

SANTA YNEZ COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Wendy Berry, Secretary/Treasurer

DATE: September 21, 2022

SUBJECT: Consideration and Adoption of Resolution No. 22-22 Approving Updated Conflict of Interest Code

Recommendation

It is recommended that the Board of Directors review and adopt Resolution No. 22-22 to (i) approve an updated Conflict of Interest Code for the District, and (ii) authorize and direct the General Manager to submit the updated Code to the County for approval.

Policy Implications

The Political Reform Act requires local governmental agencies to review their Conflict of Interest Codes every two years. The code tells public officials, governmental employees, and consultants what financial interests they must disclose on their Statement of Economic Interests (Form 700).

Discussion

The District adopted a Conflict of Interest Code by Resolution No. 01-17 on August 15, 2001. The Code incorporates by reference the applicable regulations of the Fair Political Practices Commission (FPPC). The Code also specifies disclosure categories and identifies the designated employees who are required to disclose financial interests by filing an annual Statement of Economic Interests (Form 700). The Code lists the following designated employees: (i) Directors, (ii) General Manager, (ii) Board Secretary, and (iv) Attorney.

Pursuant to Government Code Section 87306.5(a), no later than July 1 of each even-numbered year, the County of Santa Barbara is required to direct every local agency that has adopted a Conflict of Interest Code to review its Code and, if a change in its Code is necessitated by changed circumstances, to submit an amended Conflict of Interest Code to the County.

The FPPC recommends that agencies amend their Conflict of Interest Codes if the current Code is more than five years old. In addition, the County recommends that agencies amend their Conflict of Interest Codes to include specific language regarding the procedures for filing annual Statement of Economic Interests. The District's staff and

legal counsel have reviewed the District's current Conflict of Interest Code and have determined that an updated Code should be adopted to (i) comply with the recommendations of the FPPC and County, and (ii) update the Disclosure Categories under Appendix B to conform to the most recent standards established by the County Counsel's office.

Attachments

Proposed Resolution No. 22-22 adopting updated Conflict of Interest Code

Resolution No. 01-17 adopting current Conflict of Interest Code

Email from the County of Santa Barbara with enclosures:

- 2022 Local Agency Biennial Notice
- Biennial Notice Instructions for Local Agencies

RESOLUTION NO. 22-22

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANTA YNEZ COMMUNITY DISTRICT ADOPTING
REVISED CONFLICT OF INTEREST CODE**

WHEREAS, pursuant to the Political Reform Act (California Government Code Sections 81000 et seq.) and the regulations thereunder, the Santa Ynez Community District (the “District”) adopted a Conflict of Interest Code on August 15, 2001, by passing Resolution No. 01-17 (the “Existing Code”); and

WHEREAS, the Board of Directors of the District deems it to be in the District’s best interests to adopt a new Conflict of Interest Code to update and supersede the District’s Existing Code.

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

1. The Board hereby adopts the attached Conflict of Interest Code as the Conflict of Interest Code for the District. The attached Conflict of Interest Code shall supercede and replace the Existing Code.
2. The General Manager of the District is hereby authorized and directed to submit a certified copy of this resolution with the attached Conflict of Interest Code to the Santa Barbara County Board of Supervisors for approval.
3. The Conflict of Interest Code shall take effect immediately following approval by the Santa Barbara County Board of Supervisors.

PASSED AND ADOPTED this 21st day of September, 2022, by the following vote of the Board of Directors of the Santa Ynez Community District:

AYES:

NOES:

ABSENT:

ABSTAIN:

Karen Jones,
President of the Board of Directors

ATTEST:

Wendy Berry,
Secretary of the Board of Directors

CERTIFICATION MADE UNDER PENALTY OF PERJURY (C.C.P. 2015.5)
COUNTY OF SANTA BARBARA

I certify (or declare) under penalty of perjury that the foregoing is a full, true and correct copy of the Resolution duly adopted by the Board of Directors of the Santa Ynez Community District on September 21, 2022.

Dated: September 21, 2022

Wendy Berry,
Secretary of the Board of Directors

SANTA YNEZ COMMUNITY DISTRICT
CONFLICT OF INTEREST CODE
Adopted September 21, 2022

The Political Reform Act (Government Code Sections 81000 et seq.) requires state and local governmental agencies to promulgate and adopt conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations Section 18730, which contains the terms of a standard conflict of interest code. Section 18730 can be adopted by governmental agencies through incorporation by reference and may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings.

The terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. The Conflict of Interest Code of the Santa Ynez Community District (the “District”) is hereby adopted and is hereafter comprised of (i) the terms of 2 California Code of Regulations Section 18730, together with any amendments to it duly adopted by the Fair Political Practices Commission, (ii) the attached Appendix A (Designated Employees), and (iii) the attached Appendix B (Disclosure Categories).

Designated employees may file their Statements of Economic Interests (Form 700) online using eDisclosure, which provides for the submission of the Statements to the County Clerk, Recorder and Assessor. Pursuant to Government Code Section 81008, Statements of Economic Interests will be made available for public inspection and reproduction. The District’s Secretary shall give designated employees access to online filing.

Designated employees who use a paper Statement of Economic Interests shall file with the District’s Secretary. Upon receipt of the Statement filed by the designated employee, a copy shall be retained with the District and the original shall be forwarded to the County Clerk, Recorder and Assessor.

Appendix A

**SANTA YNEZ COMMUNITY DISTRICT
DESIGNATED EMPLOYEES**

It has been determined that the persons occupying the designated positions (“Designated Employees”) listed below make or participate in the making of decisions which may foreseeably have a material effect on financial interests. Designated Employees must disclose financial interests in those categories described in *Appendix B*, which are listed opposite the respective Designated Employees.

<u>Designated Employees</u>	<u>Disclosure Categories</u>
Directors	1-4
General Manager	1-4
Board Secretary	1-4
Attorney	1-4

Appendix B

**SANTA YNEZ COMMUNITY DISTRICT
DISCLOSURE CATEGORIES**

CATEGORY 1

Any real property in which the Designated Employee has a direct or indirect interest, but only if the real property is located in whole or in part within the jurisdiction of the Santa Ynez Community District. Real property interests include any leasehold, beneficial or ownership interest or option to acquire such interest in real property, if the fair market value of the interest is \$2,000.00 or more.

CATEGORY 2

Business positions or direct or indirect investments in or income from persons or business entities engaged in the appraisal, acquisition, or disposal of real property within the jurisdiction of the Santa Ynez Community District.

CATEGORY 3

Business positions or direct or indirect investments in business entities and income from any source or sources of income, if:

- (a) The business entities or the source or sources of income are of the type which, within the previous two years, have provided or contracted to provide, or in the future with reasonable foreseeability might provide or contract to provide services, supplies, materials, machinery or equipment to or for the use of the Santa Ynez Community District; and
- (b) Within the previous two years, the Designated Employee has made, participated in making, or in any way has attempted to use his or her official position to

influence the governmental decision to obtain or procure services, supplies, materials, machinery or equipment of the same or a similar type as those so provided or contracted to be provided to the Santa Ynez Community District or if the duties of the Designated Employee's position make it reasonably foreseeable that he or she might engage in such activity.

CATEGORY 4

Business positions or direct or indirect investments in business entities and income from any source or sources of income, if:

- (a) The business entities or the source or sources of income are of the type which, within the previous two years, have furnished or contracted to furnish, or in the future with reasonable foreseeability might furnish or contract to furnish services, supplies, materials, machinery or equipment as a subcontractor in any contract with the Santa Ynez Community District; and
- (b) Within the previous two years, the Designated Employee has made, participated in making, or in any way has attempted to use his or her official position to influence the governmental decision to obtain or procure services, supplies, material, machinery or equipment of the same or a similar type as those so provided or contracted to be provided to the Santa Ynez Community District or if the duties of the Designated Employee's position make it reasonably foreseeable that he or she might engage in such activity.

CATEGORY 5

Business positions or direct or indirect investments in business entities and income from any source or sources of income, if:

- (a) The business entities or the source or sources of income are of the type which are subject to the regulation or supervision of the Santa Ynez Community District; and
- (b) The Designated Employee's duties involve the supervision or regulation (including, but not limited to, the issuance of permits) of that type of business entity or source of income.

* * * * *

For purposes of the foregoing Disclosure Categories 1 through 5:

- (a) "Indirect investment" or "indirect interest" includes any investment or interest with a fair market value of \$2,000.00 or more that is owned by the spouse or dependent child of a Designated Employee, by an agent on behalf of a Designated Employee, or by a business entity or trust in which the Designated Employee, the Designated Employee's agents, spouse, and dependent children own directly, indirectly, or beneficially a ten percent (10%) interest or greater.
- (b) "Sources of income" shall include gifts, but shall exclude loans from commercial lending institutions made in the regular course of business on terms which are available to the public without regard to official status.

RESOLUTION NO. 01-17

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA YNEZ COMMUNITY SERVICES DISTRICT
ADOPTING A CONFLICT OF INTEREST CODE

WHEREAS, pursuant to the Political Reform Act (California Government Code §§ 81000 et seq.) and the regulations thereunder, the Santa Ynez Community Services District (the "District") has adopted and promulgated a Conflict of Interest Code; and

WHEREAS, the Board of Directors of the District deems it to be in the District's best interests to adopt a new Conflict of Interest Code to update and supersede the District's existing Code.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board of Directors of the District hereby adopts the attached Conflict of Interest Code as the Conflict of Interest Code for the District. The attached Conflict of Interest Code shall supercede and replace the District's existing Conflict of Interest Code.
2. The Secretary of the District is hereby authorized and directed to submit a certified copy of the attached Conflict of Interest Code to the Santa Barbara County Board of Supervisors for approval.
3. The Conflict of Interest Code shall take effect immediately following approval by the Santa Barbara County Board of Supervisors.

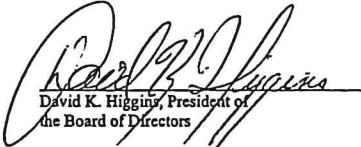
PASS AND ADOPTED this 15th day of August, 2001, by the following vote of the Board of Directors of the Santa Ynez Community Services District:

AYES: Daniel J. Beattie, Gino P. Filippin, Curtis E. Moniot, David K. Higgins


NOES: None

ABSENT: None

ABSTAIN: None


David K. Higgins, President of
the Board of Directors

ATTEST:


Diane Willee, Secretary of
the Board of Directors

CERTIFICATION MADE UNDER PENALTY OF PERJURY (C.C.P. 2015.5)
COUNTY OF SANTA BARBARA

I certify (or declare) under penalty of perjury that the foregoing is a full, true and correct copy of the Resolution duly adopted by the Board of Directors of the Santa Ynez Community Services District on August 15, 2001.

Dated: 8/16/01


Diane Willee, Secretary of
the Board of Directors

SANTA YNEZ COMMUNITY SERVICES DISTRICT
CONFLICT OF INTEREST CODE
Adopted August 15, 2001

The Political Reform Act, Government Code sections 81000 et seq., requires state and local governmental agencies to promulgate and adopt conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations section 18730, which contains the terms of a standard conflict of interest code. Section 18730 can be adopted by governmental agencies through incorporation by reference and may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings.

The terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. The Conflict of Interest Code of the Santa Ynez Community Services District (the "District") is hereby adopted and is hereafter comprised of the terms of 2 California Code of Regulations section 18730, together with any amendments to it duly adopted by the Fair Political Practices Commission, the attached Appendix A (Designated Employees) and the attached Appendix B (Disclosure Categories).

Designated Employees shall annually file statements of economic interests with the District. Upon receipt of these statements, the District shall make and retain a copy and forward the original of each statement to the Elections Division of the Santa Barbara County Clerk-Recorder.

Appendix A

SANTA YNEZ COMMUNITY SERVICES DISTRICT

DESIGNATED EMPLOYEES

It has been determined that the persons occupying the designated positions ("Designated Employees") listed below make or participate in the making of decisions which may foreseeably have a material effect on financial interests. Designated Employees must disclose financial interests in those categories described in *Appendix B* which are listed opposite the respective Designated Employees.

<u>Designated Employees</u>	<u>Disclosure Categories</u>
Directors	1-4
General Manager	1-4
Secretary-Treasurer	1-4
Attorney	1-4

Appendix B

SANTA YNEZ COMMUNITY SERVICES DISTRICT

DISCLOSURE CATEGORIES

CATEGORY 1

Business Entities

Any business entity in which the Designated Employee has a direct or indirect investment, but only if:

- (a) The entity is engaged in the appraisal, acquisition, or disposal of real property within the jurisdiction of the District; or
- (b) The entity has, within the previous two years, provided or contracted to provide, or in the future with reasonable foreseeability might provide or contract to provide services, supplies, materials, machinery or equipment to or for the use of the District, either as a contractor or subcontractor; or
- (c) The entity is subject to the regulation or supervision of the District.

CATEGORY 2

Real Property

Any real property in which the Designated Employee has a direct or indirect interest, but only if the real property is located in whole or in part within the jurisdiction of the District. Real property interests include any leasehold, beneficial or ownership interest or option to acquire such interest in real property, but exclude real property used exclusively as the personal residence of the Designated Employee.

CATEGORY 3

Sources of Income

Any sources of income of the Designated Employee, but only if:

- (a) The source of income is engaged in the appraisal, acquisition, or disposal of real property within the jurisdiction of the District; or
- (b) The source of income has, within the previous two years, provided or contracted to provide, or in the future with reasonable foreseeability might provide or contract to provide services, supplies, materials, machinery or equipment to or for the use of the District, either as a contractor or subcontractor; or
- (c) The source of income is subject to the regulation or supervision of the District.

Sources of income shall include gifts, but shall exclude loans from commercial lending institutions made in the regular course of business on terms which are available to the public without regard to official status.

CATEGORY 4

Business Positions

Any business entity in which the Designated Employee is a director, officer, partner, trustee, employee, or holds any position of management, but only if:

- (a) The entity is engaged in the appraisal, acquisition, or disposal of real property within the jurisdiction of the District; or
- (b) The entity has, within the previous two years, provided or contracted to provide, or in the future with reasonable foreseeability might provide or contract to provide services, supplies, materials, machinery or equipment to or for the use of the District, either as a contractor or subcontractor; or
- (c) The entity is subject to the regulation or supervision of the District.

For purposes of this the foregoing disclosure categories, “indirect investment” or “indirect interest” means any investment or interest owned by the spouse or dependent child of a Designated Employee, by an agent on behalf of a Designated Employee, or by a business entity or trust in which the Designated Employee, the Designated Employee 's agents, spouse, and dependent children own directly, indirectly, or beneficially a ten percent (10%) interest or greater.

Wendy Berry

From: Lenzi, Chelsea <clenzi@countyofsb.org>
Sent: Monday, August 1, 2022 11:47 AM
To: Lenzi, Chelsea
Subject: REMINDER: 2022 Conflict of Interest Biennial Review Notice
Attachments: 2022 Biennial Notice Fillable.pdf; 2022 Local Agency Biennial Notice Instructions.pdf

August 1, 2022

Good Afternoon,

This is a biennial reminder pursuant to Government Code Section 87306.5. Each local agency is required to review their Conflict of Interest Code (the Code) beginning July 1st of each even-numbered year. It is essential and legally required that an agency's Conflict of Interest Code reflects the current structure of the agency and properly identifies all officials and employees who should be filing a Form 700.

Attached you will find the 2022 Biennial Notice form and instructions from the Fair Political Practices Commission (FPPC). Please take the time to carefully review your agency's current Code for completeness and accuracy and ensure your code includes each of the following three components:

- 1) **Incorporation Section (Terms of the Code)** - The FPPC recommends that agencies incorporate FPPC Regulation 18730 by reference, which provides the rules for disqualification procedures, reporting financial interests, and references the current gift limit. This section also designates where Form 700s are filed and retained.

NOTE: Form 700s are filed with the **County Clerk, Recorder and Assessor**. Please confirm your code reflects the correct location for filing. The recommended language for inclusion in the Code is, as follows:

- *Designated employees may file their statements online using eDisclosure, which will submit the Form 700 to the County Clerk, Recorder and Assessor. Statements will be made available for public inspection and reproduction (Gov Code Section 81008). Your Department/Agency's filing official can give you access.*
- *Designated employees who file using a paper Form 700 shall file with the Code Agency. Upon receipt of the Statement filed by the designated employee, a copy shall be retained with the Code Agency and the original shall be forwarded to the County Clerk, Recorder and Assessor.*

- 2) **List of Designated Positions** - The Code must specifically list positions that make or participate in making decisions. Positions listed in Government Code Section 87200 (i.e. City Councilmembers, Planning Commissioners, Members of the Board of Supervisors, etc.) are not required to be included, because these positions automatically file Form 700s.
- 3) **Detailed Disclosure Categories** - A disclosure category is a description of the types of financial interests officials in one or more job classifications must disclose on their Form 700s. The categories must be tailored to the financial interests affected, and must not require public officials to disclose private financial information that does not relate to their public employment.

The FPPC offers workshops and webinars for employees who are tasked with creating or amending their agency's Code. Visit www.fppc.ca.gov for information including an online video on how to amend a local agency's Code.

Please return the 2022 Local Agency Biennial Notice to the Clerk of the Board of Supervisors by the deadline of October 3, 2022 regardless of whether the Code is being amended or not.

If a change is necessitated, the agency must also submit the following:

- (1) An amended Conflict of Interest Code in accordance with subdivision (a) of Section 87302 and Section 87303;
- (2) Agency minutes authorizing the amendment to the Code; and
- (3) A strikethrough/underscore version of the Code outlining all changes.

Agencies may submit their material directly to the County of Santa Barbara Clerk of the Board of Supervisors **either** by email to: Chelsea Lenzi at clenzi@countyofsb.org, **or** via mail to the following address:

Santa Barbara County
Clerk of the Board of Supervisors
Attn: Chelsea Lenzi
105 E. Anapamu Street, Room 407
Santa Barbara, CA 93101

A paper copy of this notice will follow via mail, sent directly to your agency.

Should you have questions, please do not hesitate to contact the Clerk of the Board at (805) 568-2242 or refer to the FPPC website at www.fppc.ca.gov.

Sincerely,

Chelsea Lenzi

Clerk of the Board of Supervisors
County of Santa Barbara
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
Direct: 805.568.2242
Fax: 805.568.2249
clenzi@countyofsb.org



The content of this email is confidential and intended for the recipient specified in the message only. It is strictly forbidden to share any part of this message with any third party, without a written consent of the sender. Any views, opinions or conclusions expressed in this message are those of the individual sender and do not necessarily reflect the views of the County of Santa Barbara, its subsidiaries or affiliates. If you received this message by mistake, please reply to this message and follow with its deletion, so that we can ensure such a mistake does not occur in the future.

2022 Local Agency Biennial Notice

Name of Agency: _____

Mailing Address: _____

Department Head or Director

Contact Person

Name: _____

Name: _____

Phone No: _____

Phone No: _____

Email: _____

Email: _____

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its Conflict of Interest Code and has determined that *(Check one box)*:

No amendment is required.

The following amendments are required:

(Check all that apply.)

Add new positions (including consultants) that must be designated.

Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions.

Revise based on updates to disclosure categories

Revise the titles of existing positions.

Other *(describe)* _____

By signing below, you are attesting to the following:

To the best of my knowledge, the agency's code accurately designates all positions that make or participate in the making of the governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding the designated positions are reported. The code includes all other provisions required by Government Code Section 87302.

I have reviewed the Conflict of Interest Code requirements against the positions within my department and as indicated above, I have either determined the revised Conflict of Interest Code attached meets the filing requirements and I authorize the changes or that no amendment is required.

Signature of Department Head or Director

Date

The code is currently under review by the code reviewing body.

All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than October 3, 2022 to the following address:

Santa Barbara County
Clerk of the Board of Supervisors
Attn: Chelsea Lenzi
105 E. Anapamu St., Room 407
Santa Barbara, CA 93101

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.

2022 Conflict of Interest Code Biennial Notice Instructions for Local Agencies

The Political Reform Act requires every local government agency to review its conflict of interest code biennially. A conflict of interest code tells public officials, governmental employees, and consultants what financial interests they must disclose on their Statement of Economic Interests (Form 700).

By **July 1, 2022**: The code reviewing body must notify agencies and special districts within its jurisdiction to review their conflict of interest codes.

By **October 3, 2022**: The biennial notice must be filed with the agency's code reviewing body.

The FPPC has prepared a 2022 Local Agency Biennial Notice form for local agencies to complete or send to agencies within its jurisdiction to complete before submitting to the code reviewing body. The City Council is the code reviewing body for city agencies. The County Board of Supervisors is the code reviewing body for county agencies and any other local government agency whose jurisdiction is determined to be solely within the county (e.g., school districts, including certain charter schools). The FPPC is the code reviewing body for any agency with jurisdiction in **more than one county** and will contact them.

The Local Agency Biennial Notice is not forwarded to the FPPC.

If amendments to an agency's conflict of interest code are necessary, the amended code must be forwarded to the code reviewing body for approval within 90 days. An agency's amended code is not effective until it has been approved by the code reviewing body.

If you answer yes, to any of the questions below, your agency's code probably needs to be amended.

- Is the current code more than five years old?
- Have there been any substantial changes to the agency's organizational structure since the last code was approved?
- Have any positions been eliminated or re-named since the last code was approved?
- Have any new positions been added since the last code was approved?
- Have there been any substantial changes in duties or responsibilities for any positions since the last code was approved?

If you have any questions or are still not sure if you should amend your agency's conflict of interest code, please contact the FPPC. Additional information including an online webinar regarding how to amend a conflict of interest code is available on [FPPC's website](#).

