



# OJAI VALLEY SANITARY DISTRICT

A Public Agency

1072 Tico Road, Ojai, California 93023

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www.ojaisan.org

## MEETING OF THE BOARD OF DIRECTORS' ORDINANCE/PUBLIC RELATIONS/NEWSLETTER/WEBPAGE COMMITTEE

Date & Time:

April 9, 2018

Monday, 2:30 p.m.

Location

OVSD Board Room

1072 Tico Road, Ojai

Committee Members

Russ Baggerly

John R. Curtis

William M. Stone

### A G E N D A

1. Call the Meeting to Order
2. Select Chairman For The Committee
3. Public Comment - (Items not on the agenda - 3 minute limit)

### ITEMS FOR COMMITTEE CONSIDERATION, DISCUSSION & POSSIBLE RECOMMENDATION TO THE BOARD OF DIRECTORS

4. Review of Ordinance OVSD-65 – District Contracting & Purchasing Policy
5. Review of Laws & Legal Provisions Related to ADU laws
6. Reports
  - a. Committee Members pursuant to Government Code §54954.2
  - b. General Manager on District Activities related to this Board Committee.

A staff report providing more detailed information is available for most agenda items, and may be reviewed in the District office during regular business hours. Copies of individual reports may be requested from Brenda Krout (646-5548).

ATTEST TO POSTING:

Brenda Krout – Clerk of the Board

April 6, 2018 @ 3:30 p.m.

Date & Time Posted At District Office


# ITEM #4

Memorandum

**Ojai Valley Sanitary District**

April 6, 2018

To: Ordinance/Public Relations/Newsletter/Webpage Committee – Russ Baggerly, Bill Stone & Jack Curtis

From: Jeff Palmer, General Manager 

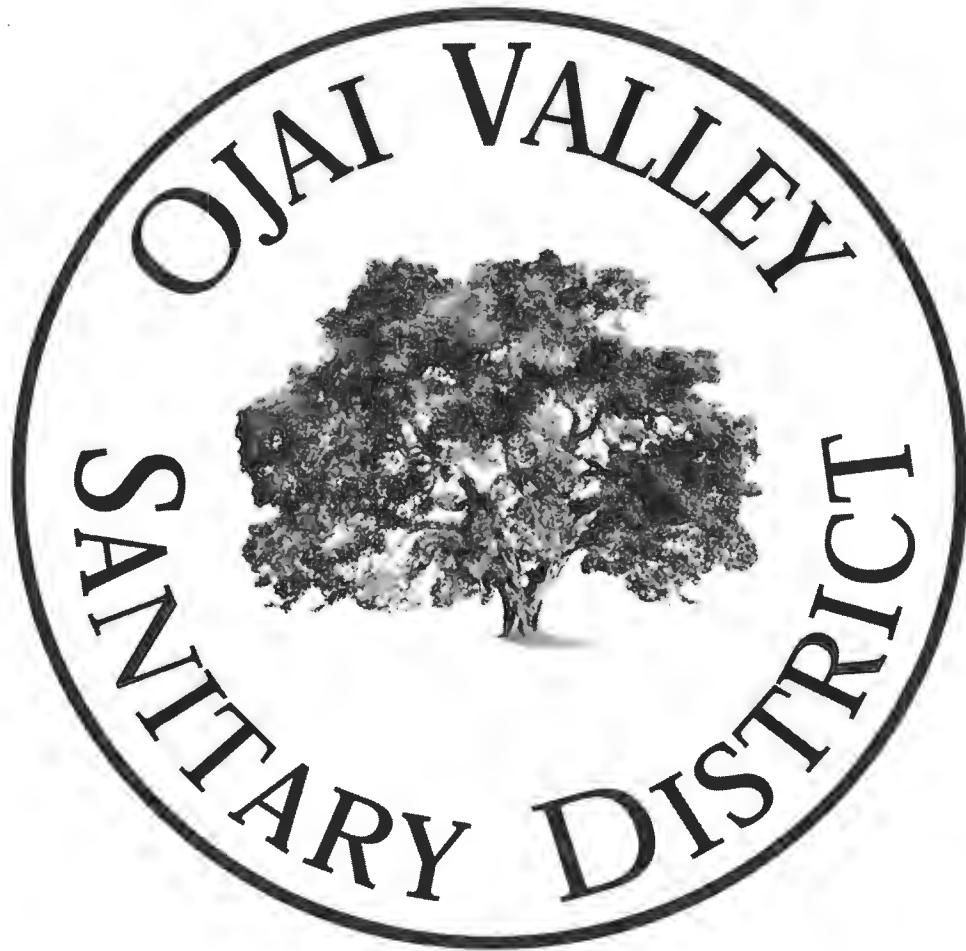
Subject: Review of Ordinance OVSD-65 – District Contracting & Purchasing Policy

Ordinance OVSD-65, adopted by the Board on May 23, 2011, established the District's Contracting & Purchasing Policy. This policy covers the range of issues which the District faces, with provision for equipment and supplies, Professional Services and Construction projects. The full Ordinance is attached for your information.

Section 6 of the Policy regulates the disposal of surplus District property; this is a section staff feels needs to be re-visited. Section 6.9 establishes prohibitions against a District employee, director, officer or agent from submitting a bid for purchase, or in any other manner take possession of, District owned Surplus Property.

Staff requests the Committee review and discuss a revision to Section 6.9 that would allow a District employee, director, officer or agent to participate in any surplus property disposal that involves a sealed bid process where the purchase of the surplus property is awarded to the highest bidder.

If you have any questions or need additional information please contact me at 646-5548.



**District Contracting  
&  
Purchasing Policy**

**Ordinance No. OVSD-65**

Adopted May 23, 2011

**OJAI VALLEY SANITARY DISTRICT**

**ORDINANCE NO. OVSD-65**

**AN ORDINANCE ADOPTING POLICIES AND PROCEDURES GOVERNING  
PUBLIC PROJECT CONTRACTS,  
PROFESSIONAL SERVICE CONTRACTS,  
THE PURCHASE OF SUPPLIES, EQUIPMENT AND SERVICES, AND  
THE DISPOSAL OF SURPLUS PROPERTY**

**RECITALS**

**WHEREAS**, the Ojai Valley Sanitary District (“District”) desires to establish uniform policies and procedures governing public project contracts, professional service contracts, the purchase of equipment, supplies and services, and the disposal of surplus property; and

**WHEREAS**, the District, pursuant to Resolution No. 44, elected to become subject to the uniform cost accounting procedures set forth in the Uniform Public Construction Accounting Act (“Act”), (Public Contracts Code Section 22000, et seq.), and, pursuant to the Act, enacted OVSD Ordinance No. OVSD-14 to govern the selection of contractors to perform public projects pursuant to Public Contract Code Section 22032(b); and

**WHEREAS**, it is the desire of the District’s Board of Directors (“Board”) to establish a uniform system for competitive bidding, contracting, and purchasing that will provide for the fair and equitable treatment of all persons involved in the process and to obtain the highest possible value in exchange for public funds.

**NOW, THEREFORE**, the Board of Directors of the Ojai Valley Sanitary District does hereby ordain as follows:

**1. GENERAL**

- 1.1. Purpose.** The purpose of this Ordinance is to establish policies and procedures governing the District’s Public Project contracts, professional service contracts and purchasing arrangements, as well as the District’s disposal of Surplus property. These policies and procedures are intended to ensure that the District exercises positive financial control and executes the aforementioned matters in a manner that results in the lowest possible cost commensurate with the quality needed. These policies are applicable to action taken by the Board and the General Manager and each is deemed the “awarding party” when they are acting within the award authority established herein.

## **2. DEFINITIONS**

- 2.1.** “Act” means the Uniform Public Construction Cost Accounting Act found in Public Contract Code Section 22000 et seq.
- 2.2.** “Best Value”, with respect to the purchase of any services, means the best value to the District based on relevant factors, including, without limitation, the following:
- 2.2.1.** Cost;
  - 2.2.2.** The ability, capacity and skill of a contractor to perform a contract or provide the supplies, Services or equipment required;
  - 2.2.3.** The ability of a contractor to provide the supplies, Services or equipment promptly or within the time specified without delay or interference;
  - 2.2.4.** The character, integrity, reputation, judgment, experience and efficiency of a contractor;
  - 2.2.5.** The quality of a contractor’s performance on previous purchases/Services with the District; and
  - 2.2.6.** The ability of a contractor to provide future maintenance, repairs, parts, quality of materials, versatility and Services for the use of the goods and services purchased.
- 2.3.** “Best Value”, with respect to the purchase of any supplies or equipment, means the best value to the District based on relevant factors, including, without limitation, the following:
- 2.3.1.** Cost;
  - 2.3.2.** Life Cycle Costs. The ability, capacity and performance of the supplies or equipment to perform in accordance with the specifications of the District;
  - 2.3.3.** The availability of the supplies or equipment to meet the time specified without delay or interference;
  - 2.3.4.** The ability of the manufacturer or supplier to provide future maintenance, repairs, parts and Services for the use of the goods purchased.
- 2.4.** “General Manager” means the General Manager of the Ojai Valley Sanitary District.

- 2.5.** “Commission” means the California Uniform Construction Cost Accounting Commission created by Division 2, Part 3, Chapter 2, Article 2 of the California Public Contract Code (commencing at Section 22010).
- 2.6.** “Disposal” is the means by which the District may dispose of Surplus Property including, without limitation, the following: (1) private sale by public auction or competitive bidding; (2) charitable donation; (3) trade-in; (4) transfer to governmental agencies; (5) sale for scrap or salvage value; or, (6) any other lawful manner of disposal.
- 2.7.** “Direct Bid Procedure” means the procedure by which quotes are obtained on the Open Market.
- 2.8.** “Emergency” for purposes of Public Projects shall have the meaning provided in Public Contract Code Section 22035 and 22050. Emergency for all other purchasing purposes means a situation where it is determined by the General Manager that public health, safety, or welfare would be threatened if the normal bidding and/or awarding procedures were followed.
- 2.9.** “Facility” shall have the meaning provided in Public Contract Code Section 22002(e).
- 2.10.** “Impossible” means actual impossibility or extremely and unreasonably difficult or expensive.
- 2.11.** “Impractical” means incapable of being performed by the bid procedure.
- 2.12.** “Incongruous” means not suitable or compatible with the bid procedure.
- 2.13.** “Negotiated Procurement” means any purchase made or contract awarded as a result of negotiations rather than competitive bid.
- 2.14.** “Maintenance Work” shall have the meaning provided in Public Contract Code Section 22002(d), as that section may be amended from time to time. Maintenance work shall include, without limitation, the following:

  - 2.14.1.** Routine, recurring, and usual work for the preservation or protection of the District’s Facilities for their intended purposes;
  - 2.14.2.** Minor repainting of District Facilities;
  - 2.14.3.** Work performed to keep, operate, and maintain the District’s Facilities, including, without limitation the waste water treatment facility and ancillary structures, sewer maintenance (including videotaping and cleaning), manhole restoration, and pump station maintenance and repairs;
  - 2.14.4.** Maintenance of Facilities, including roof repairs, heating and air conditioning repairs, and electric repairs.

- 2.14.5.** Maintenance and repair of District owned vehicles and other equipment or Facilities
- 2.15.** “Open Market” means that market which is not limited to a finite set of qualified contractors as listed or otherwise defined by the District or Commission.
- 2.16.** “Professional Services” means all services performed by persons in a professional occupation, including, without limitation, consulting and performance services for accounting, auditing, computer hardware and software support, engineering, architectural, planning, financial, legal, management, environmental, communication and other similar professional functions which may be necessary for the operations of the District.
- 2.17.** “Public Project” shall have the meaning provided in Public Contract Code Section 22002(c), as that section may be amended from time to time. Public Project shall not include Maintenance Work. In addition, Public Project shall include, without limitation, the following: Construction, reconstruction, erection, alteration, renovation, improvement, demolition involving any District owned, leased, or operated Facility.
- 2.18.** “Purchase” includes rental or lease.
- 2.19.** “Services” means all services not otherwise categorized as Professional Services.
- 2.20.** “Surplus Property” shall mean any District owned property, equipment, materials, or other items that are no longer necessary for the District’s use and are not real property.

### **3. CONTRACTING FOR PUBLIC PROJECTS**

- 3.1. Governed by UPCCA.** “Public Projects,” as defined in the Uniform Public Construction Cost Accounting Act (hereafter “Act”) (Public Contract Code Section 22000, et seq.), may be let to contract by the procedures set forth in the UPCCA, as may be amended from time to time, this Ordinance, and other applicable law.
- 3.2. Award Authority for Public Projects.**
- 3.2.1. General Manager Award Authority.** The General Manager is hereby authorized to award Public Project contracts of less than Fifteen Thousand Dollars (\$15,000), without Board approval.
- 3.2.2. Board of Directors Award Authority.** The Board of Directors shall award Public Project contracts for Public Projects of Fifteen Thousand Dollars (\$15,000) or more.



**3.3. Procedures for Public Projects.**

**3.3.1.** Public Projects of Thirty Thousand Dollars (\$30,000) or less may be performed by the employees of the District by force account, by negotiated contract, by purchase order, or by informal bid procedures as determined by the General Manager.

**3.3.2.** Public Projects of One Hundred and Seventy-Five Thousand Dollars (\$175,000) or less may be let to contract by informal procedures in accordance with the provisions of Section 3.4 below.

**3.3.3.** Public Projects of more than One Hundred and Seventy-Five Thousand Dollars (\$175,000) shall, except as otherwise provided in the Act, be let to contract by formal bidding procedure in accordance with the provisions of Section 3.5 below.

**3.3.4.** In the case of an Emergency, the District, in accordance with the requirements of the Act, may repair or replace any District facility and take any directly related and immediate action required by that Emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts which would otherwise be required, based on a finding that the Emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the Emergency.

**3.3.4.1.** The Board hereby delegates to the General Manager the authority to order such Emergency action. If the General Manager orders such Emergency action, the General Manager shall report such action to the Board as required by the Act.

**3.4. Informal Bid Procedures for Public Projects of One Hundred and Seventy-Five Thousand Dollars (\$175,000) or Less.**

**3.4.1. Contractors List.** The District shall adopt a list of contractors in accordance with the provisions of Public Contract Code Section 22034 and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission ("Commission").

**3.4.2. Notice Inviting Informal Bids.** Where a Public Project is to be performed and the estimated cost is One Hundred and Seventy-Five Thousand Dollars (\$175,000) or less, a notice inviting informal bids shall be mailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with subsection 3.4.1 of this Section, and/or to all construction trade journals as specified by the Commission in accordance with Public Contracts Code Section 22036. Additional contractors and/or construction trade journals may be notified at the discretion of the General Manager; provided however:

**3.4.2.1.** If there is no list of qualified contractors maintained as identified in subsection 3.4.1 of this Ordinance for the particular category of work to be performed, the notice inviting bids shall be sent to the construction trade journals specified by the Commission and additional clearing house publications and contractors at the discretion of the General Manager.

**3.4.2.2** If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

**3.4.3. Mailing of Notices.** All mailing of notices to contractors and construction trade journals pursuant to subsection 3.4.2 shall be completed not less than ten (10) calendar days before bids are due. The notice inviting informal bids shall describe the project in general terms, how to obtain more detailed information about the project, and state the time and place for submission of bids.

**3.4.4. Award of Contract.** In accordance with applicable laws, an informal bid contract shall be awarded to the lowest responsible bidder.

**3.4.5. Bids in Excess of One Hundred and Seventy-Five Thousand Dollars (\$175,000).** If all bids received are in excess of One Hundred and Seventy-Five Thousand Dollars (\$175,000), the Board may, by passage of a resolution by a four-fifths votes, award the contract, at One Hundred and Ninety-Two Thousand Five Hundred Dollars (\$192,500) or less, to the lowest responsible bidder, if it determines the cost estimate of the District was reasonable.

**3.5. Formal Bid Procedures for Public Projects of More than One Hundred and Seventy-Five Thousand Dollars (\$175,000).**

**3.5.1. Governing Law.** Any Public Project contract over One Hundred and Seventy-Five Thousand Dollars (\$175,000) shall be let by those formal bidding procedures set forth in local and state law governing formal bidding, including, without limitation, the Public Contract Code, Government Code, Labor Code, and those applicable rules, regulations, policies and procedures duly adopted by the District from time to time.

**3.5.2. Notice Inviting Formal Bids.** The notice inviting formal bids shall comply with Section 22037 of the Act.

**3.5.2.1.** The notice inviting formal bids shall be published at least fourteen (14) calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in the jurisdiction of the District.

**3.5.2.2.** The notice inviting formal bids shall also be sent electronically, if available, by either facsimile or electronic mail and mailed to all construction trade journals as specified in Public Contracts Code Section 22036 and such other clearing house publications and contractors at the discretion of the General Manager. The notice shall be sent electronically at least fifteen (15) calendar days before the date of opening the bids.

**3.5.2.3.** In addition to the notice provided in this subsection, the District may give such other notice as it deems proper.

**3.5.3. Award of Bid.** In accordance with applicable law, and subject to procedures for rejection of bids and other provisions of the Act, a formal bid contract for Public Projects shall be awarded to the lowest responsible bidder.

#### **4. CONTRACTING FOR PROFESSIONAL SERVICES**

**4.1. Award Authority for Professional Services.** The Board shall have sole authority to approve and enter into professional service contracts, except that the General Manager shall have authority to award contracts that meet all of the following criteria:

**4.1.1.** The contract does not obligate the District to any payment exceeding Fifteen Thousand Dollars per year (\$15,000 per year);

**4.1.2.** The District standard professional service agreement form, preapproved as to form by District legal counsel, is used.

**4.2. Selection Procedures for Professional Service Contracts.**

**4.2.1. Selection Procedure.** Contracts with professional service consultants shall be made by written agreement pursuant to the following selection procedure:

**4.2.1.1. Qualification.** The General Manager shall encourage firms generally qualified to undertake the types of work required by the District to periodically submit statements of qualifications and performance data. Such statements shall be kept on file and may be utilized to evaluate consultant qualifications. Other evaluation criteria shall include, but not be limited to, prior experience with, personal interview with, or references of prospective consultants.

#### **4.2.1.2. Selection of Consultant.**

**4.2.1.2.1.** Consultant selection shall, whenever possible, be based on at least three separate proposals for services. For professional services estimated by the General Manager to exceed Fifteen Thousand Dollars (\$15,000), the General Manager shall, if feasible, recommend to the Board consultants based upon consultant responses to the District's request for proposals.

**4.2.1.2.2.** Notwithstanding any other provision of law or this ordinance, selection for professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. In order to implement this method of selection of such firms, District shall use procedures that assure that these services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the District.

**4.2.1.2.3.** With respect to the selection of consultants not listed in Section 4.2.1.2.2 above, selection shall be based on Best Value. In accordance with applicable law, the General Manager shall determine the most qualified consultant to provide the services required. Price shall not be the only determining factor in the selection of a consultant. Other factors such as related experience, professional skills, approach, professional credentials, availability of personnel, understanding of scope of work, quality of response to request for proposal, references, etc., may be considered. The basis of all selection decisions shall be documented in writing.

#### **4.3. Negotiated Procurement of Professional Services**

**4.3.1.** Under the following circumstances, the selection procedure set forth in subsections 4.2 shall not apply, and the General Manager shall be authorized to Negotiate Procurement of the required professional services without Board approval:

**4.3.1.1.** When an Emergency is determined to exist by the General Manager. Where such a procurement would otherwise require approval of the Board of Directors, it shall be submitted to the Board for ratification at the next regular Board meeting after the purchase is authorized, or

**4.3.1.2.** When the amount involved is Fifteen Thousand Dollars (\$15,000) or less, and compelling economic or administrative considerations warrant employment of alternate selection procedures. Such considerations may include circumstances where a particular provider, through previous contracts, has gained and exhibited unique and/or superior experience and/or expertise in relation to the District's operational requirements. Board approval is required for any selection made pursuant to this provision.

## **5. PURCHASE OF SUPPLIES, EQUIPMENT AND SERVICES**

### **5.1. Award Authority.**

**5.1.1. General Manager Award Authority.** The General Manager is hereby authorized to approve purchases or award contracts for equipment, supplies or Services where the price to be paid by District is less than Twelve Thousand Dollars (\$12,000), or where the price is established by a pre-existing arrangement with a utility or a supplier of bulk supplies or materials or a provider of routine services for which a budget appropriation has been approved.

**5.1.2. Board of Directors Award Authority.** The Board of Directors shall approve purchases and award contracts for equipment, supplies or Services of Twelve Thousand Dollars (\$12,000) or more.

### **5.2. Bid Procedures for Purchases of Supplies, Equipment and Services**

**5.2.1. Open Market Purchase and Direct Bid Procedure.** Subject to subsections 5.3 and 5.4, purchases of equipment, supplies or Services may be bid in the Open Market pursuant to the Direct Bid Procedure described below.

**5.2.1.1. Minimum Number of Direct Bids.** Open Market purchases shall, whenever possible, be based on at least three Direct Bids.

**5.2.1.2. Notice Inviting Bids.** The General Manager shall solicit Direct Bids in the Open Market by written request, telephone, public notice on the District's public bulletin board or website, legal advertising, or other means deemed appropriate by the General Manager.

**5.2.1.2. Record of Direct Bids.** Direct Bids shall be submitted to the General Manager. The General Manager shall keep a record of all Open Market orders and Direct Bids for a period of one (1) year after the submission of bids or the placing of orders.

**5.2.2. Rejection of Bids.** The awarding party may reject any or all bids received, and may waive any minor irregularities in each bid received.

**5.2.3. No Bids Received.** The awarding party may award the contract to any vendor negotiated procurement if no bids are received.

**5.2.4. Award of Purchase.** The awarding party shall approve purchases on the basis of Best Value.

**5.3. Government Purchasing Programs.** In lieu of the competitive bidding procedures set forth in subsection 5.2.2, equipment and/or supplies may be purchased through any government agency's cooperative purchasing program (e.g. California Multiple Award Schedules, Ventura County General Services Agency, and U.S. General Services Administration). If it is determined by the awarding party that the purchase of equipment and/or supplies from a government cooperative purchasing program is at the Best Value. Examples of items commonly purchased through government cooperative purchasing programs include, without limitation, office supplies, vehicles, furniture, office machines, appliances, hardware, and electronic equipment.

**5.4. Negotiated Procurement of Equipment, Supplies or Services**

**5.4.1.** Under the following circumstances, the bidding procedures set forth in subsections 5.2 shall not be applicable, where the awarding party determines that General Manager shall be authorized to Negotiate Procurement of required equipment and supplies:

**5.4.1.1.** When the commodity or Service can be obtained from only one vendor or the price is controlled by law.

**5.4.1.2.** When competitive bidding would be impossible, impractical or incongruous.

**5.4.1.3.** When an Emergency is deemed to exist.

**5.4.1.4.** When compelling economic or administrative considerations warrant employment of alternate purchasing procedures. Such considerations may include circumstances where a particular vendor, through previous contracts, has gained and exhibited unique and/or superior experience and/or expertise in relation to the District's operational requirements.

**5.5. General Requirements for Purchasing Information Technology Equipment.** In addition to the procedures set forth in Sections 5.1 through 5.4 above, purchases of information technology equipment shall be subject to the general requirements set forth below. Also, the replacement of the various components of the District's information technology equipment shall be made in accordance with District's Technology Information Replacement Policy.

**5.5.1.** The District shall purchase the least cost equipment necessary for the required performance of the use.

**5.5.2.** The District shall consider use of outside agencies for additional help when designing significant system modifications.

**5.5.3.** The District shall solicit a minimum of three bids for purchases based on identical build specifications and shall compare such bids with prices offered by relevant government cooperative purchasing programs.

## **6. DISPOSAL OF SURPLUS PROPERTY**

**6.1. Application.** The following policies and procedures apply to the disposition of the District's Surplus Property. These policies and procedures shall not apply to the disposition of the District's surplus real property, which is subject to the notification and disposition procedures set forth in Government Code Section 54220 et seq.

**6.2. Purpose.** The purposes of these policies and procedures governing disposition of the District's Surplus Property are as follows:

**6.2.1.** To ensure that only District-owned personal property that does not provide the minimum level of basic District service and usefulness is lawfully disposed of;

**6.2.2.** To ensure that District-owned assets are not disposed of when the disposal of the asset or the terms of the disposal of the asset could disadvantage the District; and

**6.2.3.** To ensure that, whenever feasible, all District Surplus Property is disposed of in a cost-effective manner that minimizes disposal costs and maximizes revenues by converting idle equipment and materials to revenue funds for other District uses.

**6.3. Declaration of Surplus Property.** In accordance with the procedure set forth below, the General Manger is authorized to formally declare District owned personal property to be Surplus Property.

**6.4. Disposition by General Manager.** Any Surplus Property which has a current book value of Five Thousand Dollars (\$5,000) or less, shall be disposed of by the General Manager in accordance with the procedures for disposal set forth below. Reasonable attempts shall be made to maximize the value received from such Surplus Property.

**6.5. Disposition by Board Approval.** Prior to disposing of an salvageable Surplus Property which has a current book value of more than Five Thousand Dollars (\$5,000), the General Manager shall present to the Board of Directors a report regarding the item and the proposed schedule and procedures for disposing of that item.

**6.6. Procedures for Disposal.** The District may dispose of Surplus Property in any manner deemed appropriate by the General Manager, including, without limitation, the following:

**6.6.1. Public Auction.** In accordance with applicable law, the disposal of District owned Surplus Property may be accomplished through public auction. Public auctions may include the use of electronic commerce (online) or on-site auctions.

**6.6.2. Private Sale by Competitive Bid.** Disposal of District owned Surplus Property may be accomplished through private sale by competitive bid. The procedures by which private sales of Surplus Property are to be conducted shall be determined by the General Manager.

**6.6.3. Charitable Donation.** District owned Surplus Property deemed to have no market value after an attempt at sale through prescribed procedures may be donated to a charitable organization in lieu of lawfully discarding the property. For purposes of this policy, charitable organizations shall mean a nonprofit organization exempt from taxation under the provisions of the Internal Revenue Code, 26 U.S.C. 501 (C)(3), whose primary purpose is public service.

**6.6.4. Trade-In.** Disposal of District owned Surplus Property may be accomplished by trading-in the Surplus Property towards a new acquisition.

**6.6.5. Transfer to Federal, State or Local Governmental Entities.** District owned Surplus Property deemed to have no market value after an attempt at sale through the procedures described herein may be donated to any governmental agency in lieu of discarding such property.

**6.6.6. Sale for Scrap or Salvage Value.** Disposal of District owned Surplus Property may be accomplished by selling the property for its scrap or salvage value.

**6.7. Disposal of Information Technology Equipment.** In addition to all the other applicable requirements of this Ordinance, the General Manager or designee shall require all proprietary information to be removed from information technology equipment before disposal. Any disposal of such equipment as waste shall conform to current environmental regulations. The District shall retain records of all Information Technology Equipment disposed of under this Ordinance.

**6.8. Proceeds.** Proceeds from the auction or sale of District owned Surplus Property will be deposited to the District's general fund or other special fund owning the personal property.

**6.9. Prohibitions.** No director, officer, agent or employee of the District shall either directly or indirectly (including by action of any immediate family member of such individual) submit a bid for, purchase or in any other manner take possession of District owned Surplus Property.



**7. Change Orders.** Unless otherwise provided in any purchasing arrangement or contract made pursuant to this Ordinance, the General Manager shall be authorized to approve any change order to any purchasing agreement or contract made pursuant to this Ordinance, provided that the total dollar amount of the change order or the cumulative amount of such change orders shall not exceed either (1) ten percent (10%) of the General Manager's award authority for the type of contract or purchase specified in the ordinance or (2) ten percent (10%) of the original purchase price or the contracted dollar amount up to a maximum amount of Fifteen Thousand Dollars (\$15,000). All other change orders shall be subject to approval by the Board.

**8. Effective Date, Publication.**

This Ordinance shall be published in accordance with Health & Safety Code Section 6490, and shall take effect July 1, 2011.

**PASSED, APPROVED AND ADOPTED** by the Governing Board of the Ojai Valley Sanitary District on this 23<sup>rd</sup> day of May, 2011, by the following vote:

**AYES:**

**NAYS:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

\_\_\_\_\_  
Russ Baggerly - Chairman  
Board of Directors

\_\_\_\_\_  
William C. Murphy - Secretary  
Board of Directors

# ITEM #5

Memorandum

**Ojai Valley Sanitary District**

April 6, 2018

To: Ordinance/Public Relations/Newsletter/Webpage Committee – Russ Baggerly, Bill Stone & Jack Curtis

From: Jeff Palmer, General Manager 

Subject: Review of Laws & Legal Provisions Related to ADU Laws

The past couple of years there have been new State laws passed that are aimed at increasing housing availability across the State and some of them will, or may, have an impact on the District's ability to collect capacity related fees on certain types of dwellings, i.e. Accessory Dwelling Units (ADUs).

Here are sixteen bills signed into law for the purpose of making building housing easier, these bills have no real direct effect on the District:

- SB 2 – establishes a funding source for affordable housing through a \$75 fee on real estate transaction documents.
- SB 3 – authorizes \$4 billion in general obligation bonds for affordable housing programs and a veteran's home ownership program.
- SB 35 – streamlines the approval process for infill developments in local communities that have failed to meet their regional housing needs.
- SB 166 – ensures that cities maintain an ongoing supply of housing for residents of various income levels.
- SB 167 – increases the standard of proof required for a local government to justify denying approval for projects that build low-and moderate-income housing.
- SB 540 – streamlines the environmental review process for certain local affordable housing projects.
- AB 72 – strengthens the state's ability to enforce laws requiring local governments to achieve housing goals.
- AB 73 – gives local governments incentives to create housing on infill sites near public transportation.
- AB 571 – eases qualifications for the Farmworker Housing Tax Credit to make it easier to develop farmworker housing.
- AB 678 – is identical to SB 167 – increases the standard of proof required for local government to justify denying approval for projects that build low- and moderate-income housing.
- AB 744 – allows affordable housing developers to build less parking than many local zoning regulations currently permit.
- AB 879 – authorizes a study of local fees charged to new residential developments and a proposal to substantially reduce them.

- AB 1397 – changes the definition of land suitable for residential development to increase the number of sites where new multifamily housing can be built.
- AB 1505 – authorizes cities and counties to adopt an inclusionary ordinance for residential rental units to increase affordable housing.
- AB 1515 – affords housing projects the protections of the Housing Accountability Act as long as they are consistent with local planning rules, and despite local opposition.
- AB 1521 – gives experienced housing organizations a first right of refusal to purchase affordable housing developments to keep the units affordable.

In addition to the vast array of housing laws aimed at land use type issues, there are several that also impact OVSD as a special district related to connection fees. These laws include many land use type elements, however, staff has highlight only the sewer fee related elements. The new laws most likely to impact the District are summarized below:

- SB 1069 – Effective January 1, 2017. Applies to cities and counties. Addresses a wide variety of land use and permitting issues related to the approval of ADUs and limits the circumstances and manner in which cities and counties can charge connection fees or capacity charges to their customers when ADUs are built.
- SB 229 – Effective January 1, 2018. Expanded the relevant provisions of SB1069 to include special districts.
- AB 484 – Effective January 1, 2018 – Along with fee issues, this law allows the permitting authority to require that a property with an ADU must be owner occupied.

There are also two pending Senate Bills (SB 831 & SB 827) that if enacted into law will significantly limit the District's authority to impose fees of any type on ADUs. CASA is reviewing these two new laws and has taken an OPPOSE position on SB 831.

The issues that these new laws, and pending laws, create for the District and other special districts across the State are:

- Certain ADUs are free – no capacity fees charged
- How does Proposition 218 regulations apply
- Questions about owner occupancy requirements
- Conflicting definitions of an ADU – State, Ventura County & City of Ojai

Staff & District Legal Counsel have evaluated these new laws and are close to proposing new language for the District's Code of Regulations. Staff and Legal Counsel will discuss the elements of these laws and discuss a timeline to implement these new legal elements.

If you have any questions or need additional information please contact me at 646-5548.