ORDINANCE NO. O2026-03

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT REPEALING AND REPLACING DISTRICT CODE CHAPTER 3 (CONFLICT OF INTEREST CODE)

The Board of Directors of the Rancho Murieta Community Services District hereby ordains as follows:

SECTION 1. FINDINGS AND PURPOSE

The Board of Directors finds and declares as follows:

(a) Government Code Section 87300 requires each local public agency to adopt and maintain a Conflict of Interest Code pursuant to the Political Reform Act of 1974 (Government Code Sections 81000 et seq.) ("Act").

(b) The District previously adopted a Conflict of Interest Code as District Code Chapter 3, most recently amended by Ordinance No. O2023-02, adopted February 15, 2023.

(c) The District's organizational structure has changed since the last amendment to Chapter 3, including the elimination of the positions of Director of Administration and Accounting Manager, the creation of the position of Director of Finance and Administration, and other position changes, resulting in the current Chapter 3 no-longer accurately reflecting the District's designated filer positions as required by the Act.

(d) The 2025-2026 Sacramento County Grand Jury, in its report titled "Rancho Murieta Community Services District: Still a Work in Progress" (June 24, 2026), found that the District's Conflict of Interest ordinance is not updated, resulting in confusion over who must complete Form 700 filings, and recommended that the District update its Conflict of Interest Code by September 24, 2026 to accurately reflect those positions for which a Form 700 is required.

(e) The Board of Directors has determined that it is in the best interests of the District and its ratepayers to repeal the existing Chapter 3 in its entirety and replace it with a new, streamlined Conflict of Interest Code that accurately reflects current District positions, clarifies the status of statutory filers, incorporates a formal recusal procedure, and establishes a biennial review obligation consistent with Government Code Section 87306.5.

(f) Government Code Section 82011(b) provides that the code reviewing body for a local government agency, other than a city agency, with jurisdiction wholly within a county is the board of supervisors of that county. The District's jurisdiction is wholly within the County of Sacramento. The code reviewing body for the District's Conflict of Interest Code is therefore the Sacramento County Board of Supervisors, and an amended Code of the District shall be submitted to that body for approval pursuant to Government Code Sections 87303 and 87306.

(g) This Ordinance was introduced at a special meeting of the Board of Directors held on August 26, 2026.

SECTION 2. REPEAL OF EXISTING CHAPTER 3

District Code Chapter 3 (Conflict of Interest Code), as originally adopted and as amended by Ordinance No. O2023-02, is hereby repealed in its entirety. The repeal shall become effective concurrently with, and not before, the effective date of the new Chapter 3 adopted pursuant to Section 4 of this Ordinance. This provision is intended to ensure that the District is not without an operative Conflict of Interest Code at any time during the transition from the prior Code to the new Code.

SECTION 3. SAVINGS PROVISIONS

The repeal of the prior Chapter 3 shall not affect any of the following:

(a) Any obligation to file a Statement of Economic Interests (Form 700) that accrued under the prior Chapter 3, including any initial, annual, or leaving office statement that was due but not yet filed as of the effective date of this Ordinance. Such obligations remain in full force and effect and are enforceable.

(b) Any enforcement action, investigation, or proceeding pending or initiated under the prior Chapter 3 or under the Political Reform Act based on conduct occurring prior to the effective date of this Ordinance.

(c) Any civil, administrative, or criminal liability arising from a violation of the prior Chapter 3 or any provision of the Political Reform Act.

SECTION 4. ADOPTION OF NEW CHAPTER 3

The proposed District Code Chapter 3 (Conflict of Interest Code) is hereby adopted in its entirety in the form attached hereto as Exhibit A and incorporated by reference herein. The new Chapter 3 shall take effect upon the later of: (a) thirty (30) days after final adoption of this Ordinance at its second reading; or (b) approval of the new Chapter 3 by the Sacramento County Board of Supervisors, as the District's code reviewing body, pursuant to Government Code Sections 87303 and 87306. The repeal of the prior Chapter 3 under Section 2 and the effectiveness of the new Chapter 3 under this Section shall occur simultaneously, so that the District shall have an operative Conflict of Interest Code at all times.

SECTION 5. INITIAL FILING OBLIGATIONS UNDER NEW CODE

All persons holding designated positions listed in the new Chapter 3 on the effective date of this Ordinance shall file an initial Statement of Economic Interests within thirty (30) days after the effective date, unless such persons have filed a current annual or assuming office statement under the prior Chapter 3 within the preceding twelve (12) months that covers substantially equivalent disclosure obligations, in which case no new initial statement is required until the next annual filing deadline.

The District Secretary shall notify all designated employees of their filing obligations within ten (10) days of the effective date of this Ordinance.

SECTION 6. SUBMISSION TO CODE REVIEWING BODY

Upon adoption of this Ordinance, the District Secretary is directed to submit this Ordinance and the new Chapter 3 (Exhibit A) to the Sacramento County Board of Supervisors, as the District's code reviewing body under Government Code Section 82011(b), for approval pursuant to Government Code Sections 87303 and 87306.

If the code reviewing body requires modifications to the new Chapter 3 as a condition of approval, the General Manager and District legal counsel shall present those modifications to the Board of Directors for approval at the next available regular meeting. Nothing in this Section authorizes any person to amend the Conflict of Interest Code without Board approval.

SECTION 7. CEQA

The Board of Directors finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(1) as it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment.

SECTION 8. SEVERABILITY

If any section, subsection, clause, or provision of this Ordinance or the new Chapter 3 is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity of any other section, subsection, clause, or provision, all of which shall remain in full force and effect.

SECTION 9. EFFECTIVE DATE AND PUBLICATION

This Ordinance shall take effect upon the later of: (a) thirty (30) days after final adoption at its second reading or (b) approval of the new Chapter 3 by the Sacramento County Board of Supervisors, as the District's code reviewing body, pursuant to Government Code Sections 87303 and 87306. The District Secretary is directed to publish this Ordinance once in a newspaper of general circulation published within or near the District within fifteen (15) days after final adoption, as required by applicable law.

INTRODUCED by the Board of Directors of the Rancho Murieta Community Services District at a special meeting on the 26th day of August, 2026.

Board President

ATTEST:

District Secretary

APPROVED AS TO FORM:

District Legal Counsel

PASSED AND ADOPTED by the Board of Directors of the Rancho Murieta Community Services District at a regular meeting on the 16th day of September, 2026, by the following roll call vote:

AYES: Butler, Gere, Maybee, Merchant
NOES:
ABSENT: Jenco
ABSTAIN:

Board President

ATTEST:

District Secretary

APPROVED AS TO FORM:

District Legal Counsel

EXHIBIT A

DISTRICT CODE CHAPTER 3

CONFLICT OF INTEREST CODE

(Adopted by Ordinance No. O2026-03)

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
DISTRICT CODE
CHAPTER 3

CONFLICT OF INTEREST CODE
Amended [DATE], 2026
By Ordinance No. O2026-03

Government Code Section 87300 requires each local public agency to adopt and promulgate a conflict of interest code pursuant to the Political Reform Act (Gov. Code § 81000, et seq.) for the purpose of ensuring that designated officials disclose economic interests that might be foreseeably affected by the making or participation in the making of agency decisions. This Conflict of Interest Code incorporates by reference the terms of Title 2, Section 18730 of the California Code of Regulations and any amendments thereto duly adopted the by Fair Political Practices Commission. The statements of economic interest required by this Conflict of Interest Code shall be filed as provided in Section 6 of this Code.

SECTION 1. PURPOSE AND AUTHORITY

This Conflict of Interest Code is adopted by the Board of Directors of the Rancho Murieta Community Services District ("District") pursuant to Government Code Section 87300 and the California Political Reform Act of 1974, as amended (Government Code Sections 81000 et seq.) ("Act"). The purpose of this Code is to require designated employees to disclose material financial interests that could be foreseeably affected by their official actions, and to disqualify such employees from participating in decisions in which they have a disqualifying financial interest. This Code is in addition to, and does not replace, other provisions of the Act or other laws pertaining to conflicts of interest.

SECTION 2. STATUTORY FILERS — FOR INFORMATION ONLY

District officials who manage public investments, as defined by 2 California Code of Regulations Section 18700.3(b)(1), are not subject to the District's Code, but must file disclosure statements under Government Code Section 87200. (Regs. § 18730(b)(3)). The following officials are *considered "statutory filers" under Government Code Section 87200 and these positions are listed* here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments:[1]

Position	Authority
Members of the Board of Directors	Gov. Code § 87200
General Manager / District Treasurer	Gov. Code § 87200

[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 Government Code Section 87200.

SECTION 3. DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES

The officers and employees listed in the table below are designated as persons who make or participate in the making of decisions that may have a material effect on financial interests. Persons holding designated positions shall disclose interests and investments in accordance with the corresponding disclosure categories set forth in Section 4 of this Code. All designated employees shall file their Statements of Economic Interests (Form 700) as provided in Section 6 of this Code.

Designated Position	Disclosure Category
Members of the Board of Directors	1
General Manager / District Treasurer	1
General Counsel	1
Director of Finance and Administration	1
Director of Operations	1
Chief Plant Operator	1
Utilities Supervisor	1
Security Supervisor	1
IT Manager	1
District Secretary/Clerk of the Board	1
District Engineer (Consultant)	See Section 5
IT Consulting Firm (Consultant)	See Section 5

The positions of Members of the Board of Directors and General Manager/District Treasurer are designated in this Section 3 only to the extent those positions are not statutory filers under Government Code section 87200. A public official who holds a position specified in section 87200 is not required to file a statement under the conflict of interest code of an agency having the same or a smaller jurisdiction.

If a position title changes, the incumbent shall continue to be treated as a designated employee and shall file Form 700 under the broadest applicable disclosure category until the Code is amended to reflect the new title.

If the District creates a new position that requires disclosure under this Code without simultaneously amending the Code, the person appointed to that position shall file a Form 700 assuming office statement and thereafter file annual Form 700 disclosure statements using the broadest disclosure category until the Code is amended.

SECTION 4. DISCLOSURE CATEGORIES

The disclosure categories applicable to designated positions are defined as follows:

Category 1 — Full Disclosure: All persons in this disclosure category shall disclose all interests in real property located within two (2) miles of the boundaries of the District, as well as all investments, business positions, and sources of income, including gifts, loans, and travel payments, from all sources, as required by the Act and applicable FPPC regulations.

Category 2 — Investments and Income (No Real Property): All persons in this disclosure category shall disclose all investments, business positions, and sources of income, including gifts, loans, and travel payments, from all sources, but shall not be required to disclose interests in real property.

Category 3 — Contracting Interests: All persons in this disclosure category shall disclose all investments, business positions, and income, including gifts, loans, and travel payments, in or from sources that provide goods, equipment, or services, including training or consulting services, of the type utilized by the District.

SECTION 5. CONSULTANTS

For purposes of this Code, "consultant" means an individual who, pursuant to a contract with the District, either: (a) makes a governmental decision as described in California Code of Regulations, Title 2, Section 18701(a)(2)(i); or (b) serves in a staff capacity with the District and participates in making a governmental decision as described in California Code of Regulations, Title 2, Section 18702.2, or performs the same or substantially all of the same duties that would otherwise be performed by a designated employee.

A consultant who works on a single project or a limited range of projects for the District is not deemed a consultant subject to the filing requirements of this Code unless the engagement extends over a substantial period of time, generally more than one (1) year.

The General Manager shall determine in writing, on a case-by-case basis for each engagement, whether a consultant must be treated as a designated employee for purposes of this Code. Consultants so designated shall disclose pursuant to the broadest applicable disclosure category, subject to the following:

The General Manager may, in the written determination, reduce the disclosure category of a consultant if the General Manager determines that the consultant: (a) will not make or participate in making governmental decisions; (b) will not use their position to influence governmental decisions; and (c) has no independent governmental decision-making authority. The written determination shall describe the consultant's duties and specify the extent of applicable disclosure requirements.

The General Manager's written determination is a public record and shall be retained for public inspection in the same manner and location as this Code, as required by Government Code Section 81008.

The following consultants are currently designated and are subject to a written General Manager determination specifying their applicable disclosure category:

- District Engineer
- IT Consulting Firm

SECTION 6. STATEMENTS OF ECONOMIC INTERESTS — PLACE OF FILING

The Sacramento County Board of Supervisors is the code reviewing body for this Code pursuant to Government Code section 82011(b). The County of Sacramento Clerk of the Board of Supervisors serves as the filing officer and receives the original Statement of Economic Interests, and the District Secretary serves as the District's filing official, acting as liaison between the filing officer and the District's filers, consistent with FPPC Regulation 18115. All designated employees, including consultants designated under Section 5, shall file their Statements of Economic Interests (Form 700) with the County of Sacramento Clerk of the Board of Supervisors filing officer, in the manner prescribed by the County of Sacramento, which currently requires electronic filing through the County's electronic disclosure system. The District Secretary shall maintain the District's list of designated positions and filers with the County, shall notify filers of applicable filing deadlines, and shall retain a copy of each statement filed.

Statements of Economic Interests are public records and shall be available for public inspection and copying during normal business hours at the District's principal office, as required by Government Code Section 81008. Copies retained by the District shall be available during normal business hours at the District's principal office, and requests for original statements may be directed to the County of Sacramento as filing officer.

SECTION 7. STATEMENTS OF ECONOMIC INTERESTS — TIME OF FILING

Designated employees shall file Statements of Economic Interests as follows:

(A) Initial Statements. All designated employees holding a designated position on the effective date of this Code, or on the effective date of any amendment adding their position, shall file an initial statement within thirty (30) days after the effective date of this Code or such amendment.

(B) Assuming Office Statements. All persons assuming a designated position after the effective date of this Code shall file a statement within thirty (30) days after assuming the designated position.

(C) Annual Statements. All designated employees shall file annual statements no later than April 1 of each year, covering the prior calendar year.

(D) Leaving Office Statements. All persons leaving a designated position shall file a leaving office statement within thirty (30) days after leaving the position, covering the period since the closing date of the last statement filed.

SECTION 8. CONTENTS OF STATEMENTS OF ECONOMIC INTERESTS

Statements of Economic Interests shall be made on forms prescribed by the FPPC and shall contain the information required by the Act and applicable FPPC regulations for the filer's assigned disclosure category, including:

- Interests in real property (Category 1 filers only): nature of interest, address or precise location, and fair market value rang;
- Investments: name and description of business entity, nature of investment, and fair market value range;
- Business positions: name, address, and description of business entity, and the filer's position;

- Income and loans: name and address of source, description of business activity, and value range;
- Gifts: name, address, and description of donor; description and value of gift; and date received.

SECTION 9. DISQUALIFICATION AND RECUSAL PROCEDURE

No designated employee shall make, participate in making, or in any way use their official position to influence the making of any governmental decision in which the employee knows or has reason to know they have a disqualifying financial interest. A disqualifying financial interest exists when it is reasonably foreseeable that the governmental decision will have a material financial effect, distinguishable from its effect on the public generally, on the designated employee, a member of their immediate family, or on:

- Any business entity in which the designated employee has a direct or indirect investment worth $2,000 or more;
- Any real property in which the designated employee has a direct or indirect interest worth $2,000 or more;
- Any source of income (other than gifts and commercial loans on terms available to the general public) aggregating $500 or more in value received by, or promised to, the designated employee within twelve (12) months prior to the time the decision is made;
- Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or
- Any donor of, or intermediary or agent for a donor of, a gift or gifts aggregating $630 or more provided to, received by, or promised to the designated employee within twelve (12) months prior to the time the decision is made.

When a designated employee determines they have a disqualifying financial interest in a matter, they shall promptly take all of the following steps:

1. Announce the potential conflict publicly before any discussion of the matter begins, identifying the nature of the interest without disclosing unnecessary personal financial detail;
2. Recuse themselves from any and all discussion, deliberation, and vote on the matter;
3. Leave the meeting room during any deliberations on the matter and not return until the matter has been concluded; and
4. Ensure the recusal is noted in the minutes of the meeting.

A designated employee who is uncertain whether a financial interest requires recusal should consult with District legal counsel or request advice from the FPPC prior to the meeting at which the matter will be considered.

SECTION 10. LEGALLY REQUIRED PARTICIPATION

No designated employee shall be prevented from making or participating in the making of any decision to the extent their participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make their participation legally required for purposes of this Section.

SECTION 11. GIFTS — REPORTING THRESHOLD AND ACCEPTANCE LIMIT

No designated employee shall accept gifts with a total value exceeding the applicable annual gift limit established by the FPPC (currently $630 per calendar year from a single source, subject to periodic FPPC adjustment) if the designated employee would be required to report receipt of income or gifts from that source on their Statement of Economic Interests. Gift limitations and reporting requirements are governed by the Act and applicable FPPC regulations, which are incorporated by reference.

Designated employees are reminded that gifts aggregating $50 or more from a single source during a reporting period must be disclosed on the Statement of Economic Interests, regardless of whether the total remains below the acceptance limit. This $50 reporting threshold is established by Government Code Section 87206 and is not subject to inflation adjustment. The reporting obligation is cumulative — all gifts from a single source during the reporting period are aggregated for purposes of determining whether the $50 threshold is met.

SECTION 12. ASSISTANCE OF THE FPPC AND DISTRICT COUNSEL

Any designated employee who is uncertain about their duties or obligations under this Code may request assistance from the FPPC pursuant to *Government Code Section 83114 and* FPPC Regulations 18329 and 18329.5, or may consult the District's legal counsel. Nothing in this Section requires District legal counsel to issue any formal or informal opinion.

SECTION 13. VIOLATIONS

This Code has the force and effect of law. Designated employees who violate any provision of this Code are subject to the administrative, civil, and criminal sanctions provided in the Political Reform Act, Government Code Sections 81000 through 91014. A decision in relation to which a violation of the disqualification provisions of this Code or of Government Code Sections 87100 or 87450 has occurred may be set aside as void pursuant to Government Code Section 91003.

SECTION 14. REVIEW AND AMENDMENT

This Code shall be reviewed biennially by the General Manager and District legal counsel, as required by Government Code Section 87306.5. In each even-numbered year, and no later than October 1, the District shall submit to the Sacramento County Board of Supervisors, as the District's code reviewing body, either a proposed amendment to this Code or a written statement that no amendment is necessary. The review shall assess whether designated positions accurately reflect the District's current organizational structure and whether disclosure categories remain appropriate given the duties of each designated position.

Nothing in this Section limits the District's authority to amend this Code at any time outside the biennial review cycle. Proposed amendments to this Code shall be submitted to the code reviewing body for approval pursuant to Government Code Sections 87303 and 87306 following adoption by the Board of Directors.

Authority: Government Code Sections 82011, 83112, 87200, 87300, 87303, 87306, 87306.5, 87500. Reference: Government Code Sections 87100, 87103(e), 87200, 87206, 87300–87302, 87450, 89501, 89502, 89503; California Code of Regulations, Title 2, Section 18730.