

REPORTS

8. Committee Reports
9. Directors' Reports
10. Chief's Report
11. Association of San Miguel Chief Officers Communications
12. Association of San Miguel Firefighters Communications
13. Correspondence

CLOSED SESSION AGENDA ITEMS

14. Closed Session – Performance Evaluation pursuant to Government Code 54957
Position: Fire Chief

15. Closed Session – Conference with Labor Negotiator (§54957.6)
Agency Negotiators: Attorney Joseph Sanchez
Title: Fire Chief

16. Closed Session – Public Employment pursuant to Government Code Section 54957
Position: Fire Chief

17. Closed Session - Conference with Labor Negotiator (Government Code §54957.6)
Agency Negotiators: Directors McKenna, Muns, Robles, & Attorney Joseph Sanchez
Unrepresented Employees: Division Chief

ACTION PLAN RECAP

NEXT MEETING – Regular Meeting, August 9, 2023, 5:30 pm, District Headquarters

ADJOURNMENT

The District reserves the 4th Wednesday of each month for an additional Regular Meeting if needed.

In accordance with AB 2647, Agenda and supporting documents are available online at
<https://www.sanmiguelfire.org/board-meetings>

**San Miguel Consolidated Fire Protection District
Regular Meeting of the Board of Directors
Wednesday, June 14, 2023, 5:30 pm**

MINUTES

President Robles called the meeting to order at 5:30 pm.

BOARD MEMBERS PRESENT Directors McKenna, Muns, Nelson, Pierce, Raddatz, Robles, and Woodruff

BOARD MEMBERS ABSENT None

STAFF PRESENT Fire Chief Brainard, Division Chiefs Lawler and Quinlan, Administrative Officer/Finance Officer (AO/FO) Harris, Deputy Fire Marshal Newman, and Executive Assistant/Board Clerk Rians

Director Muns led the Pledge of Allegiance.

APPROVAL OF AGENDA

Director McKenna requested that Agenda Item #9 be moved to follow Agenda Item #25. After advancing through the agenda faster than anticipated, Agenda Item #9 was moved after Agenda Item #27 with further consensus. [By Board Consensus, the agenda was approved.](#)

The Agenda for the Regular Meeting of June 14, 2023, was posted at District Headquarters on Friday, June 9, 2023, at 5:00 pm.

PUBLIC COMMENT

None

SPECIAL PRESENTATION

San Miguel Leadership presented Life Extending Awards to individuals who assisted a citizen involved in a motorcycle accident.

San Miguel Leadership also acknowledged Division Chief Browning's 32 years of service to the District and wished him well into retirement.

President Robles called an intermission from 5:47 – 6:05 pm.

INFORMATIONAL AGENDA ITEMS

1. The Board of Directors will hear a presentation on the California Liquid Assets Securities System (CLASS). *Postponed to the July 12, 2023, meeting*
2. San Diego County Fire Chief's Association, Health and Safety Section, presented information regarding cancer awareness.

San Diego Fire Engineer Kyle O'Neill, who serves as his department's Cancer Health Coordinator, shared a PowerPoint presentation on cancer awareness. Discussion included the importance of decontamination, the incident rate of certain types of cancer, and which screenings have proven most effective in detecting early-stage cancers.

REPORTS

3. Committee Reports

Directors Raddatz and Robles shared that the Finance Committee continues to work on the Board of Directors' Financial Management and Investment Policy.

Director Muns shared that HCFA has some minor updates to the JPA agreement – an action item to approve these changes will be on our next regular meeting agenda.

4. Directors' Reports

Director Raddatz attended the Coffee Cups and Fire Trucks event at Station 23 and noted a good turnout with great coffee. He also shared that the station looks good after adding drought-resistant landscaping.

Director Robles polled the Board for a date to hold a Master Planning Workshop. The agreed-upon date for the workshop will be Wednesday, August 16, 2023, at 5:30 pm.

Director Robles also commended staff on the District website and acknowledged how fire personnel conducted themselves at a recent incident involving the Sheriff's Department.

5. Chief's Report

Action Plan Recap from April 12, 2023, Board Meeting

- Staff to post Ordinance 2023-1 – **Completed**
- Board Finance Workshop: June 28, 2023, 10 am - 2 pm (lunch provided) – **Scheduled**
- Discuss the possibility for BLS units in SMG – **In progress**
- Staff to continue researching voting options – **In progress**
- Add Negotiations to next meeting in Closed Session for the Fire Chief – **Agenda Item #9**

Promotions and Assignments

- Ron Quinlan promoted to Division Chief
- Mike Christiansen moved to Training BC
- Nick Nava promoted to Battalion Chief
- Travis Embleton promoted to Captain
- Corey Powell promoted to Engineer
- Steven Michel promoted to Engineer

Station 14 Property Perimeter Wall Emergency Repair

- Initial stabilization in place waiting for repair quotes

Community Outreach

- June 5th Jamacha Elementary Kinder/1st grade station tour at 22s (90 students)
- June 10th Coffee cups and Fire Trucks at Station 23.
- June 15th E18 visit Crest Elementary for the last day of school
- June 18th E23 visit Shadow Mountain Church Fathers Day car show June 18th
- June 18th T15 visit Skyline Church Fathers Day picnic
- Noah Homes - Donations of dinner with Firefighters
- Grossmont Hospital Auxiliary Foundation dinner with Firefighters
- Grossmont College Interns – 3 social media interns fall semester

Significant Incidents

- June 4th – La Cresta Rd Rescue overside the side fire w multi patients

6. Association of San Miguel Chief Officers Communications
Newly promoted Battalion Chief Nava (B Shift) spoke on behalf of the Chief Officers Association. Nava shared that he and Chief Christiansen are enrolled in a CA-219 fire operations class this week.
7. Association of San Miguel Firefighters Communications
Captain Mike Hays shared that Local 1434's annual golf tournament was successful, raising approximately \$18,000. Captain Hays commended Ronnie Gilman and Cameron Smith for their efforts towards the Coffee Cups and Fire Trucks event. The Local continues to improve their development based on the SWOT analysis. The cookoff challenge, formerly internal to San Miguel, is in the works to expand zone-wide. A few events are coming up, including a Padres game, a 4th of July get-together at Silver Strand, an end-of-summer party in August, and the annual Christmas party tentatively scheduled for December 12 at Sycuan.
8. Correspondence
Chief Brainard shared a letter from the Kiwanis thanking us for attending the annual Safety Officers Appreciation Dinner.

CONSENT AGENDA ITEMS

Upon a motion by Director McKenna, second by Director Woodruff, and vote (unanimously in favor), the Consent Agenda was approved.

10. Approve the Minutes Regular Meeting of May 10, 2023
11. Approve Board Member Stipend Payments.
12. Approve Resolution 23-12 – A Resolution of the Board of Directors of the San Miguel Consolidated Fire Protection District Requesting a Temporary Transfer of Funds from the County Treasurer, County of San Diego, for Fiscal Year 2023/2024.
13. Approve Resolution 23-13 – A Resolution of the Board of Directors of the San Miguel Consolidated Fire Protection District Establishing the Limit for Appropriations of Proceeds of Tax Subject to Limitation for Fiscal Year 2023/2024.
14. Approve Resolution 23-14 – A Resolution of the Board of Directors of the San Miguel Consolidated Fire Protection District Acknowledging Receipt of a Report Made by the Deputy Fire Marshal of the San Miguel Consolidated Fire Protection District Regarding the Inspection of Certain Occupancies Requiring Annual Inspection be Performed in Such Occupancies Pursuant to Sections 13146.2 and 13146.3 of the California Health and Safety Code.
15. Receive and File Quarterly Investment Report in Accordance with California Government Code.
16. Credit Card Expenditures Review – The Board of Directors will review the credit card expenditures of the Fire Chief and Administrative Officer/Finance Officer.
17. Review the Quarterly Employee Reimbursement Report.

INFORMATIONAL AGENDA ITEMS

18. Quarterly Financial Update – Administrative Officer/Finance Officer Harris provided the 3rd Quarter Financials; the document is available for review on the District website.

ACTION AGENDA ITEMS

19. LAFCO Ballot for San Diego County Consolidated Redevelopment Oversight Board.
Upon a motion by Director Pierce, second by Director Muns, and vote (unanimously in favor), San Miguel's ballot will be cast in favor of Tim Robles from Lakeside Fire District.
20. Ballot for California Special Districts Association Board of Directors, Southern Division, Seat C.
Upon a motion by Director Pierce, second by Director Woodruff, and vote (unanimously in favor), San Miguel's ballot will be cast in favor of incumbent Arlene Schafer from Costa Mesa Sanitary District.
21. Proposed Preliminary Budget – The Board of Directors will discuss and may take action on adopting Resolution 23-15 for the approval of the 2023/2024 Preliminary Budget.
Upon a motion by Director Raddatz, second by Director Muns, and vote (unanimously in favor), the preliminary budget was approved.
22. CalPERS Lump Sum Payment – The Board of Directors may take action on approving the CalPERS Lump Sum Payment instead of Monthly Payments.
Upon a motion by Director Nelson, second by Director McKenna, and vote (unanimously in favor), the CalPERS lump sum payment was approved.
23. Purchase of Apparatus – The Board of Directors may take action to approve the procurement process of purchasing a New Type I Apparatus in Fiscal Year 2023/2024.
Upon a motion by Director Raddatz, second by Director McKenna, and vote (unanimously in favor), the purchase of a new Type I apparatus was approved.
24. Refurbishment of Type I Engine – The Board of Directors may take action to approve the refurbishment of a Type I Engine in Fiscal Year 2023/2024.
Upon a motion by Director Muns, second by Director Woodruff, and vote (unanimously in favor), the refurbishment of a San Miguel Type I apparatus was approved.
25. Emergency Response Vehicle Purchase – The Board of Directors may take action to approve the procurement process of purchasing a New Emergency Response Vehicle in Fiscal Year 2023/2024.
Upon a motion by Director McKenna, second by Director Pierce, and vote (unanimously in favor), the purchase of a new Battalion 6 vehicle was approved.
26. Public Hearing – The Board of Directors will conduct a public hearing and may adopt Resolution 23-16 Fire Mitigation Fee Program & Capital Improvement Plan FY 2023-24.
Director Robles opened the public hearing at 8:01 pm. With no members of the public wishing to speak, **Director Robles closed the public hearing at 8:02 pm.**

Upon a motion by Director Raddatz, second by Director McKenna, and vote (unanimously in favor), Resolution 23-16 was approved.
27. Public Hearing – Public Hearing #1 to Receive Public Comment on the Proposed Fire Prevention Fee Schedule and Direct Staff to schedule Public Hearing #2 for the July 12 Board Meeting.
Director Robles opened the public hearing at 8:02 pm. With no members of the public wishing to speak, **Director Robles closed the public hearing at 8:03 pm.**

Upon a motion by Director McKenna, second by Director Robles, and vote (unanimously in favor), Staff is directed to schedule Public Hearing #2 for the July 12, 2023 Board Meeting.

CLOSED SESSION AGENDA ITEMS

President Robles adjourned the meeting to Closed Session at 6:35 pm.

9. Closed Session – Conference with Labor Negotiator (§54957.6)
Agency Negotiators: Attorney Joseph Sanchez
Title: Fire Chief

President Robles reconvened the meeting to Open Session at 8:18 pm.

ACTION PLAN RECAP

- Chief Brainard and Executive Staff to review District’s wellness program
- Master Planning Workshop scheduled for Wednesday, August 16, 2023 at 5:30 pm

*The next Board Meeting will be a Special Meeting (Board Financial Workshop), **June 28, 2023, 5:30 pm**, District Headquarters*

President Robles adjourned the meeting at 11:52 pm

Prepared and submitted by:
Shayna Rians
Board Clerk

**San Miguel Consolidated Fire Protection District
Special Meeting of the Board of Directors
Wednesday, June 28, 2023, 10:00 am**

MINUTES

President Robles called the meeting to order at 10:08 am.

BOARD MEMBERS PRESENT Directors McKenna, Muns, Nelson, Pierce, Raddatz, Robles, and Woodruff

BOARD MEMBERS ABSENT None

STAFF PRESENT Fire Chief Brainard, Division Chiefs Lawler and Quinlan, Administrative Officer/Finance Officer (AO/FO) Harris, Deputy Fire Marshal Newman, and Executive Assistant/Board Clerk Rians

Director McKenna led the Pledge of Allegiance.

APPROVAL OF AGENDA

By Board Consensus, the agenda was approved.

The Agenda for the Special Meeting of June 28, 2023, was posted at District Headquarters on Friday, June 23, 2023, at 10:00 am.

PUBLIC COMMENT

None

AGENDA ITEMS

1. Board Financial Workshop – The Board of Directors conducted a workshop regarding financial matters of the District. No votes on individual items were taken at this meeting.

President Robles adjourned the workshop for lunch at 11:57 am, reconvening at 12:29 pm.

ACTION PLAN RECAP

None

*The next Board Meeting will be a Regular Meeting, **July 12, 2023, 5:30 pm**, District Headquarters*

President Robles adjourned the meeting at 2:22 pm

Prepared and submitted by:

Shayna Rians

Board Clerk



San Miguel Fire & Rescue

Service Beyond Expectations

Staff Report

Date: July 12, 2023
To: Board of Directors
From: Shayna Rians, Executive Assistant/Board Clerk
Subject: Board Member Stipend Payments

Background

Effective January 1, 2015, a formal payment procedure was established to pay board members their monthly meeting stipends. To initiate the payment process, a stipend form for board meetings, training, and local meetings/events will be submitted.

Recommendation

Approve the attached board member monthly meeting stipend forms for June 2023.

San Miguel Consolidated Fire Protection District

Board Member Monthly Meeting Stipend Form

Name: Theresa McKenna

Month/Year: June 2023

| Section I - Board/Committee Meetings | | | |
|--------------------------------------|--|-----------------------------|---|
| Date | Board/Committee Meeting Attended | Meeting Stipend \$173.25 | Check box (x) if you do <u>not</u> want to be paid Stipend |
| 06/14/23 | Regular Board Meeting | \$173.25 | x |
| 06/28/23 | Special Board Meeting (Board Financial Workshop) | \$173.25 | x |
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| TOTAL MEETING STIPEND | | \$0.00 | |

| Section II - Training and Local Meetings/Events | | | | |
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| Date | Training/Local Meeting Attended | Days | Mileage (0.56 / Mile) | Amount |
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| TOTAL MILES | | | 0 | \$0.00 |

| Section III - Expense Claim Summary (Expense Report Form must be attached) | | |
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| Section IV - Summary | | |
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| Signature: _____ Date: _____ | Total Stipend Paid: | \$0.00 |
| | Total Expense Claim: | \$0.00 |
| | Total Mileage: | \$0.00 |
| | Total Amount Due: | \$0.00 |
| Approved at Board Meeting on: 7/12/2023 _____ | | |

MAXIMUM OF 4 MEETINGS PAID PER MONTH
 Forms are due the 1st of each month
 Please submit to Shayna Rians
srians@sanmiguelfire.org

San Miguel Consolidated Fire Protection District

Board Member Monthly Meeting Stipend Form

Name: Harry Muns

Month/Year: June 2023

| Section I - Board/Committee Meetings | | | |
|--------------------------------------|--|-----------------------------|---|
| Date | Board/Committee Meeting Attended | Meeting Stipend \$173.25 | Check box (x) if you do <u>not</u> want to be paid Stipend |
| 06/14/23 | Regular Board Meeting | \$173.25 | x |
| 06/28/23 | Special Board Meeting (Board Financial Workshop) | \$173.25 | x |
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| TOTAL MEETING STIPEND | | \$0.00 | |

| Section II - Training and Local Meetings/Events | | | | |
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| TOTAL MILES | | | 0 | \$0.00 |

| Section III - Expense Claim Summary (Expense Report Form must be attached) | | |
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| Section IV - Summary | | |
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| Signature: _____ Date: _____ | Total Stipend Paid: | \$0.00 |
| | Total Expense Claim: | \$0.00 |
| | Total Mileage: | \$0.00 |
| | Total Amount Due: | \$0.00 |
| Approved at Board Meeting on: <u>7/12/2023</u> | | |

MAXIMUM OF 4 MEETINGS PAID PER MONTH
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 Please submit to Shayna Rians
srians@sanmiguelfire.org

San Miguel Consolidated Fire Protection District

Board Member Monthly Meeting Stipend Form

Name: Jeff Nelson

Month/Year: June 2023

| Section I - Board/Committee Meetings | | | |
|--------------------------------------|--|-----------------------------|---|
| Date | Board/Committee Meeting Attended | Meeting Stipend \$173.25 | Check box (x) if you do <u>not</u> want to be paid Stipend |
| 06/07/23 | Special Finance Committee Meeting | \$100.00 | |
| 06/14/23 | Regular Board Meeting | \$173.25 | |
| 06/21/23 | Special Finance Committee Meeting | \$100.00 | |
| 06/28/23 | Special Board Meeting (Board Financial Workshop) | \$173.25 | |
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| TOTAL MEETING STIPEND | | \$546.50 | |

| Section II - Training and Local Meetings/Events | | | | |
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| Date | Training/Local Meeting Attended | Days | Mileage (0.56 / Mile) | Amount |
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| Section III - Expense Claim Summary (Expense Report Form must be attached) | | |
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| Total Expense Claim: | \$0.00 | | | | | | | | |
| Total Mileage: | \$0.00 | | | | | | | | |
| Total Amount Due: | \$546.50 | | | | | | | | |
| Approved at Board Meeting on: <u>7/12/2023</u> | | | | | | | | | |

MAXIMUM OF 4 MEETINGS PAID PER MONTH

Forms are due the 1st of each month
Please submit to Shayna Rians

srians@sanmiguelfire.org

San Miguel Consolidated Fire Protection District

Board Member Monthly Meeting Stipend Form

Name: Christopher Pierce

Month/Year: June 2023

| Section I - Board/Committee Meetings | | | |
|--------------------------------------|--|-----------------------------|---|
| Date | Board/Committee Meeting Attended | Meeting Stipend \$173.25 | Check box (x) if you do <u>not</u> want to be paid Stipend |
| 06/14/23 | Regular Board Meeting | \$173.25 | |
| 06/28/23 | Special Board Meeting (Board Financial Workshop) | \$173.25 | |
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| TOTAL MEETING STIPEND | | \$346.50 | |

| Section II - Training and Local Meetings/Events | | | | |
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| Date | Training/Local Meeting Attended | Days | Mileage (0.56 / Mile) | Amount |
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| Section III - Expense Claim Summary (Expense Report Form must be attached) | | |
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| Section IV - Summary | | | | | | | | | |
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| Signature: _____ Date: _____ | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Total Stipend Paid:</td><td style="text-align: right;">\$346.50</td></tr> <tr><td>Total Expense Claim:</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>Total Mileage:</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>Total Amount Due:</td><td style="text-align: right;">\$346.50</td></tr> </table> | Total Stipend Paid: | \$346.50 | Total Expense Claim: | \$0.00 | Total Mileage: | \$0.00 | Total Amount Due: | \$346.50 |
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| Total Mileage: | \$0.00 | | | | | | | | |
| Total Amount Due: | \$346.50 | | | | | | | | |
| Approved at Board Meeting on: <u>7/12/2023</u> | | | | | | | | | |

MAXIMUM OF 4 MEETINGS PAID PER MONTH
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 Please submit to Shayna Rians
srians@sanmiguelfire.org

San Miguel Consolidated Fire Protection District

Board Member Monthly Meeting Stipend Form

Name: Kim Raddatz

Month/Year: June 2023

Section I - Board/Committee Meetings

| Date | Board/Committee Meeting Attended | Meeting Stipend \$173.25 | Check box (x) if you do <u>not</u> want to be paid Stipend |
|------------------------------|--|--------------------------|--|
| 06/07/23 | Special Finance Committee Meeting | \$100.00 | |
| 06/14/23 | Regular Board Meeting | \$173.25 | |
| 06/21/23 | Special Finance Committee Meeting | \$100.00 | |
| 06/28/23 | Special Board Meeting (Board Financial Workshop) | \$173.25 | |
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Section II - Training and Local Meetings/Events

| Date | Training/Local Meeting Attended | Days | Mileage (0.56 / Mile) | Amount |
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| TOTAL MILES | | | 0 | \$0.00 |

Section III - Expense Claim Summary (Expense Report Form must be attached)

| Date | Description | Amount |
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Section IV - Summary

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| Signature: _____ Date: _____ | Total Stipend Paid: | \$546.50 |
| | Total Expense Claim: | \$0.00 |
| | Total Mileage: | \$0.00 |
| | Total Amount Due: | \$546.50 |
| Approved at Board Meeting on: 7/12/2023 _____ | | |

MAXIMUM OF 4 MEETINGS PAID PER MONTH

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srians@sanmiguelfire.org

San Miguel Consolidated Fire Protection District

Board Member Monthly Meeting Stipend Form

Name: Jesse A. Robles

Month/Year: June 2023

| Section I - Board/Committee Meetings | | | |
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| 06/14/23 | Regular Board Meeting | \$173.25 | |
| 06/21/23 | Special Finance Committee Meeting | \$100.00 | |
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| Section II - Training and Local Meetings/Events | | | | |
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| TOTAL MILES | | | 0 | \$0.00 |

| Section III - Expense Claim Summary (Expense Report Form must be attached) | | |
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| Total Mileage: | \$0.00 | | | | | | | | |
| Total Amount Due: | \$546.50 | | | | | | | | |
| Approved at Board Meeting on: <u>7/12/2023</u> | | | | | | | | | |

MAXIMUM OF 4 MEETINGS PAID PER MONTH
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 Please submit to Shayna Rians
srians@sanmiguelfire.org

San Miguel Consolidated Fire Protection District

Board Member Monthly Meeting Stipend Form

Name: Ed Woodruff

Month/Year: June 2023

| Section I - Board/Committee Meetings | | | |
|--------------------------------------|--|-----------------------------|---|
| Date | Board/Committee Meeting Attended | Meeting Stipend \$173.25 | Check box (x) if you do <u>not</u> want to be paid Stipend |
| 06/14/23 | Regular Board Meeting | \$173.25 | |
| 06/28/23 | Special Board Meeting (Board Financial Workshop) | \$173.25 | |
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| TOTAL MEETING STIPEND | | \$346.50 | |

| Section II - Training and Local Meetings/Events | | | | |
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| TOTAL MILES | | | 0 | \$0.00 |

| Section III - Expense Claim Summary (Expense Report Form must be attached) | | |
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| Date | Description | Amount |
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| Section IV - Summary | | | | | | | | | |
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| Signature: _____ Date: _____ | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Total Stipend Paid:</td><td style="text-align: right;">\$346.50</td></tr> <tr><td>Total Expense Claim:</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>Total Mileage:</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>Total Amount Due:</td><td style="text-align: right;">\$346.50</td></tr> </table> | Total Stipend Paid: | \$346.50 | Total Expense Claim: | \$0.00 | Total Mileage: | \$0.00 | Total Amount Due: | \$346.50 |
| Total Stipend Paid: | \$346.50 | | | | | | | | |
| Total Expense Claim: | \$0.00 | | | | | | | | |
| Total Mileage: | \$0.00 | | | | | | | | |
| Total Amount Due: | \$346.50 | | | | | | | | |
| Approved at Board Meeting on: <u>7/12/2023</u> | | | | | | | | | |

MAXIMUM OF 4 MEETINGS PAID PER MONTH
 Forms are due the 1st of each month
 Please submit to Shayna Rians
srians@sanmiguelfire.org



San Miguel Fire & Rescue

Service Beyond Expectations

Fire Prevention Staff Report

Date: July 12, 2023
To: Board of Directors
From: Jon Newman, Deputy Fire Marshal
Subject: Fixed Special Assessments – Weed Abatement

Background

On an annual basis, the Board of Directors reviews the properties that have gone to forced abatement by our hazard abatement contractor. Attached is a list of lawfully abated properties where the contractor did not receive payment.

Our administrative charge reflects a \$12 increase from the prior Fiscal Year based on changes to wages and benefits. The rate associated with these fixed special assessments is \$194 per parcel.

Discussion

In an effort to be more hands-on throughout the weed abatement process and ensure accurate records by our hazard abatement contractor, an audit was performed on the list provided by Fire Prevention Services. It was determined that residents were correctly notified and appropriately charged for the abatement work performed.

Fiscal Impact

Anticipated reimbursement to the District for costs associated with weed abatement during Fiscal Year 2023/2024 is \$6,014.

Recommendation

Approve the list provided by Fire Prevention Services for tax lien that will be uploaded to the County of San Diego system for processing.



San Miguel Fixed Charge Special Assessment Tax Year 2023/2024

| Parcel | Assessment Amount | Admin Charge | Total Assessed | Site Address | Owner | Mailing Address | City | State | Zip |
|-------------------------|--------------------|----------------|-----------------|--|---|---------------------------|-------------------|-------|-------|
| 493 280 2700 | \$722.04 | \$194.00 | \$916.04 | 1317 Vista Del Monte Dr, El Cajon, CA 92020 | DWELLR LLC | 8450 CLIFFRIDGE LN | LA JOLLA | CA | 92037 |
| 499 361 1900 | \$2,517.86 | \$194.00 | \$2,711.86 | 8657 Golf Dr, Spring Valley, CA 91977 | JUUNIYO TRUST 01-19-23 | 4041 N BONITA ST | SPRING VALLEY | CA | 91977 |
| 502 021 0300 | \$723.64 | \$194.00 | \$917.64 | 4334 Damon Ln, El Cajon, CA 92020 | HELEN T COOKE | 4334 DAMON LN | EL CAJON | CA | 92020 |
| 503 392 3500 | \$6,068.02 | \$194.00 | \$6,262.02 | 2442 Central Ave, Spring Valley, CA 91977 | MY HOME TEAM INC | 769 BROADWAY | EL CAJON | CA | 92021 |
| 504 113 6600 | \$722.04 | \$194.00 | \$916.04 | 9031 Meghan Ct, Spring Valley, CA 91977 | B R D DEVELOPMENT LLC | 10739 WOODSIDE AVE | SANTEE | CA | 92071 |
| 504 212 1100 | \$5,326.18 | \$194.00 | \$5,520.18 | 2610 Helix St, Spring Valley, CA 91977 | JACOB T & KRISTIN M MENATH | 385 HUNTER LN | ALPINE | CA | 91901 |
| 504 311 1100 | \$723.64 | \$194.00 | \$917.64 | 3816-22 Helix St, Spring Valley, CA 91977 | SILVESTRE & CASTRO MARIA ALVARADO | 3816 HELIX ST | SPRING VALLEY | CA | 91977 |
| 514 030 1300 | \$2,106.00 | \$194.00 | \$2,300.00 | S 2nd St, El Cajon, CA 92019 | DENNIS M JUNEAU | 925 S 2ND ST | EL CAJON | CA | 92019 |
| 519 270 0500 | \$1,701.70 | \$194.00 | \$1,895.70 | 2877 WINDWOOD WAY EL CAJON CA 92019 | KHUDHUR MOHANAD & NAJM NADA FAMILY TRUST 10-20-16 | 3093 COTTONWOOD VIEW DR | EL CAJON | CA | 92019 |
| 578 011 4800 | \$738.26 | \$194.00 | \$932.26 | El Pasillo Ln, Spring Valley, CA 91977 | J A MASTERS INVESTMENTS LLC | 2638 E 15TH ST | NATIONAL CITY | CA | 91950 |
| 578 072 1400 | \$738.26 | \$194.00 | \$932.26 | 1915 Avon Ln, Spring Valley, CA 91977 | JAMES M & COLLINS MARY C NEWBERRY | P O BOX 104 | SAN DIEGO | CA | 92111 |
| 578 161 0200 | \$1,020.06 | \$194.00 | \$1,214.06 | 0 Grand Ave, Spring Valley, CA 91977 | LIGHT HOUSE BUILDERS INC | 4411 MERCURY ST #211 | SAN DIEGO | CA | 92111 |
| 579 300 3200 | \$3,413.18 | \$194.00 | \$3,607.18 | 0 Jamacha Blvd, Spring Valley, CA 91977 | LIGHT HOUSE BUILDERS INC | 1620 LA PRESA AVE | SPRING VALLEY | CA | 91977 |
| 579 300 3300 | \$3,558.14 | \$194.00 | \$3,752.14 | 0 Jamacha Blvd, Spring Valley, CA 91977 | LIGHT HOUSE BUILDERS INC | 1620 LA PRESA AVE | SPRING VALLEY | CA | 91977 |
| 579 355 2800 | \$1,371.16 | \$194.00 | \$1,565.16 | 0 Grand, Spring Valley, CA 91977 | LANGFORD GEORGE A REVOCABLE TRUST 07-02-14 | 4759 70TH ST | LA MESA | CA | 91942 |
| 579 375 0100 | \$732.40 | \$194.00 | \$926.40 | Buena Vista Ave, Spring Valley, CA 91977 | ROHAR FAMILY TRUST 06-18-21 | 27666 ELDENA DR | RANCHO PALOS VERD | CA | 90275 |
| 579 377 1600 | \$1,402.20 | \$194.00 | \$1,596.20 | 1520 Capistrano Ave, Spring Valley, CA 91977 | HALLO I T & MANAGEMENT LLC | 5255 Biscayne Blvd | MIAMI | FL | 33137 |
| 579 377 1700 | \$1,406.46 | \$194.00 | \$1,600.46 | 1514 Capistrano Ave, Spring Valley, CA 91977 | HALLO I T & MANAGEMENT LLC | 5255 Biscayne Blvd | MIAMI | FL | 33137 |
| 579 377 2300 | \$1,360.66 | \$194.00 | \$1,554.66 | Capistrano Ave, Spring Valley, CA 91977 | HALLO I T & MANAGEMENT LLC | 5255 Biscayne Blvd | MIAMI | FL | 33137 |
| 579 377 2400 | \$1,367.10 | \$194.00 | \$1,561.10 | Capistrano Ave, Spring Valley, CA 91977 | HALLO I T & MANAGEMENT LLC | 5255 Biscayne Blvd | MIAMI | FL | 33137 |
| 579 377 2500 | \$1,390.50 | \$194.00 | \$1,584.50 | Capistrano Ave, Spring Valley, CA 91977 | HALLO I T & MANAGEMENT LLC | 5255 Biscayne Blvd | MIAMI | FL | 33137 |
| 579 396 0200 | \$2,076.96 | \$194.00 | \$2,270.96 | Portola Ave, Spring Valley, CA 91977 | IVAN FLORES | 1312 W SAN YSIDRO BLVD #A | SAN YSIDRO | CA | 92173 |
| 579 396 4900 | \$1,201.00 | \$194.00 | \$1,395.00 | Portola Ave., Spring Valley, CA 91977 | ELLEN BROWN | 373 69TH ST | SAN DIEGO | CA | 92114 |
| 579 399 1600 | \$1,051.02 | \$194.00 | \$1,245.02 | 1414 Sangamon Ave, Spring Valley, CA 91977 | MICHAEL D COLLINS | P O BOX 2811 | SPRING VALLEY | CA | 91979 |
| 580 101 0800 | \$732.40 | \$194.00 | \$926.40 | 10323 Limetree Ln, Spring Valley, CA 91977 | KIMBERLY L CLARK | 10323 LIMETREE LN | SPRING VALLEY | CA | 91977 |
| 584 061 1600 | \$732.40 | \$194.00 | \$926.40 | 1054-60 Leland St, Spring Valley, CA 91977 | TRUE GEM LLC | 2401 E DIVISION ST | NATIONAL CITY | CA | 91950 |
| 584 330 3900 | \$738.26 | \$194.00 | \$932.26 | 822 Ramona Ave, Spring Valley, CA 91977 | MARK KHOUOLI | 1620 LA PRESA AVE | SPRING VALLEY | CA | 91977 |
| 584 581 0500 | \$722.04 | \$194.00 | \$916.04 | 345 Sacramento Ave, Spring Valley, CA 91977 | VINCENT DICK | 345 SACRAMENTO AVE | SPRING VALLEY | CA | 91977 |
| 586 190 1200 | \$5,096.08 | \$194.00 | \$5,290.08 | 8840 Leigh Ave, Spring Valley, CA 91977 | LEIGH SPRING VALLEY INVESTMENTS LLC | 13416 WYNGATE PT | SAN DIEGO | CA | 92130 |
| 586 285 4800 | \$732.40 | \$194.00 | \$926.40 | 8350 Aqua View Ct, Spring Valley, CA 91977 | BRIAN WALTERS | 8350 AQUA VIEW CT | SPRING VALLEY | CA | 91977 |
| 596 221 0100 | \$3,104.70 | \$194.00 | \$3,298.70 | 12624 CAMPO RD SPRING VALLEY CA 91978 | MARTINEZ ERNEST E & OLA M FAMILY TRUST 07-10-97 | 12624 CAMPO RD | SPRING VALLEY | CA | 91978 |
| Total Parcels | 31 | | | | | | | | |
| Total Assessment | \$55,296.76 | \$6,014 | \$61,311 | | | | | | |



San Miguel Fire & Rescue

Service Beyond Expectations

Administrative Staff Report

Date: July 12, 2023
To: Board of Directors
From: Leah Harris, Administrative Officer/Finance Officer
Subject: Board of Directors' Policy Manual Adoption Resolution 23-16

Background

At the June 28, 2023, Special Meeting of the Board of Directors, the Board of Directors held a Financial Workshop to discuss an updated Financial Management and Investment Policy. The Board of Directors' Policy was reviewed in its entirety to ensure that corrections were made for consideration during final adoption at the regularly scheduled meeting in July 2023.

Discussion

After completing an in-depth review of the Board of Directors' Policy, the Finance Committee and Staff discussed the Financial Management and Investment Policy in detail. The Board of Directors went through each page and made recommendations for changes to be brought forward. Appendix A shows track changes made during the revision of the Financial Management and Investment Policy and the workshop, along with a thorough proofreading and edits completed by Staff per Board direction from the workshop. The intent is to upload the Board of Directors Policy to the District's policy management system. This system will keep track of any future changes to this policy. Any future changes to this policy will be require adoption through resolution.

Fiscal Impact

None.

Recommendation

Adopt Resolution 23-16 and direct Staff to upload the policy into the District's policy management system.

Resolution 23-16

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
ADOPTING THE BOARD OF DIRECTORS POLICY MANUAL WITH AMENDMENTS
OUTLINED, INCLUDING CHANGES TO THE FINANCIAL MANAGEMENT AND
INVESTMENT POLICIES**

WHEREAS, Board Policy 9 authorizes the Board to adopt and make amendments to the Director's Policy Manual; and

WHEREAS, the Board of Directors discussed and recommended changes to the Director's Policy Manual at its Special Meeting on June 28, 2023, and directed staff to bring back those amendments to the Policy Manual at the July 12 board meeting for formal approval: and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Miguel Consolidated Fire Protection District approves the amendments to the Director's Policy Manual as set forth in the attached Exhibit A.

APPROVED AND ADOPTED by the Board of the Directors of the San Miguel Consolidated Fire Protection District this 12th day of July, 2023 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Board Clerk

Jesse A. Robles, Board President

ATTACHMENT A

San Miguel Consolidated Fire Protection District



Board of Directors Policy Manual

(Adopted [12/14/2022](#)[07/12/2023](#))
[FOR ADOPTION COSIDERATION](#)

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Policy 1 – Director Conduct and Responsibilities

1.1 – Responsibilities of Public Office

Directors of the San Miguel Consolidated Fire Protection District are elected by the voters of the District. As such, they are agents of public purpose and serve for the benefit of the public. They shall uphold the Constitution of the United States and the Constitution of the State of California. They shall impartially carry out the laws and regulations of the United States, the State of California, and the San Miguel Consolidated Fire Protection District. In any official act they shall faithfully discharge their fiduciary duties recognizing that the public interest and trust are paramount. Directors must demonstrate the highest standards of morality and ethics consistent with the requirements of their position and consistent with law.

1.2 – Basis of Authority

The Board of Directors is the unit of authority within the District. Apart from his/her normal function as a part of this unit, Directors have no individual authority. As individuals, Directors may not commit the District to any policy, act or expenditure.

1.2.1 – Representation

Directors do not represent any fractional segment of the community, but are, rather, a part of the body that represents and acts in the best interest of the community as a whole. The needs of the District's constituents shall be the priority of the Board of Directors. The primary responsibility of the Board of Directors is the formulation and evaluation of the policy. Routine matters concerning the operational aspects of the District are to be delegated to professional staff members of the District through the Fire Chief or the Administrative Officer/Finance Officer.

1.3 – Code of Ethics, Conduct and Decorum

The District Board of Directors has adopted the following Code of Conduct and Decorum for Members of the District Board in order to promote and maintain the highest standards of personal and professional conduct in the District's governance. While recognizing conflict and disagreement are sometimes a part of the public process, the District Board acknowledges and values its duty to model ethical and civil behavior for the District's customers and staff. District Board decisions and work, therefore, must meet the most demanding ethical standards and demonstrate the highest levels of achievement in following this Policy.

Board Members are expected to:

Respect confidences and information designated as "confidential". Do not disclose information received during any Closed Session of the District Board held pursuant to state law. (Cal. Govt. Code 54963(a)).

State views briefly and clearly during District Board and Committee meeting. Refrain from discussing non-agenda items. Refrain from repeating the same argument or statement.

The dignity, style, values and opinions of each Director shall be respected. Refrain from abusive conduct, personal charges, or verbal attacks upon the character, motive, ethics, morals, or comments of other Members of the Board, staff, or the public. Refrain from personal comments that are not relevant to the issue before the District Board. Directors shall commit themselves to emphasizing positive and constructive forms of interaction.

Recognize and accept legitimate differences of opinion. Act with integrity in accepting, supporting, and defending the District Board. Once the Board takes action, Board Members should respect the policy decisions of the Board and not create barriers to the implementation of said action. The dissenting Member(s) may continue to oppose the decision; however, when speaking publicly, the dissenting Member(s) should acknowledge the decision of the Board and current policy of the District.

Carefully consider if exceeding or appearing to exceed authority of office for personal or financial gain. When in doubt, avoid actions that create, in the mind of a reasonable observer, the appearance of impropriety, ethical lapses, legal violations, or actions inconsistent with this Policy.

Refrain from using status as a public office holder to influence the outcome of a community meeting. When attending as a citizen, indicate when expressing personal opinion, and refer questions related to District policies to the District's Fire Chief.

Correspondence paid for with public funds or on District stationery must relate to bona fide District business and must not purport to advance or advocate a policy not previously approved by the Board of Directors.

When presenting their individual opinions and positions, regarding items related to District jurisdiction/business, members of the Board shall explicitly state they are not speaking on behalf of the District and will not allow the inference that they do. All Board Officers are required to remove office title from their signature line when the above is met. The following disclaimer shall be used on personal communications: ***"This correspondence and any documents attached hereto, reflects the individual opinions and positions of the above-named Director and does not represent the opinions or positions of the District's Board of Directors or the District. Pursuant to the San Miguel Consolidated Fire Protection District Policies and Procedures Manual, individual Directors, except as otherwise authorized by the Board, shall have no power to act for the District or the District's Board of Directors."***

Complaints made to the Directors by members of the public shall be referred directly to the Fire Chief. Items related to safety, concerns for safety, or hazards shall be reported to the Fire Chief. Emergency situations should be dealt with immediately by seeking appropriate assistance from District professional staff.

When seeking clarification on information^{al} items, Directors should direct requests to the Board President, Fire Chief, or Administrative Officer/Finance Officer to obtain information needed to supplement, upgrade, or enhance their knowledge to improve legislative decision-making. Any documents or written response provided to a Director from staff shall be provided to all other Directors as well. Any request for information by a Director that may take substantial staff time must be approved by a majority of the Board at the next scheduled Board meeting.

1.4– Violation of Code of Conduct and Decorum Policy

The Board President shall request that a person who is breaching the rules of decorum be orderly and comply with this Policy. If the conduct continues, the Board President may agendaize an item for the next meeting of the Board to discuss the conduct and have the Board determine if the conduct is in violation of this Policy. The imposition of any remedial action shall be consistent with the severity of the offense and shall be consistent with the principles of progressive punishment. If 5 or more Board Members of the Board determines that the conduct was in violation of this Policy, the Board may impose any of the following remedial actions:

- a. Issue a letter of warning from the Board.
- b. Adopt a resolution expressing disapproval of the conduct of the Board Member and censure by the Board.
- c. Remove the Board Member from their position on District committees or as Board Officer
- d. Deny or reduce payment of per diem/expense reimbursement for meeting of outside organizations
- e. Deny or reduce payment of per diem and/or expense reimbursement for the Board meeting(s) at which the violation(s) occurred.

Motion to Enforce. If the Board President fails to enforce the rules set forth above, any Director may move the Board to require the Board President to do so, and an affirmative vote by 5 or more Board Members will require him or her to do so.

Allegations of violations of state law, such as the Brown Act, shall be referred to District Counsel for investigation.

1.5 – Board Member Conduct During Meetings

In addition to the rules of general conduct listed in Policy 1.3, Board members shall abide by the following rules of conduct for board meetings:

- a. All Directors should be on time for all meetings. Directors should make every effort to notify the Board President or Fire Chief of any anticipated or unanticipated late arrival to meetings or absence.
- b. Directors shall thoroughly prepare themselves to discuss agenda items prior to board meetings, including having discussions with other directors within the constraints of the Brown Act.
- c. Written information or board documents that are exchanged before meetings shall be distributed through the Fire Chief and all Directors shall receive all such written information or documents being distributed.
- d. Directors shall conduct themselves with courtesy to each other, staff and members of the audience present at Board meetings.
- e. Directors shall defer to the presiding officer for conduct of meetings of the Board but shall be free to question and discuss items on the agenda. All comments should be brief and confined to the matter being discussed by the Board.
- f. Directors may request for inclusion into minutes, brief comments pertinent to an agenda item, (including, if desired, a position on abstention or dissenting vote). Such request may only be made at the meeting in which the comments are made.
- g. Directors shall ~~abstain~~ recuse themselves from participating in consideration on any item involving a personal or financial conflict of interest. Unless such a conflict of interest exists, however, Directors should not abstain from the Board's decision-making responsibilities.

- h. Requests by consensus of the Board of Directors for substantive information and/or research from District staff shall be channeled through the Fire Chief or Administrative Officer/Finance Officer.

1.6 – Attendance at Meetings

Members of the Board of Directors shall attend all regular meetings, special meetings, committee assignments and meetings as appointed to represent the District unless there is good cause for absence.

1.7 – District General Counsel

Whenever possible, the ~~Districts~~District's general counsel ~~should~~ shall be in attendance of scheduled Regular and Special Board Meetings ~~that include Closed Session agenda items~~ unless otherwise directed by the Fire Chief in conjunction with the Board President.

Policy 2 – Board Organization and Structure

2.1 – Election of Officers

The District Board shall elect its officers at the first regular meeting in December of each year. The officers of the Board are President, Vice President, and Secretary. The Board of Directors may reorganize themselves at any time if five (5) of the seven (7) Directors vote to do so. The process for election of officers shall be as follows:

- a. The election of officers shall be the final item on the Agenda for that meeting. The current Board President will chair the entire meeting. The incoming Board President will chair the next scheduled meeting.
- b. The Chair shall call for nominations from members of the Board. Board Members shall not nominate themselves. No second shall be required.
- c. Once all nominations have been made, the Chair shall call for a roll call vote and Board Members shall state the name of the candidate for whom they cast their vote. A minimum of four votes shall be required for election. If only one person should be nominated for an office, the Board may act by motion to elect such nominee.

2.2 – Presiding Officer (Chairperson)

The President of the Board of Directors shall serve as presiding officer at all Board meetings. He/she shall have the same rights as the other members of the Board in voting, introducing motions, resolutions and ordinances, and any discussion of questions that follow such actions. In the absence of the President, the Vice President of the Board of Directors shall serve as presiding officer. If the President and Vice President of the Board are both absent, the remaining members present shall select one of themselves to act as presiding officer for that meeting.

The Board President or, in the Board President's absence, the Vice President, is authorized to execute all official papers, documents, contracts, and other written instruments authorized or approved by the Board of Directors.

2.3 – Board Member-Fire Chief Relationship

The Board of Directors, acting as a Board, is the governing body of the Fire District and sets policy for the District. The Board shall act only at its regular, regularly adjourned, special or emergency meetings. All powers of the District shall be exercised and performed by the Board as a body. Individual Board Members, except as otherwise authorized by the Board, shall have no power to act for the District, or the Board, or to direct the staff of the District.

The District's Fire Chief (a) has full charge and control of the construction, maintenance and operations and facilities of the District, as approved by the Board, (b) has full power and authority to employ and discharge employees, consistent with District policy and other provisions of law, (c) prescribes the duties of employees, consistent with District policy, and (d) fixes and alters the compensation of employees, subject to approval by the Board. The Board will, after considering the recommendation of the Fire Chief, appoint by resolution the District's Financial Officer (who will report to the Fire Chief). The Financial Officer will install and maintain a system of auditing and accounting that will completely and at all times show the financial condition of the District in accordance with Generally Accepted Accounting Principles (GAAP) and legal requirements. The Board will retain and periodically review the work of an auditor as

independent contractor of the District (other than the Financial Officer), who will report to the Board, to conduct an annual audit of the District's books, ~~records~~records, and financial affairs.

The District's Fire Chief serves at the ~~pleasure-satisfaction~~ of the Board. The Board will provide policy direction and instructions to the Fire Chief on matters within the authority of the Board by majority vote of the Board during ~~duly-convened~~duly convened Board and Board Committee Meetings. Members of the Board will deal with matters within the authority of the Fire Chief through the Fire Chief, and not through other District employees, except as it pertains to the functions of the Financial Officer. Members of the Board will refrain from making requests directly to District employees (rather than to the Fire Chief) to undertake analyses, perform other work assignments, change the priority of work assignments, or request information.

A Board Member will not directly or indirectly use or attempt to use the authority or influence of his or her position for the purpose of intimidating, threatening, coercing, commanding, or influencing the Fire Chief for the purpose of preventing him/her from performing their duties or assignments.

Board Members will not have access to security codes for stations, administration building, or station gates. All Board Members should conduct district business during normal district business hours.

2.4 – Committees of the Board

2.4.1 – Ad Hoc Committees

The Board President shall appoint such ad hoc committees with consensus of the Board, as may be deemed necessary or advisable by him/her and/or the Board. The duties of the ad hoc committees shall be outlined at the time of appointment, and the committee shall be considered dissolved when its final report has been made.

2.4.2 – Ad Hoc Committee Duties and Powers

The Board's ad hoc committees may be assigned to review District functions, activities, and/or operations pertaining to their designated concerns.

Any recommendations resulting from such assignments shall be submitted to the Board via a written or oral report.

2.4.3 – Ad Hoc Committee Members Tenure of Office

All committee members serve at the ~~pleasure-satisfaction~~ of the Board and may be removed by consensus of the Board at any time.

2.4.4- Standing Committees

The Finance Committee will be a standing committee and all meetings will be noticed and open to the public pursuant to the Brown Act.

2.5 – District Board Member Representative Appointments

2.5.1 – Appointments to Participating Agencies

At the first regular meeting of each calendar year or the first meeting following the election of new board members, the Board shall nominate and select by majority vote, representatives to various agencies and commissions for which the District participates. Examples of such participating agencies are Heartland Training Facility, and ~~County Service Area 69~~the San Diego Chapter of the California Special Districts Association.

2.5.2 – Appointments to Participating Agencies Tenure of Office

All appointments to participating agencies serve at the ~~pleasure~~-satisfaction of the Board and may be removed by majority vote of the Board at any time.

2.6 – Vacancies of the Board

Vacancies of the Board shall be filled in accordance with Section 1780 of the Government Code of the State of California.

Policy 3 – Director Compensation and Training

3.1 – Remuneration and Reimbursement

Each member of the Board of Directors may receive compensation in an amount set by the District Board for attending meetings related to District business.

- Regular, Special, and Emergency meetings of the full Board **\$173.25** per meeting
- ~~Standing Committee Meetings~~ **\$100** per meeting

Attendance is defined as being present for more than fifty percent (50%) of any meeting. The number of meetings for which a member of the Board of Directors may receive compensation shall not exceed four meetings in any calendar month, unless previously approved by the Board of Directors at a regularly scheduled meeting. For the purpose of this section, meeting shall be defined as:

- Regular, special and emergency meetings of the full board
- Other meetings, standing committee meetings, trainings, or conferences related to official District business as approved by the Board prior to the accrual of the expense.

3.1.1 – District Payment of Director Health Insurance

Beginning January 1, 2012, health insurance benefits will be capped at the 2011 rates of Kaiser San Diego for directors for each dependent status (see below). The district will pay up to the 2011 Kaiser San Diego rate plus 50% of any increase above the 2011 Kaiser San Diego rate for each dependent status (Single, Two Party, and Family). Directors will be responsible for paying the remaining 50% of any increase above the 2011 Kaiser San Diego rate. Directors who participate in a more expensive plan than Kaiser San Diego will also be responsible for the difference between that plan and the District contribution specified above. Director membership in health plans is restricted to those available through the agency with which the District contracts for the provision of such benefits.

Single = \$477.95
Two Party = \$955.90
Family = \$1,242.67

Effective January 1, 2013 health insurance benefits will no longer be available to Directors.

3.1.2 – Director Participation in CalPERS

Directors who were elected or appointed and/or who were members of CalPERS prior to July 1, 1994 must continue their membership in CalPERS to retain all such benefits to which they may be entitled.

3.2 – Training, Education and Conferences

It is the policy of the District to encourage Board development and excellence of performance by reimbursing expenses incurred for travel, lodging and meals as a result of training, participation with professional organizations, and attendance at local, regional, and state conferences

associated with the interests of the District as budgeted and approved by a consensus of the Board. If attendance was approved, and District funds have been expended, and if the director does not participate, the director shall reimburse the District for any cost(s) attributable to the director's non-participation at the discretion of the Board.

District administrative staff shall be responsible for making arrangements for travel, lodging and registration for Directors attending such seminars, workshops and conferences. District staff shall normally forward information regarding Director training and education opportunities to the Board at regularly scheduled meetings. Directors may submit similar information either through the staff or by presenting the information during the Director Report's portion of a regular meeting. Director attendance at classes, seminars, workshops and conferences shall be approved by consensus of the Board of Directors prior to incurring any reimbursable costs. All expenses shall be reported to the District by Directors and validated with receipts according to the District Travel Expense Policy.

Upon returning from seminars, workshops, or conferences, Directors will either prepare a written report for distribution to the ~~Board, or~~ [Board or](#) make a verbal report during the next regular meeting of the Board. Such report shall detail what was learned at the session(s) that will be of benefit to the District. Materials from the session(s) may be delivered to the District office to be included in the District library for the future use of other Directors and staff.

3.3 – Membership in Associations

The Board of Directors shall ordinarily hold membership in and attend meetings of such state, regional, or local associations as may exist which have applicability to the functions of the District and shall look upon such memberships as an opportunity for continuing education.

3.4 – District Representatives

At the first regular board meeting in January following a general District election or unopposed election, a member of the Board or a staff member shall be selected to represent the District and another member of the Board or staff member shall be selected to serve as an alternate for the representation of the District at association business or functions in which the District is a member.

Policy 4 – Board Meetings

4.1 – Regular Meetings

Regular meetings of the Board of Directors shall be held on the 2nd Wednesday of each calendar month at 5:30 pm. The 4th Wednesday of each calendar month shall be tentatively scheduled as needed for a second regular meeting at 5:30 pm.

Unless otherwise noticed, all meetings of the Board of Directors shall be conducted in the District Headquarters Board ~~room~~Room, 2850 Via Orange Way, Spring Valley, California. The date, time and place of regular Board meetings shall be reconsidered annually at the first regular meeting in January of the Board.

4.2 – Special Meetings

Special meetings of the Board of Directors may be called by the Board President or a majority of the Board of Directors by ~~delivering, personally or by mail, written~~providing notice to each member of the Board of Directors and to each local newspaper of general circulation, radio or television station requesting such notice, ~~via email in writing~~. The Fire Chief, District Counsel, and any other desired staff shall be notified of the special board meeting and the purpose or purposes for which it is called. The notice shall be delivered ~~personally or by mail~~via email and shall be received at least 24 hours prior to the time of the special meeting as specified in the notice. The ~~written~~ notice may be dispensed ~~with as~~ to any member who at or prior to the time the meeting convenes, files with the ~~clerk or Secretary of the Board~~Board Clerk a written waiver of notice. Such waiver may be given by ~~telegram~~email. The ~~written~~ notice may also be dispensed ~~with as~~ to any member who is actually present at the meeting at the time it convenes. Notice shall be required pursuant to this section regardless of whether any action is taken at the special meeting. The call and notice shall be posted in a location that is freely accessible to the public at least 24 hours prior to the special meeting.

Newspapers of general circulation in the District, radio stations and television stations, organizations, and property owners who have requested notice of special meetings in accordance with the Ralph M. Brown Act (California Government Code Sections 54950 through 54962) shall be notified by ~~a email mailing~~ unless the special meeting is called less than one week in advance, in which case notice, including business to be transacted, will be given by ~~telephone email~~ during business hours as soon after the meeting is scheduled as practical. An agenda shall be prepared for regular Board meetings as specified in Section 5.1 of this manual and shall be delivered with the notice of the special meeting to those specified above. Only those items of business listed in the call for the special meeting shall be considered by the Board at any special meeting.

4.3 – Emergency Meetings

In the event of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board of Directors may hold an emergency special meeting without complying with the twenty four (24) hour notice required in Section 4.2 above. An emergency situation is defined as:

A crippling disaster, a work stoppage, or any other activity, which severely impairs public health, safety, or both, as determined by a majority of the members of the Board of Directors.

Newspapers of general circulation in the District, radio and television stations which have requested notice of special meetings in accordance with the Ralph M. Brown Act (California Government Code Sections 54950 through 54962) shall be notified by at least one hour prior to

the emergency special meeting. In the event that telephone services are not functioning, the notice requirement of one hour is waived, but the Fire Chief, or his/her designee, shall notify such newspapers, radio stations, or television stations regarding the holding of the emergency special meeting, and of any action taken by the Board, as soon after the meeting as possible.

No closed session may be held during an emergency special meeting, and all other rules governing special meetings shall be observed with the exception of the 24-hour notice. The minutes of the emergency special meeting, a list of persons the Fire Chief or designee notified or attempted to notify, a copy of the roll call vote(s), and any actions taken at such meeting shall be posted for a minimum of 10 days in the District office as soon after the meeting as possible.

4.4 – Adjourned Meetings

A majority vote by the Board of Directors may terminate any Board meeting at any place in the agenda to any time and place specified in the order of adjournment, except that if no Directors are present at any regular or adjourned regular meeting, the Fire Chief or designee may declare the meeting adjourned to a stated time and place, and he/she shall cause a written notice of adjournment to be given to those specified in Section 4.2 and 4.3 above.

4.5 – Board Meeting Facilitation

Meetings of the Board of Directors shall be conducted by the Board President or designee in a manner consistent with the policies of the District. The latest edition of Robert's Rules of Order, Revised shall also be used as a general guideline for meeting protocol. District policies shall prevail whenever they are in conflict with Robert's Rules of Order, Revised. The conduct of meetings shall, to the fullest possible extent, enable Directors to:

- a. Consider problems to be solved, weigh evidence related thereto, and make wise decisions intended to solve the problems; and,
- b. Receive, consider and take any needed action with respect to reports of accomplishment of District operations.

The provisions for permitting any individual or group to address the Board concerning any item on the agenda of a special meeting, or to address the Board at a regular meeting on any subject that lies within the jurisdiction of the Board of Directors shall be as follows:

- c. Three minutes may be allotted to each speaker and a maximum of 20 minutes to each subject matter;
- d. No boisterous conduct shall be permitted at any Board meeting. Persistence in boisterous conduct shall be grounds for summary termination of that person's privilege of address by the presiding officer.
- e. Charges or complaints against any District employee should not be made in public. All charges or complaints against employees should be submitted to the District through the Fire Chief and/or Board President. The Fire Chief shall investigate all such charges and/or complaints and take appropriate action.
- f. Members of the Board of Directors, staff, and members of the public are expected to treat each other with courtesy and respect.

4.6 – Adequacy of Information and Facilities

The Board President and the Fire Chief shall ~~insure~~ensure that appropriate information is available for the audience at meetings of the Board of Directors and that physical facilities for such meetings are functional and appropriate.

4.7 – Disruption of Meetings

Willful disruption of any of the meetings of the Board of Directors shall not be permitted. If the presiding officer finds that there is willful disruption of any meeting of the Board, he/she may order the room cleared and subsequently conduct the Board's business without the audience present. In such an event, only matters appearing on the agenda may be considered in such a session. After clearing the room, the presiding officer may permit those persons who, in his/her opinion, were not responsible for the willful disruption to reenter the meeting room. Duly accredited representatives of the news media, whom the presiding officer finds not to have participated in the disruption, shall be admitted to the remainder of the meeting.

Policy 5 – Board Meeting Agendas

5.1 – Agenda Preparation and Distribution

The Fire Chief, in cooperation with the Board President, shall cause to be prepared, an agenda for each regular and special meeting of the Board of Directors. Any Director may call the Board President and request that an item be placed on the agenda. Requests for agenda items for regular meetings should be made no later than 12:00 noon on Tuesday the week prior to the meeting date. Items brought to the attention of the Board President after the deadline may be placed on the agenda at the discretion of the Board President, unless there is a financial related matter that needs to be addressed immediately at the next meeting. Requests for special meeting agenda items should be made at least 48 hours prior to the meeting or sooner if possible. The Fire Chief or his/her designee, will be responsible for developing-drafting the agenda for each Board Meeting. Agenda items will be generated by the need to conduct the District's business in a timely manner.

5.2 – Order of Agenda Items

The Board President shall determine the order in which agenda items are to be considered for discussion and/or action by the Board. The Board may change the order by consensus.

5.3 – Use of Confidential Information

A Board Member is not authorized, without approval of the Board of Directors, to disclose information that qualifies as confidential information under applicable provisions of law to a person not authorized to receive it, that (1) has been received for, or during, a closed session meeting of the Board, or (2) is protected from disclosure under the attorney/client or other evidentiary privilege.

5.4 – Public Requests for Agenda Items

Any member of the public may request that a matter directly related to District business be placed on the agenda of a regularly scheduled meeting of the Board of Directors, subject to the following conditions:

The request must be in writing and be submitted to the Fire Chief together with supporting documents and information, if any, at least seven business days prior to the date of the meeting. The Fire Chief shall be the sole judge whether or not the public request is a "matter directly related to District business." No matter which would legally be a proper subject for consideration by the Board in closed session will be accepted under this policy. The Board of Directors may place limitations on the total time to be devoted to a public request issue at any meeting, and may limit the time allowed for any one person to speak on the issue at the meeting. This policy does not prevent the Board from taking testimony at regular and special meetings of the Board on matters that are not on the agenda which a member of the public may wish to bring before the Board. The Board shall not discuss or take action on such matters at that meeting.

5.5 – Posting Requirements

At least 72 hours prior to the time of all regular meetings, an agenda, which includes but is not limited to all matters on which there may be discussion and/or action by the Board, shall be posted conspicuously for public review within the District office. The agenda for a special meeting shall be posted at least 24 hours before the meeting in the same location as regular meeting agendas.

Policy 6 – Board Actions and Decisions

6.1 – Types of Actions and Decisions

Actions by the Board of Directors include but are not limited to the following:

- a. Adoption or rejection of Board Policy.
- b. Adoption or rejection of a resolution.
- c. Adoption or rejection of an ordinance.
- d. Approval or rejection of any contract or expenditure.
- e. Approval or rejection of any proposal which commits District funds or facilities.
- f. Approval or disapproval of matters that require, or may require, the District or its employees to take action and/or provide services.
- g. The appointment, or continued appointment, of the District General Counsel and District Auditor.
- h. The rendering of a decision as an appellate hearing body concerning certain disciplinary actions taken on employees.

6.2 – Quorum Requirements

Action can only be taken by the vote of the majority of the total membership of the Board of Directors. Four (4) Directors represent a quorum for the conduct of business. Actions taken at a meeting where only a quorum is present, therefore, require all four votes to be effective unless a 4/5 or 2/3 majority vote is required by policy or other law. In this case, at least 5 members must be present and vote affirmatively for any action requiring a 2/3 majority to be effective. At least 6 members must be present and vote affirmatively for any action requiring a 4/5 majority to be effective.

6.3 – Abstentions

Directors are encouraged to refrain from abstaining in a vote unless a conflict of interest precludes them from doing so.

6.4 – Informal Directions by Board Consensus

The Board may give directions that are not formal action. Such directions do not require formal procedural process. Such directions include the Board's directives and instructions to the Fire Chief.

6.4.1 – Determination of Consensus

The presiding officer shall determine by consensus a Board directive and shall state it for clarification. Should any two Directors challenge the statement of the presiding officer, a voice vote may be requested.

6.4.2 – Motion to Agendize Contested Informal Direction

A formal motion may be made to place a disputed directive on a future agenda for Board consideration, or to take some other action (such as refer the matter to the Fire Chief for review and recommendation, etc.)

6.5 – Review of Administrative Decisions

The purpose of this section is to ensure efficient administration of the District and the expeditious review of decisions rendered by the Board of Directors. The provisions of Section 1094.6 of the Code of Civil Procedure of the State of California shall be applicable to judicial review of all administrative decisions of the Board of Directors pursuant to the provisions of Section 1094.5 of said code. The provisions of Section 1094.6 shall prevail over any conflicting provision and any otherwise applicable law, rule, policy or regulation of the District, affecting the subject matter of an appeal. This policy affects those administrative decisions rendered by the Board of Directors governing acts of the District, in the conduct of the District's operations and those affecting personnel operating policies.

Policy 7 – Board Meeting Records

7.1 – Official Record of Board Meetings

It is the intent of the District to maintain accurate records of all District Board meetings by means of written and/or audio tape recording. The official record of any board meeting is the written minutes; all discrepancies should be resolved through written documentation.

7.2 – Minutes of Board Meetings

The ~~Recording Secretary~~Clerk of the Board of Directors shall keep minutes of all regular, special, adjourned regular, adjourned special, and emergency meetings of the Board. Copies of these minutes shall be made for distribution to Directors with the agenda for the next regular Board meeting.

7.2.1 – Safekeeping of Minutes

The official minutes of all meetings of the Board shall be ~~kept in a fireproof vault or in fire resistant, locked cabinets.~~stored digitally per the District's adopted retention schedule.

7.3 – Content of the Agenda Packets and Minutes

- A. The agenda packets of Board meetings shall contain, but not necessarily be limited to the following, when listed on the agenda:
 1. Draft copy of the preceding meetings minutes.
 2. All Board resolutions and ordinances in complete context, numbered in accordance with Section 7.5.
 3. A copy of the contracts entered into by the Board.
 4. A copy of the budget.
- B. The minutes of all Board meetings shall contain, but not necessarily be limited to the following:
 1. Date, time, place and type of each meeting.
 2. Directors present and absent by name.
 3. Call to order.
 4. Arrival of tardy Directors, by name.
 5. Pre adjournment departure of Directors, by name, or if an absence takes place when any agenda items are acted upon.
 6. Adjournment of the meeting.
 7. Record of written notice of special meetings.
 8. Record of items to be considered at special meetings.

9. Approval or amended approval of the minutes of preceding meetings.
10. Information as to each subject of the Board's deliberation.
11. Information as to each subject including the roll call record of the vote on a motion if not unanimous.
12. A record of all contracts entered into by the Board
13. A record of all bid procedures, including calls for bids, bids authorized, bids received, and other action taken in accordance with the procurement policy.
14. Adoption of the annual budget.
15. Sales of District fixed assets.
16. Approval of all Board policies.
17. A record of all visitors and delegations appearing before the Board.

7.4 – Record of Motions, Resolutions and Ordinances

Motions, resolutions or ordinances shall be recorded in the minutes as having passed or failed, and individual votes will be recorded unless the action was unanimous.

7.5 – Numbering of Resolutions and Ordinances

All resolutions and ordinances adopted by the Board shall be numbered consecutively starting at the beginning of each calendar year and include the last two digits of the year and a sequential number starting with one.

7.6 – Audio Recording of Board Meetings

All open session meetings shall be recorded. At no time during an official open session shall the recorder be turned off or obstructed except during announced recesses or that period of time necessary to change recording media.

The ~~Recording Secretary~~Board Clerk shall notify the presiding officer of any interruption in recording of the meeting except for that period of time necessary to change the recording media. The presiding officer shall determine if a recess is necessary to allow reestablishment of the recording. Audio recordings shall be made available for Board member, employee and/or public review. A qualified District employee shall facilitate any review of the audio recording. Qualified District personnel shall also facilitate any copying of the audio recordings of board meetings. Cost recovery of copying such audio recordings shall follow District policy. Only one official recording shall be made of any meeting. Audio recordings shall be properly ~~labeled and retained in a safe place at District Headquarters~~named and stored electronically for a period of not less than ten years from the date of the meeting recorded at which time the audio recording shall be electronically erased or otherwise destroyed.

7.7 – Record of Closed Sessions

No audio recording or written minutes shall be taken in closed session. Official actions taken by the Board in closed sessions shall be announced in open session and shall be included in the written minutes of that meeting. All closed sessions shall conform to the Ralph M. Brown Act, Section 54950 through Section 54962 of the California Government Code. The Board **Secretary** Clerk and/or the District's attorney shall attend closed sessions of the Board of Directors and serve as Parliamentarian to ensure the limitation of discussion to those closed session items allowed by law and properly noticed on the board meeting agenda.

Policy 8 –Financial Management

8.1 – Financial Management Policy

Introduction

The District has established, by resolution, the following policies and practices to help guide the District's financial management practices and efforts towards achieving its mission and strategic goals.

This document has been prepared by the District's Governing Body, Finance Committee, and Executive Staff. These policies and practices will be used to help ensure that the financial resources of the District are managed in a manner consistent with the District's vision, mission, and goals.

Purpose

The District strives to attain and maintain a structurally sound, thoughtful, and balanced approach to financial management and budgeting within statutory and local government requirements. The following Policy is established to provide a comprehensive plan to deliver efficient and effective services to residents and stakeholders of the District in a fiscally responsible manner. Furthermore, this Policy will act as a guide in the formulation and consideration of financial discussions and decisions.

This Financial Management Policy will be reviewed periodically to address potential policy gaps and/or revise it as appropriate if changes are made to the District's budget practices, industry best practice approaches, and applicable laws. Recommended changes shall be presented to the Board of Directors for consideration and approval as part of the annual budget process.

Scope

The Financial Management Policy shall apply to all funds of the District which are accounted for in the District's Comprehensive Annual Financial Report ("CAFR"), which will be completed by an external auditor each year after the closing of a fiscal year.

8.2 – Fiscal Management & Responsibility

The primary responsibility for the District's fiscal soundness lies with the elected Board of Directors. Fiscal plans must have a long-term focus – beyond the four-year election cycle. The District shall only spend its resources in accordance with its mission. The Board of Director's mission is to operate within available means and with optimal debt, seek funding opportunities to enhance service levels, adopt balanced budgets, enforce budgetary controls, and make financial responsibility a District-wide responsibility.

Good fiscal management requires the Board of Directors to think about the future using proactive careful planning with prudent forecasting. The District shall operate in a predictable fiscal environment where expenditures are controlled and, in good times, a reasonable portion of the District's revenues shall be put aside in reserves to cope with swings in revenue and unanticipated expenditures. A reasonable portion of the District's revenue reserve transfers is determined by replacement schedules and best practices for the District's entity type (i.e. Special District, Local Government, Fire District). Good fiscal management requires the District to

regularly evaluate its fixed assets and proactively set aside sufficient funds to facilitate maintaining and enhancing the District’s fixed assets to fulfill its mission.

Fiscal responsibility and program priorities are closely intertwined. Fiscal plans must consider the effects of fiscal policy in all areas. The Board of Directors must be proactive rather than reactive. This approach includes an element of risk-taking in order to be innovative to respond to new opportunities.

8.3 – Financial Management Policy Changes

Only with an affirmative vote by a supermajority of the Board can the Financial Management Policy be changed. A supermajority is defined as a 5-2 final vote whereas; a majority vote is defined as 4-3 final vote.

8.4 – Financial Accountability

The purpose of this section is to ensure financial accountability and responsible use of taxpayer funds by requiring the District to consider the best product service for the funds expended. The policy mandates accurate recordkeeping, measuring outcomes and results, and periodic audits of financial controls.

The District is accountable to its primary customers, the taxpayers. The question, “Are the taxpayers receiving the best service for the funds expended by the District?” must be a part of every financial allocation authorized by the Board of Directors.

In addition to accurate recordkeeping of what monies are spent by the District, governmental financial accountability requires measuring the outcome and results of spending the taxpayers’ money. ~~via the Finance Committee to take part in a Mid-Year Review and budget implementation.~~

8.5 – Basis of Accounting

Table 1.1 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

Table 1.1 Major Features of the District-Wide and Fund Financial Statements

| <u>Type of Statements</u> | <u>District-Wide</u> | <u>Governmental Funds</u> |
|---|--|---|
| <u>Scope</u> | <u>Entire District</u> | <u>The activities of the District that are not proprietary or fiduciary, such as fire and ambulance services</u> |
| <u>Required financial statements</u> | <ul style="list-style-type: none"> <u>• Statement of Net Position</u> <u>• Statement of Activities</u> | <ul style="list-style-type: none"> <u>• Balance Sheet</u> <u>• Statement of Revenues, Expenditures & Changes in Fund Balances</u> |
| <u>Accounting basis and measurement focus</u> | <u>Accrual accounting and economic resource focus</u> | <u>Modified accrual accounting and current financial resources focus</u> |

| | | |
|--|---|---|
| <u>Type of asset/liability information</u> | <u>All assets and liabilities, both financial and capital, short-term and long-term</u> | <u>Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included</u> |
| <u>Type of inflow/outflow information</u> | <u>All revenues and expenses during year, regardless of when cash is received or paid</u> | <u>Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter</u> |

8.6 – District-wide Planning

The Board of Directors recognizes excellent fiscal planning as a key factor in attaining the District’s goals and priorities. The Board seeks to engage in thorough advanced planning of budgets to devise expenditures that achieve the greatest returns given the District’s available resources.

Reserve Funds, like other savings plans, are a mechanism for accumulating cash for future capital outlays and other allowable purposes. The practice of planning ahead and systematically saving for capital acquisitions and other contingencies is considered prudent management. Saving for future capital needs can reduce or eliminate interest and other costs associated with debt issuances (i.e. leasing equipment).

Planning today and saving incrementally for expected future events can help mitigate the financial impact of major, nonrecurring, or unforeseen expenditures on the annual operating budget.

8.7 – Fiscal Sustainability

Maintaining sustainable spending on programs is important to the District, and there is a need to find the appropriate balance between tax levels, fees and services. Wherever and whenever appropriate, programs providing specific services should recover the cost of the District providing those services.

Fiscal sustainability requires the Board of Directors to establish and maintain sufficient financial reserves to indemnify unfunded liabilities and provide for future anticipated and unanticipated expenditures. The Board of Directors shall establish benchmarks for such reserves and prioritize general fund expenditures to include maintaining or obtaining sufficient reserve balances. Reserve funds shall only be used for singular nonrecurring expenditures.

Prior to authorizing or implementing any new program expenditure or commencing a new task, a source of funding and/or allocation of District resources must be identified.

Prior to authorizing or implementing any new ongoing program expenditure or commencing a new prolonged task, a source of ongoing sustainable funding and/or ongoing allocation of District resources must be identified. The cost of any ongoing program expenditure must include both anticipated increases in appreciable expenses as well as reserves for unanticipated

expenses for all resources attributable to sustaining the program throughout the duration of the commitment.

Prior to authorizing or implementing any change in an existing program expenditure or expanding the scope of a task, a source of funding and/or allocation of District resources must be identified to support the change.

Prior to authorizing or implementing any change in an ongoing program expenditure or expanding the scope of a prolonged task, a source of ongoing sustainable funding and/or ongoing allocation of District resources must be identified to support the change. The cost of any change of an ongoing program expenditure must include both anticipated increases in appreciable expenses as well as reserves for unanticipated expenses for all resources attributable to sustaining the change of the program throughout the duration of the commitment.

At no time shall an allocation of District funding and/or resources diminish the mission of the District.

Fiscal Responsibility includes:

- a. All tasks and programs must conform to the District's mission.
- b. Roles and responsibilities of all members of the District must be clearly defined and understood.
- c. All tasks and programs must have clearly defined priorities and expectations.
- d. Being proactive rather than reactive.
- e. Abandoning personal agendas for the welfare of the District.
- f. Cooperation of partnerships and relationships, internally and externally, to promote and improve efficiency and maximize effectiveness.
- g. Involving all members of the District in the budget process. Ultimately, everyone is responsible for the fiscal soundness of the District.

8.8 – Economic/Financial Crises Policy

Introduction

The Board of Directors has a responsibility to ensure a sustainable and fiscally responsible operating environment for the District during normal times. This policy provides a framework for the creation and activation of an Emergency Financial Plan (EFP), including triggers, discussions, and procedures required for its implementation. This policy also establishes guidelines for the use of Contingency Reserve Funds.

Furthermore, this Policy outlines the responsibilities of the Board and Staff during the activation of an EFP. While certain factors that may impact the District's financial stability are beyond the control of the District or Board, it is crucial that the Board understands how these factors may affect the District at any given time. To this end, triggers must be established to allow for the use of Contingency Reserve Funds in emergency situations, and the Board must be aware of the vulnerability of the General Fund to revenue reductions.

Economic crises can take many forms including, but not limited to, the following list as one, or a combination of, the following:

1. Formal economic recessions, as defined by the National Bureau of Economic Research; Research.
2. Two consecutive quarters of negative gross domestic product growth, as determined by the Bureau of Economic Analysis; Analysis.
4. General bear market conditions, indicated by a correction of 10% or more in any of the major United States indices, or periods during which the United States Federal Reserve is engaged in quantitative easing.
3. Internal factors negatively impacting revenues/expenses as further defined in section 8.10.

Purpose

The purpose of this policy is to establish a framework for the Board of Directors to prepare for and respond to financial or economic crises, through the creation and activation of an Emergency Financial Plan (EFP).

Scope

The Economic Crises policy reviews the District's operating environment and the impacts of external economic risks on revenues and expenditures and provides guidance on financial impacts.

8.9 – Definitions

- Emergency Financial Plan (EFP): A plan developed by the Board of Directors to address financial crises and minimize the impact on the District's operations.
- Triggers: Specific indicators or events that signal the need to activate the EFP or utilize Contingency Reserve Funds to mitigate a crisis.
- Funding Priority: A system used to determine which expenses are considered priorities for the District and should be prioritized for funding during financial crises.
- Cost-Sharing, Cost-Saving, and Cost-Reduction Opportunities (CSSR): Opportunities to reduce costs and increase efficiency in operations through partnerships, procurement efficiency, and other means.

8.10 – Taking Action During aAn Economic Criseis

If a Director, Fire Chief, or Executive Staff believes that there is an impending or ongoing crisis, they may request the Board formally discuss the District's financial health and the need for the activation of an Emergency Financial Plan per Policy 5 – Board Meeting Agendas Section 5.1 Agenda Preparation and Distribution.

When discussing the possible activation of an EFP, the Board should discuss, at minimum, the following:

a. Revenue Reductions/Restrictions

- i. What revenues are trending negative?
- ii. What restrictions are limiting, or pose a threat to, traditional revenue streams?

iii. What are the Short-Term ~~Deficits~~ and ~~what are the~~ Long-Term Deficits the Board can anticipate because of the decrease in revenues?

b. Contingency Fund

1. What triggers the ability to use the Contingency Fund monies?

- i. Only with an affirmative vote by a supermajority of the Board can Contingency Funds Segregated for Economic Downturns money be spent.
- ii. An Economic Crisis as defined above should serve as ~~the~~ necessary "trigger" to ~~allow~~ prompt discussion for the discussion and vote for using Contingency Funds Segregated for Economic Downturns.
- iii. Directors shall be notified when disbursements are made from the Contingency Fund.

c. Freezing Spending

1. Is it appropriate to freeze spending?

- i. When considering freezing any type of normal expenditures, the ~~Board should~~ Fire Chief should use the Funding Priority system to ~~decide~~ determine which expenses are considered priorities for the District and report out to the Board of Directors.
- ii. Tie loss of revenue to percentages based on priorities.

d. Requirements and Accounting Practices

1. What are the requirements and accounting practices that must be followed to ensure continued compliance?

e. Cost-Saving, Cost-Sharing, Cost-Reduction Opportunities (CSSR)

1. Are there any immediate CSSR opportunities available to the District?

2. Directors and Staff should review expenditures and attempt to reduce costs by any means possible including, but not limited to:

- i. Reviewing the District's Purchasing Efficiency at all levels of procurement
- ii. Creating greater economies of scale by partnering with other agencies

f. Financing Strategies

1. Are there any financing strategies or opportunities to manage short- or long-term ~~finances~~ ~~including~~ finances including the use of loans and lines of credit?

2. In the event the Board votes to approve the use of Contingency Funds for an economic crisis, the entire Board of Directors shall be notified when outflows are made from Contingency Funds.

g. Staff Responsibilities

1. Staff will provide the Board of Directors a Financial Update at every regular meeting until the EFP is rescinded. The Update shall contain ~~of,~~ at least:

- i. A summary of the impacts from enacting the EFP, including ~~an~~ historical ~~overview~~ financial information
- ii. Status report on formal CSSR efforts
- iii. Confirmation of ongoing compliance with federal, state and local grant eligibility and maintenance requirements.

h. Board Responsibilities

1. Should an EFP be activated, the Board is responsible for:

- i. Ensuring the EFP is communicated to all relevant community members stakeholders, including personnel and partners, if applicable. staff, partners and the community.
- ii. Monitor the implementation and effectiveness of the EFP and make adjustments as needed.
- iii. Ensure that all decisions related to the EFP are made in the best interests of the District and its stakeholders.
- iv. Hold regular meetings to discuss progress and make decisions related to the EFP.
- v. Ensuring that the EFP is rescinded in a timely and responsible manner once the crisis has passed and the District's financial health has been stabilized.

If there is consensus by the Board of Directors, an EFP will be activated and implemented.

8.11 – Emergency Financial Plan In Action

The purpose of this section is to establish the framework for creating and implementing an Emergency Financial Plan (EFP) in the event of a financial crisis within the District. The Board of Directors shall create an EFP to be used in the event of a financial crisis/crises impacting the District. The EFP shall be created based on the criteria in Policy Section XX-X8-12 – Development of the EFP, and shall be reviewed and updated annually to ensure its effectiveness.

8.12 – Development of the EFP

The EFP shall be developed by the Board of Directors, in consultation with the Fire Chief, and the Administrative Officer/Finance Officer Executive Staff, and any District's financial and/or legal advisors. The EFP shall include, at a minimum, the following components:

- A summary of the current financial situation and the anticipated impact of the crisis
- Strategies for reducing costs, increasing revenue, and managing cash flow.
- Criteria for prioritizing expenditures and freezing spending
- Financing strategies, including the use of loans or lines of credit, if necessary
- Review of the Contingency Fund Plan, including triggers for accessing funds and notification requirements
 - These triggers will be reviewed on a case-by-case basis dependent on the crisis at hand.
- Staff responsibilities, including regular meetings to discuss progress and make decisions related to the EFP; including the development of a clear path to rescind the EFP.
- A plan for communicating the EFP to the communities served, personnel, and stakeholders, including mutual-aid partners.

8.13 – Approval and Implementation of the EFP

The Board of Directors shall review and approve the EFP prior to its implementation. Once approved, the EFP shall be communicated to all relevant communities served, personnel, and stakeholders, including mutual-aid partners. The Fire Chief and Administrative Officer/Finance shall both be responsible for implementing and monitoring the EFP and providing regular reports to the Board of Directors on its effectiveness.

8.14 – Rescinding the EFP

Once the financial crisis has passed and the District's financial health has stabilized, the Board of Directors shall review and rescind the EFP in a timely and responsible manner.

8.15 – Budgeting Policy

The District's budgeting practices are governed by applicable federal, state, and local laws, regulations, and Generally Accepted Accounting Principles and has been developed based upon recommendations from the California Society of Municipal Finance Officers (CSMFO) and the Government Finance Officers Association (GFOA).

8.16 – Budgetary Controls

The Board is responsible for budgetary controls approved through this Policy. Budgetary control is maintained at the fund and division level. Budget accountability rests primarily with the operating divisions of the District, with oversight of the Fire Chief.

8.17 – Comprehensive Budget /Balanced Budget

The District is required by law to have a "balanced budget". However, the law does not distinguish between a budget that is balanced using short-term fixes and a budget that is structurally balanced for the long-term. By defining our own balanced budget policy, the District is ensuring that we maintain a strong financial foundation for our communities for years to come.

The District will adopt a structurally balanced budget. A structurally balanced budget has two important qualities. First, ongoing expenses should be covered by ongoing revenues. Ongoing revenues are revenues that can be expected to continue year-to-year. Property taxes are an example of recurring revenue. Ongoing expenses can also be expected to continue year-to-year. Staff salaries for services the District provides is an example of a recurring expense.

The second quality of a structurally balanced budget is that one-time or short-term revenues are used to fund one-time or short-term expenses. An example of this is a grant with a term limit. An example of a short-term expense could be contractors hired to provide the service that the grant funds.

In accordance with California Statute, the District must adopt a balanced budget each year. A structurally sound balanced budget means that recurring resources must equal recurring expenditures. More specifically:

- It is appropriate to use unrestricted reserve fund balances for one-time expenditures and ongoing replacement schedule costs. However, as part of the District's pursuit for a structurally balanced budget, reserve fund balances shall not be used as a way to balance general fund expenditures due to day-to-day operations as a long-term approach to balancing the budget.
- New programs shall not be budgeted or implemented until the full annual cost and the financial impact can be reasonably projected and the Board of Directors approves the program. New or expanded services appropriations should be implemented

simultaneously with an associated off-setting new revenue, and existing revenue source increase and/or other expenditure reduction.

The District will be efficient in its business practices and share resources between tasks and programs whenever possible. The District shall consistently scrutinize expenditures of its resources. At all times, both the financial and labor components of tasks and programs shall be closely monitored to assure there is a link between payment for resources and the use of those resources. A mechanism of measuring the accountability and outcomes of tasks and programs shall accompany all expenditures to ensure tasks and programs accomplish their goals and objectives with a favorable return on the investment of the District's resources.

Fiscal soundness is affected by the volatility of the District's primary revenue resource and changing demographics. The District is dependent on the Legislature of the State of California to designate an annual apportionment from local property tax assessments. The long-term effects of an aging community, expanding and changing commercial areas, and increasing residential density contributes to financial pressures on the District's limited resources.

To ensure transparency to the communities served, and its members, the District will be open and accountable and maintain good record keeping.

8.18 – Budget Criteria

Operating Budget Criteria

- Table of Contents
- District's Vision/Mission
- District Goals (one year & long-term)
- Long-term forecasting & strategies
- Long-term planning
- Fund Management Descriptions
- Budget Message or Transmittal Letter
 - o Highlight policy, economic and/or legislative issues facing the District and their impact on the budget and **areany** recommended actions included to resolve these issues
 - o Highlight major changes in the budget from the current year regarding service and/or funding levels
 - o Highlight major organization priorities and their funding sources
- Basis for budgeting described and explained
- District's Prop 4 (GANN) Appropriation Limit
- Budget process explained
- District-wide organizational chart
 - o Summary of personnel (headcount) as a District
 - o Personnel/staffing levels listed for each detail budget division
 - o Organizational charts included in document
 - o Description of personnel/staffing level changes & justification
 - o Including prior two years
- Key revenue estimates described
- Discussion of General Fund, special revenue funds, and a listing of all other funds used in the jurisdiction (debt service and capital project funds)
- Budget Summary that displays at least the proposed budget year and at least two prior years for both revenue and expenditures

- Budget Detail Pages
 - o Description of the division
 - o Analytics of budgetary information
 - o Trends
 - o Priorities
 - o % breakdown by division
 - o Justifications
- Reserve Fund Discussion
 - o Cash Flow
 - o Expenditures
 - o Five year replacement schedule breakdown
- Discussion of liabilities with strategies
- Budget level control
- Budget is presented as a complete document
- Budget numbers and format are accurate and consistent throughout the document
- Budget document displays an effective use of graphics, artwork and charts
- In-Depth Description of revenue sources and basis for estimates
 - o Forecasting of three years for revenue sources
- District profile, review of community demographics, location, and economic outlook
- Adopted resolution included
- Basis of accounting described
- Description of financial/budget policies, which govern finance and budget development such as reserves, debt management, and revenue projections
- Budget detail highlighting recent accomplishments
- Budget detail highlighting gaps in organization & needs
- Budget detail identifying performance measures such as workload and/or efficiency or effective indicators
- Discussion of employee compensation and benefits
 - o Description of fire service compensation
 - o Overtime discussion
- Description of debt obligations
- List of acronyms used and defined
- Glossary of terms
- Financial trend indicators and associated analysis explained
- Comparison of financial status to other jurisdictions
- Display exceptional format clarity and presentation effectiveness

8.19 – Budget Adoption

The District's annual budget is prepared for the fiscal year beginning July 1st and ending June 30th of the following year. The operating budget represents the financial plan for the District and serves as a policy document for the distribution of District resources in alignment with the long-term vision, mission, and goals of the District. The four uses of a budget document are: Policy Document, Financial Plan, Operations Guide, and Communications Device. More specifically:

- As a Policy Document, the budget must, at minimum, provide a coherent statement of the organizational-wide strategic goals and strategies to address short- and long-term concerns.

- As a Financial Plan, the budget document must, at minimum, include a summary of major revenues and expenditures, financing sources and uses; and explain the long-range financial plans and the effect upon the budget.
- As an Operational Guide, the budget document must, at minimum, include an organization-wide chart; schedule or table summary of personnel or position counts (prior, current, and budgeted year); described services and include goals and objectives of the divisions.
- As a Communication Device, the budget document must, at minimum, include a comprehensive table of contents and provide an overview of significant budgetary issues.

Annually, the Fire Chief and Executive Staff shall submit to the District's Board of Directors a proposed preliminary budget for the upcoming fiscal year based on operational needs and the approved Strategic Plan. Prior to the final adoption of the budget, and in accordance with State statutes, the District shall hold a public hearing where the public is allowed to make comments. During the hearing, the Board of Directors may make revisions to the budget by majority vote. Upon final adoption the budget is in effect for the ensuing fiscal year and becomes the authority for various divisions to expend funds subject to controls established by this Policy and California Statutes.

8.20 – District Revenues

The District needs to continue researching ongoing revenue stream opportunities for the continued success of the District. The majority of the District's revenue comes from property taxes, which is approximately 84+% of all revenue for all services provided by the District.

Recurring Revenues

Recurring revenues are funds received throughout the fiscal year on a continuing basis. The District currently receives three types of recurring revenue: property taxes, interest earnings and miscellaneous revenue. Property taxes are collected by the County of San Diego and deposited into the General Fund. Interest earnings are received from the County of San Diego and placed directly into the individual funds that generate interest. The District collects miscellaneous revenue from various sources, primarily ALS reimbursement and fire prevention fees.

Nonrecurring Revenue

Nonrecurring revenues are funds that are received one time. Fire Mitigation Fees are restricted one time revenue. All other nonrecurring revenues are those received in prior fiscal years and then held on account for specific purposes. These include transfers from the General Fund and interest earnings on non-discretionary funds. Other than specifically designated funds, nonrecurring revenues shall not be used to fund ongoing expenses.

District Financial Funds

The District shall give the highest priority in the use of nonrecurring revenues to the funding of capital assets or other nonrecurring expenditures. The use of nonrecurring revenues to fund ongoing expenditures results in incurring annual expenditure obligations that may be unfunded in future years. Using nonrecurring revenues to fund capital assets or other nonrecurring expenditures better enables future administrations and directors to cope with the financial problems when these revenue sources are discontinued, since these types of expenditures can more easily be eliminated.

Funds allocated to long-term commitments such as bond payments for capital improvements, facilities, and equipment, including lease payments, shall be considered fiduciary obligations to maintaining the District's infrastructure. As bonds mature and payments expire, those funds previously allocated to the Districts long-term well-being shall continue to be allocated to the Districts long-term infrastructure needs. If long-term infrastructure requirements have not been specifically identified as requiring reallocation, the amount of such funds or amount not reallocated to long-term infrastructure requirements shall be annually deposited in a reserve account restricted to the long-term infrastructure needs of the District.

Prudent fiscal responsibility requires the Board of Directors to establish financial reserves to accommodate anticipated and unanticipated District expenditures. The Board of Directors shall maintain reserve accounts and set appropriate funding levels for the following accounts:

1. Contingency Reserve Fund
 - a. Stabilization Fund Subcategory
 - b. Recovery Fund Subcategory
 - c. Emergency Fund Subcategory
2. District Liabilities Fund
3. Uncompensated Leave Fund
4. Vehicle Replacement Fund
5. Facilities Replacement/Renovation Fund
6. Capital Equipment Fund
7. Fixed Equipment Replacement Fund
8. Workers' Compensation Fund

Additional reserve accounts and their respective funding levels may be established as necessary to ensure the long-term fiscal health of the District. All funding levels will be reviewed annually. These funding plans are to be maintained and presented with the Final Annual Budget.

Transfers into reserve funds will take place after July 1st of each fFiscal yYear to ensure adequate fund balance for the Districts' annual audit. The priority order of transfers will be:

1. Contingency Reserve Fund
 - a. Stabilization Fund Subcategory
 - b. Recovery Fund Subcategory
 - c. Emergency Fund Subcategory
2. District Liabilities Fund
3. Uncompensated Leave Fund
4. Vehicle Replacement Fund
5. Facilities Replacement/Renovation Fund
6. Capital Equipment Fund
7. Fixed Equipment Replacement Fund
8. Workers' Compensation Fund

The Fire Mitigation Fund and Community Facilities District Fund (CFDs) are restricted funds of the District and do not have a priority within the transfers. The funds are required to be transferred per the statute they fall under.

If any funds remain after the transfers into the various reserve funds, those funds should be transferred into the Contingency Reserve Fund until goal funding is met. After goal funding is

met in the Contingency Reserve Fund, any funds remaining should be discussed with the Finance Committee to bring a recommendation back to the Board for approval.

8.21 – Guidelines and Definitions

The Fund Balance Policy is intended to provide guidelines during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls. It also is intended to preserve flexibility throughout the fFiscal yYear to make adjustments in funding for programs approved in connection with the annual budget.

Fund Balance consists of five categories: Non-Spendable, Restricted, Committed, Assigned, and Unassigned.

Non-Spendable Fund Balance

Amounts that are not in a spendable form (such as inventory) or funds that legally or contractually must be maintained intact.

Non-Spendable funds are those funds that cannot be spent because they are either:

- Not in spendable form
- Legally or contractually required to be maintained intact.

It is the responsibility of the Administrative Officer/Finance Officer to report all Non-spendable Funds appropriately in the District's Financial Statements.

Restricted Fund Balance

Amounts that are constrained by external parties, eConstitutional provisions or enabling legislation.

Restricted funds are those funds that have constraints placed on their use either:

- Externally by creditors, grantors, contributors, or laws or regulations or other governments
- By law through eConstitutional provisions or enabling legislation.

It is the responsibility of the Administrative Officer/Finance Officer to report all Restricted Funds appropriately in the District's Financial Statements.

Committed Fund Balance

Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

The Board of Directors has the authority to set aside funds for a specific purpose. Any funds set aside as a Committed Fund Balance requires the passage of a resolution by a simple majority vote. The passage of a resolution must take place prior to June 30th of the applicable fiscal year. If the actual amount of the commitment is not available by June 30th, the resolution must state the process or formula necessary to calculate the actual amount as soon as information is available.

Assigned Fund Balance

Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an individual authorized by the governing body.

Upon passage of the Fund Balance Policy, authority is given to the Administrative Officer/Finance Officer to assign funds for specific purposes. Any funds set aside as Assigned Fund Balance must be reported to the District's Board of Directors at their next regular meeting. The Board of Directors has the authority to remove or change the assignment of the funds with a simple majority vote.

The District's Board of Directors has the authority to set aside funds for the intended use of a specific purpose. Any funds set aside as Assigned Fund Balance requires a simple majority vote and must be recorded in the minutes. The same action is required to change or remove the assignment.

Unassigned Fund Balance

Amounts that are available for any purpose; these amounts are reported only in the General Fund.

Unassigned Fund Balance is the residual amount of Fund Balance in the General Fund. It represents the resources available for future spending. An appropriate level of Unassigned Fund Balance should be maintained in the General Fund. An appropriate level is determined as the remaining balance after the amounts for the non-spendable, restricted, committed and assigned classifications have been identified. For the General Fund, unassigned fund balance may represent either a positive or negative balance per generally accepted and governmental accounting requirements.

8.22 – Classifying Fund Balance Amounts

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last, unless the Board of Directors has provided otherwise in its commitment or assignment actions.

8.23 – Financial Reserve Funding Levels

The Board of Directors shall periodically review the funding levels established for each reserve account and make adjustments as necessary to ensure the long-term fiscal health of the District. Funding levels are determined for each reserve fund based on classification. **Funding levels are determined by best practices for Special Districts, auditor recommendations, internal needs, and replacement schedules.** To facilitate determining appropriate funding levels, the District shall perform an annual audit of the following critical elements of the District's operations, at a minimum:

- a. **Future cost of new facilities and equipment needs based on projection for year of implementation for each identified facility and equipment acquisition.**

- b. Replacement cost of existing facilities based on projection for year of implementation for each identified facility.
- c. Facilities maintenance cost with assessment of maximizing the serviceable life of facilities.
- d. Frontline vehicles and equipment inventory and replacement costs.
- e. Reserve vehicles and equipment inventory and replacement costs.
- f. Administrative equipment and other assets and replacement costs.
- g. Technology and infrastructure upgrades and acquisition costs.
- h. Cost of sustaining and obtaining grant funding and associated programs.
- i. Each reserve account shall show current and desired funding levels in the annual budget.

General Fund (an unassigned fund)

This fund is used to finance the ongoing, day- to-day operations of the District. Sources of operating funds include property taxes, interest earnings and miscellaneous revenue. The desired minimum beginning cash balance for the General Fund is \$500,000 after all transfers have been considered.

Contingency Reserve Fund (a committed fund)

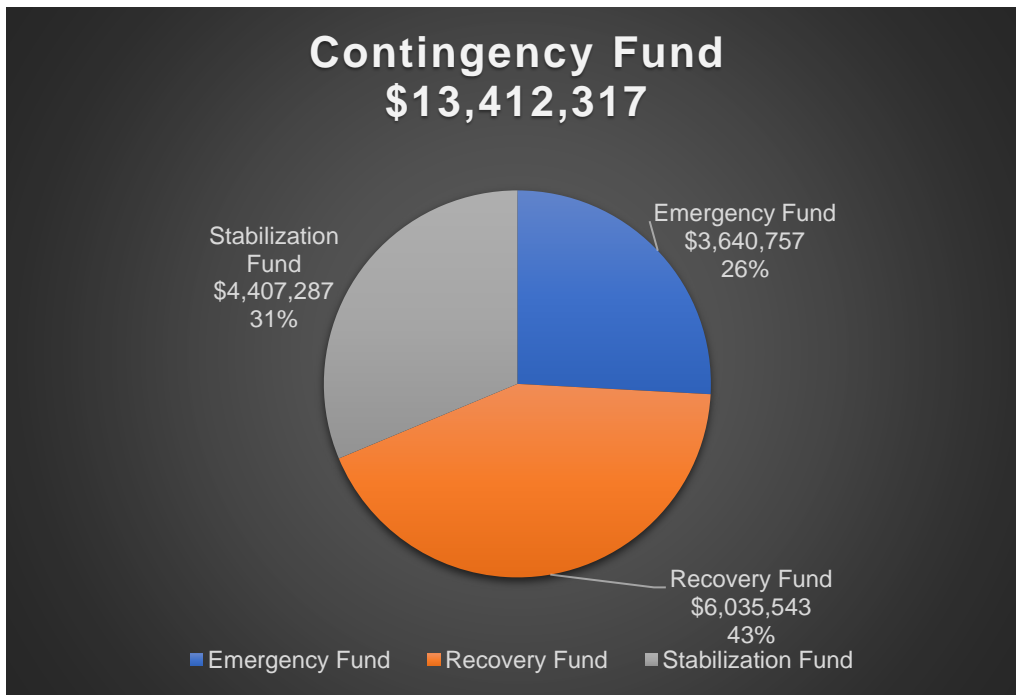
This fund is used as the District's unallocated contingency reserve to cover unexpected expenditures that may be necessary to fund Board approved expenses, maintain operational service (including salaries and benefits based on Emergency Financial Plan budgeting of 2%), and liquidity for dry yield cash flow interruptions in the event revenues are delayed or reduced significantly and impacting day-to-day operations. This fund is used to fiscally stabilize funds to cover budgetary shortfalls that arise when public revenues fall, thus allowing specific public services to be safeguarded. These funds can promote fiscal discipline by restricting the procyclicality and volatility of public spending.

The Contingency Reserves fund targeted level should be maintained in an amount equal to at least 50% of the annual General Fund Budget, respectively, each year. This amount, once the 50% is attained, can range from \$500,000 – \$750,000. As the General Fund expenditures increase, the amount needed each year to fund the targeted level will rise, respectively. Sources of funding consist of interest earnings and transfers from other funds. This fund consists of the following breakdown:

- **Stabilization** – To provide a safeguard against unknown economic shocks and revenue declines to ensure sustainability during an economic downturn. To promote fiscal

discipline by restricting the procyclicality and volatility of District liabilities and expenditures. This breakdown of the Contingency Reserve shall have a targeted level of 31% of the 50% total target level. Within the 31% of the targeted level, approximately 8% of the funds fall under an Emergency Financial Plan that is 2% of salaries and benefits.

- **Recovery** – To provide funding during the recovery phase of an economic downturn. The recovery phase is the cycle following downturns in the economy or a disaster that is normally characterized by a sustained period of improving and returning to normal operations. During an economic recovery, the economy undergoes a process of adaptation and adjustment to new conditions, including the factors that triggered the downturn/disaster in the first place. The recovery phase lasts longer than the stabilization phase. This breakdown of the Contingency Reserve shall have a targeted level of 43% of the 50% total target level.
- **Emergency Expenses** – To provide cash flow **effor** unknown expenses that are related to **the** operating and maintain day-to-day services for the communities we serve. This breakdown of the Contingency Reserve shall have a targeted level as of June 30th and December 31th of at least 60 days' operating expenses.



A spreadsheet will be maintained by the Administrative Officer/Finance with the breakdown of the Contingency Reserve Fund, including dollar amounts, percentages, and charts.

This fund should be looked at on an annual basis. The reserve amounts are established by determining the level of financial risk associated with the economy. It should be noted that the Board of Directors are aware that we are currently under the 40% recommended funding level.

Each year, until the funding measurement is met, a minimum of \$500,000 should be put into this fund. This Funding Plan will be part of the Annual Budget.

District Liabilities Fund (a committed fund)

Fund was established to fund liabilities that show a risk in the sustainability of ongoing cash flow for the District. These liabilities include, but are not limited, to pension costs and eOther pPost-eEmployment bBenefits (OPEB), other than pension distributions, such as health insurance. The targeted level for this fund is dependent on the outstanding liability costs and the strategies being used by the District to address them. The Administrative Officer/Finance Officer, at the direction of the Board of Directors, continually analyzes the needs of the District related to this fund.

Uncompensated Leave Fund (an assigned fund)

Fund was established to fund the cash value of all employees' accrued annual and sick leave. The goal level on this fund is 100% of the previous June 30 book value of all leave credits. Sources of funding are interest earnings and transfers from the General Fund. The annual transfer amount into this fund is the difference between the current balance and the June 30 book value of leave credits.

Vehicle Replacement Fund (an assigned fund)

This fund was established to replace existing staff vehicles and emergency apparatus. Sources of funding are interest earnings and transfers from the General Fund. The Board of Directors adopts, reviews, and when necessary, modifies the emergency apparatus and staff vehicle plans. The replacement schedules should normally be reviewed every year to allow for cost-of-living increases and other impacts that may affect the needed deposits in this fund. The goal level of this fund is based upon the current fleet replacement schedule. This Funding Plan will be part of the Annual Budget.

Facilities Replacement/Renovation Fund (an assigned fund)

This fund was established to replace and restore existing facilities. Sources of funding are interest earnings and transfers from the General Fund. The District needs essential services buildings in order to carry out the mission and strategic objectives as directed by the Board. An in-depth Facilities Condition Assessment was completed and has been incorporated into the replacement schedule under an approved funding scenario per the assessment. The Facilities Replacement/Renovation Reserve Study must be reviewed at least every 5 years to determine the ongoing funding needs per year. This Funding Plan will be part of the Annual Budget.

Capital Equipment Fund (an assigned fund)

This fund was established to cover the cost of purchasing capital equipment (breathing

apparatus, radios, mobile data computers, Personal Protective Equipment (PPE), etc.) Sources of funding consist of interest earnings and transfers from the General Fund. The District needs to purchase equipment in order to carry out the Mission and strategic objectives as directed by the Board. The replacement schedules should normally be reviewed every year to allow for cost-of-living increases and other impacts that may affect the needed deposits in this fund. The goal level of this fund is based upon the current capital equipment replacement schedule. This Funding Plan will be part of the Annual Budget.

Fixed Equipment Replacement Fund (an assigned fund)

This fund was established to cover the cost of ongoing fixed equipment replacement (HVAC, vehicle exhaust extractors, generators, etc.). Sources of funding consist of interest earnings and transfers from the General Fund or other funds. The District needs to maintain fixed equipment in order to carry out the Mission and strategic objectives as directed by the Board. The replacement schedules should normally be reviewed every year to allow for cost-of-living increases and other impacts that may affect the needed deposits in this fund. The goal level of this fund is based upon the current fixed equipment replacement schedule. This Funding Plan will be part of the Annual Budget.

Workers' Compensation Fund (an assigned fund)

Workers' Compensation Fund (an assigned fund). This fund was established to help offset impact of the General Fund when a significant injury occurs.

Funding level is established based off the District's Self-Insurance Retention (SIR) per a single incident occurrence (1-2 employees) with a current minimum funding level of \$300,000 and a goal funding level of \$1,500,000/600,000 (total of four (4) persons plus (1) Strike Team Leader on an assignment due to OES strike team deployments).

Fire Mitigation Fee Fund (a restricted fund). This fund was established by the County of San Diego. Sources of funding consist of interest earnings and fire mitigation fees collected by the County for all types of new construction. The District must receive approval from the County's Fire Mitigation Fee Review Committee prior to the expenditure of this fund.

Community Facilities District Fund (a restricted fund). This fund was established by the County of San Diego. Sources of funding consist of interest earnings and fire mitigation fees collected by the County for all types of new construction. The District must receive approval from the County's Fire Mitigation Fee Review Committee prior to the expenditure of this fund.

8.24 – Replacement Schedules & 5-Year Plans Established by the District

The intent of this section is to outline the development of the plans to guide asset management practices that are supported by both finance and operational expertise. These plans will require a complete inventory and periodic measurement of the physical condition and existence of capital equipment, fixed equipment, fleet and facilities.

Maintaining inventory with an asset tagging system will be essential in pulling information for the plans and ensuring the District has effective control over tangible assets. Inventory will contain essential information, including, but not limited to:

- Asset Description
- Location
- Physical Dimensions (if applicable)
- “As-Built” documents
- Warranties
- Condition Rating
- Maintenance History
- Replacement Costs
- Operating Costs
- Usage Statistics (if applicable)
- Date Placed In Service
- Original Useful Life
- Impairments

Replacement Schedules will be established and maintained for Fleet, Capital Equipment and Fixed Equipment. A Facilities Replacement/Renovation Reserve Study will be established and maintained. Spreadsheets and/or other documents/reports will be implemented to show the following information:

- Budget Assumptions and Recommendations
- 5-Year Forecasting Funding Plans
- Fully Funded Plan Projections

A well-formulated Capital Improvement Plan (CIP) is rooted in consistent planning for major expenditures and in anticipation of the “just-in-time” replacement of apparatus, equipment, and facilities. CIPs are most effectively done in 5-year increments in which the current year drops into the annual operating budget and off the 5-year plan. Then the CIP is replaced by a new fifth year, so that it is a continuous process that is tied directly to normal annual budget preparations. Supported by an appropriate funding stream and thoughtful analysis and forecasting by staff, the CIP is a powerful instrument for managing the District’s level of service.

Major capital improvements may include the following:

- Apparatus: Purchase and/or refurbishment/replacement of Type I engines; ladder truck; command vehicles; brush engines; and light vehicles or sedans.
- Major Equipment: Purchase and/or replacement of Personal Protective Equipment (PPE); Self-Contained Breathing Apparatus (SCBAs); rescue tools; and Advanced Life Support (ALS) cardiac monitoring.
- Facilities: New construction and/or renovation of stations/administrative buildings.

This financial strategy will provide an analysis and recommendations for the ongoing operations and staffing to have the District represented in the most efficient and cost-effective manner and within available resources to the District. These plans are designed to be living documents

and utilized along with thoughtful analysis and forecasting by staff, allows the Board of Directors and management to effectively plan and approve a sustainable budget by being proactive.

8.25 – Mitigating Negative Fiscal Impacts Caused by Future Development

Subject to limited exceptions, Section 65589.5(o)(1) of the California Government Code provides that a housing development project is subject only to the ordinances, policies, and standards adopted and in effect when a preliminary application was submitted by the housing development project. The purpose of this policy is to ensure that all future development that causes a negative fiscal impact to the San Miguel Consolidated Fire Protection District (the “District”)'s provision of services is required to offset such negative fiscal impacts, notwithstanding Section 65589.5(o)(1) of the California Government Code. This policy may be amended or supplemented by resolution of the Board of Directors of the District at any time.

The requirement to Mitigate Negative Fiscal Impacts

All future development, including, but not limited to, housing development projects as defined in Section 65589.5(h)(2) of the California Government Code, shall be required to offset any negative fiscal impact such development has on the provision of service by the District. Such fiscal impact shall be determined based on a fiscal impact analysis prepared by or on behalf of the District. A development may meet this requirement by forming or annexing into a community facilities district or by entering into some other arrangement that is agreeable to both the District and the developer.

Exceptions to this Policy:

The District may find that a waiver of any of the provisions of this policy is reasonable given identified District benefits to be derived from such waiver. Such waivers only will be granted by action of the Board of Directors.

8.26 – Debt Issuance and Management Policy

The purpose of this Debt Policy is to establish guidelines and parameters for the effective governance, management and administration of debt and other financing obligations issued by the ~~San Miguel Consolidated Fire Protection~~ District and its related entities (such as, but not exclusive to, any special districts and any entities for which the Board serves as the governing board or legislative body). This Debt Policy is intended to improve and direct decision making, assist with the structure of debt issuance, identify policy goals, and demonstrate a commitment to long-term financial planning, including the ~~San Miguel Consolidated Fire Protection~~ District's Capital Improvement Program. ~~(the “Capital Improvement Program”).~~ Adherence to a debt policy helps to ensure the ~~San Miguel Consolidated Fire Protection~~ District's debt is issued and managed prudently in order to maintain a sound financial position and credit worthiness. When used in this Debt Policy, “debt” refers to all indebtedness and financing obligations of the ~~San Miguel Consolidated Fire Protection District~~ and its related entities (together referred to as “District”).

This Debt Policy is intended to comply with the requirements of Senate Bill 1029 (SB 1029),

codified as part of California Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by the District. The primary objectives of the District's debt and financing related activities are to:

- A. Maintain the District's sound financial position;
- B. Ensure the District has the flexibility to respond to possible changes in future service obligations, revenues, and operating expenses;
- C. Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and residents/visitors within the boundaries of the District and its service areas;
- D. Minimize debt service commitments through efficient planning and cash;
- E. Protect the District's credit worthiness and achieve the highest practical credit ratings, when applicable; and
- F. Ensure the District is in compliance with all relevant State and Federal securities laws and other applicable laws and regulations.

8.27 – Acceptable Uses of Debt Proceeds

The District will consider the use of debt financing primarily for assets and capital projects only if the term of debt shall not exceed the asset(s) or project's useful life or will otherwise comply with Federal tax law requirements. An exception to this long-term driven focus is the issuance of short- term instruments, such as tax and revenue anticipation notes, which are to be used for reasonable cash management purposes, as described below. Bonded debt should not be issued to finance normal operating expenses. General Fund debt will not normally be issued to support ongoing operational costs unless such debt issuance achieves net operating cost savings and such savings are verified by independent analysis.

A. Long-Term Debt.

- i. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment, and land to be owned and/or operated by the District. Long-term debt financings are appropriate when any of the following conditions exist:
 - 1) When the project to be financed is necessary to provide basic municipal services;
 - 2) When the project to be financed will provide benefit to the District's constituents over a duration of more than one year;
 - 3) When the total debt financing would not impose an unreasonable burden on the District and its taxpayers and/or ratepayers, as applicable; or
 - 4) When the debt is used to refinance outstanding debt in order to produce debt service savings or to benefit from debt restructuring.

ii. The District may use long-term debt financings subject to each of the following conditions:

- 1) The project to be financed has been or will be considered and approved by the Board;
- 2) The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%;
- 3) The District estimates that sufficient revenues will be available to service the debt through its maturity; and
- 4) The District determines that the issuance of the debt will comply with the applicable requirements of State and Federal law.

B. *Short-term Debt.* Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance the District's short-lived capital projects, such as undertaking lease-purchase financing for equipment.

C. *Financings on Behalf of Other Entities.* The District may also issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of the District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed, the financial solvency of any borrower, and that the issuance of such debt is consistent with the policies set forth herein.

- 1) The project to be financed has been or will be considered and approved by the Board;
- 2) The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%;
- 3) The District estimates that sufficient revenues will be available to service the debt through its maturity; and
- 4) The District determines that the issuance of the debt will comply with the applicable requirements of State and Federal law.

8.28 – Standards for Use of Debt Financing

The District recognizes that there are numerous types of financing structures and funding sources available, each with specific benefits, costs, and risks. The District will consider debt issuance only in those cases where public policy, equity and economic efficiency favor debt financing over cash funding. Prior to the issuance of debt or other financing obligations, the District will carefully consider the overall long-term affordability of the proposed debt issuance by conducting an objective analysis of the District's ability to support additional debt service payments. The District will consider its long-term revenue and expenditure trends, the impact on operational flexibility and the overall debt burden on the taxpayers/ratepayers. The evaluation

process shall include a review of generally accepted measures of affordability and will strive to achieve and/or maintain debt levels consistent with its current operating and capital needs.

8.29 –Types of Debt

In order to maximize the financial options available to benefit the public, it is the District’s policy to allow the consideration of issuing all generally accepted types of debt, on a public or private placement basis, including, but not exclusive to the following:

- A. *Joint Powers Authority (JPA) Lease Revenue Bonds/Certificates of Participation.* The District may obtain financing through the issuance of debt by a joint exercise of powers agency or through the execution and delivery of certificates of participation with such debt payable from amounts paid by the District under a lease, installment sale agreement, or contract of indebtedness.
- B. *General Obligation (GO) Bonds.* GO Bonds are suitable for use in the construction or acquisition of improvements to real property that benefit the public at large. All GO bonds shall be authorized by the requisite number of voters in order to pass.
- C. *Loans/Equipment Leases.* The District is authorized to enter into loans, leases, equipment leases, installment payment obligations, or other similar funding structures secured by a prudent source or sources of repayment.
- D. *Other Fire Protection District Debt.* The District may issue any and all other types of debt and enter into any and all other types of financings permitted under the Fire Protection District Law of 1987 (being part 2.7 of Division 12 of the California Health and Safety Code).
- E. *Short-Term Debt.* Short-term borrowing, such as commercial paper, Tax and Revenue Anticipation Notes (TRANS), and lines of credit, may be considered as an interim source of funding in anticipation of long-term borrowing and may be issued to generate funding for cash flow needs. The final maturity of the debt issued to finance the project shall be consistent with the useful life of the project. Short-term debt may also be used to finance short-lived capital projects such as lease-purchase financing for equipment.
- F. *Refunding Bonds.* The District shall refinance debt pursuant to the authorization that is provided under California law including, but not limited to, Articles 9, 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, as market opportunities arise. Refunding’s may be undertaken in order:
 - 1) To take advantage of lower interest rates and achieve debt service costs savings;
 - 2) To eliminate restrictive or burdensome bond covenants; or
 - 3) To restructure debt to lengthen the duration of repayment, relieve debt service spikes, reduce volatility in interest rates or free up reserve funds.

Generally, the District shall strive to achieve a minimum of 3% net present value savings. The net present value assessment shall factor in all costs, including issuance, escrow, and foregone interest earnings of any contributed funds on hand. Refunding’s which produce a net present value savings of less than 3% will be considered on a case-by-case basis. Upon the advice of the Fire Chief and with the assistance of a financial advisor and bond counsel, the District will

consider undertaking refunding's for other than economic purposes based upon a finding that such a restructuring is in the District's overall best financial interest.

The District may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in that circumstance.

8.30 – Relationship to Capital Improvement Program and Operating Budget

The District intends to issue debt for the purposes stated in this Debt Policy and the decision to incur new indebtedness should be integrated with the Board-adopted annual Operating Budget and Capital Improvement Program Budget, if any. Prior to issuance of debt, a reliable revenue source shall be identified to secure repayment of the debt and the annual debt service payments shall be included in the Operating Budget.

The District shall integrate its debt issuances with the goals of its Capital Improvement Program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.

8.31 – Policy Goals Related to Planning Goals and Objectives

This Debt Policy has been adopted to assist with the District's goal of financial sustainability and financial prudence. In following this Debt Policy, the District shall pursue the following policy goals:

- i. The District is committed to financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual Operating Budget;
- ii. It is a policy goal of the District to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings, if applicable, and the lowest practical borrowing costs;
- iii. It is a policy goal of the District to reduce the unfunded liabilities for employee pension and ~~e~~Other ~~p~~Post-~~e~~Employment ~~b~~Benefits (OPEB);
- iv. The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges; and
- v. When refinancing debt, it shall be the policy goal of the District to achieve, whenever possible and subject to any overriding non-financial policy, minimum aggregate net present value debt service savings of at least 3% of the refunded principal amount.

8.32 – Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The District will periodically review the requirements of and will remain in compliance with the following:

- i. Federal securities law, including any continuing disclosure undertakings under SEC Rule 15c2-12, as amended;
- ii. Any federal tax compliance requirements including without limitation arbitrage and rebate compliance, related to any prior bond issues;
- iii. The District's investment policies as they relate to the investment of bond proceeds; and
- iv. Government Code section 8855(k) and the annual reporting requirements therein.

The District shall be vigilant in using bond proceeds in accordance with the stated purpose at the time that such debt was issued. The Fire Chief, the Administrative Officer/Finance Officer or designee will monitor the expenditure of bond proceeds to ensure they are used only for the purpose and authority for which the bonds were issued. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the District will submit written requisitions for such proceeds. The District will submit a requisition only after obtaining the signature of the Fire Chief, the Administrative Officer/Finance Officer, or designee.

8.33 – Amendment and Waivers of Debt Policy

This Debt Policy will be reviewed and updated periodically as needed. Any amendments to this Debt Policy are subject to specific Board approval.

While adherence to this Debt Policy is required in all applicable circumstances, on rare occasions there might be circumstances when strict adherence to a provision of this Debt Policy is not possible or not in the best interest of the District. If the District staff has determined that a waiver of one or more provisions of this Debt Policy should be considered by the Board, it will prepare an analysis for the Board describing the rationale for the waiver and the impact of the waiver on the proposed debt issuance and on taxpayers, if applicable. Upon a majority vote of the Board, one or more provisions of this Debt Policy may be waived for a debt financing.

The failure of a debt financing to comply with one or more provisions of this Debt Policy shall in no way affect the validity of any debt issued by the District in accordance with applicable laws.

8.34 – SB 1029 Compliance

SB 1029, signed by the Governor on September 12, 2016, and enacted as Chapter 307, Statutes of 2016, requires issuers to adopt debt policies addressing each of the five items below:

1. The purposes for which the debt proceeds may be used. Section 4 (Acceptable Uses of Debt Proceeds) addresses the purposes for which debt proceeds may be used.
2. The types of debt that may be issued. Section 6 (Types of Debt) provides information regarding the types of debt that may be issued.
3. The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable. Section 7 (Relationship to Capital Improvement Program and Operating Budget) provides information regarding the relationship between the District's debt and Capital Improvement Program and annual Operating Budget.
4. Policy goals related to the issuer's planning goals and objectives. Section 3 (Debt Policy Objective) and Section 8 (Policy Goals Related to Planning Goals and Objectives)

address some of the District's policy goals and how this Debt Policy has implemented them.

5. The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use. Section 9 (Internal Control Procedures) provides information regarding the District's internal control procedures designed to ensure that the proceeds of its debt issues are spent as intended.

This Debt Policy, as written, complies with and meets the requirements of SB 1029.

Notes

(Documents that have been reviewed and used to guide the policy)

Shayne C. Kavanaugh, *Financial Policies*, Third Edition, Copyright 2023 by the Government Finance Officers Association of the United States and Canada.

Mark H. Moore, *Creating Public Value: Strategic Management in Government* (Cambridge, MA: Harvard University Press, 1997).

Government Finance Officers Association GFOA Best Practices at www.gfoa.org

California Special Districts Association CSDA, *Special District Reserve Guidelines – A Guide to Developing a Prudent Reserve*, Second Edition at www.csda.net

California Society of Municipal Finance Officers CSMFO Resources and Budget Awards Program www.csmfo.org

Policy 9 – Investments

9.1 – Policy

The San Miguel Fire Protection District (hereinafter referred to as “District”) shall invest public funds in such a manner as to comply with eState and local laws; ensure prudent money management; provide for daily cash flow requirements; and meet the objectives of the Policy, in priority order of Safety, Liquidity and Return on investment. In accordance with the Municipal Code of the District and under authority granted by the Board of Directors, the District Administrative Officer/Finance Officer is responsible for investing the unexpended cash in the District Treasury, with oversight by the Fire Chief and reporting out required under the quarterly financial updates.

9.2 – Scope

The investment policy applies to all investment activities and financial assets of the District as accounted for in the Annual Comprehensive Financial Report (ACFR). This policy is applicable, but not limited to, all funds listed below:

- General Fund
- Capital Funds-Contingency Fund
- Uncompensated Leave Fund
- Other Special Revenue Funds, Debt Service Funds, Internal Service Funds
- Any new fund created by the Board of Directors unless specifically exempted.

9.3 – Prudence

The District Administrative Officer/Finance Officer and other individuals assigned to manage the investment portfolio, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

9.4 – Objectives

The District’s primary investment objectives, in order of priority, shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The District shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.
 - a. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in issuers that carry the direct or implied backing of the U.S. Government (including, but not limited to, the U.S. Treasury, U.S. Government Agencies, and federally insured banks). The portfolio will be diversified so that the failure of any one issuer does not unduly harm the District’s capital base and cash flow.
 - b. Market risk, (aka “interest rate risk”) defined as market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the maximum maturity of any one security to five years,

structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long-term securities for the sole purpose of short-term speculation. Moreover, it is the District's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars. Limited exceptions will be granted for security swaps that would improve the portfolio's yield and/or credit quality.

2. Liquidity: The District's investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.
3. Return on Investments: The District's investment portfolio shall have the objective of attaining a comparative performance measurement or an acceptable rate of return throughout budgetary and economic cycles. These measurements should be commensurate with the District's investment risk constraints identified in this Investment Policy and the cash flow characteristics of the portfolio.

9.5 – Delegation of Authority

The Municipal Code of the District and the authority granted by the Board of Directors assign the responsibility of investing unexpended cash to the District's Administrative Officer/Finance Officer. Daily management responsibility of the investment program may be delegated to the Administrative Analyst, who shall establish procedures for the operation consistent with this investment policy.

9.6 – Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program or impairs their ability to make impartial investment decisions. Additionally, the Administrative Officer/Finance Officer are required to annually file applicable financial disclosures as required by the Fair Political Practices Commission (FPPC). Furthermore, Investment officials must refrain from undertaking personal investment transactions with the same individual(s) employed by the financial institution with whom business is conducted on behalf of the District.

9.7 – Authorized Dealers and Institutions

The Administrative Officer/Finance Officer will maintain a list of approved financial institutions authorized to provide investment services to the public agency in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). Best practices include the following: 1) A determination that all approved broker/dealer firms, and individuals covering the public agency, are reputable and trustworthy; 2) the broker/dealer firms should have the ability to meet all their financial obligations in dealing with the Public Agency; 3) the firms, and individuals covering the agency, should be knowledgeable and experienced in Public Agency investing and the investment products involved; 4) no public deposit shall be made except in a qualified public depository as established by the established state laws; 4) all financial institutions and broker/dealers who desire to conduct investment transactions with the public agency may supply the Administrative Officer/Finance Officer with audited financial statements, proof of FINRA certification, trading

resolution, proof of State of California registration, a completed broker/dealer questionnaire, certification of having read the Public Agency's investment policy and depository contracts.

The Administrative Officer/Finance Officer may conduct an annual review of the financial condition and registrations of qualified dealers & institutions.

9.8 – Authorized and Suitable Investments

Investment of District funds is governed by the California Government Code Sections 53600 et seq. Within the context of the limitations, the following investments are authorized, as further limited herein:

1. United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
3. Local Agency Investment Fund (LAIF), which is a State of California managed investment pool, and Los Angeles County Investment pool, may be used up to the maximum permitted by California State Law. A review of the pool/fund is required when part of the list of authorized investments, with the knowledge that the pool/fund may include some investments allowed by statute but not explicitly identified in this investment policy.

Additionally, shares of beneficial interest issued by a joint powers authority organized pursuant to CA Code (Section 6509.7) that invests in the securities and obligations in compliance with CA Code 53601 (subsection 'a' to 'r', inclusive) are also authorized. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

 - The adviser is registered or exempt from registration with the Securities and Exchange Commission.
 - The adviser has not less than five years of experience investing in the securities and obligations authorized in CA Code (subsection 'a' to 'q', inclusive).
 - The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).
4. Negotiable Certificates of Deposit issued by nationally or state-chartered banks (FDIC insured institutions) or state or federal savings institutions. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio. Principal

and accrued interest on these investments must not exceed the \$250,000 FDIC insurance limit. A maturity limitation of five years is applicable.

5. Time deposits or placement service deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 50% of the investment portfolio may be invested in this investment type. A maturity limitation of five years is applicable. Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30 percent. Investments made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.

6. Various daily money market funds administered for or by trustees, paying agents and custodian banks contracted by the District may be purchased as allowed under the State of California Government Code. Only funds holding U.S. Treasury or Government agency obligations can be used.

The following summary of maximum percentage limits, by instrument, are established for the District's investment portfolio:

| <u>Authorized Investment Type</u> | <u>Government Code</u> | <u>Maximum Maturity</u> | <u>Minimum Credit Quality</u> | <u>Maximum in Portfolio</u> | <u>Maximum Investment in One Issuer</u> |
|---|------------------------|-------------------------|-------------------------------|--|---|
| <u>Treasury Obligations (bills, notes, & bonds)</u> | <u>53601(b)</u> | <u>5 Years</u> | <u>N/A</u> | <u>100%</u> | <u>N/A</u> |
| <u>US Government Agency and Federal Agency Securities</u> | <u>53601(f)</u> | <u>5 Years</u> | <u>N/A</u> | <u>100%</u> | <u>N/A</u> |
| <u>Local Agency Investment Fund (LAIF)</u> | <u>16429.1</u> | <u>Upon Demanded</u> | <u>N/A</u> | <u>As permitted by LAIF (currently \$65 million per account)</u> | <u>N/A</u> |

| | | | | | |
|---|----------------------------|--------------------|--------------------------|--|------------|
| <u>San Diego County Investment Pool</u> | <u>53684</u> | <u>Upon Demand</u> | <u>N/A</u> | <u>As permitted by County Treasurer (currently no limit)</u> | <u>N/A</u> |
| <u>Joint Powers Authority Pool</u> | <u>53601(p)</u> | <u>N/A</u> | <u>See § 8.3 (above)</u> | <u>None</u> | <u>N/A</u> |
| <u>Negotiable Certificates of Deposit</u> | <u>53601(i)</u> | <u>5 Years</u> | <u>N/A</u> | <u>30%</u> | <u>N/A</u> |
| <u>Placement Service Deposits – Deposits or</u> | <u>53601.8 and 53635.8</u> | <u>5 Years</u> | <u>N/A</u> | <u>50%</u> | <u>N/A</u> |

9.9 – Review of Investment Portfolio

The securities held by the District must be in compliance with Section 8.0 “Authorized and Suitable Investments” at the time of purchase. The Administrative Officer/Finance Officer should review the portfolio (at least annually) to identify those securities that do not comply.

The Administrative Officer/Finance Officer should establish procedures to report any major and critical incidences of noncompliance identified through the review of the portfolio.

9.10 – Investment Pools / Money Market Funds

A thorough investigation of the investment pool/money market fund is required prior to investing, and on a continual basis. Best efforts will be made to acquire the following information:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

9.11 – Collateralization

Collateralization will be required on two types of investments: non-negotiable certificates of deposit and repurchase (and reverse repurchase) agreements. To anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value for non-negotiable certificate of deposit and 102% for reverse repurchase agreements of principal and accrued interest.

Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

The District may waive the collateralization requirements for any portion of the deposit that is covered by Federal Deposit Insurance.

9.12 – Safekeeping and Custody

All security transactions shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the ~~Treasurer~~Administrative Officer/Finance Officer and evidenced by safekeeping receipts.

9.13 – Diversification

The District shall diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. To promote diversification, no more than 5% of the portfolio may be invested in the securities of any one issuer, regardless of security type, excluding U.S. Treasuries, federal agencies, and pooled investments such as LAIF, money market funds, or local government investment pools.

9.14 – Maximum Maturities

To the extent possible, the District will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than 5 years from the date of purchase. Any investment longer than 5 years must be done with advance permission from the Board of Directors.

9.15 – Internal Controls

The Administrative Officer/Finance Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, fraud or misuse.

Separation of functions between the District's Administrative Officer/Finance Officer or Administrative Analyst is designed to provide an ongoing internal review to prevent the potential for converting assets or concealing transactions.

Investment decisions are made by the Administrative Officer/Finance Officer, executed by the Administrative Analyst, and confirmed by the Fire Chief. All wire transfers initiated by the Administrative Analyst must be reconfirmed by the appropriate financial institution to the Administrative Officer/Finance Officer. Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliation is conducted to ensure proper handling of all transactions.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Administrative Analyst on a monthly basis. An independent analysis by an external auditor shall be conducted annually to review and perform procedure testing on the District's cash and investments that have a material impact on the financial statements. The Administrative Officer/Finance Officer shall review and assure compliance with investment process and procedures.

9.16 – Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The District intends to spread its investments relatively evenly between 0 and 5 years and hold those investments to maturity. The District is limiting its authorized investments to the safest end of the investment spectrum—debt issued by the U.S. Treasury, U.S. Government Agencies, and debt that is federally insured (see [Section 8.0 Authorized and Suitable Investments](#), above, for a complete list of authorized investments).

Therefore, an appropriate performance benchmark will be a Constant Treasury Maturity Rate consistent with the weighted average maturity of the portfolio. The District recognizes that benchmarks may change over time based on changes in market conditions or cash flow requirements.

9.17 – Reporting

The District Administrative Officer/Finance Officer shall review and render quarterly reports to the Board of Directors that include the following information:

- Investment type (e.g., U.S. Treasury Note, U.S. Government Agency Bond)
- Name of the issuer (e.g., Federal Farm Credit Bank, Federal Home Loan Bank)
- Maturity date
- Yield to maturity
- Current market value and source of market value
- Par and dollar amount for each security the District has invested in
- Par and dollar amount on any money held by the District (e.g. LAIF balance, Cash Balance).

The report shall also include a description of any of the District’s funds, investments, or programs that are under the management of contracted parties, including lending programs.

The quarterly report shall state compliance of the portfolio to the investment policy, or manner in which the portfolio is not in compliance.

The quarterly report shall include a statement denoting the ability of the District to meet its expenditure requirements for the next six months or provide an explanation as to why sufficient money shall (or may not) be available.

The quarterly reports shall be placed on the Board of Directors meeting agenda for its review and approval no later than 30 days after the quarter ends. If there are no [Council Board](#) meetings within the 30-day period, the quarterly report shall be presented to the [Council Board of Directors](#) at the soonest possible meeting thereafter.

9.18 – Investment Policy Adoption

The District investment policy shall be adopted by resolution of the Board of Directors. The policy shall be reviewed annually by the Board of Directors and any modifications made thereto must be approved by the Board of Directors per the Financial Management Policy.

The Administrative Officer/Finance Officer shall establish written investment policy procedures for the operation of the investment program consistent with this [Policy](#). The procedures should

include reference to safekeeping, master repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the District.

9.19 – Glossary of Terms in this Policy

Accrued Interest: Interest earned but not yet received.

Annual Comprehensive Financial Report (ACFR): The official annual financial report for the District. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP).

Bond: A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Bond Swap: Selling one bond issue and buying another at the same time in order to create an advantage for the investor. Some benefits of swapping may include tax-deductible losses, increased yields, and an improved quality portfolio.

Broker: In securities, the intermediary between a buyer and a seller of securities. The broker, who usually charges a commission, must be registered with the exchange in which he or she is trading, accounting for the name registered representative.

Certificate of Deposit: A deposit insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) at a set rate for a specified period of time.

Collateral: Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Constant Maturity Treasury (CMT): An average yield of a specific Treasury maturity sector for a specific time frame. This is a market index for reference of past direction of interest rates for the given Treasury maturity range.

Custody: A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement that also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

Delivery vs. Payment (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

Diversification: Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Federal Deposit Insurance Corporation (FDIC): Insurance provided to customers of a subscribing bank that guarantees deposits to a set limit (currently \$250,000) per account.

Interest Rate: The annual yield earned on an investment, expressed as a percentage.

Liquidity: Refers to the ability to rapidly convert an investment into cash.

Market Value: The price at which a security is trading and could presumably be purchased or sold.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Purchase Date: The date in which a security is purchased for settlement on that or a later date.

Rate of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Risk: Degree of uncertainty of return on an asset. **Safekeeping:** See Custody.

Settlement Date: The date on which a trade is cleared by delivery of securities against funds.

Time Deposit: A deposit in an interest-paying account that requires the money to remain on account for a specific length of time. While withdrawals can generally be made from a passbook account at any time, other time deposits, such as certificates of deposit, are penalized for early withdrawal.

Treasury Obligations: Debt obligations of the U.S. Government that are sold by the Treasury Department in the forms of bills, notes, and bonds. Bills are short-term obligations that mature in one year or less. Notes are obligations that mature between one year and ten years. Bonds are long-term obligations that generally mature in ten years or more.

U.S. Government Agencies: Instruments issued by various US Government Agencies most of which are secured only by the credit worthiness of the particular agency.

Yield: The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity: The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

9.20 – Glossary of General Investment Terms

Active Deposits: Funds that are immediately required for disbursement.

Amortization: An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Asked Price: The price a broker dealer offers to sell securities. **Basis Point:** One basis point is one hundredth of one percent (.01). **Bid Price:** The price a broker / dealer offers to purchase securities.

Book Entry Securities: Securities, such stocks held in "street name," that are recorded in a customer's account, but are not accompanied by a certificate. The trend is toward a certificate-free society to cut down on paperwork and to diminish investors' concerns about the certificates themselves. All the large New York District banks, including those that handle the bulk of the transactions of the major government securities dealers, now clear most of their transactions with

each other and with the Federal Reserve through the use of automated telecommunications and the “book-entry” custody system maintained by the Federal Reserve Bank of New York. These banks have deposited with the Federal Reserve Bank a major portion of their government and agency securities holdings, including securities held for the accounts of their customers or in a fiduciary capacity. Virtually all transfers for the account of the banks, as well as for the government securities dealers who are their clients, are now effected solely by bookkeeping entries. The system reduces the costs and risks of physical handling and speeds the completion of transactions.

Book Value: The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Bullet Bond: See “*Non-callable Bond.*”

Callable Bond: A debt obligation where the bond issuer (i.e. borrower) has the option to *call the bond* or pay it off early (before the scheduled maturity date). For instance, a 5-year bond might be “callable quarterly”—meaning that, although the bond has a scheduled end date 5 years from now, it could end in 3 months (and every 3 months after that, until the scheduled maturity date).

Coupon: The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis: A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

Current Yield: The interest paid on an investment expressed as a percentage of the current price of the security.

Discount: The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Duration: The weighted average maturity of a bond's cash flow stream, where the present value of the cash flows serve as the weights; the future point in time at which on average, an investor has received exactly half of the original investment, in present value terms; a bond's zero-coupon equivalent; the fulcrum of a bond's present value cash flow time line.

Fannie Mae: Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

Federal Reserve System: The central bank of the U.S. that consists of a seven member Board of Governors, 12 regional banks and approximately 8,000 commercial banks that are members.

Fed Wire: A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Freddie Mac: Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

Investment Agreements: An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

Nationally Recognized Statistical Rating Organizations (NRSRO): A U.S. Securities & Exchange Commission registered agency that assesses the creditworthiness of an entity or

specific security. NRSRO typically refers to Standard and Poor's Ratings Services, Fitch Ratings, Inc. or Moody's Investors Services.

New Issue: Term used when a security is originally "brought" to market.

Non-callable Bond: Also known as, "*Bullet Bond.*" A non-callable bond is a debt obligation where the bond issuer does not have the option to "call the bond" i.e.-end the bond before the scheduled maturity date.

Perfected Delivery: Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Repurchase Agreement (REPO): A transaction where the seller (bank) agrees to buy back from the buyer (District) the securities at an agreed upon price after a stated period of time.

Reverse Repurchase Agreement (REVERSE REPO): A transaction where the seller (District) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

Secondary Market: A market made for the purchase and sale of outstanding issues following the initial distribution.

Yield Curve: The yield on bonds, notes or bills of the same type and credit risk at a specific date for maturities up to thirty years.

[Notes](#)

[Investment information has been reviewed by Government Advisory Services, Eide Bailly LLP](#)

Policy 10 – Board Member Notification

10.1 – Notification

Certain events that happen within the District boundaries or to District employees may require the need to inform the Board of Directors. In the case an event should occur, the Fire Chief, or ~~his~~ designee shall make necessary notifications to the Board President, or if necessary, the entire Board of Directors. The Fire Chief or designee shall text the Board of Directors with a brief summary of the incident details. Every reasonable effort will be made to notify the Board of Directors early in the incident as time permits.

10.2 – Pre-determined Events

The following events require notification to all Board Members:

- a. Fire Fatality (Civilian) ~~—Informational~~
- b. Multiple Fatalities ~~—Informational~~
- c. Firefighter Fatality (or serious injury) ~~—Alert~~
- d. Working 2nd Alarm Fire ~~—Informational~~
- e. Extended Incident (beyond 12 hours) ~~—Alert~~
- f. Major News Event (involving District or District Employee) ~~—Alert~~
- g. News Events pertaining to District Policy and/or Board Issues ~~—Advisory~~
- h. SWAT Team Activity ~~—Informational~~
- i. Working Hazardous material Incident ~~—Informational~~
- j. Working Wildland Incident with incoming Striketeams/Aircraft ~~—Informational~~

10.3 – Method of Notification

~~The means to which the Board of Directors will be contacted is listed by the type of event:~~

- ~~a. Informational — Email, pages or text messages to all Board Members.~~
- ~~b. Advisory — Direct contact to Board President.~~
- ~~c. Alert — Direct contact to all Board Members.~~

Policy 11 – District Owned Property

PURPOSE AND SCOPE

The purpose of this policy is to provide guidelines for the care and maintenance of District property entrusted to District Board Members and the return of District property at the end of appointment or affiliation with the District.

4211.1 Policy

It is the policy of the San Miguel Fire & Rescue District to issue equipment to Board Members upon their request for the purpose of performing their Board-related duties. Board members shall be responsible for the safekeeping, serviceable condition, proper care, use and request for replacement of all ~~district-District~~ property issued or entrusted to their care. A Board Member's intentional or negligent abuse or misuse of District property may lead to loss of ability to utilize District-owned equipment, including being responsible for the cost of repair or replacement of the property.

4211.2 Procedure

The following procedures shall be in effect regarding District property issued to Board Members:

Board Members shall promptly report to the Fire Chief any loss, damage, or unserviceable condition of District-issued property.

No Board Member should attempt to repair damaged or unserviceable District property without ~~executive-Executive staff-Staff~~ approval.

Use of ~~district-District~~ property should be limited to official purposes in the capacity for which it was designed. Except when otherwise directed and/or required by circumstances, District property shall only be used by the Board Member to whom it was assigned.

District property shall not be discarded, sold, traded, donated, destroyed, or otherwise disposed of without ~~executive-Executive staff-Staff~~ approval.

4211.3 Surrendering District Property

Board Members who have ended their term and/or resigned from the District shall return all ~~district-District~~ property, regardless of its condition. The following guidelines shall apply:

All District property shall be returned to the District no later than the Board Member's departure date or as directed by the Fire Chief or the authorized designee.

A Board Member who fails to return all District property in his/her possession may be required to reimburse the District for the value of the property or may be subject to legal action brought by the District.

Policy 12 – Appointed Citizen Oversight Committees

PURPOSE AND SCOPE

The Board of Directors at times may need to create citizen oversight committees. These committees will be established by the full Board of Directors at a regularly scheduled meeting and have policies created by a Board Ad Hoc Committee and/or staff and adopted by the Board of Directors.

12.1 Proposition E Oversight Committee Policy

On July 13, 2007, East County Fire Protection District (“ECFPD”) Resolution 07-08-03 was adopted by its Board, calling for a mail ballot election to be held on September 25, 2007, for Proposition E – East County Fire Protection District, a special parcel tax (“Prop. E”). A complete copy of Resolution 07-08-03 is attached hereto as Exhibit A.

On September 25, 2007, registered voters in the former ECFPD overwhelming approved Prop. E, with 73.2% of the voters in support of the measure; a Citizens’ Oversight Committee was formed. The full text of Prop. E is included in this Policy as Exhibit B.

In July 2008, ECFPD completed the necessary steps as directed by the San Diego County Local Agency Formation Commission (“LAFCO”) and merged with San Miguel Consolidated Fire Protection District (“District”). Subsequent to the merger, the Prop. E committee dissolved because, as a merged District, segregation of revenue and expenditures was fiscally impractical and the District already had policies in place for auditing, overseeing, and reporting expenditures, including an annual Combined Tax Report compiled by an independent consultant.

On December 8, 2021, the District, by Resolution 21-16, reinstated the Prop. E Citizens’ Oversight Committee.

The Prop. E Oversight Committee is charged by State law to ensure that Prop. E proceeds are spent only for the purpose of ensuring continued local fire suppression, protection and emergency response services for all residents, employees, and guests in the former ECFPD service area (i.e., Bostonia and Crest). The revenues raised can only be used to defray operating expenses, capital improvement expenditures, and debt repayment to accomplish the foregoing purposes, in compliance with Prop. E, pursuant to Government Code Section 50077 et seq.

The Committee’s sole focus and purpose is to advise the Board on the expenditures funded by the measure in order to help ensure that said funds are spent for the purposes approved by the voters. The Committee will monitor the expenditures of these funds by the District and will report on an annual basis to the Board and community on how these funds have been spent.

1. Code of Conduct and Decorum

Prop. E Oversight Committee members shall maintain the highest ethical standards. The proper operation of the Committee requires that any member’s position on the Committee not be used for personal and/or financial gain, and that members remain objective and work as a team. Members will maintain the highest standard of personal honesty, fairness and respect while carrying out their duties.

The District has adopted the following Code of Conduct and Decorum for members of the Committee in order to promote and maintain the highest standards of personal and professional conduct in the District's governance. While recognizing conflict and disagreement are sometimes a part of the public process, Committee members must acknowledge and value its duty to model ethical and civil behavior for the District's customers and staff. Committee decisions and work, therefore, must meet the most demanding ethical standards and demonstrate the highest levels of achievement.

Members shall respect District employees time and will not contact staff outside normal business hours.

Members shall respect confidences and information designated as "confidential." Members shall not disclose information received as "confidential."

Members shall state views briefly (5-minutes) and clearly during Committee meetings (may request from the Committee chair an exemption to 8 minutes, if the item is overly complex), and shall refrain from discussing non-agenda items.

Members shall refrain from abusive conduct, personal charges, or verbal attacks upon the character, motive, ethics, morals, or comments of other Members of the Committee, staff, or the public. Members shall refrain from profanity and other personal comments that are not relevant to the issue before the District Board.

Members shall recognize and accept legitimate differences of opinion. Members shall act with integrity in accepting and supporting the Committee's decisions. Once the Committee makes a determination, Members should respect the position of the Committee and not create barriers or interfere with the presentation of the Committee's decisions to the Board. Dissenting Member(s) may continue to oppose the decision; however, when speaking publicly, the dissenting Member(s) should acknowledge the decision of the Committee.

Refrain from using status as a Committee Member to influence the outcome of any community meeting. When attending as a citizen, indicate when expressing personal opinion, and refer questions related to District policies to the District's Fire Chief.

Correspondence paid for with public funds or on District stationery must relate to bona fide District business of the Committee and must not purport to advance or advocate a policy not previously approved by the Board of Directors.

When signing correspondence using their title as Committee Member, members of the Committee shall explicitly state they do not represent the District and will not allow the inference that they do. The following disclaimer shall be used on all Committee communications: "This correspondence and any documents attached hereto, reflects the opinions and positions of the above-named Proposition E Committee Member and does not represent the opinions or positions of the District's Board of Directors or the District. Committee members shall have no power to act for the District or the District's Board of Directors."

2. Violation of Code of Conduct and Decorum Policy

Violations of Code of Conduct and Decorum shall immediately be brought to the attention of the Fire Chief. The Fire Chief, designee, or third party shall investigate the validity of the violation and/or allegation and shall handle the matter in line with District policy. Once

the investigation is complete, the Fire Chief shall notify the Board President and the item shall be placed on the next Board Agenda under Action Items for Board consideration. If a majority of the Board determines that conduct was in violation of this Policy, the Board may impose any of the following remedial actions.

- a. Issue a letter of warning from the Board.
- b. Adopt a resolution expressing disapproval of the conduct of the Committee Member and censure by the Board.
- c. Remove the Committee Member from their position on the Committee

A. Member Appointments, Terms and Composition

In October of each year, Staff shall notify the public and the entities listed below of vacancies on the Prop. E Oversight Committee by multiple available means in order to recruit qualified, motivated committee members, including but not limited to:

1. San Diego County Taxpayers Association
2. Community organizations (i.e., Rotary, Kiwanis, etc.)
3. Financial Executives International
4. American Builders and Contractors of San Diego
5. Local and community papers
6. Local Chambers of Commerce
7. Firefighter Organizations

Appointments shall be made in alignment with Board Committee appointments during the first Board meeting in January of each year and if necessary, throughout the year.

The Prop. E Oversight Committee shall strive to have seated at least three (3) members and no more than five (5) members who will each serve for a term of one (1) year without compensation and shall not serve for more than three (3) consecutive terms. Members must have the ability to conduct Committee business utilizing their own personal electronic devices. No electronic equipment will be provided by the District.

Whenever possible, a majority of the members of the Committee shall possess expertise in one or more of the following areas:

- a. Experience in Special District/public financial matters
- b. Experience in performance and financial auditing
- c. Construction-related project management/operations
- d. Real estate acquisition or sales
- e. Environment laws or regulations
- f. Information technology
- g. Business organization representing the Bostonia and/or Crest service area
- h. One member who is active in a senior citizens' organization
- i. One member who is active in a bona fide taxpayers' association
- j. One member who is a current or retired fire service professional

k. Other members may be selected based upon the applicant's professional and/or practical experience; recognition or contributions to his/her community; the diversity of experience and expertise of the Committee as a whole; and representation of the Committee from within the Bostonia and Crest areas.

The Committee may not include any employee or official of the District or any vendor, contractor, or consultant of the District.

In order to ensure a more diverse knowledgebase representative of a broader area, members may not be from the same family, household, or place of employment.

B. Orientation

Before a new Committee begins work, a comprehensive orientation is mandatory. Each member must receive a thorough briefing by the District's staff, including copies of the relevant codes, Prop. E ballot language, and any relevant budgets, financial reports, and minutes of recent meetings.

It is strongly recommended that new appointees tour the Bostonia and Crest fire station facilities. Tours shall be arranged through the Fire Chief.

C. Sexual Harassment Training

Committee members, although not employees of the District, shall be required to complete online Sexual Harassment Prevention Training before participating in any Committee meeting. The District shall pay for the cost of this training and provide the logon information for each newly appointed member.

D. Focus of Committee

1. The Committee is charged by State law to ensure that Prop. E proceeds are spent only for the purpose of ensuring continued local fire suppression, protection and emergency response services for all residents, employees, and guests in the former ECFPD service area (i.e., Bostonia and Crest). The revenues raised can only be used to defray operating expenses, capital improvement expenditures, and debt repayment to accomplish the foregoing purposes, in compliance with Prop. E, pursuant to Government Code Section 50077 et seq.
2. The Committee shall, at all times, remain focused on the scope of Prop. E, specifically, ensuring revenues raised are being spent within the scope of Prop. E.
3. The Committee shall confirm that the District has demonstrated that best efforts have been applied to maximize opportunities for Prop E expenditures to be used in conjunction with other local agencies in a manner that benefits the public and reduces costs.
4. The Committee must review whether expenses are within the constraints of

Prop. E and any non-certified expenditures shall be publicly reported.

E. District Email Account

1. Committee Members shall be provided with a District email account for the exclusive use of communication on Committee matters and are subject to the Public Records Act.
2. Members will be given relevant district policies to acknowledge and comply with these policies.

F. Meetings

1. At its first meeting of each new fiscal year, the Committee shall appoint a Chairperson and co-Chairperson.
2. All Committee meetings shall be open to the public and are subject to the Brown Act. District staff, as designated by the Fire Chief, will be responsible for collaborating with the Chairperson of the Prop. E Oversight Committee to prepare and properly notice agendas, minutes, and reports of the Committee. No Prop. E funds may be used to pay any of these expenses.
3. The Committee must meet with sufficient frequency to ensure that members remain fully informed about all relevant current conditions. The Committee shall schedule meetings as needed, meetings as either a full body, or in the form of subcommittees that shall then report back to the full Committee at its next regularly scheduled meeting.
4. Any member who misses three consecutive meetings without an excuse acceptable to the Board shall be automatically dropped from the Committee. The Board, at its discretion, may fill any vacancy created by dismissal, resignation or death of a Committee member as described in Section A, above.

G. Conduct During Meetings

1. All Members should be on time for all meetings. Members should make every effort to notify the Committee Chair of any anticipated or unanticipated late arrival to meetings or absence.
2. Members shall thoroughly prepare themselves to discuss agenda items prior to Committee meetings, including having discussions with other Members within the constraints of the Brown Act.
3. Written information or Committee documents that are exchanged before meetings shall be distributed through the Fire Chief and all Committee Members shall receive all such written information or documents being distributed.
4. Members shall conduct themselves with courtesy to each other, staff and members of the audience present at Committee meetings.
5. Members shall defer to the presiding Chair member for conduct of meetings

of the Committee but shall be free to question and discuss items on the agenda. All comments should be brief and confined to the matter being discussed by the Committee.

6. Members may request for inclusion into minutes, brief comments pertinent to an agenda item, (including, if desired, a position on abstention or dissenting vote). Such request may only be made at the meeting in which the comments are made.
7. Members shall recuse themselves from participating in consideration on any item involving a personal or financial conflict of interest. Unless such a conflict of interest exists, however, Members should not abstain from the Committee's responsibilities.
8. Requests by consensus of the Committee Members for substantive information and/or research from District staff shall be channeled through the Fire Chief or Administrative Officer/Finance Officer and placed on the next Board Agenda for Board consideration/approval.

H. Access to Information

Committee members shall have access to historical and ongoing financial resources as they become available to the public to support the focus of the Committee. This includes the annual San Miguel Consolidated Fire Protection District Combined Tax Reports which consists of the District's Tax Administration Consultant's report specific to Proposition E. Historical financial data is conveniently available on the District's website: www.sanmiguelfire.org.

1. The Committee is authorized to engage in any of the following activities necessary to fulfill its specific purpose:
 - a. Receive and review copies of the annual Combined Tax Reports.
 - b. Receive and review copies of the publicly available budget documents.
 - c. Receive and review copies of any maintenance and/or capital improvement projects to ensure funds are expended in compliance with Prop. E.
 - d. Receive and review copies of any deferred maintenance proposals or plans developed by the District.
 - e. Review efforts by the District to maximize Prop. E revenues by implementing cost-saving measures.
2. To assist the Committee in its work, District staff shall provide the Committee with the annual District audits that are required by law.

I. Access to the Governing Board, Fire Chief and Administrative Officer/Finance Officer

The Committee shall periodically meet with the Fire Chief and/or District's Administrative Officer/Finance Officer and at least annually with the Board. It is recommended that Committee members monitor the District's Board meetings and Finance Committee Meetings.

The Committee shall meet with the Board prior to its presentation of its annual Performance Assessment Report.

1. Committee members shall not task staff with projects not authorized by the Board by consensus or specific direction.
2. Committee members shall not contact any District consultant without approval from the Board by consensus.

J. Certification of Expenditures

The District shall present to the Committee, written certification that all Prop. E revenues currently expended have been in conformity with Prop. E on an annual basis. The Certification of Expenditures must be in the Committee's annual report.

K. Prevailing Wage Requirements

Most, if not all, publicly funded projects fall under prevailing wage requirements. The Committee shall request and receive an annual compliance report from the District detailing related compliance issues of importance specific to Prop. E service area (i.e., Bostonia and Crest), if any.

L. Final Annual Report

The Committee shall be the principal author, (with staff assistance as may be requested), of its Proposition E Performance Assessment Report, required to be reported annually to the public. The District shall provide technical, production and distribution support. The Report shall appear on the District's website under a separate tab designated specifically for the Proposition E Oversight Committee and be available at the principal office of the District.

Prior to preparing its annual Report, the Committee shall review the District's annual Financial Report and Combined Tax Report prior to presenting its own Performance Assess Report to the Board. The Committee's annual report shall contain, at a minimum:

1. Full text of the original Prop. E Ballot Measure;
2. Whether or not the District has demonstrated that best efforts have been applied to maximize opportunities for expenditures to be used in conjunction with other local agencies in a manner that benefits the public and reduces costs.
3. Certification of Expenditures
4. Committee's overall analysis of expenditures, noting any significant variances from the original stated expenditure plan, if any, why they occurred and how they were mitigated.
5. The Committee's final report is due to the Board of Directors by the Regular Board Meeting in April of each year.

Policy 13 – Information Technology

PURPOSE AND SCOPE

The purpose of this policy is to provide guidelines for the proper use of District information technology resources, including computers, electronic devices, hardware, software, and systems.

13.1 Definitions

Definitions related to this policy include:

Computer system - All computers (on-site and portable), hardware, software, and resources owned, leased, rented, or licensed by the San Miguel Fire & ~~Rescue~~-District that are provided for official use by Board Members. This shall include all access to, and use of, Internet Service Providers (ISP) or other service providers provided by or through the District or District funding.

Hardware - Includes, but is not limited to, computers, computer terminals, network equipment, electronic devices, telephones including cellular and satellite, pagers, modems, or any other tangible computer device generally understood to comprise hardware.

Software - Includes, but is not limited to, all computer programs, systems, and applications, including shareware. This does not include files created by the individual user.

Temporary file, permanent file, or file - Any electronic document, information or data residing or located, in whole or in part, on the system, including, but not limited to, spreadsheets, calendar entries, appointments, tasks, notes, letters, reports or messages, photographs or videos.

13.2 Policy

San Miguel Fire & ~~Rescue~~-District Board Members shall use information technology resources, including computers, software, and systems, which are issued or maintained by the District in a professional manner and in accordance with this policy.

13.3 Restricted Use

Board Members shall not access computers, devices, software, or systems for which they have not received prior authorization. Board Members shall immediately report unauthorized access or use of computers, devices, software, or systems by another Board Members to the Fire Chief or Executive Staff.

Board Members shall not use another person's access passwords, logon information and other individual security data, protocols, and procedures.

13.4 Software

Board Members shall not copy or duplicate any copyrighted or licensed software except for a single copy for backup purposes, in accordance with the software company's copyright and license agreement.

To reduce the risk of a computer virus or malicious software infection, Board Members shall not install any unlicensed or unauthorized software on any ~~district-District~~ computer. Board Members shall not install personal copies of any software on any ~~D~~istrict computer. Any files or software that a Board Member finds necessary to install on District computers or networks shall

be installed only with the approval of district information systems technology (IT) staff and only after being properly scanned for malicious attachments. All such installations shall then be performed by District staff approved to perform such functions. Systems should be updated with the most current software available.

No Board Member shall knowingly make, acquire, or use unauthorized copies of computer software not licensed to the District while on ~~district-District~~ premises, computer systems, or electronic devices. Such unauthorized use of software exposes the District and involved Board Members to severe civil and criminal penalties.

Introduction of software by Board Members should only occur as a part of the automated maintenance or update process of District- or District-approved or installed programs by the original manufacturer, producer, or developer of the software. Any other introduction of software requires prior authorization from IT staff.

13.5 Hardware

Access to technology resources provided by or through the District shall be strictly limited to District-related activities. Authorized Board Members shall only access data stored on or available through District computer systems engaged in an approved District-related project or program or who otherwise have a legitimate District-related purpose to access such data. Any exceptions to this policy must be approved by executive staff.

13.6 Internet Use

Internet access provided by or through the District shall be strictly limited to District-related activities. Internet sites containing information that is not appropriate or applicable to District use and which shall not be intentionally accessed include, but are not limited to, adult forums, pornography, gambling, chat rooms, and similar or related Internet sites. Certain exceptions may be permitted with the express approval of executive staff as a function of a Board Member's assignment. Downloaded information from the Internet shall be limited to messages, mail, and data files.

13.7 Protection of Systems and Files

All Board Members have a duty to protect the computer system and related systems and devices from physical and environmental damage and are responsible for the correct use, operation, care, and maintenance of the computer system.

Board Members shall ~~e~~ensure ~~district-District~~ computers and access terminals are not viewable by persons who are not authorized users. Computers and terminals should be secured, users logged off, and password protection enabled whenever the user is not present. Access passwords, login information, and other individual security data, protocols, and procedures are confidential information and are not to be shared. Password length, format, structure, and content shall meet the prescribed standards required by the computer system or as directed by executive staff and shall be changed at intervals as directed by IT staff.

A Board Member is prohibited from allowing an unauthorized user to access the computer system at any time or for any reason. Board Members shall promptly report any unauthorized access to the computer system or suspected intrusion from outside sources (including the Internet) to ~~executive-Executive staff~~Staff.

13.8 Privacy Expectation

Board Members forfeit any expectation of privacy regarding emails, texts, or anything published, shared, transmitted, or maintained through file-sharing software or any Internet site accessed, transmitted, received, or reviewed on any District technology system.

The District reserves the right to access, audit, and disclose, for whatever reason, any message, including attachments, and any information accessed, transmitted, received, or reviewed over any technology that is issued or maintained by the District, including the District email system, computer network, or any information placed into storage on any District system or device. This includes records of all keystrokes or Web-browsing history made on any District computer or over any District network. The fact that access to a database, service, or website requires a username or password will not create an expectation of privacy if it is accessed through district computers, electronic devices, or networks.

The District shall not require a Board Member to disclose a personal username or password for accessing personal social media or open a personal social website; however, the District may request access when it is reasonably believed to be relevant to the investigation of allegations of work-related misconduct (Labor Code § 980).

The District shall notify impacted Board Members, in writing and by phone, at the time these rights are exercised upon them. An Access Log must be kept by the District to record every time these rights are exercised upon a Board Member. The Access Log shall record at least; the date of access, the name of the Board Member(s) affected, the purpose for access, and the names and signatures of at least two District Executives involved with the exertion of this right. The District shall provide this Log to the Board of Directors on a quarterly basis.

13.9 Inspection or Review

The Executive Staff or the authorized designee has the express authority to inspect or review the computer system, all temporary or permanent files, related electronic systems or devices, and any contents thereof, whether such inspection or review is in the ordinary course of his/her supervisory duties or based on the cause. The District shall notify impacted Board Members, in writing and by phone, at the time these rights are exercised upon them by the District, Executive Staff, or the Authorized Designee. An Access Log must be kept by the District to record every time these rights are exercised upon a Board Member by the District, Executive Staff, or the Authorized Designee. The Access Log shall record at least; the date of access, the name of the Board Member(s) affected, the purpose for access, and the names and signatures of at least two District Executives involved with the exertion of this right. The District shall provide this Access Log to the Board of Directors on a quarterly basis.

Reasons for inspection or review may include, but are not limited to, computer system malfunctions, problems or general computer system failure, a lawsuit against the District involving one of its Board Members or a Board Member's duties, an alleged or suspected violation of any ~~district-District~~ policy, a request for disclosure of data, or a need to perform or provide a service.

An IT contractor or District designee may extract, download, or otherwise obtain any and all temporary or permanent files residing or located in or on the District computer system when requested by Executive Staff or during the course of regular duties that require such information. Impacted Board Members shall be notified when such information is requested from or by the District, its Executive Staff, Authorized Designees, or IT Contractors. All such activities shall also be recorded in the Access Log and part of the quarterly update to the Board of Directors.

Policy 12 – Appointed Citizen Oversight Committees

PURPOSE AND SCOPE

The Board of Directors at times may need to create citizen oversight committees. These committees will be established by the full Board of Directors at a regularly scheduled meeting and have policies created by a Board Ad Hoc Committee and/or staff and adopted by the Board of Directors.

14.1 Proposition E Oversight Committee Policy

On July 13, 2007, East County Fire Protection District (“ECFPD”) Resolution 07-08-03 was adopted by its Board, calling for a mail ballot election to be held on September 25, 2007, for Proposition E—East County Fire Protection District, a special parcel tax (“Prop. E”). A complete copy of Resolution 07-08-03 is attached hereto as Exhibit A.

On September 25, 2007, registered voters in the former ECFPD overwhelming approved Prop. E, with 73.2% of the voters in support of the measure; a Citizens’ Oversight Committee was formed. The full text of Prop. E is included in this Policy as Exhibit B.

In July 2008, ECFPD completed the necessary steps as directed by the San Diego County Local Agency Formation Commission (“LAFCO”) and merged with San Miguel Consolidated Fire Protection District (“District”). Subsequent to the merger, the Prop. E committee dissolved because, as a merged district, segregation of revenue and expenditures was fiscally impractical and the District already had policies in place for auditing, overseeing, and reporting expenditures, including an annual Combined Tax Report compiled by an independent consultant.

On December 8, 2021, the District, by Resolution 21-16, reinstated the Prop. E Citizens’ Oversight Committee.

The Prop. E Oversight Committee is charged by State law to ensure that Prop. E proceeds are spent only for the purpose of ensuring continued local fire suppression, protection and emergency response services for all residents, employees, and guests in the former ECFPD service area (i.e., Bostonia and Crest). The revenues raised can only be used to defray operating expenses, capital improvement expenditures, and debt repayment to accomplish the foregoing purposes, in compliance with Prop. E, pursuant to Government Code Section 50077 et seq.

The Committee’s sole focus and purpose is to advise the Board on the expenditures funded by the measure in order to help ensure that said funds are spent for the purposes approved by the voters. The Committee will monitor the expenditures of these funds by the District and will report on an annual basis to the Board and community on how these funds have been spent.

1. Code of Conduct and Decorum

Prop. E Oversight Committee members shall maintain the highest ethical standards. The proper operation of the Committee requires that any member’s position on the Committee not be used for personal and/or financial gain, and that members remain objective and work as a team. Members will maintain the highest standard of personal honesty, fairness and respect while carrying out their duties.

~~The District has adopted the following Code of Conduct and Decorum for members of the Committee in order to promote and maintain the highest standards of personal and professional conduct in the District's governance. While recognizing conflict and disagreement are sometimes a part of the public process, Committee members must acknowledge and value its duty to model ethical and civil behavior for the District's customers and staff. Committee decisions and work, therefore, must meet the most demanding ethical standards and demonstrate the highest levels of achievement.~~

~~Members shall respect District employees time and will not contact staff outside normal business hours.~~

~~Members shall respect confidences and information designated as "confidential." Members shall not disclose information received as "confidential."~~

~~Members shall state views briefly (5 minutes) and clearly during Committee meetings (may request from the Committee chair an exemption to 8 minutes, if the item is overly complex), and shall refrain from discussing non-agenda items.~~

~~Members shall refrain from abusive conduct, personal charges, or verbal attacks upon the character, motive, ethics, morals, or comments of other Members of the Committee, staff, or the public. Members shall refrain from profanity and other personal comments that are not relevant to the issue before the District Board.~~

~~Members shall recognize and accept legitimate differences of opinion. Members shall act with integrity in accepting and supporting the Committee's decisions. Once the Committee makes a determination, Members should respect the position of the Committee and not create barriers or interfere with the presentation of the Committee's decisions to the Board. Dissenting Member(s) may continue to oppose the decision; however, when speaking publicly, the dissenting Member(s) should acknowledge the decision of the Committee.~~

~~Refrain from using status as a Committee Member to influence the outcome of any community meeting. When attending as a citizen, indicate when expressing personal opinion, and refer questions related to District policies to the District's Fire Chief.~~

~~Correspondence paid for with public funds or on District stationery must relate to bona fide District business of the Committee and must not purport to advance or advocate a policy not previously approved by the Board of Directors.~~

~~When signing correspondence using their title as Committee Member, members of the Committee shall explicitly state they do not represent the District and will not allow the inference that they do. The following disclaimer shall be used on all Committee communications: "This correspondence and any documents attached hereto, reflects the opinions and positions of the above-named Proposition E Committee Member and does not represent the opinions or positions of the District's Board of Directors or the District. Committee members shall have no power to act for the District or the District's Board of Directors."~~

~~2. Violation of Code of Conduct and Decorum Policy~~

~~Violations of Code of Conduct and Decorum shall immediately be brought to the attention of the Fire Chief. The Fire Chief, designee, or third party shall investigate the validity of the violation and/or allegation and shall handle the matter in line with District policy. Once~~

~~the investigation is complete, the Fire Chief shall notify the Board President and the item shall be placed on the next Board Agenda under Action Items for Board consideration. If a majority of the Board determines that conduct was in violation of this Policy, the Board may impose any of the following remedial actions.~~

- ~~a. Issue a letter of warning from the Board.~~
- ~~b. Adopt a resolution expressing disapproval of the conduct of the Committee Member and censure by the Board.~~
- ~~c. Remove the Committee Member from their position on the Committee~~

~~A. Member Appointments, Terms and Composition~~

~~In October of each year, Staff shall notify the public and the entities listed below of vacancies on the Prop. E Oversight Committee by multiple available means in order to recruit qualified, motivated committee members, including but not limited to:~~

- ~~1. San Diego County Taxpayers Association~~
- ~~2. Community organizations (i.e., Rotary, Kiwanis, etc.)~~
- ~~3. Financial Executives International~~
- ~~4. American Builders and Contractors of San Diego~~
- ~~5. Local and community papers~~
- ~~6. Local Chambers of Commerce~~
- ~~7. Firefighter Organizations~~

~~Appointments shall be made in alignment with Board Committee appointments during the first Board meeting in January of each year and if necessary, throughout the year.~~

~~The Prop. E Oversight Committee shall strive to have seated at least three (3) members and no more than five (5) members who will each serve for a term of one (1) year without compensation and shall not serve for more than three (3) consecutive terms. Members must have the ability to conduct Committee business utilizing their own personal electronic devices. No electronic equipment will be provided by the District.~~

~~Whenever possible, a majority of the members of the Committee shall possess expertise in one or more of the following areas:~~

- ~~a. Experience in Special District/public financial matters~~
- ~~b. Experience in performance and financial auditing~~
- ~~c. Construction-related project management/operations~~
- ~~d. Real estate acquisition or sales~~
- ~~e. Environment laws or regulations~~
- ~~f. Information technology~~
- ~~g. Business organization representing the Bostonia and/or Crest service area~~
- ~~h. One member who is active in a senior citizens' organization~~
- ~~i. One member who is active in a bona fide taxpayers' association~~
- ~~j. One member who is a current or retired fire service professional~~

~~k.—Other members may be selected based upon the applicant's professional and/or practical experience; recognition or contributions to his/her community; the diversity of experience and expertise of the Committee as a whole; and representation of the Committee from within the Bostonia and Crest areas.~~

~~The Committee may not include any employee or official of the District or any vendor, contractor, or consultant of the District.~~

~~In order to ensure a more diverse knowledgebase representative of a broader area, members may not be from the same family, household, or place of employment.~~

~~B.—Orientation~~

~~Before a new Committee begins work, a comprehensive orientation is mandatory. Each member must receive a thorough briefing by the District's staff, including copies of the relevant codes, Prop. E ballot language, and any relevant budgets, financial reports, and minutes of recent meetings.~~

~~It is strongly recommended that new appointees tour the Bostonia and Crest fire station facilities. Tours shall be arranged through the Fire Chief.~~

~~C.—Sexual Harassment Training~~

~~Committee members, although not employees of the District, shall be required to complete online Sexual Harassment Prevention Training before participating in any Committee meeting. The District shall pay for the cost of this training and provide the logon information for each newly appointed member.~~

~~D.—Focus of Committee~~

- ~~1.—The Committee is charged by State law to ensure that Prop. E proceeds are spent only for the purpose of ensuring continued local fire suppression, protection and emergency response services for all residents, employees, and guests in the former ECFPD service area (i.e., Bostonia and Crest). The revenues raised can only be used to defray operating expenses, capital improvement expenditures, and debt repayment to accomplish the foregoing purposes, in compliance with Prop. E, pursuant to Government Code Section 50077 et seq.~~
- ~~2.—The Committee shall, at all times, remain focused on the scope of Prop. E, specifically, ensuring revenues raised are being spent within the scope of Prop. E.~~
- ~~3.—The Committee shall confirm that the District has demonstrated that best efforts have been applied to maximize opportunities for Prop E expenditures to be used in conjunction with other local agencies in a manner that benefits the public and reduces costs.~~
- ~~4.—The Committee must review whether expenses are within the constraints of~~

~~Prop. E and any non-certified expenditures shall be publicly reported.~~

~~E. District Email Account~~

- ~~1. Committee Members shall be provided with a District email account for the exclusive use of communication on Committee matters and are subject to the Public Records Act.~~
- ~~2. Members will be given relevant district policies to acknowledge and comply with these policies.~~

~~F. Meetings~~

- ~~1. At its first meeting of each new fiscal year, the Committee shall appoint a Chairperson and co-Chairperson.~~
- ~~2. All Committee meetings shall be open to the public and are subject to the Brown Act. District staff, as designated by the Fire Chief, will be responsible for collaborating with the Chairperson of the Prop. E Oversight Committee to prepare and properly notice agendas, minutes, and reports of the Committee. No Prop. E funds may be used to pay any of these expenses.~~
- ~~3. The Committee must meet with sufficient frequency to ensure that members remain fully informed about all relevant current conditions. The Committee shall schedule meetings as needed, meetings as either a full body, or in the form of subcommittees that shall then report back to the full Committee at its next regularly scheduled meeting.~~
- ~~4. Any member who misses three consecutive meetings without an excuse acceptable to the Board shall be automatically dropped from the Committee. The Board, at its discretion, may fill any vacancy created by dismissal, resignation or death of a Committee member as described in Section A, above.~~

~~G. Conduct During Meetings~~

- ~~1. All Members should be on time for all meetings. Members should make every effort to notify the Committee Chair of any anticipated or unanticipated late arrival to meetings or absence.~~
- ~~2. Members shall thoroughly prepare themselves to discuss agenda items prior to Committee meetings, including having discussions with other Members within the constraints of the Brown Act.~~
- ~~3. Written information or Committee documents that are exchanged before meetings shall be distributed through the Fire Chief and all Committee Members shall receive all such written information or documents being distributed.~~
- ~~4. Members shall conduct themselves with courtesy to each other, staff and members of the audience present at Committee meetings.~~
- ~~5. Members shall defer to the presiding Chair member for conduct of meetings~~

~~of the Committee but shall be free to question and discuss items on the agenda. All comments should be brief and confined to the matter being discussed by the Committee.~~

- ~~6. Members may request for inclusion into minutes, brief comments pertinent to an agenda item, (including, if desired, a position on abstention or dissenting vote). Such request may only be made at the meeting in which the comments are made.~~
- ~~7. Members shall abstain from participating in consideration on any item involving a personal or financial conflict of interest. Unless such a conflict of interest exists, however, Members should not abstain from the Committee's responsibilities.~~
- ~~8. Requests by consensus of the Committee Members for substantive information and/or research from District staff shall be channeled through the Fire Chief or Administrative Officer/Finance Officer and placed on the next Board Agenda for Board consideration/approval.~~

~~H. Access to Information~~

~~Committee members shall have access to historical and ongoing financial resources as they become available to the public to support the focus of the Committee. This includes the annual San Miguel Consolidated Fire Protection District Combined Tax Reports which consists of the District's Tax Administration Consultant's report specific to Proposition E. Historical financial data is conveniently available on the District's website: www.sanmiguelfire.org.~~

- ~~1. The Committee is authorized to engage in any of the following activities necessary to fulfill its specific purpose:
 - ~~a. Receive and review copies of the annual Combined Tax Reports.~~
 - ~~b. Receive and review copies of the publicly available budget documents.~~
 - ~~c. Receive and review copies of any maintenance and/or capital improvement projects to ensure funds are expended in compliance with Prop. E.~~
 - ~~d. Receive and review copies of any deferred maintenance proposals or plans developed by the District.~~
 - ~~e. Review efforts by the District to maximize Prop. E revenues by implementing cost-saving measures.~~~~
- ~~2. To assist the Committee in its work, District staff shall provide the Committee with the annual District audits that are required by law.~~

~~I. Access to the Governing Board, Fire Chief and Administrative Officer/Finance Officer~~

~~The Committee shall periodically meet with the Fire Chief and/or District's Administrative Officer/Finance Officer and at least annually with the Board. It is recommended that Committee members monitor the District's Board meetings and Finance Committee Meetings.~~

~~The Committee shall meet with the Board prior to its presentation of its annual Performance Assessment Report.~~

- ~~1. Committee members shall not task staff with projects not authorized by the Board by consensus or specific direction.~~
- ~~2. Committee members shall not contact any District consultant without approval from the Board by consensus.~~

~~J. Certification of Expenditures~~

~~The District shall present to the Committee, written certification that all Prop. E revenues currently expended have been in conformity with Prop. E on an annual basis. The Certification of Expenditures must be in the Committee's annual report.~~

~~K. Prevailing Wage Requirements~~

~~Most, if not all, publicly funded projects fall under prevailing wage requirements. The Committee shall request and receive an annual compliance report from the District detailing related compliance issues of importance specific to Prop. E service area (i.e., Bostonia and Crest), if any.~~

~~L. Final Annual Report~~

~~The Committee shall be the principal author, (with staff assistance as may be requested), of its Proposition E Performance Assessment Report, required to be reported annually to the public. The District shall provide technical, production and distribution support. The Report shall appear on the District's website under a separate tab designated specifically for the Proposition E Oversight Committee and be available at the principal office of the District.~~

~~Prior to preparing its annual Report, the Committee shall review the District's annual Financial Report and Combined Tax Report prior to presenting its own Performance Assess Report to the Board. The Committee's annual report shall contain, at a minimum:~~

- ~~1. Full text of the original Prop. E Ballot Measure;~~
- ~~2. Whether or not the District has demonstrated that best efforts have been applied to maximize opportunities for expenditures to be used in conjunction with other local agencies in a manner that benefits the public and reduces costs.~~
- ~~3. Certification of Expenditures~~
- ~~4. Committee's overall analysis of expenditures, noting any significant variances from the original stated expenditure plan, if any, why they occurred and how they were mitigated.~~
- ~~5.6. The Committee's final report is due to the Board of Directors by the Regular Board Meeting in April of each year.~~



San Miguel Fire & Rescue

Service Beyond Expectations

Fire Prevention Staff Report

Date: July 12, 2023
To: Board of Directors
From: Jonathan Newman, Deputy Fire Marshal
Subject: Fire Prevention Fee Schedule – Fee Proposal

Background

The Fire Prevention Division's purpose is to ensure the public's health and safety by enforcing compliance with fire and building codes. This is accomplished through plan checking of all new construction projects and annual inspections of businesses and state-mandated inspection occupancies. The San Miguel fee schedule for fire prevention-related services was updated in 2021 and amended for updated fees on December 8, 2021, which took effect in January 2022. To attempt to recover as many of the costs of delivering these services, we review them on an annual basis.

Discussion

Fees have been updated based on salary and benefits costs, operating costs specific to Fire Prevention, and administrative costs. A cost analysis has been included for justification of the increase in fees.

Fiscal Impact

The fiscal impact is unknown and cannot be accurately predicted due to fluctuations in the construction industry and economy, but it is anticipated that there will be an increase in revenue to the District if this fee schedule is adopted. With these increases in revenue, based on the analysis, Fire Prevention would be closer to cost-neutral. A continuous cost analysis will be provided each year when reviewing the fee schedule.

Recommendation

Adopt Ordinance 2023-2, which approves the revised 2023 Fee Schedule to be effective 30 days from July 12, 2023.

Ordinance 2023-2

An Ordinance of the The San Miguel Consolidated Fire Protection District Which Adopts New and Increased Miscellaneous Fees and Charges, and Making Certain Finding and Taking Certain Actions Relating Thereto

WHEREAS, the San Miguel Consolidated Fire Protection District (the "District") provides certain fire and emergency response services to persons and property within the District's service area; and

WHEREAS, the District is proposing to adopt a schedule containing new and/or increased fees and charges (the "fees") for various services provided by the District; and

WHEREAS, the District provided notice and held a public hearing in accordance with the requirements set forth under Health and Safety Code section 13916; and

WHEREAS, the District conducted a cost-of-service analysis in order to determine the amount of each fee and has made its findings available to the public for inspection at least ten (10) days prior to the date of the public hearing; and

WHEREAS, based on the findings of the District's analysis, the proposed fees do not exceed the District's reasonable costs of providing services, products, or regulatory activity (including inspections for permitting) for which they are imposed, and the fees will only be imposed on persons who are provided such services, products, or regulatory activities; and

WHEREAS, at the public hearing, the Board of Directors considered the proposed fees and the data supporting such fees, heard and considered all oral testimony, written materials, and written protests or objections concerning the establishment and imposition of the new or increased fees;

NOW THEREFORE, the Board of Directors of the San Miguel Consolidated Fire Protection District do ordain as follows:

SECTION 1. Recitals.

The Recitals set forth above are true and correct statements and are incorporated as an operative part of this Ordinance and made findings and determinations to the Board of Directors by this reference.

SECTION 2. Adoption. The Board of Directors hereby adopts the fees set forth in Exhibit "A" hereto.

SECTION 3. Findings. The Board of Directors Council hereby finds and determines that the Fees adopted pursuant to this Ordinance (1) are imposed for a specific government activity, service, or product, provided directly to the payor; (2) are no more than necessary to recover the estimated reasonable costs of the governmental activity, service, or product, for which the Fees are imposed; and (3) the manner in which those costs are allocated to the payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity, service, or product, for which the Fees are imposed. The Fees are not taxes within the meaning of the California Constitution, article XIII C, §1(e).

SECTION 4. Rules and Regulations. The Board of Directors may make rules or regulations and, from time to time, may amend, revoke, or add rules and regulations not consistent with

this

The ordinance, as they may deem necessary or expedient in respect to billing for the Fees adopted hereby; provided, however, that no such action shall result in any Fee being increased or exceeding the cost of providing the service, product, or regulatory activity for which it is imposed.

SECTION 5. Severability. If any section, subsection, clause, or phrase in this Ordinance or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Ordinance or the application of such provision to other persons or circumstances shall not be affected thereby. The District hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases or the application thereof to any person or circumstance be held invalid.

SECTION 6. Implementation of Fees The Board of Directors authorizes the Administrative Officer/Finance Officer, and any other appropriate District Staff as designated by the Administrative Officer/Finance Officer, to take all actions necessary to effectuate the intent of this Ordinance and to implement the Fee Schedule adopted pursuant to this Ordinance.

SECTION 7. Further Action. The Board Clerk is hereby ordered and directed to cause this ordinance to be published. First read at a regular meeting of the Board of Directors of the San Miguel Consolidated Fire Protection District, held on June 14, 2023. A Second reading occurred at a regular meeting on July 12, 2023, and was finally adopted and ordered published in the manner required by law at the hearing and meeting on the 12th day of July, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Upon its passage and ratification by the County of San Diego, the Board Clerk shall transmit a copy of this Ordinance to the California Department of Housing and Community Development pursuant to Health and Safety Code Section 13869.7.

That this ordinance and the rules, regulations, provisions, requirements, orders, and matters established and adopted hereby shall take effect and be in full force and effect 30 days from and after the date of its final passage and adoption.

ATTEST:

Shayna Rians
Board Clerk

Jesse A. Robles
Board President



San Miguel Fire & Rescue
Proposed 2023 Fee Schedule
New Fee Proposals
Exhibit "A"

| | Basic Description | Current Fee Total <i>(Admin Fee Included)</i> | Proposed Fee <i>(Admin Fee Included)</i> | Proposed New Fee vs Present Fee | Proposed New Fee vs Present Fee |
|----|---|--|---|------------------------------------|------------------------------------|
| 1 | Mapping | \$16 | \$16 | N/A | N/A |
| 2 | Fair Share (\$0.20 per square foot) | 20¢/sq ft | 20¢/sq ft | N/A | N/A |
| 3 | Letters | \$97 | \$124 | \$27 | 28% |
| 4 | Project Availability Form for Minor Subdivision or Minor Use Permit | \$172 | \$222 | \$50 | 29% |
| 5 | Project Availability Form for Major Subdivision | \$283 | \$368 | \$85 | 30% |
| 6 | TPM or Minor Subdivision Service Letter Renewal | \$172 | \$222 | \$50 | 29% |
| 7 | TM or Major Subdivision Service Letter Renewal | \$283 | \$368 | \$85 | 30% |
| 8 | Final Map / Mylar Review | \$172 | \$222 | \$50 | 29% |
| 9 | Release of Map Covenants | \$209 | \$270 | \$61 | 29% |
| 10 | Cellular Sites | \$172 | \$222 | \$50 | 29% |
| 11 | Major Use Permit (P or MUP) or Site Plan (S or STP) | \$283 | \$368 | \$85 | 30% |
| 12 | Fuel Modification Plans or Environmental Review – Mitigated Negative Declaration | \$283 | \$368 | \$85 | 30% |
| 13 | Minor Grading Plan (5 acres or less) | \$172 | \$222 | \$50 | 29% |
| 14 | Administrative (AD), Variance (VAR), Vacation Review (VAC), or Zoning (ZAP) Service Letter | \$172 | \$222 | \$50 | 29% |
| 15 | Improvement Plans – Planned Residential Development (PRD) Service Letter | \$209 | \$270 | \$61 | 29% |
| 16 | Site Plan Review (single occupancy) conceptual and consultation | \$209 | \$270 | \$61 | 29% |
| 17 | Grading Plan (more than 5 acres) | \$209 | \$270 | \$61 | 29% |
| 18 | New Residential Construction | \$339 | \$441 | \$102 | 30% |
| 19 | Residential Addition or Remodel | \$246 | \$319 | \$73 | 30% |
| 20 | Residential Plan Resubmittal/Stamp Transfer (new or remodel) | \$134 | \$173 | \$39 | 29% |
| 21 | Residential Building Plans for Planned Residential Developments | \$377 | \$489 | \$112 | 30% |
| 22 | Residential Building Plans for Planned Residential Developments (each additional unit) | \$209 | \$270 | \$61 | 29% |
| 23 | Tenant Improvement | \$265 | \$343 | \$78 | 30% |
| 24 | Detached Garages & Outbuildings | \$265 | \$343 | \$78 | 30% |
| 25 | Commercial, Industrial & Multi-family Building Plans (up to 52,000 sq ft) | \$507 | \$660 | \$153 | 30% |
| 26 | Commercial, Industrial & Multi-Family Building Plans (each additional 52,000 sq ft) | \$302 | \$392 | \$90 | 30% |
| 27 | Commercial, Industrial & Multi-Family Building – Additional Field Inspection (after 2 nd inspection) | \$134 | \$173 | \$39 | 29% |
| 28 | Commercial, Industrial & Multi-Family Plan Resubmittal/Stamp Transfer | \$172 | \$222 | \$50 | 29% |
| 29 | Residential Fire Sprinkler System (13-D or 13-R) | \$265 | \$343 | \$78 | 30% |
| 30 | Residential Fire Sprinkler Plans (each additional unit or riser) | \$209 | \$270 | \$61 | 29% |
| 31 | Residential Fire Sprinkler Plan (resubmittal) | \$134 | \$173 | \$39 | 29% |
| 32 | Commercial Fire Sprinkler System | \$526 | \$684 | \$158 | 30% |

| | | | | | |
|----|---|----------------------------------|------------------------|-------|-----|
| 33 | Underground for Fire Sprinkler System or Hydrant | \$246 | \$319 | \$73 | 30% |
| 34 | Commercial Fire Sprinkler or Underground Plans (resubmittal) | \$172 | \$222 | \$50 | 29% |
| 35 | Commercial Sprinkler Tenant Improvement | \$265 | \$343 | \$78 | 30% |
| 36 | Special Fire Protection Installations, Hood & Duct Systems, Remote Extinguishing Systems | \$265 | \$343 | \$78 | 30% |
| 37 | Special Hazard Installations, High Piled Storage, Underground & Aboveground Storage Tanks, Spray Booths, Industrial Ovens, etc. | \$358 | \$465 | \$107 | 30% |
| 38 | Fire Alarm System (up to 52,000 sq ft) | \$321 | \$416 | \$95 | 30% |
| 39 | Fire Alarm System (over 52,000 sq ft) | \$470 | \$611 | \$141 | 30% |
| 40 | Fire Alarm Resubmittal | \$160 | \$173 | \$13 | 8% |
| 41 | Overtime Inspection (Charged per hour at time & a half) | \$149 | \$195 | \$46 | 31% |
| 42 | Knox Installation | \$112 | \$146 | \$34 | 30% |
| 43 | Expedited Plan Review | 1.5 x plan review rate | 1.5 x plan review rate | N/A | N/A |
| 44 | Fireworks | \$395 | \$514 | \$119 | 30% |
| 45 | Defensible Space Inspection | \$148 | \$160 | \$12 | 8% |
| 46 | Annual Permit Inspection | \$186 | \$242 | \$56 | 30% |
| 47 | Additional Inspections | \$137 | \$178 | \$41 | 30% |
| 48 | Burn Permits | \$120 | \$156 | \$36 | 30% |
| 49 | Licensed Care Pre-inspection (<26 residents) | \$120 | \$156 | \$36 | 30% |
| 50 | Licensed Care Pre-inspection (>26 residents) | \$169 | \$221 | \$52 | 31% |
| 51 | Licensed Care Initial Fire Clearance (1-6 residents) | No Charge per State Fire Marshal | | | |
| 52 | Licensed Care Initial Fire Clearance (7-50 residents) | | | | |
| 53 | Licensed Care Initial Fire Clearance (>50 residents) | | | | |
| 54 | Annual Licensed Day Care Inspection (0-14 individuals) | \$120 | \$156 | \$36 | 30% |
| 55 | Annual Licensed Day Care Inspection (15-50 individuals) | \$186 | \$242 | \$56 | 30% |
| 56 | Annual Licensed Day Care Inspection (>50 individuals) | \$235 | \$307 | \$72 | 31% |
| 57 | Annual Licensed Residential Care Inspection (7-30 individuals) | \$150 | \$199 | \$49 | 33% |
| 58 | Annual Licensed Residential Care Inspection (>30 individuals) | \$244 | \$307 | \$63 | 26% |
| 59 | Annual Apartment/Condominium Inspection (1-15 dwelling units) | \$150 | \$199 | \$49 | 33% |
| 60 | Annual Apartment/Condominium Inspection (16-30 dwelling units) | \$263 | \$328 | \$65 | 25% |
| 61 | Annual Apartment/Condominium Inspection (each additional 15 dwelling units) | \$113 | \$156 | \$43 | 38% |
| 62 | Annual School Inspection (private schools and pre-schools) | \$202 | \$264 | \$62 | 31% |
| 63 | Annual Business Inspection <3000 sq ft (Change tier to 0 - 999 sq. ft.) | \$88 | \$113 | \$25 | 28% |
| 64 | Annual Business Inspection 3000-10,000 sq ft (Change tier to 1000 - 2999 sq. ft.) | \$104 | \$135 | \$31 | 29% |
| 65 | Annual Business Inspection >10,000 sq ft (Change tier to 3000 - 6499 sq. ft.) | \$153 | \$199 | \$46 | 30% |
| 66 | Annual Business Inspection 6500 - 10,000 sq ft | \$235 | \$307 | \$72 | 31% |
| 67 | Annual Business Inspection 10,001 - 25,000 sq ft (New tier) | \$415 | \$543 | \$128 | 31% |
| 68 | Annual Business Inspection >25,000 sq ft | \$578 | \$759 | \$181 | 31% |
| 69 | Apparatus Stand-by Cost | \$479 | \$512 | \$33 | 7% |
| 70 | Landscape Plan Reviews | N/A | \$270 | N/A | N/A |



San Miguel Fire & Rescue

Service Beyond Expectations

Chief's Report

Date: July 12, 2023
To: Board of Directors
From: Criss Brainard, Fire Chief
Subject: Heartland Communications Facility Authority (HCFA) JPA Agreement Changes

Background and Discussion

The Heartland Communications Facility Authority, at their May 25, 2023 meeting, accepted the HCFA JPA Amended and Restated Agreement.

Agreement changes include:

- Page 1: Opening statement: dates, added San Miguel and Viejas
Section 1: effective date, "as amended from time ... "
- Page 4: Section 3 (G)(1): meeting dates and budget adoption for fiscal year
Section 3 (G)(2): "The Board shall consider ... "
Section 3 (G)(3): "which shall be held ... "
- Page 5: Section 3 (G)(5): "of the Commission, the Board ... "
- Page 6: Section 3 (H)(3a): "work with Director to prepare proposed ... "
- Page 13: Section 8: date changes to extend through June 30, 2023 to match the current term dates in our HCFA Lease Agreement.

To date, both HCFA Board of Chiefs, HCFA Commission and HCFA Management Advisory Committee (MAC) have approved the requested changes to our agreement. Per the agreement, amendments can only be made per **Section 11. Amendment to Agreement** (page 14):

Section 11. Amendment to Agreement.

This Agreement may only be amended by simple majority vote of all the Member Agencies. The Commission shall initiate any proposed amendment by requesting a formal recommendation from the Board. The Commission shall then forward the proposed amendment with the Board's recommendation to the governing body of each Member Agency. The proposal shall be accompanied by a copy of the proposed amendment to the Agreement, which shall be adopted, properly executed, and returned to the Commission if the Member Agency concurs with the amendment. The Secretary shall notify each party of the resultant action.

Fiscal Impact

No fiscal impact.

Recommendation

Approve changes to the HCFA JPA agreement.

HEARTLAND COMMUNICATIONS FACILITY AUTHORITY

JPA MEMBERS BEING SERVED:

ALPINE FIRE PROTECTION DISTRICT
BONITA FIRE PROTECTION DISTRICT
EL CAJON FIRE DEPARTMENT
LA MESA FIRE DEPARTMENT
LAKESIDE FIRE PROTECTION DISTRICT
LEMON GROVE FIRE DEPARTMENT
SAN MIGUEL FIRE PROTECTION DISTRICT
SANTEE FIRE DEPARTMENT
VIEJAS FIRE DEPARTMENT



ALSO SERVING:

BARONA FIRE PROTECTION DISTRICT
SYCUAN FIRE DEPARTMENT

HCFA EXECUTIVE DIRECTOR JEFF LOGAN

Heartland Communications
Facility Authority
100 E Lexington Avenue
El Cajon, CA. 92020

June 6, 2023

Harry Muns
HCFA Commissioner
San Miguel Fire Protection District
2850 Via Orange Way
Spring Valley, CA 91978

Reference: Formal request to accept proposed updates to the HCFA JPA Amended and Restated Agreement at the next San Miguel FPD board meeting

Commissioner Muns,

HCFA respectfully requests, per the direction given at the HCFA Commission Meeting held Thursday, May 25, 2023, that your agency add to the next San Miguel FPD Board meeting an agenda item for recommendation to accept the proposed updates to our JPA Agreement as listed below.

Recommended JPA Agreement Changes

Page 1:

- Opening statement: dates, added San Miguel and Viejas
- Section 1: effective date, "as amended from time..."

Page 4:

- Section 3 (G)(1): meeting dates and budget adoption for fiscal year
- Section 3 (G)(2): "The Board shall consider..."
- Section 3 (G)(3): "which shall be held..."

Page 5:

- Section 3 (G)(5): "of the Commission, the Board..."

Page 6:

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This Agreement may only be amended by simple majority vote of all the Member Agencies. The Commission shall initiate any proposed amendment by requesting a formal recommendation from the Board. The Commission shall then forward the proposed amendment with the Board's recommendation to the governing body of each Member Agency. The proposal shall be accompanied by a copy of the proposed amendment to the Agreement, which shall be adopted, properly executed, and returned to the Commission if the Member Agency concurs with the amendment. The Secretary shall notify each party of the resultant action.

I have included a copy of the JPA Agreement (Exhibit A) in its entirety (with tracked changes in red) for presentation to your board.

If your board adopts and properly executes approval, I have included a JPA Agreement Signatory Page (Exhibit B) to signed by your agency's approving official to be returned to Heartland before June 30, 2023, if possible. If you are not able to make this date, please let me know what your agency's time frame will be to complete this process or if the recommendation has not passed.

Respectfully,



Valerie Nellis
Heartland Communications
Administrative Coordinator
vnellis@heartlandfire.net
619-441-1623

**AMENDED AND RESTATED
JOINT EXERCISE OF POWERS AGREEMENT FOR
“HEARTLAND COMMUNICATIONS FACILITY AUTHORITY”**

A Joint Exercise of Powers Agreement was originally made and entered into on the 25th day of June, 1986, (“Original Agreement”) amended at various times including on the 1st day of July, 2013, on the first day of January 2017, and most recently amended and restated on January 1, August 1, 2023 by and among the ALPINE FIRE PROTECTION DISTRICT, BONITA-SUNNYSIDE FIRE PROTECTION DISTRICT, CITY OF EL CAJON, CITY OF LA MESA, LAKESIDE FIRE PROTECTION DISTRICT, CITY OF LEMON GROVE, CITY OF SANTEE, SAN MIGUEL FIRE PROTECTION DISTRICT, and the VIEJAS BAND OF KUMEYAAY INDIANS. (collectively the “Member Agencies” and individually “Member Agency”), all of which are organized and existing under and by virtue of the laws of the State of California.

WITNESSETH:

WHEREAS, the Member Agencies desire to amend and restate the Original Agreement by this agreement (“Agreement”); and

WHEREAS, the Member Agencies are each empowered by law to acquire sites, construct, equip, staff, maintain, operate, and lease public buildings related facilities for the purpose of communications; and

WHEREAS, the Member Agencies desire to provide fire communication and related services, and equip, staff, and operate a regional public safety services communications facility, and to provide a vehicle for the accomplishment thereof; and

WHEREAS, the Member Agencies desire to accomplish the aforesaid purpose by jointly exercising their common powers in the manner set forth in this Agreement; and

WHEREAS, the Member Agencies are authorized to jointly exercise their powers pursuant to the provisions of Article 2, Chapter 4, Part 2, Division 2, Title 5, Sections 55631 through 55634, and Article 1, Chapter 5, Division 7, Title 1, Sections 6500 through 6530, of the Government Code of the State of California;

NOW, THEREFORE, the Member Agencies, for and in consideration of the mutual benefits, promises, and agreements set forth herein, AGREE as follows:

SECTION 1. Restatement and Purpose.

Except as otherwise provided in the Agreement, effective as of January 1, 2017 August 1, 2023 (“Effective Date”), this Agreement amends, restates, and supersedes in its entirety the Original Agreement, as amended from time to time prior to the adoption of this Agreement.

This Agreement is made pursuant to California Government Code Section 6500, et seq., hereinafter referred to as the “act,” to permit the joint exercise of certain powers common to the Member Agencies. The purpose of this Agreement is to enable the Member Agencies to exercise these powers jointly by equipping, maintaining, operating and staffing a facility and providing emergency call receiving and dispatching services to the Member Agencies. Such purpose will be accomplished and common powers exercised in the manner set forth in this Agreement. This Agreement is not intended to impair obligations of the Member Agencies arising under the Original Agreement which exist as of the Effective date of this Agreement. All pre-existing obligations, rights, and privileges of the Member Agencies shall continue hereunder, subject to the terms and conditions of this Agreement.

Section 2. Term.

This Agreement shall become effective as of the Effective Date hereof and shall continue indefinitely in full force and effect as long as the number of Member Agencies is not reduced below two (2), or until such time as the Member Agencies agree to amend, withdraw from, or terminate the Agreement, in the manner set forth in Section 8. In the event that the Member Agencies vote to merge or consolidate the Authority with another joint powers agency, and the Authority is not the surviving joint powers agency, this Agreement will terminate upon culmination of such merger or consolidation.

Section 3. Authority.

A. Creation of Authority

Pursuant to Section 6506 of the Act, there is hereby created a public entity, separate and apart from the Member Agencies, to be know as the “Heartland Communications Facility Authority” (“Authority”). The Debt and Long-Term Liabilities and Obligations of the Authority as defined in Sections 5(C)(5) and 5(C)(6) of this Agreement shall constitute the debt and Long Term Liabilities and Obligations of the Member Agencies on a pro rata basis as set forth in Sections 5(C)(3) and 5(C)(4).

B. Commission.

The Authority shall be governed by a Commission, which shall be called the “Heartland Communications Facility Commission” (“Commission”) and which shall exercise the powers set forth in Section 4(8) of this Agreement. Each Member Agency shall have one seat on the Commission and may appoint one Primary Commissioner to fill that seat and on Alternate Commissioner to fill that seat in the absence of the Primary Commissioner. Such appointments shall be made from

members of the governing body of the Member Agency in accordance with the Member Agency's policies and procedures. A Commissioner shall serve at the pleasure of the appointing Member Agency, except such appointee shall cease to be a Commissioner if he or she ceases to be a member of the governing body of the appointing Member Agency, or if the appointing Member Agency ceases to be a party of this Agreement. Each appointing member Agency shall notify the Secretary of their respective appointments. The Secretary shall notify each Member Agency of the appointments of the other parties.

C. Board of Chiefs

Pursuant to Section 6508 of the Act, there is hereby created an administrative body, immediately subordinate to the Commission, to be known as the "Board of Chiefs" ("Board"), whose members are hereinafter referred to as "Chiefs", and which shall exercise the powers set forth in Section 4(C) of this Agreement. Each member Agency shall have one primary Chief on the Board and one alternate Chief to fill that seat in the absence of the primary Chief. A Chief who represents more than one Member Agency shall have one vote for each agency he or she represents. A Chief, or his or her designee, shall serve at the pleasure of the Member Agency of which he or she is a representative, except he or she shall cease to be a Chief if he or she ceases to be the Fire Chief of the designee of the Fire Chief for the Member Agency, or if such Member Agency ceases to be a party to this Agreement. Each of the Member Agencies shall notify the Secretary of the names of its respective Chiefs, as applicable.

D. Management Advisory Committee

A Management Advisory Committee ("MAC") shall be made up of the City Managers of each of the member cities, and the Fire Chiefs of the other member agencies. A MAC representative shall serve at the pleasure of the Member Agency of which he or she is a representative, except he or she shall cease to be a MAC representative if he or she ceases to be the City Manager of the member city or Fire Chief of the member district, or if such Member Agency ceases to be a party to this Agreement. Each of the Member Agencies shall notify the Secretary of the names of its respective MAC representatives, as applicable.

E. Administration

The Authority may employ a Director ("Director"). The Director shall be authorized to act on behalf of the commission in all matters relating to the day to day operations of the Authority, implementation of the approved budget, and the direction of the personnel of the Authority under the general direction of the Board. The Director shall advise the Board and the Commission as requested in connection with any business relating to the Authority. The Director shall be hired by, report to, and serve at the pleasure of the Board, with the ratification of the Commission.

F. Attorney of the Authority

The Attorney of the Authority shall be selected by the Commission and serve at the will of the Commission. The Attorney shall advise the Commission, the Board, and the HCFA Director as requested in connection with any business relating to the Authority. The Commission may, as determined necessary, employ other counsel to represent and advise the Board and the Commission on business and/or other litigation.

G. Meetings of the Commission, the Board, and the MAC

(1) Regular and Special Meetings of the Commission

The Commission shall provide for its regular meetings; however, it shall hold at least one regular meeting ~~immediately~~ prior to each ~~April 30~~ June 1, at which meeting the Commission shall consider ~~and adopt~~ the ~~preliminary proposed~~ budget for the ensuing fiscal year for the Authority, with final adoption of the budget to occur on or before by July 31st, June 30th. ~~for the ensuing fiscal year.~~ The Commission shall provide for such further special meetings as may be needed, depending upon the urgency of business, or as may reasonably be requested by any Commissioner. The date, hour, and location at which any regular meeting shall be held shall be fixed by resolution and a copy of such resolution shall be filed with each of the Member Agencies.

(2) Regular and Special Meetings of the Board

The Board shall provide for its regular meetings; however, it shall hold at least one regular meeting each quarter. The Board may provide for further special meetings as may be needed, depending upon the urgency of business, or as may reasonably be requested of the Chair of the Board by a majority of the Chiefs. The Board shall consider the proposed budget for the next fiscal year at either a regular or special meeting scheduled at the Board's discretion, provided that the proposed budget shall be reviewed and forwarded to the Commission with the Board's recommendations no later than May 15. The date, hour, and location at which regular meetings shall be held shall be fixed by resolution and a copy of the resolution shall be filled with each of the Member Agencies.

(3) Meetings of the MAC

The MAC shall meet occasionally and as necessary but at least twice per year to review the proposed budget, financial performance, capital improvement program, financial reserves, and to provide advisement regarding operations and business matters to the Commission. One meeting shall be prior to budget adoption, which shall be held as promptly and reasonably as possible after receipt by the MAC of the proposed budget so that the MAC's comments regarding the budget can be forwarded to the Director no

later than April 30, and a second meeting shall be a mid-year review. The role of the MAC shall be advisory only to the Commission. Meetings may be convened with reasonable notice to MAC members at the request of the MAC, Commission, Board, or Director at a reasonable, date, and location. The MAC shall have no officers and because of the role of the MAC shall be to provide review and advisement, no quorum shall be necessary for the MAC to conduct a meeting. A good faith effort will be made to contact all MAC members and to attain a majority of members to attend any scheduled meeting.

(4) Ralph M. Brown Act

The Commission and the Board shall adopt rules for conduction their meetings and other business. All meetings of the Commission, the Board, and the MAC, including without limitation regular, adjourned regular, and the special meetings, shall be called, notified, and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California).

(5) Minutes

The Secretary shall cause minutes of regular, adjourned regular, and special meetings of the Commission, the Board, and the MAC to be kept, and shall, as soon as reasonably practicable after each meeting, provide a copy of the minutes to each Commissioner and each Chief, respectively, and to each of the Member Agencies.

(6) Quorum

A majority of the Commission or Board shall constitute a quorum for the transaction of business by that body. A lesser number of each body may adjourn for the lack of a quorum. No action shall be taken by either the Commission or the Board without an affirmative vote of approval by Commissioners or Board representing a simple majority of the total number of Member Agencies; provided, however, that voting on an action involved a CalPERS financial issue shall be by weighted voting as set forth in Section 5(C)(5) below.

H. Officers and Respective Duties

(1) Chair and Vice Chair of the Commission

The Commission shall elect a Chair and Vice Chair at its first regular meeting, and thereafter, at the first regular meeting held in each succeeding calendar year, the Commission shall elect or re-elect its Chair and Vice Chair. In the event the Chair or Vice Chair so elected ceases to be a Commissioner, the resulting vacancy shall be filled at the first meeting of the Commission held after such vacancy occurs. In the absence or inability

of the Chair to act, the Vice Chair shall act as Chair. The Chair, or in his or her absence the Vice Chair, shall preside and conduct all meetings of the Commission.

(2) Secretary to the Commission

The Director and/or designee shall be the Secretary to the Commission. The Secretary will keep minutes and will prepare an agenda for each meeting of the Commission and the Board. The Secretary will solicit agenda items for regular meetings at least fifteen working days in advance, and will distribute the agenda and supporting documentation in accordance with the provisions of the Ralph M. Brown Act. The Secretary will meet jointly with the Chair of the Board of Chiefs and Chair of the Commission at least ten working days in advance to develop the agenda. Agenda items will be supported by appropriate documentation and explanation. The Secretary will deliver the agenda and supporting documentation to each Commissioner, each officer of the Authority, and the Chair of the Board at least five working days prior to the scheduled meeting.

(3) Treasurer/Controller of the Authority

The Treasurer/Controller shall be appointed by the Commission, attend the meetings of the Commission, and advise the Commission in connection with any accounting, budgetary, monetary, or other financial matters relating to the Authority. The duties and responsibilities of the Treasurer/Controller include, but are not limited to, those set forth in Government Code Sections 6505, 6505.5, and 6509.5, and shall include the following:

(a) Establish, with the Commission's approval, the annual budget format, accounts, and documentation pertaining thereto, which most nearly reflect the objectives of the Authority and the operation of the communication program; work with Director to prepare proposed budget for the coming fiscal year.

(b) Establish and maintain the particular funds and accounts as required by generally accepted accounting practices and which most accurately and appropriately record and report the operations of the Authority as represented by the annual budget document;

(c) Enforce strict compliance with the approved annual budget and approve only the expenditures authorized therein;

(d) Ensure that all available cash is at all times invested in a cash management program and investment portfolio pertaining thereto in accordance with the provisions of California Government Code Section 53600 et seq. He or she will further ensure that sufficient liquidity is maintained to meet the Authority's cash disbursement needs;

(e) Furnish quarterly revenue, expenditure, and funds status reports to the Chair of the Commission; coordinate an annual audit of the basic financial statements in accordance with generally accepted governmental auditing standards; and facilitate an annual agreed upon procedures review of the debts, liabilities, and obligations of the Authority according to each Member Agency's pro rata share of call volumes;

(f) Maintain an inventory of all property of the Authority with the power to designate the authority Director as the custodian of such property;

(g) With advice from the Commission, obtain and maintain liability and casualty insurance for the Authority and for the property of the Authority, respectively; and

(h) Make all books and records of the Authority in his or her possession open to inspection at all reasonable times by representatives of the Member Agencies.

(4) Chair and Vice Chair of the Board

The Board shall elect a Chair and Vice Chair at its first regular meeting of each calendar year. In the event that the Chair or Vice Chair so elected ceases to be a Chief, the resulting vacancy shall be filled at the first meeting of the Board held after such vacancy occurs. In the absence or inability of the Chair to act, the Vice Chair shall act as Chair. The Chair, or in his or her absence the Vice Chair, shall preside at and conduct all meetings of the Board.

(5) Secretary of the Board

The Director or such person designated by the Director shall be the Secretary of the Board. The Secretary will keep minutes and will prepare an agenda for each meeting of the Board.

Section 4. Powers and Duties.

A. Authority.

The authority shall have the powers common to the Member Agencies set forth in recitals of this Agreement, to wit: the power to acquire sites and construct, equip, staff, maintain, operate, and lease public buildings, and related facilities for the purpose of communications.

The Authority is hereby authorized in its own name to perform all acts necessary for the exercise of common powers, including, but not limited to, any or all of the following:

- (1) To make and enter into contracts;
- (2) To employ agents and employees;
- (3) To acquire, construct, manage, maintain and operate any buildings, works or improvements;
- (4) To acquire, hold, or dispose of property within the County of San Diego;
- (5) To incur Debt and Long-Term Liabilities and Obligation as defined in Sections 5(C)(5) and 5(C)(6);
- (6) To receive gifts, contributions and donations of property and funds, services, and other forms of financial assistance, from persons, firms and corporations, and any government entity;
- (7) To rent or lease communications services to public or non-public agencies; and
- (8) To sue and be sued in its own name.

Such powers shall be exercised in the manner provided in the Act, and except as expressly set forth herein, are subject only to such restrictions as are imposed upon the City of El Cajon in the exercise of similar powers, pursuant to the Government Code Section 6509. The Debt and Long-Term liabilities and Obligations of the Authority shall also be the Debt and Long-Term Liabilities and Obligations of each of the Member Agencies on a pro rata basis according to each Member Agency's respective percentage of call volumes.

The Authority shall exercise aforesaid powers as needed to implement the purpose of this Agreement. Pursuant to Section 6504 of the Act, the Authority is empowered, and by this Agreement required, to assess the Member Agencies to finance the entire operation of the Authority in the manner set forth in this Agreement. The Authority may contract indebtedness for capital items only in the manner otherwise permitted by law. However, long-term financing shall be limited to the projected life term of the equipment or facility being financed, or a ten-year period, whichever is less.

B. Commission

The Commission, as a governing body of the Authority, shall formulate and set policy, including budget and purchasing policies, and shall exercise the powers set forth in Section 4(A) of this Agreement to accomplish its purpose. While the Commission retains full control and is responsible for the affairs of the Authority, it shall rely upon the Board for the actual program development, implementation, and operation. The normal

vehicle by and through which this shall be accomplished is the annual budget in the manner set forth in this agreement.

C. Board

The Board is the administrative arm of the Commission and is authorized to act on behalf of the Commission as necessary for the ordinary conduct of business. The Board is responsible to the Commission for development of consolidated regional public safety services communications program, and for the leasing of facilities, acquisition of equipment, personnel staffing, and full-time maintenance and operation of the communications program.

The Board shall exercise its authority and responsibilities by and through its Chair, whose appointment is set forth in Section 3(H)(4) of this Agreement.

Sections 5. Fiscal Year, Financing and Annual Budget.

A. Fiscal Year

The Authority's fiscal year shall be the twelve-month period commencing each July 1.

The Authority shall operate only under an approved fiscal year budget. The Authority may not operate at a deficit.

B. Budget Reserve

The Member Agencies shall pay for the entire operation of the Authority, using the annual expenditure budget to determine the total amount of assessment required. Each annual budget shall include a minimum reserve for Contingency equal to ten percent (10%) of otherwise budgeted and approved expenditures ("Reserve"). Money may be expended from this Reserve only with the express approval of the Commission. Any unexpected balance of the Reserve shall roll over as the beginning balance of the subsequent fiscal year. The total assessment against the Member Agencies may be reduced by expected revenue from executed contracts for dispatch services to public and non-public agencies and by unexpected or unobligated monies available at the end of the fiscal year prior to the year for which the budget is applicable.

C. Assessments, Budget

The Commission, in adopting an annual budget, thereby fixes the assessment against the Member Agencies and Contract Agencies, which is binding thereon, except as otherwise set forth in this Agreement regarding default or withdrawal. The amount of assessment against an individual Member Agency shall be determined, and specified in the budget, in accordance with criteria set forth in a budget policy established by Resolution.

The budget policy shall include, but need not be limited to, the following:

(1) Assessment

Assessments shall be determined for both Member and Contract Agencies based on adopted assessment rate(s) and estimated call volume from the previous calendar year. Assessment rates shall be set by action of the Commission no less than six months in advance of the effective date, notwithstanding exceptional events as determined by the Commission. Rates shall be set on a per-call basis to address the agency's long-term operating and capital needs in a way to maximize rate stability.

(2) Payment of Assessment

Upon adoption of the fiscal year budget by the Commission, and the forwarding thereof to the governing bodies of the Member agencies by the Secretary, the assessments fixed therein are automatically due and payable without further notice as follows:

| | | |
|-------------|-----|---------------------|
| July 15: | 35% | of total assessment |
| October 15: | 25% | of total assessment |
| January 15: | 25% | of total assessment |
| April 15: | 15% | of total assessment |

The Commission may set a different payment schedule to accommodate the purchase of capital items, if sufficient monies would not otherwise be on hand to pay for such purchases.

A five percent (5%) late charge shall be imposed upon assessment payments not received by the Authority within forty-five (45) calendar days following mailing of a notice of assessments. An additional five percent (5%) shall be imposed if payment is not made within an additional thirty (30) calendar days. If an assessment including late charges, if any, is not paid in full within seventy-five (75) calendar days following any scheduled due date, the Member Agency shall be in default and subject to termination as a member of the Authority as provided under Section 8 of this Agreement. Upon termination of a Member agency in default, all outstanding obligations or assessments under this Section shall become immediately due and payable. Upon withdrawal by or termination of a Member Agency, payment of Debt incurred under this section shall be governed by Section 8 of this Agreement.

(3) Operation and Maintenance Expenses

The costs of operating and maintaining a communications facility and the communications and computer equipment housed therein shall include, but are not limited

to, personnel salaries and benefits, office and computer supplies and other consumables, payments to lease a facility, and replacement parts necessary to repair equipment due to normal wear and tear from ordinary usage.

(4) Capital Expenditures

Capital expenditures shall include the cost of original purchase of communications and computer equipment, hardware and other fixed assets type items, typically having a useful life of more than two years, including equipment improvements and additions, as opposed to replacement parts for ordinary maintenance during the useful life of the capital items. All costs associated with such purchase, such as installation, shall be capitalized. Replacement of equipment at the end of its useful life shall be a capital item.

Assessment of Member Agencies for capital expenditures shall be in accordance with the formula for operating expenses set forth in subdivision (1), above. Capital expenditures incurred for and unique to a minority of the Member Agencies shall be equally shared by such minority. The Commission may set up special cost allocation for these purchases, but all members funding the purchase must approve of the allocation.

(5) Long Term Liabilities and Obligations

“Long Term Liabilities and Obligations” shall be defined as obligation incurred through the conduct of business payable more than one year into the future, and therefore not within the current fiscal year and the annual budget, and may include any unfunded or under-funded or termination funding of employee benefit related expenses, including but not limited to compensated employee absences, OPEB Health cost, CalPERS Risk Pool Unfunded Liability, and the CalPERS New Unfunded Termination Liability may not be capable of precise calculation at the time a Member Agency withdraws or is terminated by the Commission. Nevertheless, each Member Agency agrees that upon withdrawal or termination it shall be liable to the Authority for a period of 5 years from the date of its withdrawal or termination for payment of its pro rata share of such Net Unfunded Termination Liability as and when such liability becomes due and payable.

(6) Debt and Debt Financing

“Debt” shall be defined as an obligation incurred by the use of borrowed monies to be repaid in the future to purchase facilities, equipment or to pay for operational obligations. On behalf of the Authority, the Commission may approve purchase of items or improvements using debt financing.

(7) Weighted Vote System

Except as expressly provided for herein, the Commissioner and Board representative for each Member Agency shall have one vote of equal value when a vote by the Commission or the Board is taken. A Chief who represents more than one Member agency shall have one vote for each agency he or she represents. However, the "Weighted Vote System" shall be used by the Commission or the Board when voting upon any CalPERS *financial* issue of the Authority. Each Member Agency will not have the same amount of influence over the outcome of these specific matters.

When the Commission or Board takes a vote upon a CalPERS financial issue, the Commissioner or Board representative for each Member Agency shall have a weighted vote equal to the total number of Member Agencies times a fraction, the numerator of which the total incident call volume attributable to the Member Agency represented by the Commissioner or board representative during the prior calendar year, and the denominator of which shall be the Authority's total incident call volume or the same time period. This allocation is likely to result in a Commissioner or Board representative having a fractional vote, e.g., one Commissioner or Board representative may have 1.25 votes, while another may have 0.75 votes.

D. Budget Administration

The Board has the authority to fully implement the approved budget. The Director, with the approval of the Board, may recommend expenditures and budgetary transfers or adjustments. However, neither the Director nor the Board may authorize personnel staffing in excess of that authorized in the budget in number, position classification, or salary. In addition, neither the Director nor the Board may after the capital budget, utilize the Reserve for contingency, or increase the total amount of the approved expenditure budget without Commission approval.

Section 6. Personnel.

A. The Authority may employ a Director and any other individuals deemed necessary to staff the communications program. The positions must be authorized and funded in the Authority's annual budget.

B. The Director, with oversight of the Board, is authorized to act on behalf of the Board in all matters of personnel administration given the positions and funding authorized by the Commission in the Authority's budget. This includes, but is not limited to, hiring, supervisory direction, performance evaluations, disciplinary matters, and terminations.

C. The Board, subject to approval by the Commission, may employ the director and communications dispatchers, to be known as "Fire Communications Dispatchers," and

individuals to fill any other positions deemed necessary. The positions must be authorized and funded in the Authority's annual budget.

Section 7. Dispatch Service to Other Agencies.

The Authority may provide dispatch service to public agencies and non-public agencies not a party to this Agreement, but only upon the majority vote of the Commission. Such service shall be contract, executed by the Chair of the Board on behalf of the Authority. The Commission shall establish by the contract, the amount of charge for the service.

Sections 8. Withdrawal; Termination.

Each Member Agency shall remain a party to this Agreement, and share in the costs of operation of the communications center until June 30, ~~2023~~2031, and continuing thereafter until this Agreement is terminated or until the Member Agency ceases to be a party to this Agreement. If, in the interim, any Member Agency defaults on payment of any assessment as defined in Section 5(C)(5) and 5(C)(6), or otherwise breaches this Agreement such Member Agency shall be subject to termination as a member of the Authority by vote of the Commission. The terminated Member Agency remains liable for the defaulted payment and late charges for the balance of the year's assessment and, in the event of termination prior to June 30, ~~2023~~2031, for assessments for years through June 30, ~~2023~~2031. Such subsequent assessments will be determined as if the terminated Member Agency is still a member of the Authority using the Member Agency's call volume for the preceding complete fiscal year in which it was a member, the assessment will be due and payable in full on July 30 of the fiscal year for which levied. Such terminated Member Agency shall also be liable for its pro rata share of Debt and Long Term Liabilities and Obligations as defined in Sections 5(C)(5) and 5(C)(6).

After June 30, ~~2023~~2031, any Member Agency defaulting on payment shall be subject to termination by a vote of the Commission and shall be liable for any defaulted payments, late charges, and its pro rata share of Debt and Long Term Liabilities and Obligations as defined in Sections (C)(5) and 5(C)(6).

A Member Agency may withdraw as a part to this Agreement without penalty commencing on June 30, ~~2023~~2031, or on any June 30 thereafter, with one hundred eighty (180) days' prior notice to the Authority. Such withdrawing Member Agency shall perform all obligations under this Agreement until the noticed June 30 date of withdrawal.

Notwithstanding the above, any Member Agency which withdraws shall be obligated to pay to the Authority a sum equal to said Member Agency's assessment for the fiscal year ending on the date of withdrawal. Further, a withdrawing Member Agency shall pay its pro rata share of the remaining balance of such Debt and Long Term Liabilities and Obligations that exists on the date of withdrawal; payment of the full amount shall be made within 30 days of the withdrawal date.

The Authority retains the right to seek legal redress, if necessary, to obtain payment of amounts due. The Authority is entitled to recover costs and attorney's fees related to such legal redress. A terminated member agency or a member Agency that withdraws forfeits any claim to any assets of the Authority.

Section 9. Dissolution.

This Agreement shall terminate and the Authority shall be dissolved if the number of parties to the Agreement becomes less than two, or if parties unanimously agree to terminate this Agreement. In either instance, dissolution shall only be effective upon a June 30th but shall in no event be effective until the requirements of Section 19 are satisfied. Should dissolution occur, all remaining members shall be responsible for winding down costs, including required audits, notwithstanding other provisions in this Agreement.

Section 10. Disposition of Assets.

A. This Agreement may not be terminated and there shall be no disposition of assets made to the parties to the Agreement until the Authority reasonable exhausts all means of collecting any monies due to the Authority. The Commission must formally accept a final accounting prepared by the Treasurer/Controller before any final disposition of net assets may be made and termination of this Agreement consummate.

B. If the cause for termination was reduction of the number of parties to the Agreement to less than two, all net assets of the Authority shall become the property of the sole remaining party to the Agreement.

C. If the cause for termination is mutual agreement, the total dollar amount of the net assets shall be apportioned among such parties according to the relative assessments paid by those parties during the entire term of Agreement.

D. In no event shall assets be transferred to Member Agencies until all Debts, Long Term Liabilities and Obligations are retired.

Section 11. Amendment to Agreement.

This Agreement may only be amended by simple majority vote of all the Member Agencies. The Commission shall initiate any proposed amendment by requesting a formal recommendation from the Board. The Commission shall then forward the proposed amendment with the Board's recommendation to the governing body of each Member Agency. The proposal shall be accompanied by a copy of the proposed amendment to the Agreement, which shall be adopted, properly executed, and returned to the Commission if the Member Agency concurs with the amendment. The Secretary shall notify each party of the resultant action.

Section 12. Additional Parties to the Agreement.

Public agencies, as defined in the Act, which are not parties hereto, may become parties hereto only by amendment of this Agreement as provided in Section 11 hereof, and subject to the following terms and conditions, which shall be specified in the amendment:

- A. A provision specifying that, for purposes of the calculation of assessment expense allocation as set forth in Section (C)(1) and 5(C)(2), a minimum of 500 calls shall be attributed to the new Member Agency for a specified number of years.
- B. A buy-in fee to be paid by the new Member Agency in consideration of the existing equity in the Authority's assets.

Upon approval of the amendment by a majority of the Member Agencies as set forth in Section 11, the new Member Agency shall execute the amendment consenting to be bound by all terms of this Agreement as amended and, upon execution of the amendment by a duly authorized representative of the Commission attesting that the requisite vote of the Member Agencies approving the amendment has been obtained, the public agency shall become a member Agency with all rights and privileges and subject to all obligations and liabilities thereof.

Section 13. Severability.

Should any part, term, portion, or provision of this Agreement or the application thereof to any person or in any circumstances, be in conflict with any State or Federal law, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, portions or provisions, or the application thereof to other persons or circumstances, shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be constructed in substance to continue to constitute the Agreement that the parties intended to enter into in the first instance.

Section 14. Hold Harmless.

Each Member Agency shall defend, indemnify, and save all other individual Member Agencies and the Member Agency and Authority harmless from any and all claims arising out of that individual Member Agency's negligent performance of this Agreement. Any loss or liability resulting from the negligent acts, errors, or omissions of the Commission, Board, Director, or staff, while acting within the scope of their authority under this Agreement, shall be borne by the Authority exclusively. The provisions of this Section 14 shall survive the termination or expiration of this Agreement.

Section 15. Successors.

The Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto.

Section 16. Notice to State.

A notice of the creation of the Authority by this Agreement, and/or any amendments to this Agreement, shall be filed by the Authority with the Secretary of State pursuant to Section 6503.5 of the Act.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed as of the day and year first above written.

**HCFA Amended and Restated JPA Agreement Updates
Individual Agency Signature Page**

IN WITNESS WHEREOF, the parties have caused the changes to the HCFA JPA Amended and Restated Agreement to be executed by their proper officers thereunto duly authorized.

SAN MIGUEL FIRE PROTECTION DISTRICT

Attest:

By: _____

Its: _____

Date:
