.17	557.91	923.25
	116.94	0.00	0.00	0.00	0.00	116.94
	0.00	724.00	0.00	0.00	0.00	724.00
	0.00	293.94	0.00	0.00	0.00	293.94
	169.10	0.00	0.00	0.00	0.00	169.10
	7.32	0.00	0.00	0.00	0.00	7.32
	176.42	0.00	0.00	0.00	0.00	176.42
	0.00	296.84	0.00	0.00	0.00	296.84
	0.00	293.94	0.00	0.00	0.00	293.94
	296.84	0.00	0.00	0.00	0.00	296.84
	293.94	0.00	0.00	0.00	0.00	293.94
	293.94	0.00	0.00	0.00	0.00	293.94
	0.00	29.65	0.00	0.00	0.00	29.65
	293.94	0.00	0.00	0.00	0.00	293.94
	0.00	293.94	0.00	0.00	0.00	293.94
	0.00	293.94	0.00	0.00	0.00	293.94
	3.00	0.00	0.00	0.00	0.00	3.00
	0.00	530.29	0.00	0.00	0.00	530.29
	526.53	0.00	0.00	0.00	0.00	526.53
	0.00	28.65	0.00	0.00	0.00	28.65
	0.00	29.65	0.00	0.00	0.00	29.65
	0.00	293.94	0.00	32.26	290.72	616.92

Gold Mountain CSD
A/R Aging Summary
As of July 31, 2023

Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
0.00	293.94	0.00	0.00	0.00	293.94
0.00	293.94	0.00	0.00	0.00	293.94
0.00	515.58	0.00	0.00	0.00	515.58
0.00	1,103.46	0.00	0.00	0.00	1,103.46
336.16	0.00	1,057.16	67.17	1,486.38	2,946.87
881.60	0.00	0.00	0.00	0.00	881.60
0.00	293.94	0.00	0.00	0.00	293.94
0.00	528.62	0.00	0.00	0.00	528.62
293.94	0.00	0.00	0.00	0.00	293.94
0.00	116.94	0.00	0.00	0.00	116.94
299.87	0.00	0.00	8.53	584.62	893.02
0.00	293.94	0.00	0.00	0.00	293.94
0.00	29.65	0.00	0.00	0.00	29.65
0.00	552.48	0.00	0.00	0.00	552.48
0.00	293.94	0.00	0.00	0.00	293.94
293.94	0.00	0.00	0.00	0.00	293.94
0.00	575.69	0.00	0.00	0.00	575.69
293.94	0.00	0.00	0.00	0.00	293.94
12.24	595.97	0.00	128.07	0.00	736.28
0.00	29.65	0.00	0.00	0.00	29.65
0.00	293.94	0.00	0.00	0.00	293.94
293.94	0.00	0.00	34.91	349.16	678.01
0.00	580.28	0.00	0.00	0.00	580.28
0.00	293.94	0.00	0.00	0.00	293.94
150.75	577.76	0.00	0.00	0.00	728.51
542.42	0.00	0.00	0.00	0.00	542.42
0.00	320.80	0.00	289.72	496.80	1,107.32
0.00	29.65	0.00	0.00	0.00	29.65
0.00	300.17	0.00	62.24	123.27	485.68
0.00	29.65	0.00	0.00	0.00	29.65
300.17	0.00	0.00	65.17	557.91	923.25
300.17	0.00	0.00	65.17	557.91	923.25
600.34	0.00	0.00	130.34	1,115.82	1,846.50
13.02	320.25	0.00	283.72	2,334.59	2,951.58
293.94	0.00	0.00	0.00	0.00	293.94
0.00	29.65	0.00	0.00	0.00	29.65
639.48	0.00	0.00	52.37	523.70	1,215.55
0.00	0.80	0.00	0.00	0.00	0.80
0.00	0.80	0.00	0.00	0.00	0.80
0.00	1.60	0.00	0.00	0.00	1.60

**Gold Mountain CSD
A/R Aging Summary
As of July 31, 2023**

<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
0.00	293.94	0.00	0.00	0.00	293.94
293.94	0.00	0.00	0.00	0.00	293.94
619.64	0.00	0.00	0.00	0.00	619.64
913.58	0.00	0.00	0.00	0.00	913.58
293.94	0.00	0.00	0.00	0.00	293.94
516.15	0.00	0.00	0.00	0.00	516.15
0.00	293.94	0.00	0.00	0.00	293.94
0.00	309.03	0.00	0.00	0.00	309.03
0.00	293.94	0.00	2.35	235.13	531.42
0.00	602.97	0.00	2.35	235.13	840.45
293.94	0.00	0.00	0.00	0.00	293.94
0.00	59.42	0.00	0.00	0.00	59.42
0.00	59.42	0.00	0.00	0.00	59.42
293.94	0.00	0.00	0.00	0.00	293.94
519.18	0.00	0.00	0.00	0.00	519.18
293.94	0.00	0.00	0.00	0.00	293.94
293.94	0.00	0.00	0.00	0.00	293.94
293.94	0.00	0.00	0.00	0.00	293.94
293.94	0.00	0.00	0.00	0.00	293.94
0.00	28.45	0.00	0.00	0.00	28.45
0.00	293.94	0.00	0.00	0.00	293.94
0.00	515.58	0.00	0.00	0.00	515.58
0.00	293.94	0.00	0.00	0.00	293.94
12,735.11	14,689.57	1,057.16	1,257.48	8,362.39	38,101.71

TOTAL

Gold Mountain CSD
Balance Sheet
As of July 31, 2023

	Jul 31, 23
ASSETS	
Current Assets	
Checking/Savings	
CAPITAL ACCOUNTS	
CLASS Capital Account Enhanced	10,000.00
CLASS Regular Investment Act	15,000.00
1002 · Plumas Chkng - Capital (0690)	12,265.75
1005 · Fidelity Capital Act.(Z40)	105,071.98
Total CAPITAL ACCOUNTS	142,337.73
GRANT FUNDS	
1001 · Plumas Bank - Grant Fund (0679)	5,290.67
Total GRANT FUNDS	5,290.67
OPERATING ACCOUNTS	
1003 · Plumas Checking - Operat (7369)	55,896.82
1004 · Fidelity Operating Rsrves (Z69)	189,013.21
Total OPERATING ACCOUNTS	244,910.03
Total Checking/Savings	392,538.43
Accounts Receivable	
1201 · *Accounts Receivable	29,620.90
Total Accounts Receivable	29,620.90
Other Current Assets	
1499 · Undeposited Funds	1,480.19
1800 · Prepaid Lease- Storage Building	83,643.82
Total Other Current Assets	85,124.01
Total Current Assets	507,283.34
Fixed Assets	
2400 · Land	290,000.00
2401 · EQUIPMENT	
2401-1 · FIXED ASSETS - WATER	
2401.10 · Land - Future water tank site	47,246.97
2401.11 · General equipment - Water	922,150.29
2401.12 · Water - Distribution System	1,187,498.75
Total 2401-1 · FIXED ASSETS - WATER	2,156,896.01
2401-2 · FIXED ASSETS - SEWER	
2401.21 · Disposal equipment - Sewer	273,867.57
2401.22 · General equipment - Sewer	7,545.11
2401.23 · Collection System - Sewer	415,042.00
Total 2401-2 · FIXED ASSETS - SEWER	696,454.68
2401-3 · Truck	36,940.84
Total 2401 · EQUIPMENT	2,890,291.53
2410 · Accumulated Depreciation	
2410-1 · Accumulated depreciation- Water	-755,420.49
2410-2 · Accumulated depreciation- Sewer	-311,915.83
Total 2410 · Accumulated Depreciation	-1,067,336.32
2411 · Work In Progress - Water	
2411-1 · High Elevation Tank Project	24,868.47
2411-4 · Well 29 Improvements	35,159.27
2411-6 · Well 37	195,734.74
2411-91 · PWR Grant Generators - Upgrade	242,166.45
Total 2411 · Work In Progress - Water	497,928.93

Gold Mountain CSD
Balance Sheet
As of July 31, 2023

	Jul 31, 23
2412 · Work In Progress - Sewer	
2412-1 · Falling Water Dosing Project	187,660.09
2412-2 · Backup Leachfield	53,752.83
2412-3 · Windsong Leachfield	3,775.00
Total 2412 · Work In Progress - Sewer	245,187.92
Total Fixed Assets	2,856,072.06
TOTAL ASSETS	3,363,355.40
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 · Payroll Liabilities	-525.60
2110 · Direct Deposit Liabilities	-50.00
2130 · Unearned Income	242,714.00
Total Other Current Liabilities	242,138.40
Total Current Liabilities	242,138.40
Total Liabilities	242,138.40
Equity	
3100 · Fund Balances	
3001-1 · Fund Balance - Operating	2,729,662.96
3002-1 · Fund Balance RES - Capital WTR	113,320.71
3002-2 · Fund Balance RES - Capital SWR	58,377.34
3003-1 · Fund Balance RES- WTR Operating	168,298.00
3003-2 · Fund Balance RES- SWR Operating	147,422.00
Total 3100 · Fund Balances	3,217,081.01
3900 · Retained Earnings	-194,254.55
Net Income	98,390.54
Total Equity	3,121,217.00
TOTAL LIABILITIES & EQUITY	3,363,355.40

Fire Service Quarterly Review

31 July 2023

Performance Evaluations

	Poor	Fair	Good	Excellent
Response				
Time			X	
Personnel			X	
Equipment			X	
Reports				
Monthly		X		
Inspections				
Training				
W Cadre			X	
Other			X	
Attend Board Meeting (quarterly)			X	
Business Relations				X
Meets contract standards	Yes	X	No	

Fire and Emergency Services Coordinator Report

Aug 2023

Federal Excess Property Program: Signed forms have been returned from CalFire and we are now waiting for contact from the GSA property coordinator to set up our account to be able to view property available.

Fire Cadre Training: CPR/AED training will be held Aug 22 0900 here at the CSD office. This training will be at the BLS level. This training and the Public Safety First Aid on line class will enable us to respond with fire to medical calls within the CSD.

Fire extinguishers have been serviced by Alpine and the bill has been submitted to Cline.

Safety inspections of the three Nakoma commercial buildings have been completed and we are now waiting for copies of the reports. These inspections are in keeping with our contract requirements item 1.6 .

LP tank location survey has been completed by Mike Callahan and me. Once it's finalized we'll make it available to fire.

CSD 2nd quarterly performance review of BFD was conducted on July 31 2023. In attendance was Chief Russell, Skyler Allingham and myself.

Bill Robinson



Gold Mountain[®] Community Services District
Water - Sewer - Fire Protection

**Gold Mountain Community Services District
Agenda**

Regular Meeting
August 18, 2023 10:00 AM
150 Pacific Street Portola, 96122

President Gordon Bennie • Vice-President Kim Seney • Director Rene St. Pierre • Director Kathy Kogge • Director Jon Gresley

RULES AND PROCEDURES OF THIS BOARD

Any person desiring to address the CSD Board on any item not on the Agenda may do so during the public comment period of the meeting. The public is asked to limit comments to three minutes. The Board will also allow for 3-minute public comments between each agenda item.

Please direct your email comments to the CSD at info.gmcsd@gmail.com. Members of the public may submit their comments in writing to be included in the public record. Copies of agenda reports or other written documentation relating to each item of business referred to on this agenda will be available on the District's website at www.gmcsd.org. If you have any questions on any agenda items, contact the CSD at 530-832-5945.

REASONABLE ACCOMMODATIONS

In compliance with the Americans with Disability Act, if you are a disabled person and you need disability-related modifications or accommodations to participate in this meeting, then please contact District Secretary at 530-832-5945. Request must be made as early as possible, and at least one full business day before the start of the meeting

1. Call to Order

A. Roll Call

2. Public Comments

Discussion **Comment**

Pursuant to Government Code Section 54954.3, members of the audience may address the Board on any agenda item before or during the Board's consideration of the item. The District allows a maximum of three (3) minutes for each speaker.

3. Consent Agenda

Discussion **Possible Action** **Comment** [View Item](#)

These routine items are expected to be acted upon at one time without discussion. Any Board Member, staff member or interested public party may request that an item be removed from the consent calendar for discussion

- A. Approve the minutes of the June 16, 2023 regular meeting and the June 22, 2023 special meeting
- B. Approve warrants from June and July 2023

4. Reports

Discussion **Comment** [View Item](#)

- A. General Manager Report
- B. Fire Operations Report
- C. Director Reports

5. Policies

Discussion **Possible Action**  **Comment** **View Item**

Consider adoption of the following policies

- A. Merged Lots
- B. Claims Against the District
- C. Late and Interest Charge Forgiveness Limits

6. CA Class Investment

Discussion **Possible Action**  **Comment**

Receive an update on the CA Class investment

7. Fire Committee

Discussion **Possible Action**  **Comment** **View Item**

Consider establishing a standing Fire Committee and appointing members to the Committee

8. Plan Development Permit

Discussion **Possible Action**  **Comment**

Discuss and consider revision of the District Plan Development Permit

9. Closed Session

Discussion **Possible Action**  **Comment**

Pursuant to Government Code Section 54957 Public Employee Performance Evaluation - General Manager

Ballot Measures and Public Agencies

The California Constitution reserves to the people the right to make some important local policy decisions through the initiative and referendum process.¹ Determining what role local agencies and their officials may play in the initiative and referendum process can be somewhat complicated, but less so if one keeps in mind the basic concept that public funds may not be used to put government's "thumb on the scale" in trying to influence voters one way or the other.

The following series of questions and answers provide general guidelines and analyses of pertinent issues associated with the use of public resources and ballot measure activities. The purpose of this paper is to provide guidance that represents the Institute's best judgment, based on the law, on how to avoid stepping over the line that divides lawful from unlawful conduct. As a general matter, the Institute believes in not treading too close to any such lines, but instead giving them fairly wide berth.

It is also important to remember that just because a given course of action may be lawful, does not mean it will satisfy the public's or the agency's ideas of what constitutes an appropriate use of public resources. Proper stewardship of public resources is a key accountability issue for public officials. In determining proper use of public resources, it is important to remember the law creates only minimum legal standards. The public may view what is "right" as a much higher standard than what is "legal." In addition, there almost always are potential political implications of walking too close to the line in terms of the public's overall reaction to a ballot measure and where the public's attention should be focused.

This guide is offered for general information only and is not intended as legal advice. Reasonable attorneys can and do disagree on where the boundaries are on these issues; moreover, the specific facts of the situation are an important element of the analysis. Always consult an attorney knowledgeable about this area of the law when analyzing what to do in specific situations.

¹Cal. Const. Art. II, §§ 8-11

General Framework

1. Our agency is interested in a measure that is appearing on an upcoming ballot. We have information that may be helpful to the public in making its decision on how to vote. What do we need to keep in mind as we consider sharing that information with the public?

Public agencies play an important and ongoing, **but impartial**, role in contributing to the public's information on important issues affecting the community. The flow of factual, unbiased information back and forth between public agencies and constituents as well as among constituents, is vital to effective decision-making.

Both statutes and case law define the legal parameters of what public agencies may and may not do to communicate their views on ballot measures with public resources. "Public resources" include not only money, but things paid for with public money, including staff time, agency facilities, materials and equipment and agency communications channels.²

All state and local officials, including appointees, are prohibited from using public funds for campaign purposes, such as supporting or opposing a ballot measure. However, courts, most notably in the case of *Stanson v. Mott*, have clarified there is a difference between a public agency's lawful impartial informational activity and unlawful partisan advocacy for or against a ballot measure. While public agencies may provide accurate, factual and impartial information to the public about a ballot measure, they may **not** expressly advocate for a "Yes" or "No" vote on the measure, or disseminate information in a manner, style, tenor or tone that urges a particular vote.

Local public agency governing bodies **may** take a position at public meetings in favor of or against a particular measure that would affect the agency or its constituents.³ And public agencies may spend money to encourage constituents to register to vote, and to get out to vote.⁴

- It is worth noting that there are additional campaign-related restrictions and transparency requirements that have been adopted by the Fair Political Practices Commission pursuant to the state's Political Reform Act, such as a restriction on using public resources to mail advocacy to voters⁵ and transparency requirements intended to ensure that the public has a right to know who is spending what to influence their votes.⁶ The best way for an agency to avoid running afoul of the FPPC regulations is to refrain from any communication that could reasonably be construed as advocacy. Since public agencies cannot spend public funds for illegal advocacy purposes there should be no reason for public agencies to be reporting campaign expenditures.

² See *Stanson v. Mott*, 17 Cal. 3d 206, 210-11(1976) (referring to expenditure of staff "time and state resources" to promote passage of bond act); *Vargas v. City of Salinas*, 46 Cal. 4th 1, 31-32 (2009). See also *People v. Battin*, 77 Cal. App. 3d 635, 650 (4th Dist. 1978) (county supervisor's diversion of county staff time for improper political purposes constituted criminal misuse of public monies under Penal Code section 424), *cert. denied*, 439 U.S. 862 (1978), *superseded on other grounds by People v. Conner*, 34 Cal. 3d 141 (1983). *But see Bardolph v. Arnold*, 435 S.E. 2d 109, 113 (N.C. App 1993) (local government may expend public funds to create support for qualified ballot measure), *rev. denied*, 439 S.E.2d 141 (1993).

³ See 2 Cal. Code Regs. § 18420.1 (defining campaign-related expenditures as either reportable independent expenditures or contributions).

⁴ See 2 Cal. Code Regs. § 18901.1 (prohibiting campaign mailings sent at public expense).

⁵ *League of Women Voters v. Countywide Criminal Justice Coordination Comm.*, (1988), 203 Cal.App.3d 529, 555.

⁶ *Schroeder v. City Council of Irvine*, (2002) 97 Cal.App.4th 174, 187.

Agencies should also be aware that there are restrictions on sending mass mailings at public expense that mention or feature an elected official, even if they are non-campaign related. For example, mass mailings at public expense are strictly limited from elected officials who are also candidates for 60 days preceding an election.⁷

In light of the complexity in this area, it is essential to be in close contact with agency counsel regarding agency activities relating to ballot measures.

2. What is the underlying theory for restricting public agency activities with respect to ballot measure advocacy? Aren't public information efforts relating to what's best for the community a core function for local agencies?

Public information is one thing; advocacy is another. The reason courts have given for restricting public agency activities with respect to ballot measures is that the use of taxpayer dollars in an election campaign could distort the debate⁸ and undermine the fairness of the election.⁹ More specifically, courts have worried about public agency communications overwhelming voters¹⁰ and drowning out the views of others.¹¹ Restrictions also are a way of maintaining the integrity of the electoral process by neutralizing any advantage that those with special access to government resources might possess.¹²

That being said, courts have also recognized that public agencies have a role to play in making sure the public has the factual, impartial information it needs to make informed decisions. One court explained the role this way:

“If government is to secure cooperation in implementing its programs, if it is to be able to maintain a dialogue with its citizens about their needs and the extent to which government can or should meet those needs, government must be able to communicate. An approach that would invalidate all controversial government speech would seriously impair the democratic process.”¹³

The court also noted that, if public agencies cannot address issues of public concern and controversy, they cannot govern.¹⁴

3. What guidelines have the courts provided on using public resources relating to ballot measures?

California courts have, in essence, created three categories of activities:

- Those that are usually **impermissible** campaign activities;
- Those that are usually **permissible** informational activities; and

⁷ Cal. Gov't Code § 89003.

⁸ See *Vargas*, 46 Cal. 4th at 31-32.

⁹ *Vargas*, 46 Cal. 4th at 36-37.

¹⁰ See *Vargas*, 46 Cal. 4th at 23-24, 32, citing *Stanson v. Mott*, 17 Cal. 3d 206, 216-217 (explaining that, as a constitutional matter, “the use of the public treasury to mount an election campaign which attempts to influence the resolution of issues which our Constitution leave[s] to the ‘free election’ of the people (see Cal. Const., art. II, § 2) . . . present[s] a serious threat to the integrity of the electoral process”). See also *Keller v. State Bar*, 47 Cal.3d 1152, 1170-1172, (1989), *reversed on other grounds* 496 U.S. 1 (1990).

¹¹ *Vargas*, 46 Cal. 4th at 46 (concurring opinion).

¹² *San Leandro Teachers Ass'n v. Governing Bd. of San Leandro Sch. Dist.*, 46 Cal.4th 822, 845 (2009).

¹³ *Miller v. Comm'n on the Status of Women*, 151 Cal. App. 3d 693, 701 (1984).

¹⁴ *Id.*

- Those that may **require further analysis** under the “style, tenor and timing” test.¹⁵

Impermissible activities include using public funds for communications that expressly advocate a particular result in an election, or to purchase campaign materials such as bumper stickers, posters, advertising “floats,” television and radio spots and billboards.¹⁶ Another improper activity is using public resources to disseminate advocacy materials prepared by others.¹⁷ The production and mailing of “promotional campaign brochures” is also not allowed, even when those documents contain some useful factual information for the public.¹⁸

Permissible activities include:

- The governing body of the agency taking a position on a ballot measure in an open and public meeting where all perspectives may be shared;¹⁹
- Preparing impartial staff reports and other analyses to assist decision-makers in determining the impact of the measure and what position to take;²⁰
- Responding to inquiries about ballot measures in ways that provide a fair presentation of the facts about the measure and the agency’s view of the merits of a ballot measure including, if applicable, the governing body’s position on the measure.²¹
- Accepting invitations to present the agency’s views before organizations interested in the ballot measure’s effects including, if applicable, the governing body’s position on the measure.²²

Any activity or expenditure that doesn’t fall into either the “usually **impermissible**” or “usually **permissible**” category must be evaluated by a “style, tenor and timing” standard against the backdrop of the overarching concern for fairness and non-distortion in the electoral process.²³ The safest approach is to deliver the information through regular agency communications channels (for example, the agency’s existing website or newsletter), in a way that emphasizes facts and does not use inflammatory language or argumentative rhetoric.²⁴ Any communications should not encourage the public to adopt the agency’s views, vote one way or another, or take any other actions in support of or in opposition to the measure.²⁵

4. What are the consequences of stepping over the line dividing permissible from impermissible uses of public resources with respect to ballot measure activities?

The stakes are high for those involved in misuses of public resources. Public officials face personal liability—criminal and civil—for stepping over the line.

¹⁵ Vargas, 46 Cal. 4th at 7, citing Stanson, 17 Cal. 3d at 222 & n. 8.

¹⁶ Vargas, 46 Cal. 4th at 24, 32, 42.

¹⁷ Vargas, 46 Cal. 4th at 24, 35.

¹⁸ Vargas, 46 Cal. 4th at 39 n. 20.

¹⁹ Vargas, 46 Cal. 4th at 37. See also *Choice-In-Education League v. Los Angeles Unified Sch. Dist.*, 17 Cal. App. 4th 415, 429-30 (1993).

²⁰ Vargas, 46 Cal. 4th at 36-37.

²¹ Vargas, 46 Cal. 4th at 24-25, 33.

²² Vargas, 46 Cal. 4th at 25, 36, citing Stanson, 17 Cal. 3d at 221.

²³ Vargas, 46 Cal. 4th at 7, 30, 40.

²⁴ Vargas, 46 Cal. 4th at 34, 40 (compare with the tone of the newsletter described in footnote 20).

²⁵ Vargas, 46 Cal. 4th at 40.

Improper use of public resources is a crime.²⁶ Criminal penalties include a two- to four-year state prison term and permanent disqualification from public office.²⁷

Civil penalties include a fine of up to \$1,000 for each day the violation occurs, *plus* three times the value of the resource used.²⁸ Other consequences may include having to reimburse the agency for the value of the resources used.²⁹ Those charged with improper use of public resources may have to pay not only their own attorney's fees, but also those of any individual who is challenging the use of resources.³⁰

In addition, conflicting perspectives on whether there might be a "*de minimus*" defense makes relying on such a defense risky.³¹ This includes relying on the defense that one has reimbursed the value of using public resources improperly.

Finally, engaging in such activities gives rise to reporting obligations for public agencies under the Political Reform Act.³² Failure to comply with these requirements subjects an agency to additional penalties.³³

There is a political consequence as well. If the public and news media are talking about whether a public agency violated the law in spending public funds to campaign for or against a measure, they're not talking about the merits of the measure. Keeping the focus on the ethics of the public agency instead of the merits of the measure often results in a result that is not helpful to the public agency.

5. Are there general strategies a public agency should employ to make sure that it doesn't step over any lines?

The first is to make sure that public agency employee and officials are aware of these restrictions and the significant consequences for violating them.

Another strategy is to review the issues in this guide with agency counsel at the outset of any ballot measure related activities to be clear on how he or she interprets the law in this area. In many areas, the law is not clear and an agency is well-advised to understand their attorney's interpretations of what is allowed and what is risky. The next strategy is to have a practice of consulting with agency counsel on the application of these restrictions to specific issues that arise. Agency counsel should review all communications about ballot measures or other elections in advance.

²⁶ See Cal. Penal Code §§ 72.5(b) (use of public funds to attend a political function to support or oppose a ballot measure); 424 (misappropriation of public funds); 484-87 (theft). See also *People v. Battin*, 77 Cal. App. 3d 635 (1978) (prosecution of county supervisor for engaging campaign activities during county business hours using county facilities), *superseded on other grounds by People v. Conner*, 34 Cal. 3d 141 (1983).

²⁷ Cal. Penal Code § 424.

²⁸ Cal. Gov't Code § 8314(c)(1).

²⁹ *Stanson*, 17 Cal. 3d at 226-227 (finding that "public officials must use due care, *i.e.*, reasonable diligence in authorizing the expenditure of public funds, and may be subject to personal liability for improper expenditures made in the absence of due care"). See also *Harvey v. County of Butte*, 203 Cal. App. 3d 714, 719 (1988).

³⁰ See generally *Tenwolde v. County of San Diego*, 14 Cal. App. 4th 1083 (4th Dist. 1993), *rev. denied*.

³¹ See *People v. Battin*, 77 Cal. App. 3d at 65 (1978) (Penal Code section 424's "proscription is not limited to the misuse of public funds in a particular monetary amount. Rather it proscribes *any* misuse, no matter how small." [emphasis in original]). See also *People v. Bishop*, A081989 (1st Dist. 2000) (this unpublished opinion follows *People v. Battin* and holds that reimbursement is not a defense). *But see DiQuisto v. County of Santa Clara*, 181 Cal. App. 4th 236 (2010) (majority found that sending an editorial against a ballot measure via email on one's lunch hour constituted advocacy, but involved a minimal use of public resources—note dissenting opinion disagreeing with majority's minimal-use-of-public-resources conclusion).

³² Cal. Gov't Code § 84203.5 (requiring independent expenditure reports by committees spending more than \$500 each year in support or opposition to a ballot measure).

³³ See, for example, Cal. Gov't Code §§ 83116, 91001(b), 91000(a), 91001.5, 91002, 91004, 91005, 91012.

Finally, documenting an agency's respect for these restrictions is another important strategy. Attorneys refer to this as creating a *record*. Potential challengers to an agency's activities will review the record and other materials (including emails, for example) to determine whether to file a lawsuit. A court will examine the record in deciding whether any missteps occurred. The agency will want to be able to point to documentation that demonstrates that all actions were well within the boundaries dividing lawful from unlawful conduct.

Before a Measure is Put on the Ballot

1. If a public agency wants to draft a measure on the ballot; may public resources be used?

Under both the California Elections Code and case law, local agencies may use public resources to draft a measure for the ballot.³⁴ The theory is that, prior to and through the drafting stage of a proposed ballot measure, the activities do not involve attempting to either persuade the voters or otherwise influence the vote.³⁵

2. What about other activities a local agency may wish to engage in prior to placing a measure on the ballot?

Local agencies do not have specific guidance from a majority of the California Supreme Court on this issue, although there are general principles that can be applied. The Court seems to use a two-part analysis in evaluating public agency activities *vis-à-vis* ballot measures. One part goes to the issue of whether a particular public agency has the legal authority to spend public funds on ballot measure activities. The other is whether the use of that legal authority oversteps what the courts may perceive as constitutional restrictions on what may be done with public resources.³⁶

When drafting and placing a measure on the ballot, the California Elections Code provides the legal authority for cities and counties.³⁷ The remaining question is whether certain kinds of activities are appropriate as part of that effort?

³⁴ *Vargas v. City of Salinas*, 46 Cal. 4th 1, 36 (2009); *League of Women Voters of California v. Countywide Criminal Justice Coordination Comm.*, 203 Cal. App. 3d 529 (1988); *Santa Barbara County Coal. Against Auto. Subsidies v. Santa Barbara County Ass'n of Governments*, 167 Cal. App. 4th 1229 (2008). See also Cal. Elect. Code §§ 9140 [county board of supervisors], 9222 [legislative body of municipality]; FPPC Advice Letter to Hicks, No. I-98-007 (02/20/98); FPPC Advice Letter to Roberts, No. A-98-125(06/01/98).

³⁵ *League of Women Voters*, 203 Cal. App. 3d at 550 ("The audience at which these activities are directed is not the electorate per se, but only potentially interested private citizens; there is no attempt to persuade or influence *any* vote."), citing *Miller v. Miller* 87 Cal. App. 3d 762, 768 (1978).

³⁶ See *Vargas*, 46 Cal. 4th at 29:

As we have seen, in *Stanson*, *supra*, 17 Cal.3d 206, this court, after explaining that a "serious constitutional question . . . would be posed by an explicit legislative authorization of the use of public funds for partisan campaigning" (*id.* at p. 219, italics added), reaffirmed our earlier holding in *Mines*, *supra*, 201 Cal. 273, that the use of public funds for campaign activities or materials unquestionably is impermissible in the absence of " 'clear and unmistakable language' " authorizing such expenditures. (*Stanson*, at pp. 219-220.) Section 54964 does not clearly and unmistakably authorize local agencies to use public funds for campaign materials or activities so long as those materials or activities avoid using language that expressly advocates approval or rejection of a ballot measure. Instead, the provision prohibits the expenditure of public funds for communications that contain such express advocacy, even if such expenditures have been affirmatively authorized, clearly and unmistakably, by a local agency itself. Although section 54964, subdivision (c) creates an exception to the statutory prohibition for communications that satisfy the two conditions set forth in that subdivision, subdivision (c) (like the other provisions of section 54964) does not purport affirmatively

³⁷ See Cal. Elect. Code §§ 9140 (authorizing boards of supervisors to place measures on the ballot); 9222 (authorizing city councils to place measures on the ballot).

In a case involving a local transportation agency, a court of appeal found the agency had authority under state law to find additional sources of funding for transportation³⁸ and the agency was following the prescribed steps for putting a measure before the voters (which included such activities as preparing a transportation plan).³⁹ The court noted that the activities the agency engaged in occurred before the transportation expenditure plan was approved or the ordinance placing a measure on the ballot was finalized.⁴⁰

The fact that the agency's challenged activities occurred well before the measure was put on the ballot was enough for the court. In this regard, the court drew a distinction between activities involving the expenditure of public funds for *governing* and the expenditure of funds for election *campaigning*.⁴¹

The court in the transportation agency case relied heavily on the analysis of an earlier court of appeal decision. In that case, which involved a county, the court suggested that putting a measure on the ballot was okay, but other activities may be a closer call.⁴² The court concluded that:

“On balance, we conclude the power to draft the proposed initiative necessarily implies the power to seek out a willing proponent. We do not perceive the activities of identifying and securing such a proponent for a draft initiative as entailing any degree of public advocacy or promotion, directed at the electorate, of the single viewpoint embodied in the measure.”⁴³

The California Supreme Court agrees with this case to the extent that the case interpreted earlier Supreme Court decisions as allowing public agencies to express opinions on the merits of a proposed ballot measure, so long as agencies do not spend public funds to mount a campaign in favor of the measure.⁴⁴ Generally summarized, it appears that public agencies may spend public funds to research potential provisions of a ballot measure, draft the measure itself, take the procedural steps necessary to get it on the ballot, have the governing body take a position on the measure, and inform voters about the provisions of the measure in a factual, impartial way.

3. Before we put a measure on the ballot, we want to evaluate its likelihood of success by engaging in various forms of public opinion research (for example, polling and focus groups) to understand how the community might feel about such a measure. May we use public resources for that kind of activity?

Although no court has specifically addressed this, the Attorney General has said that public agencies may spend money for polling and research as long as those resources are not being

³⁸ See *Santa Barbara County Coal. Against Auto. Subsidies*, 167 Cal. App. 4th at 1239-40, (The Local Transportation Authority and Improvement Act (Act), which the court described as “a comprehensive statutory scheme to ‘raise additional local revenues to provide highway capital improvements and maintenance and to meet local transportation needs in a timely manner’” citing Cal. Pub. Util. Code, § 180000-180003).

³⁹ See *Santa Barbara County Coal. Against Auto. Subsidies*, 167 Cal. App. 4th at 1234., (The agency had retained a private consultant to survey voter support for an extension of the sales tax. The consultant determined the arguments in favor of extension that were received most favorably by the voters polled, potential arguments in opposition, and the best strategy to maximize voter support. In addition, agency staff and committee members attended public meetings with civic groups during which staff presented information regarding the transportation expenditure plan, and the importance of extending an earlier sales tax to satisfying the county's transportation needs).

⁴⁰ See *Santa Barbara County Coal. Against Auto. Subsidies*, 167 Cal. App. 4th at 1240.

⁴¹ See *Santa Barbara County Coal. Against Auto. Subsidies*, 167 Cal. App. 4th at 1241.

⁴² *League of Women Voters*, 203 Cal. App. 3d at 553 (“Whether CCJCC legitimately could direct the task force to identify and secure a willing sponsor is somewhat more problematical.”)

⁴³ *League of Women Voters*, 203 Cal. App. 3d at 554.

⁴⁴ *Vargas*, 46 Cal. 4th at 36.

used to promote a single view in an effort to influence the electorate. For example, the Attorney General has determined that, in preparation for submitting a bond measure to the electorate for approval, a community college district may use district funds to hire a consultant to conduct surveys and establish focus groups to assess the potential support and opposition to the measure, the public's awareness of the district's financial needs, and the overall feasibility of developing a bond measure that could win voter approval.⁴⁵ The Attorney General based his analysis on a court of appeal case that allowed pre-qualification activities,⁴⁶ noting that the audience for such activities is not the electorate.⁴⁷

4. May this research be used by advocacy or opposition groups to inform their strategies?

In the Attorney General opinion on the community college bond measure, the Attorney General noted that the fact that early focus group and polling information might prove to be of use in an ensuing campaign does not, in itself, necessitate the conclusion public funds were expended improperly.⁴⁸ The Attorney General did note that donating or providing this information to a political campaign may give rise to campaign reporting obligations under the Political Reform Act.⁴⁹ Furthermore, the poll results and the polling consultant's report on the research will undoubtedly be considered to be public records.

Note on Public Records

A factor to keep in mind is the degree to which the consultant's research is likely to constitute a public record⁵⁰ subject to disclosure upon request to anyone under California's Public Records Act.⁵¹

5. May a public agency use public resources to hire a communications strategist (consultant) to advise the agency on an effort to place a matter on the ballot? Some of the issues the consultant would advise on include:

- a) *Interpreting and applying the public opinion research and advising on such issues as timing of the election;*
- b) *What kind of balloting method to use;*
- c) *Effective themes and messages to use in describing the measure to the community;*
- d) *Areas where the public may need more information;*

⁴⁵ 88 Ops. Cal. Att'y Gen. 46 (2005).

⁴⁶ *League of Women Voters*, 203 Cal. App. 3d at 552-54.

⁴⁷ 88 Ops. Cal. Att'y Gen. at 49-50 (noting that "not every activity in connection with a bond measure will necessarily be proper if taken before the measure is placed on the ballot. Activities directed at swaying voters' opinions are improper, even pre-filing.")

⁴⁸ 88 Ops. Cal. Att'y Gen. at 50, citing *League of Women Voters*, 203 Cal. App. 3d at 554.

⁴⁹ 88 Ops. Cal. Att'y Gen. at 50, citing Cal. Gov't Code, § 81000 and following, 2 Cal. Code Regs. § 18215; *Hoffman Advice Letter*, No. A-00-074 (Cal. Fair Political Practices Comm'n March 28, 2000); *Fair Political Practices Comm'n v. Suitt*, 90 Cal. App. 3d 125, 128-132 (1979).

⁵⁰ See Cal. Gov't Code § 6252(e) ("Public records" includes any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics.")

⁵¹ See Cal. Gov't Code § 6253 (a), (b) ("Public records are open to inspection at all times during the office hours of the state or local agency and every person has a right to inspect any public record, except as hereafter provided. . . Except with respect to public records exempt from disclosure by express provisions of law, each state or local agency, upon a request for a copy of records that reasonably describes an identifiable record or records, shall make the records promptly available to any person upon payment of fees covering direct costs of duplication, or a statutory fee if applicable. Upon request, an exact copy shall be provided unless impracticable to do so.")

- e) *Communications planning;*
- f) *Community outreach activities;*
- g) *Informational direct mail program;*
- h) *Creating an informational speakers bureau; and*
- i) *Interpreting “tracking poll” data after outreach program to re-assess community support for the measure.*

Some public agencies have ongoing and robust communications and engagement efforts with their communities as part of their philosophy of governance. In such communities, hiring help on community outreach activities and communications planning (or having such capacity in house) is part of how the agency generally operates. Consistency with a public agency’s established practices is one of the factors the courts look for in assessing whether a particular use of public resources with respect to ballot measure communications is okay.⁵²

The key distinction to keep in mind under the current state of appellate guidance is whether a given use of public resources relates to *governing* as opposed to election *campaigning*.⁵³ Understanding community sentiment and needs and then developing measures to meet those needs can be part of an agency’s ongoing governance and communications practices. So can maintaining regular lines of communications between decision-makers and the community.

However, if these activities are not typically part of the agency’s philosophy of governance and regular communications practices, then using public resources for these purposes can be riskier. For example, the Attorney General has concluded that it would be unlawful to use public agency funds to hire a consultant to develop and implement a strategy for building support for a ballot measure (both in terms of building coalitions and financial support for a campaign). The Attorney General said having the consultant assist the district chancellor in scheduling meetings with civic leaders and potential campaign contributors in order to gauge their support for the bond measure would be unlawful if the purpose or effect of such actions is to develop a campaign to promote approval of the bond measure by the electorate.⁵⁴

Under this opinion, the key test is whether the “purpose or effect” of a consultant’s activities is to develop a campaign to promote approval of the bond measure; if so, those activities should not be undertaken with public resources.⁵⁵ The Attorney General said this means public resources should not be used to fund activities that will form the basis for an eventual campaign to obtain approval of a measure.⁵⁶ It also means that the safest thing to do is to avoid using public resources for activities that may have the effect of influencing the voters (for example, “developing themes or messages”).

If the agency does hire communications consultants, the agency and the consultants should be aware of the transparency requirements that apply to public entity endeavors. This includes the fact that the scope of work in the consultant’s contract, the consultant’s work product, emails

⁵² *Vargas*, 46 Cal. 4th at 40. See also Cal. Gov’t Code § 54964(a), (b)(3) (prohibiting local public agency expenditures for activities that expressly advocate the approval or rejection of a clearly identified ballot measure).

⁵³ See *Santa Barbara County Coal. Against Auto. Subsidies*, 167 Cal. App. 4th at 1241.

⁵⁴ 88 Ops. Cal. Att’y Gen. at 52.

⁵⁵ 88 Ops. Cal. Att’y Gen. at 52.

⁵⁶ 88 Ops. Cal. Att’y Gen. at 52, citing *League of Women Voters*, 203 Cal. App. 3d at 558 (expenditures made in anticipation of supporting a measure once it is on the ballot come within reporting requirements of Political Reform Act of 1974); *In re Fontana* (1976) 2 FPPC Ops. 25 (expenditures made in support of proposal become reportable after proposal becomes a ballot measure).

and other writings relating to their work that are in the possession of and regularly retained by the agency will be subject to public disclosure should there be an inquiry.⁵⁷

6. Are there any concerns if the communications strategist ultimately becomes either one of the consultants or the sole consultant to the campaign?

No court decision or Attorney General opinion addresses this specific issue. Having consultants involved in pre-qualification activities (which are not supposed to involve actions designed to develop a campaign to promote approval of a measure) and then become involved in campaign activities may create a greater risk that a court may conclude the pre-qualification activities were truly designed to support a campaign to promote approval of a measure. It also increases the possibility that the pre-qualification expenses will be reportable as in kind support for the campaign.

7. May public resources be used to fund signature gathering to qualify a measure for the ballot?

The Attorney General says “no.”⁵⁸ The Attorney General reasoned that such activities cross the line to promoting a single point of view and influence the electorate, which cannot occur unless there is clear and explicit authorization for such activities.⁵⁹

About the Institute for Local Government

The Institute for Local Government is the nonprofit 501(c)(3) research and education affiliate of the League of California Cities, the California State Association of Counties and the California Special Districts Association.

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⁵⁷ See Cal. Gov't Code § 6250 and following (California Public Records Act). The breadth of what records are subject to disclosure was recently reviewed by the California Sixth District Appellate Court, which vacated a superior court ruling holding that emails sent and received on officials' personal (non-agency) email accounts are subject to disclosure, see *City of San Jose v. Superior Court of Santa Clara*, --- Cal.Rptr.3d ---, 2014 WL 1515001 (Cal.App. 6 Dist., 2014).

⁵⁸ 73 Ops. Cal. Att'y Gen. 255 (1990).

⁵⁹ See 73 Ops. Cal. Att'y Gen. at 266 (finding no distinction between an initiative or referendum or whether the measure was a state or local one).

Ballot Measure Activities & Public Resources



As important as ballot measures are to policymaking, public agencies and officials face important restrictions and requirements related to ballot measure activities.

The basic rule is that public resources may not be used for ballot measure *campaign* activities. Public resources may be used, however, for *informational* activities. The key difference between campaign activities and informational activities is that campaign activities support or oppose a ballot measure, while informational activities provide accurate context and facts about a ballot measure to voters.

This document summarizes some of the key applications of these principles. The law, however, is not always clear and the stakes are high. Missteps in this area are punishable as both criminal and civil offenses. Always check with agency counsel for guidance on how these rules apply in any specific situation.

Public Agency Resources May Be Used To

- ✓ Place a measure on the ballot.
- ✓ Prepare and distribute an objective and fact-based analysis on the effect a ballot measure may have on the agency and those the agency serves.
- ✓ Express the agency's views about the effect of the measure on the agency and its programs, provided the agency is exceedingly careful not to advocate for or against the measure's passage.
- ✓ Adopt a position on the measure, as long as that position is taken at an open meeting where all voices have the opportunity to be heard.
- ✓ Respond to inquiries about the ballot measure in an objective and fact-based manner.
- ✓ Agency communications about ballot measures should not contain inflammatory language or argumentative rhetoric.
- ✓ Public employees and elected officials may, on their own time and with their own resources, engage in the following activities:
 - Work on ballot measure campaigns or attend campaign-related events on personal time (for example, evenings, weekends and lunch hours).
 - Make campaign contributions to ballot measures, using one's own money or campaign funds (while observing campaign reporting rules).
 - Send and receive campaign related emails using one's personal (non-agency) computer and email address.

Ballot Measure Activities & Public Resources

Public Officials Should Not

- × Engage in campaign activities while on agency time or with agency resources.
- × Use agency resources (including office equipment, supplies, staff time, vehicles or public funds) to engage in advocacy-related activities, including producing campaign-type materials or performing campaign tasks.
- × Use public funds to pay for campaign-related expenses (for example, television or radio advertising, bumper stickers, or signs) or make campaign contributions.
- × Use agency computers or email addresses for campaign communication activities.

Best Practices

- ✓ Inform agency employees and public officials about these legal restrictions, particularly once a ballot measure affecting the agency has qualified for the ballot.
- ✓ Include language on informational materials that clarifies that they are for informational purposes only. For example, “these statements shall not be construed in support of or against XX ballot measure.”

WHEN DO THESE RESTRICTIONS KICK IN?

The rules against the use of public resources for campaign activities are triggered once a measure has qualified for the ballot. There may be more latitude before a measure has qualified, but consult with agency counsel regarding the permissibility of specific activities.

DISCLOSURE REQUIREMENTS

Ballot measure activities that cross the line into advocacy are also subject to disclosure (transparency) requirements under California’s Political Reform Act (Government Code sections 81000 *et seq.*).

The Institute for Local Government (ILG) is the nonprofit 501(c)(3) research and education affiliate of the League of California Cities, California State Association of Counties and the California Special Districts Association. Our mission is to promote good government at the local level with practical, impartial and easy-to-use resources for California communities. For more resources related to ballot measures and campaigns, visit www.ca-ilg.org/campaigns.

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This brief is being provided to inform the Board, staff and public of the details of an agenda item that requires action from the Board. The President of the Board will provide board members, staff, and the public the opportunity to ask questions about this topic when this agenda item is announced.

Date: August 1, 2023

Originator: Kim Seney

Purpose: Update Existing Policy #6035 Merged Lots

Desired Action by the Board:

Complete first reading by the board for amendments to Policy #6035 Merged Lots. Consider waiving the 2nd reading if warranted and pass updated version recommended by Policy Committee. Requires a 3/5th majority affirmative vote of the board to pass.

1. **Description:** The Policy Committee and Staff have minor changes to recommend to existing policy #6035 Merged Lots, which was originally approved in February, 2002. A redlined version of the recommended changes is attached for your review.



6035 Merged Lots
draft.doc

2. **Reason for Recommended Board Action - (*Consider compliance, cost savings, fixing a problem*):** The recommended draft removes reference to an outdated policy. Also, the number has been changed to be consistent with our new numbering schema – from #6035 to #5035.
3. **Anticipated Impacts to the District (negative and/or positive) - (*Consider financial impact, change in procedures, customer and staff communication and effect if recommendations are not adopted*):** None
4. **Anticipated Impacts to the Customer – *Standby, Residential, Commercial*:** None
5. **Recommendation (s):** The Policy Review Working Committee and the District staff recommend that the Board review, discuss, waive 2nd reading and adopted revisions to Policy #6035 Merged Lots.

This brief is being provided to inform the Board, staff and public of the details of an agenda item that requires action from the Board. The President of the Board will provide board members, staff, and the public the opportunity to ask questions about this topic when this agenda item is announced.

Date: August 1, 2023

Originator: Kim Seney

Purpose: Update Existing Policy #3082 Late and Interest Charge Forgiveness Limits

Desired Action by the Board: Complete first reading by the board for amendments to Policy #3082 Late and Interest Charge Forgiveness Limits. Consider waiving the 2nd reading if warranted and pass updated version recommended by Policy Committee. Requires a 3/5th majority affirmative vote of the board to pass.

1. **Description:** The Policy Committee and Staff have minor changes to recommend to existing policy #3082 Late and Interest Charge Forgiveness Limits, which was originally approved in December, 2016. A redlined version of the recommended changes is attached for your review.



3082 Late Fee and
Interest Charge Forgi

2. **Reason for Recommended Board Action - (Consider compliance, cost savings, fixing a problem):** The recommended draft adds reference to an updated policy (#5005). It also removes reference to Treasurer and gives responsibility to GM. Also, the number has been changed to be consistent with our new numbering schema – from #3082 to #2130.
3. **Anticipated Impacts to the District (negative and/or positive) - (Consider financial impact, change in procedures, customer and staff communication and effect if recommendations are not adopted):** None
4. **Anticipated Impacts to the Customer – Standby, Residential, Commercial:** None
5. **Recommendation (s):** The Policy Review Working Committee and the District staff recommend that the Board review, discuss, waive 2nd reading and adopted revisions to Policy #3082 Late and Interest Charge Forgiveness Limits.

Fire and Emergency Services Coordinator Report

Aug 2023

Federal Excess Property Program: Signed forms have been returned from CalFire and we are now waiting for contact from the GSA property coordinator to set up our account to be able to view property available.

Fire Cadre Training: CPR/AED training will be held Aug 22 0900 here at the CSD office. This training will be at the BLS level. This training and the Public Safety First Aid on line class will enable us to respond with fire to medical calls within the CSD.

Fire extinguishers have been serviced by Alpine and the bill has been submitted to Cline.

Safety inspections of the three Nakoma commercial buildings have been completed and we are now waiting for copies of the reports. These inspections are in keeping with our contract requirements item 1.6 .

LP tank location survey has been completed by Mike Callahan and me. Once it's finalized we'll make it available to fire.

CSD 2nd quarterly performance review of BFD was conducted on July 31 2023. In attendance was Chief Russell, Skyler Allingham and myself.

Bill Robinson



Gold Mountain® Community Services District
Water - Sewer - Fire Protection

Gold Mountain Community Services District
Minutes
Special Meeting
June 22, 2023 10:00 AM
150 Pacific Ave Suite 8 Portola, Ca 96122
<https://www.gmcsd.org/>

President Gordon Bennie • Vice-President Kim Seney • Director Rene St. Pierre • Director Kathy Kogge • Director Jon Gresley

1. Call to Order

The meeting was called to order at 10:01 am by President Gordon Bennie.

A. Roll Call

Present: President Gordon Bennie, Vice-President Kim Seney, Director Rene St. Pierre, Director Kathy Kogge, Director Jon Gresley

2. 2023-2024 Budget



A. Vice-President Kim Seney motioned to approve. A second was made by Director Rene St. Pierre. The roll call vote:

Aye **President Gordon Bennie** Aye **Vice-President Kim Seney** Aye **Director Rene St. Pierre** Aye **Director Kathy Kogge** Aye **Director Jon Gresley**

3. Adjournment

President Bennie adjourned the meeting at 10:10 AM



Gold Mountain® Community Services District
Water - Sewer - Fire Protection

Gold Mountain Community Services District
Minutes
Regular Meeting
June 16, 2023 10:00 AM
150 Pacific Street Portola 96122
<https://www.gmcsd.org/>

President Gordon Bennie • Vice-President Kim Seney • Director Rene St. Pierre • Director Kathy Kogge • Director Jon Gresley

1. Call to Order

The meeting was called to order at 10:01 am by Vice-President Kim Seney.

A. Roll Call

Present: President Gordon Bennie, Vice-President Kim Seney, Director Rene St. Pierre, Director Kathy Kogge, Director Jon Gresley

2. Public Comments

Pursuant to Government Code Section 54954.3, members of the audience may address the Board on any agenda item before or during the Board's consideration of the item. The District allows a maximum of three (3) minutes for each speaker.

3. Consent Agenda

A. Minutes -Regular meeting of April 28, 2023 & the Special Meeting of May 23, 2023 Director Rene St. Pierre motioned to approve. A second was made by Director Kathy Kogge. The roll call vote:

 Aye **President Gordon Bennie** Aye **Vice-President Kim Seney** Aye **Director Rene St. Pierre** Aye **Director Kathy Kogge** Aye **Director Jon Gresley**

B. Warrants- April & May 2023 Director Rene St. Pierre motioned to approve. A second was made by Director Kathy Kogge. The roll call vote:

 Aye **President Gordon Bennie** Aye **Vice-President Kim Seney** Aye **Director Rene St. Pierre** Aye **Director Kathy Kogge** Aye **Director Jon Gresley**

4. Public Hearing - Intent to Lien Property Vice-President Kim Seney motioned to approve. A second was made by Director Jon Gresley. The roll call vote:

 Aye **President Gordon Bennie** Aye **Vice-President Kim Seney** Aye **Director Rene St. Pierre** Aye **Director Kathy Kogge** Aye **Director Jon Gresley**

5. Public Hearing - Administrative Fees

10:06 am Meeting open for Public Hearing

10:11am Meeting closed

Director Jon Gresley motioned to approve. A second was made by Director Kathy Kogge. The roll call vote:

 Aye **Vice-President Kim Seney** Aye **Director Rene St. Pierre** Aye **Director Kathy Kogge**
 Aye **Director Jon Gresley** Nay **President Gordon Bennie**

6. Reports

A. General Manager Report

Skyler went over the Field report. He went over the water Distribution System and updated the board on projects with water and sewer

B. Fire Operations Report

Bill went over his report. He reported about the training that he attended, Beckwourth Fire Department, and Federal Excess Property Program

C. Board Initiatives Tracking

none

D. Board Member Reports

none

7. **2023-2024 Budget**



To have special meeting to adopt the 23-24 Budget and Fire Budget

8. **Policy # 2145 Records Retention** Director Rene St. Pierre motioned to approve. A second was made by Vice-President Kim Seney. The roll call vote:

Aye **President Gordon Bennie** Aye **Vice-President Kim Seney** Aye **Director Rene St. Pierre** Aye **Director Kathy Kogge** Aye **Director Jon Gresley**

9. **Retire Unused, Outdated Policies relating to Job Descriptions** Director Rene St. Pierre motioned to approve. A second was made by Director Jon Gresley. The roll call vote:

Aye **President Gordon Bennie** Aye **Vice-President Kim Seney** Aye **Director Rene St. Pierre** Aye **Director Kathy Kogge** Aye **Director Jon Gresley**

10. **Annual Fire Tax**

- A. Resolution No. 2022-23-10 adopting the annual 2% Fire Tax Increase Vice-President Kim Seney motioned to approve. A second was made by Director Rene St. Pierre. The roll call vote:

Aye **President Gordon Bennie** Aye **Vice-President Kim Seney** Aye **Director Rene St. Pierre** Aye **Director Kathy Kogge** Aye **Director Jon Gresley**

- B. Resolution No. 2022-23-11 requesting annual fire tax charges be placed on the Plumas County tax roll Vice-President Kim Seney motioned to approve. A second was made by Director Rene St. Pierre. The roll call vote:

Aye **President Gordon Bennie** Aye **Vice-President Kim Seney** Aye **Director Rene St. Pierre** Aye **Director Kathy Kogge** Aye **Director Jon Gresley**

11. **Formation of Ad-Hoc Committee**

The Ridges. After a brief discussion regarding an Ad-Hoc Committee. It was determined to form the Committee

Vice-President Kim Seney motioned to approve. A second was made by Director Rene St. Pierre. The roll call vote:

Aye **President Gordon Bennie** Aye **Vice-President Kim Seney** Aye **Director Rene St. Pierre** Aye **Director Kathy Kogge** Aye **Director Jon Gresley**

12. **Closed Session - Liability Claim pursuant to Gov't Code Section 54961** motioned to approve. A second was made by . The roll call vote: