
GOLD RIDGE FIRE PROTECTION DISTRICT BOARD POLICY MANUAL



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Adopted by Resolution No. _____

Date: _____

AUTHORITY OF MANUAL

This Board Policy Manual contains policies adopted by the Board of Directors of the Gold Ridge Fire Protection District (“District”). The Manual is intended to provide a clear framework for Board governance, define the respective roles of the Board and Fire Chief, and promote consistent, transparent, and accountable District operations.

The Manual may be amended by Board action at a properly noticed public meeting. In the event of a conflict between this Manual and applicable federal or state law, applicable law shall control.

When a question of interpretation arises, the Board may obtain advice from District Legal Counsel and clarify the policy by formal Board action.

This Manual should be reviewed periodically and updated as necessary to reflect changes in law, District organization, and governance practices.

POLICY REVISION HISTORY

Policy Section	Adoption Date	Revision Date
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1000.0 GOVERNANCE

1000.1 District Authority

The Gold Ridge Fire Protection District (“District”) is an independent special district organized and operating pursuant to the laws of the State of California. The District is governed by a seven-member Board of Directors elected by the voters of the District.

The Board of Directors serves as the legislative and governing body of the District and exercises all powers granted by law.

The District provides fire protection, emergency medical response, rescue services, fire prevention, disaster response, community risk reduction, and other services authorized by law.

The Board is responsible for establishing policy, adopting the annual budget, safeguarding public resources, and ensuring that District services are delivered effectively, efficiently, and in the best interests of the public.

1000.2 Purpose of Board Policies

The purpose of this Board Policy Manual is to establish a framework for effective governance and administration of the District.

These policies are intended to:

- a. Promote transparent, ethical, and accountable government;
- b. Define the respective roles and responsibilities of the Board of Directors and Fire Chief;
- c. Provide consistency in Board actions and decision-making;
- d. Establish clear governance expectations and procedures;
- e. Support compliance with applicable federal, state, and local laws; and
- f. Foster public confidence in the operations and stewardship of the District.

This Manual shall serve as a guide for the Board of Directors, Fire Chief, and District personnel regarding governance matters and Board expectations.

1000.3 Governance Philosophy

The Board recognizes that effective governance requires a clear distinction between policy-making responsibilities and administrative responsibilities.

The Board establishes policy, strategic direction, budgets, organizational priorities, and expectations for District performance.

The Fire Chief implements Board policy and manages the day-to-day administration and operations of the District.

The Board is committed to conducting District business in a professional, transparent, fiscally responsible, and forward-looking manner focused on the long-term interests of the communities served by the District.

1000.4 Authority of the Board

The Board acts through collective action taken at properly noticed public meetings or as otherwise authorized by law.

Individual Directors possess no independent authority to bind the District.

No individual Director shall independently:

- a. Establish District policy;
- b. Commit District resources;
- c. Direct District employees;
- d. Authorize expenditures except as specifically authorized;
- e. Execute contracts on behalf of the District unless authorized; or
- f. Represent an official position of the Board without authorization.

Individual Directors may express personal opinions, ask questions, request information, and raise matters for Board consideration. Official positions of the District Board are established through Board action.

1000.5 Delegation of Authority to the Fire Chief

The Board delegates responsibility for administration and operation of the District to the Fire Chief.

The Fire Chief serves as the chief executive officer of the District and is accountable to the Board for implementation of Board policies and direction.

The Fire Chief is responsible for:

- a. Implementing Board policies and directives;
- b. Managing District personnel and operations;
- c. Administering District programs and services;
- d. Preparing recommendations for Board consideration;
- e. Managing District finances within Board-approved budgets and policies;
- f. Ensuring compliance with applicable laws and regulations; and
- g. Performing other duties assigned by the Board.

The Fire Chief may further delegate administrative responsibilities to District personnel as necessary for efficient operations.

1000.6 Policy Adoption and Amendment

The Board reserves the authority to adopt, amend, suspend, or repeal Board policies.

Proposed policy changes may be initiated by:

- a. The Board of Directors;
- b. The Fire Chief;
- c. District Legal Counsel; or
- d. A Board committee authorized to review policy matters.

The Board shall periodically review policies to ensure continued relevance, effectiveness, and consistency with applicable law.

Interpretation of Board policy rests with the Board of Directors. When clarification is necessary, the Board may provide direction through formal action taken at a properly noticed public meeting.

1000.7 Commitment to Public Service

The Board recognizes that it serves the residents, taxpayers, businesses, visitors, and stakeholders of the District.

In carrying out its duties, the Board shall strive to:

- a. Provide high-quality fire protection and emergency services;
- b. Exercise prudent stewardship of public funds;
- c. Promote transparency and public participation;
- d. Support professional and ethical conduct;
- e. Plan for the long-term sustainability of District services; and
- f. Maintain public trust through responsible governance.

1000.8 Authority of the Manual

This Manual contains policies adopted by the Board of Directors.

The Manual may be amended by Board action at a properly noticed public meeting.

In the event of a conflict between this Manual and applicable federal or state law, applicable law shall prevail.

2000.0 BOARD OF DIRECTORS

2000.1 Director Responsibilities

Directors are elected or appointed to serve the public and exercise the powers of the District collectively as a Board.

Directors shall exercise independent judgment while working collaboratively with fellow Board members.

Responsibilities include:

- a. Establishing District policy and strategic priorities;
- b. Adopting and monitoring the annual budget;
- c. Approving major contracts, agreements, and capital commitments as required;
- d. Appointing, supporting, and evaluating the Fire Chief;
- e. Protecting District assets and public resources;
- f. Participating in Board meetings and assigned committee responsibilities;
- g. Remaining informed regarding District operations and legal responsibilities; and
- h. Promoting public confidence in District governance.

2000.2 Individual Director Authority

Individual Directors do not supervise District employees and shall not independently direct District operations.

Concerns regarding operations, personnel, or implementation of Board policy should be communicated through the Fire Chief or raised for consideration by the Board as appropriate.

Nothing in this policy prevents a Director from requesting information reasonably necessary to fulfill the Director's governance responsibilities.

2000.3 Attendance and Participation

Directors are expected to attend regular and special Board meetings and meetings of committees to which they are appointed.

A Director who anticipates being absent should notify the Board Chair, Fire Chief, or Board Clerk as soon as practicable.

Absences may occur because of illness, emergency, employment obligations, family obligations, travel, or other good cause.

Attendance requirements and circumstances resulting in a vacancy shall be governed by applicable California law.

2000.4 Compensation and Reimbursement

Directors may receive compensation for service and reimbursement for reasonable and necessary expenses as authorized by California law and Board action.

Reimbursement shall be limited to authorized District business and processed in accordance with District fiscal and travel policies.

Directors shall exercise prudent stewardship of public funds and seek cost-effective arrangements when travel, training, or other activities are undertaken at District expense.

2000.5 Ethics and Professional Conduct

Directors shall conduct themselves in a manner that promotes public confidence in the integrity and effectiveness of the District.

Directors shall:

- a. Act honestly and in the public interest;
- b. Treat fellow Directors, employees, volunteers, contractors, and members of the public with professionalism and respect;
- c. Maintain civility during Board deliberations;
- d. Respect differing viewpoints;
- e. Avoid personal attacks, intimidation, and disruptive conduct; and
- f. Comply with applicable ethics laws and District policies.

2000.6 Conflicts of Interest

Directors shall comply with applicable California conflict-of-interest laws, the District Conflict of Interest Code, and regulations of the California Fair Political Practices Commission.

A Director with a disqualifying conflict of interest shall disclose the conflict and recuse themselves as required by law.

The Director shall not participate in discussion, deliberation, or voting on the matter except as legally permitted.

Questions regarding potential conflicts should be referred to District Legal Counsel or the appropriate regulatory authority.

2000.7 Statements of Economic Interests (Form 700)

Directors shall file Statements of Economic Interests, commonly known as Form 700, as required by law and the District Conflict of Interest Code.

Required filings may include assuming-office, annual, and leaving-office statements.

The Board Clerk shall assist with administrative tracking, notices, and maintenance of records associated with required filings.

2000.8 Board Vacancies

Vacancies on the Board shall be filled in accordance with California Government Code Section 1780 and other applicable law.

The Board shall use an open and transparent process consistent with legal requirements when considering an appointment to fill a vacancy or calling an election.

3000.0 BOARD OFFICERS AND COMMITTEES

3000.1 Election of Officers

At the Board's regular meeting in December, the Board shall elect from among its members a Chair and Vice Chair.

Officers shall serve for one year beginning January 1 and continuing until successors are elected.

Officers may be reelected at the discretion of the Board.

3000.2 Chair Duties

The Chair serves as Presiding Officer and facilitates the orderly conduct of Board business.

The Chair shall:

- a. Preside over Board meetings;
- b. Work with the Fire Chief regarding preparation and sequencing of Board agendas;
- c. Execute documents on behalf of the Board when authorized;
- d. Represent the Board at official functions when appropriate;
- e. Make committee appointments when authorized by the Board; and
- f. Perform other duties assigned by the Board.

The Chair has the same voting rights and responsibilities as every other Director.

The Chair does not possess independent administrative authority over District operations or personnel.

3000.3 Vice Chair Duties

The Vice Chair performs the duties of the Chair during the Chair's absence or temporary inability to act.

If the office of Chair becomes vacant, the Vice Chair shall perform the duties of Chair until the Board elects a successor.

In the absence of both the Chair and Vice Chair, the Directors present may select a temporary Presiding Officer.

3000.4 Standing Committees

The Board may establish standing committees to review recurring matters and make recommendations to the full Board.

Standing committees shall have a clearly defined purpose and shall operate in accordance with applicable open meeting requirements.

Unless specifically delegated otherwise by the Board and permitted by law, standing committees serve in an advisory capacity and shall not establish District policy or independently direct staff.

3000.5 Ad Hoc Committees

The Board may establish ad hoc committees for a limited purpose and duration.

An ad hoc committee shall:

- a. Consist of fewer than a quorum of the Board;
- b. Focus on a specific assignment;
- c. Have a limited duration; and
- d. Dissolve upon completion of its assigned task unless extended by Board action.

Whether an ad hoc committee is subject to the Brown Act shall be determined by applicable law and the circumstances of its creation and operation.

3000.6 Committee Reporting and Outside Appointments

Committees shall report significant findings and recommendations to the full Board.

Committee recommendations are advisory unless adopted by the Board.

The Board may also appoint Directors to represent the District on joint powers authorities, regional committees, professional associations, advisory groups, or other outside organizations.

Directors serving in these capacities shall represent District interests and report significant matters to the Board.

4000.0 FIRE CHIEF

4000.1 Appointment of the Fire Chief

The Fire Chief shall be appointed by the Board of Directors and shall serve under the terms and conditions established by employment agreement, Board policy, or other Board action.

The Fire Chief serves as the chief executive officer of the District and is accountable to the Board as a whole.

4000.2 Authority and Responsibilities

The Board delegates to the Fire Chief the authority necessary to manage the day-to-day operations of the District consistent with applicable law, Board policy, adopted budgets, labor agreements, and Board direction.

The Fire Chief shall:

- a. Manage District personnel and the organizational chain of command;
- b. Administer fire suppression, emergency medical, rescue, prevention, training, and support programs;
- c. Prepare and administer the annual budget;
- d. Manage District facilities, apparatus, equipment, and administrative systems;
- e. Implement Board policies and directives;
- f. Provide professional analysis and recommendations to the Board; and
- g. Keep the Board reasonably informed regarding significant operational, financial, personnel, legal, and emergency matters.

4000.3 Board-Fire Chief Relationship

The Board establishes policy and strategic direction. The Fire Chief manages District administration and operations.

Board direction to the Fire Chief should be provided by the Board as a body except where a specific responsibility has been delegated to an officer or committee.

Individual Directors shall not direct District employees or interfere with established administrative responsibilities.

The Fire Chief shall support informed Board decision-making by providing timely, accurate, and relevant information.

4000.4 Administrative Authority

The Fire Chief may establish administrative policies, procedures, operational guidelines, and delegations necessary to implement Board policy and manage District operations.

Administrative direction shall be consistent with law, Board policy, adopted budgets, and applicable labor or employment agreements.

The Board may establish purchasing, contracting, and expenditure authority for the Fire Chief through fiscal policy, resolution, budget action, or other formal Board action.

4000.5 Emergency Authority

During emergencies, disasters, or urgent circumstances requiring immediate action, the Fire Chief may take actions reasonably necessary to protect life, property, continuity of operations, and the interests of the District within the authority provided by law and District policy.

The Fire Chief shall report significant emergency actions and extraordinary expenditures to the Board as soon as reasonably practicable.

4000.6 Performance Evaluation and Succession

The Board shall periodically evaluate the Fire Chief.

The evaluation may address:

- a. Achievement of Board goals;
- b. Leadership and organizational effectiveness;
- c. Fiscal management;
- d. Personnel development;
- e. Emergency preparedness;
- f. Community relations; and
- g. Overall performance.

The Fire Chief shall support continuity of operations through succession planning and designation of qualified personnel to serve in an acting capacity during temporary absences.

In the event of a vacancy in the position of Fire Chief, the Board shall designate an interim or acting Fire Chief until a permanent appointment is made.

5000.0 DIRECTOR DEVELOPMENT

5000.1 Orientation of New Directors

The Fire Chief, in cooperation with the Board Chair and Board Clerk, shall provide orientation for newly elected or appointed Directors as soon as reasonably practicable.

Orientation should include:

- a. The Board Policy Manual and District governance structure;
- b. District boundaries, organization, facilities, and services;
- c. Current budget, financial reports, and strategic priorities;
- d. Labor agreements and major contracts;
- e. Brown Act and public records responsibilities;
- f. Conflict-of-interest and Form 700 requirements;
- g. Emergency response and mutual aid overview; and
- h. Other information reasonably necessary for effective Board service.

5000.2 Required Training

Directors shall complete all training required by California law and District policy within the timeframes established by law.

At a minimum, this includes ethics training pursuant to Government Code §53235 (AB 1234), harassment prevention training pursuant to Government Code §53237 (AB 1661), and financial training requirements pursuant to SB 827.

The District shall provide Directors with access to an approved online training platform to facilitate completion of required courses. The District shall also notify the Board when required or optional training opportunities, including in-person, virtual, or conference-based courses, become available.

Directors shall provide the Board Clerk with documentation of completed training for filing in District records, and the Board Clerk shall maintain records of completion and assist Directors with compliance notices and documentation.

5000.3 Continuing Education and Conferences

The District encourages Directors to participate in educational programs that improve their understanding of:

- a. Special district governance;
- b. Public finance;
- c. Fire service administration;

- d. Emergency management;
- e. Labor relations; and
- f. Risk management

Participation in conferences and professional meetings at District expense shall be subject to budget availability and District policy.

Directors are encouraged to share significant information obtained through such programs with the Board.

5000.4 Travel and Expense Reimbursement

Reasonable and necessary expenses incurred while conducting authorized District business may be reimbursed in accordance with District policy and applicable law.

Reimbursement may include registration, transportation, lodging, meals, mileage, parking, and other approved expenses.

Directors shall exercise prudent stewardship of public funds and use cost-effective arrangements whenever practical.

6000.0 BOARD MEETINGS

6000.1 Brown Act Compliance

All meetings of the Board and its committees shall be conducted in accordance with the Ralph M. Brown Act and other applicable law.

The Board is committed to open, accessible, and transparent public meetings.

Directors shall avoid serial communications or other conduct that could result in deliberation by a majority of the Board outside a properly noticed meeting.

6000.2 Regular Meetings

The Board shall establish the date, time, and location of regular meetings by resolution or other Board action.

Meetings shall be held in a location and manner permitted by applicable law and reasonably accessible to the public.

Changes to the regular meeting schedule shall be made and noticed in accordance with applicable law.

6000.3 Special Meetings

Special meetings may be called by the Board Chair or by a majority of the Board in accordance with California Government Code Section 54956.

Notice and agenda requirements shall be satisfied within the timeframes required by law.

Only business identified on the special meeting agenda may be considered except as otherwise permitted by law.

6000.4 Emergency Meetings

Emergency meetings may be conducted when authorized by California law.

The District shall comply with applicable notice, reporting, voting, and documentation requirements for emergency meetings.

6000.5 Agenda Preparation and Posting

The Fire Chief, in coordination with the Board Chair and Board Clerk, shall prepare Board agendas.

Any Director may request placement of an item on a future agenda by submitting a written request to the Board Clerk. Agenda requests shall require the support of at least two (2) Directors, including the requesting Director.

The Board Clerk may obtain confirmation of support from a second Director through individual email correspondence, provided such communication is limited to supporting placement of the item on an agenda and does not involve discussion or deliberation of its merits, consistent with the Ralph M. Brown Act.

Once the required support is confirmed, the Board Clerk shall forward the request to the Board Chair and Fire Chief for scheduling. Agenda placement shall consider staff workload, meeting priorities, and the orderly conduct of District business.

Regular meeting agendas shall be posted at least seventy-two (72) hours in advance, and special meeting agendas shall be posted within the timeframe required by law. Agendas and supporting materials shall be made available to the public as required by law.

6000.6 Quorum

A majority of the total membership of the Board constitutes a quorum for the transaction of business.

For a seven-member Board, four (4) Directors constitute a quorum.

No action shall be taken in the absence of a quorum except as authorized by law.

6000.7 Public Participation

The Board welcomes public participation and shall provide opportunities for members of the public to address the Board as required by law.

The Chair may establish reasonable and content-neutral procedures for public comment, including reasonable time limits, to ensure an orderly meeting and equitable opportunity to participate.

Unless otherwise established for a particular meeting, individual comments may generally be limited to three minutes.

The Board may not take action on matters not listed on the agenda except as authorized by law.

Directors may briefly respond, ask for clarification, refer a matter to staff, or request consideration on a future agenda as permitted by law.

6000.8 Closed Sessions

The Board may meet in closed session only when authorized by law.

Closed session agenda descriptions, disclosures, and reports of action shall comply with applicable legal requirements.

Directors and authorized participants shall maintain the confidentiality of closed session discussions except when disclosure is authorized or required by law.

7000.0 RULES OF PROCEDURE

7000.1 Presiding Officer

The Chair serves as Presiding Officer and is responsible for preserving order, recognizing speakers, facilitating discussion, and ruling on procedural matters.

In the Chair's absence, the Vice Chair or another Director selected by the Board shall preside.

A procedural ruling of the Presiding Officer may be appealed to the Board, whose decision shall control.

7000.2 Motions and Voting

Board action shall generally occur through motions, resolutions, ordinances, or other actions authorized by law.

A motion should be:

- a. Clearly stated;
- b. Seconded;
- c. Discussed; and
- d. Voted upon.

Each Director is entitled to one vote.

Unless a different vote is required by law, Board action shall be approved by the vote required under applicable law.

Votes shall be recorded in the minutes.

A tie vote results in failure of the motion.

7000.3 Debate and Discussion

The Board encourages full and informed discussion of matters before it.

Directors should:

- a. Focus comments on the matter under consideration;
- b. Avoid unnecessary repetition;
- c. Allow fellow Directors reasonable opportunity to participate; and
- d. Maintain professional and respectful discussion.

Questions to District staff should generally be directed through the Fire Chief or the staff member presenting the item.

The Presiding Officer may manage discussions to maintain efficiency and fairness.

7000.4 Public Hearings

When a public hearing is required or scheduled, the Presiding Officer shall:

- a. Open the hearing;
- b. Receive the staff presentation;
- c. Receive public testimony;
- d. Close the public hearing; and
- e. Return the matter to the Board for deliberation and action.

The Presiding Officer may establish reasonable procedures regarding speaker order, time limits, submission of materials, and other matters necessary to ensure a fair and orderly hearing.

Additional testimony after closure of the hearing shall be accepted only if the hearing is reopened or otherwise required by law.

7000.5 Decorum and Order

Directors, staff, and members of the public shall conduct themselves in a manner that allows the Board to complete its business safely and efficiently.

The Presiding Officer may address conduct that actually disrupts or impedes the orderly conduct of a meeting in accordance with applicable law.

These Rules of Procedure are intended to facilitate, not obstruct, Board business.

Formal parliamentary authorities may be consulted as a reference when these policies and applicable law do not address a procedural question.

8000.0 RECORDS AND COMMUNICATIONS

8000.1 Public Records

District records shall be maintained and disclosed in accordance with the California Public Records Act, the District's records retention schedule, and other applicable law.

The District shall provide reasonable access to public records while protecting records that are confidential, privileged, exempt from disclosure, or otherwise protected by law.

The Fire Chief may designate a Custodian of Records or other responsible employee to coordinate records management and responses to public records requests.

8000.2 Director Access to District Information

Directors shall have reasonable access to District records and information necessary to fulfill their governance and oversight responsibilities. Requests should be made through the Fire Chief or designated administrative staff.

The District shall make reasonable efforts to respond within ten (10) business days. If information is delayed, unavailable, or legally restricted, the Director shall be provided an explanation and, when appropriate, an estimated response date.

If a disagreement regarding access cannot be resolved through the Fire Chief and Board Chair, the Director may request that the matter be referred to the full Board for consideration, consistent with the Brown Act and applicable confidentiality requirements.

Directors shall protect confidential and privileged information and shall not independently direct staff to undertake substantial research or additional work without appropriate authorization.

8000.3 Board Clerk

The Fire Chief shall designate a Board Clerk, subject to Board concurrence, to support Board administration and maintain official governance records.

The Board Clerk serves as the primary administrative liaison for Board meeting administration and official Board recordkeeping.

The Board Clerk shall:

- a. Prepare and distribute Board agendas and meeting packets in coordination with the Fire Chief and Board Chair;
- b. Post agendas and notices in accordance with applicable open meeting requirements;

- c. Record, prepare, and maintain official Board meeting minutes;
- d. Maintain ordinances, resolutions, Board policies, and other official governance records;
- e. Assist with administration and tracking of Form 700 filings and Director training records;
- f. Support public access to Board records and coordinate records requests as assigned;
- g. Maintain the current Board Policy Manual and policy revision history;
- h. Assist with execution, certification, and maintenance of official Board documents;
- i. Maintain records of Board actions and other documents required by law or District policy; and
- j. Perform other Board administration duties assigned by the Fire Chief or Board.

8000.4 Board Minutes

Board minutes shall serve as the official record of Board actions.

Minutes shall identify:

- a. Meeting date, time, and location;
- b. Directors present and absent;
- c. Motions and votes; and
- d. Actions taken.

Minutes shall be limited to action-only documentation and are not intended to be a verbatim transcript.

Minutes shall be presented to the Board for approval and retained as official District records.

8000.5 Electronic Communications

Electronic communications concerning District business may constitute public records.

Directors should use District-provided accounts and systems for District business whenever practical and should assume that District-related communications may be subject to disclosure.

Directors shall not use email, text messages, messaging applications, or other electronic means to conduct collective deliberations or create serial meetings in violation of the Brown Act. Directors shall also avoid “reply all” email communications when responding to District-related matters, as such communications may inadvertently create a serial meeting or otherwise raise Brown Act compliance concerns.

District-related records maintained on personal devices or personal accounts may be subject to disclosure as provided by law.

8000.6 Social Media and Public Communications

Individual Directors may express personal opinions but shall distinguish personal views from official Board positions unless authorized to speak on behalf of the District.

Directors shall exercise caution when discussing District matters through social media.

Directors shall avoid:

- a. Disclosure of confidential information;
- b. Electronic communications that could create an unlawful serial meeting;
- c. Statements that reasonably imply an unauthorized official District position; and
- d. Use of District information or resources for unauthorized personal purposes.

The Fire Chief generally serves as spokesperson regarding District operations.

The Board Chair may serve as spokesperson regarding Board actions and governance matters, subject to Board direction.

8000.7 Confidential Information and Information Security

Directors and employees shall protect confidential, privileged, personnel, medical, security-sensitive, and other legally protected information obtained through official duties.

The District shall maintain reasonable administrative, technical, and physical safeguards to protect District information and systems.

Directors shall comply with District requirements concerning:

- a. Passwords;
 - b. District-issued devices;
 - c. Remote access;
 - d. Cybersecurity;
 - e. Data handling;
 - f. Records retention; and
 - g. Reporting suspected information security incidents.
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9000.0 LEGAL COUNSEL

9000.1 Appointment of Legal Counsel

The Board shall appoint legal counsel to advise and represent the District.

The Board may retain special counsel when specialized expertise is required.

9000.2 Role of Legal Counsel

District Legal Counsel represents the Gold Ridge Fire Protection District as a public agency.

Legal Counsel does not represent individual Directors or employees in their personal capacities unless separately authorized by law and formal District action.

Legal Counsel may advise the Board and staff regarding:

- a. Board governance;
- b. Brown Act compliance;
- c. Public records;
- d. Conflicts of interest;
- e. Personnel and labor matters;
- f. Contracts and procurement;
- g. Claims and litigation;
- h. Real property;
- i. Ordinances and resolutions; and
- j. Other legal matters affecting the District.

9000.3 Requests for Legal Advice

To promote consistent legal guidance and prudent use of District resources, requests for legal advice should generally be coordinated through the Board Chair or Fire Chief.

Individual Directors may communicate with District Legal Counsel concerning matters reasonably related to their official duties.

Requests requiring significant research, formal legal opinion, or work likely to result in substantial expense should be coordinated through the Board Chair, Fire Chief, or Board.

When appropriate, legal guidance concerning Board governance should be shared with the full Board.

9000.4 Attorney-Client Privilege

Communications between the District and Legal Counsel may be protected by attorney-client privilege and other legal protections.

Directors and employees shall protect privileged communications from unauthorized disclosure.

Questions regarding privilege, waiver, or disclosure should be referred to District Legal Counsel.

10000.0 BOARD CODE OF CONDUCT

10000.1 Purpose

This Code of Conduct establishes expectations for members of the Board of Directors.

The purpose is to promote effective governance, positive working relationships, ethical leadership, and public confidence in the Gold Ridge Fire Protection District.

Nothing in this section is intended to limit a Director's lawful rights or responsibilities.

10000.2 Commitment to Public Service

Directors shall place the interests of the District and the public above personal interests.

Directors shall exercise their responsibilities with:

- a. Honesty;
- b. Integrity;
- c. Independence;
- d. Accountability; and
- e. Respect for public trust.

10000.3 Respectful Treatment of Others

Directors shall treat fellow Directors, employees, volunteers, contractors, and members of the public with courtesy, dignity, and respect.

Directors shall:

- a. Listen to differing viewpoints;
- b. Encourage constructive discussion;
- c. Avoid personal attacks;

- d. Avoid intimidation or disruptive behavior;
- e. Maintain professional decorum; and
- f. Focus disagreements on issues rather than individuals.

Disagreement among Directors is expected and may improve decision-making when conducted professionally.

10000.4 Board Unity After Decisions

Directors are encouraged to express differing views and engage in vigorous debate before Board action.

Once the Board has acted, Directors shall respect the authority of the Board's decision and shall not interfere with lawful implementation.

Nothing in this policy prevents a Director from:

- a. Explaining a dissenting vote;
- b. Maintaining a differing opinion;
- c. Advocating a future policy change; or
- d. Voting differently when a matter later returns to the Board.

10000.5 Board-Staff Relations

The Board governs. The Fire Chief manages.

Directors shall:

- a. Respect the organizational chain of command;
- b. Communicate operational concerns through the Fire Chief;
- c. Avoid directing District employees;
- d. Avoid participating in routine personnel administration; and
- e. Respect the Fire Chief's authority to manage District operations.

Board requests that require significant staff time or create new work priorities should be coordinated with the Fire Chief and, when appropriate, the Board as a whole.

10000.6 Communications with District Employees

Directors may interact with District personnel during District activities, public events, training, meetings, and the normal course of public service.

Such interactions shall not be used to:

- a. Issue assignments;

- b. Direct employee work;
- c. Conduct independent personnel investigations;
- d. Influence employment decisions outside lawful Board authority; or
- e. Create conflicting supervisory direction.

District employees remain accountable through the Fire Chief and established supervisory structure.

10000.7 Public Communications

The Board speaks through its adopted actions.

Individual Directors may speak as individuals but shall not represent a personal position as the official position of the Board unless authorized.

The Board Chair generally serves as the governance spokesperson regarding Board actions.

The Fire Chief generally serves as spokesperson regarding District operations.

The Board may authorize another Director, officer, employee, or representative to speak on behalf of the District when appropriate.

10000.8 Social Media Conduct

Directors shall exercise good judgment when discussing District matters through social media or other public electronic forums.

Directors shall avoid:

- a. Unlawful serial communications;
- b. Disclosure of confidential information;
- c. Statements implying unauthorized Board endorsement; and
- d. Conduct inconsistent with their responsibilities as public officials.

Directors should recognize that online communications concerning District business may constitute public records.

10000.9 Closed Session Confidentiality

Directors shall maintain the confidentiality of closed session information except when disclosure is authorized or required by law.

Unauthorized disclosure may compromise District:

- a. Personnel matters;
- b. Labor negotiations;

- c. Property negotiations;
- d. Litigation strategy;
- e. Attorney-client privilege; or
- f. Other legally protected interests.

Questions concerning disclosure of closed session information should be directed to District Legal Counsel.

10000.10 Ethical Conduct

Directors shall comply with:

- a. The Political Reform Act;
- b. The District Conflict of Interest Code;
- c. Applicable ethics requirements;
- d. Open government laws; and
- e. District policies.

Directors should avoid conduct that creates an actual prohibited conflict or otherwise undermines public confidence in impartial District decision-making.

10000.11 Professional Development

Directors are encouraged to pursue continuing education regarding:

- a. Public agency governance;
- b. Special districts;
- c. Fire service administration;
- d. Public finance;
- e. Ethics;
- f. Emergency management; and
- g. Other subjects relevant to District governance.

Ongoing education supports effective oversight and informed decision-making.

10000.12 Commitment to Good Governance

The Board affirms its commitment to:

- a. Transparency;
- b. Accountability;

- c. Fiscal responsibility;
- d. Respectful communication;
- e. Ethical leadership;
- f. Effective Board-Chief relations; and
- g. Continuous organizational improvement.

Directors shall work collaboratively to keep the District focused on its mission and the safety and well-being of the communities it serves.

10000.13 Reporting and Resolution to Code of Conduct Concerns

The District is committed to maintaining a professional and respectful environment. Concerns regarding conduct inconsistent with this Code shall be addressed fairly, promptly, and without retaliation.

Reporting Concerns: Any Director who has experienced or witnessed conduct inconsistent with this Code may report the concern to the Board Chair or Fire Chief. If either is involved or has a conflict of interest, the concern may be directed to the Vice Chair or another uninvolved appropriate official. Concerns should preferably be submitted in writing.

Review and Resolution: Concerns shall be reviewed to determine the appropriate response. Minor matters may be addressed informally when appropriate. Serious or repeated allegations may require a formal, impartial review, with assistance from District Legal Counsel or an independent professional when warranted.

Individuals involved shall be given a reasonable opportunity to provide relevant information and respond to allegations. Anyone with a direct conflict of interest shall not oversee the review or determine its outcome.

Corrective Action: When a violation is established, appropriate corrective measures may include counseling, clarification of expectations, additional training, a formal reprimand, Board censure, or other lawful action. Any action shall be proportionate to the circumstances and consistent with applicable law and District policy.

Confidentiality and Non-Retaliation: Concerns shall be handled as discreetly as reasonably possible, consistent with legal requirements and a fair review. Retaliation against anyone who raises a concern in good faith or participates in a review is prohibited.

Legal Compliance: Any Board consideration or action shall comply with the Ralph M. Brown Act. Matters involving District employees shall be handled under applicable personnel policies and employment laws. Nothing in this policy authorizes removal of an elected Director from office or limits any rights or remedies provided by law.

APPENDICES

Appendix A - Annual District Calendar

Appendix B - Director Orientation Checklist

Appendix C - CSDA Brown Act Compliance Manual

Appendix D - CSDA Board Member Reference Guide

Appendix E - Board Approved Policies

APPENDIX A

ANNUAL BOARD CALENDAR

The following calendar is intended as a planning guide. The Board may adjust timing as District needs, legal deadlines, fiscal cycles, or operational priorities require.

January-March

- Identify policy priorities for the coming year.
- Confirm required Director training schedules.
- Review mid-year financial performance.
- Labor negotiations begin with staff.

April-June

- Finance Committee begins preliminary budget discussions with staff.
- Review Fire Chief goals and upcoming fiscal priorities.
- Identify significant capital or equipment needs.
- Board approval of Labor MOU – MAY MEETING.
- Board approval of Publicly Available Pay Schedule – MAY MEETING.
- Board gives staff direction regarding special tax rates – MAY MEETING.
- Preliminary Budget approved by full Board – JUNE MEETING.
- Board approval to consolidate with general election, even years – JUNE MEETING.

July-September

- Annual tax hearing – JULY MEETING.
- Finance Committee and staff make budgetary adjustments as needed.
- Final Budget approved by full Board – SEPTEMBER MEETING.

October-December

- Audit field work begins – October.
- Elect Board Chair and Vice Chair – DECEMBER MEETING.
- Select committee and outside agency assignments – DECEMBER MEETING.
- Board approval of PY Audit – DECEMBER MEETING.

APPENDIX B

DIRECTOR ORIENTATION CHECKLIST

The following checklist should be used to assist newly elected or appointed Directors in becoming familiar with the District and their responsibilities.

- ☐ Board Policy Manual
- ☐ Brown Act overview
- ☐ Form 700 filing requirements
- ☐ Required training overview
- ☐ Current District budget
- ☐ Recent financial reports
- ☐ Strategic plan
- ☐ District organizational chart
- ☐ Labor agreement/MOU overview
- ☐ District boundaries and service area
- ☐ Meet with Fire Chief and key administrative staff

APPENDIX C

CSDA BROWN ACT COMPLIANCE MANUAL

The following guide was published by the California Special Districts Association (CSDA) and is intended as a practical governance reference. It is not a substitute for the Ralph M. Brown Act, other applicable law, or advice from District Legal Counsel.



**California Special
Districts Association**
Districts Stronger Together

Brown Act Compliance Manual

for Special Districts

A large, professional microphone is in the foreground on the left, its silver mesh grille clearly visible. The background is a blurred crowd of people at what appears to be a public meeting or event, with warm, out-of-focus lights hanging from the ceiling.

The Ralph M. Brown Act ("Brown Act") was enacted in 1953 in response to series of articles in the San Francisco Chronicle detailing the way local agencies at the time conducted secret meetings or caucuses even though state law had long required that local agencies conduct business publically. The purpose behind the Brown Act, as originally adopted and as it remains today, is to ensure that actions of local public agencies – including their deliberations - are taken in open and public meetings, with posted agendas, and where all persons are permitted to attend and participate.

This manual provides special districts with guidelines and tips for complying with the various meeting agenda, notice, public participation, and public reporting requirements of the Brown Act. Districts are permitted to and should consider adopting local policies that exceed the minimum requirements of the Brown Act in terms of providing greater public access and openness to district business.

"In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions betaken openly and that their deliberations be conducted openly."³

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 *Printed on recycled paper.*





Overview of the Brown Act

The Ralph M. Brown Act ("Brown Act")¹ was enacted in 1953 in response to series of articles in the *San Francisco Chronicle* detailing the way local agencies at the time conducted secret meetings or caucuses even though state law had long required that local agencies conduct business publically. The purpose behind the Brown Act, as originally adopted and as it remains today, is to ensure that actions of local public agencies – including their deliberations - are taken in open and public meetings, with posted agendas, and where all persons are permitted to attend and participate. Courts construe the Brown Act liberally, in favor of openness and narrowly construe its limited exemptions.

The Brown Act and provisions of the Americans with Disabilities Act not only guarantee the public's right to attend and participate in open and public meetings, but ensure that the meetings will actually be accessible to all members of the public. Violations of the Brown Act can result in the action taken being invalidated and the award of attorney's fees and costs if there is a successful legal action against a public agency. Certain intentional violations can result in criminal prosecution. And regardless of the nature of the violation, the mere fact that the public perceives that an agency is improperly conducting business behind closed doors can indelibly damage the public's trust in local government.

This manual provides special districts² with guidelines and tips for complying with the various meeting agenda, notice, public participation, and public reporting requirements of the Brown Act. Districts are permitted to and should consider adopting local policies that exceed the minimum requirements of the Brown Act in terms of providing greater public access and openness to district business.

This manual is not intended, however, to provide legal advice on any specific issue. Also, because the statutory and case law summarized in this manual is subject to change, district staff and officials should always seek the advice of agency legal counsel as to the application of the Brown Act in a particular situation and to ascertain whether there have been recent changes to the Brown Act or its interpretation by the courts.

The purpose behind the Brown Act, as originally adopted and as it remains today, is to ensure that actions of local public agencies – including their deliberations - are taken in open and public meetings, with posted agendas, and where all persons are permitted to attend and participate.



This manual is not intended, however, to provide legal advice on any specific issue.

PURPOSE AND BASIC RULE

The purpose of the Brown Act is elegantly stated in the opening declaration:

"In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. ***It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly.***³

Similarly, the Brown Act's basic and unchanged rule provides:

"All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body."⁴

As summarized by one court: "It is clearly the policy of this state that the proceedings of public agencies, and the conduct of the people's business, [must] take place at open meetings, and that the deliberative process by which decisions related to the public's business are made [must] be conducted in full view of the public."⁵ Thus, except for certain closed session items, all aspects of the decision-making process by legislative bodies—including the acquisition of information, discussion and debate—must be conducted in public.





District Bodies and Groups Covered and Not Covered by the Brown Act

The Brown Act only applies to a district “legislative body” as defined in Section 54952. Therefore, understanding the scope of that term is the critical first step in determining whether the Brown Act applies to a particular district body or group.

What bodies are considered a “legislative body” subject to the Brown Act?

1. **The Governing body** of a district (i.e., the board of directors) is considered a “legislative body” subject to the Brown Act.⁶

Note: The Brown Act also applies to persons elected to serve on a legislative body covered by the Brown Act but who have not yet assumed the duties of office.⁷

2. **Standing committees** of a legislative body, regardless of their composition (i.e., including less than a quorum of the legislative body), that have either (a) continuing subject matter jurisdiction or (b) a meeting schedule fixed by formal action of a legislative body are subject to the Brown Act.⁸

3. **Appointed bodies**, whether permanent or temporary, decision-making or advisory, created by a formal act of the governing body are subject to the Brown Act.⁹ The “formal act” required to create a Brown Act legislative body includes any official action and is not necessarily limited to formation by a formal vote or adoption of a resolution.¹⁰

4. **Joint Powers Authority** legislative bodies of a legally separate entity established by districts under the Joint Exercise of Powers Act must comply with the Brown Act.¹¹



5. **Private organizations.** The board or other governing body of a private organization, such as a nonprofit corporation, is subject to the Brown Act, if: (a) a district legislative body created or was involved in bringing the organization into existence to exercise lawfully delegated authority, or (b) if both of the following requirements are met: (i) the organization receives funds from the district and (ii) a member has been appointed as a full voting member of such board by the district's legislative body.^{12, 13}

What district bodies or groups are not considered a “legislative body” subject to the Brown Act?

1. **A temporary advisory committee** (often referred to as an **ad hoc committee**) composed solely of less than a quorum of the legislative body that is created for a single or limited purpose (e.g., a recruitment committee for a vacant position or a committee to investigate a particular incident or issue) that will dissolve once its task is completed is not subject to the Brown Act.

2. **Groups advisory to a single member of a legislative body** created by the informal action of the particular member to advise the member are not covered by the Brown Act.¹⁴

3. **A group appointed by district staff** (e.g., a committee to assist with a district social or community event) is not subject to the Brown Act.



Compliance Tip

Forming a true ad hoc advisory committee that is composed solely of less than a quorum of the legislative body and that is not subject to the Brown Act requires careful consideration of these restrictions.



The Brown Act only applies to “meetings” of district legislative bodies.

Meetings Covered and Exempted

The Brown Act only applies to “meetings” of district legislative bodies. Thus, it is critical to understand what meetings are covered and what gatherings are not considered a meeting.

Definition of meeting.

The Brown Act defines a *“meeting” as any congregation of a majority of the members of a legislative body at the same time and location, including a teleconference location, to hear, discuss, deliberate, or take action on any item that is within the legislative body’s subject matter jurisdiction.*¹⁵ As defined, the term “meeting” is not limited to gatherings at which action is taken but applies equally to situations where a quorum of the legislative body merely hears, discusses, or deliberates on district business. These terms have their ordinary meaning, but there is a specific definition for “action taken,” which includes: (1) a collective decision by a majority of the members of a legislative body; (2) a collective commitment, or promise by a majority of the members to make a positive or negative decision; or (3) an actual vote by a majority of the members of the legislative body sitting as a body or entity, upon a motion, proposal, resolution, order, or ordinance.¹⁶

Prohibition against serial meetings.

Outside of a properly noticed and conducted Brown Act meeting, a majority of the members of a legislative body may not use a series of communication of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item that is within the body’s subject matter jurisdiction.¹⁷

This type of prohibited “serial meeting” can occur in two ways:

- (1) **Chain:** If member A contacts member B, and B contacts member C, and C contacts member D, and so on, until a quorum of the legislative body has been involved.
- (2) **Hub-and-spoke:** An intermediary, such as the general manager, contacts at least a quorum of the members of the legislative body to develop a collective concurrence (or communicate each member’s respective positions) on an action to be taken by the legislative body.



Compliance Tip

The use of e-mail can easily result in a serial meeting along with a paper trail establishing a potential violation of the Brown Act.¹⁸ District legislative body members must be extremely careful with the use of e-mail, except to pass along general information. For example, members should refrain in e-mails from stating or taking a position on matters that may come before the district. Members should also refrain from giving instructions or directions to staff members unless they have clear authority to do so. One never knows where or in how many “in” boxes an e-mail may end up. This tip is equally applicable to members posting comments on social media and other technological platforms.

Meetings Covered and Exempted (continued)

Technological Conferencing.

Meetings may be conducted by teleconferencing (i.e., any electronic audio or video connection) under the following conditions:¹⁹

- (1) the agenda specifies all teleconference locations and is posted at each teleconference location;
- (2) public access is provided at each teleconference location;
- (3) public opportunity to speak is provided at each teleconference location; and
- (4) all votes are taken by roll call.

At least a quorum of the members of the legislative body must participate in the teleconference within the boundaries of the district.

Note: The use of teleconferencing is a meeting option available to the legislative body and the statute appears to require a concurrence of the majority of the body for its use ["If the legislative body elects to use teleconferencing..."].²⁰ The Brown Act does not create a right for the public to participate in meetings via teleconferencing unless members of the legislative body are present at such location, though the legislative body may in its discretion provide the public with additional locations.²¹



Compliance Tip

Districts should consider adopting a policy on the use of teleconferencing that addresses the circumstances under which it may be appropriate to use this technology, how much advance notice must be given, and the permissible additional costs, if any, that may be incurred.

What is not a meeting?

The Brown Act lists seven circumstances that are not considered a regulated "meeting." The first, individual contacts, is rather obvious, while the others are express exceptions to the general quorum meeting rule.

1. **Individual Contacts.** Individual district legislative body members may engage in separate conversations or communications with staff, the public, and even another member of a legislative body, provided that the official or the person they contact *"does not communicate to members of the legislative body the comments or position of any other member or members of the legislative body."*²² In other words, the Brown Act does not restrain a member of a legislative body's individual actions, but such contacts cannot lead to the type of prohibited serial meeting described above.

Quorum Exceptions.

Attendance by a quorum of members of a legislative body is permitted in the following circumstances, provided that a majority of the members do not discuss district business amongst themselves (other than as part of the scheduled meeting, occasion or program):²³

2. **Standing Committee Meetings.** Members may attend an open and noticed meeting of a standing committee of the legislative body (provided that the members of the body who are not members of the committee attend only as observers).
3. **Meetings of another district legislative body** that are open and publicized.
4. **Meetings of a legislative body of another local agency** that are open and publicized (e.g., county board of supervisors, city council, or the board of directors of another district).
5. **Community meetings** organized to address topics of local community concern by a person or organization other than the district, provide the meeting is open and publicized.

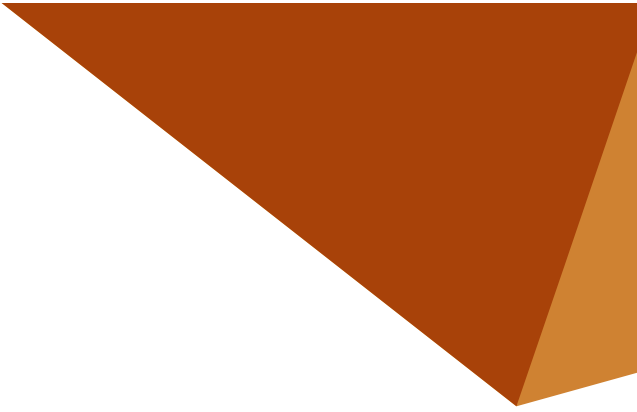
Note: The Brown Act does not define what “publicized” means for the purposes of the community meeting exemption, but notice in a newspaper, a mass mailing, physical posting in multiple locations around a community, or posting on Internet Web sites should be sufficient to satisfy the Brown Act’s openness requirements.

6. **Conferences or similar gatherings** that are open to the public and are for purposes of discussing issues of general interest to the public or to public agencies such as the district.
7. **Social or ceremonial events** such as parties, weddings, funerals, retirement celebrations or charitable fundraisers.



Practice Tip

Public officials do not have to stop engaging with the public because of the Brown Act. But they should take some simple precautions to avoid unintentional violations of the law. This includes warning members of the public that you cannot discuss the views of other officials and stopping any such discussion by a member of the public as soon as possible.



Categories of Meetings, and Applicable Notice, Location, Agenda and Procedural Requirements

Categories of meetings subject to the Brown Act.

1. **Regular meetings** are meetings held at the dates, times and location set by ordinance, resolution, bylaws or other formal action of a legislative body.²⁴
2. **Special meetings** are meetings called by the presiding officer or a majority of the legislative body and may be held at any time subject to a 24-hour notice requirement. Such written notice must be delivered to each member of the legislative body (unless waived in writing by that member) and to each local newspaper of general circulation, and to each radio and television station that has requested such notice in writing. Only the business set forth in the notice may be considered at the meeting.²⁵
3. **Adjourned meetings** are regular or special meetings that have been adjourned to a time and place specified in the order of adjournment.²⁶
4. **Emergency meetings** are meetings that may occur where the legislative body determines there is an emergency situation that severely impairs public health or safety or there is an existing or threatened situation that poses immediate and significant peril. The special meeting provisions apply to emergency meetings, except the 24-hour notice is not required. News media must be notified by telephone at least one hour in advance of an emergency meeting (except for “dire” emergencies), and all telephone numbers provided must be tried. If telephones are not working, the notice requirements are deemed waived, but the news media must be notified as soon as possible of the meeting and any action taken. Closed sessions are permitted during an emergency meeting under Section 54957 if agreed to by 2/3 vote of the members present (or all of the members if less than 2/3 present). The minutes of the meeting, a list of the persons notified or attempted to be notified, a copy of any roll call vote, and any action taken at the meeting must be posted in a public place for a minimum of ten days as soon after the emergency meeting as possible.²⁷

Categories of Meetings (continued)

Permitted locations for meetings.

1. **Regular and special meetings** must be held *within the boundaries* of the agency's jurisdiction except when:
 - complying with federal or state law or court order;
 - inspecting real property or personal property that cannot be conveniently brought to the agency;
 - participating in multi-agency meetings (provided the meeting takes place in a member agency's jurisdiction and is properly noticed);
 - meeting in the closest meeting facility if the district has no meeting facility within its boundaries;
 - meeting with elected or appointed federal or state officials when a local meeting would be impractical (solely to discuss local issues over which such officials have jurisdiction);
 - meeting in or nearby a facility owned by the agency (provided the meeting is limited to items directly related to the facility); and
 - visiting the office of its legal counsel for a closed session on pending litigation when to do so would reduce legal costs.²⁸

Note: Retreats and workshops for agencies other than statewide JPAs must be held within the territory of the agency.

2. **Joint powers agencies** may meet within the territory of any member, or if members are located throughout the state, then they can meet anywhere in the state, provided such facility is open to all members of the public.²⁹

3. **Emergency meetings** are subject to the same locational rules as regular and special meetings except that the presiding officer may move them to another location if it is unsafe to meet in the regular designated meeting location.³⁰

Closed sessions are permitted during an emergency meeting under Section 54957 if agreed to by 2/3 vote of the members present (or all of the members if less than 2/3 present). The minutes of the meeting, a list of the persons notified or attempted to be notified, a copy of any roll call vote, and any action taken at the meeting must be posted in a public place for a minimum of ten days as soon after the emergency meeting as possible.

Categories of Meetings (continued)

Agenda requirements.

General Rules:

- A written agenda must be prepared for each regular or adjourned regular meeting of the legislative body.
- The agenda must be posted at least 72 hours in advance of the regular meeting to which it relates.
- Each item of business to be transacted or discussed, including items to be discussed in closed session, must be the subject of a brief general description, which generally need not exceed 20 words.³¹
- If the agency has an Internet Web site, agendas must be posted at least 72 hours before a regular meeting and at least 24 hours before a special meeting on the agency's Web site. The special meeting Internet posting requirement only applies to an agenda of either (a) the governing body, or (b) the participating members are compensated, and one or more members attending are also members of the governing body.³²



Compliance Tip

Drafting an agenda description that is brief but discloses enough information for the public to understand a proposed action is not as easy task. Including information such as the location of a project, the purpose of a project (as opposed to just an agency or applicant given name), the parties involved, and the costs associated with the action will help deflect claims of lack of proper notice.

Notes: Agendas at physical locations must be posted in areas that are freely accessible to the public at all times. Posting on a bulletin board inside the district's office that is locked after business hours is not in compliance. The Internet Web site posting requirement may be excused if there are technical difficulties, provided that the district continues to comply with all other notice requirements.³³ The Internet Web site posting requirement has also been amended so that effective January 1, 2019, the agenda must be posted as a direct link on the homepage of the agency's Web site and in an open format that permits the public to retrieve, download, index, and search for the agenda through the Internet, in a manner that is "platform independent and machine readable."³⁴

Non-Agenda Items.

Action or discussion on any item not appearing on the posted agenda is generally prohibited except that members of the legislative body may:³⁵

- briefly respond to statements made or questions posed by the public;
- ask a question for clarification;
- make a brief announcement;
- make a brief report on activities;



- provide a reference to staff or other sources for factual information;
- request staff to report back to the legislative body at a subsequent meeting; or
- direct staff to place a matter of business on a future agenda.³⁶

Statutory exceptions to action on non-agenda items.

A legislative body may take action on items of business not appearing on the agenda under the following conditions:

- **Emergency:** When a majority decides that an *emergency situation* exists (i.e., work stoppage, crippling disaster, etc.).
- **Subsequent need urgency item:** When 2/3 present (or all members if less than 2/3 are present) determine there is a need to take immediate action and that *the need for action came to the attention of the district subsequent to the agenda being posted*.
- **Hold over item:** When the item appeared on the agenda of, and was continued from, a regular meeting held not more than five days earlier.³⁷

Special agenda disclosure for concurrent meetings.

A legislative body that convenes a meeting and whose membership constitutes a quorum of another legislative body may convene a meeting of the other legislative body, either simultaneously or in serial order, only if a clerk or member of the body verbally announces, prior to convening any simultaneous or serial meeting, the amount of “compensation” or “stipend” that each member will receive as a result of convening the simultaneous or serial meeting of the subsequent legislative body. No agenda announcement is required if:

- (1) The amount of compensation is prescribed by statute; and
- (2) No additional compensation for the simultaneous or subsequent meeting has been authorized by the district.

The terms “compensation” and “stipend” do not include reimbursement for actual and necessary expenses incurred by a member in the performance of official duties, including travel, meals, and lodging.³⁸



Rights of the Public at Meetings

Public attendance.

The Brown Act's mandate that all persons must be "permitted to attend any meeting of a legislative body"³⁹ is implemented in a variety of ways:

- Members of the public cannot be required to register their names, provide other information, complete a questionnaire, or otherwise fulfill any condition precedent to attending. If an attendance list, register, questionnaire or similar document is circulated to persons present during the meeting, it must state that the signing, registering or completion of the document is voluntary.⁴⁰
- No meeting or any other function can be held in a facility that prohibits attendance based on race, religious creed, color, national origin, ancestry, or sex, or which is inaccessible to the disabled.⁴¹
- No meeting may be held where the public must pay or make a purchase to attend (this includes remote locations where teleconferencing is used).⁴²
- And if teleconferencing is used, members of the public must be given notice of the teleconference location and be able to address the legislative body from such location.⁴³

Public accommodation (Americans With Disabilities Act).

All open meetings under the Brown Act must also comply with Section 202 of the Americans with Disabilities Act ("ADA") and its implementing rules and regulations.⁴⁴ The ADA prohibits a governmental entity from discriminating against individuals with disabilities in the programs, services, and activities it offers.⁴⁵ Programs and activities are required to be readily accessible to and usable by disabled individuals.⁴⁶ Therefore, public entities must make accommodations for disabled individuals to participate in the meetings unless doing so would be an undue burden or cause a fundamental alteration in the program or activity.⁴⁷ This is accomplished in the following two ways.

1. **Physical facilities:** In addition to the meeting room being accessible, the telephones and bathrooms must also be made accessible if phones and bathrooms are provided for non-disabled individuals.⁴⁸ Meeting rooms must also have wheelchair seating and assistive listening systems.⁴⁹



2. **Agenda and written materials:** Agendas must include information regarding how, to whom and when a request for disability-related modification or accommodation may be made in order for a person with a disability to participate in the meeting. When requested by a person with a disability, the agenda and documents in the agenda packet must be made available in “appropriate alternative formats,” and writings distributed at a public meeting must also be made available in “appropriate alternative formats,” even when the materials are handed out by members of the public.⁵⁰

Public access to meeting records.

The public has the right to review agendas and documents and other writings distributed to a majority of the legislative body (except for privileged documents). A fee or deposit may be charged for a copy of these public records.⁵¹



Compliance Tip

The agenda must designate the address where such documents may be inspected by the public.⁵²

Documents and other writings related to a meeting must be made available to the public at the time of distribution to a majority of the legislative body meeting if prepared by the district or a member of a legislative body, or after the meeting if prepared by some other person.⁵³

If requested in writing in advance, a member of the public may be mailed copies of the agenda or agenda packet at the time it is distributed to a majority of the legislative body. Such a request is valid for the calendar year filed. A public agency may establish a mailing fee not to exceed the cost of providing this service.^{54,55}

Any audio or video tape record of a public meeting made by or at the direction of the district is subject to inspection under the Public Records Act and such inspection must be provided without charge on equipment made available by the district. If copies of the audio or video tape are desired, the agency may impose its ordinary charge for copies. Audio and video tapes may, however, be erased or destroyed 30 days after the taping or recording.⁵⁶



Compliance Tip

With the advent of digital files, most agencies maintain copies of meeting recordings on their Web site, either permanently or for an extended period of time, to ensure continued public access and as an aid for reminding officials and staff precisely what transpired in such meetings.



The legislative body may remove any person from a meeting who willfully interrupts the proceedings.

Rights of the Public at Meetings (continued)

Public participation.

A regular meeting agenda must allow an opportunity for members of the public to speak on any item of interest, so long as the item is within the subject matter jurisdiction of the legislative body.⁵⁷

The public must be allowed to speak on a specific item of business before or during the legislative body's consideration of it.⁵⁸



Compliance Tip

If a closed session is held before the start of the regular open session agenda, the public must be provided an opportunity to address the legislative body on any closed session item before the legislative body adjourns to closed session.

The legislative body may adopt reasonable regulations, including time limits, on public comments (e.g., 3-5 minutes/speaker).⁵⁹ The public is allowed to use audio or video tape recorders or still or motion picture cameras at an open meeting, absent a reasonable finding by the legislative body that such recording, if continued, would persistently disrupt the proceedings due to noise, illumination, or obstruction of view.⁶⁰

Public conduct.

Disturbances. The legislative body may remove any person from a meeting who willfully interrupts the proceedings. Removal is only justified, however, when an audience member actually disrupts the meeting.⁶¹ If order still cannot be restored, the meeting room may be cleared.⁶² Members of the news media who have not participated in the disturbance must be allowed to continue to attend the meeting. The legislative body may also re-admit individuals not responsible for the disturbance.⁶³

Non-disruptive criticism. The legislative body cannot prohibit public criticism of policies, procedures, programs, or services of the agency or the acts or omissions of the legislative body itself.⁶⁴ Expressions of opposition to actions of the district (provided they are not overly disruptive) constitute protected speech.⁶⁵

Closed Sessions

The Brown Act recognizes that not all local agency business should be conducted in the open and provides limited exceptions termed “closed sessions” for sensitive matters such as litigation, security threats and certain personnel matters. If a matter is not listed in the Brown Act as an appropriate subject for a closed session, the matter must be discussed in public even if the subject is sensitive, embarrassing or controversial. In addition to the listing the permissible subjects for closed sessions, the Brown Act outlines how such matters should be agendized, and when and how the matters must be disclosed in an open meeting or otherwise made public.

Matters appropriate for closed session and applicable agenda description.⁶⁷

1. Public employment. A closed session may be held to appoint, employ, evaluate the performance of, discipline, or dismiss a public employee.⁶⁸ A closed session may also be used to hear specific complaints or charges brought against a public employee unless the employee requests a public session upon 24 hours’ advance written notice.⁶⁹ The applicable safe harbor agenda descriptions for these matters are:

PUBLIC EMPLOYMENT

Government Code section 54957

Title: (Specify description of position to be filled)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Government Code section 54957

Title: (Specify position title of employee being reviewed)

PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

Government Code section 54957

(No description is required.)

Note: The public employment exception only applies to “public employees.” This includes independent contractors that function as an officer or employee such as a contract general counsel or human resources officer. Discussions or action taken on persons other than employees (e.g., elected officials, appointed members of a committee, and independent contractors that do not function as an officer or employee) must be taken in open session unless there is another applicable exception such as potential litigation.⁷⁰



Compliance Tip

Interviews for appointments to district legislative or advisory bodies must be conducted in open session. While candidates for such positions cannot be compelled to stay outside the room where the interview is held while other candidates are being interviewed, most will comply with a request to do so.



As noted below, a legislative body may address compensation of an unrepresented employee, such as a general manager, under the labor negotiation exception.

Closed Sessions (continued)

Note: The personnel exception does not authorize action on proposed compensation in closed session, except for a reduction in pay as a result of proposed disciplinary action. Reviewing an employee's job performance and making threshold decisions about whether any salary increase should be granted is permissible for closed session, but any action concerning the amount of any salary increase must be held in an open session.⁷¹ As noted below, a legislative body may address compensation of an unrepresented employee, such as a general manager, under the labor negotiation exception.

2. Labor negotiations. A closed session is appropriate to discuss, with the agency's bargaining representative, salaries, salary schedules, fringe benefits, funding priorities and other matters within the statutory scope of employee representation for both represented (e.g., union or other recognized employee organization) and unrepresented employees (e.g., management). Final action must be taken in open session.⁷² The applicable safe harbor agenda description is:

CONFERENCE WITH LABOR NEGOTIATORS

Government Code section 54957.6

Agency designated representatives: (Specify names of designated representatives attending the closed session)

Employee organization: (Specify name of organization representing employee or employees in question)

or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of the negotiations)

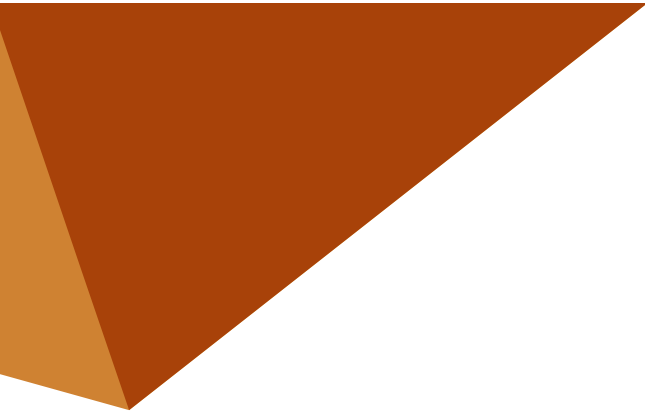
Note: The Brown Act was recently amended to require an oral report in open session at the meeting where final action is to be taken that summarizes the recommendation for final action on the salary, salary schedule, or compensation paid in the form of fringe benefits of a "local agency executive" as that term is defined in Government Code section 3511.1 (e.g., management and department heads, including persons serving under an employment contract).⁷³ The intent appears to be to preclude placing such items on a consent calendar or similar action item that may involve no discussion of the matter.



3. **Litigation.** A closed session is appropriate to discuss (1) threatened litigation against the district; (2) potential exposure to litigation; (3) potential initiation of litigation; and (4) existing litigation.

Potential litigation against or to be initiated by the district. A closed session may be held in situations where there is anticipated litigation against the district or when the district is contemplating bringing a legal action. Where the agency seeks to discuss with its legal counsel threatened or anticipated litigation, there must be “existing facts and circumstances” to support the closed session. Existing facts and circumstances include:

- facts and circumstances that the agency believes are not known to a potential plaintiff;
- the receipt by the agency of a claim pursuant to the Government Claims Act or some other written communication threatening litigation;
- a statement made by a person in a public meeting threatening litigation on a specific matter within the responsibility of the legislative body; or
- a statement made outside a public meeting so long as the official or employee of the agency receiving knowledge of the threat makes a record of the statement prior to the meeting, and the statement is available for public inspection.



Closed Sessions (continued)

A legislative body may also meet in closed session to decide if the above facts and circumstances are present and thus whether the closed session is authorized.⁷⁴ The applicable safe harbor agenda descriptions are:

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) or (3) [as applicable]: (Specify number of potential cases)⁷⁵ or

Initiation of litigation pursuant to Government Code section 54956.9(d)(4): (Specify number of potential cases)

Existing litigation. Where a legal action has already been initiated by or against the district, a closed session may be held to provide updates to the board and discuss strategy. The applicable safe harbor agenda description is:

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Government Code section 54956.9(d)(1)

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers)

or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations)

Notes: The ability to meet in closed session for existing litigation only applies to litigation to which the district is a party. It is general understood, consistent with the safe harbor description, that the agency's attorney must be a participant in all litigation-related closed sessions.⁷⁶



“The real estate exemption is very limited.”

4. **Real estate negotiations.** A closed session is permitted for the legislative body to discuss with its real property negotiator the purchase, sale, exchange or lease of real property by or for the district. As part of the discussion, the legislative body may discuss the price and terms of the transaction. According to the Attorney General, this includes only the following:

- The amount of consideration that the district is willing to pay or accept in exchange for the real property rights to be acquired or transferred in the particular transaction;
- The form, manner, and timing of how that consideration will be paid; and
- Items that are essential to arriving at the authorized price and payment terms, such that their public disclosure would be tantamount to revealing the information that the exception permits to be kept confidential.⁷⁷

The real estate exemption is very limited. Discussions regarding related policy matters such as design work for the project, traffic, and EIR considerations, etc., are beyond the scope of the exemption.⁷⁸ The applicable safe harbor agenda description is:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Government Code section 54956.8

Property: (Specify street address, or if no street address, the parcel number or other unique reference, of the real property under negotiation)

Agency negotiator: (Specify names of negotiators attending the closed session) (If circumstances necessitate the absence of a specified negotiator, an agent or designee may participate in place of the absent negotiator so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Negotiating parties: (Specify name of party (not agent))

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both)



Closed Sessions (continued)

5. **License applications.** A closed session is appropriate if the legislative body finds it necessary to discuss the license application of an applicant with a criminal record, and whether that applicant is sufficiently rehabilitated to obtain the license.⁷⁹ The applicable safe harbor description is:

LICENSE/PERMIT DETERMINATION

Government Code section 54956.7

Applicant(s): (Specify number of applicants)

6. **Security of public facilities and services.** A closed session is appropriate for the legislative body to discuss matters posing a threat to the security of public buildings and facilities as well as essential public services, and threats to the public's right of access to public services or facilities.⁸⁰ The applicable safe harbor description is:

THREAT TO PUBLIC SERVICES OR FACILITIES

Government Code section 54957

Consultation with: (Specify name of law enforcement agency and title of officer, or name of applicable agency representative and title)



Compliance Tip

For convenience, many districts schedule closed sessions prior to commencement of the regular agenda and often hold such closed sessions in separate locations. Under § 54957, the public has the right to be present at such location and also has the right to address the legislative body regarding any agendaized closed session items under § 54954.3 prior to the legislative body adjourning into closed session.

Procedure for adjourning to closed session.

Prior to holding any closed session, the legislative body must disclose, in an open meeting, the item or items to be discussed in the closed session. The disclosure may simply refer to the items as they are listed on the closed session agenda. This announcement may be made at the location announced in the agenda for the closed session, as long as the public is allowed to be present at that location for the purpose of hearing the announcement.⁸¹

Who may be present in closed session?

Closed sessions should only include those members of the legislative body and support staff necessary to conduct business regarding the specific item (e.g., legal counsel, consultants, real estate or labor negotiators, etc.).⁸²



The Brown Act only applies to “meetings” of district legislative bodies.

Reporting after closed sessions.

The legislative body must reconvene in open session to report any “action taken” in closed session. In general, only final action on a matter need be reported (e.g., an agreement to buy property, settlement of a lawsuit where the other party has signed the agreement, acceptance of a resignation, etc.). Thus, for example, the dismissal or nonrenewal of an employment contract is not reported until the first public meeting following exhaustion of administrative remedies, if any. Once final approval occurs, the agency must disclose the action taken “upon inquiry by any person.”⁸³ Copies of contracts, settlement agreements, or other documents finalized in closed session must be made available within 24 hours of the action, or, in the case of substantial amendments or retyping, when complete.^{84,85}

Improper disclosure of closed session information.

The disclosure of confidential information acquired in a closed session is prohibited unless the legislative body authorizes the disclosure of the information. “Confidential information” means communication made in closed session that is specifically related to the basis for the closed session meeting. Violations of this disclosure prohibition may be addressed by any legal remedy, including: injunctive relief to prevent future disclosures; disciplinary action (against employees); or referral to a grand jury (for violations by members of the legislative body).⁸⁶

Note: A joint powers agency may authorize in its agreement or bylaws the disclosure of confidential information by members of the agency’s legislative body to their district legislative body in a closed session as well as to legal counsel of a member district.⁸⁷



Compliance Tip

Although § 54957.1(a)(1) indicates that real estate agreements may be approved in closed session, as a practical and political matter, it is prudent to take final action on such agreements in open session so that the public may more fully participate in the deliberations.

Adjournments and Continuances

Adjournments.

The legislative body may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may adjourn such meetings and if all members are absent, the clerk or secretary of the legislative body may declare the meeting adjourned. Written notice of the adjournment must be provided in the same manner as notice for special meetings.

A copy of the order or notice of adjournment must be conspicuously posted on or near the door of the place where the meeting was held within 24 hours of the adjournment. When a regular or adjourned regular meeting is adjourned, the resulting adjourned meeting is a regular meeting for all purposes. If the order of adjournment fails to state a specific hour for the next meeting, the meeting must be held at the hour designated for regular meetings.⁸⁸

Continuances.

A duly noticed hearing may also be continued in the same manner as adjourned meetings. However, if the hearing is continued to a meeting that will occur in less than 24 hours, a copy of a notice of continuance must be posted immediately following the meeting at which the continuance was adopted.⁸⁹

Less
than
a quorum
may adjourn such
meetings and if all members
are absent, the clerk or secretary
of the legislative body may declare
the meeting adjourned. Written notice of the
adjournment must be provided in the same manner as
notice for special meetings.

Remedies and Penalties for Violations

Criminal penalties.

A member of a legislative body may be charged with a misdemeanor where (a) the member attends a meeting where an action is taken in violation of the Brown Act, and (b) the member intends to deprive the public of information to which the public is entitled under the Brown Act.⁹⁰

Note: If the challenged meeting involves only deliberation and no action is taken, there can be no misdemeanor penalty. Moreover, as with most criminal statutes, it is often difficult to prove criminal intent. As a result, criminal enforcement of the Brown Act is rare.

Civil action to prevent future violations.

The district attorney or any interested person may file a civil action to:

- Stop or prevent a threatened violation of the Brown Act.⁹¹
- Determine the applicability of the Brown Act to ongoing actions or threatened future action of the legislative body.⁹²
- Determine whether any rule or action by the legislative body to penalize or otherwise discourage the expression of one or more of its members is valid under state or federal law.⁹³
- Compel the legislative body to tape record its closed sessions.⁹⁴
- Determine that an action of a Legislative Body violated the Brown Act and the action is null and void.⁹⁵

Opportunity for the legislative body to cure and correct alleged violations.⁹⁶

Before filing a legal action alleging that a legislative body violated the Brown Act, the complaining party must send a written “cure or correct” demand to the legislative body. The demand must clearly describe the challenged action, the nature of the alleged violation, and the “cure” sought, and must be sent within 90 days of the alleged violation (or 30 days if the action was taken in open session but in violation of § 54952.2, which defines “meetings”). The legislative body has up to 30 days to cure and correct its action. If it does not act, any lawsuit must be commenced within 15 days after (a) receipt of written notice from the legislative body of such non-action, or (b) the expiration of the 30-day cure period if the legislative body does not respond to the cure request.



Remedies and Penalties for Violations (continued)

Opportunity for the legislative body to commit to cease & desist alleged past actions or practices.⁹⁷

Prior to commencing an action to determine if past actions of a legislative body are a violation of the Brown Act under § 54960, the complaining party must send a “cease and desist letter.” The cease and desist letter must be sent within nine months of the alleged violation. The legislative body may respond to the cease and desist letter within 30 days by making an unconditional commitment to cease and desist from the past action in open session at a regular or special meeting as a separate item of business, and not on its consent agenda, and providing such commitment to the complaining party. The commitment must state that:

- The legislative body has received the cease and desist letter; and
- The legislative body unconditionally commits to cease and desist from the challenged action; and

If the legislative body chooses to send an unconditional commitment agreeing to cease and desist from the challenged conduct within 30 days of receipt of the cease and desist letter, then no legal action can be commenced. Any party sending a cease and desist letter can commence a legal action challenging past conduct of a legislative body on whichever is earlier: (a) 60 days of receiving a response other than an unconditional commitment to cease and desist; or (b) within 60 days of the expiration of the legislative body’s 30-day time period to respond to the cease and desist letter.



Compliance Tip

The cure & correct and cease & desist options allow a legislative body to avoid litigation over alleged Brown Act violations unless it is abundantly clear that no violation occurred and a district wants to defend what it believes to be a correct policy or procedure.

And even if a legislative body waits to cure or correct an alleged violation until after a lawsuit is commenced, an action seeking invalidation must be dismissed.

Because a subsequent cure or correction cannot be introduced as evidence of a violation of the Brown Act, there is rarely a legitimate reason for a legislative body not to take any post-lawsuit steps to cure or correct an alleged violation if there is any question as to Brown Act compliance.⁹⁸



If a court finds that a legislative body violated the Brown Act, the plaintiff may be awarded costs and attorney fees.

Invalidation of certain types actions.

Only actions taken in violation of the Brown Act under the following circumstances may be invalidated:⁹⁹

- the basic open meeting provision;¹⁰⁰
- notice and agenda requirements for regular meetings and closed sessions;¹⁰¹
- tax hearings;¹⁰²
- special meetings;¹⁰³ and
- emergency situations.¹⁰⁴
- Certain actions taken in violation of the Brown Action will not be invalidated if they involve:¹⁰⁵
- substantial compliance;
- sale or issuance of notes, bonds or other indebtedness, or related contracts or agreements;
- a contractual obligation upon which a party has in good faith relied to its detriment;
- the collection of any tax; or
- the complaining party had actual notice at least 72 hours prior to the meeting at which the action is taken.

Award of costs and attorney fees.

If a court finds that a legislative body violated the Brown Act, the plaintiff may be awarded costs and attorney fees.¹⁰⁶ The costs and fees are the liability of the district and not its officers or employees. A district may only recover its costs and attorney fees if it wins and the court determines that the lawsuit was “clearly frivolous and totally lacking in merit.”¹⁰⁷

Acknowledgment

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DONALD M. DAVIS, ESQ.

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www.bwslaw.com

Endnotes

1. The Brown Act is codified in the Government Code starting at Section 54950. Unless otherwise indicated, all statutory references are to the California Government Code.
2. Please note that school districts and community college districts have a number of unique Brown Act provisions applicable only to such districts that are outside the scope of this manual.
3. § 54950.
4. § 54953(a).
5. *Epstein v. Hollywood Entertainment Dist. II Bus. Improvement Dist.* (2001) 87 Cal.App.4th 862, 867.
6. § 54952(a).
7. § 54952.1.
8. § 54952(b).
9. § 54952(b).
10. See *Joiner v. City of Sebastopol* (1981) 125 Cal.App.3d 799, 805; *Frazer v. Dixon Unified School District* (1993) 18 Cal.App.4th 781, 792-793.
11. See *McKee v. Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force* (2005) 134 Cal.App.4th 354.
12. § 54952(c).
13. See also Op.Cal.Atty.Gen. No. 01-401 (2002), available at <https://oag.ca.gov/system/files/opinions/pdfs/01-401.pdf>; and *International Longshoreman's & Warehouseman's Union v. L.A. Export Terminal, Inc.* (1999) 69 Cal.App.4th 287.
14. See 56 Ops. Cal Atty Gen 14 (1973).
15. § 54952.2(a).
16. § 54952.6.
17. § 54952.2(b)(1).
18. See Op.Cal.Atty.Gen. No. 00-906 (2001), available at <https://oag.ca.gov/system/files/opinions/pdfs/00-906.pdf?>.
19. § 54953(b).
20. § 54953(b)(3).
21. § 54953(b)(4).
22. §§ 54952.2(b)(2), 54952.2(c)(1).
23. § 54952.2(c)(2)-(6).
24. § 54954(a).
25. § 54956.
26. § 54955.
27. § 54956.5.
28. § 54954(b).
29. § 54954(d).
30. § 54954(e).
31. § 54954.2; Compare *San Diegans for Open Government v. City of Oceanside* (2016) 4 Cal.App.5th 637 [agenda description provided fair notice of what would be considered] with *Hernandez v. Town of Apple Valley* (2017) 7 Cal.App.5th 194 [omission of significant items of business from agenda violated Brown Act and led to invalidation of action]; and *San Joaquin Raptor Rescue v. County of Merced* (2013) 216 Cal.App.4th 1167 [Brown Act violated where agenda description for project approval did not include proposed approval of CEQA action (mitigated negative declaration)].
32. §§ 54954.2 and 54956.
33. See Op.Cal.Atty.Gen. No. 14-1203 (2016), available at <https://oag.ca.gov/system/files/opinions/pdfs/14-1203.pdf?>.

Endnotes (continued)

34. See Assembly Bill 2257, available at https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201520160AB2257.
35. § 54954.2(a).
36. See *Cruz v. City of Culver City* (2016) 205 Cal. App.5th 239.
37. § 54954.2(b).
38. § 54952.3.
39. § 54953.
40. § 54953.3.
41. § 54961(a).
42. § 54961(a).
43. § 54953(b)(3).
44. § 54953.2.
45. 42 U.S.C. § 12101 et seq.
46. 42 U.S.C. § 12132; 28 C.F.R. § 35.149.
47. 28 C.F.R. §§ 35.149, 35.150.
48. Department of Justice Technical Assistance Manual (Title II), Section II-5.1000. The Manual is available at: <https://www.ada.gov/taman2.html>.
49. 28 C.F.R. §§ 35.150, 35.151.
50. §§ 54954.2(a), 54954.1, 54957.5(b).
51. § 54957.5.
52. § 54957.5(b)(2).
53. § 54957.5(c).
54. § 54954.1.
55. § 54957.5 (c).
56. § 54953.5(b); see also § 6253(b).
57. § 54954.3.
58. § 54954.3(a).
59. § 54954.3; See *Chaffee v. San Francisco Public Library Commission* (2005) 134 Cal.App.4th 109.
60. §§ 54957.5 and 54953.5.
61. *Acosta v. City of Costa Mesa* (9th Cir. 2013) 718 F.3d 800 [“insolent” remarks did not constitute actual disruption]; *Norse v. City of Santa Cruz* ((9th Cir. 2010) 629 F.3d 966 [silent Nazi salute directed at mayor is not a disruption].
62. § 54957.9.
63. § 54957.9.
64. § 54954.3(c).
65. *White v. City of Norwalk* (9th Cir. 1990) 900 F.2d 1421.
66. The Brown Act provides a format for describing closed sessions, which if substantially followed, create a “safe harbor” from any alleged notice violations of the Brown Act. See § 54954.5. This manual provides adapted versions of such safe harbor descriptions.
67. For a complete list of all permissible closed session matters see § 54954.5.
68. § 54957(b)(1).
69. § 54957(b)(2); see also *Fischer. v. Los Angeles Unified School District* (1999) 70 Cal.App.4th 87 [decision by school board not to reemploy probationary employees based on the evaluation of performance, but not specific complaints or charges, does not require 24 hours’ advance written notice]; and *San Diego Civil Service Com. v. Bollinger* (1999) 71 Cal.App.4th 568 [if charges have already been heard and sustained at a public evidentiary hearing, employee notice of closed session is not required].

70. § 54957(b)(4).
71. *San Diego Union v. City Council* (1983) 146 Cal.App.3d 947 [two-step process contemplated: (1) closed session for evaluation of performance or appointment; (2) open session for setting employee's salary].
72. § 54957.6.
73. § 54953(c)(3).
74. § 54956.9
75. In addition, the agency may be required to provide additional information on the agenda or in an oral statement prior to the closed session pursuant to Section 54956.9(e)(2) to (5).
76. See for example, "The Brown Act," California Attorney General (2003), p.40.
77. See Op.Cal.Atty.Gen. No. 10-206 (2011), available at <https://oag.ca.gov/system/files/opinions/pdfs/10-206.pdf?>.
78. See *Shapiro v. San Diego City Council* (2002) 96 Cal.App. 4th 904.
79. § 54956.7.
80. § 54957(a).
81. § 54957.7.
82. See Op.Cal.Atty.Gen. No. 03-604 (2003), available at <https://oag.ca.gov/system/files/opinions/pdfs/03-604.pdf?>.
83. See §§ 54957.1 and 54957.7.
84. § 54957.1.
85. See §§ 54957.1 and 54957.7.
86. § 54963.
87. § 54956.96.
88. § 54955.
89. § 54955.1.
90. § 54959.
91. § 54960(a).
92. § 54960 (a).
93. § 54960 (a).
94. § 54960 (b).
95. § 54960.1(a).
96. § 54960.1.
97. § 54960.2.
98. § 54960.1(e) and (f).
99. § 54960.1(a).
100. § 54953.
101. §§ 54954.2 and 54954.5.
102. § 54954.6.
103. § 54956.
104. § 54956.5; see also § 54960.1.
105. § 54960.1(d).
106. See *Los Angeles Times Communications v. Los Angeles County Board of Supervisors* (2003) 112 Cal. App.4th 1313 ["fees are 'presumptively appropriate' and a successful plaintiff 'should ordinarily recover attorney's fees unless special circumstances would render such an award unjust'"].
107. § 54960.5.

APPENDIX D

CSDA BOARD MEMBER REFERENCE GUIDE

The following guide was published by the California Special Districts Association (CSDA) and is intended as a practical governance reference. It is not a substitute for the Ralph M. Brown Act, other applicable law, or advice from District Legal Counsel.

SPECIAL DISTRICT

Board Member Handbook

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*You have been
elected or appointed
to a special district
board by your
community. This is
a tremendous honor
that comes with
much responsibility.*



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What do You Need to Know as a Special District Board Member?

You have been elected or appointed to a special district board by your community. This is a tremendous honor that comes with much responsibility. The mission of the California Special Districts Association (CSDA) is to provide you and your district with the resources necessary to best meet this responsibility. This handbook will serve as a fundamental guide in this endeavor.

Your special district may refer to its board members as trustees, directors, commissioners, or another similar term. For simplicity and readability, this handbook

will use the term “board member” as a universal term for all special districts. The handbook will focus on the commitments, responsibilities, and resources that are relevant to all board members of every type of special district.

As a board member for a special district, you have committed to represent the best interests of your community, ensure the delivery of essential local services and infrastructure, and faithfully serve the public good while upholding the law. This is a high calling that depends upon mutual trust, support, and collaboration with your fellow board members, your district’s professional staff, and the network of special district leaders you will develop through CSDA.



First steps board members should take after election or appointment include:

- Meet with the district’s general manager and legal counsel
- Ask the general manager and/or finance officer for an overview of the most recently approved budget and audit
- Take a tour of the district facilities
- Read your district’s enabling act found in California’s statutory codes
- Review your district’s most recent municipal services review (MSR) published by the local agency formation commission (LAFCO)
- Register for board member training at csda.net

About Special Districts

As a special district board member, you will often be asked, “What is a special district?” People sometimes do not realize how many of their essential services are provided by special districts, and they often do not understand what a special district is, how it functions, or even why it exists. Here are few answers to some frequently asked questions you’ll encounter as a board member.

What is a special district?

An independent special district is a local form of government that is created, funded, and overseen by a community’s residents to provide a new or enhanced level of service and infrastructure to a community. Like counties and cities, special districts are an independent form of local government. Special districts are not school districts, community college districts, joint powers authorities, assessment districts, community facilities districts, “Mello-Roos” districts, or improvement districts.

Why are special districts formed?

Special districts are formed when a community decides a specific type of service is needed and the community wants the service to be maintained with local control. The first special district in California, the Turlock Irrigation District, was established in 1887. Local farmers needed a way to access the local water supply and the Wright Act was passed by the Legislature to provide the legal foundation for water districts, and many other special districts.

The Legislature continued to develop new types of special districts as tools to help local residents come together to solve community problems and needs. Ultimately, special districts are formed by the community for the community. Special districts empower residents to find local solutions to fit the unique needs of their community.

What types of special districts exist?

There are many types of special districts that can be established to fit the specific needs of a community. Some district types include:

- Airport
- Cemetery
- Community Services
- Fire Protection
- Harbor and Port
- Healthcare
- Irrigation
- Library
- Mosquito and Pest Abatement
- Recreation and Park
- Resource Conservation
- Sanitation
- Transit
- Utility
- Veterans Memorial
- Water

How many special districts are there?

There are just over 2,000 independent special districts throughout California. They vary in size and some may serve a community of hundreds of thousands while others serve only a few hundred. Special districts are created to fit the size of the community they serve.

How are special districts governed?

Independent special districts are governed by a board of directors that is elected by the community or appointed to fixed terms by one or more other locally elected governing bodies. Board members are responsible for setting the policies that ensure special districts continue to function and serve the community. It is also important to distinguish independent special districts from dependent special districts. Unlike independent special districts, dependent districts are indirectly governed by other government entities, such as city councils or county boards of supervisors. This is because dependent special district board members include ex-officio members from another legislative body or board members who are appointed to non-fixed terms. Ex-officio board members serve on the special district board only by virtue of their participation on another board. Board members appointed to non-fixed terms serve at the pleasure of another governing body. In other words, they may be replaced at any time and are not entitled to a full four-year term.



To expand your knowledge further, visit csda.net to find the *About Special Districts Guide* and the *Special District Formation Guide* to learn more about special districts and how they are formed.



Special districts and their board members are subject to a number of laws established to ensure special districts remain transparent and accountable to their communities. These laws are discussed in greater detail later in this handbook under the chapter, *Accountability and Transparency*.

How are special districts funded?

Special districts utilize many different funding sources to establish and maintain their services and overall infrastructure. Some districts receive enterprise revenues that are collected as fees for services such as water, sewer, or electricity. Special districts can also receive non-enterprise revenues that include one percent ad valorem property tax, parcel taxes, or benefit assessments that are approved by the community. Frequently, special districts will receive a combination of enterprise and non-enterprise revenues in order to best meet the needs of their community.

What makes special districts so special?

As a board member who dedicates time and effort to your local special district, you understand and know from firsthand experience what makes special districts so special. It's the connection to the community, the focused specialized service, and the commitment of local residents such as yourself that distinguishes special districts from other forms of government.

To raise awareness and understanding of special districts, CSDA established the Districts Make the Difference public outreach campaign which is now supported nationwide by the National Special Districts Coalition.

DISTRICTS
MAKE
THE **DIFFERENCE**

Good Governance

Special district boards are the voice of the community. Every elected or appointed public official needs to care about governance—it is the essence of what boards do. Governance is taking the wishes, needs, and desires of the community and transforming them into policies that govern the district.

The success of your district, and special districts as a form of government, depends largely upon how well you do your job as a board member. If the board does not respond to the needs of the community and govern its district effectively, it will erode the public trust, jeopardize public support of district services, and may even threaten the existence of the district itself.

Effective Governance Model

The good news is that a lot of work has been done on effective governance. Based upon a model developed by the California School Boards Association and adapted by CSDA for special districts, there are three critical dimensions that interact to determine how a board operates and its effectiveness as an organization:

1. The board as an organizational entity;
2. Individuals who together make up the board; and
3. Specific jobs the board must perform.

These are the core components of effective special district governance: a competency-based group of individual citizens coming together as an effective team to accomplish the specific responsibilities that only governing boards can do on behalf of their community.

The Board as an Organizational Entity

Any board, public or private, nonprofit or corporate, exists as an organizational entity, with its own unique organizational culture, norms, values, and operating style. There are attributes or characteristics that are consistently present in boards that operate in a highly effective way.

Effective boards operate in an organizational environment of trust, honesty, and openness. These boards exhibit, as a team, the following characteristics:

- Recognize all board members as equally legitimate—no matter how different or difficult an individual may be.
- Strive to maintain a “no secrets, no surprises” operating norm.
- Acknowledge that conflicts and differences are inevitable, not necessarily bad, and must be faced and analyzed.
- Immediately turn to solutions rather than playing the “gotcha” game.
- Treat all staff with dignity and respect.
- Treat all community members with dignity and respect, even in the face of criticism and opposition.
- Exhibit creative thinking, know how to handle failure as well as success, encourage risk taking, and create a climate of support for excellence.
- Accept collective responsibility for the conduct, behavior, and effectiveness of the board.

Individuals Who Together Make up the Board

While boards develop unique organizational cultures, they are, after all, composed of individuals. These individuals and their values, skills, and knowledge shape how boards operate at any given time. Individuals also determine whether the board will sustain effective behavior as a group expectation.

Not everyone who serves on a special district board becomes an effective board member or leader. Those who do become effective board members also become highly valued community leaders. When an entire board is composed of truly effective board members, rather than individuals, the board becomes highly effective.

So, how are highly valued community leaders different than individuals who just serve on boards? They think about governance differently by understanding the fundamental role

Governance is taking the wishes, needs, and desires of the community and transforming them into policies that govern the district.



The most effective board members maintain the following priorities:

- Serve the public
- Support the staff as they carry out direction
- Respect fellow board members
- Seek consensus



of effective governance and the citizen leader. Effective board members exhibit the following characteristics:

- Recognize that the board, not the individual board member, governs the special district—the authority of any one board member rests only with the board as a whole.
- Heed caution when someone attempts to impose their own agenda on the district rather than working to build support for an institutional agenda.
- Appreciate that “how” a board member governs is as important as “what” a board member does—that manners make a huge difference.
- Establish trust and treat everyone with the same respect with which the board member expects others to treat them.
- Respect the diversity of perspectives and styles.
- Operate in a transparent fashion, while always keeping confidential information confidential.

Specific Jobs the Board Must Perform

We know that effective boards have strong competency-based cultures and that individual effective board members have strong governance skills, but the next question is: “To do what?” The third dimension of a board addresses the governing body’s specific responsibilities. Special district boards have certain duties that no one else in the organization or the community can perform.

In the next chapter, *Primary Roles and Responsibilities*, we will explore these duties, but first we must acknowledge one of the biggest challenges to special districts—how board members can learn and demonstrate competency.

Training and Development

We all have room to learn the governance skills required to be an effective special district leader. To do so, we must establish a culture of participation in our special district community. Just as we expect our staff to be involved in their profession, to learn and develop new skills, so too must we as effective board members learn to hone our governance skills.

We must lead by example and encourage our colleagues to branch out and learn the skills of governance. We must establish a culture of continuing education in the special district community. This includes both required trainings and recommended trainings.

Required Trainings

Every special district board member is required by law to complete ethics training and sexual harassment prevention training at least once every two years.

Ethics training is mandated by Government Code Section 53235 et. seq., which is popularly referred to by its enacting legislation, AB 1234 (Salinas) of 2005. Special district board members must receive the required two-hour training within

one year of their first day of service, and then every two years thereafter. A board member who serves more than one agency shall satisfy the requirements once every two years, regardless of how many boards they serve on.

All ethics trainings must cover laws related to conflicts of interest, gifts, reimbursements, government transparency, and fair processes, including but not limited to incompatible offices and competitive bidding practices.

Sexual harassment prevention training is mandated by Government Code 53237 et. seq., which was enacted by AB 1661 (McCarty) of 2016. Special district board members must receive the required two-hour training within the first six months of taking office, and then at least once every two years thereafter.

All sexual harassment prevention trainings must include practical guidance regarding the federal and state statutory provisions concerning the prohibition against, and the prevention and correction of, sexual harassment and the remedies available to victims. The training includes practical examples aimed at instructing the board member in the prevention of sexual harassment, discrimination, and retaliation.

CSDA offers various forms of online and in-person ethics and sexual harassment prevention training opportunities. You can register online at csda.net.

Recommended Trainings

It is recommended that every newly elected or appointed special district board member attend CSDA's workshops that introduce the topic of governance. CSDA strives to offer these opportunities in various locations throughout the state annually.

As a longer-term goal, during your first term in office it is also recommended you obtain the Recognition in Special District Governance certificate from the Special District Leadership Foundation (SDLF). This recognition was designed to honor special district board members and is comprised of two distinct parts: the completion of the Special District Leadership Academy and 10 hours of continuing education.

The Special District Leadership Academy consists of four courses: Governance Foundations, Setting Direction/Community Leadership, Board's Role in Human Resources, and Board's Role in Finance and Fiscal Accountability. The four courses are unique from any other courses on special district governance in that they are curriculum that has been created by special districts and agreed upon as what governing officials of special districts should know. SDLF has endorsed the Academy as the core special district governance training in California.

SDLF is a 501(c)(3) organization formed to provide recognition and certification opportunities to special district officials and employees to enhance service to the public. It is dedicated to excellence in local government. You can learn more about SDLF at sdlf.org.



*Learn more
about CSDA's
professional
development
offerings at
csda.net.*



Primary Roles and Responsibilities

One of the first and most important distinctions to make in your work as a board member is the difference between your responsibilities and those of the general manager and staff. Clearly understanding and respecting these roles, and how they interact, is critical to the long-term success and sustainability of your special district.

Role of a Board Member

One of the most significant responsibilities as a board member is to understand that the board is a team and you need to work together as such. Understanding the dynamics of the group, as well as the individual perspectives and opinions of your fellow board members, is crucial to the success of the team, the district, and community you represent. This united approach will help strengthen the district and provide the grounds for maintaining a clear vision of the future, a unity of purpose, and a cohesive board.

The specific responsibilities of the board are clustered into five areas:

1. Setting the direction for the district;
2. Establishing and supporting the policies and structure of the district;
3. Overseeing the financial resources necessary to fund the district;
4. Guiding employee relations policy, including the hiring and supervising of the general manager who, in turn, operates the district and hires/manages staff; and
5. Serving as community leaders who communicate effectively on behalf of the district.

Setting Direction

The board establishes the special district's mission and vision. In building a mission statement, the board must clearly understand the purpose of the district and answer the question of "why?" Why does the district exist? It will also be helpful for the board to identify core values that guide the district in its mission.

When developing a vision statement, the board must answer the question of "what?" What would the district look like should it accomplish its mission to the fullest extent? Doing so requires agreement on the board as to what the future of the district should look like.

With a mission and vision as its foundation, the board sets direction through the district's strategic plan, which may guide the development of more specific objectives for implementation by the general manager and staff. In developing a strategic plan, the board will evaluate the present, anticipate the future, and prioritize goals that must be accomplished to achieve the vision. Strategic plans should be reviewed periodically and adjusted appropriately.

Establishing Policies

Policies are written statements specifying the manner in which the district's business is conducted. The board's job is to develop, maintain, revise, and enforce the district's policies. These policies provide needed direction for the general manager and staff, and for the constituents of the district.

One may view a special district's enabling act in California statute as the framework or "constitution" the district must operate under as a "subdivision of the state." However, independent special districts are not state entities, nor are they entities of a city or county. They are independent local governments, which are separate legal entities similar to other municipalities. Board-approved policies, resolutions, and ordinances are the tools by which boards direct the district in achieving its mission and securing its vision within the boundaries of its enabling act.

Board policies should guide district governance, such as board meetings, agendas, and minutes, board conduct, and rules of order. Policies should also be adopted

concerning district finances, personnel, communications, and other key functions.

While policies are approved by the board and may be requested by the board, they are typically drafted and recommended by staff. Sometimes this is done with review and direction of a board subcommittee.

Overseeing Finances

Boards ensure sound fiscal policy exists and that practices and controls are in place so that the district, board, general manager, and staff have direct accountability to their constituents. Furthermore, the board will approve an annual budget and request and approve periodic reports on the fiscal status of the district.

Commensurate with the board's role in financial oversight and fiduciary responsibilities, it should establish a financial reserve policy and capital improvement plan (CIP). It will also approve contracts of certain size and scope according to State law and board policy. To ensure adequate funding to provide quality services and infrastructure to its community, the board must impose sufficient rates, fees, and taxes.

Guiding Employee Relations

The board's charge is to support and assess the performance of the general manager, approve personnel policies, establish salary structure and benefits packages, approve memorandums of understanding (MOUs) negotiated with labor, approve job descriptions and organizational structure, and establish a

strong communications link between the board and general manager.

One of the most important decisions a board will ever make is the hiring of a general manager. Other than a district's general counsel and some rare additional exceptions for large special districts, the general manager is the only individual the board hires and supervises.

The general manager is responsible for hiring and supervising all other staff, sometimes through senior or mid-level managers in larger districts. Empowering the general manager to successfully carry out this key duty is critical to the success of the district. This should include a fair and constructive annual general manager evaluation process.

Serving as Community Leaders

A district and its board are linked in the eyes of the public and often seen as one and the same. Therefore, the conduct of board members reflects upon the district and the community it serves. This holds true during board meetings and formal district events, as well as during other interactions with community, the media, businesses, and other levels of government. Even the personal lives and behaviors of a board member can impact the perception and effectiveness of the district.

In your role as a board member, your board may designate you to formally represent your board to other organizations or participate in ceremonial events. Boards will often establish policies to guide such situations. It is



To expand your knowledge further, visit csda.net to find CSDA's *Sample Policy Handbook*, *Special District Reserve Guidelines*, and CSDA's *California Public Records Act Compliance Manual* to learn more.

important to distinguish when you are speaking on behalf of the board and when you are speaking as an individual. However, as a public official, you should recognize that people will often construe your speech and actions as representative of your district, its staff, and your fellow board members regardless of the manner, time, and place in which they occur. This reality should lead board members to be thoughtful, intentional, and unified, not to be silent or absent.

It is a mistake for a special district to attempt to “fly under the radar.” Transparency is essential to democracy, and scrutiny is inevitable in government. This will be covered more in the next chapter, *Accountability and Transparency*, but here it is important to note that board members play a key role in a special district’s public outreach and engagement efforts. If a special district and its leaders are not telling the story of the district, somebody else will.

Role of the General Manager and Staff

The general manager is the executive staff officer of the district and for the board. This individual administers the district, providing day-to-day leadership, and maintains exclusive management and control of the operations and works of the district within State law and the policies of the board. In some districts, this position may be referred to as the district administrator, chief executive officer, executive director, district director, or another title. For the purposes of this handbook, it will be referred to as general manager.

Overarching best practices for a general manager include:

1. Developing and delivering reports to keep the board of directors and public well-informed of district operations and the status of district goals;
2. Providing recommendations on actions requiring board approval, including policies, resolutions, ordinances, and other matters;
3. Maintaining and advancing the operations of the district and implementing those policies, strategies, and directives approved by the board; and
4. Playing an active role in moving the district forward in serving its mission, carrying out its strategic plan, and attaining its vision.

As noted previously, the general manager has authority over and directs all employees, including hiring, supervision, evaluations, promotions, disciplinary actions, and terminations. All directives for staff should be given by the general manager or designated supervisor within the district. Authority may be delegated to other staff or consultants at the general manager’s discretion.

The general manager should dutifully and faithfully carry into effect the lawfully expressed policies of the board, including planning the short, medium, and long-term work program for the district, facilitating constructive and harmonious board relations, preparing and managing the district budget, conducting studies, and delivering written and oral presentations.



Visit sdlf.org to download the **SDLF High Performing District Checklist** to provide special districts with best practices related to the areas of finance and human resources.



Best practices that make the best board members:

- **Do your homework:** Read all board packets and materials in advance of meetings.
- **Don’t play “gotcha”:** Share questions with the general manager in advance of the board meeting.
- **Listen first, speak second:** Prioritize understanding the perspectives of others.
- **Build an expertise:** Find an important issue that other board members are not already invested in and become a leader, such as on LAFCO, environmental sustainability, etc.
- **Stick to principles, not positions:** Develop strong and well-considered principles, rather than digging heels into one position of a false dichotomy.
- **Oppose the action, not the implementation:** When necessary, vote “No” on a board agenda item, but don’t undermine or obstruct the successful implementation of board-approved decisions. Support and respect the actions of the board as a whole.



Accountability and Transparency

The residents of the district, as voters, owners, constituents, and customers of the district, possess the ultimate responsibility for its oversight and direction. The board is elected or appointed to serve as the voice of these residents. There are a host of legal requirements designed to ensure special districts remain accountable and transparent to its residents.

While special district boards must meet all mandated State laws, they should strive to exceed these requirements and set an example to other governments and organizations.

Legal Requirements

Significant mandates have been placed upon special districts by the State Legislature, which often exceed the standards for the State and some other local agencies. These legal requirements include, but are not limited to:

- Website Maintenance
- Open and Public Meetings under the Ralph M. Brown Act
- Public Records under the California Public Records Act
- Regular Financial Audits
- Finances and Compensation Posted Online
- Ethics Training for Board Members
- Conflict of Interest Compliance under the Political Reform Act

Websites

Beginning January 1, 2020 every special district must maintain a website, per Government Code Section 53087.8. All special district websites must display district contact information, agendas, state-mandated financial transaction and compensation reports, and a report of the district's enterprise systems. An exemption is available for special districts that pass an annual resolution detailing evidence of a hardship.

Open and Public Meetings

Per the Ralph M. Brown Act (Brown Act), special district board meetings must be open and accessible to the public. In certain circumstances, including a state of emergency, members of the board may join a meeting remotely (e.g., via Zoom or BlueJeans) without convening in a single public location.

Generally, to facilitate access and participation, special districts must post their regular meeting agendas at least 72 hours in advance in a publicly accessible location and on their website. The board may only act on issues included in the agenda and the public must be permitted to address the board. The Brown Act includes myriad provisions and exceptions and has been the subject of significant litigation. It is recommended that board members read the Brown Act, found at Government Code Section 54950 et. seq., in its entirety and consult district legal counsel as necessary.

Public Records

As required by the California Public Records Act (CPRA), found in Government Code 6250 et. seq., special district records are subject to public review and scrutiny. The public may request copies of records in the possession of a special district, including records on a board member's personal device or account that are related to district business. Districts may charge a reasonable fee for the cost of printing and paper, but the district may not charge for staff time in producing such copies. As with the Brown Act, the CPRA includes numerous provisions and exceptions and is shaped by countless lawsuits. It is recommended special districts consult legal counsel as necessary in response to specific public records act requests.

Financial Audits

Government Code Section 26909 mandates regular audits of special districts by the county auditor-controller or a certified public accountant. The audit must be filed with the state controller and county auditor-controller.

Online Financial and Compensation Reports

Since 1949, special districts have been required to submit a financial transaction report to the state controller. In 2014, legislation additionally required completion of a compensation report and required that both the compensation report and financial transaction reports be posted or linked to a conspicuous place on each special district's website. The state controller now provides all of this information in an open data format at www.bythenumbers.ca.gov and www.publicpay.ca.gov.

Ethics Training

In 2005, the State enacted AB 1234 (Salinas) mandating special district board members complete at least two hours of training in general ethics principles and ethics laws every two years. Board members have an obligation to conduct business in an ethical manner and make decisions that are in the best interests of their constituents. Building and maintaining the public's trust requires you to avoid any situation where your self-interest may come first.

Conflict of Interest Compliance

Passed by voters via Proposition 9 in 1974, the Political Reform Act (PRA) is designed to ensure elections are fair and government officials serve all citizens equally. The PRA generally governs political campaign spending and contributions, as well as a variety of ethics rules, including conflicts of interest. It prohibits a special district official from making, participating in making, or influencing a

decision in which the official knows or has reason to know the decision will have a material financial effect on the official's economic interests, with limited exceptions. An official may also be prohibited from making, participating in making, or influencing a decision where the official has received campaign contributions from a party or interested person.

Third Party Oversight, Review, and Regulation

In addition to the legal requirements adhered to by special districts, there are a number of entities and programs, which provide varying levels of oversight, review, or regulation:

- Local Agency Formation Commission
- County Auditor-Controller
- County Civil Grand Jury
- County District Attorney and State Attorney General
- State Controller
- State Auditor
- State Treasurer
- State Fair Political Practices Commission
- Other State Regulators

Best Practices

Many special districts go beyond State mandated legal requirements to promote accountability and transparency. To facilitate and recognize best practices among special districts, the Special District Leadership Foundation (SDLF) has established a District Transparency Certificate of Excellence as well as other programs and scholarships. Visit sdlf.org to review the programs and download an application.





Legislative Advocacy, Media Outreach, and Public Engagement

The decisions you make and the actions you take as a board member directly impact your community and the services they receive. It is equally true that districts are affected when board members do not make crucial decisions or fail to take action.

As a board member, you are an advocate for your district and your community. You will have to balance a number of responsibilities throughout your term. However, there are several simple yet influential ways you can take action as a board member.

Engage with the Capitol

Extensive travel to Sacramento is not necessary to effectively engage with the Capitol. Likely the most important way board members can partake in advocacy efforts is to submit letters of support or opposition when CSDA sends out a “Call-to-Action.”

Throughout the legislative session, CSDA closely analyzes and tracks any bill that may impact special districts. When an especially important bill arises, CSDA will issue a “Call-to-Action” and request letters so the Capitol hears the voice of special districts. Make sure your district’s voice is heard and work with others at your district to write support and opposition letters on behalf of your district.

Meeting with your legislators is another valuable way of advocating for your district and engaging with the Capitol. There are times throughout the year when legislators leave the Capitol and return to their legislative districts. During these legislative recesses, do your best to schedule a meeting with your legislator and their staff. Just as you represent your community as a special district board member, your legislator represents you, your special district, and your community. Make sure your legislator knows what issues are important to your district and how your district is impacted by legislation. The more legislators know about the special districts they represent, the more educated they will be when creating legislation that affects all special districts.

Once you’ve met with your legislators, let CSDA know which legislators you have a relationship with so that CSDA can coordinate grassroots activities on key votes in the State Legislature. Do this by completing the Grassroots Mobilization Survey at csda.net/take-action.

Engage with the Media

During your term as a special district board member, you will likely have to interact with the media. Do not be intimidated by the idea of communicating with the press. It is vital that you help inform the media’s narrative regarding your district. You do not want the only media mentions for your district to be one-sided or unfairly skewed against your district. The only way to ensure your district has a voice in what the media covers is for your district to be proactive. Be sure that any media outreach you undertake is in line with your board policies and/or protocols. Every special district should have a media protocol that determines who should serve as a spokesperson for the district under different circumstances. It is important to work as a team and support a clear and consistent message from your district.

Press releases should be utilized as a way to inform the press of particularly significant events. A few opportunities to send out press releases include:

- When your district receives an award
- After new board members are elected
- After a major project is successfully completed

Encourage your district to send out timely press releases in accordance with your board policy. You should also be looking for the best opportunities for your district to interact with the media. Not everything will be compelling to the media, but the media cannot acknowledge your district’s positive achievements if they are not informed.

Media advisories are another way to engage with the media. If your district is hosting an event, encourage the general manager or district staff to send out an invitation to local reporters. Sometimes allowing the media to see for themselves



Throughout the year, CSDA maintains multiple resources to ensure you can stay up to date on the latest issues impacting special districts. Explore the following resources:

- **Advocacy News:** Provides real-time notifications or daily summaries of legislative updates directly to your inbox. Join Advocacy News at csda.net/advocate/advocacy-blog.
- **Take Action Page:** Lists the most pressing legislative issues and provides background information and next steps for your district. Visit the Take Action page at csda.net/advocate/take-action.
- **Legal Advocacy Page:** Lists the actions CSDA has taken in important legal cases affecting special districts. You can find these cases and copies of CSDA filings at csda.net/advocate/legal-advocacy.

helps garner positive press for your district. Also, inviting the media to your district allows you and other district representatives to build a working relationship with the reporters in your community. You want to serve as a resource to the media so when reporters have questions, they reach out for your district's perspective.

You may also want to suggest your district's media policy and/or protocol includes standard talking points for district representatives to reference when working with the media. Maintaining consistent messaging with the media will lend a level of credibility and reliability that the media will remember when writing about your district. As the media's understanding of your district grows, you should notice more accurate and informed press attention for your district.

Engage with Your Community

Special districts provide essential services to millions of Californians. Yet, many people have not heard of special districts or do not understand what a special district truly is. Polling shows that as soon as people understand the services provided and maintained by special districts, their perceived value of special districts rises exponentially. As a board member, you can help the public understand your district and its important role in your community.

Social Media

There are numerous ways to interact and connect with the community you serve. In today's world, most community members are on some form of social media. A district policy or protocol should guide who is responsible for posting on behalf of the district. Typically, this is assigned to a member of the staff and board members may engage by liking and/or sharing district posts from their personal accounts.

Social media can provide an instant connection with your community. Instead of forcing local residents to go looking for information, you can make important information immediately available on social media.

Engaging on social media does not require continuous posts to all platforms throughout the day. Instead, post to social media when you have something you need and want to share with the public. Post about any community events where your district

will be represented. Share a quick fact or update about your district that may interest your community.

Even if you do not frequently post to social media, monitor your accounts to see if people make comments, have questions, or provide suggestions. You may choose not to respond to comments on social media but at least you are aware of what your community is saying. People may voice something on social media that they would not ordinarily say in person or in a more formal setting. At times, people may post negative comments but with social media, engagement is ultimately the goal. Social media starts an ongoing conversation with your community.

Community Events

Another effective way to engage with your community is with community events. As a board member, you can encourage your district to host an event where the public is invited to your district. Holding tours during the summer to demonstrate how your district functions or hosting a holiday party as a way for the community to celebrate together are just a few event ideas.

If you are a board member at a smaller district or a district type that does not easily lend itself to visits, collaborate with other districts and businesses in your community. Reach out to other special districts in your area to discuss a possible "district day" where representatives from multiple districts gather together and answer questions about their respective districts. Hosting a booth at the local career fairs or sponsoring a local event are other valuable ways of building a connection with the community you serve.

Join the Public Outreach Campaign

CSDA launched the Districts Make The Difference public outreach campaign to raise awareness and understanding for special districts. It has expanded nationally and is now supported by the National Special Districts Coalition. Encourage your district to participate in the campaign by adding a link to DistrictsMakeTheDifference.org on your district's website so people can learn about special districts. Raising awareness for special districts helps local residents understand their value and the significant role they play in the community.



Responses to Tough Questions

As with all forms of government, special districts sometimes face tough questions. Special district board members should be aware of these questions and be prepared to respond to them.

Why are some special districts funded by property taxes, while others are funded by fees or a combination of fees and taxes?

Special district funding is primarily determined by the residents who receive district services and pay for those services. Special districts may receive two types of revenue: enterprise revenue and non-enterprise revenue. Some districts rely exclusively on one type, but most receive a combination of the two.

Enterprise revenue is derived by fees for service. Common forms of enterprise revenue include property-related fees, governed under Proposition 218, such as water, sewer,

or trash rates. However, enterprise revenue may also include smaller charges like registration fees for a soccer league or yoga class. Facility rentals, cemetery interment fees, and medical billing are also forms of enterprise revenues.

Non-enterprise revenue is derived from taxes and assessments paid as a condition of owning property that benefits from the services and infrastructure provided by a special district. The most common form of non-enterprise revenue is the one percent ad valorem local property tax, which is distributed through the county auditor-controller's office. This is dictated by Proposition 13 and is usually what someone is referring to when they mention the "property tax." Non-enterprise revenue may also include special taxes, benefit assessment districts, community facilities districts (also known as CFDs or Mello-Roos districts), and similar funding mechanisms.

It is important to note that most residents have approved at least some level of both enterprise and non-enterprise revenue for their special district. This provides the district

with a diverse and sustainable revenue portfolio that can better withstand economic shifts and secure the highest credit ratings for infrastructure investment. It also ensures that everyone who benefits from a district contributes to the cost of the district. For example, water and sewer services benefit a property's value regardless of whether that property's owner currently uses those services.

Can special districts tax residents without their consent?

No. Proposition 13 limited ad valorem property taxes to one percent of property value for every homeowner. Many special districts, along with cities, counties, and schools, receive a share of this revenue. If a district requires additional revenue it must obtain the approval of its voters or property owners as appropriate.

While cities and counties may impose general taxes with majority voter approval, all special district taxes imposed by the district are considered "special taxes" and require a two-thirds vote. However, a special tax benefiting a special district imposed by a voter initiative requires a majority vote to pass. A general obligation bond that raises property taxes temporarily to pay-off the bond must also receive two-thirds voter approval. Certain assessments may be approved with a majority of those who benefit from the service and property related fees must go through what's known as a majority protest proceeding in accordance with Proposition 218.

Why do we have community facilities districts, Mello-Roos districts, and special districts all funding our services?

Community facilities districts (CFDs) and Mello-Roos districts are just two names for the same thing, but neither are a special district with a board that provides a service. CFDs or Mello Roos districts are funding mechanisms that may be established by a special district, city, county, or school district to help fund services and public works for that area. CFDs or Mello-Roos districts are typically approved by property owners in developing areas where there are fewer than 12 residents. In cases where there are 12 or more residents, they must be approved by voters.

Why do special districts have such large reserves?

Special districts need adequate reserves to ensure they can respond to their community's needs in the event of emergencies or disasters, like flooding, earthquakes, wildfires, or even droughts. Prudent reserves are often needed to accumulate the capital to pay for large infrastructure projects, or to secure financing. In addition, reserves provide a safety cushion to stabilize rates and maintain adequate services during economic downturns.

It should be noted that some reports of special district reserve levels have misinterpreted data within the state controller's Financial Transaction Report in a manner that confused districts' fixed assets with cash on hand. CSDA has worked with the State Controller's Office to ensure this report is presented in the most clear and consistent manner possible to avoid such errors in the future.

CSDA has also developed the Special District Reserve Guidelines, a comprehensive guide for accumulation and management of special district reserves. The report lays out policy procedures and high standards for special districts to follow in handling their fiduciary responsibilities.

Don't special districts have board members who are heavily compensated?

Board member compensation is set in statute by the State Legislature. Some special districts have statutory authority to adjust compensation, within strict limits, via a vote of the board during a properly noticed open and public meeting. Unlike city council members and county supervisors, special district board members are not eligible for the California Public Employees' Retirement System (SB 53 of 1993).

While every type of special district must comply with its own statutory parameters, most special district board members receive about \$100 per meeting. It is important to note that the work of a board member does not begin when a meeting commences and end when it adjourns. Board members typically review lengthy meeting packets, study issues thoroughly, and may be in communication with constituents or district staff throughout the month.

Every special district is unique and the demands and qualifications necessary to well-serve different special districts will vary.

Aren't special districts fragmented government?

Special districts provide real-world solutions to meet the needs of residents that otherwise would not be met. In fact, their name and their strength is derived from the way they specialize in a service. Special districts are passionate about providing a service people need. They are not easily distracted from their mission, and they develop an expertise at providing a service in the most efficient, effective, and sustainable manner possible.

While special districts may dot many local landscapes, each one is unique to the needs of its community. Special districts arguably offer the closest, or “most local,” level of service to their community. Residents will likely notice a difference in access and responsiveness when attending a recreation and park district meeting to discuss a playground as opposed to what they may receive on such a specific topic at a general-purpose government meeting. The same could be said in relation to library districts, harbor districts, mosquito abatement districts, water districts, and so on.

Similarly, special districts offer residents a meaningful opportunity to engage with their government and serve their community. The barriers associated with running for Congress, the State Legislature, and even county or city governing bodies are often staggering, with campaigns sometimes costing hundreds of thousands or millions of dollars. And the politics are sometimes highly partisan. Raising that level of campaign money and investing that number of hours away from family and paid employment is out of the reach of most Californians. While serving on a special district board is a significant undertaking, it is far more accessible to the average person.

Do special district services overlap with cities and counties?

No. Local agency formation commissions (LAFCOs) oversee the formation, dissolution, and boundaries of special districts and cities. There are 58 LAFCOs, one per county. They ensure that special districts and cities don’t overlap in a way that provides redundant services. LAFCOs also conduct regular municipal services reviews (MSR) on special districts to help ensure they are providing efficient and effective services.

There are just over 2,000 independent special districts compared to 977 school districts, 482 cities and 58 counties. Why so many and why can’t they be consolidated to save taxpayers money?

What really matters is the quality of services and how well a special district responds to the residents it serves. Consolidation may work in some cases, but it doesn’t work in all cases. Bigger bureaucracies that are further removed from voters are not always more efficient. Even where consolidation may make sense in concept, it may not be economically feasible due to lack of proximity to neighboring infrastructure, such as water or sewer pipes.



An inherent bias for or against consolidation doesn’t improve services. Rather, a thoughtful, case-by-case approach, that includes stakeholders and an objective analysis, will promote the best local government options for each community. Ultimately, the residents who receive and pay for the services should have the final say.

It is also important to keep in mind that there are not 2,000 special districts providing the same service throughout the state. For instance, there are about 346 fire protection districts, 47 mosquito abatement and vector control districts, 95 recreation and park districts, 10 airport districts, and so on.

To whom are special districts accountable?

Special districts are accountable to the residents who elect their boards, approve their funding sources, and use their services. This offers a community local control.

If residents need something or want to see something changed, they may go to their special district and petition their board. When authority is pulled away from local government bodies and centralized further from residents, the community’s ability to influence its government and hold it accountable may become more challenging.

Numerous state laws help residents hold special districts accountable, such as the Ralph M. Brown Act, the California Public Records Act, the Political Reform Act, and more. Additionally, a number of other bodies facilitate oversight and reporting requirements, including the LAFCO, county auditor-controller, county district attorney, state attorney general, and state controller’s office.



Quick Reference for Laws Affecting Special Districts

As subdivisions of the State of California, special districts are governed by state law. Every fall, after the legislative session concludes, CSDA runs a “New Laws” series. At the beginning of each year, CSDA provides its members with a New Laws report, which includes hundreds of enacted bills and court rulings.

CSDA’s publication, *Laws Governing Special Districts*, is a member resource that provides a thorough overview of the most significant long-standing laws affecting the governance of all types of special districts. This resource includes a spreadsheet outlining the enabling act for each type of special district. Following are excerpts of some of the most frequently referenced laws affecting all special districts.



See what’s included in the
***CSDA Special District Laws
Reference Guide*** at csda.net.

Resources for You and Your Special District

Since 1969, CSDA has been providing special districts with representation at the Capitol, professional development opportunities, and a host of programs and resources designed to help them better serve their communities.

Advocacy and Public Affairs

CSDA is the only association representing the interests of California’s independent special districts, of all types and sizes and from all corners of the state. Our legislative staff reviews and monitors every bill introduced for its potential impact on special districts. Bills requiring action are quickly brought to the attention of the Legislative Committee and Board of Directors to adopt a position on each issue and lobby accordingly.

Our District Networks program helps special districts connect and take action on issues of concern, locally or statewide. A CSDA Public Affairs Field Coordinator works with leaders in each Network, providing valuable legislative updates, facilitating communications, and coordinating regional events. Local chapters of CSDA provide more opportunities for collaboration and information sharing.

Professional Development

CSDA offers many unique educational opportunities for special district board members and staff. These range from extensive governance training to specialized conferences and regional workshops.

- Special District Leadership Academy (SDLA)
- Special District Board Secretary/Clerk Conference
- General Manager Leadership Summit
- Annual Conference and Exhibitor Showcase
- Workshops in Ethics, Harassment Prevention, and more
- FREE webinars for CSDA members

In addition, CSDA webinars, offered live and on-demand, provide affordable and convenient access to education in a wide variety of topics. Find a complete list of trainings at csda.net.

*Visit **csda.net** for online resources available for members, including tools and information crucial to any special district's operational effectiveness.*



CSDA is committed to providing solutions to special district needs. That includes discounts and programs especially designed to save districts time and money.

A complete listing of Value Added Benefits is available at **csda.net**.

Online Resources

At **csda.net**, members have access to tools and information crucial to any special district's operational effectiveness. Below are a few highlights of what you can find once you've logged in.

CSDA Communities

Our online forum gives CSDA members a fast and easy way to share relevant information and get answers to questions from those most qualified to answer – your peers. Search for and connect with other members through the Member Directory, or find service and product providers through the Buyers Guide.

Knowledge Base

The Knowledge Base is your online go-to for answers to many questions about local governance and policies related to special districts. The Frequently Asked Questions section contains answers to the inquiries we hear most often from special districts. The Sample Document Library is a collection of useful examples contributed by other special districts.

Also included in the Knowledge Base is an array of downloadable publications and reference materials on topics such as:

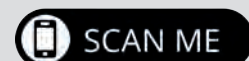
- Ballot Measure Guidelines
- Brown Act Compliance
- California Public Records Act
- Parliamentary Procedure
- Reserve Guidelines
- And many more

California Special Districts Alliance



California Special Districts Alliance is a collaborative partnership between CSDA, the CSDA Finance Corporation and the Special District Risk Management Authority (SDRMA). Our three organizations work together to provide the best in resources and education for your special district.

Visit our Board Member Resources page...



<https://qrco.de/beSmrS>

APPENDIX E

BOARD APPROVED POLICIES

RESERVE POLICY

GOLD RIDGE FIRE PROTECTION DISTRICT



**Adopted by the Board of Directors of the
Gold Ridge Fire Protection District**

Pursuant to Resolution No. 23/24-10

May 8, 2024

GOLD RIDGE FIRE PROTECTION DISTRICT

RESERVE POLICY

SECTION 1: POLICY

This Reserve Policy sets forth the various reserve funds and corresponding purposes and objectives for the Gold Ridge Fire Protection District (the “District”), and any other entity for which the Board of Directors of the District (the “Board”) acts as legislative body, and the term “District” shall refer to each of such entities, and the term “Board” shall refer to the governing boards of each such entity. In carrying out its legislative and policy-making responsibility, the Board hereby delegates the administrative, personnel and executive functions to the Fire Chief.

This Reserve Policy follows the guidelines set in the Governmental Accounting Standards Board (“GASB”) Statement No. 54, regarding Fund Balance Reporting and Governmental Fund Type Definitions.

The Board has adopted this Reserve Policy by resolution.

SECTION 2: SCOPE

This Reserve Policy establishes procedures for a prudent and systemic accumulation and maintenance of reserves in support of the District’s overall mission. This Reserve Policy establishes and segregates several reserve funds to protect the investment in various assets and to meet its financial, regulatory, and contractual obligations. The proper management of these reserves will provide additional assurance that the current levels of service quality and reliability will be met now and into the future.

It is the intent of this policy to clearly identify funds, articulate the purpose of each fund, designate the way the funds are replenished and set target levels that are consistent with the District’s mission, and the philosophy of its Board. The designation of funds for long term financial goals is an important element of prudent fiscal management and a cornerstone of long-term financial planning.

In cases that require exceptions to this Reserve Policy, approval from the Board will be necessary for implementation.

SECTION 3: OBJECTIVES

The primary objectives of the District’s reserve activities shall be as follows:

- Establish anticipated target reserve levels and the methodology for calculating reserve levels.
- Facilitate the accumulation and preservation of District funds in an amount equal to the stated target fund levels for each specific reserve fund created by this Reserve Policy.
- Assure continued operation and solvency of the District for carrying out its stated mission.
- Maintain financial flexibility in order to continually adapt to change and permit orderly adjustment to economic uncertainty, unfunded mandates, regulatory changes and unanticipated events.
- To maintain a diversified, financially flexible and stable long-term financial plan.
- Provide funding for infrastructure replacement.
- Cover current outstanding pension liabilities or fund actuarial unfunded pension liabilities.
- Maintain full and complete financial disclosure and reporting.
- Ensure compliance with debt covenants.
- Ensure compliance with applicable state and federal laws.

GOLD RIDGE FIRE PROTECTION DISTRICT

RESERVE POLICY

SECTION 4: CLASSIFICATION OF FUNDS

Funds may be designated by the Board as either “restricted,” “non-restricted,” “committed” or “assigned” with the balance being designated as “unassigned.” These classifications are defined under GASB 54 as follows:

Restricted Funds shall be segregated, and limited in use to specific and designated purposes as defined and established by the Board. According to GASB 54, Restricted Funds are those that are constrained to specific purposes by the constitution, external resource providers (such as grantors, bondholders, and higher levels of government), or through enabling legislation. The District currently has no Restricted Funds.

Non-restricted Funds may be classified as “Committed” or “Assigned”. These funds do not require the physical segregation of funds, but maybe segregated if desirable.

Committed Funds are defined by GASB 54 as those that are constrained to specific purposes by a formal action of the Board. Committed Funds cannot be used for any other purpose unless the Board takes formal action to remove or change the constraint.

Assigned Funds are defined as those that are intended for a specific purpose, but do not meet the criteria to be classified as restricted or committed. Intent can be expressed by the Board.

Unassigned Funds are defined as the residual amounts that have not been restricted, committed or assigned.

SECTION 5: RESERVE FUNDS

A. Operating Reserve

Purpose. Operating Reserve is an “assigned” fund to (i) provide working capital and ensure sufficient cash flow to pay expenditures during the fiscal year, (ii) provide funds for any unexpected cost increases or revenue interruptions, and (iii) provide funds to protect against shortfalls due to the timing difference between payment of expenses and receipt of revenues.

Use. The Operating Reserve is set aside for operating expense shortfalls due to unexpected expenses or revenue shortfalls. This fund may also be used for emergency cash-flow needs.

Size. The District will strive to maintain the Operating Reserve balance as follows:

Minimum Balance. The balance in the Operating Reserve will never drop below 20% of projected annual operating expenses.

Target Funding Level. The balance in the Operating Reserve will be equal to at least 50% of projected annual operating expenses.

Maximum Funding Level. The maximum size of the Operating Reserve is 75% of projected annual operating expenses.

GOLD RIDGE FIRE PROTECTION DISTRICT

RESERVE POLICY

Replenishment. Each fiscal year during the budget process, any identified residual or surplus funds of the District will be directed to replenishing the Operating Reserve as needed to achieve the Target Funding Level. Once the Target Funding Level has been attained, any remaining residual or surplus funds of the District will be directed to replenishing the Pension Rate Stabilization Fund and then the Capital Improvement Reserve.

Interest earnings in the Operating Reserve shall be allowed to accumulate therein. Once the Operating Reserve balance exceeds the Maximum Funding Level, any residual shall be directed to replenishing the Pension Rate Stabilization Fund and then the Capital Improvement Reserve.

If the amount in the Operating Reserve drops below the Minimum Fund Leveling during the forecast period, the Fire Chief will cause to be developed a plan to bring the Operating Reserve to the desired amount. This plan will be offered to the Board for consideration.

B. Pension Reserve

Purpose. The District is responsible for its pension plans (the “Pension Plans”) which are administered by California Public Employees’ Retirement System (CalPERS). To address the District’s ongoing responsibilities, the Board, on February 14, 2024, adopted its Pension Management Policy pursuant to Resolution No. 23/24-07 (the “Pension Management Policy”).

The Pension Plans along with the “Pension Rate Stabilization Fund” established under the Pension Management Policy are designed to accumulate adequate resources in a systematic and disciplined manner to ensure sufficient resources are available to meet the employee benefit requirements specified in the Pension Plans. The Pension Rate Stabilization Fund is a Section 115 trust fund managed by a third-party investment manager.

It is the District’s policy to strive to achieve and maintain a Pension “Funded Ratio” (being the ratio by which the Market Value of Assets—as set forth in the most recently published Valuation Report--exceeds the Entry Age Normal Accrued Liability or “EANAL”—as set forth in the most recently published Valuation Report) for each Pension Plan of 85% (the “Funding Level Objective”).

Use. The Pension Rate Stabilization Fund will be used to pay normal costs and actuarial unfunded pension liabilities (UAL) in accordance with the Pension Management Policy.

Size. The District will strive to maintain the Pension Plans and the Pension Rate Stabilization Fund in accordance with the Pension Management Policy.

Replenishment. Each fiscal year during the budget process, any identified residual or surplus funds of the District will, after fulfilling the Operating Reserve requirements, be directed to replenishing the Pension Plans and/or the Pension Rate Stabilization Fund as needed to achieve the 85% Target Funding Level for the Pension Plans. Once the 85% Target Funding Level has been achieved, then 50% of the remaining residual or surplus money will be distributed to the Capital Improvement Reserve, and the other 50% will be distributed the Pension Rate Stabilization Fund until the amount contained therein reaches the 110% “Pension Rate Stabilization Fund Maximum” (defined in the Pension Management Policy), all in accordance with the Pension Management Policy. Any remaining residual or surplus funds of the District will be directed to replenishing the Capital Improvement Reserve.

GOLD RIDGE FIRE PROTECTION DISTRICT

RESERVE POLICY

C. Capital Improvement Reserve

Purpose. The Capital Improvement Reserve is an “assigned” fund for the purpose providing funds for (1) pay-as-you-go financing of capital projects listed in the capital improvement plan, (2) unanticipated emergency repairs, (3) capital cost overruns, and (4) replacement of major capital facilities.

Use. Moneys held the Capital Improvement Reserve shall be used for expensive equipment (exceeding \$200,000) and capital improvements, replacements, and other construction-related projects applicable to District facilities and systems, including associated planning and designing costs.

Target Funding Level. The District will strive to build and maintain the Capital Improvement Reserve balance of the minimum amount equal to the capital replacement spending anticipated to be required over the ensuing projected five-year period, as set forth in the Capital Improvement Plan.

Replenishment. Each fiscal year during the budget process, any remaining residual or surplus funds of the District will, after fulfilling the Operating Reserve and Pension Reserve requirements, be directed to replenishing the Capital Improvement Reserve as needed to achieve the Target Funding Level. Once the Target Funding Level has been attained, any remaining residual or surplus funds will be deposited into the District’s general fund.

Interest earnings in the Capital Improvement Reserve shall be allowed to accumulate therein.

SECTION 6: PROCEDURE FOR MONITORING RESERVE LEVELS

The Fire Chief shall perform, or caused to be performed, a reserve analyses to be submitted to the Board of Directors upon the occurrence of the following events:

- Board deliberation of the annual budget.
- Board deliberation of a service charge or rate change.
- When a major change in conditions threatens the reserve levels established within this Reserve Policy.

If the analysis indicates projected or actual reserve levels falling 10% below the desired target levels outlined in this Reserve Policy, at least one of the following actions shall be included with the analysis:

- An explanation of why the reserve levels are not at the desired target levels, and/or
- An identified course of action to bring reserve levels within the target levels prescribed.

DEBT MANAGEMENT POLICY

GOLD RIDGE FIRE PROTECTION DISTRICT



Adopted by the Board of Directors of the
Gold Ridge Fire Protection District

Pursuant to Resolution No. 23/24-08

May 8, 2024

GOLD RIDGE FIRE PROTECTION DISTRICT

DEBT MANAGEMENT POLICY

Section 1: Policy

This Debt Management Policy sets forth debt management objectives for the Gold Ridge Fire Protection District (the “District”), and any other entity for which the Board of Directors of the District (the “Board”) acts as legislative body, and the term “District” shall refer to each of such entities, and the term “Board” shall refer to the governing boards of each such entity.

This Debt Management Policy establishes general parameters for issuing and administering debt. Recognizing that cost-effective access to the capital markets depends on prudent management of debt incurred by the District (or any of its controlled entities), the Board has adopted this Debt Management Policy by resolution.

This Debt Management Policy is intended to comply with California Government Code Section 8855(i).

Section 2: Scope

The guidelines established by this policy will govern the issuance and management of all debt funded for long-term capital financing needs and not for general operating functions. When used in this policy, “debt” refers to all forms of indebtedness, including bonds, notes, loans, certificates of participation, installment sale agreements and lease obligations.

The District recognizes that changes in the capital markets and other unforeseen circumstances may require action that deviates from this Debt Management Policy. In cases that require exceptions to this Debt Management Policy, approval from the Board will be necessary for implementation.

Section 3: Objectives

The purpose of this Debt Management Policy is to assist the District in pursuit of the following equally important objectives, while providing full and complete financial disclosure and ensuring compliance with applicable state and federal laws:

- Minimize debt service and issuance costs
- Maintain access to cost effective borrowing
- Preserve financial flexibility while assuring public transparency
- Achieve the highest practical credit rating
- Ensure full and timely repayment of debt
- Maintain full and complete financial disclosure and reporting
- Ensure compliance with debt covenants
- Ensure compliance with applicable state and federal laws

Budget Integration – The decision to incur new indebtedness should be integrated with the policy decisions embedded in the Board-adopted financial policies (the “Policies”) as well as each annual budget (the “Budget”). Annual debt service payments shall be included in the Budget.

In accordance with the adopted Long-Term Financial Plan (the “LTFP”), the District will seek to issue debt in a timely manner to reduce unplanned expenditures for capital improvements or equipment from its operational account.

GOLD RIDGE FIRE PROTECTION DISTRICT

DEBT MANAGEMENT POLICY

Biennial Review – Recognizing that cost-effective access to the capital market depends on prudent management of the District’s debt program, a biennial review of this Debt Management Policy should be performed. This Debt Management Policy will be included as an Appendix in the annual Budget adopted by Board. Any substantive changes to this Debt Management Policy shall be brought to the Board for consideration and approval.

Section 4: Delegation of Authority

This Debt Management Policy grants the Board the authority to direct the Board Finance Committee to work with the Financing Team, coordinate the administration and issuance of debt, communicate with the rating agencies, and fulfill all of the pre-issuance and post-issuance requirements imposed by or related to state law, federal tax law and federal securities law.

Financing Team Definitions and Roles – The financing team is the working group of Board and staff and outside consultants necessary to complete a debt issuance proposal for presentation to the District, including, but not limited to, bond counsel, disclosure counsel, underwriter, municipal advisor, trustee, pricing consultant and/or arbitrage analyst.

Typically, the Fire Chief and Executive Assistant, or designees of the Fire Chief, forms the District staff portion of the Financing Team.

Consultant Selection –The District will consider the professional qualifications and experience of consultants as it relates to the specific bond issue or other financing under consideration. In certain instances, the District will conduct a request for proposal/qualification process to select such consultants. The Board may, however, decide to select such consultants without having to undertake a request for proposal/qualification process, on an as-needed basis.

Section 5: Policies

A. Purposes for which Debt may be Issued

1. **Long-Term Debt**. Long-term debt may be issued to finance or refinance pension liabilities, the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District.
 - a. Long-term debt financings are appropriate when the following conditions exist:
 - When the project to be financed is necessary to provide basic services.
 - When the project to be financed will provide benefit to constituents over multiple years.
 - When total debt does not constitute an unreasonable burden to the District and its taxpayers and/or ratepayers, as applicable.
 - When the debt is used to refinance outstanding debt and/or unfunded pension liabilities in order to produce debt service savings or to realize the benefits of a debt restructuring.
 - b. Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

GOLD RIDGE FIRE PROTECTION DISTRICT

DEBT MANAGEMENT POLICY

- c. The District may use long-term debt financings subject to the following conditions:
 - The project to be financed must be approved by the Board.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
 - The District estimates that sufficient revenues will be available to service the debt through its maturity.
 - The District determines that the issuance of the debt will comply with the applicable state and federal law.

2. **Short-Term Debt**. Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

B. Methods of Financing

The Board in cooperation with District staff will investigate all possible financing alternatives including, but not limited to, bonds, notes, loans, certificates of participation, installment sale agreements, lease obligations, state bond pools, and grants, which may be structured and consummated under any of the below described methods of financing.

1. **Cash Funding**. The District funds a portion of capital improvements from reserves accumulated from one-time revenues, which have been set aside for investment in the District's infrastructure.

2. **Bank Loans / Lines of Credit**. The District will evaluate lines of credit as a possible method of financing.

3. **Other Loans**. The District will evaluate other financing programs, including but not limited to federal "loans" from the United States Department of Agriculture.

4. **Bond Financing**. The District may issue any bonds which are allowed under federal and state law including but not limited to general obligation bonds, certificates of participation, revenue bonds, land-secured (assessment and special tax) bonds, pension obligation bonds, refunding bonds and other obligations (see below for detail).

- ***General Obligation Bonds***. General Obligation Bonds (GO Bonds) may only be issued with requisite approval of the District's registered voters. The California State Constitution (Article XVI, Section 18) limits the use of the proceeds from GO Bonds to "the acquisition or improvement of real property."
- ***Lease Revenue Bonds, Certificates of Participation (COPs) and Lease-Purchase Transactions***. Lease financings may take a variety of forms, including certificates of participation, lease revenue bonds and direct leases (typically for equipment). When the District finances acquisition or construction of capital improvements or equipment with a

GOLD RIDGE FIRE PROTECTION DISTRICT

DEBT MANAGEMENT POLICY

lease financing, the District agrees to lease either the financed asset or a different asset and, most commonly, the District's lease payments are securitized in the form of certificates of participation or lease revenue bonds. This type of financing requires approval of Board.

- **Revenue Bonds.** Revenue Bonds are generally issued by the District for enterprise funds that are financially self-sustaining without the use of taxes and therefore rely on the revenues collected by the enterprise fund to repay the debt. This type of financing requires approval of Board.
- **Assessment Bonds.** Certain fire suppression and assessment district laws allow the District to issue bonds to finance improvements that provide "specific benefit" to the assessed real property. Installments are collected on the secured property tax roll of the County. This type of financing is secured by the lien upon and assessments paid by the real property owners and does not obligate the District's general fund or other funds. This type of financing requires approval of Board.
- **Special Tax Bonds.** Under the Mello-Roos Community Facilities Act of 1982, the District may issue bonds on behalf of a Community Facilities District (CFD) to finance capital facilities, most commonly in connection with new development. These bonds must be approved by a two-thirds vote of the qualified electors in the CFD, which the Mello-Roos Act defines to mean registered voters if there are 12 or more registered voters in the CFD and, if there are fewer than 12 registered voters, the landowners in the CFD. Bonds issued by the District under the Mello-Roos Act are secured by a special tax on the real property within the CFD. Board will approve any special tax bonds prior to placement on a ballot for voter consideration. The financed facilities do not need to be physically located within the CFD. As this type of financing is secured by the special tax lien upon the real property it does not obligate the District's general fund or other funds.
- **Refunding Obligations.** Pursuant to the Government Code and various other financing statutes applicable in specific situations, the Board is authorized to provide for the issuance of bonds for the purpose of refunding any long-term obligation of the District. Absent any significant non-economic factors, a refunding is required to meet the following test: 1) the refunding must produce a minimum net debt service savings (net of reserve fund earnings and other offsets, and taking transaction costs into account) of at least 3% of the par value of the refunded bonds on a net present value basis, using the refunding issue's True Interest Cost (TIC) as the discount rate, unless the Board determines that a lower savings percentage is acceptable for issues or maturities with short maturity dates, and 2) the final maturity of the original bonds cannot be extended unless expressly determined otherwise by the Board. Additionally, the Board may determine that there are other, compelling "non-economic" reasons (i.e. removal of onerous covenants, terms or conditions).
- **Other Obligations.** There may be special circumstances when other forms of debt are appropriate and may be evaluated on a case-by-case basis. Such other forms include, but are not limited to: bond anticipation notes, grant anticipation notes, lease revenue bonds, pension obligation bonds, etc.

GOLD RIDGE FIRE PROTECTION DISTRICT

DEBT MANAGEMENT POLICY

Section 6: Structure and Term

Term of Debt – Debt will be structured for the shortest period possible, consistent with a fair allocation of costs to current and future users. The standard term of long-term debt borrowing is typically 5-40 years.

Consistent with its philosophy of keeping its capital facilities and infrastructure systems in good condition and maximizing a capital asset's useful life, the District will make every effort to set aside sufficient current revenues to finance ongoing maintenance needs and to provide reserves for periodic replacement and renewal. Generally, no debt will be issued for a period exceeding the useful life or average useful lives of projects to be financed.

Debt Repayment Structure – In structuring a bond issue, the District will manage the amortization of the debt and, to the extent possible, match its cash flow to the anticipated debt service payments. In addition, the District will seek to structure debt with aggregate level debt service payments over the life of the debt. Structures with unlevel debt service will be considered when one or more of the following exist:

- Such structuring is beneficial to the District's aggregate overall debt payment schedule.
- Such structuring will allow debt service to more closely match project revenues during the early years of the project's operation.

Bond Maturity Options – For each issuance, the District will select serial bonds or term bonds, or both.

Interest Rate Structure – The District currently issues securities on a fixed interest rate basis only. Fixed rate securities ensure budget certainty through the life of the issue and avoid the volatility of variable rates. The use of variable rate securities may be issued if authorized by the Board on a case-by-case basis.

Credit Enhancement – Credit enhancement may be used to improve or establish a credit rating on a District debt obligation. Types of credit enhancement include letters of credit, bond insurance and surety policies. The Board will recommend the use of a credit enhancement if it reduces the overall cost of the proposed financing or if the use of such credit enhancement furthers the District's overall financial objectives.

Debt Service Reserve Fund – Debt service reserve funds are typically held by a Trustee to make principal and interest payments to bondholders in the event the pledged revenues are insufficient to do so. The District will fund debt service reserve funds when it is in the District's overall best financial interest. The District may decide not to utilize a reserve fund if the Board, in consultation with Bond Counsel and municipal advisor, determines there would be no adverse impact to the District's relevant existing legal provisions, credit rating and/or interest rates.

Per Internal Revenue Service rules, the maximum size of the reserve fund on tax-exempt bond issuance is the lesser of:

- 10% of the initial principal amount of the debt;
- 125% of average annual debt service; or
- 100% of maximum annual debt service.

In lieu of holding a cash funded reserve, the District may substitute a surety bond or other credit instrument in its place. The decision to cash fund a reserve fund rather than to use a credit facility is dependent upon the cost of the credit instrument and the investment opportunities.

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Call Options / Redemption Provisions – A call option or optional redemption provision gives the District the right to prepay or retire debt prior to its stated maturity date. This option may permit the District to achieve interest savings in the future through the refunding of the bonds. Often the District will pay a higher interest rate as compensation to the buyer for the risk of having the bond called in the future. In addition, if a bond is called, the holder may be entitled to a premium payment (call premium). Because the cost of call options can vary depending on market conditions, an evaluation of factors will be conducted in connection with each issuance. The Board shall evaluate and recommend the use of a call option on a case-by-case basis.

Section 7: Method of Issuance and Sale; Disclosure

Debt issues are sold to a single underwriter or to an underwriting syndicate, either through a competitive sale or a negotiated sale. A negotiated sale may involve the sale of securities to investors through an underwriter or the private placement of the securities with a financial institution or other sophisticated investor. The selected method of sale will be that which is most beneficial to the District in terms of lowest net interest rate, most favorable terms in financial structure, and market conditions. The Board will review conditions in conjunction with information and advice presented by the District's Financing Team.

Competitive Sales of Bonds – In a competitive sale, the terms of the debt will be defined by the District and the District's finance team, and the price of the debt will be established through a bidding process amongst impartial underwriters and/or underwriting syndicates. The issue is awarded to the underwriter judged to have submitted the best bid that offers the lowest true interest cost taking into account underwriting spread, interest rates and any discounts or premiums.

Negotiated Sale of Bonds – A method for sale for bonds, notes, or other financing vehicles in which the District selects in advance, based upon proposals received or by other means, one or more underwriters to work with it in structuring, marketing and finally offering an issue to investors. The negotiated sale method is often used when the issue is: a first-time sale by an issuer (a new credit), a complex security structure, such as variable rate transaction, an unusually large issue, or in a highly volatile or congested market where flexibility as to bond sale timing is important.

Private Placement – A private placement is a variation of a negotiated sale in which the District, usually with the help of a placement agent will attempt to place the entire new issue directly with a single investor. The investor will negotiate the specific terms and conditions of the financing before agreeing to purchase the issue. Private placements are generally undertaken because the transaction is complex or unique, requiring direct negotiations with the investor, or because the issue is small or of a shorter duration and a direct offering provides economies of scale, lower interest costs and reduced continuing disclosure.

Derivative Products – Because of their complexity, unless otherwise amended, Derivative Products such as interest rate swaps, interest floaters, and other hybrid securities are prohibited by this Debt Management Policy.

Initial Disclosure Requirements – The District acknowledges its disclosure responsibilities. Under the guidance of Disclosure Counsel, the District will distribute or cause an underwriter to distribute its Preliminary Official Statement and final Official Statement (neither is typically required in a private placement, although in some cases a "private placement memorandum" may be required by the investor).

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The Financing Team shall be responsible for soliciting “material” information (as defined in Securities and Exchange Board Rule 10b-5) from District departments and identifying contributors who may have information necessary to prepare portions of the Official Statement or who should review portions of the Official Statement. In doing so, the Financing Team shall confirm that the Official Statement accurately states all “material” information relating to the decision to buy or sell the subject bonds and that all information in the Official Statement has been critically reviewed by an appropriate person.

In connection with an initial offering of securities, the District and other members of the Financing Team will:

- Identify material information that should be disclosed in the Official Statement;
- Identify other persons that may have material information (contributors);
- Review and approve the Official Statement; and
- Ensure the District’s compliance, and that of its related entities, with federal and state security laws, including reporting to the California Debt and Investment Advisory Board (“CDIAC”) of the proposed debt issue no later than 30 days prior to the sale of any debt issue, and submission of a final report of the issuance to the CDIAC by any method approved by the CDIAC.

The Financing Team shall critically evaluate the Official Statement for accuracy and compliance with federal and state securities laws. The approval of an Official Statement shall be placed on the Board agenda, and shall not be considered as a Consent Calendar item. The staff report will summarize the Board’s responsibilities with respect to the Official Statement and provide the Board the opportunity to review a substantially final Official Statement. The Board shall undertake such review as deemed necessary by the Board to fulfill the Board’s securities law responsibilities.¹

For any privately placed debt with no Official Statement, the final staff report describing the issue and such other documents will be provided to the Board for approval.

Section 8: Creditworthiness Objectives

Ratings are a reflection of the general fiscal soundness of the District and the capabilities of its management. Typically, the higher the credit ratings are, the lower the interest cost is on the District’s debt issues. To enhance creditworthiness, the District is committed to prudent financial management, systematic capital planning, and long-term financial planning; however, the District also recognizes that external economic, natural, or other events may, from time to time, affect the creditworthiness of its debt.

¹ The Securities and Exchange Board (the SEC), the agency with regulatory authority over the District’s compliance with the federal securities laws, has issued guidance as to the duties of the Board with respect to its approval of the POS. In its “Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors” (Release No. 36761 / January 24, 1996) (the “Release”), the SEC stated that, if a member of the Board has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the bonds, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such factors are adequately disclosed in the Official Statement. In the Release, the SEC stated that the steps that a member of the Board would take include becoming familiar with the POS and questioning staff and consultants about the disclosure of such facts.

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The most familiar nationally recognized bond rating agencies are Standard and Poor's, Moody's Investors Service, and Fitch Ratings. When issuing a credit rating, rating agencies consider various factors, including, but not limited to:

- District's fiscal status and revenue defensibility;
- District's general management capabilities;
- District's unfunded pension liabilities and management practices;
- Economic conditions that may impact the stability and reliability of debt repayment sources;
- District's general reserve levels;
- District's debt history and current debt structure;
- Project(s) being financed; and
- Covenants and conditions in the governing legal documents.

Bond Ratings – The Financing Team will assess whether a credit rating should be obtained for an issuance. The District typically seeks a rating from at least one nationally recognized rating agency on new and refunded issues being sold in the public market. The Fire Chief, working with the Financing Team, shall be responsible for determining which of the major rating agencies the District shall request provide a rating. When applying for a rating on an issue, the District and Financing Team shall prepare a presentation for the rating agency when the District determines that a presentation is in the best interests of the District.

Rating Agency Communications – The Fire Chief is responsible for maintaining relationships with the rating agencies that assign ratings to the District's various debt obligations. This effort shall include providing the rating agencies with the District's financial statements, if applicable, as well as any additional information requested.

Section 9: Post Issuance Administration

Reporting to the CDIAC – The District shall work with Bond Counsel to submit all required regulatory reports to the CDIAC, including reports of proposed debt issuance, reports of final sale, debt transparency reports and fiscal status reports. The report shall include the information required by CDIAC.

Investment of Proceeds – The Board shall direct investment of bond proceeds and reserve funds in accordance with each issue's indenture or trust agreement, utilizing competitive bidding when appropriate. All investments will be made in compliance with the District's investment policy objectives of safety, liquidity and then yield. The investment of bond proceeds and reserve funds shall comply with federal tax law requirements specified in the indenture or trust agreement and the tax certificate. Whenever reasonably possible, unexpended bond proceeds and reserve fund monies shall be held by the bank trustee. The trustee will be responsible for recording all investments and transactions relating to the proceeds and providing monthly statements regarding the investments and transactions.

Use of Bond Proceeds – The Board is responsible for ensuring debt proceeds are spent for the intended purposes identified in the related legal documents and that the proceeds are spent in the time frames identified in the tax certificate prepared by Bond Counsel. When required, proceeds of debt will be held by a third-party trustee and the District will submit written requisitions for such proceeds; however, to the extent allowable, the District's preference is to not use third-party trustees in order to avoid this added expense.

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The District will submit a requisition only after obtaining the signature of the Fire Chief or Chairman of the Board. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the District shall retain records of all expenditures of proceeds through the final payment date for the debt.

Continuing Disclosure – When required by Securities Exchange Board Rule 15c2–12(b)(5) (the “Rule”) the Fire Chief or designee will ensure the District’s annual financial statements and associated reports are posted on the District’s web site, and will also comply with the Rule by filing its annual financial statements, other financial and operating data and notices of enumerated events for the benefit of its bondholders on the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board (MSRB). The District shall submit an annual report to the CDIAC in compliance with the requirements of Government Code Section 8855 and related regulations.

Arbitrage Rebate Compliance and Reporting – The use and investment of bond proceeds must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate rebate liabilities related to any bond issues, with rebates paid to the Federal Government every five years and as otherwise required by applicable provisions of the Internal Revenue Code and regulations. The Fire Chief or Chairman of the Board shall contract with a specialist to ensure that proceeds and investments are tracked in a manner that facilitates accurate complete calculations, and if necessary timely rebate payments.

Compliance with Other Bond Covenants – In addition to financial disclosure and arbitrage, the Fire Chief or designee is also responsible for verifying compliance with all undertakings, covenants, and agreements of each bond issuance on an ongoing basis. This typically includes ensuring:

- Annual appropriation of revenues to meet debt service payments;
- Taxes/fees are levied and collected where applicable;
- Timely transfer of debt service payments to the trustee;
- Compliance with insurance requirements;
- Compliance with rate covenants; and
- Post-issuance procedures established in the tax certificate for any tax-exempt debt.

Retention – A copy of all relevant documents and records will be maintained by the District for the term of any bonds issued (including refunding bonds, if any), plus 10 years. Relevant documents and records will include sufficient documentation to support the requirements relating to the tax-exempt status.

Investor Relations – While the District shall post its annual financial report as well as other financial reports on the District’s website, this information is intended for the citizens of the District. Information that the District intends to reach the investing public, including bondholders, rating analysts, investment advisors, or any other members of the investment community shall be filed on the EMMA system.

Additional requirements for financial statements – It is the District’s policy to hire an auditing firm that has the technical skills and resources to properly perform an annual audit of the District’s financial statements. More specifically, the firm shall be a recognized expert in the accounting rules applicable to the District and shall have the resources necessary to review the District’s financial statements on a timely basis.

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Section 10: Training

To the extent that the District has outstanding debt subject to the Rule, the Board shall (i) ensure that the members of the District staff involved in the continuing disclosure process and the Board are properly trained to understand and perform their responsibilities, and (ii) arrange for disclosure training sessions conducted by the District's Disclosure Counsel. Such training sessions shall include education on the applicable federal and state securities laws and the disclosure responsibilities and potential liabilities of members of the District's staff and members of the Board.

RECORDS MANAGEMENT POLICY AND RETENTION SCHEDULE



Pursuant to Resolution No. 23/24-11
May 8, 2024

Purpose & Scope

The purpose of this policy is to provide guidelines to staff regarding Gold Ridge Fire Protection District (Gold Ridge Fire District or GRFPD) records; provide for the identification, maintenance, safeguarding, the retention and disposal in the normal course of business; ensure prompt and accurate retrieval of records; and ensure compliance with legal and regulatory requirements.

In compliance with California Government Code Sections 61061(c), 60200 through 60203, and the Local Government Records Management Guidelines prepared by the Secretary of State, the following is intended to define an acceptable records retention and destruction policy for the Gold Ridge Fire District. This policy will illustrate the District's authority in records management, delineate a records retention schedule, and discuss storage, archiving and destruction.

Definitions of records referred to in this document are found in **Appendix B**.

Authorization

The Fire Chief is authorized by the Board of Directors to interpret and implement this policy, and to cause to be destroyed any or all such records, papers and documents that meet the qualifications governing the retention and disposal of records, specified in this document, pursuant to Resolution No. 23/24-11.

The Fire Chief shall appoint the Executive Assistant as the Custodian of Records, who will oversee the records management program, including the Records Retention Schedule, found in **Appendix A**. The Custodian of Records will work closely with the Fire Chief, Chief Officers, and admin. to promote the efficient and cost-effective conduct of District recordkeeping by reducing the number of records in active file areas, eliminating unnecessary retention of duplicate or obsolete documents, and providing for timely transfer of inactive files in compliance with legal requirements.

Records Retention Schedule

Establishment of a records retention policy and schedule allows the District to manage, maintain, retain, destroy, or duplicate records in compliance with the applicable provisions of the California Government Code. The Records Retention Schedule for the Gold Ridge Fire District is found in **Appendix A** of this document and defines Record Types, provides a description or examples of what meets the criteria for that record type, and details the legal authority and minimum retention period prescribed by said legal authority. The schedule also includes the legal authority abbreviations utilized throughout the matrix.

Storage

Permanent records should be kept in the original format, whenever feasibly possible. However, both storage limitations and the condition and age of original documents have impacts on the manner in which permanent records can be stored. In compliance with

the California Government Code, Gold Ridge Fire District will retain all documents required to be kept as permanent, in storage at District Headquarters located at 4500 Hessel Rd. Sebastopol, California.

Permanent records will also be archived as back-up in the manner prescribed in the following "Archive" section of this document. The archiving will not only allow for easier retrieval of records but will also serve as an added safety measure for aging documents in the event they deteriorate with time.

Non-permanent records will be retained in compliance with the retention schedule for the minimum legal retention period and pursuant to the legal authority specified in **Appendix A**. These documents will also be maintained and stored at the District Headquarters in either hard copy or electronic format as determined by needed space. As with permanent records, non-permanent records may be archived for back up as prescribed. Further, these documents will be disposed of in compliance with the methods recommended in the destruction section of this document.

Archiving

Certain documents require long term or permanent hard copy retention, and others may be archived for purposes of storage and space saving. To ensure efficiency and economy in utilization of office space for active records, all files not updated or referenced on a regular basis can be transferred to storage.

Documents that are not required to be preserved as permanent or in its original format, may be duplicated and stored in an electronic format. The manner in which the Gold Ridge Fire District will store and maintain its duplicated electronic documents, will be in the form of a Portable Document File (pdf) and stored on the Gold Ridge Fire District Google Drive account.

Destruction

Once records have fulfilled their administrative, fiscal, or legal function, they should be disposed of as soon as possible in accordance with the Records Retention Schedule per Gov. Code §§ 60200 and adopted by the Board of Directors in Resolution 23/24-11. This destruction should include originals, photocopies, and documents stored in any electronic format, unless the document is designated as a permanent record.

Records may be destroyed by shredding, recycling, or via general disposal. Confidential records will be destroyed by shredding or in another secure manner that preserves their confidentiality.

The Custodian of Records shall ensure destruction is coordinated and documented in accordance with this policy. Prior to permanent destruction, a list of records to be destroyed shall be presented to the Fire Chief for review. If there are no objections to the records due for disposal, the Chief shall authorize the Custodian of Records to proceed with destruction.

Appendix A

The following pages contain the Gold Ridge Fire Protection District Records Retention Schedule. The matrix is broken down into columns that define or provide an example of a Type of Record, the Description or Example of the record, the Legal Authority by which the record should be retained or destroyed, and a Minimum Legal Retention Period.

Legal Authority Abbreviations referenced in this appendix:

CCP	Code of Civil Procedure (California)
CCR	California Code of Regulations
CFR	Code of Federal Regulations
EC	Elections Code (California)
GC	Government Code (California)
IRC	Internal Revenue Code
IRS	Internal Revenue Service
LC	Labor Code (California)
PC	Penal Code (California)
R&TC	Revenue & Taxation Code (California)
USC	United States Code

Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Accident/Illness Reports	Employee Medical Records & Employee Exposure Records (Not a public record) --includes Material Safety Data Sheets (MSDS)	8 CCR 14307 8 CCR 3204 GC 6254(c)	Length of employment + 30 yrs.
Accidents/Damage to District Property	Risk management administration	CCP 337.15	10 yrs.
Accounts Payable	Journals, statements, asset inventories, account postings with supporting documents, vouchers Invoices, checks, reports, investments, purchase orders	CCP 337 26 CFR 31.6001-1(e)(2)	Until audited + 5 yrs.
Accounts Receivable	Invoices, checks, reports, investments, receipt books	26 CFR 31.6001-1(e)(2)	5 yrs.
Affidavits of Publication / Posting	Legal notices for public hearings, publication of ordinances, etc.	None	5 yrs. for administrative purposes only
Agenda / Agenda Packets	Complete Agendas and packets should be imaged immediately. A paper copy will be maintained for one year only. The imaged or scanned (pdf) records may serve as the permanent record.	None	5 yrs. for administrative purposes only
Annexations / Reorganizations	Notices, Resolutions, Certificates of Completion	GC 60201	Permanent
Annual Financial Report/Audit Report	Independent auditor analysis Financial services; internal and/or external reports; independent auditor analysis	None	Permanently for administrative purposes

Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Appraisals	For real property owned by District – Not a public record until real estate transaction is complete	None	Permanently for administrative purposes
Audit Hearing or Review	Documentation created and or received in connection with an audit hearing or review	None	Permanently for administrative purposes
Bank Account Reconciliations	Bank statements, canceled checks, certificates of deposit	26 CFR 31.6001-1(e)(2)	5 yrs.
Bids, Accepted	Includes plan and specifications; notices/affidavits.	60201; CCP 337, 337.1	5 yrs. after termination of contract or agreement
Bids, Unaccepted	Unaccepted bid packages only	GC 60201	5 yrs.
Bonds	Authorization/public hearing records/prospectus/proposals/certificates/notices (transcripts)/registers/statements.	GC 60201	Until Paid + 5 yrs.
Bonds – Paid/Cancelled	Paid or cancelled bonds; warrant certificates; interest coupons	GC 53921	5 yrs.
Bonds - Unsold	Unsold Bonds	GC 43900 et seq.	5 yrs.
Bonds - Final	Final bond documentation; monthly statement of transactions; supporting documents	GC 60201	Until Paid + 5 yrs.
Brochures/ Publications	Retain selected documents only for historic value.	None	5 yrs. for administrative purposes only
Budget, Annual	Adjustments, journal entries, account transfers	GC 60201	Until audited + 5 yrs.
Cal-OSHA	Personnel-Logs, Supplementary Record, Annual Summary (Federal & State-Cal OSHA)	LC 6410; 8 CCR 14307	5 yrs.
California State Tax Records	Forms filed annually; quarterly and year-end reports	R&TC 19530 R&TC 19704	6 yrs.
Checks	Includes payroll, canceled and voided checks	GC 60201 CCP 337	Until audited +5 yrs.

Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Citizen Feedback	General correspondence.	None	5 yrs. for administrative purposes only
Claims Against the District	Paid/Denied	GC 60201 GC 25105.5	Until settled + 5 yrs.
Collective Bargaining Agreements	Contracts & Memorandum's of Understandings	29 CFR 516.5	Current + 5 yrs.
Complaints/Requests	Various files not related to specific lawsuits involving the District and not otherwise specifically covered by the retention schedule.	None	5 yrs. for administrative purposes only
Contracts	Original contracts, agreements, and back-up materials.	CCP 317, 318, 319, 337	5 yrs. after termination/completion; 5 yrs. after termination if real property related agreement
Correspondence	General correspondence, including letters and e-mail; Various files, not otherwise specifically covered by the retention schedule. Further guidance related to emails is found in the District's separate email retention policy.	None	5 yrs. for administrative purposes only
Deeds, Real Property	File with recorded documents; originals may not be destroyed.	GC 60201	Permanent
Deferred Compensation Reports	Finance - pension/retirement funds	29 CFR 516.5 29 CFR 1627.3	5 yrs.
Deposits, Receipts	Checks, coins, currency	GC 60201 CCP 337	Until audited + 5 yrs.
District Establishment Documents	Documents regarding the establishment/organizing of the Fire District: Certificate of Existence, LAFCO, Annexations	GC 60201	Permanent

Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Easements, Real Property	File with recorded documents; originals may not be destroyed.	GC 60201	Permanent
Economic Interest Statements - Form 700 (copies)	Copies of statements forwarded to Fair Political Practices Commission.	GC 81009(f), (g)	5 yrs. (can image after 2 yrs.)
Economic Interest Statements - Form 700 (originals) - elected	Originals of statements of designated employees	GC 81009(e), (g)	7 yrs. (can image after 2 yrs.)
Economic Interest Statements - Not elected	FPPC filings	GC 81009(b)	5 yrs.
Election - Ballots - Prop. 218 (Assessment Districts)	Property related fees (Assessment Ballot proceeding)	California Constitution Art. XIII	Permanent
Election - Certificates of Election	Certificates of election; original reports and statements	GC 81009(a)(d)	Termination + 5 yrs.
Employee/Personnel Files	Personnel--Not a public record. Name, address, date of birth, occupation Rate of pay and weekly compensation earned Release authorizations; certifications; reassignments; outside employment; commendations; disciplinary actions; terminations; Oaths of Office; evaluations-pre-employee medicals. Volunteer program training - class training materials, internships. Paperwork documenting internal and external training. Certification/designations.	GC 12946 GC 6254(c) 29 CFR 1627.3 LC 1174 GC 60201 29 CFR 1627.3 29 CFR 1602.31 29 CFR 516.6 et. seq. 45 CFR 1068.6(a)	Length of employment + 7 yrs.
Employee/Personnel Medical Files	Part of Personnel file --not a public record. Includes medical records; exposure records, etc. (For employees of less than 1 year, no need to retain medical records if they are returned to employee upon termination)	29 CFR 1910.1020 8 CCR 3204 GC 6254(c)	Length of employment + 30 yrs.

Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Employee & Volunteer Recruitment	Alternate lists/logs, ethnicity disclosures, examination materials, examination answer sheets, job bulletins	GC 12946 GC 60201 29 CFR 1602 et. seq. 29 CFR 1627.3	Current + 5 yrs.
Employee Rights - General	Firefighter Bill of Rights	GC 12946 29 CFR 1602.31	Length of employment + 7 yrs.
Employment Applications - Not Hired	Applications submitted for existing or anticipated job openings, including any records pertaining to failure or refusal to hire applicant	GC 12946 29 CFR 1627.3	5 yrs.
Employment Eligibility Verification (I-9 Forms)	Part of Personnel Files Federal Immigration and Nationality Act; Immigration Reform/Control Act 1986	8 USC 1324a (b)(3) Pub. Law 99-603	Length of employment + 7 yrs.
Employment - Surveys and Studies	Includes classification, wage rates	GC 12946 29 CFR 516.6	5 yrs.
Employment - Vehicle Mileage Reimbursement Rates	Annual mileage reimbursement rates	None	5 yrs.
Family and Medical Leave Act (Federal)	Records of leave taken, District policies relating to leave, notices, communications relating to taking leave	29 CFR 825.500 GC 12946	While employed + 5yrs.
Federal Tax Records	May include Forms 1096, 1099, W-4 and W-2	29 USC 436 26 CFR 31.6001.1-4 26 CFR 31.6001-1(e) 29 CFR 516.5-516.6	5 yrs. after file date

Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Fixed Assets Inventory	Reflects purchase date, cost, account number	GC 60201	Until audited + 5 yrs.
Fixed Assets Surplus Property	Auction; disposal – Listing of property; sealed bid sales of equipment	GC 60201 CCP 337	Until audited + 5 yrs.
Fixed Assets Vehicle Ownership & Title	Title transfers when vehicle is sold.	VC 9900 et. seq.	Until sold + 5 yrs.
Gifts/Bequests	Receipts or other documentation	None	5 yrs. for administrative purposes only
Grants Community Development Block Grant (CDBG); Urban Development; other Federal and State grants	Grants documents and all supporting documents: applications, reports, contracts, project files, proposals, statements, sub-recipient dockets, environmental review, grant documents, inventory, consolidated plan, etc.	24 CFR 570.502 24 CFR 85.42	Until completed + 5 yrs.
Hazardous Materials - Hazardous Waste Disposal	Documents regarding handling and disposal of hazardous waste [Permanent retention of environmentally sensitive materials is recommended]	CAL OSHA;	Current + 10 yrs.
Hazardous Materials - Permits, Hazardous Materials Storage	[Permanent retention of environmentally sensitive materials is recommended]	GC 60201	Current + 5 yrs.
Hazardous Materials - Exposure Records, etc.	Employee exposure records; name/identity of chemical substance used; when & where chemical substance was used	8 CCR 3204(d) et. seq.	30 yrs.
Hazardous Materials - Underground Storage Tank	Compliance: Documents regarding: storage, location, installation, removal, remediation	GC 60201	Permanent
Insurance, Joint Powers Agreement	Accreditation, MOU, agreements and agendas	GC 60201	Current + 5 yrs.

Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Insurance Certificates	Liability, performance bonds, employee bonds, property: Insurance certificates filed separately from contracts, includes insurance filed by licensees.	GC 60201	Current + 5 yrs.
Insurance, Liability/Property	May include liability, property, Certificates of Participation, deferred, use of facilities	GC 60201	Current + 5 yrs.
Insurance, Risk Management Reports	Federal OSHA Forms; Loss Analysis Report; Safety Reports; Actuarial Studies	29 CFR 1904.44 GC 60201	Current + 5 yrs. (Federal)
Invoices	Copies sent for fees owed, billing, related documents	GC 60201	Until audited + 5 yrs.
Legal Notices/Affidavits of Publication	Public Hearings publications, Ordinance publications etc.	GC 60201	5 yrs.
Litigation	Case files	GC 60201	Until settled or adjudicated + 5 yrs.
Maintenance Manuals	Equipment service/maintenance	GC 60201	Current + 5 yrs.
Maintenance/Repair Records	Equipment	GC 60201	Current + 5 yrs.
Minutes	Minutes of District Board meetings. Documents are to be imaged immediately. Paper records are to be maintained permanently by the Board.	GC 60201	Permanent
Oaths of Office	Elected and public officials – Board Members	GC 60201 29 USC 1113	Current + 6 yrs.
Ordinances	Vital records - originals may never be destroyed. Image immediately.	GC 60201	Permanent
OSHA	OSHA Log 200, Supplementary Record, Annual Summary (Federal & State-Cal-OSHA)	LC 6410; 8 CCR 14307 29 CFR 1904.2 - 1904.6	5 yrs.
OSHA (Accident/Illness Reports)	Personnel - Employee Exposure Records & Employee Medical Records Not a public record	LC 6410; 8 CCR 14307; 8 CCR. 3204; GC 6254(c)	Duration of employment plus 30 yrs.

Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Payroll - Federal/State Reports	Annual W-2's, W-4's, Form 1099s, etc.; quarterly and year-end reports	GC 60201	7 yrs.
Payroll Deduction/ Authorizations	Finance documents	29 CFR 516.6(c) GC 60201	Current + 7 yrs.
Payroll, registers	Finance documents	29 CFR 516.5(a) LC 1174(d) GC 60201	Current + 7 yrs.
Payroll records, terminated employees	Finance files	29 CFR 516.5 GC 60201	Current + 7 yrs.
Payroll, time cards/sheets	Employee records	GC 60201	Current + 7 yrs.
Payroll - Wage Rates / Job Classifications	Employee records	GC 60201	Current + 7 yrs.
PERS - Employee Benefits	Retirement Plan	29 USC 1027	6 yrs.
Personnel Records	Other records (not payroll) containing name, address, date of birth, occupation, etc., including records relating to promotion, demotion, transfer, lay-off, termination	29 CFR 1627.3	5 yrs.
Personnel Rules and Regulations	Including employee handbook	GC 60201	Current + 5 yrs.
Petitions	Submitted to legislative bodies	GC 60201	Current + 5 yrs.
Policies, Administrative	All policies and procedures, directives rendered by the District not assigned a resolution number	GC 60201	Current + 5 yrs.
Policies, District Board	Original policies adopted by the District Board	GC 60201	Current + 5 yrs.
Press Releases	Related to District actions/activities.	None	5 yrs. for administrative purposes only
Procedure Manuals	Administrative.	GC 60201	Current + 5 yrs.
Property, Abandonment	Buildings, condemnation, demolition	GC 60201	Permanent
Property Acquisition/ Disposition/Surplus	District owned. Supporting documents regarding sale, purchase, exchange, lease or rental of property by District	CCP 337.15	10 yrs.

Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
Public Records Request	Requests from the public to inspect or copy public documents	GC 60201	5 yrs.
Purchasing RFQ's, RFP's	Requests for Qualifications; Requests for Proposals regarding goods and services and all supporting documentation and submissions	GC 60201	Current + 5 yrs.
Purchasing, Requisitions, Purchase Orders	Original Documents	GC 60201 CCP 337	Until audited + 5 yrs.
Recordings - audiotaped	Taped recordings of Board meetings - for preparation of Board meeting minutes	GC 54953.5	30 days
Recordings, videotaped – meetings of legislative bodies	Tapes of public meetings made by or at the direction of the District (e.g., Board meetings)	GC 54953.5	30 days
Records Management Disposition Certification	Documentation of final disposition of records	GC 60201	Permanent
Records Retention Schedules	Previously adopted schedules	GC 60201	Current + 5 yrs.
Recruitments and Selection	Records relating to hiring, promotion, selection for training	29 CFR 1627.3	5 yrs.
Resolutions	Vital records - originals may never be destroyed. Image immediately.	GC 60201	Permanent
State Tax Records	Filed annually; quarterly	Refer to Federal Tax Records	5 yrs. after file date
Taxes, Special	Special tax levied by a local agency on a per parcel basis	CCP 338(m)	Until audited + 5 yrs.
Unemployment Insurance Records	Unemployment Notices, Letters, Claims	IRC 3301-3311	5 yrs.
Workers Compensation Files	Work-injury claims (including denied claims); claim files, reports, etc.	8 CCR 10102 8 CCR 15400.2	Until settled + 5 yrs.

Appendix B

The California Secretary of State Local Government Records Management Guidelines define **Records** as all papers, maps, exhibits, magnetic or paper tapes, photographic films and prints, punched cards, and other documents produced, received, owned or used by an agency, regardless of physical form or characteristics. These “Records” may be broken down further and can have additional definitions that may include, but are not limited to the following:

Definitions: *(in alphabetical order)*

Active Records – As a measure of activity for records that are referred to at least once a month per cubic foot of records. Also – As a retention period for a Perpetual Record that remains “active” until some event occurs to change its status, at which time it has fulfilled its function. (See also Perpetual Record)

Administrative Records – Records commonly found in all offices and typically retained only for short time periods – less than five years. Examples include subject, chronological, budget, and policy files.

Archival Records - Records with enduring value because they reflect significant historical events, document the history and development of an agency, or provide valuable research data.

Discovery – The pretrial disclosure of pertinent facts or documents by one or both parties to a civil action or proceeding. Anything requested during discovery must be disclosed if it exists – even non-records and records that should have been destroyed earlier. Discovery effectively freezes selected holdings until released by opposing attorney or the court.

Local Government – Government Code, Section 6252 states: “Local Agency’ includes a county; city, whether general law or chartered; city and county; school district; municipal corporation; district; political subdivision; or any board, commission or agency thereof; other local public agency; or nonprofit entities that are legislative bodies of a local agency pursuant to subdivisions (c) and (d) of Government Code, Section 54952.”

Non-Records - Material not usually included within the definition of records, such as unofficial copies of documents kept only for convenience or reference, working papers, appointment logs, stocks of publications and processed documents, and library or museum material intended solely for reference or exhibition. Also, documents such as rough notes, calculations or drafts assembled or created and used in the preparation or analysis of other documents. (See also **Discovery**)

Permanent Records – Records that are required in perpetuity, usually identified by statute or other written guidance. Examples include original birth certificates, death certificates, Spanish land grants, etc.

Perpetual Records – Records retained for an indefinite period of time and then stored or destroyed after some event takes place. Examples include office personnel files which are kept until a person leaves the office, policy files kept until the policy is changed,

contract files kept until the contract terminates, etc.

Program Records - Records that relate to the primary function of the agency in response to its daily mission. Examples include lien files, recorders files, election files, probate records, medical records, etc.

Public Records - Any information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics.

Records - All papers, maps, exhibits, magnetic or paper tapes, photographic films and prints, punched cards, and other documents produced, received, owned or used by an agency, regardless of physical form or characteristics.

Records Retention Schedule - A list of all records produced or maintained by an agency and the actions taken with regards to those records. A retention schedule is an agency's legal authority to receive, create, retain, and dispose of official public records. It assists the agency by documenting which records require office or temporary storage, which records have historic or research value, and which records should be destroyed because they no longer have any administrative, fiscal, or legal value. In the event of litigation, courts accept a retention schedule as establishing an agency's "normal course of doing business".

Retention Period – The length of time a record must be retained to fulfill its administrative, fiscal and/or legal function. Then a record should be disposed of as soon as possible in accordance with an approved Records Retention Schedule.