

**WRIGHTWOOD
COMMUNITY
SERVICES DISTRICT**

February 4, 2020

**REGULAR BOARD
MEETING PACKET**

WRIGHTWOOD COMMUNITY SERVICES DISTRICT
P.O. Box 218 Wrightwood, CA 92397

Regular Meeting of the Board of Directors
Tuesday, February 4, 2020-6:30pm
Wrightwood Community Building
1275 State Highway 2, Wrightwood, CA

Agenda

6:30 PM – Call to Order

1. Pledge of Allegiance
2. Roll Call
3. Agenda Approval
4. Public Comments: *Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought to participate in the above-agendized public meeting, should be directed to the Chair at any time prior to the meeting. Under this item, any member of the public wishing to directly address the Board on any item of interest that is not within the subject matter jurisdiction of the Board may do so now. However, the Board is prohibited by law from taking any action on any item not appearing on the agenda unless the action is otherwise authorized by the Brown Act. Any member of the public wishing to directly address the Board on any item listed on the agenda may do so when the item is being considered by the Board. Pursuant to Section 2.3.2 of Ordinance No 2019-03 adopted by the Board on April 2, 2019, the Chair may limit each speaker to a comment period of three (3) minutes or less.*
5. Agency Reports
6. Consent Calendar
 - 6a. January 7, 2020 Board Meeting Minutes
7. General Managers Report
8. January 2020 Financials
9. Community Resource Guide: Discussion and Possible Action
10. Holiday Closures: Discussion and Possible Action
11. Building Doors: Discussion and Possible Action
12. Dump Cards: Discussion and Possible Action
13. Snow Players: Discussion and Possible Action
14. Lahontan Water Board: Discussion and Possible Action
15. Grant Writing Class: Discussion and Possible Action
16. Appropriations Limit: Discussion and Possible Action
17. Investment Policy: Discussion and Possible Action
18. Future Board Meeting – March 3, 2020: Discussion and Possible Action
19. Directors Comments
20. Adjournment

**Wrightwood Community
Services District**

THE VISION

To Empower our community to have local control by serving as a platform for community discussion, cohesion and action in the areas of parks and recreation, street lighting, solid waste and recycling and wastewater planning and engineering.

To promote and grow a vibrant parks and recreation department for our community.

To maintain and enhance our current infrastructure

To economize our solid waste process and maximize our efficiency in executing them

To protect our natural resources through evaluating community wastewater needs

To meet all these ends in a fiscally responsible manner

**Wrightwood Community
Services District**

THE MISSION

to provide local governance in the areas of parks and recreation, street lighting, solid waste and recycling and wastewater planning and engineering in a fiscally responsible manner.

ITEM 6A

REGULAR
BOARD MEETING
JANUARY 7, 2020

MINUTES



REGULAR BOARD MEETING
December 3, 2019
Wrightwood Community Building
1275 State Highway 2
Wrightwood, CA

MINUTES

Board Members Present: Wes Zuber, President
Leo Hordyk, Vice President
Natalie Lopiccolo, Member
Michelle Schneider, Member
Chuck Franklin, Member

Staff Present: Steven Kennedy - Attorney
Lori Golden – General Manager
Tamara Keen - Secretary

Call to Order

President Zuber called the Meeting to order at 6:33 p.m.
Vice President Hordyk conducted the Pledge of Allegiance

Roll Call

All other members were present

- 3. Approval of Agenda:** Director Franklin motioned to approve the agenda; Director Lopiccolo seconded the motion. Agenda was approved unanimously.
- 4. Public Comment:** Resident Rob Ebbett asked for an update on the grant and the possibility of a bike park.
- 5. Agency Reports:** Sgt. Mark James presented there were 279 citations issued during the recent snow play weekend and a total of 198 hours for 25 deputies. In December there were 146 calls for service. Sgt. James also shared that the Board of Supervisors voted to increase the fines for various vehicle related infractions. CHP Officer Mumfry spoke regarding the food vendors along the highway and to call the non-emergency number for service and not post on Facebook etc. Susan Drake from Supervisor Lovingood's office requested volunteers for the new Tourism Marketing District committee.

- 6. Consent Calendar:** Director Franklin requested a change in the wording on the Parks and Recreation Coordinator item. Director Schneider motioned to approve the December 3, 2019 minutes for the regular and special meetings with the change in wording. It was seconded by Vice President Hordyk. The minutes were approved unanimously.
- 7. General Managers Report:** General Manager Golden thanked Mike Troeger of Mountain Hardware for his generous donation to replace our equipment and presented him with a plaque for his service. Golden also thanked President Zuber for the use of his employees to finish installation of the new computer and Dusty Gabay for her help with the sound system. Golden also reported on a possible issue with the septic system and will be looking into it further.
- 8. December Financial Statements:** Director Lopiccolo had a question about the number of election and skate park payments. The most recent payment for the initial election is due in this month.
- 9. Parks and Rec Event Coordinator:** General Manager Golden reported that the ad hoc committee met and updated the Job Description as well as the wording for the ad. Golden reported she has 3 resumes that look promising and will be scheduling interviews.
- 10. Community Resource Guide:** The ad hoc committee was unable to meet so this will be tabled until February.
- 11. WCSD Hours and Expectation:** President Zuber accepted the hourly report and made no changes to the current hours.
- 12. Art & Wine Festival:** Pat Farrell presented the expectations for a September Art & Wine Festival.
- 13. Sound System:** Dusty Gabay presented that we are still having issues with the sound system being adjusted out of specifications. President Zuber directed to get a lock out system to avoid this.
- 14. Lahontan Water Board:** The Board formed an ad hoc committee to call on the water board for more information.
- 15. Appropriations Limit:** Steve Kennedy presented on the need to start working on the limit so it can be submitted for voter approval. General Manager Golden will create the spreadsheet for board approval.
- 16. Future Board Meeting:** February 4, 2020 at 6:30pm.
- 17. Directors Comments:** Director Schneider thanked Mike Troeger and Dusty Gabay for their dedication to the CSD. Director Schneider also reported on the parks and recreation activities.
- 18. Adjournment:** President Zuber adjourned the meeting at 7:55pm

Minutes approved by: _____

President Wes Zuber

ITEM 7

GENERAL MANAGER REPORT



GENERAL MANAGER REPORT

February 4, 2020

On January 17th, Monica and I met with 2 candidates for the Parks and Recreation Coordinator and I extended a job offer to Ashley Simons who will start on Tuesday, February 18th. I am very excited to work with Ashley. She comes from Las Vegas and will be a fulltime resident of Wrightwood on February 15th.

I contacted San Bernardino County Registrar for the anticipated 2020 Election costs. The costs are not available at this time but should be available mid-February. We did make the January payment for the past election costs and only have 3 remaining.

ITEM 8

JANUARY 2020
FINANCIALS

DISCUSSION
AND
POSSIBLE ACTION



Wrightwood Community Services District
Profit & Loss Budget Performance
January 2020

	Jan 20	Jul '19 - Jan 20	Annual Budget
Ordinary Income/Expense			
Income			
4000 · Facility Rental			
4000.1 · CC Parking Lot	0.00	283.50	
4000.2 · Kitchen Fees	25.00	200.00	20,000.00
4000.3 · Old Firehouse / Museum	0.00	1,847.50	
4000.6 · Storage Fees	0.00	20.00	
4000.7 · Vivian Null Park Stage	0.00	20.00	
4000.8 · WW Community Bldg	310.50	5,733.75	
4000.99 · Miscellaneous	0.00	310.00	
Total 4000 · Facility Rental	335.50	8,414.75	20,000.00
4100 · Property Tax	48.88	988.49	125,902.97
4200 · Solid Waste Franchise Fee	5,113.21	67,704.86	87,000.00
4300 · Solid Waste Special Tax	10,269.10	195,686.93	241,981.40
4400 · Sports League			
4400.2A · Softball	0.00	4,450.00	
4400.2D · Corn Hole	600.00	1,000.00	
4401 · Donation Activities	0.00	1,148.19	
4400 · Sports League - Other	0.00	0.00	20,000.00
Total 4400 · Sports League	600.00	6,598.19	20,000.00
4500 · Donations	0.00	200.00	
4900 · Misc Refunds Rebates	0.00	906.07	
Total Income	16,366.69	280,499.29	494,884.37
Gross Profit	16,366.69	280,499.29	494,884.37
Expense			
5000 · Advertising & Marketing	0.00	108.09	
5010 · Bank Charges & Fees	0.00	63.97	492.68
5015 · Credit Card Fees	1.90	1.90	
5030 · Dues & Subscriptions			
5030.1 · LAFCO Apportionments	0.00	268.09	381.95
5030.2 · Memberships	0.00	2,010.15	1,771.00
5030 · Dues & Subscriptions - Other	0.00	389.15	
Total 5030 · Dues & Subscriptions	0.00	2,667.39	2,152.95
5040 · Election Costs	0.00	0.00	10,583.00
5050 · Equipment	0.00	551.68	0.00
5070 · Insurance			
5070.1 · Property & Liability	0.00	7,818.78	7,818.86
5070.2 · Workers Compensation	0.00	1,169.85	2,314.67
Total 5070 · Insurance	0.00	8,988.63	10,133.53
5080 · Meals & Entertainment	0.00	73.09	
5090 · Office Admin			
5090.1 · Office Equipment	0.00	1,539.81	300.00
5090.2 · Online Software	179.88	684.86	450.00
5090.3 · Postage	2.00	41.34	100.00

**Wrightwood Community Services District
Profit & Loss Budget Performance
January 2020**

	Jan 20	Jul '19 - Jan 20	Annual Budget
5090.4 · Printing	0.00	116.30	1,960.00
5090.5 · Supplies	745.21	2,183.14	400.00
5090.6 · SW Dump Card	0.00	21.08	3,010.34
5091 · Training	0.00	15.95	
5090 · Office Admin - Other	0.00	75.96	
Total 5090 · Office Admin	927.09	4,678.44	6,220.34
5100 · Payroll Expenses			
5100.1 · Facility Staff	1,224.53	9,921.78	19,500.00
5100.2 · GM Salaries	3,088.76	21,372.99	37,065.00
5100.3 · Park Services	858.75	7,545.00	15,500.00
5100.4 · Overtime	0.00	367.20	
Total 5100 · Payroll Expenses	5,172.04	39,206.97	72,065.00
5110 · Payroll Tax Expense			
5110.1 · Federal Payroll Taxes	382.96	4,066.65	21,460.74
5110.2 · State Payroll Taxes	0.00	0.00	3,426.84
Total 5110 · Payroll Tax Expense	382.96	4,066.65	24,887.58
5120 · Permits & Licenses			
5120.1 · Health Permit	0.00	0.00	619.50
Total 5120 · Permits & Licenses	0.00	0.00	619.50
5130 · Professional Services			
5130.1 · Accounting	0.00	0.00	6,000.00
5130.2 · Audit	500.00	17,270.00	10,900.00
5130.3 · Legal Services	0.00	19,737.50	35,000.00
5130.5 · Payroll Processing	220.44	457.12	
Total 5130 · Professional Services	720.44	37,464.62	51,900.00
5140 · Rent & Lease			
5140.1 · Porta Potty	0.00	2,391.45	3,000.00
Total 5140 · Rent & Lease	0.00	2,391.45	3,000.00
5150 · Repairs & Maintenance			
5150.1 · Equipment	0.00	958.19	300.00
5150.2 · Facility Maintenance	3,219.60	7,087.27	5,222.68
5150.3 · Job Supplies	233.92	7,040.50	11,150.00
5150.4 · Plumbing Repairs	0.00	280.00	800.00
5150.5 · Property	0.00	1,495.00	11,866.00
5150.6 · Septic Maintenance	0.00	550.00	1,000.00
Total 5150 · Repairs & Maintenance	3,453.52	17,410.96	30,338.68
5160 · Security	0.00	8,601.59	527.00
5180 · Services			
5180.1 · Classes	0.00	0.00	0.00
5180.2 · Sports League			
5180.2C · Flag Football	0.00	566.01	2,527.82
5180.2A · Softball	0.00	3,466.77	
5180.2B · Soccer	0.00	383.40	
5180.2C · Cornhole	0.00	338.09	2,525.32

Wrightwood Community Services District Profit & Loss Budget Performance January 2020

	Jan 20	Jul '19 - Jan 20	Annual Budget
5180.2D · Other Park & Rec Expenses	0.00	817.70	
5180.2 · Sports League - Other	0.00	220.65	3,000.00
Total 5180.2 · Sports League	0.00	5,792.62	8,053.14
5182 · Services Coordinator	0.00	2,655.00	14,040.00
5180 · Services - Other	0.00	1,600.00	
Total 5180 · Services	0.00	10,047.62	22,093.14
5190 · Solid Waste Disposal Fees	0.00	78,090.88	122,740.00
5210 · Telephone			
5210.3 · Office Phone	108.98	897.03	1,500.00
Total 5210 · Telephone	108.98	897.03	1,500.00
5220 · Travel	0.00	67.28	
5240 · Utilities			
5240.1 · Electric			
5240.1A · Community Center	0.00	2,364.80	4,124.00
5240.1B · Museum	0.00	358.04	716.86
5240.1C · Street Lights	0.00	1,985.50	3,800.00
Total 5240.1 · Electric	0.00	4,708.34	8,640.86
5240.2 · Gas			
5240.2A · Community Center	345.06	984.24	2,680.00
5240.2B · Museum	119.69	400.26	458.56
Total 5240.2 · Gas	464.75	1,384.50	3,138.56
5240.3 · Trash			
5240.3A · Community Center	180.21	1,261.47	2,089.44
Total 5240.3 · Trash	180.21	1,261.47	2,089.44
5240.4 · Water			
5240.4A · Community Center	153.72	1,951.67	1,800.00
5240.4B · Museum	22.92	166.69	306.60
Total 5240.4 · Water	176.64	2,118.36	2,106.60
Total 5240 · Utilities	821.60	9,472.67	15,975.46
5900 · Debt Service			
5900.1 · Principal Expense	0.00	0.00	27,000.00
Total 5900 · Debt Service	0.00	0.00	27,000.00
66000 · *Payroll Expenses	0.00	0.00	0.00
Total Expense	11,588.53	224,850.91	402,228.86
Net Ordinary Income	4,778.16	55,648.38	92,655.51
Other Income/Expense			
Other Income			
4600 · Interest Income	0.00	4.70	
Total Other Income	0.00	4.70	
Other Expense			
7100 · Capital Outlay Expense	0.00	0.00	40,223.00
Total Other Expense	0.00	0.00	40,223.00
Net Other Income	0.00	4.70	-40,223.00
Net Income	4,778.16	55,653.08	52,432.51

BANK BALANCE AND PAYROLL HOURS WILL BE AVAILABLE AT MEETING

ITEM 9

COMMUNITY RESOURCE GUIDE:

DISCUSSION AND POSSIBLE ACTION



ITEM 10

HOLIDAY CLOSURES:

DISCUSSION AND POSSIBLE ACTION



Due to having a new employee start, I reviewed our Employee Manual and noted that it does not address Holidays (office closures). The following is a list of holidays that are observed by Federal and State and the Proposed Holidays for the WWCS D:

<u>Federal</u>	<u>State</u>	<u>Proposed WWCS D</u>
New Year's Day	New Year's Day	New Year's Day
MLK Birthday (Jan 20)	MLK Birthday (Jan20)	
President's Day (Feb 17)	President's Day (Feb 17)	President's Day
	Cesar Chavez Day (Mar 31)	
Memorial Day	Memorial Day	Memorial Day
Independence Day	Independence Day	Independence Day
Labor Day	Labor Day	Labor Day
Columbus Day (Oct 12)		
Veteran's Day (Nov 11)	Veteran's Day (Nov 11)	Veteran's Day
Thanksgiving Day	Thanksgiving Day	Thanksgiving Day
	Day after Thanksgiving	Day after Thanksgiving
Christmas Day	Christmas Day	Christmas Day

In addition to the days, we should have a determination as to pay on those days. We have 2 soon to be 3 part-time hourly employees and 1 part-time salaried employee. I have reached out to Helendale CSD and they don't have holiday pay for their part-time employees. I also reached out to Phelan Pinon Hills CSD and they do pay their part-time staff for holidays (4 hours).

ITEM 11

BUILDING DOORS:

DISCUSSION AND POSSIBLE ACTION



We are currently experiencing trouble with our building doors. The current doors in front of the building are getting old and we are getting alarms notifications on them. This is due to the hardware not locking the doors properly as well as they are just getting old and they are deteriorating. During heavy winds in January, the doors were blown hard enough to sound the alarm even though they were not opened. The emergency exit on the East is also not latching correctly and we have had a few alarm calls on that door. When getting quotes for new doors, I asked for a quote on the West side door as well to maintain a uniform appearance. The quotes are:

General Door	\$6,517.97
BP Development	\$4,150.42 for 2 doors and \$5,778.42 for all 3 doors
CM Installations	\$4,048.00 for 2 doors and \$4,997.00 for all 3 doors



9345 Douglas Drive
Riverside CA 92503
(833) 436-3667, (626) 488-7849
Geneganas@generaldoorservice.com

Proposal 01/23/2020

PROPOSAL #	29820876
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CLIENT INFORMATION
Wrightwood CSD Lori Golden
1275 Hwy 2 WrightwoodCA 92397
(760) 249-3205 Lori@wrightwoodcsd.org

CONTACT INFORMATION
Wrightwood CSD
1275 Hwy 2 Wrightwood, CA, 92397 (760) 249-3205 Lori@wrightwoodcsd.org

ITEMS	DESCRIPTION
	Furnish and Install:
	1) 3'0 x 6'8 Hollow Metal Door -Gray Color -1)Push Panic Exit Hardware -3) Hinges
	1) 3'0 x 6'8 Hollow Metal Door -Gray Color -1) Push Panic Top & Bottom Rods -3) Hinges
	2) 3'0 x 6'8 Hollow Metal Door (pair) -Active Door -Gray Color -1) Rim Device -1) Surface Mount Closer -1) Drop Plate -3) Hinges -1) Door Stop -Inactive Door -1)Push Panic Top & Bottom Rods -1)Surface Mount Closer -1)Drop Plate

- 3) Hinges
- 1) Door Stop
- 1) Door Astragal

Remove and haul away existing doors
Test for safe and proper operation

1 Year Full Warranty
50% Deposit/50% Net 10
2-3 Week Lead Time

TERMS OF SALE

Payment for our work is and payable upon completion of the work. The party who requested and authorizes our work shall remain responsible for payment of our invoice regardless of other parties involved (i.e. - insurance company or landlord). We will not invoice a landlord or insurance company unless they were the party which ordered the work with us. We will provide an itemized invoice if requested.

Service rates can vary with the time of day. Our normal business hours are Monday to Friday, 7:30 AM to 4:30 PM. Overtime charges at one and one half our normal rates and apply Monday to Friday, 4:31 PM to 9:00 PM and Saturday 7:30 AM to 4:30 PM. Premium time charges at double our normal rates apply Monday to Friday 9:01 PM to 7:29 AM, Saturday 4:31 PM to 7:30 AM and all day Sunday. Applicable hourly rates shall apply to travel time to and from the job site. A minimum service charge shall apply any time service is requested and a crew is dispatched regardless of the quantity of work performed.

In the event that payment is not made in full when due the billing party, as listed on the front of this sheet, agrees to pay the maximum legal rate of interest from date service was provided. If any party to this contract brings an action or proceeding to enforce the terms hereof or declare rights hereunder, the Prevailing Party (as defined) in any such proceeding, action, or appeal shall be entitled to reasonable attorney fees. Such fees may be awarded in the same suitor recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, a party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or abandonment by the other party of its claims or defenses.

Any controversy or claim arising out of or related to this contract, or the breach thereof, may, at the option of General Door Service, LLC, be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

It is specifically agreed that the title of the property furnished under this agreement shall remain that of General Door Service, LLC until such time as it has been paid in full. However, all risk of injury and/or loss of the property furnished shall be the responsibility of the buyer at such time as it is delivered to the work site. The property furnished under this agreement shall remain personal property and shall not be considered to be part of the real property to which it may be attached. In the event payment is not made when due, General Door Service, LLC reserves the right to repossess any property or work provided under this agreement.

NOTE TO PROPERTY OWNER REGARDING MECHANICS LIENS: In the event that payment is not made in full for services and materials that we provide, a mechanics lien will be filed against the property, whether or not the owner was the party who directly authorized the work. This lien may lead to the loss of all or part of your property through court foreclosure proceedings. This may occur even if you use a contractor whom you have paid in full for our work if the contractor does not in turn make payments to us. If you wish more information on lien laws and ways to protect yourself, you may contact the CONTRACTOR STATE LICENSE BOARD -9821 Business Park Drive, Sacramento, CA 95827, call (800) 321-CSLV, or visit CSLB's website www.cslb.gov.

Limited Conditional Warranty

General Door Service, LLC warrants only the materials and labor that it furnishes as listed on the front of this sheet. New doors shall be warrantied for a period of one year for defects in materials and workmanship. Repair materials and labor shall be warrantied for a period of 60 days from the date of the work (unless otherwise specified in the contract body) under the conditions that follow:

Liability shall be limited to the repair or replacement of any units or parts provided by us that become defective through normal use during this warrantied period. General Door Service, LLC shall not be liable for any consequential damage or costs. Damage or costs caused by misuse, failure to perform maintenance, or "acts-of-God" (fire, wind, water, earthquakes, etc.) are not warrantied. Warranty service shall be performed as quickly as possible, however warranty service is only available during normal business hours.

No warranty is in force unless payment is made in full and within our terms. Failure to pay in full and within our terms shall force the products and services to be sold as is and with any and all faults.

Warranty will be considered void if the products and services provided in this agreement are further serviced, modified, or in anyway tampered with by anyone other than General Door Service, LLC personnel during the warranty period.

Estimate Total: \$6,517.97

To authorize this proposal please print and sign with the date. Please review the terms and conditions, lead time, and payment terms before giving approval.

Print _____ Date: _____

Sign _____ Date: _____

BP Development, Inc.

Bob Pereira

P.O. Box 3106 • Wrightwood, CA 92397-3106

Cell: 909-964-9500 • Fax: 760-249-4455 • General Contractors License #878670 • Bpdevinc75@yahoo.com

Job: *Wrightwood Community Center*

Lori 760-249-3205



1. Remove & Replace 1 double door & 1 ea single door with steel doors & steel frames & all panic hardware & Handicap thresholds, commercial hinges & door closures & door stops.
(Includes disposal of old) Does not include painting.

Double door Material \$1438⁴²
Labor \$1084

Single Door Material \$842
Labor \$786

4150.42

Extra Door

single Door Material \$842
Labor \$786

1628-

Invoice

C.M Installations
 P.O Box 881
 Wrightwood, CA 92397
 (949) 355-7874

DATE: JANUARY 15, 2020
 INVOICE #20200115

TO: Lori Golden
 Wrightwood Community Services District
 1275 State Hwy 2
 PO Box 218, Wrightwood, CA 92397
 (760) 249-3205



Christopher		N/A	N/A	Wrightwood, Due Upon
	CA			N/A 50% Deposit
				Completion



		Double Commercial Doors(GalvanW.cd		
1	CMDOUBLECD	steel), Paint, 1 hinges, Bolt lock, Exit Device, 1 heavy duty closer, 90min Fire Rating	1799.00	1799.00
2	CMSINGLECI	Single Commercial Door(Galvanized steel), Paint, 1 hinges, Bolt lock, Exit Device, 1 heavy duty closer, 90min Fire Rating	949.00	1898.00
ICMLABOR		Labor		1300.00 1300.00

SUBTOTAL \$4997.00

SALES TAX \$0.00

TOTAL \$4997.00

Thank you for your business!

ITEM 12

DUMP CARDS: DISCUSSION AND POSSIBLE ACTION



I am starting to work on the dump cards for 2020/2021. There are several costs associated with these as detailed below:

Printing Letters \$350.00

Envelopes \$ 375.00

Cards printed on one side \$800.00

Printer Supplies \$200.00

Stamps \$850.00

Permit mailing if available \$150.00

Address Labels \$50.00

The total costs of the above is \$2,775.00. Due to the cost, the Board needs to approve these charges.

I am looking to streamline the process from previous years by having one side of the cards preprinted. It is my goal to have these cards in the mail by 5/31/2020.

ITEM 13

SNOW PLAYERS:

DISCUSSION AND POSSIBLE ACTION



Steve Pawluk, Ed.D. P O Box 1401 Wrightwood, CA 92397

January 10, 2020

Mr. Wes Zuber, Board President

Mr. Leo Hordyk, Board Vice President

Mr. Chuck Franklin, Director

Ms. Michelle Schneider, Director

Ms. Natalie Lopiccolo, Director

Wrightwood Community Services District

1275 Hwy 2 P.O. Box 218 Wrightwood, CA 92397

Good Afternoon, Members of the Wrightwood Community Services District Board:

I am writing as a property owner and full-time resident of Wrightwood, with the intention of encouraging the CSD Board to take the lead role in developing an interagency solution to the winter problem that Wrightwood has experienced for decades.

I am communicating with you in writing for two reasons: 1) I am rarely able to attend CSD Board Meetings, and 2) receiving this letter will offer you ample time to consider how best the CSD can proceed.

There have been plenty of meetings in Wrightwood about this topic in past years, but very little appears to have been done, except by volunteers such as CR&R and Mountain Hardware, to address the serious challenges presented by the host of visitors who come to enjoy our region after a significant snowfall. I recognize that the San Bernardino County sheriff's office has also enhanced patrols, but there are limits to what the deputies are able to do or should be asked to do. Perhaps the CSD will take the opportunity to assume a proactive coordinating role with various agencies during the coming year to at least mitigate the problems that we encounter regarding public safety, sanitation, traffic flows, recreation, trespassing, and crime.

A few mornings ago, on January 5, while I was walking my dog near the country club, two vehicles stopped me and the people politely inquired about where they might let their young children play in the snow. I told them that the areas around town were almost all private property and that they were likely to have sheriff's deputies called on them if they played around here. They acted surprised. Then I directed them up the highway to the Table Mountain area and to Inspiration Point. As I continued my walk, it occurred to me that not all snow players are scofflaws or litterbugs, but that most of them are just folks who drove a long way in heavy traffic looking for a safe and free or affordable place to enjoy the beauty and fun of our mountains and snow with their children and to take a few pictures.

Might it be appropriate for our CSD to coordinate with the U.S. Forest Service, the highway departments and sheriff's offices of San Bernardino and Los Angeles Counties, and whatever

other agencies are necessary, to designate a few safe play areas and to make sure that access and parking are plowed and periodically patrolled?

For instance, and please recognize that these are just illustrative ideas that might not be the best ones, what if the following places were designated as Public Snow Play Areas and identified as such on maps, web sites, and electronic highway signs: Grassy Hollow, Inspiration Point, Jackson Lake, the historic outdoor skating rink, Table Mountain Campground, the first part of Wright Mountain Road, the area east of Hwy 2 about half-way between town and Desert Front Road (that has an off-highway parking area), and at least part of the large chain-up area on the west side of Hwy 2 (when chaining up is not occurring there)?

I imagine that, for instance, if the Table Mountain Campground road and campsite parking areas were plowed, there would be quite a bit of parking and public play space for visitors. Similarly, while parking is prohibited along Hwy 2, there is a flat area off of the highway – east of the highway and a little north of Wright Mountain Road - that, if plowed, would provide quite a bit of parking and reasonable access to forest service land for many of our visitors.

While there will always be some careless people who will ignore parking restrictions and who will trespass and leave trash behind, I think that most of our visitors, if given some directions to good access points, would use them rather than driving around our neighborhoods looking for a sledding area in someone's front yard or illegally parking on the highway and creating a significant safety hazard or risking a parking citation.

I am pretty sure that the ideas expressed above wouldn't completely solve our issues, but they could certainly mitigate things a bit and begin providing a constructive response to what has been a problem for decades. Helping our visitors in this way may also reduce the number folks who are angry and/or frustrated because of their negative encounters with a law enforcement representative or landowner. Happy visitors would probably also benefit our village's businesses, so it may be that the CSD will also want to involve the Chamber of Commerce.

There will still be a need for deputy patrols and volunteer cleanups (I'm a member of Wrightwood's Adopt-a-Highway team), but perhaps we can significantly reduce the needed response. I believe that leaving the solution to Mountain High, Mountain Hardware, Adopt-a-Highway, and CR&R is not the right thing for our CSD to do.

As a conversation starter, I posted something on the Wrightwood Facebook page on January 5. I was surprised that my posting received over 150 responses, and 79 comments (all but a couple of them were positive and constructive). You might want to take a look and see what your constituents and voters are saying about this issue.

Thank you for considering my recommendations and for exploring ways that the CSD Board can provide the necessary leadership to proactively and constructively address this matter.

Sincerely,

Steve Pawluk

ITEM 14

LAHONTAN WATER BOARD:

DISCUSSION AND POSSIBLE ACTION

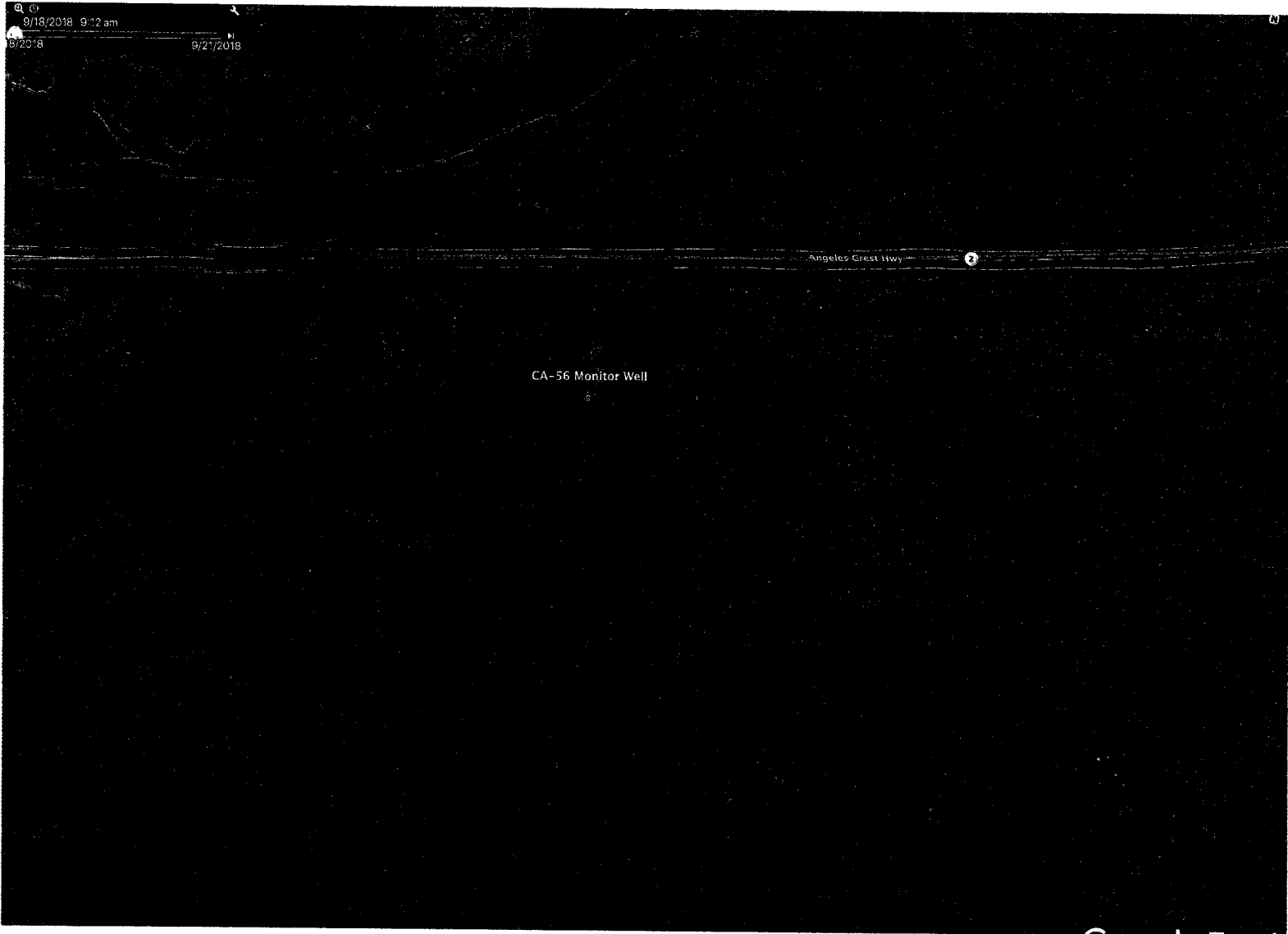


Location Overview

- CA-56 Well
- Sheep Creek Weir
- Lahontan "Wrightwood" Monitoring Well

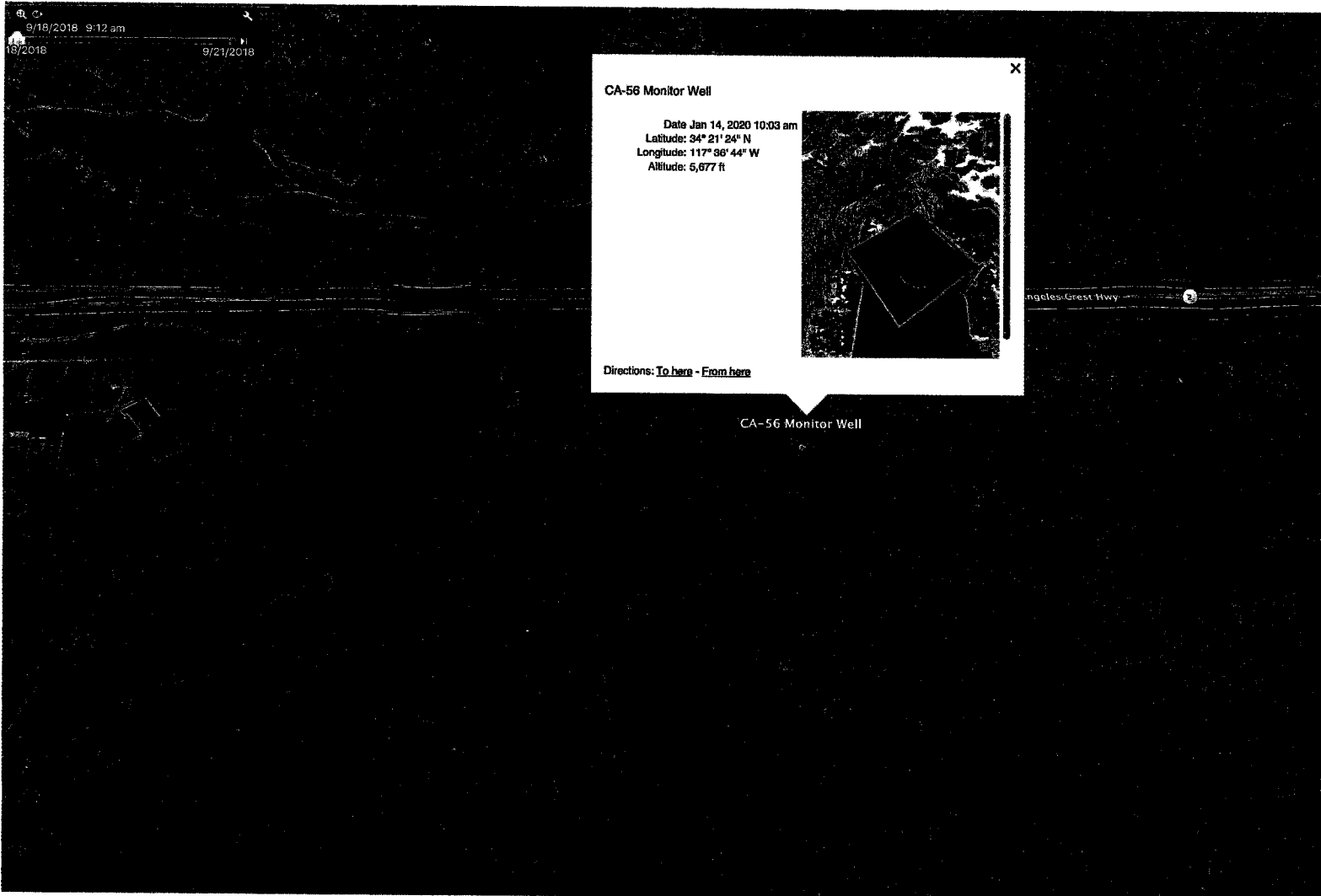


CA-56 Monitoring Well Location



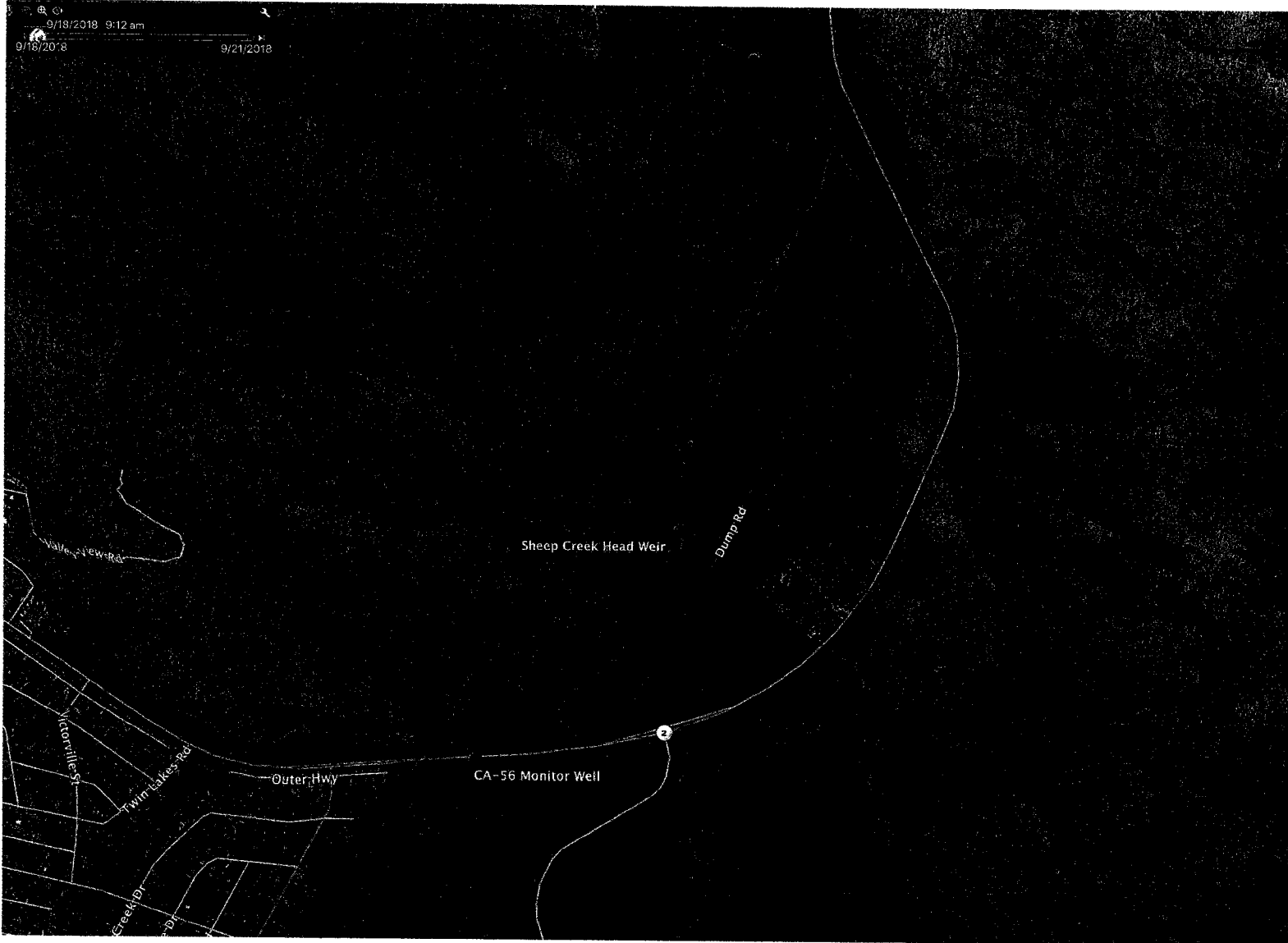
CA-56 Monitoring Well

- Last sampled in 2012 by SB County
- Well is now dry at 216', as verified by Mohave Water
- On Private Property
- No documentation from the County to WCSD
- No known easement
- Lahontan wants it destroyed as the well is no longer of any use
- Lahontan would like WW to take responsibility for the destruction
- Meeting at Lahontan is set for Feb 7th 9:30am



Sheep Creek Head Weir

- Two thousand feet away from the CA-56 Well
- Nitrate Levels are well within the limit and not climbing
- Nitrate Levels change based on the water levels for any given season
- Nitrate Levels are low right now 34% of max



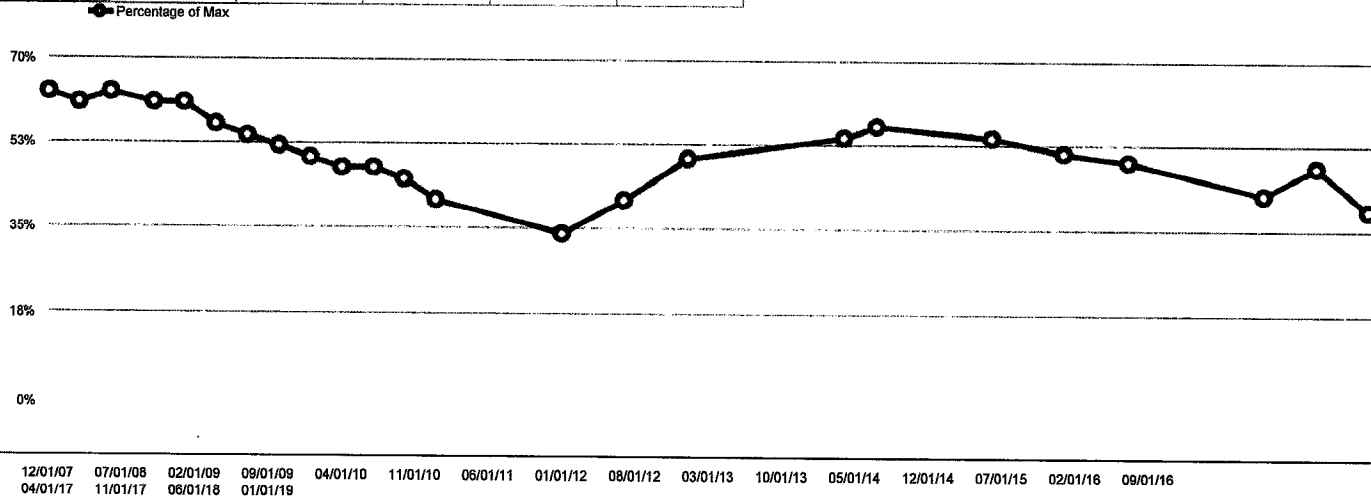
Sheep Creek Nitrate Levels

Lahontan doesn't think these Levels are valid for making a decision on WW Nitrate Levels

Nitrate over Time Analysis

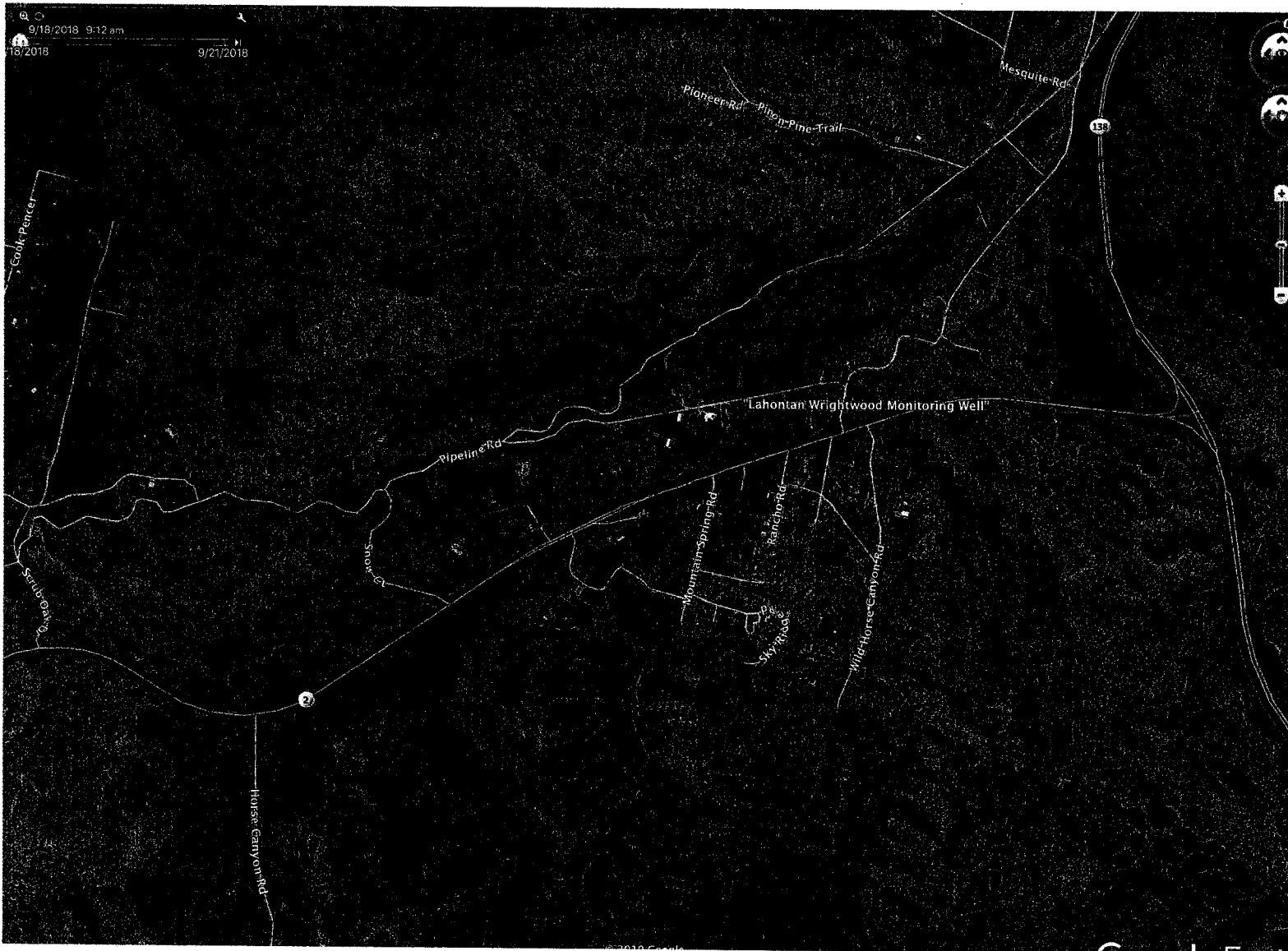
Date	Nitrate	NO3	MAX	Percentage of Max
02/05/07	6.3	28.0	10	63%
03/25/08	6.1	27.0	10	61%
05/04/08	6.3	28.0	10	63%
10/07/08	6.1	27.0	10	61%
07/08/09	6.1	27.0	10	61%
04/07/10	5.6	25.0	10	56%
07/07/09	5.4	24.0	10	54%
10/09/09	5.2	23.0	10	52%
01/11/10	5.0	22.0	10	50%
04/05/10	4.7	21.0	10	47%
07/09/10	4.7	21.0	10	47%
10/09/10	4.5	20.0	10	45%
01/10/11	4.1	18.0	10	41%
01/05/12	3.4	15.0	10	34%
07/09/12	4.1	18.0	10	41%
01/07/13	5.0	22.0	10	50%
04/07/13	5.4	24.0	10	54%
10/11/13	5.6	25.0	10	56%
06/23/13	5.4	24.0	10	54%
01/04/13	5.1	22.6	10	51%
07/08/13	4.9	21.7	10	49%

03/11/07	4.2	18.6	10	42%
01/17/13	4.8	21.2	10	48%
03/03/13	3.9	17.3	10	39%
02/22/13	3.7	16.4	10	37%
07/08/13	3.4	15.1	10	34%



Lahontan "Wrightwood" Well

- Lahontan is using this well for levels to Monitor WW currently
- Last reading in 2018
- See the LAMP report from Lahontan - Page 13
- They are using this well because the CA-56 Data is far to old



REGULATORY AND WATER QUALITY LEVELS¹		
Nitrate (as Nitrogen)		
Type	Agency	Concentration
Federal MCL	US EPA ²	10 mg/L as Nitrogen (N)
State MCL	SWRCB ³	10 mg/L as Nitrogen (N)
Detection Limit for Purposes of Reporting (DLR)	SWRCB ³	0.4 mg/L as Nitrogen (N)
Others: Public Health Goal (PHG)	OEHHA ⁴	10 mg/L as Nitrogen (N)

¹These levels generally relate to drinking water, other water quality levels may exist. For further information, see *A Compilation of Water Quality Goals*, 17th Edition, (SWRCB, 2016).

²US EPA – United States Environmental Protection Agency

³SWRCB – State Water Resources Control Board

⁴OEHHA – Office of Environmental Health Hazard Assessment

SUMMARY OF DETECTIONS IN PUBLIC WATER WELLS⁵	
Detection Type	Number of Groundwater Sources
Number of active and standby public wells with a nitrate concentration ⁶ > 10 mg/L (N)	854 of 11,906 wells sampled.
Top 3 counties with active and standby public wells with a nitrate concentration > 10 mg/L (N)	Los Angeles (128), Tulare (95), and Kern (88)

⁵Based on 2007-2017 public standby and active well (groundwater sources) data collected by the SWRCB.

⁶Water from active and standby wells is typically treated to prevent exposure to chemical concentrations above the MCL. Data from private domestic wells and wells with less than 15 service connections are not available.

ANALYTICAL INFORMATION		
Method	Detection Limit	Note
US EPA 300.0, 300.1	0.01-0.008 mg/L Depending on concentration and presence of other components	Nitrate-Nitrogen by Ion Chromatography
US EPA 353.2	0.05 mg/L	Nitrate-Nitrite by Automated Colorimetry
Public Drinking Water Testing Requirements	Public water systems are required to test for nitrate and must report the results to the SWRCB.	

NITRATE OCCURRENCE	
Anthropogenic Sources	<p>The largest source of anthropogenic nitrate is industrial production via the Haber-Bosch process. The Haber-Bosch process catalyzes atmospheric nitrogen gas with hydrogen to produce ammonia – which can then be further oxidized to produce nitrate. Approximately 3 to 5 percent of the world's natural gas production is consumed in this process, producing approximately 450 million tons of nitrogen fertilizer per year. High concentrations of nitrate are often associated with fertilizer production and application. Fertilizer that is not used by plants can leach into groundwater and ammonia will rapidly convert to nitrate in the presence of oxygen.</p> <p>Other anthropogenic sources of nitrate to groundwater include septic systems, discharges from wastewater and agricultural ponds, leaky sewer lines, manure fertilizer application, and the production of explosives.</p>
Natural Sources	<p>Nitrogen is an important biologic element and is a required component of amino acids and proteins. Although nitrogen is the most abundant gas in the atmosphere (as N₂), it is not easily used by most organisms in this form. N₂ must first be transformed to a more easily utilized compound, such as nitrate, before incorporation into biologic tissue or plant matter.</p> <p>Nitrate is naturally produced from N₂ through biologic fixation and from organic nitrogen through mineralization. Minor amounts may also be produced through oxidation of atmospheric nitrogen by lightening. Some nitrate from these sources may naturally enter groundwater. However, these concentrations are generally low. Nitrate concentrations greater than 10 to 15 mg/L (as NO₃) are generally indicative of anthropogenic nitrate sources (Mueller, 1995).</p>

History of Occurrence	Nitrate is the most common chemical contaminant in the world's groundwater aquifers. The USGS has estimated that nitrate exceeded background concentrations in 65 percent of shallow wells (<100 feet) in agricultural and urban areas. According to 2010, US Geological Survey publication, up to 7% of 2,388 domestic wells sampled in agricultural and urban areas have nitrate levels above the MCL. Concentrations exceeding the MCL were less common in public-supply wells (about 3 percent of 384 wells sampled). In California, multiple areas have elevated levels of nitrate contamination in groundwater including the San Joaquin Valley, Santa Ana Valley, and Salinas basins.
Contaminant Transport Characteristics	Nitrate dissolves rapidly in water and once dissolved is difficult to remove. Some natural degradation (denitrification) can occur under low or no-oxygen groundwater conditions. However, evidence suggests that aquifer-scale denitrification does not occur, and that once nitrate enters groundwater it can remain there for decades.

REMEDATION & TREATMENT TECHNOLOGIES	
<p>There is no simple way to remove nitrate from water. Boiling, softening, and filtration as a means of purifying water do not reduce nitrate concentrations. The following methods can reduce or remove nitrate:</p> <p>Demineralization</p> <ul style="list-style-type: none"> • Distillation - Removes nitrate and all other minerals from the water. Distillation is one of the most effective types of demineralization. This process involves boiling the water, then collecting and condensing the steam by using a metal coil. • Reverse osmosis - Water is placed under pressure and forced through a membrane that filters out minerals and nitrate. <p>Both distillation and reverse osmosis are costly and require time and energy to operate efficiently. They are low-yield systems, and storage space for treated water is required.</p> <p>Ion-exchange - Water containing nitrate flows through a tank filled with resin beads that are charged with chloride. As the water flows through the tank, the resin takes up the nitrate and exchanges with chloride.</p> <p>Electro-dialysis – Water containing nitrate flows across anion-exchange and cation exchange membranes in a constant electric field. The use of these mono-anion-selective membranes offer additional possibilities of nitrate removal by enabling preferential flow of mono-valent anions (Rozanska A. and J. Wisniewski, 2003).</p> <p>Other potential options include: phytoremediation and above ground biochemical denitrification.</p>	

HEALTH EFFECT INFORMATION

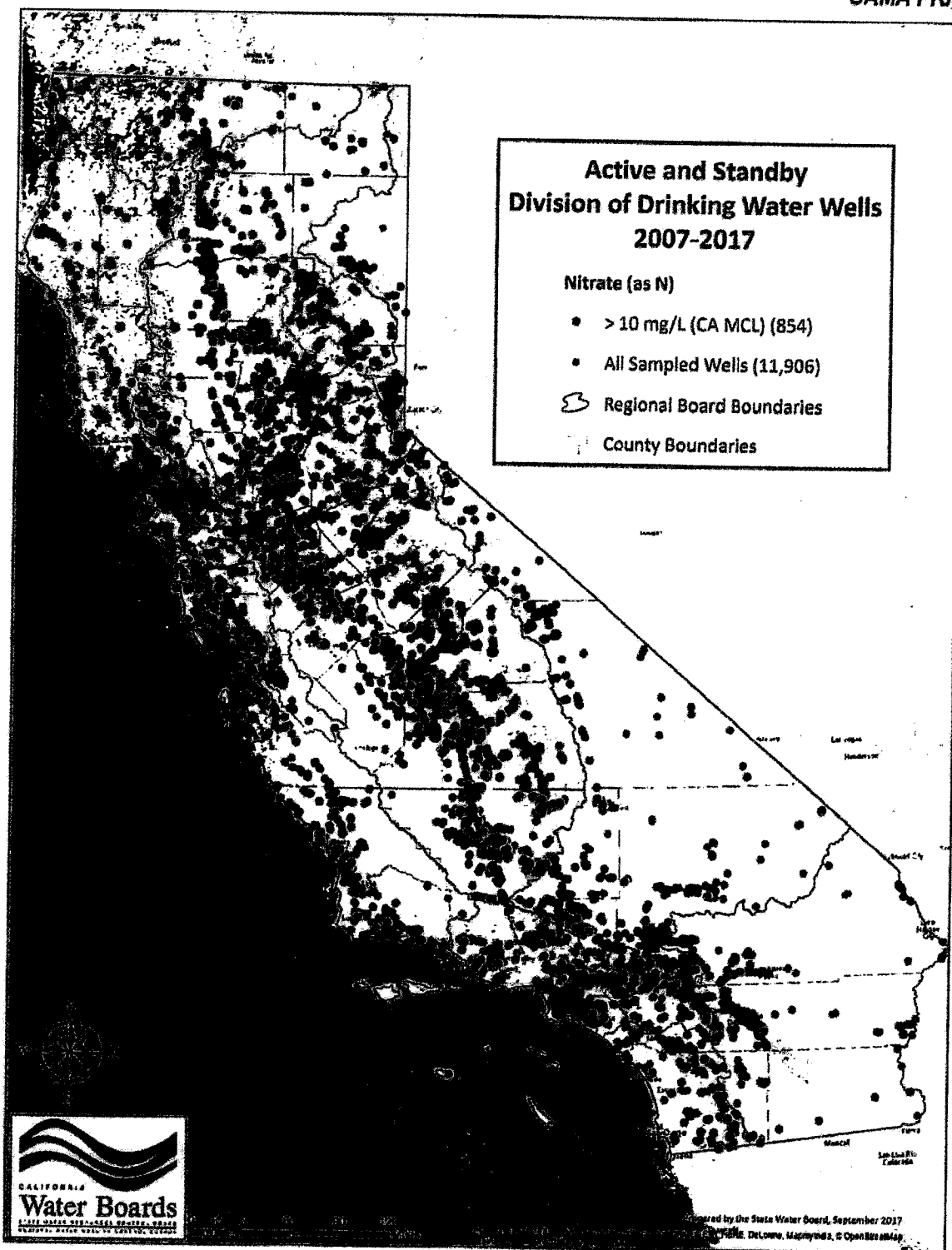
High levels of nitrate in drinking water are associated with adverse health effects. Domestic well users are encouraged to test their well water regularly for nitrate.

Infants under six months of age have a greater risk of nitrate poisoning, called methemoglobinemia ("blue baby" syndrome). Toxic effects occur when bacteria in the infant's stomach convert nitrate to more toxic nitrite. When nitrite enters the bloodstream, it interferes with the body's ability to carry oxygen to body tissues. Symptoms include shortness of breath and blueness of the skin around the eyes and mouth. Infants with these symptoms need immediate medical care since the condition can lead to coma and eventually death. During pregnancy, it is common for methemoglobin levels of the pregnant woman to increase from normal (where 0.5 to 2.5% of the total hemoglobin is in the form of methemoglobin) to a maximum of 10% in the 30th week of pregnancy. The level of methemoglobin declines to a normal level after delivery. Pregnant women are susceptible to methemoglobinemia and should be sure that the nitrate concentrations in their drinking water are at safe levels.

Some scientific studies suggested a linkage between high nitrate levels in drinking water with birth defects and certain types of cancer. However, long-term scientific studies are needed to determine a direct relationship. According to the EPA, long-term exposure to water with high nitrate levels may cause diuresis, increased starchy deposits, and hemorrhaging of the spleen. People with heart or lung diseases are more susceptible to the toxic effects of nitrate than others because of reduced levels of gastric acidity.

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2. California State Water Resources Control Board, A Compilation of Water Quality Goals 17th Edition (SWRCB, 2016).
http://www.waterboards.ca.gov/water_issues/programs/water_quality_goals/index.shtml
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4. Mueller, David K., Hamilton, Pixie A., Helsel, Dennis R., Hitt, Kerie J., and Barbara C Ruddy, " Nutrients in Ground Water and Surface Water of the United States—An Analysis of Data Through 1992", U.S. Geological Survey Water-Resources Investigations Report 95-4031, 1995.
5. Nolan, B.T., Hitt, K.L. Vulnerability of Shallow Groundwater and Drinking-Water Wells to Nitrate in the United States. *Environ. Sci. & Technol.* 2006, 40,7834-7840
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7. Rozanska A., and Wisniewski, J., 2003. Institute of Environment Protection Engineering, Wroclaw University of Technology. Wroclaw, Poland. Electrodialysis- An interesting solution to the nitrate problem in drinking water
<http://www.prague2003.fsu.edu/content/pdf/028.pdf>
8. U.S. Environmental Protection Agency. Clean Water Act Analytical Methods (January, 2016), <http://www.epa.gov/cwa-methods/approved-cwa-chemical-test-methods>
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10. U.S. Geological Survey. National Water-Quality Assessment (NAWQA) Program. Nutrients in rivers, streams and aquifers in the United States. <http://water.usgs.gov/nawqa/nutrients/> (January 2016).
11. Ward M.H., deKok, T.M., Levallois, P, Brender, J., Gulis G., Nolan B.T., VanDerslice, J., 2005 . Workgroup report: Drinking-Water Nitrate and Health - Recent Findings and Research Needs. *Environ. Health Persp.* Vol.113:11.



Active and standby public drinking water wells that had at least one detection of nitrate (as N) above the MCL, 2007-2017, 854 wells. (Source: Public Well Data using GeoTracker GAMA).

Revised November 2017

ITEM 15

GRANT WRITING: DISCUSSION AND POSSIBLE ACTION



I have been researching grant writing classes and found one for \$149.00 that I am interested in taking. I feel the CSD would benefit from having someone that can write grants for any that are available to us. We have a list of items we would like to see completed but due to our cash flow, we would not be able to complete them for several years.

ITEM 16

APPROPRIATION LIMIT:

**DISCUSSION AND
POSSIBLE ACTION**



RESOLUTION NO. 2020-

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
WRIGHTWOOD COMMUNITY SERVICES DISTRICT
CALLING AN ELECTION ON NOVEMBER 3, 2020,
TO ESTABLISH AN APPROPRIATIONS LIMIT;
ESTABLISHING A DEADLINE DATE FOR RECEIPT OF WRITTEN ARGUMENTS
FOR AND AGAINST THE MEASURE;
AND REQUESTING CONSOLIDATION WITH ANY AND ALL ELECTIONS
TO BE HELD IN THE SAME TERRITORY ON THAT SAME DATE**

WHEREAS, the Wrightwood Community Services District (“the District”) is a Community Services District located within the Counties of San Bernardino and Los Angeles, and organized and operating pursuant to California Government Code Section 61000 et seq.; and

WHEREAS, pursuant to Resolution No. 3245 of the Local Agency Formation Commission of the County of San Bernardino (“LAFCO”) adopted on May 25, 2017, the District is the successor agency to County Service Area 56; and

WHEREAS, Condition No. 12 of LAFCO Resolution No. 3245 expressly states as follows: “Pursuant to the provisions of Government Code Section 56811, the provisional appropriation limit of the Wrightwood CSD shall be set at \$552,129. The permanent appropriation limit shall be established at the first District election held following the first full fiscal year of operation and shall not be considered to be a change in the appropriation limit of the District pursuant to Article XIII B of the California Constitution;” and

WHEREAS, Section 4 of Article XIII B of the California Constitution provides that the appropriations limit imposed on the District may be established by the electors of the District, subject to and in conformity with constitutional and statutory voting requirements; and

WHEREAS, the District’s revenue from all sources, including current taxes under the provisional appropriations limit set by LAFCO pursuant to Resolution No. 3245 and funds generated by the District from the provision of services, is grossly inadequate for operating and maintaining the District; and

WHEREAS, the District’s appropriations limit must be established at a level that would generate sufficient revenue to operate and maintain the District; and

WHEREAS, the District’s General Manager has conducted the necessary analysis and calculations in accordance with Article XIII B of the California Constitution to determine that the District’s appropriations limit should be established in the amount of \$ _____; and

WHEREAS, it is the desire of the District’s Board of Directors to conduct an election on November 3, 2020, for the purpose of establishing an appropriations limit for the District, to request consolidation with any and all other elections to be held in the same territory on that same date, and to assist the Counties of San Bernardino and Los Angeles in every way possible to assure consolidation.

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

1. An election shall be conducted within the District on November 3, 2020, to submit to the voters a measure establishing an appropriations limit for the District.
2. Measure “ _____ ” to be submitted to the voters shall be as follows:

Measure “ _____ ” Shall an appropriations limit, as defined by Subdivision (h) of Section 8 of Article XIII B of the California Constitution, be established for the Wrightwood Community Services District, Counties of San Bernardino and Los Angeles, State of California, in the amount of \$ _____?	YES	
	NO	

3. Measure “ _____ ” shall go into effect only if approved by a majority of the qualified voters voting in an election to be held on November 3, 2020, and shall become effective ten (10) days after the District’s Board of Directors has, by Resolution, declared that such Measure was approved by a majority of the voters voting thereon.
4. The deadline date of August 1, 2020, at 5:00 p.m., is hereby established for receipt of written arguments for or against the Measure. The deadline date of August 2, 2020, at 5:00 p.m., is hereby established for the receipt of rebuttal arguments. Written arguments and rebuttals may be submitted by a member of the District’s Board of Directors, any voter or bona fide association of voters within the District, or any combination thereof. Written arguments shall not exceed 300 words in length, and

rebuttals shall not exceed 250 words in length. Such arguments and rebuttals shall be filed with the San Bernardino County Registrar of Voters located at 777 E. Rialto Avenue, San Bernardino, California 92415-0770 and the Los Angeles County Registrar of _____ Voters _____ located _____ at _____.

The written arguments and rebuttals must be accompanied by Statement Form 9600. For information, call: Lori Golden, General Manager of the District, at (760) 220-8378, during regular business hours.

5. The San Bernardino County Board of Supervisors and the Los Angeles County Board of Supervisors are hereby requested to order that the election on this Measure be consolidated with any and all elections in the same territory to be conducted on November 3, 2020, and that the San Bernardino County Registrar of Voters and the Los Angeles County Registrar of Voters conduct the election within their respective jurisdictions for the District. The San Bernardino County Registrar of Voters and the Los Angeles County Registrar of Voters are also requested to give the same Measure designation for both elections and that the filing requirements be similarly coordinated. The District shall reimburse the Counties of San Bernardino and Los Angeles for services rendered in connection with the election upon presentation to the District of a properly approved bill. The District shall further assist the Counties of San Bernardino and Los Angeles, as needed, to prepare for and conduct the consolidated election with the District.
6. The election will be held and conducted, election officers appointed, voting precincts designated, ballots printed, polls opened and closed, ballots counted and returned, returns canvasses, results declared, certificates of election issued and all of the proceedings incidental to and connected with the election shall be regulated and done in accordance with the provisions of law regulating the election with which the District election is consolidated.
7. The Secretary of the District's Board of Directors is hereby instructed to file certified copies of this Resolution with the Clerks of the Boards of Supervisors of San Bernardino County and Los Angeles County, and with the San Bernardino County Registrar of Voters and Los Angeles County Registrar of Voters on or before 5:00 p.m.

on August __, 2020. The Secretary shall also cause this Resolution to be published in the _____, a newspaper of general circulation printed and published in the District. The District's General Manager and legal counsel are authorized and instructed to take such further action as may be necessary in preparing for and conducting the consolidated election.

ADOPTED this ____ day of _____, 2020.

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors

ATTEST: _____
Secretary

ITEM 17

INVESTMENT POLICY: DISCUSSION AND POSSIBLE ACTION



Currently, the bank balance in our accounts with Desert Community/Flagstar Bank are over \$270,000. FDIC insurance has our accounts insured to \$250,000. The amount over the FDIC insurance is collateralized by the bank. This means the bank has funds set aside to insure the rest of our account balance. However, this money is just sitting and not being productive for the WWCSO. I would like to invest some of this balance into Treasury Bills that have staggered maturity dates. This will enable us to manage our cash better while having the money work for us. Treasury bills have maturity dates of 4 weeks, 8 weeks, 13 weeks and 26 weeks.

Prior to doing any type of investment, we need to approve an Investment Policy.

RESOLUTION NO. 2020-
RESOLUTION OF THE BOARD OF DIRECTORS OF
THE WRIGHTWOOD COMMUNITY SERVICES DISTRICT
ESTABLISHING ITS INVESTMENT POLICY

1. POLICY

WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

WHEREAS, the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 53601 and 53635; and

WHEREAS, the Treasurer/General Manager or fiscal officer of the Wrightwood Community Services District ("District") must annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Board of Directors at a public meeting,

NOW THEREFORE, it shall be the policy of the District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the District's daily cash flow demands and conforming to all statutes governing the investment of District funds.

2. SCOPE

This investment policy applies to all financial assets of the District. These funds are accounted for in the annual District audit.

3. PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4. **OBJECTIVES**

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing District funds, the primary objectives, in priority order, of the investment activities shall be:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2. **Liquidity:** The 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 investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

5. **DELEGATION OF AUTHORITY**

Authority to manage the investment program is derived from California Government Code Sections 53600, et seq. Management responsibility for the investment program is hereby delegated to the Treasurer/General Manager, who, where appropriate, shall establish written procedures for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and such procedures that are established by the Treasurer/General Manager. The Treasurer/General Manager shall be responsible for all transactions undertaken and shall establish controls to regulate the activities of subordinate officials. Under the provisions of California Government Code Section 53600.3, the Treasurer/General Manager is a trustee and a fiduciary subject to the prudent investor standard.

6. **ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict or appear to conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

7. **AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS**

The Treasurer/General Manager will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the District shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Treasurer/General Manager shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the District's account with that firm has reviewed the District's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Investment Policy.

Where all funds of the District not placed in FDIC-insured accounts are invested through the Local Agency Investment Fund (LAIF), the Treasurer/General Manager need not be concerned with the qualifications of those financial institutions and broker/dealers with whom LAIF transacts business.

8. AUTHORIZED AND SUITABLE INVESTMENTS

The District is empowered by California Government Code Sections 53601 et seq. to invest in the following:

- a. Bonds issued by the District.
- b. United States Treasury Bills, Notes and Bonds (T bills).
- c. Registered state warrants or treasury notes or bonds issued by the State of California.
- d. Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California.
- e. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurer/General Managers, other local agencies or joint powers agencies. The Local Agency Investment Fund (LAIF) is an approved pooled investment account. The Investment Trust of California (CalTrust) is an approved joint powers authority.
- f. 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.

- g. Bankers' acceptances, otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchase of bankers' acceptances may not exceed 180 days maturity or 40% of the District's money that may be invested pursuant to this policy. However, no more than 30% of the District's money can be invested in the bankers' acceptances of any single commercial bank.
- h. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall either be:

(1) organized and operating within the United States, shall have total assets in excess of five hundred million dollars (\$500,000,000), and shall issue debt, other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization; or

(2) organized within the United States as a special purpose corporation, trust, or limited liability company, have program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond, and has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Eligible commercial paper shall have a maximum maturity of 270 days or less. The District shall invest no more than 25 percent of its money in eligible commercial paper. The District shall purchase no more than 10 percent of the outstanding commercial paper of any single corporate issue.

- i. (i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank; and (ii) certificates of deposit at a commercial bank, savings bank, savings and loan association or credit union that uses a private sector entity that assists in the placement of such certificates of deposit. Purchases of negotiable certificates of deposit under subdivision (i) of this subdivision (h) and certificates of deposit under subdivision (ii) of this subdivision (h) may together not exceed 30 percent of the District's money which may be invested pursuant to this policy. The Board of Directors and the Treasurer/General Manager are prohibited from investing District funds, or funds in the District's custody, in negotiable certificates of deposit issued by a state or federal credit union if a member of the Board of Directors, or any person with investment decision making authority within the District also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- j. Repurchase/Reverse Repurchase Agreements of any securities authorized by Section 53601. The market value of securities that underlay a repurchase

agreement shall be valued at 102% or greater of the funds borrowed against those securities, and are subject to the special limits and conditions of California Government Code 53601(i).

- k. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "A" or better by a nationally recognized rating service. Purchases of medium-term notes shall not include other instruments authorized by this policy and may not exceed 30 percent of the District's money which may be invested pursuant to this policy.
- l. Shares of beneficial interest issued by diversified management companies (mutual funds) investing in the securities and obligations authorized by this policy, and shares in money market mutual funds, subject to the restrictions of Government Code Section 53601(k). The purchase price of investments under this subdivision shall not exceed 20 percent of the District's money that may be invested pursuant to this policy. However, no more than 10 percent of the District's money may be invested in any one mutual fund.
- m. Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.
- n. Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Government Code Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.
- o. Any mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate,

consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having a AAA or higher rating for the issuer's debt as provided by a nationally recognized rating service and the securities shall be rated in a rating category of AAA or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20 percent of the District's money that may be invested pursuant to this policy.

- p. Proposition 1A receivables, as defined in subdivision (a) of Government Code Section 53610.
- q. Any other investment security authorized under the provisions of California Government Code 5922 and 53601.

A summary of the limitations and special conditions that apply to each of the above listed investment securities is attached and is included by reference in this Investment Policy.

Pursuant to Government Code Sections 53601.6 and 53631.5, the District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

9. COLLATERALIZATION

All certificates of deposits must be collateralized by United States Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralizations on repurchase and reverse agreements will adhere to the amount required under California Government Code 53601(i)(2).

10. SAFEKEEPING AND CUSTODY

All security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement.

11. DIVERSIFICATION

The District will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be determined and revised periodically, if determined necessary to meet District goals. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.

- b. Maturities selected shall provide for stability of income and liquidity.
- c. Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

12. REPORTING

The Treasurer/General Manager shall submit an investment report to the Board of Directors at least quarterly. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for District by third party contracted managers. The report will also include the source of the portfolio valuation. If all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the District will meet its expenditure obligations for the next six months, as required by Government Code Section 53646(b)(2) and (3), respectively. The Treasurer/General Manager shall maintain a complete and timely record of all investment transactions.

13. INVESTMENT POLICY ADOPTION

This Resolution shall supersede all other inconsistent investment policies of the District. This Policy shall be reviewed on an annual basis and modifications must be approved by the Board of Directors.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Orchard Dale Water District this _____.

Wes Zuber, President

ATTEST:

Secretary

<u>Govt. Code Section</u>	<u>Investment Type</u>	<u>Maximum Maturity</u>	<u>Authorized Limit (%)</u>	<u>Required Rating</u>
53601(a)	Bonds issued by Wrightwood Community Services District	5 years	None	None
53601(b)	U.S. Treasury Bills, Notes and Bonds	5 years	None	None
53601(c)	California Warrants, Notes or Bonds	5 years	None	None
53601(d)	Other States' Treasury Notes or Bonds	N/A	None	None
53601(e)	Local Agency Investment Fund (LAIF)	N/A	None	None
53601(f)	U.S. Agencies or Enterprises	5 years	None	None
53601(g)	Bankers' Acceptances	180 days	40% (30% in any one bank)	None
53601(h) & 53601.8	Prime Commercial Paper	270 days	25% (10% in any one entity's paper)	A
53601(i)	Negotiable Certificates of Deposit and Certificates of Deposit placed through use of a private sector entity	5 years	30%	None
53601(j)	Repurchase/Reverse Repurchase Agreements	1 year *	20%	None
53601(k)	Medium-Term Corporate Notes	5 years	30%	A
53601(l)	Money Market Mutual Funds and Mutual Funds **	5 years	20% (10% in any single fund)	***
53601(m)	Bond/COP Funds	N/A	None	None
53601(n)	Collateralized Bank Deposits	5 years	None	None
53601(o)	Mortgage Pass-Through Securities	5 years	20%	AA
53610	Proposition 1A Receivables	None	None	None

* the one year limitation for Repurchase/Reverse Repurchase Agreements is subject to a further limitation set forth in Government Code Section 53601(i)(4), which, if applicable, may limit the maturity to 92 days.

** Mutual Funds maturity may be defined as the weighted average maturity; money market mutual funds must have an average maturity of 90 days or less, per SEC regulations. *** Highest ratings from two of the top three rating agencies.

ITEM 18

FUTURE BOARD

MEETING

MARCH 4, 2020:

DISCUSSION AND POSSIBLE ACTION



ITEM 19

DIRECTORS COMMENTS



ITEM 20

ADJOURNMENT

