

BYLAWS

of the

UPPER VENTURA RIVER

GROUNDWATER AGENCY

Adopted on
December 14, 2017

ARTICLE 1	DEFINITIONS AND CONSTRUCTION	1
1.1	DEFINITIONS AND CONSTRUCTION	1
ARTICLE 2	THE AGENCY	2
2.1	NAME OF THE AGENCY	2
2.2	PRINCIPAL OFFICE OF THE AGENCY	2
2.3	AGENCY POWERS	2
ARTICLE 3	MEETINGS	2
3.1	TIME AND PLACE	2
3.2	SPECIAL MEETINGS	2
3.3	CONDUCT	2
3.4	LOCAL CONFLICT OF INTEREST CODE	3
3.5	AGENDA	3
3.6	QUORUM	3
3.7	OFFICIAL ACT	3
3.8	DIRECTOR VOTING	3
3.9	COLLABORATIVE DECISION-MAKING APPROACH	3
3.10	ACTIONS NOT SUBJECT TO CONSENSUS VOTING PROCEDURE	5
3.11	ROLL CALL VOTE	5
3.12	SUPERMAJORITY VOTING	5
3.13	UNANIMOUS VOTE	5
3.14	RULES OF ORDER	5
3.15	MINUTES	5
ARTICLE 4	BOARD OFFICERS, EXECUTIVE DIRECTOR AND STAFF	6
4.1	OFFICERS	6
4.2	TERM OF BOARD OFFICERS	6
4.3	BOARD SECRETARY	6
4.4	EXECUTIVE DIRECTOR	6
4.5	GENERAL COUNSEL	6
4.6	PRINCIPAL OFFICE	6
4.7	STAFF COMPENSATION	7
4.8	FISCAL AGENT AND TREASURER	7
4.9	CONSULTANTS	7
4.10	GSP PROJECT MANAGER	7
ARTICLE 5	DIRECTOR COMPENSATION AND EXPENSES	7
5.1	COMPENSATION	7
5.2	EXPENSES	7
ARTICLE 6	COMMITTEES	8
6.1	ESTABLISHMENT OF ADVISORY COMMITTEES	8
6.2	ESTABLISHMENT OF STANDING COMMITTEES	8

6.3	CONDUCT OF STANDING COMMITTEES	8
6.4	STANDING COMMITTEE MEMBERSHIP	8
6.5	STANDING COMMITTEE DIRECTION	8
6.6	EXECUTIVE COMMITTEE	9
6.7	AD HOC COMMITTEES	9
ARTICLE 7	BUDGET AND FINANCES	9
7.1	BUDGET	9
7.2	APPROVAL OF WARRANTS AND SIGNATURE OF CHECKS	9
7.3	GENERAL AND SPECIAL BOOKS OF ACCOUNT	9
7.4	FUND DEPOSITORIES	10
ARTICLE 8	DEBTS AND LIABILITIES	10
8.1	DEBTS AND LIABILITIES	10
ARTICLE 9	RECORDS RETENTION	10
9.1	RECORDS RETENTION POLICY	10
9.2	MAINTENANCE AND INSPECTION OF AGREEMENT AND BYLAWS	10
9.3	INSPECTION RIGHTS OF MEMBERS	10
9.4	INSPECTION BY DIRECTORS	10
9.5	INSPECTION BY THE PUBLIC	10
ARTICLE 10	EMAIL POLICY	11
10.1	PURPOSE AND SCOPE	11
10.2	ASSIGNMENT OF EMAIL ACCOUNT	11
10.3	USE OF EMAIL ACCOUNTS	11
10.4	PRIVACY AND DISCLOSURE	11
10.5	SECURITY	11
ARTICLE 11	CODE OF ETHICS	11
11.1	DECLARATION OF POLICY	11
11.2	RESPONSIBILITIES OF PUBLIC OFFICE	12
11.3	DEDICATED SERVICE	12
11.4	FAIR AND EQUAL TREATMENT	12
11.5	POLITICAL ACTIVITIES	12
11.6	EX PARTE COMMUNICATIONS	12
11.7	AVOIDANCE OF IMPRESSIONS OF CORRUPTIBILITY	12
11.8	NO DISCRIMINATION IN APPOINTMENTS	13
11.9	AGENCY ALLEGIANCE AND PROPER CONDUCT	13
11.10	PENALTIES	13
11.11	ETHICS TRAINING	13
ARTICLE 12	CLAIMS AGAINST THE AGENCY	13
12.1	[RESERVED]	13

ARTICLE 13	PURCHASING POLICY	13
13.1	[RESERVED]	13
ARTICLE 14	INVESTMENT POLICY	13
14.1	[RESERVED]	13
ARTICLE 15	CONFLICT OF INTEREST CODE	13
15.1	[RESERVED]	13
ARTICLE 16	AMENDMENT	13
16.1	AMENDMENT	13
ARTICLE 17	SPECIAL PROJECTS	13
17.1	SPECIAL PROJECTS	13
ARTICLE 18	MISCELLANEOUS PROVISIONS	13
18.1	NO PREDETERMINATION OR IRRETRIEVABLE COMMITMENT OF RESOURCES	13
18.2	NOTICES	13
18.3	SEVERABILITY	14
18.4	SINGULAR INCLUDES PLURAL	14

PREAMBLE

These Bylaws are adopted pursuant to Section 4.1.1 and Article 11 of the Joint Exercise of Powers Agreement (Agreement) creating the Upper Ventura River Groundwater Agency.

ARTICLE 1

DEFINITIONS AND CONSTRUCTION

1.1 Definitions and Construction. Unless specifically defined in these Bylaws, all defined terms shall have the same meaning ascribed to them in the Agreement. If any term of these Bylaws conflicts with any term of the Agreement, the Agreement's terms shall prevail, and these Bylaws shall be amended to eliminate such conflict of terms. Unless the context or reference to the Agreement requires otherwise, the general provisions, rules of construction, and definitions in the California Civil Code will govern the interpretation of these Bylaws.

DEFINITIONS

The following terms have the following meanings for purposes of the Bylaws.

1.2 "Agreement" has the meaning The Joint Exercise of Powers Agreement by and among the Casitas Municipal Water District, the City of San Buenaventura, the County of Ventura, the Meiners Oaks Water District, and the Ventura River Water District for purposes of forming the Upper Ventura River Groundwater Agency and setting forth the terms pursuant to which the Agency shall operate.

1.3 "Auditor" means the auditor of the financial affairs of the Agency appointed by the Board of Directors pursuant to Section 13.3 of the Agreement.

1.4 "Agency" means the Upper Ventura River Groundwater Agency.

1.5 "Board of Directors" or "Board" means the governing body of the Agency as established by Article 6 of the Agreement.

1.6 "Bylaws" means these Bylaws adopted by the Board of Directors pursuant to Section 4.1.1 and Article 11 of the Agreement to govern the day-to-day operations of the Agency.

1.7 "Director" and "Alternate Director" shall mean a director or alternate director appointed by a Member or by the Board pursuant to Article 6 of the Agreement.

1.8 "Executive Director" means the chief administrative officer of the Agency to be appointed by the Board of Directors pursuant to Article 10 of the Agreement.

1.9 "Farm Bureau" means the Farm Bureau of Ventura County.

1.10 "GSP" means a Groundwater Sustainability Plan for the Basin.

1.11 “Member” means any Agency Member, as determined pursuant to Article 5 of the Agreement. “Members” shall refer collectively to all Members of the Agency.

1.12 “Member Director” means a Director appointed pursuant to Article 6 of the Agreement that represents a Member.

1.13 “Officer(s)” means the chair, vice chair, secretary, or treasurer of the Agency to be appointed by the Board of Directors pursuant to Article 7 of the Agreement.

1.14 “Quorum” shall have the meaning assigned to it in Section 9.1 of the Agreement.

1.15 “Special Projects” means a project undertaken pursuant to Article 17 of the Agreement.

1.16 “Stakeholder Director” means a Director appointed pursuant to Article 6 of the Agreement that represents stakeholder interests.

ARTICLE 2

THE AGENCY

2.1 Name of the Agency. The name of the Agency created by the Agreement is the Upper Ventura River Groundwater Agency.

2.2 Principal Office of the Agency. The principal office of the Agency is the shared office of the Ojai Groundwater Basin Management Agency and the Upper Ventura River Groundwater Agency, located at 428 Bryant Circle, Ojai, CA 93023.

2.3 Agency Powers. The powers of the Agency are established in Article 4 of the Agreement and vested in the Board. The Board reserves the right to delegate such powers as are appropriate and permissible by law.

ARTICLE 3

MEETINGS

3.1 Time and Place. The Board of Directors shall meet at least quarterly, at a date, time, and place set by the Board, within the jurisdictional boundaries of one or more of the Members, and at such times as may be determined by the Board.

3.2 Special Meetings. Special meetings of the Board of Directors may be called by the Chair or by a vote of the Directors in accordance with the requirements of the Ralph M. Brown Act, Government Code Section 54950, *et seq.* (“Brown Act”).

3.3 Conduct. All meetings of the Board of Directors, including special meetings, shall be noticed, held, and conducted in accordance with the Brown Act. The Board may use teleconferencing in connection with any meeting in conformance with and to the extent authorized by the Brown Act.

3.4 Local Conflict of Interest Code. The Board of Directors has adopted a local conflict of interest code pursuant to the provisions of the Political Reform Act of 1974, Government Code Section 81000, *et seq.* The Board shall take all actions necessary to ensure the code remains in compliance with applicable laws, including updating the code as required.

3.5 Agenda. The Executive Director, in consultation with Board Chair, shall prepare the draft agenda. The Board Chair shall approve the draft agenda before its finalization and posting. The agenda shall in all respects comply with the Brown Act.

3.6 Quorum. Quorum will be determined as provided in Section 9.1 of the Agreement.

3.7 Official Act. The Agency shall take action by motion, resolution, or ordinance. Every action shall be by a vote of the Board in accordance with the applicable provisions of the Agreement, the Bylaws, and State laws.

3.8 Director Voting. All votes of the Board of Directors shall be in accord with the procedures set forth in Article 9 of the Agreement, supplemented by the Collaborative Decision-Making Approach set forth in Section 3.9 of these Bylaws.

3.9 Collaborative Decision-Making Approach. The Board shall seek to achieve unanimous consensus among its members by following these procedures for collaborative decision-making. All actions taken pursuant to this Section 3.9 shall be conducted in accordance with the requirements of the Brown Act and provisions of the Agreement. If any conflict arises between the procedures required by this Section 3.9 and the requirements of the Brown Act or the provisions of the Agreement, the Brown Act and/or Agreement shall control.

3.9.1 Guiding Principles for Collaborative Decision-Making Approach.

3.9.1.1 Consensus. The Directors shall seek to reach consensus on all decisions. Consensus means that each Member of the GSA Board does not reject a proposal. In reaching consensus, some Directors may “support” a particular decision while others may only be able to “live with it.” Still others may choose to “stand aside” by verbally noting disagreement, yet allowing the Board to reach consensus without them. Any of these actions constitutes consensus. A lack of consensus is when one or more Members cannot support, live with, or stand aside on a topic.

3.9.1.2 Consensus with Accountability. The Board will seek mutually acceptable and beneficial decisions whenever possible. In an attempt to achieve consensus, any Director that disagrees with a decision must provide an alternative that attempts to meet his/her agency’s/constituency’s interests while also meeting the interests of other Directors. The consensus decision method is based on principles of “consensus with accountability.”

3.9.1.3 Consensus Seeking. As stated above, the Board will seek to achieve consensus. This reflects an aspiration, however. The work of the Board must be timely and efficient and attempts to reach consensus cannot continue indefinitely. Therefore, “consensus seeking” represents an approach through which the Board will make a robust, reasonable attempt to reach consensus, the duration of which must be decided by the Board. After such attempts are made, if the Board cannot reach consensus, the approach and outcomes are memorialized, and the Board may proceed to a vote.

3.9.1.4 Agreements in Principle/Agreements in Detail. In a collaborative decision-making process, it is beneficial for Directors to have the space and time to propose initial ideas to be discussed amongst, and potentially modified by, their Board colleagues, rather than to move straight to a binding vote. This can be achieved using “straw polls” or similar methods whereby a Director proposes an idea in principle, the Board discusses and modifies it, the Board seeks to reach an informal “agreement in principle,” and then votes on the item. This method allows Members time to informally discuss ideas, test feasibility with other colleagues/leadership or their Member organizations, and eventually reach consensus.

3.9.2 Consensus Seeking Decision Approach

3.9.2.1 Preliminary Discussions. The Board shall employ a consensus seeking decision approach whereby Directors and Members become informed on the item under consideration by the Board, Directors deliberate over the issues, and Directors then create proposals to test the feasibility of a decision to achieve consensus. In this step the Directors shall employ straw polls, agreements in principle, and consensus with accountability.

3.9.2.2 First Vote. At a point where the Board feels that a matter has been sufficiently discussed, a Director should make a motion for a formal vote. The result of the first vote is either a consensus decision or failure to reach consensus. If the Board achieves consensus on a first vote, then the decision is final. If the Board does not achieve consensus, the matter will be continued to a future Board meeting where final action may be taken upon a second vote.

3.9.2.3 Consensus Review. In the time period between a first and a second vote, the Directors will review the discussion and outcome regarding the first vote and should prepare alternatives to the item under consideration that will meet the interests of all Members. Communications between Directors shall be conducted in strict compliance with the requirements of the Brown Act. The Board may hold noticed public workshops or meetings between the first and second vote as necessary to foster further consensus-based discussion of the matter. Consideration of viewpoints and alternatives will be particularly important for any Directors that could not support the topic at the first vote. The duration of this consensus review period is at the discretion of the Board.

3.9.2.4 Second Vote. After the prescribed period of time has passed, the Board will place the item on the agenda for a second vote. At that time, Directors will discuss the item under consideration with a particular emphasis placed on proposed alternatives that ideally achieve the interests of all Members. After a sufficient discussion period, the Board will conduct the second vote, which shall be final.

3.9.2.5 Dispute Resolution. In the event that an outcome of the second vote is considered untenable by one or more Members, the Member(s) may initiate the dispute resolution process provided by Section 18.9 of the Agreement.

3.10 Actions Not Subject to Consensus Voting Procedure. The Board may approve the regular monthly receivables by a simple majority vote, rather than the procedures required by Article 9 of the Agreement and Section 3.9 of these Bylaws, so long as the routine costs and bills making up the regular monthly receivables have not been objected to by any Director. A Director may

voice an oral objection at the meeting or file an objection in writing prior to the meeting. Likewise, any meeting of the Board may be adjourned by a simple majority vote.

3.11 Roll Call Vote. The vote on resolutions, ordinances, and on such other matters as may be requested by majority of the Board or required by law, shall be accomplished by roll call vote and the vote of each Director shall be entered upon the minutes of such meeting.

3.12 Supermajority Voting. When a supermajority vote is required by Section 9.3 of the Agreement, it shall be determined as follows:

3.12.1 If either six (6) or seven (7) Directors are in attendance and eligible to vote, a supermajority shall mean six (6) affirmative votes.

3.12.2 If only six (6) Directors are in attendance and one (1) of those six (6) Directors is prevented from voting due to a conflict of interest, a supermajority vote shall mean five (5) affirmative votes.

3.12.3 If only six (6) Directors are in attendance and two (2) of those six (6) Directors are prevented from voting due to a conflict of interest, a supermajority shall mean four (4) affirmative votes, provided that all four (4) affirmative votes are by Member Directors.

3.12.4 If fewer than six (6) Directors are in attendance at the meeting, a matter subject to a supermajority vote pursuant to Section 9.3 shall not be called for a vote.

3.13 Unanimous Vote. Provisions the Agreement requiring a unanimous vote of the Board shall mean a unanimous vote of the Directors present at the meeting.

3.14 Rules of Order. All rules of order not otherwise provided for in these Bylaws shall be determined, to the extent practicable, in accordance with "Robert's Rules of Order"; provided, however, that no action shall be invalidated or its legality otherwise affected by the failure or omission to observe or follow "Robert's Rules of Order."

3.15 Minutes. The Executive Director shall prepare written minutes of the Board meetings, which shall be available for public inspection when approved by the Board. The record shall contain the votes and abstentions on each matter for which a vote is taken.

ARTICLE 4

BOARD OFFICERS, EXECUTIVE DIRECTOR AND STAFF

4.1 Officers. Officers of the Agency shall be as set forth in Section 7.2 of the Agreement and elected as set forth in Section 7.2.

4.2 Term of Board Officers. The term of office for officers shall be one year and elections shall be held at first meeting at the start of the fiscal year. Officers may serve consecutive terms with no limit.

4.3 Board Secretary. The Secretary may, with oversight, assign designated day-to-day responsibilities to be carried out by the Executive Director. The Executive Director shall keep the administrative records of the Agency, act as secretary at meetings of the Agency, record all votes and keep a record of the proceedings of the Agency to be kept for such purpose, and perform all duties incident to the Secretary's office. The Executive Director shall maintain a record of all official proceedings of the Board. The Executive Director shall also establish and maintain a list of persons interested in receiving notices regarding plan preparation, meeting announcements, and availability of draft plans, maps, and other relevant documents pursuant to Water Code Section 10723.4.

4.4 Executive Director. The Executive Director shall be appointed by, and serve at the pleasure of, the Board. The Executive Director shall have general supervision over the administration of Agency business and affairs, subject to the direction of the Board. Compensation shall be set by contract with the Executive Director. The Executive Director may execute contracts, deeds, and other documents and instruments as authorized by the Board. The Board shall maintain a job description of the duties and requirements of the Executive Director.

4.5 General Counsel. The Agency's General Counsel shall serve at the pleasure of the Board of Directors. General Counsel shall be appointed by the Board, and shall be directly responsible to the Board. The General Counsel shall give advice or written opinions as needed and/or directed by the Board, and shall prepare proposed resolutions, laws, rules, contracts, and other legal documents for the Agency as directed by the Board Chair, Executive Committee, or Board of Directors. The General Counsel shall attend to all lawsuits and other matters to which the Agency is a party or in which the Agency may be legally interested and do such other things pertaining to the General Counsel's office as may be requested. Additionally, the General Counsel shall, when deemed appropriate or called upon, seek the advice and consultation of the legal counsels, and possibly staff, from Agency Members on legal issues facing the Agency. Agency General Counsel will recommend appointment of Special Counsel for matters involving more specialized legal service as required. Compensation for General Counsel shall be set by agreement between the Agency and General Counsel approved by the Board.

4.6 Principal Office. The principal office of the Agency is 428 Bryant Circle, Ojai, CA 93023. It may be changed at any time by a vote of the Board.

4.7 Staff Compensation. Staff of the Agency shall receive compensation as set by written contract approved by the Board. When, and only if, specifically authorized by the Board in advance, staff may receive reimbursement of their actual and necessary expenses incurred in carrying out Agency business at the then current IRS reimbursement rate.

4.8 Fiscal Agent and Treasurer. The Treasurer and Auditor for the Agency shall be appointed as set forth in Section 13.3 of the Agreement. The Treasurer shall be depository for and shall have the responsibility for all money of the Agency from whatever source. All funds of the Agency shall be strictly and separately accounted for and regular reports shall be rendered of all receipts and disbursements during the fiscal year, as designated by the Board. The books and records of the Agency shall be open to inspection by the Member and Stakeholder Directors, and the Treasurer shall provide strict accountability of said funds in accordance with Government

Code sections 6505 and 6505.5 and all other applicable provisions of law, including any amendments thereto.

4.9 Consultants. The Agency may, by vote of the Board, hire and engage consultants to assist the Agency in carrying out its functions and duties. Consultants shall possess the technical background, expertise, and experience necessary to perform the work directed by the Board.

4.10 GSP Project Manager. The Agency may, by vote of the Board, hire and engage a consultant to assist in preparation and implementation of a Groundwater Sustainability Plan ("GSP"). This position shall be named the GSP Project Manager and shall be responsible for preparing and implementing the GSP, as directed by the Board. An engineering or other technical firm may perform these duties; but, if performed by a firm, an individual shall be appointed to serve as the primary project manager. In preparing the GSP, the Agency's GSP Project Manager may consult with any committee established by the Board, as directed by the Board. The Agency's GSP Project Manager shall also provide technical information and reports to the Board as needed and/or directed by the Board. Following the adoption of the GSP, the Agency's GSP Project Manager shall be responsible for all work needed to implement the terms of the GSP as directed by the Board, including, if so directed, the preparation of an annual report.

ARTICLE 5

DIRECTOR COMPENSATION AND EXPENSES

5.1 Compensation. Directors are not compensated by the Agency for their service.

5.2 Expenses. If previously approved by the Board, a Director shall receive actual, reasonable, and necessary reimbursement for travel, meals, lodging, registration, and similar expenses incurred in performing Agency business. The reimbursement rates for lodging shall not exceed the posted rates for a trade conference. If lodging at the posted rates is not available, the reimbursement rate shall be comparable to the posted rates. For travel of 250 miles or less, directors shall be reimbursed at the IRS mileage rate. For travel over 250 miles, directors shall be reimbursed at a rate determined by the Board. As used herein, "transportation" includes travel to and from terminals. Automobile rental expenses shall be approved in advance. Reimbursement for meals shall be at the rate established by the IRS or actual reasonable cost not to exceed \$90 per day. Reimbursement will not be provided for alcoholic beverages. Directors may declare the amount of the meal under penalty of perjury in lieu of receipts if the amount is less than the IRS rate. Claims for expense reimbursement shall be submitted to the Board on forms provided by the Agency within 30 days after the expense has been incurred. The Executive Director shall determine whether the claim satisfies the requirements of this section, and if the claim is denied, the claimant may appeal to the Board. In accordance with Government Code Section 53065.5, the Agency shall, at least annually, disclose any reimbursement paid within the immediately preceding fiscal year of at least one hundred dollars (\$100) for each individual charge. The disclosure requirement shall be fulfilled by including the reimbursement information in a document published or printed at least annually by a date determined by that Board and shall be made available for public inspection.

ARTICLE 6

COMMITTEES

6.1 Establishment of Advisory Committees. In accordance with Article 12 of the Agreement, the Board may from time to time establish advisory committees for the purpose of making recommendations to the Board on the various activities of the Agency. The establishment of any advisory committee and its duties shall require a vote of the Board. Advisory committees may be established as standing or ad hoc committees.

6.2 Establishment of Standing Committees. The Board may from time to time establish standing committees for the purpose of making recommendations to the Board on the various activities of the Agency. The establishment of any standing committee and its duties shall require a vote of the Board. The Board may by vote dissolve a standing committee at any time.

6.3 Conduct of Standing Committees. All standing committee meetings shall be noticed, held, and conducted in accordance with the provisions of the Brown Act. The Board may further establish rules of conduct for said standing committees. Each standing committee shall establish a time and place for regular meetings and may call special meetings in the same manner as the Board. Standing committee meetings shall be recorded and minutes prepared, which, upon approval, shall be distributed to the Board.

6.4 Standing Committee Membership. Standing committee membership and appointments shall be at the Board's sole discretion. Likewise, the Board shall have the sole discretion to remove or admonish any member, or members, of any standing committee at any time. The Board may, at its sole discretion, appoint an alternate to any standing committee.

6.5 Standing Committee Direction. In establishing a standing committee, the Board shall provide specific direction to the standing committee as to its tasks, expected duration for completion of its tasks, and a summary of the resources, including staff or consultant support available to the standing committee in performing its tasks.

6.6 Executive Committee. The Board may establish a standing committee named the Executive Committee. The Executive Committee, when specifically designated and assigned by the Board, may advise the Board on the development and implementation of the GSP and work with the Executive Director as needed. The Board shall establish the time and place for Executive Committee meetings in consultation with the members of the Committee.

6.7 Ad Hoc Committees. The Board may from time to time establish ad hoc committees for the purpose of making recommendations to the Board on the various activities of the Agency. The establishment of any ad hoc committee and its duties shall require a vote of the Board. Ad hoc committees shall exist for the term specified in the action creating the committee and the Board may dissolve an ad hoc committee at any time through a vote of the Board. Ad hoc committees made of less than a quorum of the Board shall not be required to comply with the provisions of the Brown Act.

ARTICLE 7

BUDGET AND FINANCES

7.1 Budget. The Agency shall operate pursuant to an operating budget adopted in accordance with Section 14.1 of the Agreement. The Agency shall endeavor to operate each year pursuant to an annually balanced budget so that projected annual expenses do not exceed projected annual revenues. If the Executive Director or Chair determines the approved budget is inadequate, he or she shall submit recommended modifications to the Board for consideration and action. The Executive Director shall implement the approved or revised budget; provided, however, that all expenditures for capital improvements shall be approved by the Board before they are undertaken.

7.2 Approval of Warrants and Signature of Checks. The Board shall approve all warrants and authorize issuance of checks in payment thereof. A check register showing the check number, payee, amount, and the purpose of each check, as prepared by the Treasurer, will be sent to the Board as required by law. Checks in payment of utility bills, postage, payroll, payroll taxes, credit union collections, petty cash, emergency repairs, invoices subject to discount and interfund transfers, and similar payments may be disbursed prior to Board approval. Such items shall be set forth on the next regular check register and presented to the Board.

7.3 General and Special Books of Account. The Executive Director, in concordance with the Treasurer, shall maintain books of account in accordance with accepted accounting principles showing the status of all monies received and disbursed. Such general and special fund accounts shall be maintained as are necessary to accomplish the purpose of the Agency.

7.4 Fund Depositories. All funds of the Agency shall be deposited into the Agency's bank account. If the Board desires to designate a new depository for Agency funds, the Board shall do so through formal action and amendment of these Bylaws.

ARTICLE 8

DEBTS AND LIABILITIES

8.1 Debts and Liabilities. Except as may be specifically provided for in the Agreement and/or California Government Code Section 895.2, as amended or supplemented, the debts, liabilities and obligations of the Agency are not and will not be the debts, liabilities, or obligations of any or all of the Members. The Members may amend the Agreement to be jointly and/or severally liable, in whole or in part, for any debt, obligation or liability of the Agency, including but not limited to, any bond or other debt instrument issued by the Agency.

ARTICLE 9

RECORDS RETENTION

9.1 Records Retention Policy. The Agency shall adopt a records retention policy. This policy will provide criteria and procedures for the retention or destruction of Agency records.

9.2 Maintenance and Inspection of Agreement and Bylaws. The Agency will keep at its principal executive office the original or copy of the Agreement and these Bylaws, as amended to date, which will be open to inspection by any Director, Member, and all members of the public at all reasonable times during office hours.

9.3 Inspection Rights of Members. Provided that upon the advice of General Counsel no legal conflict exists, any Member may inspect any record of the Agency, including, but not limited to, the accounting books and records and minutes of the proceedings of the Board and committees of the Board, at any reasonable time. A designated representative of the entity may make any inspection and copying under this section, and the right of inspection includes the right to copy.

9.4 Inspection by Directors. Provided that upon the advice of General Counsel no legal conflict exists, any Director may inspect any record of the Agency, including, but not limited to, the accounting books and records and minutes of the proceedings of the Board and committees of the Board, at any reasonable time. A designated representative of the Director may make any inspection and copying under this section, and the right of inspection includes the right to copy.

9.5 Inspection by the Public. As directed and permitted by law, Agency records are open to inspection by the public.

ARTICLE 10

EMAIL POLICY

10.1 Purpose and Scope. The purpose of this Article is to establish rules for appropriate use of Agency email accounts. This policy is intended to ensure compliance with applicable policies and laws and advise officials and employees of their responsibilities in using Agency email accounts. This policy applies to all email accounts assigned to officials and employees by the Agency.

10.2 Assignment of Email Account. Each member of the Board, including alternate directors, and each employee shall be assigned an Agency email account by the Agency ("Agency Email Accounts").

10.3 Use of Email Accounts. Agency Email Accounts shall be used only to transact Agency business. Agency Email Accounts shall not be used for: (1) personal purposes unrelated to Agency business; (2) discriminatory, unethical, or unprofessional activities; (3) personal gain; (4) any purposes that would jeopardize the legitimate interests of the Agency; or (5) any purposes that would violate any law. Agency Directors, officers, and employees shall not use personal email accounts to transact Agency business.

10.4 Privacy and Disclosure. There is no expectation of privacy in the use of Agency Email Accounts. All communications sent or received on Agency Email Accounts may be subject to disclosure under the California Public Records Act or other disclosure laws, unless an exception provided in law applies.

10.5 Security. Agency Directors, officers, and employees shall take reasonable precautions to prevent the use of Agency Email Accounts by any person other than the account holder.

ARTICLE 11

CODE OF ETHICS

11.1 Declaration of Policy. The proper operation of democratic government requires that public officials and employees be independent, impartial and responsible to the people; that government decisions and policy be made in the proper channels of the governmental structure; that public office not be used for personal gain; and that the public have confidence in the integrity of its government. In recognition of these goals, there is hereby established a code of ethics for all Directors, officers, and employees, whether elected or appointed, paid or unpaid. This article establishes ethical standards of conduct for Agency Directors, officers, and employees by setting forth those acts or actions that are incompatible with the best interests of the Agency and by directing the disclosure of private financial or other interests in matters affecting the Agency. Agency Directors, officers, and employees shall comply with this Article, in addition to all applicable State and Federal ethics laws and regulations.

11.2 Responsibilities of Public Office. Public officials and employees are agents of public purpose and hold office for the benefit of the public. They are bound to uphold the United States and State Constitutions and to carry out impartially the laws of the nation, State, and the Agency, and to foster respect for all governments. They are bound to observe, in their official acts, the highest standards of performance and to discharge faithfully the duties of their office, regardless of personal considerations. Recognizing that the public interests must be their primary concern, their conduct in both their official and private affairs should be above reproach.

11.3 Dedicated Service. Directors, officers, and employees owe a duty of loyalty to the political objectives expressed by the electorate and the programs developed by the Board to attain those objectives. Directors, officers, and employees should adhere to the rules of work and performance established as the standards for their positions. Directors, officers, and employees should not exceed their Agency authority or breach the law, or ask others to do so, and owe a duty to cooperate fully with other public officials and employees unless prohibited from so doing by law or by the officially recognized confidentiality of their work.

11.4 Fair and Equal Treatment. The canvassing of members of the Board, directly or indirectly, to obtain preferential consideration in connection with any appointment to the municipal service, shall disqualify the candidate for appointment, except with reference to positions filled by appointment by the Board. Directors, officers, and employees shall not request or permit the use of Agency-owned vehicles, equipment, materials, or property for personal convenience or profit. Services may be available to Directors, officers, and employees when such services are made available to the public generally or when provided for the use of such a Director, officer, or employee in the conduct of official business. Directors, officers, and employees shall not grant special consideration, treatment, or advantage to a member of the public beyond what is available to every other member of the public.

11.5 Political Activities. Directors, officers, and employees shall not solicit or participate in soliciting a contribution to a political party during working hours on property owned by the Agency and shall conform to the provisions of Government Code Sections 3201, *et seq.* Directors, officers, and employees shall not promise appointment to a position with the Agency.

11.6 Ex Parte Communications. A written communication received by a Director, officer, or employee relevant to an item under consideration by the Board shall be made part of the record

of decision on that item. A communication concerning only the status of a pending matter shall not be regarded as an ex parte communication.

11.7 Avoidance of Impressions of Corruptibility. Directors, officers, and employees shall conduct their official and private affairs so as not to give a reasonable basis for the impression that they can be improperly influenced in the performance of public duties. Directors, officers, and employees shall endeavor to maintain public confidence in their performance of the public trust in the Agency. They should not be a source of embarrassment to the Agency and shall avoid even the appearance of conflict between their public duties and private interests.

11.8 No Discrimination in Appointments. No person shall be appointed to, removed from, or in any way favored or discriminated against with respect to any appointive administrative office because of such person's race, color, age, religion, gender identification, national origin, political opinions, affiliations, or functional limitation, as defined by applicable State or Federal laws, if otherwise qualified for the position or office. This provision shall not be construed to impair administrative discretion in determining the requirements of a position or in a job assignment of a person holding such a position, subject to review by the Board.

11.9 Agency Allegiance and Proper Conduct. Directors, officers, and employees shall not engage in or accept any private employment, or render services for private interest, when such employment or service is incompatible with proper discharge of official duties or would tend to impair independence of judgment or action in the performance of those duties. Directors, officers, and employees shall not disclose confidential information concerning the property, government, or affairs of the Agency, and shall not use confidential information for personal financial gain. Directors, officers, and employees shall not accept a gift in excess of limits established by State law. Directors, officers, and employees shall not accept any gift contingent upon a specific action by the Board. Directors, officers, and employees shall not appear on behalf of business or private interests of another before the Board where such appearance would create a potential of having to abstain from participating on that matter or would be incompatible with official duties. Directors, officers, and employees shall not represent a private interest of another person or entity in any action or proceeding against the interest of the Agency in any litigation to which the Agency is a party. A Director may appear before the Agency on behalf of constituents in the course of duties as a representative of the electorate or in the performance of public or civic obligations.

11.10 Penalties. In addition to any other penalties or remedies provided by law, violation of this Article shall constitute a cause for suspension, removal from office or employment, or other disciplinary action. In the case of misconduct by a Stakeholder Director or Agency employee, no disciplinary action shall be taken except upon notice and a hearing. In the case of misconduct by a Member Director, the matter shall be referred to the appointing Member for appropriate action as determined by the Member. If other Members are not satisfied by the action taken by the appointing Member, the Members may resort to the dispute resolution procedures set forth in Section 18.9 of the Agreement.

11.11 Ethics Training. All Directors shall be required to comply with Assembly Bill 1234. Directors that have complied with AB 1234 through service for a separate public agency are deemed to have satisfied this Section 10.11.

ARTICLE 12

CLAIMS AGAINST THE AGENCY

12.1 [RESERVED]

ARTICLE 13

PURCHASING POLICY

13.1 [RESERVED]

ARTICLE 14

INVESTMENT POLICY

14.1 [RESERVED]

ARTICLE 15

CONFLICT OF INTEREST CODE

15.1 [RESERVED]

ARTICLE 16

AMENDMENT

16.1 Amendment. These Bylaws may be amended from time to time by resolution of the Board. Any amendments must be in accordance with the terms of the Agreement.

ARTICLE 17

SPECIAL PROJECTS

17.1 Special Projects. The Agency may undertake Special Projects as permitted by Article 17 of the Agreement.

ARTICLE 18

MISCELLANEOUS PROVISIONS

18.1 No Predetermination or Irretrievable Commitment of Resources. Nothing in the Bylaws shall constitute a determination by the Agency or any of its Members that any action shall be undertaken or that any unconditional or irretrievable commitment of resources shall be made, until such time as the required compliance with all local, State, or federal laws, including, without limitation, the California Environmental Quality Act, National Environmental Policy Act, or permit requirements, as applicable, have been achieved.

18.2 Notices. Notices to a Director or Member hereunder shall be sufficient if delivered to the City Clerk, Board Clerk, or Board Secretary of the respective Director or Member and addressed to the Director or Member. Delivery may be accomplished by U.S. Postal Service, private mail service, or electronic mail.

18.3 Severability. Should any part, term or Article of the Bylaws be decided by a court of competent jurisdiction to be illegal or in conflict with any applicable federal law or any law of the State, or otherwise be rendered unenforceable or ineffectual, the validity of the remainder of the Bylaws shall not be affected thereby; provided, however, that if the remaining parts, terms, or Articles do not comply with the Joint Exercise of Powers Act, Government Code Sections 6500, *et seq.*, including all laws supplemental thereto, the Board shall amend the Bylaws to comply with law or rescind them in their entirety.

18.4 Singular Includes Plural. Whenever used in these Bylaws, the singular form of any term includes the plural form and the plural form includes the singular form.