



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

BOARD OF DIRECTORS' POLICY MANUAL
Policy 2017-01

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I. MISSION STATEMENT

The Mission of SDRMA is to provide risk financing and risk management services through a financially sound pool to California public agencies, delivered in a timely and responsive cost-efficient manner.

VISION STATEMENT

- To meet the needs of our members by providing value focused service, comprehensive coverages and innovative solutions
- To reflect the values of our members
- To provide educational loss prevention and safety training to our members
- To be appreciated by those we serve
- To be the program of choice for California Special Districts and other public agencies
- To set a standard of excellence for public agency Joint Powers Authorities (JPA)
- To be recognized by our business partners
- To be respected by our competitors
- To develop programs by doing the right thing, at the right time, in the right way

OBJECTIVE I

STAFFING—To provide an efficient and adequate staff of employees and consultants, loyal to the SDRMA mission and responsive to the Board that is provided with proper resources and compensation.

OBJECTIVE II

COMMUNICATIONS—To establish and maintain an environment that encourages an open exchange of ideas and information among SDRMA and the applicable parties that is positive, honest, concise, understandable, responsive and cost-efficient.

OBJECTIVE III

RISK-FINANCING/COVERAGES—To provide appropriate coverages adequate to meet the needs of the members, through the most cost-effective, financially sound combination of self-funding and/or reinsurance and/or excess insurance.

OBJECTIVE IV

EDUCATION—To develop and maintain a superior level of understanding and competence in Board and Staff and assure member-districts' awareness of the benefits of safe operations and proper claims procedures.

Adopted June 21, 1987, amended on June 30, 2016.

II. OPERATING PRINCIPLES OF THE BOARD (NORMS) (Revised on 6/30/16)

IMPLEMENTATION

- We are committed to practice these norms, whereupon we will evaluate, learn, and adjust according to what we learn.
- Upon the occasion of the occurrence of what appears to be a breach of these norms, we are committed to addressing this perception first to the individual(s) involved, before raising the issue with the Board itself. Because we value learning and improvement, we are committed to debriefing each of these at each of our Board meetings.

COMMUNICATION NORMS

- All communication will be accurate and brief.
- We will attempt to describe our behavior before we engage in it, and actively listen when communicated with.
- Check Your Assumptions (C.Y.A.).
- Revisit and display these norms at each Board meeting.

PROCESS NORMS

- The Board needs to address and resolve policy issues and set priorities. The Team is committed to doing this by practicing the building of consensus and orderly implementation.
- The Team is committed to SDRMA's mission and to work as a team.
- The Team needs to monitor and respond to changes in the market and environment.
- Staff needs to make available all information and analysis of alternatives so that the Board can make "informed decisions."
- All requests from the Board for information/agenda items will be funneled through the Chief Executive Officer (CEO) and distributed to all Board members.

RELATIONSHIP NORMS

- Create an environment that promotes respect and appreciation between the Board, Staff, and Consultants.
- Agree that the focus of SDRMA's mission is its accomplishments and vision meet the needs of its members.
- Establish, accept and support common purpose and vision.
- The "Team" includes the Board, Staff and Consultants.

CAPACITY NORMS

- Hire sufficiently qualified personnel to meet the needs of SDRMA.
- Expand education for the Board, Staff and Consultants.
- Expect creative decision-making.
- Maintain competitive advantage by adhering to a policy of updating technology and resources.
- Ensure a cooperative and open work environment.

"Norms" were developed by the Board of Directors of SDRMA at the Strategic Planning Advancement Workshop January 22, 1997.

III. AUTHORITY OF THE BOARD

- A. The Board of Directors shall act only at regular, regularly adjourned, or special meetings, as provided by State Law.
- B. Individual Directors shall have no power to act for SDRMA, or the Board, or to direct the staff of SDRMA, except as authorized by the Board.
- C. The Board sets the policy for the Authority.

The Authority's Chief Executive Officer serves at the pleasure of the Board. The Board will provide policy direction to the Chief Executive Officer on matters within the authority of the Board by majority vote of the Board members present during duly-convened Board meetings. Members of the Board will deal with matters within the authority of the Chief Executive Officer through the Chief Executive Officer, and not through other Authority staff. Members of the Board will refrain from making requests directly to Authority staff (rather than to the Chief Executive Officer) to undertake analyses, perform other work assignments or change the priority of work assignments. Members of the Board may request non-confidential, factual information regarding Authority operations from Authority staff.

IV. CODE OF ETHICS (last revised 6/30/16)

- A. The proper operation of the Authority requires decisions and policy to be made in the proper channels of government structure, that public office not be used for personal gain, and that all individuals associated with the Authority remain impartial and responsible towards the public. Accordingly, it is the policy of the Authority that Board members and staff will maintain the highest standard of personal honesty and fairness in carrying out their duties.
- B. To conform to the requirements of AB1234, all Board members need to take at least two (2) hours of ethics training every two years and receive a certificate of completion. New Board members need to complete the training within one (1) year of taking office. The Authority must keep records indicating when each Board member has completed the training and who provided the training for five years.
- C. Except as specifically authorized, a Board member will not use or permit the use of Authority owned vehicles, equipment, telephones, materials or property for personal convenience or profit. A Board member will not ask or require an Authority employee to perform services for the personal convenience or profit of a Board member or employee. Each Board member must protect and properly use any Authority asset within his or her control, including information recorded on paper or in electronic form. Board members will safeguard Authority property, equipment, moneys and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust. Board members are responsible for maintaining written records, including expense accounts, in sufficient detail to reflect accurately and completely all transactions and expenditures made on the Authority's behalf, in accordance with the Authority's policy for reimbursement of expenses of Board members.
- D. A Board member is not authorized, without approval of the Board, to disclose information that qualifies as confidential information under applicable provisions of law to a person not authorized to receive it, that (1) has been received for, or during, a closed session meeting of the Board, (2) is protected from disclosure under the attorney/client or other evidentiary privilege, or (3) is not required to be disclosed under the California Public Records Act.
- E. This section does not prohibit a board member from performing any of the following: (1) making a confidential inquiry or complaint to the Authority's general counsel or grand jury concerning a perceived violation of law, including disclosing facts to the Authority's general counsel or grand jury that are necessary to establish the alleged illegality of an action taken by the Authority, (2) expressing an opinion concerning the propriety or legality of actions taken by the Authority in closed session, including disclosure of the nature and extent of the allegedly illegal action, or (3) disclosing information acquired by being present in a closed session that is not confidential information. Prior to disclosing confidential information pursuant to (1) or (2), above, however, a Board member will first bring the matter to the attention of either the President of the Board or the full Board, to provide the Board an opportunity to cure an alleged violation. A Board member who willfully and knowingly discloses, confidential information received by him or her in the course of his or her official duties may be guilty of a misdemeanor.

IV. CODE OF ETHICS, continued

Board members are prohibited from soliciting political funds or contributions at Authority facilities. A Board member will not accept, solicit or direct a political contribution from any person or entity who has a financial interest in a contract or other matter while that contract or other matter is pending before the Authority. A Board member will not use the Authority's seal, trademark, stationary, or other indicia of the Authority's identity, or facsimile thereof, in any solicitation for political contributions contrary to state or federal law. Board members must not accept entertainment, gifts, or personal favors that could, in any way, influence, or appear to influence, business decisions in favor of any person or organization with whom or with which the Authority has, or is likely to have, business dealings. Similarly, Board members must not accept any other preferential treatment under these circumstances because their position with the Authority might be inclined to, or be perceived to, place them under obligation.

- F. Authority officials shall not, for a period of one year after leaving [their] office or employment, act as agent or attorney for, or otherwise represent, for compensation, any other person, by making any formal or informal appearance before, or by making any oral or written communication to, that local government agency, or any committee, subcommittee, or present member of that local government agency, or any officer or employee of the local government agency, if the appearance or communication is made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property.
- G. The CEO has primary responsibility for (1) ensuring compliance with the Authority's Employee Handbook, and ensuring that Authority staff do not engage in improper activities, (2) investigating allegations of improper activities, and (3) taking appropriate corrective and disciplinary actions. The Board has a duty to ensure that the CEO is operating the Authority according to law and the policies approved by the Board. Board members are encouraged to fulfill their obligations to the public and the Authority by disclosing to the CEO to the extent not expressly prohibited by law, improper activities within their knowledge. Board members will not interfere with the CEO's responsibilities in identifying, investigating and correcting improper activities, unless the Board determines that the CEO is not properly carrying out these responsibilities. Nothing in this section affects the responsibility of the Board to oversee the performance of the CEO.
- H. A Board member will not directly or indirectly use or attempt to use the authority or influence of his or her position for the purpose of intimidating, threatening, coercing, commanding or influencing any other person for the purpose of preventing such person from acting in good faith to report or otherwise bring to the attention of the CEO or the Board any information that, if true, would constitute: a work-related violation by a Board member or Authority employee of any law or regulation, waste of Authority funds, abuse of authority, a specified and substantial danger to public health or safety due to an act or omission of an Authority official or employee, use of an Authority office or position or of Authority resources for personal gain, or a conflict of interest of a Board member or Authority employee.

A Board member will not use or threaten to use any official authority or influence to effect any action as a reprisal against an Authority Board member or Authority employee who reports or otherwise brings to the attention of the CEO, any Board members or the public any information regarding the subjects described in this section.

Any person who believes that he or she has been subjected to any action prohibited by this section may file a confidential complaint with (1) the CEO, or (2) a Board member, if the complaint involves the conduct of the CEO, who will thereupon refer the matter to the full Board to investigate the complaint. Upon the conclusion of the investigation, the CEO (or the Board in case of a complaint against the CEO) will take appropriate action consistent with the Authority's Employee Handbook and applicable law (Labor Code Section 1102.5, et seq., and Government Code Section 53296, et seq.).

- H. A Board member will not include false or misleading information in a candidate's statement for a general Authority election.
- I. A perceived violation of this 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 Authority, including but not limited to: (a) verbal public censure at a Board meeting (b) adoption of a resolution expressing disapproval of the conduct of the Board member who has violated this policy, (c) injunctive relief, or (d) referral of the violation to the Authority Attorney and/or the grand jury.

V. GOVERNING LAWS (last revised 6/30/16)

- A. The Board of Directors shall comply with and shall be guided by applicable provisions of the State law, SDRMA's Bylaws, and the motions, resolutions and ordinances enacted by the Board of Directors.
- B. Motions, resolutions and ordinances may be enacted by the Board in accordance with Title 6, Division 3 of the California Government Code.

VI. ELECTION OF OFFICERS (last revised 6/30/16)

In accordance with SDRMA's Bylaws, there shall be three officers: a president, a vice-president and a secretary, who shall be members of the SDRMA Board of Directors.

Elections shall be held at the first meeting following January 1 of each year. Officers will serve for one-year terms. Elections will conform with Article III, Section 1 of the Bylaws. No director of the Authority shall serve as a director on any other Board of Directors that is a signatory to the Memorandum of Understanding – Alliance Executive Council, dated September 20, 2001, during the term of the MOU.

VII. ROLE OF BOARD MEMBERS (POWERS, PURPOSES, DUTIES AND FUNCTIONS) (last revised 6/30/16)

A. POWERS

The enabling codes established by the California State Legislature empowers the Board to have broad authority and flexibility in carrying out financial programs and activities which meet its individual needs, provided these programs or activities are not in conflict with, inconsistent with, or preempted by law.

The Governing Board is responsible for the general control of the Authority and to establish policy. This broad authority shall be exercised in accordance with the State and Federal Constitutions, laws and regulations. The Board may execute any powers delegated by law to the Authority, and shall discharge any duty imposed by law upon the Authority.

The powers and duties of the Board include governance, executive and judicial functions. These relate to the Board's own operations as a governing body and to all functions of the Authority.

B. PRIMARY RESPONSIBILITIES

Board Member responsibilities include a commitment to: serve as a part of a unified governance body; govern within Board of Directors policies, standards and ethics; commit the time and energy to be effective; represent and make policy decisions for the benefit, and in the best interest, of all SDRMA members; support collective decisions; communicate as a cohesive Board of Directors with a common vision and voice; and operate with the highest standards of integrity and trust.

C. PRIMARY DUTIES

1. Develop a Strategic Business Plan for the Authority.
2. Set written policies for the SDRMA operation.
3. Take action at legal meetings.
4. Provide fiduciary oversight for all Authority finances.
 - a. approve fiscal budget
 - b. monitor the budget spending
5. Set rates and use fees for Authority services.
6. Personnel, as relates to the CEO:
 - a. hires and discharges the CEO
 - b. evaluates the CEO a minimum of biennially
7. Establish written policy on how Board Meetings are conducted.
8. Ratify committee appointments made by the President.
9. Set Director compensation limits.

D. GOVERNANCE FUNCTIONS

To fulfill its responsibility, the Board is committed to establishing policies to govern SDRMA activities.

The Board shall consider and approve or disapprove matters submitted to it by a Director, the CEO or the public.

The Board shall prescribe rules for its own governance which are consistent with its "enabling code" or by Federal or State Laws and regulations.

VII. ROLE OF BOARD MEMBERS, continued

E. EXECUTIVE FUNCTIONS

The Board is authorized to delegate any of its powers and duties to "an officer or employee of SDRMA." The Board, however, "retains ultimate responsibility over the performance of those powers or duties so delegated."

F. JUDICIAL FUNCTIONS

The Board believes that SDRMA employees and citizens have the right to a hearing and a resolution of grievances, complaints and criticisms. In order to maintain positive personnel and public relations, the Board convened may serve as a body of appeal for grievances, complaints and criticisms in accordance with Board policies.

VIII. ROLE OF INDIVIDUAL DIRECTORS

The Board of Directors is the unit of authority for SDRMA. Apart from his/her normal function as a part of this unit, Board Members may not commit the Authority to any policy, act or expenditure unless duly authorized by the Board. Nor may an individual Board Member direct staff to perform specific duties unless duly authorized by the Board. Board Members do not represent any factional segment of the membership, but are, rather, a part of the body which represents and acts for the membership as a whole.

Each Board Member has the right to place an item on a subsequent Board Meeting agenda by submitting a written request to the President of the Board or the CEO. Agenda item requests received after the posting deadline for a specific agenda as set forth in state law will be added to the following agenda.

Board Members will make every effort to attend assigned committee meetings and board meetings; to prepare adequately for each such meeting and to observe the rules of decorum as set forth herein.

When requesting information from staff, Board Members shall contact the CEO. When responding to member entity requests and concerns, Board Members should reroute such inquiries to the CEO.

IX. MEETING OF THE BOARD (last revised 6/30/16)

A. TIME AND PLACE OF MEETINGS

The Board adopts an annual meeting schedule. Unless otherwise specified by action of the Board, meetings shall be held in the Earl Sayre Board Room at the SDRMA office, 1112 "I" Street, Suite 300, Sacramento CA 95814, on the first Wednesday and Thursday of the month, with the meeting months to be specified in the annual meeting schedule.

B. PUBLIC NATURE OF MEETINGS

All meetings of the Board shall be open to the Public, except when the Board is convened in Closed Session as authorized under provisions of law. Meetings of standing committees of the Board composed of two or more members of the Board shall be subject to the "open meetings laws and regulations" and shall comply with notification as required by law.

C. QUORUM AND VOTING REQUIREMENTS

A majority of the Board of Directors shall constitute a quorum for the transaction of business. No ordinance, resolution or motion shall be passed without four affirmative votes.

D. RULES OF DECORUM FOR BOARD MEETINGS

1. DECORUM—Meetings of the Board of Directors shall be conducted in an orderly manner to ensure that the public has a full opportunity to be heard and that the deliberative process of the Board is retained at all times. The presiding officer of the Board, who shall be the President, Vice President, Secretary, or in their absence, other member so designated by the Board, shall be responsible for maintaining the order and decorum of the meetings.

IX. MEETING OF THE BOARD, continued

2. RULES OF DECORUM—While any meeting of the Board is in session, the following rules of order and decorum shall be observed:
 - a. BOARD OF DIRECTORS—The members of the Board shall preserve order and decorum, and a member shall not by conversation or other means delay or interrupt the Board proceedings or disturb any other member while speaking.
 - b. SDRMA STAFF MEMBERS—Employees of SDRMA shall observe the same rules of order and decorum as those which apply to the members of the Board.
 - c. PERSONS ADDRESSING THE BOARD—Public oral communications at the Board meetings should not be a substitute for any item that can be handled during the normal working hours of SDRMA. The primary purpose of oral communications is to allow citizens the opportunity to formally communicate with the SDRMA Board as a whole, for matters that cannot be handled during the regular working hours of SDRMA. Each person who addresses the Board shall do so in an orderly manner and shall not make personal, impertinent, slanderous or profane remarks to any member of the Board, staff or general public. Any person who makes such remarks, or who utters loud, threatening, personal or abusive language or engages in any other disorderly conduct which disrupts, disturbs or otherwise impedes the orderly conduct of any Board meeting shall, at the discretion of the presiding officer or a majority of the Board, be barred from further audience before the Board during that meeting.
 - d. MEMBERS OF THE AUDIENCE—No person in the audience at a Board meeting shall engage in disorderly or boisterous conduct, including the utterance of loud, threatening or abusive language, whistling, stamping of feet or other acts which disturb, disrupt or otherwise impede the orderly conduct of any Board Meeting. Any person who conducts him/herself in the afore-mentioned manner shall, at the discretion of the presiding officer or a majority of the Board, be barred from further audience before the Board during that meeting.
3. ADDRESSING THE BOARD—A person wishing to address the Board regarding an item which is on the Board meeting agenda shall submit a request on the form provided prior to the start of the meeting. Persons wishing to discuss a non-agenda item may seek recognition by the presiding officer during the "Communication/Correspondence" portion of the meeting. No person shall address the Board without first being recognized by the presiding officer. The following procedures shall be observed by persons addressing the Board:
 - a. Each person shall step up to the podium, if provided, may identify themselves for the record and, if occurring during the "Recognize and Hear From Visitors" portion of the meeting, the subject they wish to discuss.
 - b. During the "Recognize and Hear From Visitors" portion, any subject which is not deemed to be within SDRMA's subject matter jurisdiction by the Board shall be disallowed.
 - c. Each person shall confine their remarks to the Board agenda item or subject being discussed.
 - d. Each person shall confine their remarks to five (5) minutes, unless further time is granted by the Board.
 - e. All remarks shall be addressed to the Board as a whole and not to any single member thereof, unless in response to a question from said member.
 - f. No question may be asked of a member of the Board or of the Authority staff without permission of the presiding officer.
4. ENFORCEMENT OF DECORUM—The rules of decorum set forth above shall be enforced in the following manner:
 - a. WARNING—The presiding officer shall request that a person who is breaching the rules of decorum be orderly and silent. If, after receiving a warning from the presiding officer, a

person persists in disturbing the meeting, the presiding officer shall order said person to leave. If such person does not leave the meeting room, the presiding officer may order any law enforcement officer who is on duty to remove said person from the Board meeting room.

IX. MEETING OF THE BOARD, continued

- b. **DISORDERLY CONDUCT—Clear Room (Govt. Code 54957.9).** In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the members of the legislative body conducting the meeting may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the legislative body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.
 - c. **MOTION TO ENFORCE—**If the presiding officer of the Board fails to enforce the rules set forth above, any member of the Board may move to require the presiding officer to do so. If the presiding officer of the Board fails to carry out the will of a majority of the Board, the majority may designate another member of the Board to act as presiding officer for the limited purpose of enforcing any rule of this section which it wishes to enforce.
 - d. **ADJOURNMENT—**If a meeting of the Board is disturbed or disrupted in such a manner as to make infeasible or improbable the restoration of order, the meeting may be adjourned or continued by the presiding officer or a majority of the Board, and any remaining Board business may be considered at the next meeting.
5. **SEVERABILITY—**If any provision of this section is for any reason held unconstitutional or otherwise invalid by any court of competent jurisdiction, such provision shall be deemed a separate, distinct and independent portion of this section, and such holding shall not affect the validity of the remaining portions of this section.

E. BOARD ACTION

The Board shall act only by ordinance, resolution, or motion. Except where action is taken by the unanimous vote of all Directors present and voting, the ayes and noes shall be taken upon the passage of all ordinances, resolutions or motions and shall be entered in the minutes. An ordinance does not require two readings at separate meetings, and unless otherwise provided by its own terms, shall become effective upon adoption. All motions, including a motion to adopt an ordinance or to approve a resolution, shall require a second. If a second is not received, the motion shall die without the requirement of a vote. Any member of the Board can make and second a motion. The presiding officer shall not call for a vote on any motion until sufficient time has been allowed to permit any member of the Board to speak. Complex motions should generally be prepared in writing and read aloud to the members of the Board at the time the motion is made. If a motion is not in writing, and if it is necessary for full understanding of the matter before the Board, the presiding officer shall restate the question prior to the vote. Common motions may be stated in abbreviated form, and will be put into complete form in the minutes. Until the presiding officer states the question, the director who made the motion, with the approval of the second, may modify his motion or withdraw it completely. However, after the question has been stated by the presiding officer, the motion may be changed only by a motion to amend which is seconded and carried.

F. ORDERLY DISCUSSION

In order to promote discussion of the issues before the Board, each member shall be recognized by the presiding officer before speaking. Notwithstanding any provision of this Policy, however, each member of the Board shall have a right to be heard within reason on any issue before the Board. Each member of the Board may seek information or comment by the staff on any question.

IX. MEETING OF THE BOARD, continued

G. PARLIAMENTARY PROCEDURES AFFECTING MOTIONS

After a motion has been made and seconded, any member of the Board may make any of the following motions:

1. To continue the motion to a specific time.
2. To table the motion, the effect of which defers further discussion and a vote until the majority of the board again wishes to resume consideration of the motion.
3. To commit or refer the motion to a committee, the effect of which is to defer further consideration until the committee has reported its findings to the Board.
4. To amend the motion to modify its wording before adoption, provided the suggested amendment is germane to the original motion.
5. To propose a substitute motion, which has the effect of disposing of the motion before the Board and eliminating the necessity of a vote on the original motion.

H. CLOSED SESSION

Except as required by law, all proceedings in Closed Sessions shall remain confidential.

X. PRESIDENT (last revised 6/30/16)

A. DUTIES

The president shall sit at and conduct all meetings of the Board of Directors, and shall carry out the resolution and orders of the Board of Directors and shall exercise such other powers and perform such other duties as the Board of Directors shall prescribe including the following:

1. Call the meeting to order at the appointed time;
2. Announce the business to come before the Board in its proper order;
3. Enforce the Board's policies in relation to the order of business and the conduct of meetings;
4. Recognize persons who desire to speak, and protect the speaker who has the floor from disturbance or interference;
5. Explain what the effect of a motion would be if it is not clear to every member;
6. Restrict discussion to the question when a motion is before the Board;
7. Rule on parliamentary procedure; and
8. Put motions to a vote, and state clearly the results of the vote.

B. RESPONSIBILITIES

The president shall have all the rights to discuss and vote on any issues before the Board and to move or second any motion. Responsibilities of the President include:

1. Sign all instruments, act, and carry out stated requirements and the will of the Board;
2. Sign the documents as directed by the Board on behalf of the Authority;
3. Appoint and disband all committees, subject to Board ratification;
4. Call such meetings of the Board as he/she may deem necessary, giving notice as prescribed by law;
5. Coordinate the Agenda with the CEO;
6. Confer with the CEO or designee on crucial matters which may occur between Board meetings;
7. Be responsible for the orderly conduct of all Board meetings;
8. Be the Spokesperson for the Board; and
9. Perform other duties as authorized by the Board.

XI. VICE-PRESIDENT

When the President resigns or is absent or disabled, the Vice-President shall perform the President's duties.

When the President disqualifies himself/herself from participating in an agenda item or becomes partisan in the debate on any such item, the Vice-President shall perform the duties of the presiding officer.

XII. SECRETARY (last revised 06/26/13)

When the President and Vice-President resign or are absent or disabled, the Secretary shall perform the President's duties.

When the President and Vice-President disqualify themselves from participating in an agenda item or become partisan in the debate on any such item, the Secretary shall perform the duties of the presiding officer.

A. DUTIES

The secretary of the Governing Board shall have the following duties:

1. Certify or attest to actions taken by the Board when required;
2. Sign the minutes of the Board meeting following their approval;
3. Sign the documents as directed by the Board on behalf of the Authority, and sign all other items which require the signature of the Secretary; and
4. Perform any other duties assigned by the Board.

B. RESPONSIBILITIES

Note: It is the responsibility of the CEO to ensure:

1. Open session meetings of the Board of Directors are recorded. These recordings are for use by the Recording Secretary only for the purpose of preparing minutes for adoption at the next regularly scheduled meeting of the Board. Upon adoption of these minutes the recordings will be deleted and/or the recording media will be destroyed;
2. Minutes of each Board meeting are prepared and maintained;
3. Board records and other documents/reports are maintained, as required by law; and
4. Board officers receive the correspondence addressed to them.

XIII. COMMITTEES (last revised 2/2/17) – See Committees and Appointments listed in Appendix A

A. The Board President may appoint committees, subject to ratification of the Board. The Board may create standing committees and ad hoc committees at its discretion. Unless authority to perform a duty is expressly delegated to a Committee, committee motions and recommendations shall be advisory to the Board and shall not commit the Authority to any policy, act or expenditure. Nor may any committee direct staff to perform specific duties unless duly authorized by the Board.

- B.
1. Committees shall be appointed by the President, or the Vice President, operating in the President's absence, with the ratification of the Board.
 2. Committees so appointed may be open to non-members of the Board of Directors. Committees shall include at least one (1) member of the Board of Directors, but may not include a majority of the Board of Directors.
 3. The appointing officer shall name the chairperson of each committee, without Board ratification.
 4. Each committee chairperson shall select such staff and consultants as is deemed necessary or appropriate, to facilitate the committee's operations.
 5. Each committee shall meet as needed, either at the call of the committee chairperson, any two-committee members or the CEO.
 6. Committees shall operate in a manner that complies with the Ralph M. Brown Act, its amendments and interpretations.
 7. Any committee, except for the two (2) standing committees, may be dissolved by the President, subject to ratification by the Board of Directors.

XIV. REMUNERATION, REIMBURSEMENT, AND OTHER BENEFITS (last revised 1/5/17)

A. REMUNERATION

It shall be the policy of the SDRMA Board that each member of the Governing Board elected by SDRMA members or appointed by the SDRMA Board of Directors may receive compensation in the amount of one hundred and ninety-five dollars (\$195) for each day's attendance at meetings of the Board, or for each day's service rendered as a Member of the Board by request of the Board. No Member shall receive compensation for more than a total of six (6) days in any calendar month. This shall include travel time up to one day before and after said service. This policy is based, in part, on Section 61047(a) of the California Government Code and SDRMA Ordinance No. 2015-01.

B. REIMBURSEMENT OF TRAVELING AND INCIDENTAL EXPENSES INCURRED WHILE ON OFFICIAL BUSINESS

Directors and Directors-elect may receive their actual and necessary traveling and incidental expenses incurred while on official business, pursuant to Government Code Section 61047(c). Reimbursement for these expenses is subject to Government Code Sections 53232.2 and 53232.3.

Directors shall be reimbursed by SDRMA for reasonable expenses, including travel, lodging and meals incurred when attending board and committee meetings or when making any trips on official business of SDRMA when so authorized by the Board. All requests for reimbursement will be made to the SDRMA Chief Financial Officer within 120 days of the actual expense.

While driving on SDRMA business either using their own personal vehicle or a rental vehicle, Directors must meet the following conditions;

1. The Director should obey all state and local driving laws and observe driving conditions with the utmost care, including but not limited to wearing a seat belt.
2. The Director must possess and maintain a valid California driver's license.
3. The Director must provide authorization for SDRMA to access the Director's driver license record through the California Department of Motor Vehicles Employer Pull Notice Program.
4. Directors who have their driver's license suspended or revoked are required to report these conditions to the SDRMA Chief Risk Officer and no longer drive on SDRMA business.
5. SDRMA accepts no responsibility for citations issued to a Director by any law enforcement agency while driving a vehicle on SDRMA business under any circumstance. All liabilities created by any citation will be the responsibility of Directors who receive them.
6. Any personal vehicle driven on SDRMA business must be properly registered with the California Department of Motor Vehicles.

The amount of mileage reimbursement will be consistent with IRS Guidelines. All Board members should keep travel, meals and lodgings costs within reasonable constraints, keeping in mind that these expenses require the use of public monies. Emphasis should be placed on keeping costs to acceptable practices as allowed by the respective agencies we serve. The following limitations shall be observed:

Meals shall be reimbursed at a maximum rate of \$100 per day or \$50 per half day, based on actual receipts. The cost of alcohol shall not be reimbursable.

Whether traveling by air or ground, the most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements should be used, using the most direct and time-efficient route. If traveling by automobile, Directors shall consider using a car rental service (i.e. Enterprise Car Rental) instead of a personal vehicle if a service is conveniently located.

If a Director for his or her own convenience travels by an indirect route or interrupts travel by the most economical route, the Director shall bear any extra expense incurred. Reimbursement for such travel shall be for only that part of the expense as would have been necessary, or for the expense actually incurred on SDRMA business, whichever is less.

Directors shall timely cancel any reservations they will not use. If the Authority is charged for an unused reservation, the Director will be responsible for that charge unless circumstances requiring cancellation were reasonably beyond the Director's control.

Directors and/or consultants who bring personal guests to dinners, etc. and who prefer not to pay for their guest separately at the time, shall be billed by SDRMA for the actual additional costs. If actual cost cannot be determined, the per person average of the bill shall be calculated and billed by SDRMA to the Director(s) and/or consultants.

Receipts or other supporting documentation for expenses shall be required, except for expenses less than \$25.00.

The CEO shall bring any concerns or issues regarding a Director's travel expense reimbursement request to the attention of the Board President. The Board President shall attempt to resolve the concern with the Director and, if the attempt is unsuccessful, refer the matter to the full Board for discussion at a public meeting.

EXPENSES FOR EDUCATIONAL PROGRAMS AND CONFERENCES - Directors shall be reimbursed by SDRMA for reasonable expenses, including registration, transportation, meals, lodging and incidental expenses incurred when attending SDRMA Board approved training seminars, programs, workshops or conferences.

EXPENSES OF DIRECTORS ELECT - Because it is to the advantage of the members of SDRMA that directors-elect become rapidly and fully informed of the workings of the Board of Directors and of the issues before the Board, SDRMA shall reimburse the expenses of Directors-elect, between their date of election and the inception of their terms, that would otherwise be reimbursable if their terms began with the date of their election.

EXPENSES OF DIRECTOR CANDIDATES - SDRMA shall reimburse the reasonable expenses (travel and lodging) of the successful applicant, interviewing to fill an opening on the Board of Directors (following a vacancy). The expenses of all other candidates shall be borne by the candidates or their districts.

The Board of Directors encourages the participation of all Directors in the CSDA Annual Conference and related workshops in order to help promote SDRMA as an organization and to enhance the relationship between CSDA and SDRMA; and

1. To the extent that his/her district does not cover the expenses of a Director of the Authority to attend the CSDA Annual Conference, including travel, meals, lodging and registration fees, those expenses will be reimbursed by the Authority.
2. The Authority will pay or reimburse SDRMA Directors for:
 - a. Travel to and from the conference;
 - b. Lodging for the night before the day of the Annual Meeting and workshops;
 - c. Lodging for the night following the Annual Meeting, if scheduling and/or transportation precludes Directors from returning home that evening;
 - d. Meals during the same period of time, which are not provided with the conference registration.

If a Board member is issued an SDRMA credit card while on official district business, **UNDER NO CIRCUMSTANCES MAY PERSONAL EXPENSES BE CHARGED ON AN SDRMA CREDIT CARD.**

XV. HARASSMENT POLICY (last revised 6/30/16)

Harassment on any protected basis by any Director or employee shall not be tolerated. Board members are expected to abide by SDRMA's Unlawful Harassment Including Sexual Harassment Policy ("Harassment Policy"). The Board considers harassment on any protected basis to be a major offense which may result in disciplinary action or dismissal of the offending employee.

An employee who feels that he/she is being harassed by a Director is required to immediately report such incident to the CEO, so that the CEO can then notify the President of the Board. Thereafter, the President, at the next meeting of the Board, shall report the fact and nature of the allegation(s) to the entire Board. The Board shall assign the investigation of the alleged misconduct to an outside party. If the Director charged with harassment is the President of the Board, the CEO shall report the fact and

nature of the allegation(s) to the entire Board at its next meeting.

If an allegation of harassment against a Director is investigated and found to be supported, the Board reserves the right to take such remedial action as is appropriate under all of the circumstances. The Directors agree that an accusation of harassment against any one of them must be investigated. It is further agreed that such an investigation is not an invasion of their right of privacy. Except as specifically modified/supplemented in this policy (with respect to reporting and disclosure to the Board), the process outlined in the Harassment Policy for investigation and resolution will govern all employee complaints of harassment by a Director.

XVI. ATTENDANCE (last revised 6/30/16)

A. BOARD MEETINGS

Board members are expected to carry out their responsibilities to the best of their abilities. In order to accomplish this goal, members should be present for scheduled meeting or events whenever possible. The failure of a director to attend three (3) consecutive regular meetings of the Board (provided such meetings shall occur in a period of not less than three (3) successive months), except when prevented by sickness, or except when absent from the State with the prior consent of the Board, as provided by Government Code, Section 1770, shall cause such director's remaining term in office to be considered vacant. A successor director shall be selected for the duration of such director's term as set forth in Section 5 of the Bylaws.

In addition, the Bylaws, Article II, Section (5) provides that such vacancies shall be filled for the unexpired term by appointment in accordance with policy established by the Board of Directors. Such appointment will be made by the remaining members of the SDRMA Board. In order to accomplish this in an orderly and consistent manner, when a vacancy of an elected Director occurs, the SDRMA Board of Directors, after discussion and consideration, shall, when deemed appropriate, do the following:

1. Instruct staff to notify all member entities that a vacancy has occurred.
 - a. Said notice shall refer to the applicable Article in the Bylaws in advising member entities and their eligible personnel of the steps to take to apply for appointment;
2. Establish the closing date for the receipt of applications.
 - a. Applicants shall submit the following, by the date specified in the notice:
 - a letter of interest, and
 - a resume, with particular emphasis on the applicant's knowledge of special districts and risk-financing, and
 - a resolution from, or a letter approved by, the applicant's Board of Directors nominating the applicant.
3. Interview applicant(s) at the next regularly scheduled meeting of the SDRMA Board of Directors following the date of closure for applications; and
4. Appoint the selected applicant without undue delay, but need not act at the same meeting.

Note 1: If the Director vacancy occurs within nine (9) months after the date the ballots were counted and certified by the Election Committee or within nine (9) months after a candidate was appointed to fill a vacancy, then the Board shall have the option to interview and appoint the candidate(s) who did not receive sufficient votes to be elected OR to interview and appoint from the pool of candidates from 3) above. If the Director vacancy occurs in an election year after the Notification of Election is sent to the members, the Board may determine to fill the vacancy by appointing the candidate who receives the next highest number of votes in the election. If the Board determines in its sole discretion that none of these options is appropriate, then staff shall be instructed to proceed with the process described above

B. EDUCATIONAL PROGRAMS, CONFERENCES AND MEETINGS (last revised 6/30/16)

In accordance with Objective IV of the MISSION STATEMENT, the Board reconfirms a goal "To develop and maintain a superior level of understanding and competence in Board and Staff and assure member-districts' awareness of the benefits of safe operations and proper claims procedures." In addition, the Board believes it is to the advantage of all member entities to have Directors participate in conferences, meetings and educational programs where said Directors' knowledge of risk financing matters may be increased, so that the Directors can better perform their duties as Directors. Finally, the Board of Directors employs staff to administer and operate the Authority, and encourages said staff to continue its education in risk financing matters, and further finds that there is value in networking available through staff attendance at and participation in some conferences and meetings.

As a result of these findings, the Board of Directors has determined that the following provisions shall apply to educational programs, conferences and meetings, except those sponsored/presented by SDRMA:

1. That Directors of SDRMA shall attend, on behalf of SDRMA, such educational programs, conferences and meetings (other than SDRMA meetings) as have been approved by the Board of Directors prior to such attendance; and
2. That, to the extent possible, staff will, from time to time, present comprehensive lists of conferences, meetings and educational programs so that the Board may consider attendance on a broader than single-event approach, in order to provide a coordinated plan for attendance; and
3. That if a Director who has not previously attended a particular conference or educational program is available to attend same, that Director shall have preference for attendance over a Director who has previously attended the same program; and
4. At the board meeting following such attendance the attendee(s) will have the opportunity to report to the Board on information and ideas learned at the event(s); and
6. Nothing in this policy shall permit the conduct of business in violation of the Ralph M. Brown Act, when more than four Directors attend the same event.

XVII. INCOMPATIBLE EMPLOYMENT

Pursuant to the provision of the Government Code, Section 53227, an employee of SDRMA may not be sworn into office as an elected or appointed member of SDRMA's Board of Directors unless he or she resigns as an employee. If the employee does not resign, the employment shall automatically terminate upon his or her being sworn into office.

XVIII. DIRECTORS' LEGAL LIABILITIES

The Authority shall defend and indemnify Directors from any claim, liability or demand that arises out of a Director's performance of his or her duties or responsibilities as a Director or Officer of the Authority.

XIX. GENERAL PROVISIONS

Any of the within policies not required by law may be suspended by a majority of the Board. Any policy not required by law may be altered, amended, or repealed at a duly noticed meeting by a majority vote of the Board. This policy is meant to be supplementary to, and not exclusive of, other federal, state and local laws with regard to conflicts of interest, etc.

Approved **March 28-29, 1996**
Revised **June 25, 1998, January 25, 2001**
Revised **March 22, 2001, April 25, 2001**
Revised **July 1, 2003**
Revised **June 28, 2006**
Revised **April 4, 2007**

Revised April 23, 2008
Revised March 2, 2011
Revised February 6, 2013
Revised June 26, 2013
Revised October 30, 2013
Revised February 6, 2014
Revised June 26, 2014
Revised February 5, 2015
Revised June 4, 2015
Revised June 30, 2016
Revised January 5, 2017
Revised February 2, 2017

Appendix A

Board Commitments
Last Revised August 3, 2017

I. **SDRMA Election Committee**

Ed Gray
Sandy Raffelson

II. **CSDA Education Committee**

David Aranda
Alternate – Mike Scheafer

III. **CSDA Legislative Committee**

Ed Gray
Alternate – Mike Scheafer

Board approved protocol – The Legislative Committee working with staff is authorized to provide CSDA with analytical data support as available and requested and to send letters on behalf of the Board of Directors relating to legislative bill positions previously reviewed/approved by the Board of Directors.

Bill Position Recommendations

From time to time, the Legislative Committee and Executive staff working with legal counsel will provide legislative bill positions recommendations to the Board of Directors for possible action related to proposed legislation that could affect SDRMA and/or its members.

Urgency Positions – The Legislative Committee is authorized to send position letters on legislative bills not previously reviewed and/or positions approved by Board of Directors where timing does not permit a review by the Board of Directors. These actions can take place provided these positions, in the opinion of the Committee Chair, and in consultation with the CEO or COO, and SDRMA Legislative Counsel, are consistent with SDRMA's mission statement and are in the best interest of SDRMA members and their employees. Copies of letters will be sent to all Board members and will be included in the next Board Meeting Agenda Packet for ratification by the Board of Directors.

IV. **Alliance Executive Council (AEC)**

David Aranda	(term expires December 31, 2018)
Mike Scheafer – Chair	(term expires December 31, 2018)
Robert Swan	(term expires December 31, 2018)

V. **Special District Leadership Foundation (SDLF)**

David Aranda – President	(term expires December 31, 2019)
Jean Bracy – Secretary	(term expires December 31, 2019)
Sandy Raffelson	(term expires December 31, 2019)



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

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