

1.1 MEMBERS OF THE BOARD OF DIRECTORS

Directors shall thoroughly prepare themselves to discuss agenda items at meetings of the Board of Directors. Information may be requested from staff or exchanged between Directors before meetings, except as may otherwise be limited or prohibited by California law.

Information that is exchanged before meetings shall be distributed through the Administrator and all Directors will receive all information being distributed.

Directors shall at all times conduct themselves with courtesy to each other, to staff, and to members of the audience present at board meetings.

Directors shall defer to the President for conduct of meetings of the Board, but shall be free to question and discuss items on the agenda. All comments should be brief and confined to the matter being discussed by the Board.

Directors shall abstain from participating in consideration on any item involving a conflict of interest as set forth in the applicable provision of California law. Unless such a conflict of interest exists, however, Directors should not abstain from the Board's decision-making responsibilities.

Requests by individual Directors for substantive information and/or research from District staff will be channeled through the Administrator.

1.2 BOARD MEETING CONDUCT

Meetings of the Board of Directors shall be conducted by the President (or Vice President in the President's absence, or in the absence of the Vice President, by the Director selected to be the presiding officer by the remaining directors) in a manner consistent with the policies set forth herein.

The purpose of Board meetings is to enable the Board to conduct the business of the Company. As such, the following guidelines should be substantially followed, to the extent practicable, depending on the circumstances surrounding each meeting:

1. Each regular agenda item shall then be taken in agenda order unless the order is altered by the Board President. A brief report from the Administrator or other designated staff will be given.

2. After hearing the staff report, the Board may ask questions of staff, discuss the issues involved, and comment on the issues. These deliberations shall be guided by the President.
3. After Board deliberations are concluded or prior to Board deliberations, the President shall ask any shareholders present for comment prior to calling for a vote.
4. After shareholders comments, the Board shall vote on the matter before them and proceed to the next agenda item.

The conduct of meetings shall, to the fullest possible extent, enable Directors to:

1. Consider problems to be solved, weight evidence related thereto, and make wise decisions intended to solve the problems; and,
2. Receive, consider and take any needed action with respect to reports of accomplishment of Company operations.

1.3 BOARD MEETING AGENDAS

The Administrator, in cooperation with the Board President, shall prepare an agenda for each regular meeting of the Board of Directors. Any director may call the Administrator and request any item to be placed on the regular meeting agenda at a regular Board meeting.

1. Any shareholder of the Company may request that a matter directly related to Company business be placed on the agenda of a regularly scheduled meeting of the Board of Directors, subject to the following conditions: The request must be in writing and be submitted to the Administrator together with supporting documents and information;
2. The Administrator shall bring the request to the President who shall consider the request, and may schedule the matter for a regular meeting;
3. The Board of Directors may place limitations on the total time to be devoted to a shareholder's request at any meeting, and may limit the time allowed for any one person to speak on the issue at the meeting;
4. Directors may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning the matter, or take action to direct staff to place a matter of business on a future agenda.

At least 3 days (72 hours) prior to the time of all regular meetings, an agenda, which includes but is not limited to all matters on which there may be discussion and/or action by the Board, shall be posted conspicuously for review at the Company office.

At least 24 hours before a special meeting, the agenda shall be posted conspicuously for review at the Company office.

1.4 BOARD MINUTES

Board meeting minutes must be recorded for all board meetings. Such minutes should be concise, identifying the items considered and any action taken.

1. If a written report is submitted for the item, then reference should be made to the written report rather than restating the report contents. General reference should be made to discussion of an item rather than a detailed description. Action taken should be clearly identified in terms of motions made, who made the motion and second, and the results of the voting.
2. Until written minutes are approved by the Board of Directors, they are considered *draft minutes* and are not acceptable for inspection.
3. Copies of minutes shall be made for distribution to and for approval by directors with the agenda at regular board meetings.
4. The official minutes of the regular and special meetings of the board shall be kept in a fireproof vault or in a fire-resistant, locked cabinet.
5. Motions or resolutions shall be recorded as having passed or failed and individual votes will be recorded unless the action was unanimous.
6. All resolutions adopted by the board shall be numbered consecutively starting new at the beginning of each chronological year.
7. Minutes shall include the following information:

PROCEDURE:

- Date, place and type of each meeting
- Directors present and absent by name
- Call or order
- Arrival of tardy directors by name
- Pre-adjournment departure of directors by name, or if absence takes place when any agenda items are acted upon
- Adjournment of the meeting
- Record of written notice of special meetings
- Record of items to be considered at special meetings

BOARD ACTIONS:

- Approval or amended approval of the minutes of the preceding meeting
- Complete information as to each subject of the board's deliberation
- All board resolutions in complete context, numbered serially for each chronological year
- A record of all contract entered into
- A record of all bid procedures, including calls for bids authorized, bids received, and other action taken
- Adoption of the annual budget
- A record of the Administrator's report to the board
- Approval of all policies and board adopted regulations
- A record of all visitors appearing before the board

1.5 CODE OF ETHICS

The Board of Directors is committed to providing excellence in leadership that will result in the provision of the highest quality of services to its constituents. In order to assist in the government of the behavior between and among members of the board of Directors, the following rules shall be observed.

1. Priorities and Commitment
 - a. The dignity, style, value and opinions of each director shall be respected.
 - b. Responsiveness and attentive listening in communication is encouraged.
 - c. The needs of the district's constituents should be the priority of the board.
 - d. The primary responsibility of the board of directors is the formulation and evaluation of policy. Routine matters and the day-to-day management and operation of the Company are within the purview of the professional staff members of the Company.
 - e. Directors should commit themselves to emphasizing the positive; avoid double talk, hidden agendas, gossip, backbiting and other negative forms of interaction.
 - f. Directors should commit themselves to focusing on issues and not personalities. The presentation of the opinions of others should be encouraged.
 - g. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. Once the board of directors takes action, directors should commit to supporting said action and not to create barriers to the implementation of said action.
2. Procedures
 - a. In seeking clarification on informational items, directors may approach staff members to obtain information needed to supplement, upgrade, or enhance their knowledge to improve legislative decision making.
 - b. In handling complaints from residents and property owners of the Company, said complaints should be referred directly to the Administrator.
 - c. The appropriate handling of issues related to safety, concerns for safety or observed hazards is to report them to the Administrator or the Company office. Emergency situations should be dealt with immediately by seeking appropriate assistance.
 - d. In seeking clarification for policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances and programming, said concerns should be referred directly to the Administrator.
3. Board and Staff Relationships
 - a. When approached by Company personnel concerning specific Company policy, directors should direct inquiries to the Administrator. The chain of command should be followed.

- b. The work of the Company is a team effort. All individuals should work together in the collaborative process, assisting each other in conducting the affairs of the Company
- c. When responding to shareholder requests and concerns, directors should be courteous, responding to individuals in a positive manner and routing their questions through appropriate channels and to responsible management personnel.
- d. Directors should function as a part of the whole. Issues should be brought to the attention of the board as a whole, rather than to individual members selectively.
- e. Directors are responsible for monitoring the Company's progress in attaining its goals and objectives while pursuing its mission.

1.6 CONFLICTS OF INTEREST

1. Reportable Interests

- a. Each Director (which term shall include the Administrator for purposes hereof) shall advise the Company concerning any of the following relationships held directly or indirectly on their part, or on the part of any member of their immediate family, with any significant supplier of goods or services to the Company or any other person or organization having or proposed to have a significant business relationship with the Company.
- b. Direct or indirect control (as that term is defined under California law); or
- c. Direct or beneficial holding of 5% or more of the equity ownership; or
- d. Holding of a position as a director or officer.
- e. "*Immediate family*" shall mean parents, siblings, spouse, and children, as well as other dependents living in the same household.
- f. A "*significant business relationship with the Company*" shall be a relationship involving the transfer of goods and/or services of the payment of money of an aggregate value exceeding \$10,000 in a fiscal year (Nov - Oct).
- g. Any contract or other transaction with any person or organization with respect to which a Director has, or would have as a result of such contract or transaction, a reportable interest shall be valid and binding upon the Company if such interest is fully disclosed to the Board or any authorized committee, which authorizes, approves, or ratifies, the contract or transaction in good faith by a vote sufficient without counting the vote of the interested Director and the contract or transaction is just and reasonable as to the Company at the time it is authorized, approved, or ratified.

2. Reporting

- a. In November of each year, the Administrator shall provide each Director a form upon which to record any reportable interests existing at that time. Upon return of the forms, the Administrator shall prepare and distribute to the Directors a compilation of information concerning all such interests reported. In addition, each Director should endeavor to

advise the Administrator of any new reportable interest of which he or she may become aware, and shall bring to the attention of the Directors or the appropriate Committee any reportable interest which might be relevant to any contract or other transaction which may be considered by the Board or such Committee.

1.7 BOARD ACTIONS AND DECISIONS

Action can only be taken by the vote of a majority of the board of directors. Three (3) directors represent a quorum for the conduct of business. Actions taken at a meeting where only a quorum is present, therefore, require all three (3) votes to be effective (unless a 4/5 vote is required by policy or other law). If a director abstains from voting on a matter, the abstention cannot be counted as an affirmative vote.

1. Possible Actions may include but not be limited to:
 - a. Adoption, rejection, revision or amendment of policies;
 - b. Adoption, rejection, revision or amendment of resolutions;
 - c. Approval, rejection, revision or amendment of any contract or expenditure;
 - d. Approval, rejection, revision or amendment of any proposal which commits Company funds or facilities;
 - e. Approval, disapproval or alteration of matters which require or may require the Company or management staff to take action and/or provide services.

2. Informal Actions
 - a. The board may give direction which is not formal action. Such directions do not require formal procedural process. Such directions include the board's directives and instructions to the Administrator;
 - b. The President shall determine by consensus a board directive and shall state it for clarification;
 - c. A formal motion may be made to place a disputed directive on a future agenda for board consideration, or to take some other action such as refer the matter to the Administrator for review and recommendation;
 - d. Informal action by the board is still board action and shall only occur regarding matters which appear on the agenda for the board meeting during which said informal action is taken and for which more formal action is not required.

3. Motions
 - a. Any director, including the President, may make or second a motion after presentation of the item and any shareholder comment. A motion shall be brought and considered once stated by the President, opened to discussion and debate, and then called for a vote.
 - b. Ordinarily, only one motion can be considered at a time and a motion must be disposed of before any other motions or business is considered. There

are a few exceptions to this general rule, though, where a secondary motion concerning the main motion may be made and considered before voting on the main motion.

- Motion to Amend. A main motion may be amended before it is voted on, either by the consent of the directors who moved and seconded, or by a new motion and second.
- Motion to Table. A main motion may be indefinitely tabled before it is voted on by motion made to table, which is then seconded and approved by a majority vote of the board.
- Motion to Postpone. A main motion may be postponed to a certain time by a motion to postpone, which is then seconded and approved by a majority vote of the board.
- Motion to Refer to Committee. A main motion may be referred to a board committee for further study and recommendation by a motion to refer to committee, which is then seconded and approved by a majority vote of the board.
- Motion to Close Debate and Vote Immediately. As provided above, any director may move to close debate and immediately vote on a main motion.
- Motion to Adjourn. A meeting may be adjourned by motion made, seconded, and approved by a majority vote of the board before voting on a main motion.

4. Decorum

- a. The President shall take whatever actions are necessary and appropriate to preserve order and decorum during board meetings, including shareholders meetings. The board may excuse from attendance any person or persons making personal, impertinent or slanderous remarks, refusing to abide by a request from the President, or otherwise disrupting the meeting or hearing.

5. Amendment of Policies

- a. By motion, second and approved by a majority vote, the board may, at its discretion, at any meeting, and in accordance with the By-Laws of RPMWC:
 - 1) temporarily suspend these policies in whole or in part;
 - 2) amend these policies in whole or in part.