

POLICY MANUAL
OF THE BOARD OF DIRECTORS
GROVELAND COMMUNITY
SERVICES DISTRICT

1 GENERAL RULES

1.1 Purpose

The purpose of this policy manual is to provide rules and guidelines for the conduct of the Board of Directors of the Groveland Community Services District.

It shall supersede all prior resolutions or past practices regarding district policies covered in this document.

1.2 Suspension of Rules

Any of the rules or guidelines contained in this Manual that are not required by law may be suspended by a majority of the Board.

1.3 Alteration, Amendment or Repeal

Any rule or guideline may be altered, amended or repealed at a duly noticed meeting by a majority vote of the Board.

2 BASIS OF AUTHORITY

2.1 Governing Laws and Director Liability

The Board of Directors shall comply with and be guided by applicable state laws and regulations, including the enabling act of the District and applicable federal laws and regulations. A Director can be held personally liable for damages arising from any actions taken by that Director that can be construed to be outside the course and scope of his/her duties, responsibilities, and authority as a

Director. If Directors do attempt to act individually on behalf of the District and without the full authority of the Board, those Directors are subjecting themselves to potential personal liability, and also subjecting the District to potential liability. Director immunity from liability for his/her discretionary actions is not applicable with respect to actions that exceed the scope of a Director's authority, for example, disclosing information that is either confidential and/or discussed during closed session or directing District staff in the performance of their job duties.

2.2 Authority of the Board

The Board of Directors is the unit of authority within the District. Apart from her/his normal function as a part of this unit, individual Directors may not commit the District to any policy, act or expenditure. It is important to remember that the Board's role is to establish the policies for the District. A Director who becomes too involved with the day to day operations of the District exceeds the scope of authority granted by his/her office. The role of a Director is expressly stated in the California Community Services District Law ("CSD Law"), Government Code Section 61000, et sec, as follows:

The board of directors shall establish policies for the operation of the district. The board of directors shall provide for the implementation of those policies which is the responsibility of the district's general manager.
[Section 61040(a)]

Thus, while the role of the Board is to establish policy for the District, the

General Manager is responsible for implementing that policy. If a Director receives information that there may be a problem at the District or there may have been some wrongdoing, the Director needs to discuss the issue with the President and the General Manager. The General Manager will schedule the issue for discussion by the full Board promptly.

2.3 Responsibilities of the Board

2.3.1 Budget Responsibilities

The Board has approval authority over the annual Budget for all Funds. The Board shall exercise that authority with the following constraints:

- A. The Budget shall be balanced, maintaining sufficient reserves and build back up depleted reserves.
- B. A Budget summary shall report, in casual reader friendly form, the amount of money and the percentage of the budget represented by the following items: 1) capital improvements; 2) maintenance; 3) employee wages; 4) employee benefits, 5) existing retiree liabilities; 6) future retiree liabilities; 7) itemized reserve funds; 8) Debt Service, Bonds, etc., itemized; 9) itemized contract employee costs (lawyers, consultants, etc.) and 10) Other items, specify here... _____
_____.
- C. The Budget shall pre-fund all future liabilities at the time they accrue

- D. The Budget shall pay down all existing unfunded liabilities that were not approved by the electorate (excludes voter approved Bonds, etc.). These liabilities shall be zeroed out within a timeframe not to exceed _____ years (20 years suggested).
- E. Reserves shall not be tapped except for extraordinary circumstances. Reserves depleted shall be replenished to the required level within _____ years (3 years suggested).

2.3.2 Annual Employee Survey

At least annually, the Board shall, by means of committee, conduct an independent, confidential, written survey of employees (that may include personal interviews of employees with committee Board members). The survey shall inquire on matters related to their employment at GCSD, including : 1) morale; 2) work environment; 3) management; 4) suggestions for improving operations & activity; 5) pay and benefits; 6) organization structure; and 7) what the Board should know that it doesn't know.

The survey shall be written in an unbiased, professional manner that can continue to be used and improved from year to year. Use of professional consultants to arrange the survey is recommended. The surveys should allow employees to add written comments.

The committee shall report it's finding back to the Board of

Directors in a written report, including a summary of major findings.

2.4 Representation

The Board of Directors as a whole should not represent any factional segment of the community, but rather represent and act for the community as a whole and not for their long-term benefit.

2.5 Director Interaction with Regulatory Agencies

When Directors are confronted with regulatory issues, the General Manager and/or his designees should always be given the first opportunity to respond to the situation. An individual Director should be cognizant of the fact that the information that an individual Director may obtain as a result of discussing a significant event or issue with District staff and others, is information which a Director's duty of loyalty to the District requires be shared with the General Manager and the full Board during a properly agendaized meeting. Each individual Director should give the full Board the opportunity to evaluate all the circumstances available regarding a significant event or issue that the Board, as a whole, can reach consensus and take action to respond to said significant event or issue in the best interest of the District. Although individual Board members owe a fiduciary duty of loyalty to the District, residents, and their fellow Board members in conducting the business affairs of the District, they do not sacrifice their individual rights as citizens to complain to regulatory authorities about perceived conduct or practices, including those of the District. However, Board members must bring

their issues of concern regarding the District to the General Manager and the full Board for discussion, before acting as an individual to contact regulatory authorities directly.

3 BOARD STRUCTURE

3.1 Officers

Annually, at the regular December Board Meeting, the Board shall select a President and Vice President for the next calendar year. The General Manager or his designee shall perform the duties of Treasurer and the District's Executive Secretary shall be Board Secretary.

3.1.1 President

The President shall perform the duties of presiding officer at all meetings of the Board of Directors and shall carry out the resolution and orders of the Board of Directors and perform such other duties as the Board of Directors prescribes, including appointment of Directors to serve on committees of the Board and designation of committee chairs.

3.1.2 Vice President

When the president resigns or is absent or disabled, the Vice President shall perform the President's duties. When the President disqualifies herself/himself from participating in an agenda item or declares herself/himself partisan in the debate on any such item, the Vice President shall perform the duties of the President.

3.2 Committees

The Board may create standing or *ad hoc* committees at its discretion.

3.2.1 Committee Authorities

Unless authority to perform a duty is expressly delegated by the Board to a