



BOARD OF DIRECTORS' POLICY MANUAL

Policy 2023-04
(updated through November 2023)

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MISSION & VISION STATEMENT

MISSION STATEMENT

To provide excellent risk financing and risk management services through a financially sound pool to California public agencies, delivered in a timely and responsive cost-efficient manner.

VISION STATEMENT

To be the exemplary public agency risk pool of choice for California special districts and other public agencies.

OBJECTIVE I

STAFFING—To provide an efficient and professional staff of employees and consultants, loyal to the SDRMA mission and responsive to the Board that is provided with proper resources and compensation.

OBJECTIVE II

COMMUNICATIONS—To establish and maintain an environment that encourages an open exchange of ideas and information among SDRMA and the applicable parties that is positive, honest, concise, understandable, responsive and cost-efficient.

OBJECTIVE III

RISK-FINANCING/COVERAGES—To provide appropriate coverage that meets the needs of the members, through the most cost-effective, financially sound combination of self-funding and/or reinsurance and/or excess insurance.

OBJECTIVE IV

EDUCATION—To develop and maintain a superior level of understanding and competence in Board and Staff and assure member-districts' awareness of the benefits of safe operations and proper claims procedures.

CODE OF CONDUCT

Special District Risk Management Authority (SDRMA) recognizes its place as one of the premier organizations in the public entity pooling industry. We are committed to the continual improvement of the professional abilities and expertise of SDRMA's Board and Staff in matters relating to pool governance and pool management/administration. We are constantly striving to achieve the goals of excellence in governance and management. We believe that we can only reach these goals by working together through open communications and complete transparency to all stake holders, thereby allowing us to conduct our official business in a way that will encourage public trust. This Code of Conduct serves as a guide to all Staff, Board of Directors, and all Service Providers working on behalf of SDRMA.

SDRMA does hereby subscribe to the following principles:

- A. We are committed to the highest ideals of honor, integrity, and due diligence so that SDRMA, its Board of Directors, employees, and agents may merit respect and public confidence in all

of our dealings.

- B. We are committed to the concepts of democratic, effective and efficient governance by responsible, knowledgeable members of the Board of Directors with an understanding that official decisions made and actions taken by SDRMA are always made in the best interests of SDRMA's membership, as opposed to the interests of SDRMA's Staff, service providers or other outside interests.
- C. We are committed to the principle that SDRMA's Board of Directors are ultimately responsible for establishing SDRMA's goals and objectives and in making policy decisions on behalf of the membership. This responsibility cannot be transferred or delegated. The Board of Directors have established Bylaws, Policies, and Resolutions regulating its affairs and the conduct of its members.
- D. We are committed to the principle that Staff should consistently seek guidance and direction from the Board on matters of policy and refrain from promoting any candidate for appointment to the Board.
- E. We are committed to the principle that Staff should be expected to provide policy proposals and recommendations to the Board and provide members of these governing bodies with information and advice on matters of policy as a basis for making decisions. Once the governing body has acted, Staff should be responsible for implementing and upholding all official policies and decisions adopted, without interference.
- F. We are committed to the principle that members of the Board and Staff share a responsibility to communicate with the entire membership regarding SDRMA objectives/activities/outcomes. We should seek to improve the quality and image of governmental risk-sharing pools at all times.
- G. We are committed to the principle that all matters of procurement, personnel administration and outside contracting are administered on the basis of merit so that fairness and impartiality govern all governance and management decisions. All purchases shall be made in accordance with SDRMA's Purchasing/Contracting Procedures Policy per Board Policy 2017-06. Personnel administration shall be conducted in accordance with SDRMA's Employee Handbook.
- H. We are committed to the principle that matters of pool governance and/or pool management/administration cannot be bought or sold. No member of the Board or Staff should ever solicit a personal gift of any value from any third-party performing work on behalf of or in any way associated (or potentially associated) with SDRMA. Members of the Board, Staff and vendors are bound by SDRMA's Conflict of Interest policy and shall file annual

statements as required by the policy and the Fair Political Practices Commission.

- I. We are committed to the principle that conflicts of interest (defined as situations in which a person has a financial or other interest or the appearance of a conflicting interest that would call into question the person's ability to act in an impartial manner with respect to a matter affecting SDRMA), should be avoided and where present shall be fully disclosed. This includes situations when a member of the Board, Staff, or vendor has personal interests (including those of his/her family) that are contrary to his/her loyalty to SDRMA.
- J. We are committed to the principle that Board members should not become romantically involved with individuals employed by or who do business with SDRMA, including vendors and staff, if the relationship may create a conflict of interest, create a negative or unprofessional work environment, or cause concerns regarding supervision, safety, security or morale.

AUTHORITY OF THE BOARD

- A. The Board of Directors shall act only at regular, regularly adjourned, or special meetings in accordance with the Brown Act.
- B. Individual Directors shall have no power to act for SDRMA, or the Board, or to direct the staff of SDRMA, except as authorized by the Board.
- C. The Board sets the policy for the Authority. The Authority's Chief Executive Officer serves at the pleasure of the Board. The Board will provide policy direction to the Chief Executive Officer on matters within the authority of the Board by majority vote of the Board members present during duly-convened Board meetings. Members of the Board will deal with matters within the authority of the Chief Executive Officer through the Chief Executive Officer, and not through other Authority staff. Members of the Board will refrain from making requests directly to Authority staff (rather than to the Chief Executive Officer), such as undertake analyses, perform other work assignments or change the priority of work assignments. However, Members of the Board may request non-confidential, factual information regarding Authority operations from Authority staff, such as meeting logistics, conference details, or travel accommodations.

ELECTION OF OFFICERS

In accordance with SDRMA's Bylaws, there shall be three officers: a president, a vice-president and a secretary, who shall be members of the SDRMA Board of Directors. Generally, officers shall serve no more than two consecutive terms; however the Board, in its sole discretion, may permit an officer to serve additional term(s) if necessary.

Elections shall be held at the first meeting following January 1 of each year. Officers will serve for

one-year terms. Elections will conform with Article III, Section 1 of the Bylaws. No director of the Authority shall serve as a director on any other Board of Directors that is a signatory to the Memorandum of Understanding – Alliance Executive Council, dated September 20, 2001, during the term of the MOU. A Board member will not include false or misleading information in a candidate's statement for a general Authority election.

ROLE OF BOARD MEMBERS (POWERS, PURPOSES, DUTIES AND FUNCTIONS)

A. POWERS

The enabling codes established by the California State Legislature empowers the Board to have broad authority and flexibility in carrying out financial programs and activities which meet its individual needs, provided these programs or activities are not in conflict with, inconsistent with, or preempted by law.

The powers and duties of the Board include governance, executive and judicial functions. These relate to the Board's own operations as a governing body and to all functions of the Authority.

B. PRIMARY RESPONSIBILITIES

Board Member responsibilities include a commitment to: serve as a part of a unified governance body; govern within Board of Directors policies; commit the time and energy to be effective; represent and make policy decisions for the benefit, and in the best interest, of all

SDRMA members; support collective decisions; communicate as a cohesive Board of Directors with a common vision and voice; and operate with the highest standards of integrity and trust.

C. PRIMARY DUTIES

- In conjunction with staff, develop a Strategic Business Plan for the Authority every three years, however reviewed annually.
- Take action at legal meetings.
- Provide fiduciary oversight for all Authority finances.
 - approve a preliminary fiscal budget in June, and a final budget in August
 - monitor the budget spending
- Approve rates each fiscal year.
- Personnel, as relates to the CEO:
 - hires and discharges the CEO
 - evaluates the CEO annually
- Establish written policy on how Board Meetings are conducted.
- Ratify committee appointments made by the President.
- Set Director compensation limits.

ROLE OF INDIVIDUAL DIRECTORS

The Board of Directors is the unit of authority for SDRMA. Apart from his/her normal function as a part of this unit, Board Members may not commit the Authority to any policy, act or expenditure

unless duly authorized by the Board. Nor may an individual Board Member direct staff to perform specific duties. Board Members do not represent any factional segment of the membership, but are, rather, a part of the body which represents and acts for the membership as a whole.

Each Board Member has the right to place an item on a subsequent Board Meeting agenda by submitting a written request to the President of the Board or the CEO. Agenda item requests received after the posting deadline for a specific agenda as set forth in state law will be added to the following agenda.

Board Members will make every effort to attend assigned committee meetings and board meetings; to prepare adequately for each such meeting and to observe the rules of decorum as set forth herein.

When requesting information from staff, Board Members shall contact the CEO. When responding to member entity requests and concerns, Board Members should reroute such inquiries to the CEO.

MEETING OF THE BOARD

A. TIME AND PLACE OF MEETINGS

The Board adopts an annual meeting schedule. Unless otherwise specified by action of the Board, meetings shall be held in the Earl Sayre Board Room at the SDRMA office, 1112 "I" Street, Suite 300, Sacramento CA 95814, with the meeting months to be specified in the annual meeting schedule.

B. PUBLIC NATURE OF MEETINGS

All meetings of the Board shall be open to the Public, except when the Board is convened in Closed Session as authorized under provisions of law. Meetings of standing committees of the Board composed of two or more members of the Board shall be subject to the "open meetings laws and regulations" and shall comply with notification as required by law.

C. QUORUM AND VOTING REQUIREMENTS

A majority of the Board of Directors shall constitute a quorum for the transaction of business. No ordinance, resolution or motion shall be passed without four affirmative votes.

D. RULES OF DECORUM FOR BOARD MEETINGS

DECORUM—Meetings of the Board of Directors shall be conducted in an orderly manner to ensure that the public has a full opportunity to be heard and that the deliberative process of the Board is retained at all times. The presiding officer of the Board, who shall be the President, Vice President, Secretary, or in their absence, other member so designated by the Board, shall be responsible for maintaining the order and decorum of the meetings.

RULES OF DECORUM - While any meeting of the Board is in session, the following rules of order and decorum shall be observed:

- **BOARD OF DIRECTORS**—The members of the Board shall preserve order and decorum, and a member shall not by conversation or other means delay or interrupt the Board proceedings or disturb any other member while speaking.

PERSONS ADDRESSING THE BOARD— Public oral communications at the Board meetings should not be a substitute for any item that can be handled during the normal working hours of SDRMA. Each person who addresses the Board shall do so in an orderly manner. A person wishing to address the Board regarding an item which is on the Board meeting agenda shall submit a written request to staff prior to the start of the meeting. Persons wishing to discuss a non-agenda item may seek recognition by the presiding officer during the "Communication/Correspondence" portion of the meeting. No person shall address the Board without first being recognized by the presiding officer. The following procedures shall be observed by persons addressing the Board:

- Each person shall step up to the podium, if provided, may identify themselves for the record and, if occurring during the "Recognize and Hear From Visitors" portion of the meeting, the subject they wish to discuss.
- During the "Recognize and Hear From Visitors" portion, any subject which is not deemed to be within SDRMA's subject matter jurisdiction by the Board shall be disallowed.
- Each person shall confine their remarks to the Board agenda item or subject being discussed.
- Each person shall confine their remarks to five (5) minutes, unless further time is granted by the Board.
- All remarks shall be addressed to the Board as a whole and not to any single member thereof, unless in response to a question from said member.
- No question may be asked of a member of the Board or of the Authority staff without permission of the presiding officer.

ENFORCEMENT OF DECORUM—The rules of decorum set forth above shall be enforced in the following manner:

- **WARNING**—The presiding officer shall request that a person who is breaching the rules of decorum be orderly and silent. If, after receiving a warning from the presiding officer, a person persists in disturbing the meeting, the presiding officer shall order said person to leave. If such person does not leave the meeting room, the presiding officer may order any law enforcement officer who is on duty to remove said person from the Board meeting room.
- **DISORDERLY CONDUCT**—Clear Room (Govt. Code 54957.9). In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the members of the legislative body conducting the meeting may order the meeting room cleared and continue in session.

Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the legislative body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

- **MOTION TO ENFORCE**—If the presiding officer of the Board fails to enforce the rules set forth above, any member of the Board may move to require the presiding officer to do so. If the presiding officer of the Board fails to carry out the will of a majority of the Board, the majority may designate another member of the Board to act as presiding officer for the limited purpose of enforcing any rule of this section which it wishes to enforce.
- **ADJOURNMENT**—If a meeting of the Board is disturbed or disrupted in such a manner as to make infeasible or improbable the restoration of order, the meeting may be adjourned or continued by the presiding officer or a majority of the Board, and any remaining Board business may be considered at the next meeting.

SEVERABILITY—If any provision of this section is for any reason held unconstitutional or otherwise invalid by any court of competent jurisdiction, such provision shall be deemed a separate, distinct and independent portion of this section, and such holding shall not affect the validity of the remaining portions of this section.

E. BOARD ACTION

The Board shall act only by ordinance, resolution, or motion. Except where action is taken by the unanimous vote of all Directors present and in a voting capacity, the ayes and noes shall be taken upon the passage of all ordinances, resolutions or motions and shall be entered in the minutes. An ordinance does not require two readings at separate meetings, and unless otherwise provided by its own terms, shall become effective upon adoption. All motions, including a motion to adopt an ordinance or to approve a resolution, shall require a second. If a second is not received, the motion shall die without the requirement of a vote. Any member of the Board can make and second a motion. The presiding officer shall not call for a vote on any motion until sufficient time has been allowed to permit any member of the Board to speak. Complex motions should generally be prepared in writing and read aloud to the members of the Board at the time the motion is made. If a motion is not in writing, and if it is necessary for full understanding of the matter before the Board, the presiding officer shall restate the question prior to the vote. Common motions may be stated in abbreviated form and will be put into complete form in the minutes. Until the presiding officer states the question, the director who made the motion, with the approval of the second, may modify his motion or withdraw it completely. However, after the question has been stated by the presiding officer, the motion may be changed only by a motion to amend which is seconded and carried.

F. ORDERLY DISCUSSION

In order to promote discussion of the issues before the Board, each member shall be recognized by the presiding officer before speaking. Notwithstanding any provision of this Policy, however, each member of the Board shall have a right to be heard within reason on any issue before the Board. Each member of the Board may seek information or comment by the staff on any question.

G. PARLIAMENTARY PROCEDURES AFFECTING MOTIONS

After a motion has been made and seconded, any member of the Board may make any of the following motions:

- To continue the motion to a specific time.
- To table the motion, the effect of which defers further discussion and a vote until the majority of the board again wishes to resume consideration of the motion.
- To commit or refer the motion to a committee, the effect of which is to defer further consideration until the committee has reported its findings to the Board.
- To amend the motion to modify its wording before adoption, provided the suggested amendment is germane to the original motion.
- To propose a substitute motion, which has the effect of disposing of the motion before the Board and eliminating the necessity of a vote on the original motion.

H. CLOSED SESSION

Except as required by law, all proceedings in Closed Sessions shall remain confidential.

PRESIDENT

A. DUTIES

The president shall sit at and conduct all meetings of the Board of Directors, and shall carry out the resolution and orders of the Board of Directors and shall exercise such other powers and perform such other duties as the Board of Directors shall prescribe including the following:

- Call the meeting to order at the appointed time.
- Announce the business to come before the Board in its proper order.
- Enforce the Board's policies in relation to the order of business and the conduct of meetings;
- Recognize persons who desire to speak and protect the speaker who has the floor from disturbance or interference.
- Explain what the effect of a motion would be if it is not clear to every member.
- Restrict discussion to the question when a motion is before the Board.
- Rule on parliamentary procedure.
- Put motions to a vote, and state clearly the results of the vote.

B. RESPONSIBILITIES

The president shall have all the rights to discuss and vote on any issues before the Board and to move or second any motion. Responsibilities of the president include:

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- Sign all instruments, act, and carry out stated requirements and the will of the Board.
- Sign the documents as directed by the Board on behalf of the Authority.
- Appoint and disband all committees, subject to Board ratification.
- Call such meetings of the Board as he/she may deem necessary.
- Coordinate the Agenda with the CEO.
- Confer with the CEO or designee on crucial matters which may occur between Board meetings.
- Be responsible for the orderly conduct of all Board meetings.
- Be the Spokesperson for the Board.
- Perform other duties as authorized by the Board.

VICE-PRESIDENT

When the President resigns or is absent or disabled, the Vice-President shall perform the President's duties.

When the President disqualifies himself/herself from participating in an agenda item or becomes partisan in the debate on any such item, the Vice-President shall perform the duties of the presiding officer.

SECRETARY

When the President and Vice-President resign or are absent or disabled, the Secretary of the Board shall perform the President's duties.

When the President and Vice-President disqualify themselves from participating in an agenda item or become partisan in the debate on any such item, the Secretary of the Board shall perform the duties of the presiding officer.

A. SECRETARY OF THE BOARD

The duties of the Secretary shall be to:

- Certify or attest to actions taken by the Board when required.
- Sign the minutes of Board meetings following their approval.
- Sign documents on behalf of SDRMA as directed by the Board.
- Serve as presiding officer in the absence of the Board President or Board Vice-President.
- Perform any other duties assigned by the Board.

B. SECRETARY TO THE BOARD

The Secretary to the Board shall be responsible for maintaining an accurate and complete record of all Board Proceedings and shall:

- Prepare, distribute, and maintain the Board agenda.
- Prepare, distribute, and maintain the Board minutes.
- Maintain Board records and documents.

- Conduct official correspondence for the Board.
- As directed by the Board, sign and execute official papers.
- Other duties as assigned by the Board.

COMMITTEES

The Board President may appoint committees, subject to ratification of the Board. The Board may create standing committees and ad hoc committees at its discretion. Unless authority to perform a duty is expressly delegated to a Committee, committee motions and recommendations shall be advisory to the Board and shall not commit the Authority to any policy, act or expenditure. Nor may any committee direct staff to perform specific duties unless duly authorized by the Board.

- Committees shall be appointed by the President, or the Vice President, operating in the President's absence, with the ratification of the Board.
- Committees so appointed may be open to non-members of the Board of Directors. Committees shall include at least one (1) member of the Board of Directors but may not include a majority of the Board of Directors.
- Any non-standing committees shall be appointed by the President.
- Each committee chairperson shall select such staff and consultants as is deemed necessary or appropriate, to facilitate the committee's operations.
- Each committee shall meet as needed, either at the call of the committee chairperson, any two-committee members or the CEO.
- Committees shall operate in a manner that complies with the Ralph M. Brown Act, its amendments and interpretations.
- Any committee, except for the two (2) standing committees, may be dissolved by the President, subject to ratification by the Board of Directors.

REMUNERATION, REIMBURSEMENT AND OTHER BENEFITS

A. REMUNERATION

It shall be the policy of the SDRMA Board that each member of the Governing Board elected by SDRMA members or appointed by the SDRMA Board of Directors may receive compensation in the amount of two hundred and thirty-five dollars (\$235) for each day's attendance at meetings of the Board, or for each day's service rendered as a Member of the Board by request of the Board. No Member shall receive compensation for more than a total of six (6) days in any calendar month. This shall include travel time up to one day before and after said service. This policy is based, in part, on Section 61047(a) of the California Government Code and SDRMA Ordinance No. 2022-01.

SDRMA offers automatic payroll deposit for employees. Board Members may begin and stop automatic payroll deposit at any time. To begin automatic payroll deposit, a Board Member must

provide a voided check to the Chief Financial Officer at least 10 days before the pay period for which the service should begin. Board Members should carefully monitor their payroll deposit statements for the first two pay periods after the service begins. To stop automatic payroll deposit, please inform the Chief Financial Officer at least 10 days before the pay period for which the service should end.

B. REIMBURSEMENT OF TRAVELING AND INCIDENTAL EXPENSES INCURRED WHILE ON OFFICIAL BUSINESS

Directors and Directors-elect may receive their actual and necessary traveling and incidental expenses incurred while on official business, pursuant to Government Code Section 61047(c). Reimbursement for these expenses is subject to Government Code Sections 53232.2 and 53232.3. Directors shall be reimbursed by SDRMA for reasonable expenses, including travel, lodging and meals incurred when attending board and committee meetings or when making any trips on official business of SDRMA when so authorized by the Board. All requests for reimbursement will be made to the SDRMA Chief Financial Officer within 120 days of the actual expense.

While driving on SDRMA business either using their own personal vehicle or a rental vehicle, Directors must meet the requirements outlined in Board Policy 2019-02 governing Property/Liability Members' Drivers and comply with the Board Policy for "Use of Personal & Rental Vehicles" contained in the SDRMA Employee Handbook.

The amount of mileage reimbursement will be consistent with IRS Guidelines. All Board members should keep travel, meals and lodgings costs within reasonable constraints, keeping in mind that these expenses require the use of public monies. Emphasis should be placed on keeping costs to acceptable practices as allowed by the respective agencies we serve. The following limitations shall be observed: meals shall be reimbursed at a maximum rate of \$100 per day or \$50 per half day, based on actual receipts. The cost of alcohol shall not be reimbursable.

Whether traveling by air or ground, the most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements should be used, using the most direct and time-efficient route. If traveling by automobile, Directors shall consider using a car rental service (i.e. Enterprise Car Rental) instead of a personal vehicle if a service is conveniently located.

If a Director for his or her own convenience travels by an indirect route or interrupts travel by the most economical route, the Director shall bear any extra expense incurred. Reimbursement for such travel shall be for only that part of the expense as would have been necessary, or for the expense actually incurred on SDRMA business, whichever is less.

Directors shall timely cancel any reservations they will not use. If the Authority is charged for an unused reservation, the Director will be responsible for that charge unless circumstances

requiring cancellation were reasonably beyond the Director's control.

Directors and/or consultants who bring personal guests to SDRMA hosted or reimbursable dinners, etc. and who prefer not to pay for their guest separately at the time, shall be billed by SDRMA for the actual additional costs. If actual cost cannot be determined, the per person average of the bill shall be calculated and billed by SDRMA to the Director(s) and/or consultants.

Receipts or other supporting documentation for expenses shall be required, except for expenses less than \$25.00.

The CEO shall bring any concerns or issues regarding a Director's travel expense reimbursement request to the attention of the Board President. The Board President shall attempt to resolve the concern with the Director and, if the attempt is unsuccessful, refer the matter to the full Board for discussion at a public meeting.

EXPENSES FOR EDUCATIONAL PROGRAMS AND CONFERENCES - Directors shall be reimbursed by SDRMA for reasonable expenses, including registration, transportation, meals, lodging and incidental expenses incurred when attending SDRMA Board approved training seminars, programs, workshops or conferences.

EXPENSES OF DIRECTORS ELECT - Because it is to the advantage of the members of SDRMA that directors-elect become rapidly and fully informed of the workings of the Board of Directors and of the issues before the Board, SDRMA shall reimburse the expenses of Directors-elect, between their date of election and the inception of their terms, that would otherwise be reimbursable if their terms began with the date of their election.

EXPENSES OF DIRECTOR CANDIDATES - SDRMA shall reimburse the reasonable expenses (travel and lodging) of the successful applicant, interviewing to fill an opening on the Board of Directors (following a vacancy). The expenses of all other candidates shall be borne by the candidates or their districts.

The Board of Directors encourages the participation of all Directors in the CSDA Annual Conference and related workshops in order to help promote SDRMA as an organization and to enhance the relationship between CSDA and SDRMA; and

- To the extent that his/her district does not cover the expenses of a Director of the Authority to attend the CSDA Annual Conference, including travel, meals, lodging and registration fees, those expenses will be reimbursed by the Authority.
- The Authority will pay or reimburse SDRMA Directors for:

- Travel to and from the conference;
- Lodging for the night before the day of the Annual Meeting and workshops;
- Lodging for the night following the Annual Meeting, if scheduling and/or transportation precludes Directors from returning home that evening;
- Meals during the same period of time, which are not provided with the conference registration.

ATTENDANCE

A. BOARD MEETINGS

Board members are expected to carry out their responsibilities to the best of their abilities. In order to accomplish this goal, members should be present for scheduled meeting or events whenever possible. The failure of a director to attend three (3) consecutive regular meetings of the Board (provided such meetings shall occur in a period of not less than three (3) successive months), except when prevented by sickness, or except when absent from the State with the prior consent of the Board, as provided by Government Code, Section 1770, shall cause such director's remaining term in office to be considered vacant. A successor director shall be selected for the duration of such director's term as set forth in Section 5 of the Bylaws.

In addition, the Bylaws, Article II, Section (5) provides that such vacancies shall be filled for the unexpired term by appointment in accordance with policy established by the Board of Directors. Such appointment will be made by the remaining members of the SDRMA Board. In order to accomplish this in an orderly and consistent manner, when a vacancy of an elected Director occurs, the SDRMA Board of Directors, after discussion and consideration, shall, when deemed appropriate, do the following:

1. Instruct staff to notify all member entities that a vacancy has occurred.
 - Said notice shall refer to the applicable Article in the Bylaws in advising member entities and their eligible personnel of the steps to take to apply for appointment.
2. Establish the closing date for the receipt of applications.
 - Applicants shall submit the following, by the date specified in the notice:
 - a letter of interest.
 - a resume, with particular emphasis on the applicant's knowledge of special districts and risk-financing.
 - a resolution from, or a letter approved by, the applicant's Board of Directors nominating the applicant.
3. Interview applicant(s) at the next regularly scheduled meeting of the SDRMA Board of Directors following the date of closure for applications.
4. Appoint the selected applicant without undue delay but need not act at the same meeting.

Note 1: If the Director vacancy occurs within nine (9) months after the date the ballots were counted and certified by the Election Committee or within nine (9) months after a candidate

was appointed to fill a vacancy, then the Board shall have the option to interview and appoint the candidate(s) who did not receive sufficient votes to be elected OR to interview and appoint from the pool of candidates from 3) above. If the Director vacancy occurs in an election year after the Notification of Election is sent to the members, the Board may determine to fill the vacancy by appointing the candidate who receives the next highest number of votes in the election. If the Board determines in its sole discretion that none of these options is appropriate, then staff shall be instructed to proceed with the process described above.

B. EDUCATIONAL PROGRAMS, CONFERENCES AND MEETINGS

In accordance with Objective IV of the MISSION STATEMENT, the Board reconfirms a goal "To develop and maintain a superior level of understanding and competence in Board and Staff and assure member-districts' awareness of the benefits of safe operations and proper claims procedures." In addition, the Board believes it is to the advantage of SDRMA to have Directors participate in conferences, meetings and educational programs that relate to their duties and responsibilities of serving on the SDRMA Board. Finally, the Board of Directors employs staff to administer and operate the Authority and encourages said staff to continue its education in risk financing matters, and further finds that there is value in networking available through staff attendance at and participation in some conferences and meetings.

As a result of these findings, the Board of Directors has determined that the following provisions shall apply to educational programs, conferences and meetings, except those sponsored/presented by SDRMA:

1. That Directors of SDRMA shall attend, on behalf of SDRMA, such educational programs, conferences and meetings (other than SDRMA meetings) as have been approved by the Board of Directors prior to such attendance.
2. That, to the extent possible, staff will, from time to time, present lists of conferences, meetings and educational programs so that the Board may consider attendance on a broader than single-event approach, in order to provide a coordinated plan for attendance.
3. At the board meeting following such attendance the attendee(s) will have the opportunity to deliver a verbal or written report to the Board on information and ideas learned at the event(s); and
4. Nothing in this policy shall permit the conduct of business in violation of the Ralph M. Brown Act, when more than four Directors attend the same event.

GENERAL PROVISIONS

Any of the within policies not required by law may be suspended by a majority of the Board. Any policy not required by law may be altered, amended, or repealed at a duly noticed meeting by a majority vote of the Board. This policy is meant to be supplementary to, and not exclusive of, other federal, state and local laws with regard to conflicts of interest, etc.

Board of Directors' Policy Manual

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