February 14, 2023

VIA E-MAIL

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| Honorable Chair and Commissioners  **Ventura LAFCo**  801 S. Victoria Avenue, Ste. 301  Ventura, CA 93003 | Kai Luoma, Executive Officer  **Ventura LAFCo**  801 S. Victoria Avenue, Ste. 301  Ventura, CA 93003 |

Re: Bell Canyon CSD Sphere of Influence (LAFCo 20-09S)

Dear Honorable Chair, Commissioners, and Mr. Luoma:

This letter serves to provide an update on the status of the Bell Canyon Community Services District (“District”) on its proposed actions and implementation plan as it relates to the District’s Municipal Services Review (“MSR”) that was approved on March 16, 2022 and the upcoming Sphere of Influence (“SOI”) review and update on March 15, 2023.

As you may recall, on March 16, 2022, LAFCo adopted the District’s MSR and continued the SOI review and update for one year to March 15, 2023 to allow the District to take action to address issues raised in the MSR and to implement an action plan that serves to bring the District into legal compliance and ensure proper and effective operations in its provision of services to the community. That action plan was outlined in the District’s letter dated February 25, 2022 to the Commission

Earlier this month on February 1, 2023, the District Board President Michael Robkin and Vice President Peter Machuga met with LAFCo Executive Officer Kai Luoma and LAFco Legal Counsel Jeff Barnes to discuss the status of the District’s implementation and action plan. The District provided an update to its implementation checklist (See Attachment 1) and indicated it would provide a full update via letter with the relevant documents. To that end the District has taken the following actions as proposed in its February 25, 2022 letter.

* 1. The District’s Relationship with the Bell Canyon HOA and District "Grants" to the HOA
     1. District expenditures on Recreational Events and Front Gate Security Improvements

**February 25, 2022 Proposed Actions**: “The District has agreed that, going forward, it will not utilize HOA staff or services to provide services or put on events and activities, and will not make any future reimbursements to the HOA for contribution toward improvements owned and operated by the HOA, such as the front gate reimbursement for enhanced security improvements. This should eliminate any further concern with “grants" being provided by the District to the HOA. To the extent any staff is necessary for the District to provide services or put on events or activities, the District will use either its own staff or a specialized outside provider in compliance with all of its legal requirements and statutory obligations. Furthermore, the District is looking to enhance its staffing to provide it the ability to independently perform certain day-to-day tasks and operations in furtherance of its authorized services under the sole direction and control of the District General Manager and District Board of Directors.”

**Action and Implementation to Date**: The District has stopped utilizing HOA staff and services to put on events, and has not provided funding for the HOA for said purposes. Thus, there are no “grants” or other expenditures to the HOA.

In an effort to improve the overall tracking and management of District fund expenditures, the District has implemented various financial policies related to reimbursement, credit card use, purchasing, and financial reports and auditing, and fund balances. Some of the policies are contained in the District’s newly adopted Policy Manual, while others are stand-alone policies. (See Attachment 2 [Policy Manual], Attachment 3 [Reimbursement Policy], Attachment 4 [Purchasing Policy].) With respect to recreational events and programming, the District has adopted an Event Planning and Operation Policy to provide oversight on the event-planning process and ensure proper safeguards on the use of District services and District expenditures. (See Attachment 5 [Event Planning and Operation Policy].)

In addition, the District has created two new part-time employment positions for the administration of day-to-day activities and recreation event-panning: (i) Management Analyst, and (ii) Recreation Events Coordinator. These part-time positions were adopted by resolutions by the District Board and function under the supervision of the General Manager. Included in the resolutions are their job descriptions as well as their salary ranges. (See Attachment 6 [Resolutions creating Management Analyst and Recreation Event Coordinator positions].)

* + 1. Fund Expenditures for Parks, Trails and Restrooms

**February 25, 2022 Proposed Actions**: “… the District will apply to LAFCo for activation of its latent power under Government Code Section 61100(e) before proceeding with any park or trail improvements contemplated by the District. Until such application for the latent power is approved by LAFCo, the District will not provide any further funding of recreational facilities or trail improvements beyond its existing authorized power for hosting recreational events.”

**Action and Implementation to Date**: The District has not budgeted any funds for the 2022-2023 year for parks, trails, or other recreational facilities maintenance or operations. (See Attachment 7 [2022-2023 Budget].) Furthermore, to date, the District has not expended any funds for such purposes. (See Attachment 8 [Treasurer’s Report].)

* 1. The Brown Act

**February 25, 2022 Proposed Actions**: “The District is committed to complying with the Brown Act and making its actions and public records open and transparent to all members of the public. The District has already made and will continue to make its Board meetings accessible for all members of the public, not just Bell Canyon residents, to attend in-person as well as via teleconference. All notices and agendas will continue to be posted on the District’s website and physically at its office, as well as beyond the community gate at the newly installed public bulletin board near the County line. The District will also add signage to the new posting location outside the gated community that alerts the public to the location of this new CSD community bulletin board. Each District agenda posted in the future will include notice of the availability and procedures for public access to any BCCSD meeting conducted inside the boundaries of the HOA gated community.”

**Action and Implementation to Date**: The District has made great strides in providing notices to the public and allowing public participation at Board meetings. Even before February 25, 2022 the District has welcomed members of the public to attend Board meetings and has not restricted access to residents only. (See Attachment 9 [Sample meeting agendas].) Furthermore, the District has been and continues to post its meeting agendas and notices on the District’s website and physical bulletin boards located within and outside of the community gates that are publicly accessible. The District holds all Board meetings in full compliance with the Brown Act, including teleconferencing and public comment requirements. In fact, the District has adopted Brown Act policies in relation to the conduct of public meetings. (See Attachment 2 [Policy Manual,].)

* 1. Conflicts of Interest

**February 25, 2022 Proposed Actions: “**In order to provide further assurance against potential conflicts of interest in the future arising in connection with an individual District decision having a direct impact upon the HOA, the District will be taking the following actions: (i) adopting a Conflicts of Interest Code applicable to all District Board members intended to identify and provide for recusal from decisions where a conflict of interest might arise, (ii) adopting a policy requiring the recusal of District Board members who are also serving on the HOA Board of Directors from actions involving contracts with or payments to the HOA, and (iii) requesting that the HOA adopt a policy limiting the number of District Board members who may serve on the HOA Board at the same time to not more than two (2) individuals.”

Furthermore, as the District has already stated in Section A.1 above, the District will not delegate performance of any of its services to the HOA, and will eliminate any reimbursement to the HOA for capital improvements owned and controlled by the HOA. This will greatly reduce the potential for conflicts of interest for members serving concurrently on both the District Board and HOA board.

Moreover, to provide more transparency and accountability, the District is in the process of updating its by-laws and developing a set of rules and regulations for its Board and the District to follow that will enhance transparency and accountability. Such by-laws, rules, and regulations are being reviewed and finalized by the District’s legal counsel, and will be presented before the Board at a public meeting in the near future for review, comment, and approval.

**Action and Implementation to Date**: The District reiterates that there is ***no conflict of interest or incompatibility of offices*** when a Boardmember of the HOA simultaneously serves as a member of the District Board, as confirmed by the Fair Political Practices Commission and the Ventura County District Attorney’s office. (See Attachment 10 [FPPC Opinion (1998)], Attachment 11 [Ventura County District Attorney’s Report (2013)].)

Nonetheless, in furthering transparency and improving public trust in its officers, the District has adopted a Conflicts of Interest Code that is compliant with the FPPC. Moreover, the District has adopted a resolution regarding the dual directorship of District Board members on the HOA and required recusals of those District Board members whenever an issue regarding contracts and goods and services with the HOA comes up for Board consideration. (See Attachment 12 [Resolution on Dual Directorship].)

Furthermore, as previously stated above, the District has minimized its interactions with and fund expenditures to the HOA.

* 1. Traffic Patrol and Decoy Vehicle

**February 25, 2022 Proposed Actions:** “Going forward, the District will not engage in traffic patrol services unless it either (i) activates its latent power with LAFCo to employ its own peace officers, pursuant to Penal Code Section 830 *et seq* or (ii) contracts for such service with the CHP or another qualifying public entity*.* Should the District decide at some point to again contract with the CHP or another qualifying public agency, the District will inform LAFCo prior to entering such contract.”

“…In addition, questions were raised with respect to the decoy vehicle’s decals and potential confusion surrounding the “State of California” wording on the door of the decoy vehicle. Please note that the vehicle does not use the State’s seal or any other emblem to represent that the vehicle belongs to the State. Nonetheless, to avoid any further confusion, the District has removed any reference to “State of California” and any "seal" or "insignia" on the vehicle body. Given the issues that have arisen from the decoy vehicle, the District has further instructed the District's general manager to proceed with disposition of the patrol vehicle as the District does not have any further foreseeable use for the patrol vehicle at this time.”

**Action and Implementation to Date**: With respect to the HOA, the District has already terminated any authorization for the HOA and its security personnel to operate the decoy vehicle at any time or for any purpose, and has terminated any further HOA access to the decoy vehicle. Any future traffic enforcement activities of the HOA will be kept entirely separate from any actions of the District with respect to its traffic patrol efforts. The District has also sold its patrol vehicle, and has removed decals from the remaining vehicle. (See Attachment 13 [decals removed from vehicle].)

* 1. Limitation of Delivery of Emergency-Related Services; No Stand-Alone Emergency Response Training

**February 25, 2022 Proposed Actions:** “The District acknowledges that Government Code Section 61100(n) only allows emergency medical services to be provided in accordance with the Emergency Medical Services System and the Prehospital Emergency Medical Care Personnel Act under the Health and Safety Code. Accordingly, to the extent the District desires to perform emergency medical services itself, it will do so in accordance with the Emergency Medical Services System and the Prehospital Emergency Medical Care Personnel Act under the Health and Safety Code, and will first seek approval from LAFCo to conduct such services. Otherwise, the District will continue to perform such services through LAFD/VCFPD. To the extent the District desires to provide CPR classes, it will do so through LAFD/VCFPD.”

**Action and Implementation to Date**: The District has not and will not provide emergency medical services, and to the extent it will do so in the future, it will utilize services of LAFD/VCFPD. With respect to CPR classes, the District will contract with a CPR provider to provide classes as a recreational activity or program.

* 1. Security Services/Graffiti Abatement

**February 25, 2022 Proposed Actions:** “Since the District desires to preserve its ability to provide security and graffiti abatement services on its own, the District will adopt ordinances outlining the details under which such services will be provided to the residents of the Bell Canyon community, including the type and manner in which security services, including burglar and fire alarm services, and graffiti abatement will be provided. As previously stated, the District intends on employing its own staff to provide those services. Specific details on the ordinances and the services will be provided to LAFCo prior to adoption and implementation of any action by the District on this item.”

**Action and Implementation to Date**: The District is in the process of adopting the security services ordinance and the graffiti abatement ordinances, and drafts from first reading are included herewith. (See Attachment 14 [Graffiti Abatement Ordinance], Attachment 15 [Security Services Ordinance].)

* 1. Park Property and Recreational Facilities
     1. Park/Recreational Facilities

**Proposed Actions**: “Because it is the District’s desire to fund certain improvements to the Park and related facilities, the District will apply for the latent power under Government Code Section 61100(e) with LAFCo for the acquisition, construction, improvement, maintenance, or operation of recreational facilities, in the same manner as a recreation and park district under Recreation and Park District law.”

**Action and Implementation to Date**: The District still fully intends to file an application for the latent power for the improvement, maintenance or operation of recreational facilities, as authorized under the Government Code.

* + 1. Triunfo Property

**February 25, 2022 Proposed Actions**: “Because the District’s needs to secure permanent access to the Park and related facilities as a part of its core purpose, the District will proceed with acquiring the Triunfo parcel as soon as possible. However, no improvement will be made to the access parcel of the Park until the District has secured authority to active its powers under Government Code Section 61100(e). Promptly following confirmation of the understandings set forth in this letter, the District will, with LAFCo support and guidance, move forward with an application for activation of its latent powers under Government Code Section 61100(e) with LAFCo for the acquisition, construction, improvement, maintenance, or operation of recreational facilities, in the same manner as a recreation and park district under Recreation and Park District law.”

**Action and Implementation to Date**: The District is in the process of executing a purchase and sale agreement with Triunfo for the acquisition of the property. Upon completion of the transaction, the District will not develop or utilize the property for recreational facilities until it applies for and receives the latent power for the improvement, maintenance or operation of recreational facilities, as authorized under the Government Code.

* + 1. Multi-Use Parcel

**February 25, 2022 Proposed Actions**: “Because the District does not wish to directly use and does not itself utilize the Multi-Use parcel for a bus stop or transportation services, the District will enter into a ground lease with the HOA for the latter’s use of a portion of the Multi-Use parcel as a bus stop. The District has not provided funding for and will not provide any funding for the bus stop operation or maintenance, and that will be the sole responsibility of the HOA. The District will continue to use the remainder of the Multi-Use parcel for hosting community recreation programs and trash and recycling events, and no further approval from LAFCo is required with respect to such already authorized activities. If in the future the District intends to improve the Multi-Use parcel with any park or recreational facilities, it will seek activation of its powers under Government Code Section 61100(e) before undertaking such improvements.”

**Action and Implementation to Date**: The District is in the process of developing a lease agreement for the HOA to continue utilizing a portion of the Multi-Use Parcel for a bus stop. The is not currently expending any funds on the bus stop, and the District has also inquired with LAFCo regarding the application for transportation services, in the event the District desires to take over the maintenance or operation of the bus stop. However, the District is not involved with the maintenance or operation of the bus stop at this time.

* 1. Fire-Safe Council Grant

**February 25, 2022 Proposed Action**: “The District has agreed to not further pursue any grants of this nature in the future. As to the disbursement of the balance of the existing grant, LAFCo has informed the District that it is up to the District to determine how to deal with the existing grant. The District will deal directly with CalFire on disbursement of remaining grant funds, and, following close out of the existing grant, will cease any further activity with respect to this CalFire program.”

**Action and Implementation to Date**: The District received confirmation directly from CalFire regarding the remaining grant fund distribution, and has ceased any further activity with respect to grant applications from CalFire. The District has no intention of and will not apply for any grants on fire suppression or fire activities under said CalFire program.

* 1. Conclusion

Based on the foregoing, the District believes it has substantially complied with all requirements of the MSR and taken all actions necessary to be up to date in its legal compliance for the SOI review and update. Accordingly, the District believes that the Commission should vote to maintain the SOI of the District as it is currently operating. Please let me know if you have any questions. Again, we appreciate your time and efforts in reviewing this process and the progress of the District.

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|  | Sincerely,  ALESHIRE & WYNDER, LLP  ESIG_plee_ALWY_ESIG  Pam K. Lee |

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Copy: Michael Robkin, District Board President (via email)

Peter Machuga, District Board Vice President (via email)

Judith Lantz, District Board member (via email)

Richard Levy, District Board member (via email)

Eric Wolf, District Board member (via email)

Gregory McHugh, District Interim General Manager (via email)