

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY POLICIES AND PROCEDURES MANUAL

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See attached SCGA Rules of Procedure.

**RULES OF PROCEDURE GOVERNING THE
SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

**CHAPTER 1.
ADOPTION AND SCOPE OF RULES OF PROCEDURE**

**ARTICLE 1.
SCOPE AND PURPOSE**

§ 1.01 Scope and Purpose of Authority

- (a) These Rules of Procedure govern the administration and management of the Sacramento Central Groundwater Authority in furtherance of the objectives and purposes set forth in the Joint Powers Agreement between and among the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento, and the County of Sacramento.
- (b) The Sacramento Central Groundwater Authority is established for the purposes of:
 - (1) maintaining the long-term sustainable groundwater yield of the Central Basin;
 - (2) ensuring implementation of the Basin Management Objectives that are prescribed by the current version of the Central Sacramento County Groundwater Management Plan (GMP);
 - (3) overseeing the operation of any Well Protection Program that may be prescribed by the GMP;
 - (4) managing the use of groundwater in the Central Basin and facilitate implementation of an appropriate conjunctive use program by water purveyors;
 - (5) coordinating efforts among those entities represented on the governing body of the joint powers authority to devise and implement strategies to safeguard groundwater quality; and
 - (6) working collaboratively with other entities, including the Sacramento Groundwater Authority, the Southeast Sacramento County Agricultural Water Authority and other groundwater management authorities that may be formed in the County of Sacramento and adjacent political jurisdictions, in order to promote coordination of policies and activities throughout the region.

§ 1.02 Boundaries of the Authority

- (a) The boundaries of the Authority shall be:
 - (1) on the north the American River;
 - (2) bounded on the south by the southern boundary of the Omochumne-Hartnell Water District;
 - (3) bounded on the west by the Sacramento River and Interstate 5; and
 - (4) bounded on the east by the Sacramento-El Dorado County line;

- as further and more precisely depicted in the boundary map identified as Exhibit A.
- (b) The boundaries of the Authority shall be amended or changed only by amendment to the Joint Powers Agreement.

ARTICLE 2.
CONSTRUCTION OF RULES OF PROCEDURE

§ 1.21 **Scope of Rules of Procedure**

- (a) Unless these Rules specifically or by context indicate to the contrary, the general provisions and definitions set forth in this Chapter govern the construction of these Rules.
- (b) When these Rules refer to an officer, employee, or other function, such references shall be to the appropriate or designated officer, employee, or function of the Authority.
- (c) Chapter and section headings in these Rules shall not govern, limit or modify the scope, meaning, or intent of these Rules.
- (d) Nothing in these Rules is intended to alter, amend or otherwise change any provision of the Joint Powers Agreement between and among the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento, and the County of Sacramento. In any instance where there is a conflict between the Joint Powers Agreement, as it may be amended, and these Rules, the provisions of the Joint Powers Agreement shall govern.

§ 1.22 **Severability**

In the event that any Chapter, section, subsection, sentence, clause or phrase of these Rules are held invalid or unconstitutional, such determination shall not affect the validity of the remaining portions of these Rules.

§ 1.23 **Definitions**

As used in these Rules, the following terms are defined as follows:

- (a) “Administrative Costs” refers to all costs and expenses of the Authority related to the administration and management of the Authority, excluding “Water Costs” as defined in this section.
- (b) “Agricultural Interests” refers to all persons or entities that pump groundwater within the boundaries of the Authority for agricultural purposes, other than a Retail Provider, and that are represented on the Board by the agricultural representative nominated by the Sacramento County Farm Bureau and appointed by the Sacramento County Board of Supervisors.

- (c) “Agricultural-Residential Groundwater User” refers to all persons that pump groundwater within the boundaries of the Authority for agricultural-residential purposes, other than a Retail Provider, and that are represented on the Board by the Agricultural-Residential Groundwater Users representative nominated by the Vineyard Community Advisory Council in consultation with adjacent Councils within the Central Basin and appointed by the County of Sacramento Board of Supervisors.
- (d) “Annual Pumping” for the purposes of determining assessments, fees or charges for management and operations of the Authority shall mean the total amount of groundwater produced within the boundaries of the Authority by each retail provider, by agricultural interests, by agricultural-residential groundwater users, by commercial/industrial self-supplied groundwater users and by public agency self-supplied groundwater users, for use within the boundaries of the Authority and other areas approved by the Authority’s Board of Directors excluding the first five thousand (5000) acre-feet of groundwater pumping by each such user.
- (e) “Appointing Authority” refers to the individual signatory party responsible for appointing a specific member to the Board, as set forth in section 3.04(a) of these Rules.
- (f) “Authority” refers to the Sacramento Central Groundwater Authority that is established pursuant to the Joint Powers Act and the executed Joint Powers Agreement.
- (g) “Board” refers to the governing Board of Directors of the Sacramento Central Groundwater Authority.
- (h) “Central Basin” refers to the groundwater basin underlying the area within the boundaries of the Authority.
- (i) “Commercial/Industrial Self-Supplied Groundwater Users” refers to all persons or entities that pump groundwater within the boundaries of the Authority for commercial and industrial purposes, other than a Retail Provider, and that are represented on the Board by the Commercial/Industrial Self-Supplied Water User representative appointed by the County of Sacramento. The Board shall establish by resolution a minimum quantity of water that must be produced annually by such commercial/industrial self-supplied pumpers in order to qualify as a “Commercial/Industrial Self-Supplied Water User” under these Rules and the Joint Powers Agreement.
- (j) “Conjunctive Use” refers to the planned management and use of both groundwater and surface water resources in order to maintain the sustainable yield of the Central Basin.
- (k) “Conservation Landowner” refers to a non-profit land trust holding a fee or easement interest in two thousand five hundred (2500) acres or more of land located within the boundaries of the Authority in consultation with environmental and community organizations that are signatories to the Water Forum Agreement, as required by Joint Powers Agreement §7(b), the Board shall appoint the representative of conservation land owners.
- (l) “Director” or “Directors” refer to individuals or groups of individuals comprising the membership of the Board of the Authority.

- (m) “Financing Plan for the Administrative Budget” refers to the revenue-generating plan annually adopted by the Board to finance the Authority’s administrative budget. The financing plan shall include the levy of assessments, fees and charges, or any combination thereof, as well as any other revenue-generating devices, including contributions from water users or purveyors within the Authority’s boundaries.
- (n) “Groundwater Management Plan” refers to the document adopted by the Board which sets forth the Authority’s plan to manage groundwater quantity and quality in the Central Basin.
- (o) “Joint Powers Agreement” refers to the Joint Powers Agreement, as it may be modified or amended, between and among the County of Sacramento, City of Sacramento, City of Elk Grove, City of Folsom and City of Rancho Cordova establishing the Sacramento Central Groundwater Authority.
- (p) “Public Agency Self-Supplied Groundwater User” refers to all persons or entities that pump groundwater within the boundaries of the Authority for Public Agency purposes, other than a Retail Provider, and that are represented on the Board by the Public Agency Self-Supplied Groundwater Users representative nominated by the Southgate Recreation and Park District in consultation with other public agencies that are self-supplied groundwater users within the Central Basin and appointed by the County of Sacramento Board of Supervisors.
- (q) “Retail Provider” refers to established water purveyors within the boundaries of the Authority that sell water on a retail basis and that are represented on the Board by an elected member of their respective governing bodies, as set forth in Section 3.02(b)(1) and (2) of these Rules.
- (r) “Rules” refers to these Rules of Procedure, as may be amended, supplemented or changed.
- (s) “Signatory Parties” refer to the County of Sacramento, City of Sacramento, City of Elk Grove, City of Folsom and City of Rancho Cordova, each of which executed the Joint Powers Agreement establishing the Authority.
- (t) “Sustainable Yield” refers to the amount of groundwater which can be safely extracted from the Central Basin on an estimated average annual basis while maintaining groundwater elevations and groundwater quality at acceptable levels as set forth in the Groundwater Management Plan. Sustainable Yield requires a balance between extraction and basin recharge and is expressed as the number of acre feet of groundwater which can be extracted from the Central Basin on an average annual basis as set forth in the Groundwater Management Plan.
- (u) “Water Costs” refer to costs or expenses incurred by the Authority for the purposes of:
 - (1) purchasing or otherwise acquiring water;
 - (2) pumping and treatment costs; and
 - (3) other costs related to a Conjunctive Use program.

§ 1.24 Maintenance of Rules

A copy of these Rules shall be maintained in the clerk’s office of the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento, and the County of

Sacramento. The Rules shall be available for inspection by any person during normal business hours, and copies shall be provided to any person requesting the same, upon payment of reasonable copying costs.

§ 1.25 Changes to Rules

- (a) At its discretion, and consistent with applicable law, the Board of Directors of the Sacramento Central Groundwater Authority may adopt, amend, supplement or repeal these Rules of Procedure from time to time as it deems appropriate.
- (b) Each resolution making a change to these Rules of Procedure shall be filed as set forth in section 1.24, and shall be properly indexed and attached to the existing set of Rules. Such changes shall be specified by resolution number and date in which the resolution was adopted. The Board may require from time to time that these Rules be updated to reflect such changes.

**CHAPTER 2.
PRELIMINARY MATTERS**

§ 2.01 Termination of the Authority

- (a) The Authority shall remain in effect until terminated by one of the Signatory Parties thereto. The Authority may be terminated by any of the Signatory Parties at any time and for any reason by providing ninety (90) days written notice of termination to the other parties.
- (b) In the event of termination of the Authority where there is established a successor public entity which will carry on the functions of the Authority and assume its assets, the assets of the Authority shall be transferred to the successor public entity. If there is no successor public entity to carry on the functions of the Authority and assume its assets, the assets shall be returned to the Joint Powers Authority signatories in proportion to the contribution of each party during the existence of the Authority. If there is a successor public entity which will carry on some, but not all, of the functions of the Authority and assume some, but not all, of its assets, the assets of the Authority shall be allocated by the Board between the successor public entity and the Joint Powers Authority signatories.

§ 2.02 Liabilities

The debts, liabilities and obligations of the Authority shall be the debts, liabilities and obligations of the Authority alone, and neither the Signatory Parties, nor any other entity, party, or person shall be subject to or accountable for the debts, liabilities or obligations of the Authority.

§ 2.03 Conflicts of interest

- (a) The model Conflicts of Interest Code of the Fair Political Practices Commission, found in Title 2, section 18730 of the California Code of Regulations, as from time to time amended, is adopted by the Authority.
- (b) The conflicts of interest categories established by the Fair Political Practices Commission, as from time to time amended, are adopted by the Authority.

§ 2.04 Pending litigation in which Director has an adverse interest

- (a) A Director shall remove himself or herself from the meeting room, and shall not be allowed to participate in any closed session meeting, if:
 - (1) the closed session meeting is authorized pursuant to Brown Act, California Government Code section 54956.9;
 - (2) the Director is a party, or a representative of a party, that is or may be adverse to the Authority in pending litigation involving the Authority;
 - (3) the closed session meeting is being conducted to discuss the pending litigation in which the Director is a party, or a representative of a party; and
 - (4) the Director's presence at the meeting would prejudice the Authority in the pending litigation.

- (b) As used in subsection (a) of this section, a “representative of a party” shall include any Director who is an officer, employee, or member of a governing body, or who is otherwise acting on behalf of a party that is adverse to the Authority in pending litigation.
- (c) As used in subsection (a) of this section, “litigation” shall include any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator. Litigation shall be deemed “pending” for purposes of subsection (a) of this section when any of the following circumstances exist:
 - (1) litigation, to which the Authority is a party, has been initiated formally;
 - (2) a point has been reached where, in the opinion of the Board on the advice of legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the local agency;
 - (3) based on existing facts and circumstances, the Board is meeting only to decide whether a closed session is authorized pursuant to paragraph (2) of this subsection; or
 - (4) based on existing facts and circumstances, the legislative body of the local agency has decided to initiate or is deciding to initiate litigation.
- (d) Prior to commencement of a closed session meeting authorized pursuant to California Government Code section 54956.9, legal counsel shall advise the Directors as to whether this section is applicable to any Director.

**CHAPTER 3.
BOARD OF DIRECTORS**

§ 3.01 General

- (a) The Board shall establish policies and determine whether the Executive Director is implementing those and other policies of the Authority. The Executive Director is responsible for the day-to-day management and operation of the Authority.
- (b) The Board and any individual Director may communicate with the Executive Director about the development and implementation of Authority policy.
- (c) The Board and any individual Director are discouraged from communicating directly with any employee. Such communications shall be made through the Executive Director.

§ 3.02 Composition of the Board

- (a) The governing body of the Authority is the Board of Directors.
- (b) The Board shall consist of sixteen (16) members, and shall be comprised as follows:
 - (1) One (1) elected member of the governing board, or designee thereof, of each of the following public agencies:
 - (i) the City of Elk Grove,
 - (ii) the City of Folsom,
 - (iii) the City of Rancho Cordova,
 - (iv) the City of Sacramento,
 - (v) the County of Sacramento, and
 - (vi) the Sacramento Regional County Sanitation District.
 - (2) One (1) elected member of the governing board, or designee thereof, of each of the following public agencies:
 - (i) the Florin Resource Conservation District/Elk Grove Water Service,
 - (ii) the Omochumne-Hartnell Water District, and
 - (iii) the Rancho Murieta Community Services District.
 - (3) One (1) member of the governing body, or designee thereof, of each of the following private water purveyors or investor owned utilities:
 - (i) California American Water Company; and
 - (ii) the Golden State Water Company.
 - (4) One (1) representative of the Agricultural Interests within the boundaries of the Authority.
 - (5) One (1) representative of the Agricultural-Residential Groundwater Users within the boundaries of the Authority.
 - (6) One (1) representative of the Commercial/Industrial Self-Supplied Groundwater Users within the boundaries of the Authority.
 - (7) One (1) representative of the Conservation Landowners within the boundaries of the Authority.
 - (8) One (1) representative of the Public Agency Self-Supplied Groundwater Users within the boundaries of the Authority.

§ 3.03 Adjustment to Composition of the Board

- (a) With the exception of the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento, the Sacramento Regional County Sanitation District, and the County of Sacramento, membership on the Board shall be limited to public and private water purveyors, investor owned utilities and groundwater rights holders within the boundaries of the Authority.
- (b) Notwithstanding subsection (a) of this section, should circumstances change in the future, the signatories to the Joint Powers Agreement may agree to amend the Joint Powers Agreement and these Rules for the purpose of adding or deleting representatives to the Board to accurately reflect groundwater production within the boundaries of the Authority.

§ 3.04 Appointment of Members of the Board

- (a) The members of the governing Board of Directors of the Authority shall be appointed as follows:
 - (1) The City of Folsom representative shall be appointed by the Folsom City Council.
 - (2) The Elk Grove City Council shall appoint the representatives of the following entities:
 - (i) the City of Elk Grove, and
 - (ii) the Florin Resource Conservation District/Elk Grove Water Service.
 - (3) The Rancho Cordova City Council shall appoint the representatives of the following entities:
 - (i) the City of Rancho Cordova, and
 - (ii) the Golden State Water Company.
 - (4) The City of Sacramento representative shall be appointed by the Sacramento City Council.
 - (5) The Sacramento County Board of Supervisors shall appoint the representatives of the following entities:
 - (i) the County of Sacramento,
 - (ii) the California-American Water Company,
 - (iii) the Agricultural Interests,
 - (iv) the Agricultural-Residential Groundwater Users,
 - (v) the Commercial Industrial Self-Supplied Groundwater Users,
 - (vi) the Conservation Landowners,
 - (vii) the Omochumne-Hartnell Water District,
 - (viii) the Public Agency Self-Supplied Groundwater Users,
 - (ix) the Rancho Murieta Community Services District, and
 - (x) the Sacramento Regional County Sanitation District.
- (b) In addition to appointments made pursuant to subsection (a) of this section, the appropriate Appointing Authority also shall appoint one or more persons with the required qualifications to serve as alternates for each member of the Board. Such

- alternates shall be empowered to cast votes in the absence of the regular members or in the event of a conflict of interest preventing the regular member from voting.
- (c) Prior to appointment of the representatives of the entities described in Sections 3.04(a)(2)(ii), (3)(ii) and (5)(ii) through (x), the represented entities shall submit a recommended appointment for their representatives to their appropriate Appointing Authority. The Appointing Authority shall consider such recommendations, but shall retain the absolute discretion and authority to appoint any person satisfying the criteria set forth in Section 3.02(b) hereof.

§ 3.05 Term of Office

- (a) The term of office of each member of the Board shall be for a period of four (4) calendar years, with the exception of the initial term of the representatives appointed by the County of Sacramento. For the purpose of providing staggered terms of office, the initial term of office of the representatives appointed by the County of Sacramento shall be for a period of two (2) calendar years. Thereafter, the term of office of each representative appointed by the County of Sacramento shall be for a period of four (4) years.
- (b) Each member of the Board shall serve at the pleasure of their respective Appointing Authority and may be removed as a member of the Board by the Appointing Authority at any time.
- (c) If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the unexpired term of the previous representative pursuant to the provisions set forth in section 3.04 hereof within ninety (90) days of the date that such position becomes vacant. A position on the Board shall be deemed vacant upon the occurrence of any event that prevents a Director from satisfying the qualifications of Directors as set forth in section 3.02.

§ 3.06 Organization of the Board

- (a) The Board of Directors shall elect a Chair and a Vice Chair, and may elect such other officers as the Board shall find appropriate. The Chair shall preside over meetings of the Board, and in the Chair's absence, the Vice Chair shall preside. Board officers shall serve for a term of one (1) calendar year unless sooner terminated at the pleasure of the Board. If, for any reason, an officer is appointed after the commencement of a calendar year, the term of office shall expire at the end of the calendar year. Elections for Chair and Vice Chair shall be conducted not later than the last regularly scheduled meeting which precedes the calendar year for which the appointments are made. Nothing in these rules shall preclude an officer from serving more than one term, if so appointed pursuant to these Rules.
- (b) The Chair may create committees when appropriate to aid in the efficient management of the Authority. The Chair shall appoint the Board members to serve on a committee and shall designate the specific task or tasks of the committee. The Chair may also appoint other persons, who are not Board members, to serve on committees, when such appointments would be beneficial to the completion of the task or tasks of the committee. The Chair's appointments shall be final absent an

objection from a majority of the Board. In the event of such an objection, an appointment or appointments by a majority of the Board shall be necessary to complete the membership of a committee, to create a committee, or to disband a committee.

- (c) All established committees shall be ad hoc, and shall meet as directed or approved by the Chair. Committees shall not be required to meet pursuant to a regular schedule unless otherwise directed by the Chair.
- (d) In no event shall any committee be comprised of a number of Board members equal to or greater than that number which constitutes a quorum of the entire Board.

§ 3.07 Powers and functions of the Board

- (a) Subject to the limitations set forth in section 3.08, the Authority shall have any and all powers commonly held by the County of Sacramento, City of Sacramento, City of Elk Grove, City of Folsom and City of Rancho Cordova, including, but not limited to, the following powers to:
 - (1) Collect, monitor, and analyze data on the extraction of groundwater from, and the quality of groundwater in, the Central Basin;
 - (2) Establish and facilitate any Conjunctive Use program for the purpose of maintaining the Sustainable Yield in the Central Basin consistent with the GMP;
 - (3) Distribute water in exchange for ceasing or reducing groundwater extractions;
 - (4) Spread, sink and inject water into the Central Basin;
 - (5) Store, transport, recapture, recycle, purify, treat or otherwise manage and control water for the beneficial use of persons and property within the Authority;
 - (6) Study and plan ways and means to implement any or all of the foregoing powers.
- (b) For the purposes of exercising the authority set forth in subsection (a) of this section, and subject to the limitations set forth in section 3.08, the Authority shall have the power to:
 - (1) Sue and be sued in all actions and proceedings in all courts and tribunals.
 - (2) Adopt a seal and alter the seal at its discretion.
 - (3) For the common benefit of the Authority, to store water in underground water basins or reservoirs within and outside the Authority, to appropriate water and acquire water rights within or outside the Authority, to import water into the Authority, and to conserve, or cause the conservation of, water within or outside the Authority.
 - (4) Act jointly, or cooperate, with the Federal government or any agency thereof, the state, or any county or agency thereof, or any political subdivision or district therein, including flood control districts, private and public corporations, and any person, so that the powers of the Authority may be fully and economically exercised.

- (5) Cause taxes, assessments, fees or charges to be levied in accordance with applicable State law, and in a manner consistent with the GMP to accomplish the purposes of the Authority.
- (6) Require the permitting of groundwater extraction facilities within the boundaries of the Authority, to maintain a record of extraction with respect to any such facilities, and to require the installation of meters on groundwater extraction facilities for the purpose of determining the amount of groundwater being extracted from the Central Basin.
- (7) Make contracts, employ labor and to do all acts necessary for the full exercise of the Authority's powers.
- (8) Carry on technical and other investigations of all kinds necessary to further the purposes of the Authority.
- (9) Fix rates at which water acquired by the Authority shall be sold for replenishment purposes, and to establish different rates for different classes of service or conditions of service, provided that the rates shall be uniform for like classes and conditions of service.
- (10) Participate in any contract under which producers may voluntarily agree to use surface water in lieu of groundwater, and to that end the Authority may become a party to the contract and pay from Authority funds that portion of the cost of the surface water as will encourage the purchase and use of that water in lieu of groundwater pumping so long as persons or property within the boundaries of the Authority are directly or indirectly benefited by the resulting replenishment of the Central Basin.
- (11) Apply for, accept and receive state, federal or local licenses, permits, grants, loans or other aid from any agency of the United States, the State of California, or other public or private entity necessary or appropriate for the Authority's full exercise of its powers.

§ 3.08 Limitation on powers and functions of the Board

- (a) The Authority shall not have the power to regulate land use or to engage in the retail sale of water.

§ 3.09 Meetings of the Board

- (a) Except for closed session meetings, meetings of the Board shall be open and public, and any person shall be permitted to attend any portion of a meeting. Notwithstanding any provision in this Chapter, the Authority shall comply with the provisions of the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the California Government Code, or with any successor provision.
- (b) Regular meetings of the Board shall be held on the second Wednesday of every month at a suitable location within the Authority's boundaries. If, by reason of emergency or other good cause, a meeting cannot be held as regularly scheduled, the Chair may re-schedule with due notice a meeting on an alternate date or time or at an alternate location.

- (c) Special meetings of the Board may be called by the Chair or a majority of the Board by delivering written notice to each Director, the Executive Director, Counsel, and to a local newspaper of general circulation. To the extent practicable, the Chair or a majority of the Board shall direct that actual notice be given to known interested parties. In all cases, notice shall be given at least 24 hours prior to the time scheduled for the special meeting.
- (d) In the event of an emergency, as determined by the Chair or a majority of the Board, the Board may conduct a meeting without the 24 hour notice. In no event shall this meeting be a closed session meeting. To the extent practicable, the Chair, Vice-Chair, or majority of the Board shall direct that notice be given to known interested persons at least one hour prior to the emergency meeting.
- (e) Any meeting of the Board may be adjourned to a date, time and place specified in the order of adjournment.

§ 3.10 Closed Session Meetings

- (a) The Board shall comply in all respects with closed session requirements and procedures of the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the California Government Code, or with any successor provision.
- (b) To the extent practicable, the Board shall avoid taking action in closed session. Action may be taken in closed session when necessary to avoid prejudice to the Authority. When the potential for prejudice does not exist, action taken in closed session shall be publicly announced at the same meeting as the closed session. If the action was taken by roll call vote, the vote shall be announced. A summary of action taken in closed session, when it is determined not to prejudice the Authority, shall be provided and submitted into the record at the next regular meeting.

§ 3.11 Meeting Agendas

- (a) The Chair and Executive Director, or their designees, set the agenda together based on previously established goals and objectives that have been set by the Board. They also take suggestions from Board members introduced in public meetings that support the mission of the Authority.
- (b) The agenda for a regular meeting shall be posted at least 72 hours prior to the meeting. The agenda for an adjourned meeting shall be the same as the agenda for the meeting which was adjourned, if the scheduled meeting was not more than five (5) days prior to the adjourned meeting. A new agenda shall be prepared at least 72 hours prior to an adjourned meeting if additional matters are added to an adjourned meeting agenda, or if the adjourned meeting takes place more than five (5) days after the scheduled meeting. The agenda for a special meeting shall be posted at least 24 hours prior to the meeting.
- (c) The Board shall act on matters appearing on the agenda, and may act on emergency matters, as defined in California Government Code Section 54956.5, or on matters where there is a need to take action that has arisen subsequent to the posting of the agenda and that cannot reasonably wait for the next regularly scheduled meeting.

Prior to acting on matters arising subsequent to the posting of the agenda, a two-thirds majority of the Board members present, or when less than two-thirds of the members are present, a unanimous vote of those members present, must determine that there is a need to consider the matter at the meeting. Prior to discussing any item, whether or not the item appears on the agenda, the Board shall publicly identify the item.

- (d) The Board shall receive public comments on matters not appearing on the agenda for regular meetings but shall not act on such matters unless the Board adds the matter to the agenda pursuant to subsection (b) of this section.
- (e) The clerk shall receive all correspondence to the Board and agendize the item under “Communications” on the next agenda. A Board member who individually receives correspondence in his/her capacity as a director of the Board shall provide a copy to the clerk to be handled as outlined above.

§ 3.12 Interruption of Meetings

The Chair or Vice Chair, after concurrence of a majority of the Board present, may order the meeting room cleared and continue the meeting in closed session if a meeting is willfully interrupted and the orderly conduct of the meeting becomes infeasible and order cannot be restored by the removal of the individual or individuals interrupting the meeting. In such cases, only matters appearing on the agenda may be considered in the resulting closed session meeting. Duly accredited representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend the session. At its discretion, the Board may establish a procedure for readmitting individuals not responsible for willfully disturbing the meeting.

§ 3.13 Voting Requirements

- (a) A majority of the members of the Board shall constitute a quorum for the purposes of transacting business, except that less than a quorum may vote to adjourn a meeting.
- (b) Each member of the Board shall have one vote. With the exception of fiscal items as set forth in subsections (c) and (d) below, an affirmative vote by a majority of all members of the Board is required to approve any item related to implementation of the GMP.
- (c) Fiscal items, including, but not limited to, approval of the annual budget of the Authority and any expenditures, shall require an affirmative vote by a majority of all the members of the Board that includes affirmative votes by all of the representatives of the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento.
- (d) Any change in annual contributions necessary to support the work of the Authority, as set forth in section 5.22(e), shall require an affirmative vote of eleven of the sixteen members of the Board that includes affirmative votes by all of the representatives of the Cities of Elk Grove, Folsom, Rancho Cordova, and Sacramento and the County of Sacramento.

§ 3.14 Manner of Taking Action; motions, resolutions and ordinances

- (a) The Board shall take action by motion, resolution or ordinance.
- (b) Motions may be adopted by voice vote. Resolutions may be adopted by voice vote but on demand of any member of the Board, the roll shall be called. The roll shall be called for votes on adoption of ordinances.
- (c) Motions and resolutions shall be effective when adopted unless a different effective date is stated.
- (d) Proposed ordinances shall be introduced in writing, and shall contain a title which shall state in general terms the subject or subjects contained in the ordinance. Ordinances shall be read in full at the time of introduction except when reading by title only is approved by unanimous vote of the Directors present. Prior to adoption, the Board shall pass such ordinances for publication of title. At least five (5) days shall pass between the date the ordinance is passed for publication of title and the date the ordinance is adopted by the Board. The Executive Director or other designated official shall cause the title of such ordinances to be published at least once in a newspaper of general circulation published within the boundaries of the Authority no later than the third day preceding the adoption of the ordinance. Ordinances adopted pursuant to this subsection shall become effective fifteen (15) days after the adoption, or at a later date if so specified in the ordinance.
- (e) Notwithstanding subsection (d) of this section, the following ordinances shall take effect immediately:
 - (1) Ordinances relating to an election;
 - (2) Ordinances necessary for the immediate preservation of the public peace, health or safety containing a declaration of the facts constituting the emergency, if adopted by the affirmative vote of two-thirds of the Board; and

Such urgency ordinances may be passed immediately upon introduction and approval at a regular, adjourned regular, or special meeting.
- (f) The Authority's GMP shall be adopted by ordinance.

§ 3.15 Minutes

- (a) The clerk, as appointed by the Board, shall cause to be kept minutes of all meetings of the Board, except closed session meetings. Within a reasonable time following any meeting other than a closed session meeting, the clerk shall cause a copy of the minutes to be forwarded to each member of the Board and to the clerk's offices for the County of Sacramento, the City of Sacramento, the City of Elk Grove, the City of Folsom and the City of Rancho Cordova.
- (b) The written minutes need not be a verbatim transcription, but shall at a minimum reflect the following:
 - (1) Official actions taken by the Board;
 - (2) Disposition of items appearing on the agenda;
 - (3) The vote of each Director on action matters appearing on the agenda, or a description of the vote;
 - (4) Statements requested by a Director or Directors to be included in the minutes when related to reasons for voting in a particular manner;

- (5) Matters requested by a Director or Directors to be included as an agenda item, and which was not placed on the agenda;
 - (6) The number and title of ordinances and resolutions.
 - (7) Minutes shall at a minimum list the public member's name, if provided, and at a maximum include the overall topic and stance/position.
- (c) The written minutes are not the official minutes until approved by the Board at a subsequent public meeting. Upon approval, the minutes shall be signed by the Chair, or in the event the Chair is not available, the Vice-Chair, and shall be attested to by the Clerk.
 - (d) Official minutes as well as an audio recording of the Board's proceedings shall be posted to the Authority's website.

§ 3.16 Member in Good Financial Standing

- (a) A Member's financial obligation to the Authority is determined by the Authority's approved fiscal year budget. Once invoiced, a Member's financial obligation must be paid in full within 60 days to remain in good financial standing. The only valid exceptions to these criteria are:
 - (1) A written and signed payment plan provided and agreed to by a Member and approved by the Authority Board of Directors. A Member must timely pay an invoice or received an approved payment plan in order to be in good financial standing.
 - (2) Members that are funded by others as provided for in the JPA.
- (b) If a Member's invoice has not been paid within 60 days, the Member will be sent a notice of violation, and shall have 30 days from the notice of violation to correct the violation. If the violation is not corrected within 30 days, the Member shall be suspended and identified as "not in good financial standing". The Authority shall notify the Member by email of its suspension. The notice shall include the reason why the Member is not in good financial standing and the date of the suspension.
- (c) The Member shall remain not in good financial standing until the invoice is paid in full. A Member not in good financial standing will have all rights and privileges of membership of the governing board suspended until the violation has been remedied and the Member is reinstated by the Board, including the loss of voting rights, committee assignments, and sitting on the board during board meetings.
- (d) The effective date of any suspension of a Member that is not in good financial standing shall be no less than 30 days from the notice that the Member is in violation, unless the Member exercises its right to be heard prior to being suspended as set forth below:
 - (1) A Member that wishes to be heard prior to being suspended must notify the Authority's Executive Director and the Member's Appointing Authority that it would like to be heard no less than five days before the effective date of suspension set forth in the notice of suspension. The Member shall provide such notice in writing, including by email. It is the sole responsibility of the Member to insure that such notice is timely received by the Executive Director and the Member's Appointing Authority.

- (2) Upon notice by a Member that it would like to be heard prior to being suspended, the matter shall be placed on the agenda of, and held at, a regularly scheduled meeting of the Board of Directors or at the Board's discretion, a special meeting, either of which shall occur within 30 days of the date of the written notice.
 - (3) After considering the oral and written statements of the Member, the Board of Directors shall vote whether to suspend the Member. The minimum vote required to suspend a Member is a majority of the directors present at a duly held meeting of the Board of Directors. Suspension shall be effective immediately upon the vote of the Board to suspend a Member unless the Board of Directors determines otherwise.
- (f) A decision of the Board of Directors to suspend a Member is final.

CHAPTER 4. OFFICERS AND EMPLOYEES

§ 4.01 General

- (a) The Board of the Authority shall appoint an Executive Director and Legal Counsel, and may appoint, commission, employ, contract with, or retain contractors as the Board deems appropriate to carry out the administration and management of the Authority. The appointment of the Controller and Treasurer shall be as set forth in section 4.03 of these Rules and in the Joint Powers Agreement.
- (b) All officers, the Executive Director, Legal Counsel, and contractors, except the Controller and Treasurer, shall serve at the pleasure of the Board.

§ 4.02 Executive Director

- (a) The Board of the Authority, with the concurrence of the Sacramento County Water Agency, shall appoint an Executive Director who shall be responsible to the Board for the proper and efficient administration of the Authority as directed by the Board pursuant to the terms and provisions of the Joint Powers Agreement, these Rules, and any ordinance, resolution, order or motion of the Board.
- (b) In addition to other duties and authority which may be assigned by the Board, the Executive Director shall have the following authority:
 - (1) To plan, organize and direct all Authority activities, pursuant to the policy direction of the Board;
 - (2) To authorize expenditures within the designation and limitations of the budget approved by the Board;
 - (3) To make recommendations to and requests of the Board concerning any matter which is to be performed, done or carried out by the Board;
 - (4) To have the authority to appoint, discipline, assign, promote, and otherwise supervise and control the activities of any employees or contractors which may be hired or retained by the Authority; and
 - (5) To have charge of, handle and have access to any property of the Authority.

§ 4.03 Controller and Treasurer

- (a) The County of Sacramento Director of Finance shall act as treasurer and controller for the Authority.
- (b) The Controller of the Authority shall cause an independent annual audit of the Authority's finances to be made by a certified public accountant in compliance with California Government Code Section 6505. The Controller shall draw warrants to pay demands against the Authority when the demands have been approved by the Authority or by its authorized representative pursuant to any delegation of authority adopted by the Authority. The Controller shall comply strictly with the provisions of statutes relating to the duties found in Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the California Government Code.
- (c) The Treasurer of the Authority shall be the depositor and shall have custody of all money of the Authority from whatever source. The Treasurer shall comply strictly with the provisions of statutes relating to the duties found in Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the California Government Code.
- (d) The Sacramento County Department of Water Resources is authorized to set up appropriate funds with the Treasurer and Controller of the Authority and to administer these funds as necessary to accomplish the goals and objectives of the Authority.

§ 4.04 Staff

- (a) The Signatory Parties may assign employees to perform services for the Authority at their exclusive discretion in which case the services of such assigned employees shall be at the expense of the respective Signatory Party with any reimbursement for the value of the services provided by such assigned employee to be subject to an agreement between the contributing Signatory Party and the Board. The Board may also at its discretion enter into appropriate contracts for staff services or employ staff directly.
- (b) The Board shall adopt a Personnel Policy for the administration and management of Authority employees and personnel as it deems appropriate.

§ 4.05 Clerk and Legal Counsel

- (a) The Board shall appoint a clerk and legal counsel as it deems appropriate. The clerk and legal counsel serve at the pleasure of the Board.
- (b) Legal Counsel retained by the Board is directly accountable to the Board, and shall provide legal advice and services as requested by the Board, including legal advice to the Executive Director and other officers of the Authority. Legal Counsel retained by the Board represents the Authority, and shall not represent individual Directors, officers or employees unless authorized by the Board in writing.
- (c) The duties of the clerk shall be directed by the Board.

§ 4.06 Compensation

The compensation of officers, employees, agents, counsel and contractors shall be established by the Board as it deems appropriate.

**CHAPTER 5.
FINANCE**

**ARTICLE 1.
BUDGET**

§ 5.01 Establishment of Budget

- (a) Prior to the commencement of each fiscal year, the Board shall adopt a budget for the Authority for the ensuing fiscal year.
- (b) The Executive Director shall present to the Board a proposed budget no later than the last regularly scheduled meeting before the commencement of the ensuing fiscal year.
- (c) The Board shall direct that a copy of the budget be filed with the Controller within a reasonable time after adoption.
- (d) The Executive Director shall recommend modifications of the budget to the Board if the approved budget is inadequate due to events occurring subsequent to the approval of the budget. The Board shall consider the recommended modifications and shall vote to adopt the amended budget as it deems appropriate. The amended budget shall be filed with the Controller within a reasonable time after adoption.
- (e) The Executive Director shall implement the budgets and amended budgets approved by the Board. Expenditures of the Authority shall be made in accordance with the procedures set forth in Article 3 of this Chapter.
- (f) The fiscal year for the Authority is July 1 through June 30.
- (g) The Board shall maintain a reserve for operation expenses at a minimum of twenty (20) percent of the projected annual expenditures. Said reserve will be taken from the prior year fund balance and shall be used to meet Authority operating expenses until contributions required by the Joint Powers Agreement have been received.

**ARTICLE 2.
ASSESSMENTS, FEES, AND CHARGES**

§ 5.21 General

Assessments, fees and charges shall be approved, levied, collected and spent consistent with these Rules and all applicable laws and constitutional limitations.

§ 5.22 Adoption of Assessments, Fees and Charges

- (a) The Board shall establish assessments, fees, and/or charges sufficient to recover the costs of services provided by the Authority. Assessments, fees, and charges shall not exceed the reasonable cost of the services provided.
- (b) The Board shall conduct at least one public meeting and one public hearing prior to adopting or increasing an assessment, fee, or charge. Notice of the meeting and

hearing shall be provided as specified in these Rules of Procedure and as required by law.

- (c) Prior to adopting or increasing an assessment, fee, or charge, the Board shall make a finding that the proposed assessment, fee, or charge is reasonable in relation to the services provided and the costs of those services. The finding shall be adopted by resolution of the Board.
- (d) The Board shall review its assessments, fees, or charges annually, and shall modify such assessments, fees and charges consistent with the findings made in the Board's annual review.

§ 5.23 Adoption of Assessments, Fees and Charges for Water Costs

- (a) The Board shall establish, approve, levy, and collect assessments, fees and/or charges for Water Costs incurred by the Authority. Consistent with applicable law and constitutional limitations, the Board may establish, as it deems appropriate, specific formulas, categories and/or rates applicable to such assessments, fees or charges.
- (b) Consistent with applicable law, constitutional limitations, and the Joint Powers Agreement, the Board may establish specific formulas, categories and/or rates for setting assessments, fees or charges necessary to create incentives and disincentives for the use or non-use of the groundwater resources within the boundaries of the Authority.

§ 5.24 Variances from Assessments, Fees and Charges by the Authority

In its discretion, and consistent with applicable law and constitutional limitations, the Board may establish procedures and criteria for issuing variances from assessments, fees and charges levied by the Authority.

§ 5.25 Challenges to Assessments, Fees and Charges by the Authority

In its discretion, and consistent with applicable law and constitutional limitations, the Board may establish procedures and administrative remedies governing challenges to assessments, fees and charges imposed and levied by the Authority.

**ARTICLE 3.
PURCHASING AND EXPENDITURES**

§ 5.31 Deposits

- (a) The Authority shall establish one or more deposit accounts with State or national banks or savings associations upon such terms and conditions as may be agreed upon. The Chair and Treasurer shall establish or cause to be established such accounts in the name of the Authority for general fund expenditures.

- (b) Upon maturity, investments shall be deposited into the Authority's checking or savings accounts on the approval of either the Chair or the Treasurer.

§ 5.32 Safety Deposit Boxes

The Executive Director may obtain safety deposit boxes at State or national banks or savings associations for use of the Authority.

§ 5.33 Petty Cash Account

The Chair and Treasurer may create and the Authority may maintain a fund, known as the petty cash account, in an amount to be recommended by the Executive Director and approved by the Board. If a petty cash account is created, the Executive Director shall report to the Board on disbursements from the petty cash account.

§ 5.34 Revolving Account

- (a) The Chair and Treasurer shall create and the Authority shall maintain a fund, known as the “revolving account”, in an amount to be recommended by the Executive Director and approved by the Board. Withdrawals from the revolving account shall be made upon the signature of the Executive Director without prior Board approval. The revolving account may be used for the payment of:
 - (1) payroll;
 - (2) Public Employees Retirement System payments;
 - (3) payroll withholding taxes;
 - (4) insurance premiums and benefits;
 - (5) deferred compensation payments;
 - (6) Social Security payments;
 - (7) other payroll credit union deductions; and
 - (8) Other payments necessary to fulfill contractual and other SCGA obligations, consistent with the approved budget.
- (b) The revolving account may also be used to make emergency expenditures. Withdrawals from the revolving account shall be made upon the signature of the Chair of the Board or the Executive Director without prior Board approval.
- (c) The Executive Director shall report to the Board on all disbursements from the revolving account.

§ 5.35 Accounting Practices

- (a) The Authority shall maintain books of account in accordance with generally accepted accounting practices as promulgated by the governmental accounting standards board, showing the status of monies received and disbursed.
- (b) Funds and accounts shall be maintained as necessary to accomplish this purpose, as follows:

- (1) General (may be used for any lawful purpose):
 - (i) Petty cash;
 - (ii) Revolving; and
 - (iii) Other.
- (2) Special (may be used for specific purposes):
 - (i) Tax, assessment, fee, charge, or grant proceeds.

§ 5.36 Check Register

- (a) A check register showing the check number, payee, amount, the fund upon which it is drawn, and the purpose of each check shall be maintained by the Treasurer, and shall be available for inspection by the Board at regular Board meetings. Invoices and other supporting documents will be available with the checks at the meetings for inspection by any Director.
- (b) Checks to pay for items and services approved by the Board in the Authority's annual budget, emergencies, and invoices subject to discount and inter-fund transfers may be disbursed prior to Board approval if such amounts are included in the budget approved by the Board. Such items shall be set forth on the check register and made available for inspection by the Board at its regular Board meeting.
- (c) Checks drawn to pay demands which have been approved by the Board shall be signed by the Executive Director or the Chair.

§ 5.37 Other

- (a) Transactions described herein, including opening or closing checking accounts, shall be accomplished by the designated officer in the name of the Authority. Action by the Board is required for each transaction unless otherwise indicated in other sections of this Chapter. Withdrawals shall be supported by receipts indicating the purpose of the withdrawal, the amount, and the employee responsible for the withdrawal.
- (b) An officer may receive non-negotiable instruments on behalf of the Authority but such instruments shall be forthwith remitted to the Treasurer for handling.

CHAPTER 6. CLAIMS

§ 6.01 Claims; General

Claims against the Authority for money or damages covered by Chapter 1 (commencing with section 900) and Chapter 2 (commencing with section 910) of Part 3 of Division 3.6 of the California Government Code or other statute shall be presented and processed in accordance with the applicable statute. Other claims shall be presented and processed in accordance with this Chapter.

§ 6.02 Presentation of Claims

Claims, and amendments to claims, shall be presented personally or mailed first class delivery to the Executive Director at the address of the Authority.

§ 6.03 Contents of Claims

A claim shall be presented by the claimant or by person acting on the claimant's behalf and shall show:

- (a) The name and mailing address of the claimant;
- (b) The date, place and other circumstances of the occurrence or transaction giving rise to the claim asserted;
- (c) The general description of the indebtedness, obligation, injury, damage or loss incurred so far as may be known at the time of presentation of the claim;
- (d) The name or names of the Authority employee or employees causing the injury, damage, or loss if known;
- (e) The amount claimed as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage, or loss insofar as it may be known at the time of presentation of the claim, together with the basis of computation of the amount claimed; and
- (f) The signature of the claimant or some person on the claimant's behalf.

§ 6.04 Insufficient Claims

- (a) The Executive Director shall notify or direct that notification be given to the claimant if the claim fails to include the information required by statute or this Chapter. Such notice shall be given within twenty (20) days after the claim is presented. The claimant must file an amended claim within ten days of the Executive Director's notice.
- (b) The amended claim shall be considered in lieu of the original claim. If an amended claim is not filed within the time specified in subsection (a), the claim shall be deemed rejected.

§ 6.05 Time for Presentation of Claims

- (a) Claims against the Authority shall be presented within the times specified in Division 3.6 (commencing with section 810), Title 1, of the California Government Code.
- (b) When a claim is not filed on time, an application shall be made to the Authority for leave to present a late claim. Government Code sections 911.4(b), sections 911.6 through 912.2 inclusive, and 946.4 and 946.6 are applicable to such requests. The deadline for filing an application under this section shall be as specified in Government Code Sections 911.2, 911.6 and 946.6.

§ 6.06 Time for Action

- (a) The Board shall act on the claims, amended claims, and applications to file late claims within forty five (45) days after the application, the claim or amended claim has been presented.
- (b) Written notice of any action taken by the Board acting on a claim or application to file a late claim shall be given to the person who presented the claim by the Executive Director within ten (10) days of the Board's action.
- (c) Failure by the Board or the Executive Director to act within the times set forth in subsections (a) and/or (b) shall be deemed a rejection of the claim.

§ 6.07 Claim as a Prerequisite to Suit

- (a) No court action for money or damages may be brought against the Authority, an officer or employee on a cause of action for which a claim is required by this Chapter until the claim has been acted on by the Board.
- (b) No court action may be brought against the Authority, an officer or employee on a cause of action for which a claim is required by this Chapter unless such action is commenced within six (6) months after the claim is acted on or deemed to have been rejected by the Board.

§ 6.08 Review of Claims

Counsel shall examine claims and lawsuits and provide the Board with a written report describing and evaluating the claim or lawsuit.

§ 6.09 Defense of Claims and Lawsuits

- (a) The Authority shall defend officers or employees named as defendants or respondents in a lawsuit arising within the course and scope of employment if the officer or employee did not act with fraud or malice.
- (b) An officer or employee named in a lawsuit who wishes to obtain defense by the Authority shall file a written request with the Board within three (3) days of service of the complaint or petition. Counsel shall provide the Board with a written report and recommendation with respect to the request. The Board may

approve or deny the request or the Board may agree to defend and reserve the decision on the indemnity pending the outcome of the case.

- (c) If the Authority agrees to defend, the employee or officer shall fully cooperate with the attorney assigned to the case by the Board. The failure to fully cooperate can result in the revocation of the agreement to defend.
- (d) The officer or employee may obtain reimbursement in accordance with law if the Board refuses to indemnify and defend.

CHAPTER 7.
ALTERNATIVE DISPUTE RESOLUTION

§ 7.01 General

The Authority acknowledges that in managing groundwater in the Central Basin concerns and disagreements may arise that must be addressed in a direct and timely manner, therefore the following procedures are put into place, keeping in mind that nothing in these recommendations shall preclude any party from exercising their legal rights in a court of competent jurisdiction, however before doing so all members represented on the Authority Board agree to participate in good faith in the alternative dispute resolution procedures. To this end, the Authority establishes this Alternative Dispute Resolution Policy.

§ 7.02 Procedure

For the purpose of assisting the Authority and its members to resolve disputes in a timely and cost effective manner this policy provides:

- (a) If the disagreement pertains to the substance of the Water Forum Agreement, timely consultation with the Water Forum Successor Effort on the cause and current status of the disagreement as well as strategies which may lead to a resolution of the problem;
- (b) Prompt response by the Authority when any party invokes alternative dispute resolution procedures;
- (c) If the disagreement cannot be resolved by the Authority itself, use of an outside neutral third party (i.e., a mediator) to assist the parties in working toward a satisfactory resolution;
- (d) Completion of all procedures within sixty to ninety days, unless parties to the dispute agree to extend this timeline;
- (e) Timely notice to the Water Forum Successor Effort that alternative dispute resolution procedures have been initiated and the reasons therefore; and
- (f) Costs incurred, if any, in this process will be equally shared by the involved parties.

CHAPTER 8.
ENVIRONMENTAL REVIEW OF AUTHORITY PROGRAMS

The Authority shall comply with all environmental laws and regulations that may be applicable to any program or project approved by the Authority. The Authority hereby adopts and incorporates by reference the State California Environmental Quality Act (CEQA) Guidelines set forth in Title 14 of the California Code of Regulations, Sections 15000 *et seq.*, as authorized in section 15022(d) of the Guidelines.

**CHAPTER 9.
RECORDS**

§ 9.01 Inspection of Records

- (a) Public records of the Authority shall be open to inspection during normal business hours as set forth in Chapter 3.5 (commencing with section 6250), Division 7, Title 1 of the California Government Code.

§ 9.02 Retention of Records

- (a) The following original records shall be maintained in perpetuity in the Authority's files:
 - (1) The Joint Powers Agreement;
 - (2) Resolutions and ordinances;
 - (3) Minutes of meetings of the Board;
 - (4) Documents received relating to claims against the Authority;
 - (5) Records determined by the Board to be of significant and lasting historical, administrative, legal, fiscal or research value;
 - (6) These Rules of Procedure, and copies of amended, supplemented, repealed or changed versions; and
 - (7) Records required by law to be filed and preserved.
- (b) The Board may adopt procedures for the maintenance and retention of other records.

Adopted by Board: 12/12/2018

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY POLICIES AND PROCEDURES MANUAL

Policy Type : Board of Directors
Policy Title : Conflict of Interest Code
Policy Number : 100.2
Date Adopted : December 13, 2006
Date Amended :

Sacramento Central Groundwater Authority Conflict of Interest Code Appendix of Designated Employees and Disclosure Categories

I. Designated Positions. The positions listed below are designated employees and are deemed to make, or participate in the making of, decisions which may foreseeably have a material effect on financial interests. The designated employees and officers listed shall disclose interests and investments in accordance with the corresponding disclosure categories, which are defined below.

<u>Designated Positions</u>	<u>Disclosure Category</u>
Member of the Board of Directors	1, 2
Executive Director	1, 2
Legal Counsel	1, 2
Consultants	1, 2

II. Disclosure Categories.

1. Investments and business positions in business entities, and sources of income, which provide services, supplies, materials, machinery or equipment of the type utilized by the Authority.

2. All interests in real property in the Authority. All investments and business positions in any business entity and income from any source which is (1) a private water company; or (2) an entity or person engaged in real estate development or an owner of real property.

*Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The Executive Director may determine in writing that a particular consultant, although a “designated position”, is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY POLICIES AND PROCEDURES MANUAL

Policy Type : Board of Directors
Policy Title : Ethics Policy
Policy Number : 100.3
Date Adopted : December 13, 2006
Date Amended :

ETHICS POLICY FOR DIRECTORS OF THE SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

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Section 1. Purpose and Scope.

The policy of the Sacramento Central Groundwater Authority (“Authority”) is to maintain the highest standards of ethics by its Board members. The proper operation of the Authority requires decisions and policy to be made in the proper channels of governmental structure, that public office not be used for personal gain, and that Board members remain objective and responsive to the needs of the public they serve. Accordingly, it is the policy of the Authority that Board members and Authority employees will maintain the highest standard of personal honesty and fairness in carrying out their duties. This policy sets forth the basic ethical standards to be followed by the Board of Directors of the Authority. The objectives of this policy are to: (1) provide guidance for dealing with ethical issues; (2) heighten awareness of ethics and values as critical

elements in Board members' conduct; and (3) improve ethical decision-making and values-based management.

Section 2. Responsibilities of Public Office.

Board members are obligated to uphold the Constitution of the United States and the Constitution of the State of California. Board members will comply with applicable laws regulating their conduct, including conflict of interest, financial disclosure and open government laws. Board members will strive to work in cooperation with other public officials unless prohibited from so doing by law or officially-recognized confidentiality of their work.

(Government Code Section 1360; Article 20, Section 3 of the California Constitution.)

Section 3. Fair and Equal Treatment.

Board members, in the performance of their official duties and functions, will not discriminate against or harass any person on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, sex, sexual preference, medical condition or disability. A Board member will not grant any special consideration, treatment or advantage to any person or group beyond that which is available to every other person or group in similar circumstances.

(See, e.g., Article 1, Section 31 of the California Constitution; Age Discrimination in Employment Act of 1967 (29 U.S.C., Sections 621-634); Americans with Disabilities Act of 1990 (42 U.S.C., Section 12101 et Seq.); Fair Employment and Housing Act; Rehabilitation Act of 1973 (29 U.S.C., Section 701 et. Seq.); Title VII of the Civil Rights Act of 1964 (42 U.S.C., Section 2000e et. Seq.); Labor Code Section 1102.)

Section 4. Proper Use and Safeguarding of Authority Property and Resources.

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 benefit or profit. A Board member will not ask or require an Authority employee to perform services for the personal benefit 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.

(Article 16, Section 6 of the California Constitution, Government Code Section 8314; Penal Code Section 424; see *People v. Battin* (1978) 77 Cal.App.3d 635.)

Section 5. Use of Confidential Information.

A. A Director is not authorized, without approval of the Board of Directors, 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. It is within the Board's discretion to allow a Director who serves as a member of the legislative body of a member agency of the Authority to disclose information obtained in a closed session that has a direct financial or liability implication for that member agency, to the following individuals: (1) legal counsel of that member local agency for purposes of obtaining advice on whether the matter has direct financial or liability implications for that member local agency; or (2) other members of the legislative body of the member agency present in a closed session of that member agency.

B. This section does not prohibit any of the following: (1) making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney 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 Chair of the Board or the full Board, to provide the Board an opportunity to cure an alleged violation.

C. A Director who willfully and knowingly discloses for pecuniary gain confidential information received by him or her in the course of his or her official duties may be guilty of a misdemeanor under Government Code Section 1098.

(Government Code Section 54963.)

Section 6. Conflict of Interest.

A. A Board member will not have a financial interest in a contract with the Authority, or be purchaser at a sale by the Authority or a vendor at a purchase made by the Authority, unless the Board member's participation was authorized under Government Code sections 1091 or 1091.5, or other provisions of law. A Board member will not participate in the discussion, deliberation or vote on a matter before the Board of Directors, or in any way attempt to use his or her official position to influence a decision of the Board, if he or she has a prohibited interest with respect to the matter, as defined in the Political Reform Act, Government Code sections 81000, and following, relating to conflicts of

interest. Generally, a Director has a financial interest in a matter if it is reasonably foreseeable that the Board decision would have a material financial effect (as defined by the Fair Political Practices Commission's regulations) that is distinguishable from the effect on the public generally on: (a) a business entity in which the Director has a direct or indirect investment in the amount specified in FPPC regulations; (b) real property in which the Director has a direct or indirect investment interest, with a worth in the amount specified in FPPC regulations; (c) a source of income of the Director in the amount specified in FPPC regulations, within twelve months before the Board decision; (d) a source of gifts to the Director in an amount specified in FPPC regulations within twelve months before the Board decision; or (e) a business entity in which the Director holds a position as a director, trustee, officer, partner, manager or employee. An "indirect interest" means any investment or interest owned by the spouse or dependent child of the Director, by an agent on behalf of the Director, or by a business entity or trust in which the Director, or the Director's spouse, dependent child or agent, owns directly, indirectly or beneficially a ten percent interest or greater. An elected official will not accept honoraria, or gifts that exceed the limitations specified in the Fair Political Practices Act or FPPC regulations. Board members will report all gifts, campaign contributions, income and financial information as required under the Authority's Conflict of Interest Code and the provisions of the Fair Political Practices Act and the FPPC Regulations.

(Government Code Sections 87100 and following.)

B. If a member of the Board believes that he or she may be disqualified from participation in the discussion, deliberations or vote on a particular matter due to a conflict of interest, the following procedure will be followed: (a) if the Director becomes aware of the potential conflict of interest before the Board meeting at which the matter will be discussed or acted on, the Director will notify the Authority's Executive Director and the Authority's legal counsel of the potential conflict of interest, so that a determination can be made whether it is a disqualifying conflict of interest; (b) if it is not possible for the Director to discuss the potential conflict with the Executive Director and the Authority's legal counsel before the meeting, or if the Director does not become aware of the potential conflict until during the meeting, the Director will immediately disclose the potential conflict during the Board meeting, so that there can be a determination whether it is a disqualifying conflict of interest; and (c) upon a determination that there is a disqualifying conflict of interest, the Director: (1) will not participate in the discussion, deliberation or vote on the matter for which a conflict of interest exists, which will be so noted in the Board minutes; and (2) leave the room until after the discussion, vote and any other disposition of the matter is concluded, unless the matter has been placed on the portion of the agenda reserved for uncontested matters, except that the Director may speak on the issue during the time that the general public speaks on the issue.

C. A Board member will not recommend the employment of a relative by the Authority. A Board member will not recommend the employment of a relative to any person known by the Board member to be bidding for or negotiating a contract with the Authority.

D. A Board member who knowingly asks for, accepts or agrees to receive any gift, reward or promise thereof for doing an official act, except as may be authorized by law, may be guilty of a misdemeanor under Penal Code Section 70.

(Government Code Sections 1090 and following, 81000 and following and 87105; Penal Code Sections 68 and 70.)

Section 7. Soliciting Political Contributions.

Board members are prohibited from soliciting political funds or contributions at Authority facilities, or from Authority employees. A Board member will not accept, solicit or direct a political contribution from: (a) Authority employees, officers, consultants or contractors; or (b) vendors or consultants who have a material financial interest in a contract or other matter while that contract or other matter is pending before the Authority. A Director 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.

(Government Code Section 3205.)

Section 8. Incompatible Offices.

Any Board member appointed or elected to a public office of another public entity, the duties of which may require action contradictory or inconsistent with the Board action (as determined under applicable law), will resign from the former office. Serving on the Board of a member of the Authority is not incompatible with serving on the Board of the Authority.

(See, generally, 73 Cal.Op.Atty.Gen. 357 (1990). See also Government Code Section 53227, under which an employee of a special district may not be sworn into office as an elected or appointed member of the Board of the same special district unless he or she resigns as an employee.)

Section 9. Board Member-Executive Director Relationship.

A. The Board sets the policy for the Authority. The Authority's Executive Director has the authority that is delegated to him or her by the Board as set forth in "*Rules of Procedure Governing the Sacramento Central Groundwater Authority*," as amended from time to time.

B. The Authority's Executive Director serves at the pleasure of the Board. The Board will provide policy direction and instructions to the Executive Director on matters within the authority of the Board by majority vote of the Board, depending on the circumstances, during duly-convened Board and Board committee meetings. Members of the Board will deal with matters within the authority of the Executive Director through

the Executive Director, and not through other Authority employees. Members of the Board will refrain from making requests directly to Authority employees (rather than to the Executive Director) 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 employees.

C. For purposes of this policy, employees include employees of the Signatory Parties when acting as agents for the Authority.

Section 10. Improper Activities and the Reporting of Such Activities; Protection of "Whistle Blowers."

A. The Executive Director has primary responsibility for: (1) ensuring compliance with the Authority's Personnel Manual, and ensuring that Authority employees do not engage in improper activities; (2) investigating allegations of improper activities; and (3) taking appropriate corrective and disciplinary actions. Board members are encouraged to fulfill their obligation to the public and the Authority by disclosing to the Executive Director to the extent not expressly prohibited by law, improper activities within their knowledge. Board members will not interfere with the Executive Director's responsibilities in identifying, investigating and correcting improper activities, unless the Board determines that the Executive Director is not properly carrying out these responsibilities.

B. 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 Executive Director 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, gross waste of Authority funds, gross abuse of authority, a specified and substantial danger to public health or safety due to an act or omission of a Authority official or employee, use of a Authority office or position or of Authority resources for personal gain, or a conflict of interest of a Authority Board member or Authority employee.

C. 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 Executive Director any information regarding the subjects described in this section.

(Labor Code Section 1102.5 and following; Government Code Sections 53298 and 53298.5.)

Section 11. Compliance with the Brown Act.

The members of the Board of Directors, and persons appointed but who have not yet assumed office as members of the Board, will fully comply with the provisions of the State's open meeting law for public agencies (the Brown Act).

(Government Code Sections 54950 and following, and 54952.1 and 54959.)

Section 12. Violation of Ethics Policy.

A perceived violation of this policy by a Board member should be referred to the Chair of the Board or the full Board of Directors 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) adoption of a resolution expressing disapproval of the conduct of the Board member who has violated this policy, (b) injunctive relief, or (c) referral of the violation to the District Attorney and/or the Grand Jury.

Adopted by the Board of Directors, _____

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY POLICIES AND PROCEDURES MANUAL

Policy Type : Operations
Policy Title : Groundwater Data Policy
Policy Number : 300.1
Date Adopted : November 9, 2011
Date Amended :

1.0 Purpose

The purpose of this Groundwater Data Policy (“Policy”) is to establish a methodology for the Sacramento Central Groundwater Authority (“Authority”) to receive data from member agencies and to respond to data requests that ensures the confidentiality of the data are maintained.

2.0 Scope

This Policy applies to all groundwater data that are currently in the possession of the Authority or that the Authority will acquire in the future.

3.0 Recitals

- 3.1. WHEREAS, the Authority is a joint powers agency formed pursuant to the Joint Exercise of Powers Act (Cal. Gov’t Code section 6500, et seq.) and acts pursuant to the authority of its member agencies; and
- 3.2. WHEREAS, the mission of the Authority is to manage, protect and sustain the groundwater resources of the basin of Sacramento County south of the American River consistent with the Water Forum Agreement for the benefit of the water users within the basin, and to coordinate with other management entities and activities throughout the region; and
- 3.3. WHEREAS, the Authority, in carrying out its mission, has need to acquire groundwater data (e.g. well location, geological information, water quality and water level data) from its member agencies and compile the data in a data management system; and
- 3.4. WHEREAS, the member agencies have developed or acquired confidential, technical and proprietary information relating to well construction, groundwater data and water quality information (“Confidential Information”) and that all parties wish to ensure that the Confidential Information which may be

disclosed pursuant to this Policy is treated in strictest confidence consistent with the requirements of law; and

- 3.5. WHEREAS, such Confidential Information is not general public knowledge, is proprietary and/or confidential and is being disclosed on a limited basis, voluntarily, under the terms and conditions of this Policy; and
- 3.6. WHEREAS, the Authority has received requests from both the public and its member agencies for the groundwater data it has acquired; and
- 3.7. WHEREAS, member agencies have requested the Authority to respond to a data request on its behalf; and
- 3.8. WHEREAS, the California Public Records Act (Gov't Code section 6250, et seq.) declares that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in the state; and
- 3.9. WHEREAS, notwithstanding the intent of the California Public Records Act, the Act also exempts numerous types of information from public disclosure, including
 1. geological and geophysical data (Gov't Code section 6254(e));
 2. well completion reports (Cal. Water Code section 13752);
 3. disclosure of a public record to a public agency pursuant to an agreement to treat the material as confidential (Gov't Code section 6254.5(e)); and
 4. any information where, based on the particular facts of the case, the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record (Gov't Code section 6255); and
- 3.10. WHEREAS, the Authority and its member agencies agree that subject to the discretion of the individual member agency, such Confidential Information is exempt from public disclosure but may be disclosed on a limited basis pursuant to the statutory provisions cited above, and they further agree not to dispute or in any manner contest or object to a member agency's determination or policy or policies in this regard; and
- 3.11. WHEREAS, the Authority, as a public agency subject to the California Public Records Act, is in need of a written Policy for acquisition of data from its member agencies and to respond to internal and external data requests that ensures the confidentiality of the data are maintained.

NOW THEREFORE, BE IT RESOLVED THAT:

1. Member agencies shall provide groundwater data to the Authority under a claim of confidentiality and shall have all documents marked as confidential.

2. All data submitted to the Authority by a member agency shall be pursuant to an agreement to treat the material as confidential.
3. The Authority shall maintain all groundwater data as confidential, pursuant to the claims at the time of submission. Only persons authorized in writing by the Executive Director of the Authority shall obtain the confidential information on behalf of the Authority and only for the purposes that are consistent with existing law.
4. The Authority shall immediately notify a submitting member agency of any request for information from a member of the public in order to allow sufficient time to assert any exclusions or privileges that may be available by law.
5. The Authority may not disclose any data to the public without the express authorization of the submitting member agency.
6. The Authority may assert any applicable exclusion or privilege, either on its own behalf or on behalf of a member agency.
7. If any information is required to be disclosed pursuant to law or court order, the member agency shall work with the Authority to comply with the disclosure request while limiting the disclosure in a manner to preserve the confidential and proprietary nature of the Confidential Information.
8. To the extent that a Public Record Act request is made of the Authority and the Authority has been unable to convince the requestor to seek the data directly from the member agency, the member agency/agencies whose data are being sought shall fully and completely defend, indemnify and hold Authority harmless for its costs with respect to asserted exclusions or privileges.
9. The Authority shall disclose groundwater data to a member agency on the condition that the member agency agrees in writing to protect the confidentiality of the records and to limit their disclosure to persons who are employed or retained by the agency and who have signed an agreement to maintain the confidentiality of the records.
10. The Authority shall disclose groundwater data to a public agency only if the public agency requires the information to perform its legally mandated duties and the public agency agrees in writing to protect the confidentiality of the records and to limit their disclosure to persons who are employed or retained by the agency and who have signed an agreement to maintain the confidentiality of the records.

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY POLICIES AND PROCEDURES MANUAL

Policy Type : Operations
Policy Title : Architectural and Engineering Services Selection Policy
Policy Number : 300.2
Date Adopted : July 9, 2014
Date Amended :

Architectural and Engineering Services Selection Policy

The procurement of architectural and engineering services for the Sacramento Central Groundwater Authority will be on the basis of documented competence and qualifications for the types of services to be performed, and at a fair, competitive and reasonable price.

For the purposes of this policy, the term "architectural and engineering services" means any specialized services performed by firms or persons who are qualified, by education, experience, licenses or certification in a particular field. Types of services may include, but are not limited to: architectural, landscape architectural, environmental, engineering, land surveying, and construction project management services.

Architectural and engineering services that would cost \$50,000 or less the Executive Director shall solicit informal quotes (via telephone, fax, e-mail, mail) from at least three firms or provide justification as to why such quotations were not possible or necessary. All contracts must be in conformance with the Groundwater Authority's approved budget. The Executive Director will inform the Board of any such contract that has been awarded.

Architectural and engineering services that would cost more than \$50,000 will be obtained by a competitive proposal process by issuance of a Request for Proposals or the issuance of a Request for Qualifications, as determined by the Executive Director, and a contract for such services will be subject to approval of the Board of Directors. The Executive Director will recommend to the Board of Directors selection based on documented competence and qualifications for the types of services to be performed, and at a fair, competitive and reasonable price, and not based solely on the lowest-cost proposal submitted. The Board may waive or amend this policy at any time, and may waive the competitive proposal process in cases where an engineering firm has satisfactorily performed the previous stage of a project, has acquired extensive background and working knowledge of the work to be performed, is a highly-recognized authority in the field or area of work to be performed, or is the only-known available highly-recognized authority.

A written description of the selection process, including selection rationale, list of firms on a selection short-list, basis of selection and determination of project fee/cost will be submitted by the Executive Director to the Board with each contracting recommendation.