

CHAPTER 2 DIRECTORS AND OFFICERS

2.1 QUALIFICATIONS FOR ELECTED DIRECTORS

A. Residence –

Each Director shall be a voter and a resident in the District, and a resident of the division that he represents at the time of his nomination or appointment and through his entire term. Section 1770 of the California Government Code describes events causing vacancy in a Director's residency as:

1. His or her ceasing to be an inhabitant of the state, or if the office be local and one for which local residence is required by law, of the district, county or city for which the officer was chosen or appointed, or within which the duties of his or her office are required.
2. His or her absence from the state without the permission required by law beyond the period allowed by law.
3. His or her ceasing to discharge the duties of his or her office for the period of three consecutive months, except when prevented by sickness, or when absent from the state with the permission required by law.

B. Oath of Office –

Before entering upon the duties of office, each Board member shall take and subscribe to the statutory Oath of Office.

C. Code of Ethics –

The Board of Directors is committed to providing excellence in leadership that result in the provision of the highest quality of services to its constituents. The Board intends to fully comply with the provisions of the State's open meeting law for public agencies (The Ralph M. Brown Act), adhere to federal and state government codes, comply with the Fair Political Practices Commission guidelines, and uphold the Constitutions of the United States and the State of California. In order to assist Directors to fulfill their obligations, and keeping in mind that new or revised statutes may add further regulations, the following rules shall be observed:

1. The dignity, style, and opinions of each Director shall be respected.
2. Responsiveness and attentive listening in communication is encouraged.

3. The primary responsibility of the Board is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to the professional staff members of the District.
4. Directors should commit themselves to emphasizing the positive and avoiding when possible, negative forms of interaction.
5. Directors should commit themselves to focusing on issues and not personalities. The presentation of the opinions of others should be encouraged.
6. Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board takes action, Directors should commit to supporting said action and not to creating barriers to the implementation of said action.
7. Directors should practice the following procedures:
 - a. In seeking clarification on informational items, Directors may directly approach professional staff members to obtain information needed to supplement, upgrade, or enhance their knowledge to improve legislative decision-making.
 - b. In handling complaints from residents and property owners of the District, said complaints should be referred directly to the Manager.
 - c. In handling items related to safety, concerns for safety or hazards should be reported to the Manager or to the District office. Emergency situations should be dealt with immediately by seeking appropriate assistance.
 - d. In seeking clarification for policy-related concern, especially those involving personnel, legal action, annexation, property acquisition and development, finances, and programming, said concerns could be referred directly to the Manager.
8. When approached by District personnel concerning specific District policy, Directors should direct inquires to the appropriate professional staff supervisor. The chain of command should be followed.
9. The work of the District is a team effort. All individuals should work together in a collaborative process, assisting each other in conducting the affairs of the District.

10. When responding to constituent requests and concerns, Directors should be courteous, responding to individuals in a positive and timely manner and routing their questions through appropriate channels and to responsible management personnel.
11. Directors should develop a working relationship with the Manager wherein current issues, concerns, and District projects can be discussed comfortably and openly.
12. The Brown Act contemplates that Directors should function as a part of the whole Board. Issues should be brought to the attention of the Board as a whole, rather than to individual members selectively. When a Director is speaking for himself or in his capacity as an individual member of the Board, he should clearly identify that limited capacity.
13. Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.
14. A perceived violation of the Code of Ethics policy by a Board member should be referred to the President of the Board or the full Board for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to the District, including, but not limited to:
 - a. Adoption of a resolution expressing disapproval of the conduct of the Board member who has violated this policy.
 - b. Injunctive relief
 - c. Referral of the violation to the District Attorney and/or the Grand Jury.

2.2 NUMBER AND ACTION

- A. Pursuant to the provisions of the California Water Code, the Board shall consist of five persons.
- B. Action can be taken only by vote of the majority of the Board of Directors. Three (3) Directors represent a quorum for the conduct of business.

2.3 TERM OF OFFICE

- A. The term of each member of the Board shall begin at noon on the first Friday of December following the Director's election.

- B. The term of each member of the Board shall be four years, with the term of approximately half the Board expiring every two years.
- C. Each Board member shall serve until a successor is duly elected and is qualified, unless the member earlier is removed from the office or resigns or otherwise leaves office.

- D. A Board member is not limited in the number of terms the member may serve.

2.4 VACANCIES IN BOARD OF DIRECTORS

A. Events Creating Vacancies –

A list of events causing vacancy in office is set forth in Government Code section 1770. In general, an office becomes vacant in the case of the death of the incumbent, a court adjudication declaring that the incumbent is physically or mentally incapacitated due to disease, illness, or accident, the resignation of the incumbent, his or her removal from office, his or her ceasing to be a resident of the District, or if a director has been convicted of a felony.

B. Filling of Vacancies –

Vacancies shall be filled in accordance with the described procedures of the Government Code.

2.5 FIDELITY BONDS FOR ELECTED DIRECTORS

Each member of the Board shall be covered by liability and errors and omissions insurance at the expense of the District, in an amount prescribed by the Board, conditioned upon the faithful performance of his respective duties. Surety bonds will also be in effect for individuals designated as check signers.

2.6 PRINCIPAL OFFICERS

The principal officers of the District shall consist of a Board President, a Board Vice-President, a Secretary, a Treasurer, and such other offices as the Board shall from time to time establish.

2.7 QUALIFICATIONS; OFFICER ELECTION AND TERM OF OFFICE

A. Election –

At the first meeting after noon on the first Friday of December the Board shall choose one of its members as President and shall choose another of its members as Vice-President. Nominations shall come from the Board members. The Board shall also appoint a Secretary of the Board and a Treasurer of the District.

B. Term –

The officers shall serve until the next Annual Meeting. The President and Vice-President shall not serve in their respective positions for more than two consecutive one-year terms.

2.8 RESIGNATION

A Director and an officer may resign at any time by giving written notice to the Board or to the District Secretary. Any resignation shall take effect upon receipt of such notice or at any later time specified therein. Unless otherwise specified in the notice, acceptance of the resignation shall not be necessary to make it effective.

2.9 REMOVAL

Any officer elected by the Board may be removed by a majority vote of the Board whenever in its judgment the best interests of the District would be served.

2.10 VACANCIES IN OFFICES

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board for the unexpired portion of the officer's term. In the case of the Secretary or Treasurer, the President may appoint a new Secretary or Treasurer to serve until such time as the Board shall elect a successor and the person or persons so elected have qualified.

2.11 DUTIES OF THE PRESIDENT OF THE BOARD

The President of the Board shall:

- A. Serve as President of the Board and preside at all meetings of the Board.
- B. Execute on behalf of the District:
 - 1. All bonds and instruments creating debt against the District.
 - 2. Board resolutions.
 - 3. Water sales agreements authorized by the California Water Code.
 - 4. All agreements, which sell, lease, convey, transfer or otherwise dispose of water works, water systems, and sources of water supply for any beneficial use within or without the District.

5. Agreements with the State of California, United States, or any other governmental entity, department or political subdivision, unless delegated to the Manager by the Board, or allowed the Manager by other sections of this manual.
 6. The countersigning of disbursement checks in excess of \$150,000.00.
 7. Agreements specifically authorized by the Board.
 8. Real estate leases, and all deeds and conveyance documents in which the District is a grantor of any interest.
 9. Contracts and agreements authorized by the Board, which cause the District to incur extraordinary expenditures not described within the District's annual budget.
 10. All other contracts and agreements specifically required of the President by the Water Code or other applicable law.
- C. Attend and, if appropriate, preside at ceremonial activities (including, but not limited to open houses, receptions, ribbon-cuttings) in which ceremonial representation is needed or sought.
- D. Be a spokesperson for the Board, unless the Board directs otherwise. When the President acts as spokesperson for the District, he should speak for the majority of the Board. When the President is speaking for himself or in his capacity as an individual member of the Board, he should clearly identify that limited capacity.
- E. Represent the policy of the Board.

2.12 VICE-PRESIDENT

- A. The Vice-President shall act only in cases of the inability or refusal of the President to act or in the absence of the President and shall assume those powers and duties granted the President. The determination as to the inability or refusal to act shall be made by a vote of the Board.
- B. The President may request that any member of the Board represent the District outside of the Board meetings. When the President does not appoint a particular designee in his absence, the Vice-President shall represent the District.
- C. If no member of the Board is able to represent the President (other than in official Board meetings), the Manager or his designated staff member shall do so.

2.13 SUCCESSION OF AUTHORITY

In the event that the offices of the President and Vice-President are vacant or the individuals occupying these offices are absent or otherwise unavailable, the majority of the Board may elect a president pro tempore from its members, who shall serve as Acting President of the Board, with all the power and authority of the President until the President returns to the performance of his duties.

2.14 APPOINTMENT OF DISTRICT SECRETARY

At the District's annual organization meeting when the Board elects a President and Vice-President from its members, a District Secretary shall be appointed by the Board to serve at its pleasure.

2.15 DUTIES OF THE SECRETARY

Under general supervision of the Manager, this individual (who could also be the Manager) shall serve as District Secretary, perform secretarial and office duties for the Manager and other personnel, and do related work as required.

- A. The Secretary shall be custodian of the records of the District and its seal; shall cause minutes of all meetings of the Board to be kept; shall assist the Board in such particulars as it may direct in the performance of its duties; and shall perform those duties authorized by the California Water Code, or by this manual.
- B. The Secretary shall sign legal documents as directed by the Board; and shall attest, under the seal of the District, all certified copies of the official records and files of the District pursuant to the authority conferred by Resolution of the Board of Directors of the District on March 2, 1960, and recorded March 7, 1960, in book 1046 of the Official Records of Butte County at page 110.
- C. The Secretary shall perform as an alternate signer of general fund and payroll checks.
- D. The Secretary shall be responsible or cause others to be responsible for maintaining this manual.
- E. The Secretary shall or cause others to prepare letters and reports for the Manager and other various department managers; open and distribute mail; maintain the District's insurance programs not handled by the Office Manager; place all advertising for the District; and other related work as may be required by either the Manager or the Board.
- F. The Board may appoint an Assistant Secretary to function in the absence of the Secretary with all the power and authority of the Secretary.

2.16 APPOINTMENT OF DISTRICT TREASURER

At the District's annual organization meeting when the Board elects a President and Vice-President from its members, a District Treasurer shall be appointed by the Board to serve at its pleasure.

2.17 DUTIES OF DISTRICT TREASURER

- A. The Treasurer shall be custodian of all money, bonds, or other securities of the District.
- B. The Treasurer shall determine or cause to be determined the cash requirements of the District and provide for the deposit and investment of all money.
- C. The Treasurer shall receive or cause to be received all funds and money payable to the District, including all water sales revenue, taxes, licenses, fines, and public funds, and keep an accurate, detailed account of those monies as required by law and as directed by the Board.
- D. The Treasurer shall collect or cause to be collected all special taxes and assessments as provided by law and ordinance.
- E. The Treasurer shall give or cause to be given to every person paying money to the District proper credit or receipt evidencing payment, specifying, as appropriate, the date of the payment and upon which account paid.
- F. The Treasurer shall sign checks in accordance with **other sections of this manual**. The Treasurer shall determine or cause to be determined that a sufficient amount is on deposit in the appropriate bank account of the District to honor the check.
- G. The Treasurer shall promptly deposit or cause to be deposited all District funds in the appropriate bank accounts of the District and be responsible for monitoring expenditures during the fiscal year.
- H. The Treasurer shall prepare, on an accrual basis, monthly financial reports and quarterly investment reports for Board approval.
- I. The Board may appoint an Assistant Treasurer to function in the absence of the Treasurer with all the power and authority of the Treasurer.
- J. The Treasurer shall coordinate the District's annual certified audit with an independent CPA firm and monitor the District's compliance with all appropriate accounting practices.

2.18 BONDS

The Secretary and Treasurer, authorized check signers, and any other employee of the District as deemed necessary, may be furnished corporate surety bonds, at the expense of the District, in an amount and form fixed and approved by the Board and the California Water Code, conditioned upon the faithful performance of their respective duties.

2.19 FORMATION OF COMMITTEES

- A. The Board may form committees composed of its own members and the public for such purposes as it deems appropriate. By official resolution or verbal vote appointment, the Board may form standing committees to serve at its pleasure.
- B. The President of the Board may form Ad Hoc Committees composed of Board members for such purposes as they deem appropriate, except that Ad Hoc Committees shall not be created to address issues that would normally be addressed in the appropriate standing committee. An Ad Hoc Committee shall only be comprised of less than a quorum of Directors, will be of limited duration, and will have no continuing jurisdiction.

2.20 COMMITTEES OF THE DISTRICT

A. Appointment of Standing Committees –

In accordance with the Water Code and other applicable law, the Board may assign the committees such tasks as the Board may determine; and delegate to any committee certain powers and authority of the Board to transact any of the business and affairs of the Board subject to the Board's final approval.

B. Appointment of Committee Members –

- 1. At the District's first regular meeting in January, the President of the Board shall appoint the Board members of the various Standing Committees.
- 2. Committee assignments shall only be changed during the calendar year by a majority vote of the Board.
- 3. The President of the Board shall appoint members of Ad Hoc Committees.
- 4. The President of the Board may appoint a replacement committee member if a committee member is unable to fulfill their duties and no meeting of the committee has taken place without the Board of Directors being updated by the committee in a meeting.

5. Public members on committees shall be appointed by a majority vote of the Board.

C. Meetings of Committees –

Generally, meetings of committees shall be held at such time and place, as a majority of the members of the individual committees shall determine. Meetings shall be called by the District Manager or by the Committee Chairperson as necessary for District business. Notice of committee meetings shall be given to all members in a timely fashion and the meetings shall be noticed as required by law.

D. Committee Reports –

Committee reports shall be made to the Board at the next scheduled Board meeting. Business discussed at the committee meeting that is a subject of an agenda item need not be discussed as part of the committee report.

E. Committee Recommendations –

Committees comprised of public members and staff shall make recommendation to the Board members representing the committee. Board member recommendations to the full board should report public and staff opinions.

2.21 STANDING COMMITTEES

Meetings of standing committees shall be noticed and conducted in accordance with the requirements of the Brown Act. The standing committees shall include the following:

A. Finance Committee –

This committee shall be comprised of two Board members who shall oversee and safeguard the District's assets by reviewing investment policies and strategies, banking relationships, the annual budget, the annual audit, risk management practices, borrowing, debt and debt structure, and other significant financial and accounting related issues.

B. Administrative and Personnel Committee –

This committee shall be comprised of two Board members who shall review and recommend changes to the Board regarding the District's policies, rules and regulations, participate in discussions with employee representatives, hold employee grievance hearings as provided in the rules and regulations, and other similar or related matters.

C. Paradise Lake Committee –

This committee shall be comprised of two Board members and approved members of the public, who shall review recreation programs and events at Paradise Lake and make recommendations to the Board regarding rules, fees, permits, facility improvements and other related items. Members shall continually review the District’s present and future water supply demands and proposals and projects to meet those demands. Recognized committee members shall receive an annual combination boating and parking pass for so long as they are committee members for the purpose of visiting and inspecting the facilities.

D. Community Relations Committee –

This committee shall be comprised of two Board members who along with staff, shall develop a Community Relations Plan (CRP) to provide information and results-based guidelines to District Directors and staff to promote understanding, support shared goals, and build goodwill between the District and community. Committee members will continually review key issues as outlined in the CRP to ensure positive and interactive communications for District projects and issues. Members shall review District actions to enhance water education and conservation efforts. The two Board members shall meet periodically with two members of the Paradise Town Council to discuss common issues and items of mutual concern to the District and the Town.

2.22 DIRECTORS FEES AND EXPENSE REIMBURSEMENTS

Keeping in mind that new statutes may add further regulations, the following fees and expense reimbursements shall apply:

A. Fees –

Director fees are regulated by law (see, for example, California Water Code §21166; Government Code section 53232 et seq.). Directors shall receive compensation not to exceed \$100 per day. Compensation taken may be less than \$100; down to a minimum amount of one cent for either:

1. Up to \$100.00 per day for attending a regular or special Board meeting, or acting under its orders; and
2. Up to \$100.00 per day for attending a Board approved standing committee meeting, an established Ad Hoc committee, or an outside Board approved meeting requiring a Board member in attendance (examples provided below), when there is no regular or special Board meeting that day.

Regardless of either per day event, the per day amount(s) shall not exceed a total of six (6) meeting days in any calendar month. No fees are to be paid for attending

seminars or conferences, but the out-of-pocket costs associated with attending those meetings, on a Board pre-approval basis, can be reimbursed through the use of a District claim form.

Examples for qualifying for the fee pursuant to Section 2.22.A. above:

Standing Committees - Finance, Administration and Personnel, Paradise Lake, and Community Relations.

Ad Hoc/Other Committees - Water Rate Review, Security, Annexation, ACWA/ACWA-JPIA, Butte County Special Districts Association, Union Negotiations, and other similar types of committees.

Each Director shall receive at least two hours of training in general ethics principles and ethics laws relevant to his or her public service every two years. (Govt. C. 53235.) The Manager shall maintain District records of ethics training. For purposes of Directors fees, the Directors shall be considered employees of the District as described in Internal Revenue Code §3401(c).

Directors and their eligible dependents can elect to participate in the District's Medical, Dental, Vision, Life, and Flexible Benefits "cafeteria" Programs as received by either the General Unit or Management Unit employees, and stated in the Rules & Regulations Governing Employment Conditions, Salaries, and Benefits for Employees of Paradise Irrigation District. Directors will not be eligible to participate in the District's retirement plans.

Directors will be required to complete a monthly Director's Fees and Reimbursement Report itemizing any earned directors fees. These forms are to be submitted to the District Secretary within five (5) days after a month end. Payment of the fees shall be processed in a timely fashion through the District's payroll system with appropriate withholdings.

B. Waived Compensation –

Directors are eligible to receive compensation not to exceed \$100 per day; down to a minimum amount of one cent. Receipt of an Annual Boat pass may be considered as compensation in lieu of receiving a dollar amount. Any Director who waives their right to compensation amount of \$100 shall do so in writing and that waiver shall be maintained in the District's files. Such waiver may be withdrawn upon written notice of the Director.

C. Reimbursements –

1. Keeping in mind that new statutes may add further regulations, the following applies to expense reimbursements: District claim forms are to be used for reimbursement of actual and necessary business expenses when acting under the orders of the Board. These claim forms are to be attached to the monthly Director's Fees and Reimbursement Report with appropriate supporting documentation. Pre-approved meals, lodging, and transportation expenses shall be normal and customary, and automobile mileage costs incurred for business purposes shall be the standard mileage rate for transportation expenses as prescribed by the Internal Revenue Service and further described in other sections of this manual.
2. Directors are allowed their actual expenses in going to, attendance upon, and returning from state association meetings and when traveling outside Butte county on official business. (Govt. C. 25008.) Reimbursement rates for travel, meals, and lodging, and other actual and necessary expenses shall be in accordance with Internal Revenue Service rates as established in Publication 463 or successor publication.
 - a. Where lodging is in connection with a conference or organized educational activity, including ethics training, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the Director at the time of booking. Otherwise, comparable lodging rates shall be used.
 - b. Directors shall use group transportation rates when available.
 - c. Where there is any question regarding the level of appropriate compensation, the Board shall approve the reimbursement rate at the Board meeting held before the expense is incurred.
3. Directors shall provide brief reports on meetings attended, at the expense of the District at the next regular meeting of the Board.

2.23 TRAINING

- A. Subject to annual limits provided in the budget, Directors are encouraged to attend educational conferences and professional meetings when the purpose of such activities is to improve District operation. Keeping in mind that new statutes may add further regulations, the expense reimbursements described in **Section 2.22** shall apply: Expenses incurred for tuition, travel, lodging and meals as they relate to training, educational courses, participation with professional organizations, and

attendance at local, state, and national conferences associated with the interests of the District are reimbursable subject to **Section 2.22**.

- B. Unless otherwise approved by the Board, attendance at conferences, seminars, workshops, etc. shall be limited to two directors per event.
- C. A director shall not attend a conference or training event for which there is an expense to the District if it occurs after they have announced their pending resignation, or if it occurs after an election in which it has been determined they will not retain their seat on the Board.

2.24 STANDARDS OF CONDUCT

Statutes impose limits on a Director's ability to contract with the District he or she serves on as a Director. (See Government Code section 1090 et seq.) Moreover, the Political Reform Act requires, and establishes the procedure by which Directors, officers, and employees are required to disclose actual or potential conflicts of interest between their public duties and their personal financial interests.

2.25 DIRECTOR ACCESS TO CONSULTANTS

Consultants of the District may not respond to inquiries of any Board Member, unless

- A. A majority of the Board authorized a Board Member at a meeting convened under the Brown Act to contact the District's consultant.
- B. The inquiry is initiated with the consent of the District Manager.

2.26 DISTRICT MANAGER AND BOARD MEMBER ACCESS TO LEGAL COUNSEL

The District Manager and Board members shall have unfettered access to the District's legal counsel for assistance with District business.

2.27 PID PUBLIC COMMITTEE MEMBER POLICY

This policy will serve as a 'code of conduct' to help clarify PID's expectations of Public members appointed to various committees:

- A. Public Members of PID committees are not elected positions. The Board of Directors shall make public member committee appointments at a regularly scheduled board meeting. In making public member appointments, the Board of Directors will consider individuals that have submitted a letter or interest to the PID office or have been nominated by a director.
 - 1. When a vacancy occurs, PID will advertise the opportunity to serve on committees that have public members.

Amendment Adopted 11/18/15: Section 2.22 & 2.27.B.

Amendment Adopted 03/15/17: Sections 2.22.A, 2.25, 2.26, 2.27.C.3.

Amendment Adopted 04/19/17: Sections 2.22.A & B

Amendment Adopted 05/17/17: Section 2.19.B.

Amendment Adopted 12/06/17: Section 2.22.A-2. (Dir. Health Benefits)

Amendment Adopted 12/20/17: Section 2.21

Amendment Adopted 02/21/18: Section 2.27

B. Public Members of PID committees are expected to act in the best interest of PID. To that end, adherence to the following Code of Conduct is expected of each member:

1. Public Members shall strive to fulfill the purpose of the committee, which is making recommendations to the Board on policies and procedures related to the committee and representing the District at functions related to the committee.
2. Public Members shall come prepared to fully participate in committee meetings.
3. A Public Member is encouraged to focus their interactions with PID Board Members and PID staff that make up their committee's membership during scheduled committee meetings.
4. A Public Member shall not direct PID staff or business consultants to perform any work, investigations, studies, or research on behalf of the committee. The Public Member should make these types of suggestions to the committee as a whole.
5. PID Board Members serving on a committee, through the PID Board Member Chairperson, shall speak for that committee's actions and recommendations (if any) to the entire Board of Directors.
6. Under no circumstances, public or private, shall a Public Member of a PID committee represent themselves as "speaking on behalf of the committee."
7. Public Members shall not communicate with any media about PID committee business. Public Members shall not identify themselves as a PID committee member when sharing their own personal perspective on any issue and through any medium (including electronic social media). This prevents the appearance of speaking in an official capacity on behalf of PID.

C. Public Members appointed to a PID committee serve at the pleasure of the Board of Directors. At any time the board may choose to remove a Public Member of a PID committee by majority vote.