

AGENDA
SANTA MARGARITA/DANA POINT AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
NOVEMBER 2, 2021
12:30 PM

TELECONFERENCE

Conference Phone Number: +1-530-414-9890
Audio Conferencing Code: 193 347 094#

In an effort to protect the safety of the Authority, and in compliance with AB 361, members of the public, members of the Board of Directors, and employees may attend this meeting via telephonically and online. Currently, there is no meeting location for in-person meetings. As always, members of the public have the opportunity to provide comments during the meeting and submit comments prior to the meeting in writing via mail to Jennifer Wilt, Secretary of the Board of Directors at 26111 Antonio Parkway, Rancho Santa Margarita, California 92688 or by email at jenniferw@smwd.com.

In compliance with Section 202 of the Americans with Disabilities Act of 1990 any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Jennifer Wilt, Secretary of the Board of Directors, at (949) 459-6570 at least 48 hours before the meeting if possible.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the Santa Margarita Water District's business office location at 26111 Antonio Parkway, Rancho Santa Margarita, California 92688 during regular business hours.

1. **CALL MEETING TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ADMINISTRATION OF OATH OF OFFICE**
4. **PUBLIC FORUM**

Persons wishing to address the Board of Directors may do so at the time of Public Forum. Comments are limited to three minutes unless further time is granted by the Presiding Officer.

5. CONSENT CALENDAR

- 5.1 Consideration and Action on the Minutes of the March 24, 2021 Board of Directors Meeting **Page 3**

Recommendation: Approve the Minutes.

6. ACTION ITEMS

- 6.1 Consideration and Action on Resolution No. 2021-11-01; Resolution of the Board of Directors of the Santa Margarita/Dana Point Authority Making Findings and Determinations Under Assembly Bill 361 for Continued Virtual and Hybrid Meetings **Page 6**

Recommendation: Adopt Resolution No. 2021-11-01.

- 6.2 Consideration and Action on the Santa Margarita/Dana Point Authority Preliminary Audited Financial Statements for the Fiscal Year 2020-2021 **Page 24**

Recommendation: Approve the finalization of the audited financial statements and submission to the County of Orange Auditor-Controller's Office by December 31, 2021.

7. INFORMATION ITEM

- 7.1 Santa Margarita/Dana Point Authority Conflict of Interest Code **Page 45**

8. DIRECTORS' REPORTS OF OUTSIDE MEETINGS AND EVENTS

Verbal or written reports may be provided and shall be included in the record/minutes.

9. ADJOURNMENT

The next Regular Board of Directors' Meeting is scheduled for January 4, 2022 at 12:30 p.m.

MINUTES
SANTA MARGARITA/DANA POINT AUTHORITY
BOARD OF DIRECTORS
SPECIAL BOARD MEETING
MARCH 24, 2021
1:30 PM

TELECONFERENCE

Conference Phone Number: +1-530-414-9890

Audio Conferencing Code: 413 576 046#

ATTENDEES

William L. Green	Director/Vice Chairman
Charles T. Gibson	Director/Treasurer
Daniel R. Ferons	Director/Secretary
Scott Goldman	Director
Allison Burns	General Counsel/Stradling Yocca Carlson & Rauth
Erica Castillo	Controller/SMWD
Christine McIlrevey	Accounting Supervisor/SMWD
Paul Pender	Financial Analyst/SMWD
Jennifer Wilt	Recording Secretary & Executive Assistant/SMWD
Rick Shintaku	General Manager/SCWD

1. CALL MEETING TO ORDER

The meeting was called to order at 1:30 p.m. by Vice Chairman William L. Green.

2. PLEDGE OF ALLEGIANCE

Director/Treasurer Charles T. Gibson led the audience in the Pledge of Allegiance.

3. ADMINISTRATION OF OATH OF OFFICE

Ms. Allison Burns administered the oath of office to Director Scott Goldman.

4. PUBLIC FORUM

There were no public requests to speak.

5. SELECTION OF OFFICERS

5.1 Consideration and Action on Selection of the Santa Margarita/Dana Point Authority Board of Directors Officer Positions

Recommendation: 1) Nominate and elect the Authority Chairman and Vice Chairman; and 2) Appoint Ms. Erica Castillo as the Treasurer and Ms. Jennifer Wilt as the Secretary of the Authority.

Motion: 1) Appoint Director Green as Chairman and Director Gibson as Vice Chairman; and 2) as recommended.

Moved by: Daniel R. Ferons

Seconded by: Scott Goldman

Ayes: Ferons, Gibson, Goldman, Green

Unanimously Approved

Director Ferons nominated Director Green as the Chairman and Director Gibson as the Vice Chairman, as well as appoint Ms. Castillo as the Treasurer and Ms. Wilt as the Secretary of the Authority.

There was no further discussion on this item.

6. CLOSED SESSION

6.1 PUBLIC EMPLOYEE APPOINTMENT
Pursuant to Government Code section 54957
Title: General Counsel Principal Attorney

The Board went into closed session at 1:45 p.m.

7. REPORT OF CLOSED SESSION

The Board reconvened in open session at 2:03 p.m.

Ms. Burns reported no reportable action was taken during closed session.

8. CONSENT CALENDAR

- 8.1 Consideration and Action on the Minutes of the November 3, 2020 Board of Directors Meeting

Recommendation: Approve the Minutes.

Motion: Approved as recommended.

Moved by: Charles T. Gibson

Seconded by: Daniel R. Ferons

Ayes: Gibson, Ferons, Green

Abstain: Goldman

Item Approved

There was no further discussion on this item.

9. ACTION ITEM

- 9.1 Consideration and Action on Appointment of Stradling Yocca Carlson & Rauth as General Counsel for the Authority

Recommendation: Appoint Ms. Allison Burns of Stradling Yocca Carlson & Rauth as General Counsel and authorize the Chairman of the Board of Directors to execute the Agreement for Legal Services.

Motion: Approved as recommended.

Moved by: Daniel R. Ferons

Seconded by: Scott Goldman

Ayes: Ferons, Goldman, Gibson, Green

Unanimously Approved

There was no further discussion on this item.

10. INFORMATION ITEM

- 10.1 Directors' Reports of Outside or Other Meeting/Events (verbal or written reports may be provided and shall be included in the record/minutes)

No Director Reports provided.

11. ADJOURNMENT

The next Regular Board of Directors' Meeting is scheduled for May 4, 2021 at 12:30 p.m.

Chairman Green adjourned the meeting at 2:08 p.m.

Santa Margarita/Dana Point Authority

MEMORANDUM

TO: Board of Directors **DATE:** November 2, 2021

FROM: Allison Burns

SUBJECT: Consideration and Action on Resolution No. 2021-11-01; Resolution of the Board of Directors of the Santa Margarita/Dana Point Authority Making Findings and Determinations Under Assembly Bill 361 for Continued Virtual and Hybrid Meetings

SUMMARY

Issue: Assembly Bill 361 (AB 361) approved by Governor Newsom, extends Brown Act flexibilities for remote meetings during a state of emergency. The Authority's board meetings have been held remotely since July 2020. The subject resolution confirms the need to continue to hold meetings remotely per the requirements of AB 361 and the Government Code.

Recommendation: Adopt Resolution No. 2021-11-01.

Fiscal Impact: There is no additional fiscal impact to holding meetings remotely or in-person.

Previous Related Action: There was no previous action taken on this item.

DISCUSSION

Resolution No. 2021-11-01 documents the Board of Director's findings that:

- In-person attendance of Board meetings would constitute an imminent risk to the health and safety of attendees.
- Based on that guidance finding, that remote meetings may be held for the Board for 30 days.
- The Board may, by motion, renew its findings within 30 days to continue to host remote or hybrid meetings until the end of the present state of emergency.

As part of the findings, the Authority should establish requirements for mask wearing at Board meetings, if they are to be held in-person.

AB 361 is attached for reference.

RESOLUTION NO. 2021-11-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANTA MARGARITA/DANA POINT AUTHORITY
MAKING FINDINGS AND DETERMINATIONS UNDER
ASSEMBLY BILL 361 FOR CONTINUED VIRTUAL AND
HYBRID MEETINGS**

WHEREAS, the Santa Margarita/Dana Point Authority is committed to preserving and nurturing public access and participation in meetings of the Board of Directors (the “Board”); and

WHEREAS, all meetings of Santa Margarita/Dana Point Authority’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the Authority’s legislative bodies conduct their business; and

WHEREAS, the Legislature recently enacted Assembly Bill 361, Chapter 165, Statutes of 2021 (“AB 361”), which amended Government Code section 54953 to allow local agencies to meet fully virtually during a proclaimed state of emergency if state or local officials have imposed or recommended measures to promote social distancing; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the Authority’s boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, the Governor has, as of March 4, 2020, issued a proclamation declaring a state of emergency due to the COVID-19 pandemic, pursuant to section 8625 of the Government Code, and this proclaimed state of emergency currently remains in effect; and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

WHEREAS, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

WHEREAS, pursuant to the Governor’s executive orders, the Board has been holding virtual meetings during the pandemic in the interest of protecting the health and safety of the public, staff, and Board members; and

WHEREAS, the Governor’s Executive Order N-29-20 related to the suspension of certain provisions of the Brown Act expired on September 30, 2021; and

WHEREAS, AB 361, effective as of October 1, 2021, allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board has considered the circumstances of the state of emergency; and

WHEREAS, in light of the current state of emergency, the Board finds that meeting in person would present an imminent risk to the health and safety of attendees; and

WHEREAS, the Board of Directors does hereby find that the legislative bodies of Santa Margarita/Dana Point Authority shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the Board wishes to establish procedures for continuing to carry out remote meetings of the Authority's legislative bodies.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF SANTA MARGARITA/DANA POINT AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Proclamation of Local Emergency. Consistent with the provisions of Government Code Section 54953(e), the Board finds and determines that (1) a state of emergency related to COVID-19 is currently in effect; and (2) due to the COVID-19 emergency, meeting in person would present imminent risks to the health and safety of attendees. Based on such facts, findings and determinations, the Board authorizes staff to conduct remote teleconference meetings of the Board under the provisions of Government Code Section 54953(e).

Section 3. Remote Teleconference Meetings. The legislative body of Santa Margarita/Dana Point Authority is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public virtual meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 4. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective for 30 days unless earlier extended by a majority vote of the Board in accordance with Section 5 of this Resolution.

Section 5. Extension by Motion. The Board may extend the application of this Resolution by motion and majority vote by up to 30 days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3).

PASSED AND ADOPTED by the Board of Directors of Santa Margarita/Dana Point Authority, this 2nd day of November 2021.

Charles T. Gibson
Vice Chairman
Santa Margarita/Dana Point Authority

ATTEST:

Jennifer Wilt
Secretary of the Board of Directors
Santa Margarita/Dana Point Authority

STATE OF CALIFORNIA)

COUNTY OF ORANGE)

ss

I, Jennifer Wilt, Secretary of the Board of Directors of the Santa Margarita/Dana Point Authority, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors at a regular meeting held on the 2nd of November 2021.

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS:

Jennifer Wilt
Secretary of the Board of Directors
Santa Margarita/Dana Point Authority

I, Jennifer Wilt, Secretary of the Board of Directors of the Santa Margarita/Dana Point Authority, do hereby certify that the above and forgoing is a full, true, and correct copy of Resolution No. 2021-11-01 of said Board, and that the same has not been amended or repealed.

DATED: November 2, 2021

Jennifer Wilt
Secretary of the Board of Directors
Santa Margarita/Dana Point Authority


[Home](#)
[Bill Information](#)
[California Law](#)
[Publications](#)
[Other Resources](#)
[My Subscriptions](#)
[My Favorites](#)

AB-361 Open meetings: state and local agencies: teleconferences. (2021-2022)

SHARE THIS:



Date Published: 09/17/2021 09:00 PM

Assembly Bill No. 361

CHAPTER 165

An act to add and repeal Section 89305.6 of the Education Code, and to amend, repeal, and add Section 54953 of, and to add and repeal Section 11133 of, the Government Code, relating to open meetings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 16, 2021. Filed with Secretary of State September 16, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

AB 361, Robert Rivas. Open meetings: state and local agencies: teleconferences.

(1) Existing law, the Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding the timelines for posting an agenda and providing for the ability of the public to directly address the legislative body on any item of interest to the public. The act generally requires all regular and special meetings of the legislative body be held within the boundaries of the territory over which the local agency exercises jurisdiction, subject to certain exceptions. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. The act authorizes the district attorney or any interested person, subject to certain provisions, to commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that specified actions taken by a legislative body are null and void.

Existing law, the California Emergency Services Act, authorizes the Governor, or the Director of Emergency Services when the governor is inaccessible, to proclaim a state of emergency under specified circumstances.

Executive Order No. N-29-20 suspends the Ralph M. Brown Act's requirements for teleconferencing during the COVID-19 pandemic provided that notice and accessibility requirements are met, the public members are allowed to observe and address the legislative body at the meeting, and that a legislative body of a local agency has a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, as specified.

This bill, until January 1, 2024, would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting during a declared state of emergency, as that term is defined, when state or local health officials

have imposed or recommended measures to promote social distancing, during a proclaimed state of emergency held for the purpose of determining, by majority vote, whether meeting in person would present imminent risks to the health or safety of attendees, and during a proclaimed state of emergency when the legislative body has determined that meeting in person would present imminent risks to the health or safety of attendees, as provided.

This bill would require legislative bodies that hold teleconferenced meetings under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option, and to conduct the meeting in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body. The bill would require the legislative body to take no further action on agenda items when there is a disruption which prevents the public agency from broadcasting the meeting, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments, until public access is restored. The bill would specify that actions taken during the disruption are subject to challenge proceedings, as specified.

This bill would prohibit the legislative body from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time. The bill would prohibit the legislative body from closing the public comment period and the opportunity to register to provide public comment, until the public comment period has elapsed or until a reasonable amount of time has elapsed, as specified. When there is a continuing state of emergency, or when state or local officials have imposed or recommended measures to promote social distancing, the bill would require a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting pursuant to these provisions, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures.

Existing law prohibits a legislative body from requiring, as a condition to attend a meeting, a person to register the person's name, or to provide other information, or to fulfill any condition precedent to the person's attendance.

This bill would exclude from that prohibition, a registration requirement imposed by a third-party internet website or other online platform not under the control of the legislative body.

(2) Existing law, the Bagley-Keene Open Meeting Act, requires, with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend any meeting of a state body. The act requires at least one member of the state body to be physically present at the location specified in the notice of the meeting.

The Governor's Executive Order No. N-29-20 suspends the requirements of the Bagley-Keene Open Meeting Act for teleconferencing during the COVID-19 pandemic, provided that notice and accessibility requirements are met, the public members are allowed to observe and address the state body at the meeting, and that a state body has a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, as specified.

This bill, until January 31, 2022, would authorize, subject to specified notice and accessibility requirements, a state body to hold public meetings through teleconferencing and to make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the state body. With respect to a state body holding a public meeting pursuant to these provisions, the bill would suspend certain requirements of existing law, including the requirements that each teleconference location be accessible to the public and that members of the public be able to address the state body at each teleconference location. Under the bill, a state body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically would satisfy any requirement that the state body allow members of the public to attend the meeting and offer public comment. The bill would require that each state body that holds a meeting through teleconferencing provide notice of the meeting, and post the agenda, as provided. The bill would urge state bodies utilizing these teleconferencing procedures in the bill to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to existing law, as provided.

(3) Existing law establishes the various campuses of the California State University under the administration of the Trustees of the California State University, and authorizes the establishment of student body organizations in

connection with the operations of California State University campuses.

The Gloria Romero Open Meetings Act of 2000 generally requires a legislative body, as defined, of a student body organization to conduct its business in a meeting that is open and public. The act authorizes the legislative body to use teleconferencing, as defined, for the benefit of the public and the legislative body in connection with any meeting or proceeding authorized by law.

This bill, until January 31, 2022, would authorize, subject to specified notice and accessibility requirements, a legislative body, as defined for purposes of the act, to hold public meetings through teleconferencing and to make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the legislative body. With respect to a legislative body holding a public meeting pursuant to these provisions, the bill would suspend certain requirements of existing law, including the requirements that each teleconference location be accessible to the public and that members of the public be able to address the legislative body at each teleconference location. Under the bill, a legislative body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically would satisfy any requirement that the legislative body allow members of the public to attend the meeting and offer public comment. The bill would require that each legislative body that holds a meeting through teleconferencing provide notice of the meeting, and post the agenda, as provided. The bill would urge legislative bodies utilizing these teleconferencing procedures in the bill to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to existing law, as provided.

(4) This bill would declare the Legislature's intent, consistent with the Governor's Executive Order No. N-29-20, to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic and future emergencies by allowing broader access through teleconferencing options.

(5) This bill would incorporate additional changes to Section 54953 of the Government Code proposed by AB 339 to be operative only if this bill and AB 339 are enacted and this bill is enacted last.

(6) The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

(7) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(8) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 89305.6 is added to the Education Code, to read:

89305.6. (a) Notwithstanding any other provision of this article, and subject to the notice and accessibility requirements in subdivisions (d) and (e), a legislative body may hold public meetings through teleconferencing and make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the legislative body.

(b) (1) For a legislative body holding a public meeting through teleconferencing pursuant to this section, all requirements in this article requiring the physical presence of members, the clerk or other personnel of the legislative body, or the public, as a condition of participation in or quorum for a public meeting, are hereby suspended.

(2) For a legislative body holding a public meeting through teleconferencing pursuant to this section, all of the following requirements in this article are suspended:

(A) Each teleconference location from which a member will be participating in a public meeting or proceeding be identified in the notice and agenda of the public meeting or proceeding.

(B) Each teleconference location be accessible to the public.

(C) Members of the public may address the legislative body at each teleconference conference location.

(D) Post agendas at all teleconference locations.

(E) At least one member of the legislative body be physically present at the location specified in the notice of the meeting.

(c) A legislative body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements in subdivisions (d) and (e), shall have satisfied any requirement that the legislative body allow members of the public to attend the meeting and offer public comment. A legislative body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

(d) If a legislative body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the legislative body shall also do both of the following:

(1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.

(2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to paragraph (2) of subdivision (e).

(e) Except to the extent this section provides otherwise, each legislative body that holds a meeting through teleconferencing pursuant to this section shall do both of the following:

(1) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by this article, and using the means otherwise prescribed by this article, as applicable.

(2) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in the means of public observation and comment, or any instance prior to the effective date of this section in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of the means of public observation and comment, a legislative body may satisfy this requirement by advertising the means of public observation and comment using the most rapid means of communication available at the time. Advertising the means of public observation and comment using the most rapid means of communication available at the time shall include, but need not be limited to, posting such means on the legislative body's internet website.

(f) All legislative bodies utilizing the teleconferencing procedures in this section are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the otherwise applicable provisions of this article, in order to maximize transparency and provide the public access to legislative body meetings.

(g) This section shall remain in effect only until January 31, 2022, and as of that date is repealed.

SEC. 2. Section 11133 is added to the Government Code, to read:

11133. (a) Notwithstanding any other provision of this article, and subject to the notice and accessibility requirements in subdivisions (d) and (e), a state body may hold public meetings through teleconferencing and make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the state body.

(b) (1) For a state body holding a public meeting through teleconferencing pursuant to this section, all requirements in this article requiring the physical presence of members, the clerk or other personnel of the state body, or the public, as a condition of participation in or quorum for a public meeting, are hereby suspended.

(2) For a state body holding a public meeting through teleconferencing pursuant to this section, all of the following requirements in this article are suspended:

(A) Each teleconference location from which a member will be participating in a public meeting or proceeding be identified in the notice and agenda of the public meeting or proceeding.

(B) Each teleconference location be accessible to the public.

(C) Members of the public may address the state body at each teleconference conference location.

(D) Post agendas at all teleconference locations.

(E) At least one member of the state body be physically present at the location specified in the notice of the meeting.

(c) A state body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements in subdivisions (d) and (e), shall have satisfied any requirement that the state body allow members of the public to attend the meeting and offer public comment. A state body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

(d) If a state body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the state body shall also do both of the following:

(1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.

(2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to paragraph (2) of subdivision (e).

(e) Except to the extent this section provides otherwise, each state body that holds a meeting through teleconferencing pursuant to this section shall do both of the following:

(1) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by this article, and using the means otherwise prescribed by this article, as applicable.

(2) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in the means of public observation and comment, or any instance prior to the effective date of this section in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of the means of public observation and comment, a state body may satisfy this requirement by advertising the means of public observation and comment using the most rapid means of communication available at the time. Advertising the means of public observation and comment using the most rapid means of communication available at the time shall include, but need not be limited to, posting such means on the state body's internet website.

(f) All state bodies utilizing the teleconferencing procedures in this section are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the otherwise applicable provisions of this article, in order to maximize transparency and provide the public access to state body meetings.

(g) This section shall remain in effect only until January 31, 2022, and as of that date is repealed.

SEC. 3. Section 54953 of the Government Code is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all

otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, "state of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 3.1. Section 54953 of the Government Code is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency in person, except as otherwise provided in this chapter. Local agencies shall conduct meetings subject to this chapter consistent with applicable state and federal civil rights laws, including, but not limited to, any applicable language access and other nondiscrimination obligations.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, "state of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 4. Section 54953 is added to the Government Code, to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5

(commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2024.

SEC. 4.1. Section 54953 is added to the Government Code, to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, in person except as otherwise provided in this chapter. Local agencies shall conduct meetings subject to this chapter consistent with applicable state and federal civil rights laws, including, but not limited to, any applicable language access and other nondiscrimination obligations.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2024.

SEC. 5. Sections 3.1 and 4.1 of this bill incorporate amendments to Section 54953 of the Government Code proposed by both this bill and Assembly Bill 339. Those sections of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2022, but this bill becomes operative first, (2) each bill amends Section 54953 of the Government Code, and (3) this bill is enacted after Assembly Bill 339, in which case Section 54953 of the Government Code, as amended by Sections 3 and 4 of this bill, shall remain operative only until the operative date of Assembly Bill 339, at which time Sections 3.1 and 4.1 of this bill shall become operative.

SEC. 6. It is the intent of the Legislature in enacting this act to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic and future applicable emergencies, by allowing broader access through teleconferencing options consistent with the Governor's Executive Order No. N-29-20 dated March 17, 2020, permitting expanded use of teleconferencing during the COVID-19 pandemic.

SEC. 7. The Legislature finds and declares that Sections 3 and 4 of this act, which amend, repeal, and add Section 54953 of the Government Code, further, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act is necessary to ensure minimum standards for public participation and notice requirements allowing for greater public participation in teleconference meetings during applicable emergencies.

SEC. 8. (a) The Legislature finds and declares that during the COVID-19 public health emergency, certain requirements of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code) were suspended by Executive Order N-29-20. Audio and video teleconference were widely used to conduct public meetings in lieu of physical location meetings, and public meetings conducted by teleconference during the COVID-19 public health emergency have been productive, have increased public participation by all members of the public regardless of their location in the state and ability to travel to physical meeting locations, have protected the health and safety of civil servants and the public, and have reduced travel costs incurred by members of state bodies and reduced work hours spent traveling to and from meetings.

(b) The Legislature finds and declares that Section 1 of this act, which adds and repeals Section 89305.6 of the Education Code, Section 2 of this act, which adds and repeals Section 11133 of the Government Code, and Sections 3 and 4 of this act, which amend, repeal, and add Section 54953 of the Government Code, all increase and potentially limit the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

(1) By removing the requirement that public meetings be conducted at a primary physical location with a quorum of members present, this act protects the health and safety of civil servants and the public and does not preference the experience of members of the public who might be able to attend a meeting in a physical location over members of the public who cannot travel or attend that meeting in a physical location.

(2) By removing the requirement for agendas to be placed at the location of each public official participating in a public meeting remotely, including from the member's private home or hotel room, this act protects the personal, private information of public officials and their families while preserving the public's right to access information concerning the conduct of the people's business.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that state and local agencies can continue holding public meetings while providing essential services like water, power, and fire protection to their constituents during public health, wildfire, or other states of emergencies, it is necessary that this act take effect immediately.

Santa Margarita/Dana Point Authority

MEMORANDUM

TO: Board of Directors **DATE:** November 2, 2021

FROM: Christine McIlrevey

SUBJECT: Consideration and Action on the Santa Margarita/Dana Point Authority Preliminary Audited Financial Statements for the Fiscal Year 2020-2021

SUMMARY

Issue: Annually, the Santa Margarita/Dana Point Authority (Authority) has an external audit performed on the financial statements for the Authority as well as the Santa Margarita Water District (SMWD) by an independent Certified Public Accounting Firm. Macias Gini and O’Connell, LLP (MGO) is the Authority and SMWD’s external audit firm who is currently underway with an audit of the Authority’s financial statements for the fiscal year ended June 30, 2021.

Recommendation: Approve the finalization of the audited financial statements and submission to the County of Orange Auditor-Controller’s Office by December 31, 2021.

Fiscal Impact: The Authority’s Fiscal Year 2020-2021 (FY 2021) audit fees are funded by SMWD.

Previous Related Action: On November 3, 2020, the Board of Directors received and filed the Authority’s Fiscal Year 2019-2020 financial statements. Submission to the County of Orange of the Authority’s financial statements was completed on December 22, 2020.

DISCUSSION

Annually, the Authority has an independent audit performed on its financial statements. The audit serves as a vital resource for financial information and fiscal transparency.

Macias Gini and O’Connell, LLP (MGO) is currently underway with the audit of the Authority’s FY 2021 financial statements. Upon completion of the audit, Santa Margarita Water District (SMWD) will send the final financial statements and required audit communications to the Board of Directors. SMWD, on behalf of the Authority, will submit the necessary documents to the County of Orange by December 31, 2021. The Authority’s financial statements will be available to the public upon request.

The Authority's financial statements include a Management Discussion and Analysis section which highlights significant activity during the year as well as noteworthy changes from the prior year and serves an integral part of the financial statements.

FINANCIAL STATEMENT HIGHLIGHTS

Some of the financial highlights in this year's audited financial statements include:

- In September 2020, the Authority issued Water and Wastewater Revenue Bonds, Series 2020A (2020A Revenue Bonds). These bonds had an aggregate principal amount of \$53.9 million and \$11.4 million of bond premiums. Bond principal and premiums are included in the amount due from SMWD and in bonds payable.
- The amount due from SMWD in FY 2021 increased \$50.3 million due to the issuance of the 2020A Revenue Bonds, which was offset by bond principal payments and the amortization of deferred gains and losses on debt defeasance.
- Bonds payable had a net increase of \$50.2 million in FY 2021 due to the Authority's issuance of the 2020A Revenue Bonds, which was offset by bond principal payments.
- Principal payments during the year for the outstanding Revenue Bonds and General Obligation Bonds totaled \$1.7 million and \$12.4 million, respectively.
- The 2014A General Obligation Bonds (2014A Bonds) for Improvement District's 3, 4 & 4A matured in FY 2021, reducing the Authority's current assets and current liabilities in FY 2021.

The Authority also included a note (Note 4) to the financial statements related to COVID-19 impacts that may occur after June 30, 2021, but are significant enough to disclose as part of the Notes.

Santa Margarita/Dana Point Authority

Annual Financial Report

For the Fiscal Year Ended June 30, 2021

Table of Contents

Independent Auditor's Report	1
Management's Discussion and Analysis (Required Supplementary Information – Unaudited)	3
Basic Financial Statements:	
Statement of Net Position	7
Statement of Revenues, Expenses and Change in Net Position	8
Statement of Cash Flows	9
Notes to the Basic Financial Statements	10

Insert opinion, page 1

DRAFT

Insert opinion, page 2

DRAFT

**Santa Margarita/Dana Point Authority
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021**

This section of the Santa Margarita/Dana Point Authority's (Authority) annual financial report presents the Management's Discussion and Analysis (MD&A) of the Authority's financial performance during the fiscal year ended June 30, 2021 (FY 2021). The MD&A is to be read and considered in conjunction with additional information provided with the basic financial statements and accompanying notes.

FY 2021 Financial Highlights

- In September 2020, the Authority issued Water and Wastewater Revenue Bonds, Series 2020A (2020A Bonds). These bonds had an aggregate principal amount of \$53.9 million and \$11.4 million of bond premiums. Bond principal and premiums are included in the amount due from Santa Margarita Water District (SMWD) and in bonds payable.
- The Authority made revenue and general obligation bond principal payments during FY 2021 totaling \$1.7 million and \$12.4 million, respectively.
- The 2014A General Obligation Bonds (2014A Bonds) for Improvement District's 3, 4 & 4A matured in FY 2021, reducing the Authority's current assets and current liabilities in FY 2021. Improvement District 4B had 2014A Bonds payable of \$7.0 million on June 30, 2021.
- The amount due from Santa Margarita Water District (SMWD) in FY 2021 increased \$50.3 million due to the issuance of the 2020A Bonds, which was offset by bond principal payments and the amortization of deferred gains and losses on debt defeasance.
- Bonds payable had a net increase of \$50.2 million in FY 2021 due to the Authority's issuance of the 2020A Bonds, which was offset by bond principal payments.

Overview of the Financial Statements

The Authority is a self-supporting entity that follows enterprise fund accounting and presents its financial statements on the full accrual basis of accounting. This annual financial report consists of two parts – MD&A and the basic financial statements, including notes. The Authority's financial statements begin on page 6 of this document. The notes to the basic financial statements can be found beginning on page 9 and provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Authority's financial statements offer key, high-level financial information about the Authority's activities, comprised of the following main statements:

- **The Statement of Net Position** includes information on the Authority's assets and liabilities and deferred outflows and inflows of resources. Net Position is defined as the Authority's total assets plus deferred outflows of resources, less total liabilities and deferred inflows of resources.
- **The Statement of Revenues, Expenses and Change in Net Position** shows changes in the Authority's net position based on its operating revenues and expenses during the fiscal year ended June 30, 2021.

Santa Margarita/Dana Point Authority
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021

- **The Statement of Cash Flows** provides the Authority's changes in cash resulting from operating activities and provides information on the sources and uses of the Authority's cash.

The Statement of Net Position, and the Statement of Revenues, Expenses and Change in Net Position provide a depiction of the Authority's financial standing.

Statement of Net Position

The activity of the Authority consists solely of collection of amounts due from SMWD and payment of debt, which are reported as operating revenues and expenses, resulting in no net position.

The Authority's total assets increased \$50.2 million to \$101.3 million compared with the prior year due to issuance of the 2020A Bonds, increasing the receivable due from SMWD. This was offset by payments from the SMWD on the Authority's bonds.

The Authority's total liabilities increased \$50.1 million to \$102.4 million compared with the prior year due to issuance of the 2020A Bonds in FY 2021, offset by payments made during the fiscal year on the Authority's revenue and general obligation bonds.

Deferred outflows of resources decreased by \$0.1 million to \$1.1 million compared to the prior year due to the amortization of deferred loss on defeasance of the Authority's General Obligation bonds.

Deferred inflows of resources decreased by \$7.2 thousand to \$41.5 thousand compared to the prior year due to the amortization of deferred gains on defeasance of the Authority's General Obligation bonds.

Condensed Statement of Net Position

	Fiscal Year 2021	Fiscal Year 2020	Increase (Decrease)	Percent Increase (Decrease)
Assets				
Current Assets	\$ 5,058,166	\$ 13,794,068	\$ (8,735,902)	-63.3%
Noncurrent Assets	96,282,833	37,303,239	58,979,594	158.1%
Total Assets	101,340,999	51,097,307	50,243,692	98.3%
Deferred Outflows of Resources	1,079,989	1,194,457	(114,468)	(9.6%)
Liabilities				
Current Liabilities	5,058,166	13,794,068	(8,735,902)	-63.3%
Noncurrent Liabilities	97,321,309	38,448,942	58,872,367	153.1%
Total Liabilities	102,379,475	52,243,010	50,136,465	96.0%
Deferred Inflows of Resources	41,513	48,754	(7,241)	(14.9%)
Net Position				
Unrestricted	-	-	-	0.0%
Total Net Position	\$ -	\$ -	\$ -	0.0%

**Santa Margarita/Dana Point Authority
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021**

Statement of Revenues, Expenses and Change in Net Position

Condensed Statement of Revenues, Expenses and Change in Net Position

	Fiscal Year 2021	Fiscal Year 2020	Increase (Decrease)	Percent Increase (Decrease)
Operating Revenues:				
Net Revenues from SMWD	\$ 2,185,689	\$ -	\$ 2,185,689	100.0%
Special Assessment Tax Revenues from SMWD	713,726	1,469,744	(756,018)	(51.4%)
Total Operating Revenues	2,899,415	1,469,744	1,429,671	97.3%
Operating Expenses:				
Interest Expense	2,899,415	1,469,744	1,429,671	97.3%
Total Operating Expenses	2,899,415	1,469,744	1,429,671	97.3%
Change in Net Position	-	-	-	0.0%
Net Position, Beginning of Year	-	-	-	0.0%
Net Position, End of Year	\$ -	\$ -	\$ -	0.0%

The Authority's total operating expenses increased by \$1.4 million due to the issuance of the 2020A Bonds, which increased the Authority's interest expense.

Long Term Debt

Total long-term debt increased by \$50.2 million or 97.8% to \$101.5 million primarily due to the issuance of the 2020A Bonds. This increase was offset by the repayment of Revenue bonds and General Obligation bonds and the amortization of net premium (discount). The following table summarizes the changes in long-term debt amounts for FY 2021.

	Balance at June 30, 2020	Additions	Transfers/ Deletions	Balance at June 30, 2021	Increase (Decrease)	Percent Increase (Decrease)
Long-Term Debt:						
Revenue Bonds Payable	\$ -	\$ 53,895,000	\$ (1,690,000)	\$ 52,205,000	\$ 52,205,000	100.0%
General Obligation Bonds Payable	46,895,000	-	(12,385,000)	34,510,000	(12,385,000)	(26.4%)
Net Premium (Discount)	4,436,600	11,417,387	(1,031,060)	14,822,927	10,386,327	234.1%
Total Long-Term Debt	\$ 51,331,600	\$ 65,312,387	\$ (15,106,060)	\$ 101,537,927	\$ 50,206,327	97.8%

**Santa Margarita/Dana Point Authority
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2021**

Requests for Information

This financial report is designed to provide our customers, investors, and creditors with an overview of the Authority's financial operations and condition. If you have questions about this report or need additional information you may contact SMWD at 26111 Antonio Parkway, Rancho Santa Margarita, CA 92688.

DRAFT

Basic Financial Statements and Accompanying Notes

DRAFT

SANTA MARGARITA/DANA POINT AUTHORITY

Statement of Net Position

June 30, 2021

ASSETS:

Current Assets:

Accrued interest receivable	\$ 841,548
Due from Santa Margarita Water District - due within one year (Note 2)	4,216,618
Total Current Assets	<u>5,058,166</u>

Non-current Assets:

Due from Santa Margarita Water District - due in more than one year (Note 2)	96,282,833
Total Non-current Assets	<u>96,282,833</u>

Total Assets	<u>101,340,999</u>
---------------------	---------------------------

DEFERRED OUTFLOWS OF RESOURCES:

Deferred loss on debt defeasance (Note 3)	1,079,989
Total Deferred Outflows of Resources	<u>1,079,989</u>

LIABILITIES:

Current Liabilities:

Accrued interest payable	841,548
Bonds payable - due within one year (Note 3)	4,216,618
Total Current Liabilities	<u>5,058,166</u>

Non-current Liabilities:

Bonds payable - due in more than one year (Note 3)	97,321,309
Total Non-current Liabilities	<u>97,321,309</u>

Total Liabilities	<u>102,379,475</u>
--------------------------	---------------------------

DEFERRED INFLOWS OF RESOURCES:

Deferred inflows on debt defeasance (Note 3)	41,513
Total Deferred Inflows of Resources	<u>41,513</u>

NET POSITION:

Unrestricted	-
Total Net Position	<u>\$ -</u>

See accompanying notes to the basic financial statements.

SANTA MARGARITA/DANA POINT AUTHORITY
Statement of Revenues, Expenses and Change in Net Position
For the Year Ended June 30, 2021

OPERATING REVENUES:

Net revenues from Santa Margarita Water District	\$	2,185,689
Special assessment tax revenues from Santa Margarita Water District		713,726
Total Operating Revenues		<u>2,899,415</u>

OPERATING EXPENSES:

Interest Expense		2,899,415
Total Operating Expenses		<u>2,899,415</u>

Operating Income/Change in Net Position		-
Net position, beginning of year		-
Net position, end of year	\$	<u>-</u>

DRAFT

SANTA MARGARITA/DANA POINT AUTHORITY

Statement of Cash Flows

For the Year Ended June 30, 2021

Cash flows from operating activities:

Cash receipts from net revenues for debt and interest payments	\$	3,367,626
Cash receipts from special assessment tax revenues for debt and interest payments		14,272,476
Principal paid for bond debt service		(14,075,000)
Interest paid for debt service		<u>(3,565,102)</u>
Net cash provided by operating activities		<u>-</u>
Net change in cash and cash equivalents		-
Cash and cash equivalents, beginning of year		-
Cash and cash equivalents, end of year	\$	<u><u>-</u></u>

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$	-
------------------	----	---

Adjustments to reconcile operating income to net cash provided by operating activities:

Change in assets and liabilities:

Decrease/(Increase) in assets:		
Accrued Interest Receivable		69,862
(Decrease)/Increase in liabilities:		
Accrued interest payable		<u>(69,862)</u>
Total adjustments		-
Net cash provided by operating activities	\$	<u><u>-</u></u>

Supplemental disclosure of non-cash capital and related financing and investing activities:

Amortization of (premiums) discounts	\$	(1,031,060)
Deferred (gain) loss on debt defeasance		107,227

See accompanying notes to the basic financial statements.

Santa Margarita/Dana Point Authority
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

1. Reporting Entity and Summary of Significant Accounting Policies

Organization

The Santa Margarita/Dana Point Authority (Authority) is a public entity created for the joint exercise of common powers pursuant to a Joint Exercise of Powers Agreement dated August 25, 1987, by and between the SMWD and the Dana Point Sanitary District (DPSD) (collectively, the Members) under the powers granted such Members pursuant to Sections §6500 et seq., Title 1, Division 7 Chapter 5, Article 1 of the California Government Code. Effective January 1, 1999, DPSD was dissolved and the South Coast Water District (SCWD) became the successor entity.

The Authority was created for the primary purpose of selling bonds to finance the acquisition of capacity in the Jay B. Latham Wastewater Treatment Plant. Financing for the acquisition of such capacity is provided from the proceeds of the bonds and monies as provided by SCWD.

The powers and functions of the Authority are exercised by the Board of Directors, of which two Directors may be appointed by the Board of Directors of SMWD and three Directors may be appointed by the Board of Directors of SCWD. Currently, each Member appoints two Directors to serve on the Authority's Board of Directors. Each Director holds office until he/she is removed with or without cause, at the sole discretion of such legislative body. When a budget is necessary, a unanimous decision of the Authority's Board of Directors is required to approve the general budget and maintenance and operation budgets. Expenditures in excess of the approved budget must be approved by the Member affected by the requested budget change.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting and Financial Reporting Standards Codification 2100, *The Financial Reporting Entity*. The Authority is a special purpose government and there are no other activities or component units required to be included in its financial statements.

Basis of Accounting and Measurement Focus

The accounting policies of the Authority's basic financial statements conform to generally accepted accounting principles in the United States of America (GAAP) applicable to state and local government agencies using pronouncements issued by the Governmental Accounting Standards Board (GASB) and as such, the Authority reports its activities as an enterprise fund. The basic financial statements presented are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

The activity of the Authority consists solely of collection of amounts due from SMWD and payment of debt which are reported as operating revenues and expenses.

Santa Margarita/Dana Point Authority
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

1. Reporting Entity and Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets, deferred outflows of resources, liabilities and deferred inflows of resources, at the date of the financial statements, and the reported amounts for revenues and expenses for the reporting period. Actual results may differ from those estimates.

Due from Santa Margarita Water District

Amounts due are valued at the unpaid outstanding amount to be collected. There is no current allowance deemed necessary, as repayments are estimated to be paid.

Deferred Gain or Loss on Debt Defeasance

The advance refunding of certain bonds resulted in refunding gains or losses. Losses are included as deferred outflows of resources and gains are included as deferred inflows of resources on the accompanying Statement of Net Position and are amortized over the shorter of maturity of the refunding debt or the remaining maturity of the refunded debt using the effective interest method.

Income Taxes

As a governmental entity, the Authority is exempt from income taxation under provisions of the Internal Revenue Code and related state statutes; accordingly, no provision for income taxes has been provided in the financial statements.

Net Position

The financial statements utilize a net position presentation. Unrestricted net position is the net amount of the assets and deferred outflows of resources, less liabilities and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted net position.

New Accounting Pronouncements

Adopted in the Current Year

GASB Statement No. 84, *Fiduciary Activities*. Effective for the Authority's fiscal year ended June 30, 2021. There was no impact to the Authority.

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. Effective for the Authority's fiscal year ended June 30, 2021. There was no impact to the Authority.

Santa Margarita/Dana Point Authority
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

1. Reporting Entity and Summary of Significant Accounting Policies (Continued)

Early adopted GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* although effective for the Authority’s fiscal year ending June 30, 2022. There was no impact to the Authority.

Effective in Future Years

GASB has issued pronouncements that will impact future financial presentations. Management has not currently determined the impact, if any, of the newly issued pronouncements.

GASB Statement No. 87, *Leases*. Effective for the Authority’s fiscal year ending June 30, 2022.

GASB Statement No. 91, *Conduit Debt Obligations*. Effective for the Authority’s fiscal year ending June 30, 2022.

GASB Statement No. 92, *Omnibus 2020*. Effective upon issuance for the requirements related to the effective date of GASB Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments. The other requirements will be effective for the Authority’s fiscal year ending June 30, 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. Effective for the Authority’s fiscal year ending June 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Effective for the Authority’s fiscal year ending June 30, 2023.

2. Due from Santa Margarita Water District

SMWD places a special assessment levy annually on property tax bills for property tax owners in improvement districts to yield an amount equal to the principal and interest on the long-term debt due in the ensuing year. Interest has been imputed on the amount receivable in an amount equal to the interest payable on long-term debt.

Changes in the amount due from SMWD for the year ended June 30, 2021, are as follows:

	Balance at June 30, 2020	Additions	Deletions	Balance at June 30, 2021	Amount Due Within One Year	Amount Due Beyond One Year
Revenue Bonds Payable	\$ -	\$ 53,895,000	\$ (1,690,000)	\$ 52,205,000	\$ 1,635,000	\$ 50,570,000
General Obligation Bonds Payable	46,895,000	-	(12,385,000)	34,510,000	1,420,000	33,090,000
Premium / Discount, Net	4,436,600	11,417,387	(1,031,060)	14,822,927	1,161,618	13,661,309
Deferred Gain (Loss) on Debt Defeasance, Net	(1,145,703)	-	107,227	(1,038,476)	-	(1,038,476)
Due from SMWD	<u>\$ 50,185,897</u>	<u>\$ 65,312,387</u>	<u>\$ (14,998,833)</u>	<u>\$ 100,499,451</u>	<u>\$ 4,216,618</u>	<u>\$ 96,282,833</u>

Santa Margarita/Dana Point Authority
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

2. Due from Santa Margarita Water District (continued)

Anticipated future receipts from SMWD for revenue bond principal and interest payments are as follows:

Year	Principal	Interest	Total
2022	\$ 1,635,000	\$ 2,160,650	\$ 3,795,650
2023	1,730,000	2,078,900	3,808,900
2024	1,345,000	1,992,400	3,337,400
2025	1,410,000	1,925,150	3,335,150
2026	1,480,000	1,854,650	3,334,650
2027-2031	6,990,000	8,163,250	15,153,250
2032-2036	7,610,000	6,515,950	14,125,950
2037-2041	9,005,000	5,122,150	14,127,150
2042-2046	10,750,000	3,373,600	14,123,600
2047-2050	10,250,000	1,045,000	11,295,000
Total	<u>52,205,000</u>	<u>\$ 34,231,700</u>	<u>\$ 86,436,700</u>
Current	<u>1,635,000</u>		
Long-Term	<u>\$ 50,570,000</u>		

Year	Principal	Interest	Total
2022	\$ 1,420,000	\$ 1,556,976	\$ 2,976,976
2023	1,485,000	1,489,251	2,974,251
2024	1,560,000	1,413,126	2,973,126
2025	1,640,000	1,333,126	2,973,126
2026	1,725,000	1,249,001	2,974,001
2027-2031	10,030,000	4,829,961	14,859,961
2032-2036	10,320,000	2,319,681	12,639,681
2037-2039	6,330,000	386,600	6,716,600
Total	<u>34,510,000</u>	<u>\$ 14,577,722</u>	<u>\$ 49,087,722</u>
Current	<u>1,420,000</u>		
Long-Term	<u>\$ 33,090,000</u>		

Santa Margarita/Dana Point Authority
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

3. Noncurrent Liabilities

Noncurrent liabilities and changes for the year ended June 30, 2021, are as follows:

	Balance at June 30, 2020	Additions	Deletions	Balance at June 30, 2021	Amount Due Within One year	Amount Due Beyond One Year
Revenue Bonds Payable:						
2020 Series A	\$ -	\$ 53,895,000	\$ (1,690,000)	\$ 52,205,000	\$ 1,635,000	\$ 50,570,000
Total Revenue Bonds						
Bonds Payable	-	53,895,000	(1,690,000)	52,205,000	1,635,000	50,570,000
Premium / Discount, net	-	11,417,387	(533,402)	10,883,985	686,980	10,197,005
Total Revenue Bonds Payable	-	65,312,387	(2,223,402)	63,088,985	2,321,980	60,767,005
General Obligation (GO) Bonds Payable:						
2014 Series A	18,430,000	-	(11,440,000)	6,990,000	440,000	6,550,000
2017 Series A	28,465,000	-	(945,000)	27,520,000	980,000	26,540,000
Total General Obligations						
Bonds Payable	46,895,000	-	(12,385,000)	34,510,000	1,420,000	33,090,000
Premium / Discount, net	4,436,600	-	(497,658)	3,938,942	474,638	3,464,304
Total GO Bonds Payable	51,331,600	-	(12,882,658)	38,448,942	1,894,638	36,554,304
Total Bonds Payable	\$ 51,331,600	\$ 65,312,387	\$ (15,106,060)	\$ 101,537,927	\$ 4,216,618	\$ 97,321,309

In September 2020 the Authority issued \$53,895,000 of Water and Wastewater Revenue Bonds, Series 2020A (2020A Bonds). The proceeds of the bonds were used to finance the acquisition and construction of certain improvements to the Santa Margarita Water District's (SMWD) water and wastewater system, to prepay three State Water Resources Control Board contracts, and to pay costs incurred in connection with the issuance of the bonds. The 2020A Bonds have interest rates from 3.00% to 5.00% that mature annually on June 1 from 2021 to 2050. The final maturity date is June 1, 2050. The source of repayment of these bonds is from net revenues of SMWD's water and wastewater system, which consist of revenues remaining after the payment of operation and maintenance costs of SMWD's water and wastewater system. All net revenues are irrevocably pledged to the payment of these bonds.

Principal and interest payments on the 2020A Bonds are payable from and secured by a pledge of all amounts received from SMWD, in connection with the Authority's issuance of the 2020A Bonds and are discussed in further detail in the Santa Margarita Water District's Annual Comprehensive Financial Report. As of June 30, 2021, the outstanding balance was \$52,205,000.

2014 Refunding General Obligation Bonds Series A

In July 2014, the Authority issued \$65,340,000 Refunding General Obligation Bonds 2014 Series A (Serial \$63,210,000 and term \$2,130,000) with interest rates from 3.00% to 5.00% that matures annually on August 1 from (serial) 2015 to 2029 and (term) ending in 2032. The proceeds of the bonds were used to refund the 2003 Series A and 2004 Series A bonds. The final maturity date remains the same, at August 1, 2032. The source of repayment of these bonds is special assessment tax revenues for debt service, which is secured by land.

Principal and interest payments on the 2014 Bonds are payable from and secured by a pledge of all amounts received from SMWD, in connection with the Authority's issuance of the 2014 SMWD Refunding Bonds and are discussed in further detail in the Santa Margarita Water District's Annual Comprehensive Financial Report. As of June 30, 2021, the outstanding balance was \$6,990,000.

Santa Margarita/Dana Point Authority
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

3. Noncurrent Liabilities (Continued)

2017 Refunding General Obligation Bonds Series A

In April 2017, the Authority issued \$29,375,000 Refunding General Obligation Bonds 2017 Series A with interest rates from 3.00% to 5.00% that matures annually on August 1 from 2019 to 2038. The proceeds of the bonds were used to partially refund the 2009 Series A bonds (Improvement District Nos. 2, 2A, 3, 3A, 4, 4A & 4B), which had an interest rate of 2.00% to 5.25%. The refunding resulted in the recognition of a deferred loss of \$1,584,493, which will be amortized over the remaining term of the bond. The final maturity date remains the same, at August 1, 2038. The source of repayment of these bonds is special assessment tax revenues for debt service, which is secured by land.

Principal and interest payments on the 2017 Bonds are payable from and secured by a pledge of all amounts received from SMWD, in connection with the Authority's issuance of the 2017 SMWD Refunding Bonds and are discussed in further detail in the Santa Margarita Water District's Annual Comprehensive Financial Report. As of June 30, 2021, the outstanding balance was \$27,520,000.

Future maturities of Revenue bonds payable are as follows at June 30, 2021:

Year	Principal	Interest	Total
2022	\$ 1,635,000	\$ 2,160,650	\$ 3,795,650
2023	1,730,000	2,078,900	3,808,900
2024	1,345,000	1,992,400	3,337,400
2025	1,410,000	1,925,150	3,335,150
2026	1,480,000	1,854,650	3,334,650
2027-2031	6,990,000	8,163,250	15,153,250
2032-2036	7,610,000	6,515,950	14,125,950
2037-2041	9,005,000	5,122,150	14,127,150
2042-2046	10,750,000	3,373,600	14,123,600
2047-2050	10,250,000	1,045,000	11,295,000
Total	<u>52,205,000</u>	<u>\$ 34,231,700</u>	<u>\$ 86,436,700</u>
Current	<u>1,635,000</u>		
Long-Term	<u>\$ 50,570,000</u>		

Santa Margarita/Dana Point Authority
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

3. Noncurrent Liabilities (Continued)

Future maturities of General Obligation bonds payable are as follows at June 30, 2021:

Year	Principal	Interest	Total
2022	\$ 1,420,000	\$ 1,556,976	\$ 2,976,976
2023	1,485,000	1,489,251	2,974,251
2024	1,560,000	1,413,126	2,973,126
2025	1,640,000	1,333,126	2,973,126
2026	1,725,000	1,249,001	2,974,001
2027-2031	10,030,000	4,829,961	14,859,961
2032-2036	10,320,000	2,319,681	12,639,681
2037-2039	6,330,000	386,600	6,716,600
Total	<u>34,510,000</u>	<u>\$ 14,577,722</u>	<u>\$ 49,087,722</u>
Current	<u>1,420,000</u>		
Long-Term	<u>\$ 33,090,000</u>		

The balance for deferred gain on debt defeasance as of June 30, 2021, is as follows:

General Obligation Bonds	Balance at June 30, 2020	Additions	Deletions	Amortization	Balance at June 30, 2021
2014A Series	<u>\$ 48,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,241)</u>	<u>\$ 41,513</u>

General Obligation Bonds	Balance at June 30, 2020	Additions	Deletions	Amortization	Balance at June 30, 2021
2017A Series	<u>\$ 1,194,457</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (114,468)</u>	<u>\$ 1,079,989</u>

4. COVID-19 Pandemic

In March 2020, the World Health Organization (“WHO”) declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Authority at this time.

Santa Margarita/Dana Point Authority

MEMORANDUM

TO: Board of Directors

DATE: November 2, 2021

FROM: Allison Burns

SUBJECT: Santa Margarita/Dana Point Authority Conflict of Interest Code

SUMMARY

Issue: The Political Reform Act requires state and local government agencies to biennially review its Conflict of Interest Code which establishes the rules for disclosure of personal assets and for disqualification from making or participating in any decisions that may affect personal assets. It is appropriate for the Authority to regularly review its Conflict of Interest Code to ensure conformance with current regulations.

Fiscal Impact: The Conflict of Interest Code itself does not have any budget or fiscal impacts.

Previous Related Action: On November 6, 2018, the Board of Directors adopted Resolution No. 2018-11-01 establishing a completely new Conflict of Interest Code document.

DISCUSSION

The Conflict of Interest Code adopted by the Authority designates employees or consultant positions that require Statements of Economic Interests (Form 700) filings. Form 700 is a public document intended to alert public officials and members of the public to the types of financial interests that may create conflicts of interests.

In 2018, the Authority established a new Conflict of Interest Code, which was reviewed by legal counsel in 2020, with no adjustments required. As legal counsel for the Authority, I have reviewed the Conflict of Interest Code and determined it meets all the requirements of the Political Reform Act (Government Code Section § 81000, et. seq.) and no changes are necessary.

The Authority's Conflict of Interest Code is attached for reference.

CONFLICT OF INTEREST CODE

OF THE

SANTA MARGARITA/DANA POINT
AUTHORITY

CONFLICT OF INTEREST CODE FOR THE
SANTA MARGARITA/DANA POINT AUTHORITY

(Adopted November 6, 2018)

The Political Reform Act (Gov. Code § 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. § 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing Regulation 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Santa Margarita/Dana Point Authority** (the "**Authority**").

All officials and designated positions required to submit a statement of economic interests shall file their statements with the **Authority's General Counsel** as the Authority's Filing Officer. The **Authority's General Counsel** shall make and retain a copy of all statements filed by Members of the Board of Directors and the General Counsel and forward the originals of such statements to the Clerk of the Board of Supervisors of the County of Orange. The **Authority's General Counsel** shall retain the originals of the statements filed by all other officials and designated positions and make all statements available for public inspection and reproduction during regular business hours. (Gov. Code § 81008.)

APPENDIX

CONFLICT OF INTEREST CODE

OF THE

SANTA MARGARITA/DANA POINT AUTHORITY

(Adopted November 6, 2018)

PART "A"

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Authority Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18701(b), are NOT subject to the Authority's Code, but must file disclosure statements under Government Code section 87200 et seq. (Regs. § 18730(b) (3)) These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments¹:

Board Member

Authority Administrator

Treasurer

¹ Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Authority Administrator	OC-01
Board Member	OC-01
Legal Counsel	OC-01
Secretary	OC-01
Treasurer	OC-01

Consultants and New Positions²

² Individuals providing services as a Consultant defined in Regulation 18701, or in a new position created since this Code was last approved that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Administrator may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.). The Administrator's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

PART “B”

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned.³ Such economic interests are reportable if they are either located in or doing business in the jurisdiction, are planning to do business in the jurisdiction, or have done business during the previous two years in the jurisdiction of the Authority.

Category OC-01: All interests in real property in Orange County, the Authority or the District as applicable, as well as investments, business positions and source of income (including gifts, loans and travel payments).

³ This Conflict of Interest Code does not require the reporting of gifts from outside this agency's jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg. 18730.1)