

**Wallace Community Services District
Board of Directors**

Governance Guidelines

Revision B, dated December 19, 2006

The Board of Directors of the Wallace Community Services District has originally adopted these Governance Guidelines this 8th day of December, 2005.

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Revision History

Revision	Date	By	Content
Original	12/8/05	S. Reiswig	Original document approved by the Board.
A	3/22/06	C. Cantoni	GM to be assisted by Finance Committee. Clarify Committee titles, create standing Finance Committee. Specify committee term of service, eligibility. Added Section 24, Changes to Guidelines.
B	12/19/06	C. Cantoni	Clarification of responsibilities of the board and general manager, added TMF goals, added latent district powers.

Preamble

The purpose of these Governance Guidelines for the WCSD Board of Directors is to present a general overview of policies and procedures to assist the Board Members in carrying out their duties. The laws governing community services districts contain additional requirements. The Guidelines are not to be interpreted in a manner that is inconsistent with the law.

1. Formation and Powers of Wallace Community Services District

The purpose of the Wallace Community Services District (formed by resolution number 90-470 of the Board of Supervisors, County of Calaveras, State of California on October 29, 1990) is to provide domestic water service, sewer treatment services, road maintenance and repair, garbage collection and disposal, street lighting and recreational facilities and common area maintenance for the Wallace Community Services District. On September 8, 1993 Assembly Bill 1598 amended the California Government Code to allow the District to provide liquefied petroleum gas to the District. SB 135, effective January 1, 2006 revised the Community Services District (CSD) law to streamline and unify CSD law. Latent powers of special districts are detailed in Part 3, Chapter 1, Section 61100 of that law and are included in Appendix A to these Governance Guidelines.

2. Mission of the Board

The Board of Directors of the Wallace Community Services District has the ultimate responsibility for the well being of the district. This includes the monitoring and support of the General Manager in providing services to the public, including water, sewer, road maintenance and repair, street lighting, garbage collection and liquefied petroleum services and recreation facilities and lands

Duties and Responsibilities of the Board of Directors include:

- a) Select, evaluate the performance, compensate and plan for the succession of the General Manager and the District's other top management.
- b) Advise and counsel the General Manager of the District in managing the affairs of the District. The President of the Board is responsible for day-to-day coordination with the General Manager, representing the board in such matters. However, the setting of policy and other responsibilities of the Board shall be in accordance with the provisions of these Governance guidelines.
- c) Identify appropriate candidates, nominate and evaluate the performance and plan for succession of directors.
- d) Serve as stewards of the assets of the District and ensure that proper internal controls are in place.

- e) Review and approve/disapprove agreements and contracts with third parties, including Will Serve Agreements and consulting contracts.
- f) Review and approve the major strategies and financial objectives
- f) Ensure that the District has effective budgets and plans in place on or before July 1 of each year, and monitor the District's performance against these budgets and plans.
- g) Approve the capital spending plan of the District and ensure that it is consistent with District financial resources.
- h) Review the adequacy of systems for compliance with all applicable laws, regulations and standards of appropriate behavior.
- i) It is the sense of the Board that it should operate with the Department of Health Service's TMF (Technical, Managerial and Financial) Elements in place, and that the Board should strive to complete these elements in as timely a manner as is possible.

3. *Actions that May be Taken*

The responsibilities of the Board of Directors includes the following:

- a. A majority of the total membership of the board of directors shall constitute a quorum for the transaction of business (a minimum of three (3) board members).
- b. The board of directors shall act only by ordinance, resolution, or motion.
- c. Except as otherwise specifically provided by law, a majority vote of the total membership of the board of directors is required for the board of directors to take action.
- d. The minutes of the board of directors shall record the aye and no votes taken by the members of the board of directors for the passage of all ordinances, resolutions and motions, except if unanimous and so stated.
- e. The board of directors shall keep a record of all its actions, including financial transactions.
- f. The board of directors shall adopt rules or bylaws for its proceedings.
- g. The board of directors shall adopt policies for the operation of the district, including, but not limited to, administrative policies, fiscal policies, personnel policies and the purchasing policies required.

4. *Principles of Negotiation and Communication*

Members of the Board will, from time to time, engage in negotiation and communication with developers, consultants, government agencies and others having substantial business dealings with the District. It is the policy of the Board that, to the extent reasonable and practical, a second Board member should be present for such dealings.

While routine filings and correspondence with government agencies are normally handled by the General Manager and/or his/her designated individual, matters of significant impact on the District shall be handled by the Board of Directors, working with the General Manager.

5. *Size of the Board*

The Board of Directors shall consist of 5 members, elected by the public and/or appointed by the Board (in case of vacancies.)

6. *Conduct and Organization of the Board of Directors*

The Board of Directors shall organize and conduct its business in accordance with the Community Services District Law, the Brown Act, the Public Records Act and the Political Reform Act of the State of California.

The President of the Board will chair the Board meetings. In the President's absence, the Vice President of the Board will chair the Board meetings. In the Vice President's absence, the directors present at the meeting shall elect a chairman for the meeting.

The President and Vice-President of the Board shall be elected by the Board members at the December Board meeting, and shall serve for a period of one year.

7. *Selection of Agenda Items for Board Meetings*

The President of the Board will establish the agenda for each Board meeting after consultation with the General Manager. Other directors are encouraged to suggest the inclusion of items on the agenda. Agenda items may include reports from the General Manager, committee reports, expenditure approvals, discussion items and action items as well as other business that may come before the Board.

In order for the Board to hold discussion and/or take action on any item, it must have been listed on the Agenda (with minor exceptions) and the public must have opportunity for input. The minor exceptions include brief answers to questions posed by the public, asking questions of staff for clarification, brief announcements or reports on a Director's activities, asking staff to report back on an item at a future meeting, or directing staff to place a matter of business on a future agenda.

Classifying items as action or discussion aides in planning the meeting length, but will not restrict items in either class from being acted upon, provided that the agenda states that the Board may act on discussion items..

8. *Board Materials Distributed in Advance*

Board materials should be distributed in advance of each meeting, to allow time for review and assessment so that the Board meeting time may be conserved for discussions focused on questions that the Board has about the material. The Board President will make every effort to see that the material is distributed in advance, and that it is presented in an efficient and effective format.

9. Public Notice of Meetings

Public Notice must be given for meetings of the Board. The advance notice time depends on the type of meeting.

For Regular Board Meetings. A meeting Notice, including Agenda, must be posted in a conspicuous public place, at least 72 hours prior to the meeting.

For Special Board Meetings. Twenty-four hour notice must be given to the Board members and the public, including a brief general description of the matters to be considered or discussed.

For Emergency Board Meetings. One hour notice in case of work stoppage or crippling activity, except in the case of a dire emergency.

10. Mailed Notice of Meeting

The District shall give mailed notice of meetings one week in advance to any person who has filed a written request for notification. Written request for notice are valid for one year, and the District may establish a reasonable annual fee for sending the notices by mail.

11. Board Meetings Open to the Public

Board meetings will normally be held in facilities located in the district that allow sufficient space for public attendance.

12. Closed Sessions of the Board

Closed sessions of the Board may be held, but notice of the subject must be published. Prior to each closed session, the President must announce the subject to be considered. If final action is taken in closed session, the Board generally must report the action at the conclusion of the session.

Closed sessions may be held for Personnel Exemption, Public Security, Pending Litigation, Labor Negotiations, and Real Property Negotiations.

13. Board Participation

Directors are expected to prepare for, attend and actively participate in all Board and applicable Committee meetings.

14. Public Testimony

The Public may comment on agenda items during consideration by the Board as called for by the President of the meeting. In addition, time must be set aside for public comment on any other matters under the Board's jurisdiction, but not on a meeting agenda.

15. Board Committees

The Board may, from time to time, form committees of the Board to allow more focused work in specific areas on interest. These committees may be standing or special committees. The following standing committees are established as of March 22, 2006.

- (1) Lake and Open Space Committee. This committee is charged with looking after the Lake and surrounding facilities, such as the open spaces and walking path. Responsibilities include evaluation of possible means of keeping the lake fuller than is possible as of August 2005.
- (2) Gate and Roads Committee. This committee is responsible for monitoring maintenance, repairs, and operation of the gates and maintenance of the roads and street lights.
- (3) Finance Committee. This committee is responsible to oversee the finances of the District, including working with the General Manager in creating annual budgets and other financial plans.

From time to time the Board may establish such other standing or special committees as may be necessary to carry out its responsibilities.

All committees are committees of the Board, must have at least one board member on the committee and must seek Board approval for actions to be taken on behalf of the Board, including the expenditure of funds. A committee may be appointed consisting of only Board members.

Committee members must be Board members or other residents of Wallace Community Services District. Prospective members may submit an application to apply for membership. Each committee shall elect a Chairperson, who will serve for a period of one calendar year, except that the Chairperson of the Finance Committee shall be appointed by the Board President.

Committee chairpersons shall present a report, in person or written, at each meeting of the Board of Directors of the District.

16. Board Access

Directors will have full access to the District's management, employees and principal advisers, including its auditors and legal counsel, and to District information that they believe is necessary to fulfill their obligations as directors. Directors will use judgment to ensure that such contact is not distracting to the business or operations of the District. Any contact which will result in billings to the Board will first be coordinated with the President of the Board. Such coordination will include identification of the account from which funds will be used to pay the billing(s).

There may be occasions when an outside advisor is retained directly by the Board in connection with a particular matter. The Board and/or its Committees may retain outside experts and advisors at the District's expense to the extent they consider it necessary and

appropriate under the circumstances. Committees will first coordinate with the Board prior to such retention. Such coordination will include identification of the account from which funds will be used to pay the billing(s).

17. Election of Directors.

Directors shall be elected in accordance with the California Elections Code, Sections 10500-10556. Directors elected shall hold office for a term of 4 (four) years or until their successor qualifies and takes office. Directors take office at noon on the first Friday in December following their election.

125 days prior to the election, the district secretary will file a notice with the county elections official. Forms for declaration of candidacy shall first be available from the secretary on the 113th day prior to the election and shall be filed not later than 5 p.m. on the 88th day prior to the election, in the office of the county elections official. The full procedure is contained in the California Elections Code.

18. Filling of Vacancies

Should a Director no longer be able or willing to serve the remainder of his/her elected term, the Board shall appoint a successor member from applicants for the position as provided under Section 1780 of the Government Code, to serve out the remainder of the term, unless there are more than 2 years left of the original term of office, in which case the appointed director shall serve until the next General Election.

19. Conflict of Interest Code.

Each director shall be required to sign the District's Conflict of Interest Code. Further, this code specifies that Directors must file Form 700 – Statement of Economics Interests – with the county.

20. Continuing Education

As required under the Community Services District Law, the District will provide for continuing education for the Board members, arranging for Directors to attend State qualified education programs for Special District Directors.

21. Term Limits

The Board does not believe it should establish term limits for directors. While such limits might contribute fresh ideas to the Board, they have the disadvantage of losing the contribution of directors who have developed, over a period of time, insight into the future direction and operations of the District.

22. Annual Board Evaluations

Each director will evaluate the performance of the Board annually utilizing an approved, pre-determined process.

23. At Termination of Duties

Whenever a Board member of the District leaves his/her position as a board member, through expiration of the tour of service or by voluntary action, he/she shall return all property of the district to the Board President, to include keys, manuals, official correspondence, and other publications that belong in the District Archives.

24. Publication of Guidelines

The District shall publish these Governance Guidelines and make them available to Directors, employees and members of the public.

25. Changes to Guidelines

These Governance Guidelines may be changed by majority vote of the Board of Directors, taken at a public meeting of the Board, wherein members of the public are allowed comment on proposed changes.

**APPENDIX A
LATENT POWERS OF SPECIAL DISTRICTS**

Per PART 3. Chapter 1. of the Code, Section 61100 stipulates that within its boundaries, a district may do any of the following:

- a) Supply water for any beneficial uses, in of the same manner as a municipal water district.
- b) Collect, treat or dispose of sewage, wastewater, recycled water and storm water in the same manner as a sanitary District.
- c) Collect, transfer and dispose of solid waste and provide solid waste handling services including but not limited to source reduction, recycling, composting activities, etc.
- d) Provide fire protection services, rescue services, hazardous material emergency response services and ambulance services.
- e) Acquire, construct, improve, maintain and operate recreation facilities including but not limited to parks and open space.
- f) Organize, promote, conduct and advertise programs of community recreation.
- g) Acquire construct, improve, maintain and operate street lighting and landscaping on public property.
- h) Provide for the surveillance, prevention, abatement and control of vectors and vector borne diseases in the same manner as a mosquito abatement and vector Control District.
- i) Provide police protection and law enforcement services by establishing and operating a police department that employs peace officers.
- j) Provide security services including but not limited to burglar and fire alarm services to protect lives and property.
- k) Provide library services in the same manner as a library district formed pursuant to either Chapter 8 or Chapter 9 of the education code.
- l) Acquire, construct, improve and maintain streets, roads, right of ways, bridges, culverts, drains, curbs, gutters, sidewalks and any incidental works.
- m) Convert existing overhead electric and communications facilities with the consent of the public agency or public utility that owns the facilities to underground locations.
- n) Provide emergency medical services pursuant to the emergency medical services system and the pre-hospital emergency medical care personnel act.
- o) Provide and maintain public airports and landing places for aerial traffic.
- p) Provide transportation services.
- q) Abate graffiti.
- r) Plan, design, construct, improve, maintain and operate flood protection facilities.
- s) Acquire, construct, improve, maintain and operate community facilities including but not limited to community centers, libraries, theaters, museums, cultural facilities and childcare facilities.
- t) Abate weeds and rubbish pursuant to part 5 of the health and safety code.
- u) Acquire, construct, improve, maintain and operate hydroelectric power generation facilities and transmission lines.

- v) Acquire, construct, improve, maintain and operate television translator facilities.
- w) Remove snow from public streets, roads, easements and rights of way.
- x) Provide animal control services pursuant to section 30501 of the Food and Agricultural code.
- y) Control, abate and eradicate pests in the same manner as a pest abatement district.
- z) Construct, maintain and operate mailboxes on the District property or rights of way.
- aa) Provide mail delivery service under contract to the United States Postal Service.
- bb) Operate, improve and maintain cemeteries and provide internment services.
- cc) Finance the operations of area Planning Commissions formed pursuant to section 65101.
- dd) Finance the operations of municipal advisory councils formed pursuant to section 31010.
- ee) Acquire, own, improve, maintain and operate land within or without the District for Habitat Mitigation or other environmental protection purposes to mitigate the effects of projects undertaken by the District.

Per Section 61106:

- a) If the Board of Directors desires to exercise a latent power, the District shall first receive the approval of the Local Agency Formation Commission, pursuant to article 1.5 (commencing with section 56824.10) of Chapter 5 of part 3 of Division 3.
- b) After receiving the approval of the Local Agency Formation Commission, the board of directors may, by ordinance, order the exercise of that power.