

**Lompico Assessment District Oversight Committee**  
San Lorenzo Valley Water District

**Committee Established**

The Board of Directors (the “Board”) of San Lorenzo Valley Water District (the “District”) established the Lompico Assessment District Oversight Committee (the “Committee”), LADOC, in accordance with LAFCO resolution 953-A, commonly known as the Merger Document. On May 4, 2016, Lompico property owners voted in favor of a 10-year assessment district (AD 2016-1) to generate \$2.75 million in revenue to repair, replace and upgrade infrastructure in the Lompico service area, as part of annexation to the District. The resolution was amended from a “bond” to an “assessment” as the revenue source. The annexation went into effect on June 1, 2016.

The first five members of a Lompico Oversight Committee were seated on July 21, 2016 by board action, in accordance with provisions of amendment to Section 14 of the Board Procedure Manual (May 19, 2016) and duties hereby amended on January 28, 2019. Many of these changes were initiated due to recommendations outlined in the Grand Jury Report “Encouraging the Flow of Information to the Public”, published May 31, 2018. The Committee shall have the purposes and duties set forth in these guidelines.

**Purpose**

The purpose of the Committee is to review and oversee income and expenses related to construction projects in Assessment District AD-16 Engineer’s Report, to serve as liaison for customers residing within the Assessment District boundaries of the former Lompico County Water District, and to inform the Board and public at least annually concerning the revenue and expenditure of assessment district proceeds (the “Assessment District Proceeds”) and projects approved by the voters of Lompico within AD-16, by issuing a written report.

**Mission**

To serve as a Liaison between the Lompico Assessment District customers and the District. To strive to advocate for the community and obtain answers to questions and concerns regarding Lompico Assessment District expenditures and projects.

**Commitment to Excellence.** The Committee is committed to applying the highest standards to public outreach, research and reporting, with excellent representation on behalf of AD-16 property owners, exemplifying the District’s commitment to transparency and support.

**Duties**

To carry out this stated purpose, the Committee shall perform the following duties:

**Comment [D1]:** Chgd from “for the” TD rvw 2-5

**Comment [D2]:** Brk into new sentence, add “the annexation” TD rvw 2-5

**Comment [D3]:** TN2.10 rmv originally and add first five

**Comment [D4]:** Being new Paragraph; TD rvw 2-5

**Comment [D5]:** Rmvd TD rvw 2-5

**Comment [D6]:** Date of adoption by committee, insert here

**Comment [D7]:** TN2.10 rmv according to; st new sentence Many f

**Comment [D8]:** Added per workshop pg 2 Agenda Pkt Section 2

**Comment [D9]:** TN2.10 rmv oversight, added to sentence earlier

**Comment [D10]:** Amend per workshop

**Comment [D11]:** Rmv date, TD rvw 2-5; cited above already, dif date

**Comment [D12]:** Per workshop, add from pg 20, change to “to”

**Comment [D13]:** Per workshop moved from pg 18 to Mission Strmnt

**Attend Training.** Members are responsible to attend training as outlined under Staff Support, items 7 and 8, and any other training the Committee requests.

**Comment [D14]:** Workshop add from pg 22 agenda pkt

**Review Expenditures.** The Committee shall review the proposed and current expenditures to ensure that Assessment District Proceeds are expended only for purposes as set forth in the Assessment District ballot measure and Engineer's Report.

**Comment [D15]:** Td rvw 2-5

**Review Projects.** The Committee shall review quarterly the Lompico Assessment District Improvement/Projects Update report as provided by Staff.

**Comment [D16]:** TD rvw 2-5: omit; see under Staff Support

**Review Website Items.** The Committee shall recommend and monitor items to be placed on the District website, or shall retain a separate website, upon approval by the board, for posting items.

**Comment [D17]:** Workshop from pg 23 2<sup>nd</sup> prgh under Dutes

**Annual Report.** The Committee shall present to the Board an annual written report (the "Annual Report") which shall include the following:

**Comment [D18]:** DL Recommend adding

- 1) A statement indicating whether the proposed Assessment District expenditures are in compliance with the requirements as set forth in the Assessment District ballot measure Engineer's Report
- 2) A statement indicating whether the prior fiscal year Assessment District expenditures have been reviewed by the Committee and are in compliance with the requirements as set forth in the Assessment District ballot measure Engineer's Report. Said statement shall include an itemization and summary of the prior fiscal year Assessment District revenues and expenditures. Included in the itemization and summary shall be information on loans related to AD-16, if any, including terms, interest, and balances.
- 3) Any other information the Committee deems is useful for furthering understanding of Assessment District revenue and expenses, projects, funding, history, or purpose.
- 4) *The Annual Report shall be based on the District Fiscal Year, and will be completed as soon as possible after June 30 each year, presented using preliminary financial data.*

**Comment [D19]:** Per workshop discussion, recom by Stephanie to use prelim #s rather than audited, due to time delay.

#### **Authorized Activities**

In order to perform the duties as set forth, the Committee may engage in the following authorized activities:

- 1) Make annual and/or quarterly recommendations to the Board on finance and budget matters pertinent to projects funded by the Assessment District.
- 2) Upon request by the Committee when deemed useful, inspect district facilities or timelines and plans for which Assessment District Proceeds have been or will be expended, in accordance with any access procedure established by the General Manager or designee and report quarterly and/or annually to the public and Board.

Any Committee requests for copies or inspection of District records shall be made in writing to the General Manager or designee.

### Committee Membership

**Number.** The Committee shall consist of five members representing various backgrounds, for the purpose of providing a range of experience and oversight.

Qualification Standards:

- 1) To be a qualified member of the Committee, a person must
  - a) Reside within the boundaries of the former Lompico County Water District, AD-16, be at least 18 years of age, and a citizen of the state in accordance with Government Code section 1020.
  - b) Not be an employee or elected official of San Lorenzo Valley Water District, and
  - c) Not be a **current** vendor, contractor, or consultant of the District.
- 2) If a person fails to meet the qualification standards set forth above at any time during the term of service, such member shall be disqualified and the position shall be declared vacant. The Board shall appoint a new person to serve the remainder of the term, in accordance with the appointment process set forth in the Section below.

**Comment [D20]:** Workshop: Stephanie's suggestion

**Appointment** The Board shall appoint members to the Committee as necessary. Prior to appointment, the General Manager shall conduct a selection process to ensure that each person appointed meets the qualification standards as set forth herein. All committee appointments will be made by the Board. When an appointment is necessary to fill a vacancy, the General Manager shall immediately post a notice as per procedure outlined in the Board Policy Manual.

**Time Commitment.** In addition to standard meetings, committee members should plan on additional time requirements to prepare reports and present to the public. The Committee may schedule workshops, or establish sub-committees with additional public members as needed for research and report preparation.

**Comment [D21]:** DL recommendation: Added from page 22

**Ethics; Conflicts of Interest.** By accepting appointment to the Committee, each member agrees to comply with the Committee Ethics Policy as herein stated, following.

**Comment [D22]:** Per workshop Stephanie says District no longer requiring; cut

**Term.** Each member of the Committee shall serve for a term of minimum one year, to be reviewed by the Board each year at the December meeting, or soon thereafter. Terms shall be alternated as possible to enable continuation of the Committee by experienced members to help carry on the work of the Committee.

**Comment [D23]:** Workshop: Rick's recommendation

**Removal; Vacancy.** As per District Board Policy, committee members serve at the pleasure of the Board. Upon the removal or resignation of a member, his or her seat shall be declared vacant. The Board shall fill any vacancies on the Committee in accordance with the appointment process that has been set forth. Vacancies shall be filled within 45 days, or as soon as possible.

**Comment [D24]:** Workshop: timeline OK'd by Rick

**Compensation.** The Committee members shall not be compensated for their services or reimbursed for their expenses.

### Meetings of the Committee

**Regular and Special Meetings.** The Committee shall establish a schedule for the date and time of regular meetings and/or special meetings, both as deemed necessary by the Committee, and shall determine when and where they shall meet within the District.

**Annual Meetings.** The Committee shall establish a date and time for its annual meeting, to be held within the District.

**Procedures.** All meetings shall be open and public in accordance with the Ralph M. Brown Act (the "Brown Act"). Meetings shall be conducted according to such procedural rules as the Committee may adopt. A majority of the number of Committee members shall constitute a quorum for the transaction of any business except adjournment.

**Agendas.** The Committee Chair will be responsible for providing a deadline to committee members for agenda items prior to each meeting. Committee members will email their agenda items to the Chair in time to meet the deadline. The chair will prepare agenda items and submit to the District in a timely manner to meet preparation and posting by the District Secretary.

**Comment [D25]:** Per workshop, add from pg 21

**Minutes.** The Committee will use the summary form of minutes. All meetings will be recorded. Both minutes and meeting recordings shall be available online at the District website.

**Comment [D26]:** Per workshop, add from pg 22

### District Support

The District shall provide to the Committee necessary technical and administrative assistance as follows:

- 1) An oral and/or written review and report by the District Manager, Operations Manager, Finance Manager, or other Staff as requested, of all current financial and construction activity pertaining to AD-16 projects funded by the Assessment District Proceeds, at least quarterly for Committee Meetings. The District shall supply additional background information to the Committee upon request.
- 2) Preparation of and posting of public notices as required by the Brown Act ensuring that all notices to the public are provided in the same manner as notices regarding meetings of the Board.
- 3) Provision of a meeting room, including any necessary audio/visual equipment
- 4) Preparation and copies of any documentary meeting materials, such as agendas, minutes and reports.
- 5) Retention of all Committee records and provide public access to such records
- 6) Posting on the District website under LADOC heading: all items above, plus other items as requested relating to AD-16 revenue and expenses, project descriptions, update of construction and/or schedules, and Committee and Staff reports; to provide a link on

**Comment [D27]:** TD Rvw 2-5

**Comment [D28]:** TD rvw 2-5 rmv . Recommendation that the District additionally make and use signs to improve public notice of meetings or vacancies, as Lompico Canyon has a single access.

**Comment [D29]:** TD rvw 2-5

**Comment [D30]:** Recommend add this phrase

the District website for a separate Committee website as may be approved by the Board.

- 7) The District shall provide training to all Committee members within two months of this amendment, and thereafter within one month of being appointed. Such training or materials shall include Brown Act, Conflict of Interest, and any other training as deemed useful and requested by the Committee.
- 8) The District shall provide training in Assessment District procedures by a qualified third-party professional who is an expert on Assessment District finance and construction law, and shall make such expert available to the Committee as requested by the Committee to answer questions on an Assessment District.
- 9) The District Manager shall form and facilitate a procedure to support Committee access to the District's Attorney and/or Auditor should there be legal questions on these guidelines or other issues directly relating to AD-16 revenue and expenses.
- 10) The District shall appoint one board member to serve as liaison to the Committee, to be approved by both the Board and Committee, and reviewed after a one-year term, or earlier if requested by the Committee. The board member shall have no power to vote on or direct Committee actions, but is there to assure the uninterrupted and full support of the General Manager or designated staff to the Committee to enable carrying out their duties. A preference is for this appointee to be the Board President.

The District shall not use any Assessment District Proceeds to provide the support set forth in this Section.

#### Officers

The Committee shall elect a Chair and a Vice-Chair who shall act as Chair only when the Chair is absent, such positions shall be reviewed annually. The duties of the Chair shall be to prepare items for the agenda, and moderate the meetings of the Committee to insure an orderly flow of information and ideas.

#### Changes to Guidelines

Any changes to these charter guidelines proposed by the Committee shall require approval by the Board.

#### Termination

The Committee shall automatically terminate and disband when all Assessment District Proceeds are spent, accounted for and a final report issued. The term of the Assessment for AD-16 is ten years, unless otherwise reduced and revised, starting on June 1, 2016.

#### Applicability of California Law

The Committee is established by the District in compliance with the Engineer's Report for Lompico County Water District ballot measure finalized on May 4, 2015, and LAFCo

**Comment [D31]:** TD rw 2-5; Toni will talk to Rick

**Comment [D32]:** Rick's suggestion at workshop; TD rw 2-5 Toni will ask Rick if wording OK

**Comment [D33]:** Rick's suggestion at workshop

**Comment [D34]:** Workshop: Pete rephrasing apprvd

**Comment [D35]:** TD rw 2-5 add final report issued

Resolution 953-A for Dissolution and Annexation to San Lorenzo Valley Water District. Nothing in these guidelines shall be interpreted in a manner that is inconsistent with the provisions of this resolution, ballot measure and Engineer’s Report.

**Lompico Assessment District Oversight Committee Ethics Policy Statement**

**Conflict of Interest.** A Committee member shall not make or influence a District decision related to 1) any contract funded by Assessment District Proceeds, or 2) any construction and/or land acquisition project which will benefit a Committee member’s outside employment, business, or personal finances or benefit an immediate family member.

**Outside Employment.** A Committee member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to 1) any District contract funded by Assessment District Proceeds, or 2) and District construction and/or land acquisition project. A Committee member shall not make or influence a District decision related to any construction and/or land acquisition project involving the interests of a person with whom the member has an agreement concerning current or future employment or remuneration of any kind. For a period of two years after leaving the Committee, a former Committee member may not represent any person or organization for compensation in connection with any matter pending before the District that, as a Committee member, he or she participated in personally and substantially. Specifically, for a period of two years after leaving the Committee, a former Committee member and the companies and businesses for which the member works shall be prohibited from contracting with the District with respect to a) bidding on projects funded by the Assessment District Proceeds, and b) any construction and/or land acquisition project.

**Commitment to Uphold Law.** A Committee member shall uphold the federal and California Constitutions, the laws and regulations of the United States and the State of California and all other applicable government entities, and the policies procedures, rules and regulations of the District.

**Commitment to District.** In carrying out Committee duties, a Committee member shall place the interest of the District above any personal or business interests of the member.

**Comment [AN36]:** Removed Executive Summary to be introduced at a later date when all members are contributing.

**Comment [D37]:** Moved to Mission Statement