

LAKE GROVE WATER DISTRICT

BOARD POLICY HANDBOOK

ADOPTED April 15, 2019

BOARD OF COMMISSIONERS

POSITION #1
TERM: 4 YEARS
JUNE 30, 2019

POSITION #2
TERM: 4 YEARS
JUNE 30, 2019

POSITION #3
TERM: 4 YEARS
JUNE 30, 2019

POSITION #4
TERM: 4 YEARS
JUNE 30, 2020

POSITION #5
TERM: 4 YEARS
JUNE 30, 2021

LAKE GROVE WATER DISTRICT

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1. BOARD POWER AND PROCEDURES

Section 1.1 Definitions

As used in these sections, unless the context requires otherwise:

- A. “Board of Commissioners” or “Board” means the governing body of the Lake Grove Water District.
- B. “LGWD” means Lake Grove Water District.
- C. “District Manager” means the appointed Administrator of LGWD.

Section 1.2 Powers of the Board

A. Board members have no individual powers separate from the powers of the Board and have no authority to act individually without delegation of authority from a quorum of the Board. Likewise, no individual Board member may speak for or on behalf of the Board or District, except as authorized to do so by official Board action as recorded in the official minutes, guidelines, or policies of the District.

B. The powers and responsibilities of the Board are set forth in Chapter 264 and Chapter 198 of the Oregon Revised Statutes relating to domestic water districts. The Board has these general responsibilities, consistent with the afore-stated statutes:

- 1. Identify and adopt strategic policies for LGWD
- 2. Hire, evaluate, and dismiss the District Manager
- 3. Adopt the annual budget for LGWD
- 4. Set policy and make decisions in the best interest of LGWD
- 5. Monitor execution of Board Policy to ensure compliance with Oregon Public Meetings Law (ORS 192) and other laws.
- 6. Exercise all other powers not expressly delegated by the Board

C. The Board may authorize ad hoc advisory committees as it sees fit.

- 1. The Board Chair or designee will outline the duties and responsibilities of each committee at the time of appointment.
- 2. A board member may serve as ex-officio member.
- 3. Advisory committees are responsible for keeping any written records and ensuring that they are made available to the public if requested, consistent with Oregon Public Records Law.

Section 1.3 Functions of the Board

A. Policy Making

1. The Board will establish strategic policy, reserving to itself all authority and responsibility not otherwise assigned to the District Manager or others.
2. The Board is LGWD's Local Contract Review Board pursuant to ORS 279A.060 and the Board has adopted the Attorney General's Model Public Contract Rules, OAR 137 Divisions 46, 47, 48 and 49.

B. Oversight

1. The Board will select a District Manager or other person and delegate the responsibility for implementing and executing policies adopted by the Board.
2. The Board will provide the financial means to implement Board policies in order to accomplish organizational goals and objectives as adopted by the Board of Commissioners.
3. Unless otherwise authorized by a quorum of the Board, no individual Board member may direct or order a staff member on any matter that relates to the daily operations or administrative activities of the District. Moreover, unless otherwise authorized by the Board, no individual Board member may order, direct, or conduct any review of personnel records of any staff member or any other record that is exempt under Public Records Law. Any communications relative to District business must be directed to the Board Chair, who will then communicate the question, request, or concern to the District Manager, if appropriate.

C. Planning/Vision

1. The Board is committed to long-term planning as an essential activity to assure the viability of water service to water users in the region.
2. The Board will develop functional philosophies in the form of vision, mission, and/or values statements that provide guidance to the Board in the execution of its responsibilities and to the staff and others involved in the operations. These are to be reviewed periodically to assure their continued applicability.
3. Annual priorities will be established by the Board and be consistent with long-term planning. The Board will develop a priority sequence for short-term activities. The Board will make final selection of the activities that will be the responsibility of the District Manager or other

designated persons to implement.

4. The Board will conduct a periodic review of rates and charges.

D. Commissioner Assignments

1. At least annually, Commissioners will review the various organizations with whom LGWD has relationships. Commissioners may volunteer for assignments to these entities based on areas of interest or the Board Chair may make the assignments.

Section 1.4 Orientation

A. Cooperating with Board Candidates

The Board, through the District Manager, shall cooperate with candidates for the Board and provide them with information about Board policies, administrative regulations, and other aspects of the operation of LGWD.

B. Orienting New Board Members

The Board and the District Manager shall assist each new member-elect to understand the Board's functions, policies and procedures before the member-elect takes office. The District Manager will provide all appropriate information including:

1. A copy of Board policies.
2. A copy of the laws relating to the operation of water districts.
3. The link to the Attorney General's "Public Records and Meetings Manual."
4. The link to the Oregon Government Ethics Commission Guide for Public Officials.

Section 1.5 Board Educational Development

- A. In order to effectively carry out their duties, Board members must be adequately informed. Members are encouraged to attend such conferences and other training programs as the Board may authorize.
- B. The District Manager will inform and make available information on conferences, meetings, and publications that may be useful and informative.
- C. The Board may authorize educational development opportunities.

Section 1.6 Compensation for Services and Reimbursement for Expenses

- A. Board members will be compensated \$50 per day for any meeting or conference attended on behalf of LGWD.
- B. There is no reimbursement for mileage to and from LGWD offices, whether the purpose of the travel is to attend meetings or for the performance of any other

official function.

C. Additional Criteria for Compensation or Reimbursement — In order to qualify for compensation, the following must be met:

1. It must be a public meeting or event related to District matters.
2. The Board member is encouraged to provide orally or in writing a summary of the meeting or event at the next regular monthly Board meeting.
3. All requests for expense reimbursement must be submitted on a District form within 30 days after the expense was incurred, or, for per diem compensation requests, after the meeting or conference was attended. In the case of extenuating circumstances, exceptions may be made with approval from the Board Chair. The document must be signed and detailed with dates and times for the meetings attended.
4. While Board members may attend meetings or events, Board members shall not make statements on behalf of the District or Board without prior approval of the content by the Board, unless it is already published and attributable to the District. In all other circumstances, the Board member must be clear that statements are the individual position of the Board member and not the Board or District.
5. If the above criteria are not met, Commissioners will not be compensated for time or mileage.

D. If a Board member uses his/her personal vehicle to travel, the District will reimburse for travel at the then existing IRS mileage rate. However, no reimbursement will be paid for travel to and from LGWD property.

E. No reimbursement shall be allowed for expenses incurred by or for spouses, guests or relatives of Board members. No reimbursement shall be allowed for alcoholic beverages.

F. If LGWD is reimbursing the member for the expenses and costs of travel, the time spent traveling shall not be considered a meeting or event for which compensation for services can be claimed.

G. Compensation provided for Board members shall not be deemed lucrative and is not intended to be the individual's sole source of income.

H. Frequent Flyer Miles or Reward Programs - Board members traveling on LGWD-related business may accrue frequent flyer miles or other promotional or

reward benefits in their personal accounts. The benefit is part of the member's official compensation package. Members are responsible for determining any personal income tax implications arising therefrom.

I. iPad and Other Technology Devices – Board members are provided with an iPad/Tablet device for the purpose of conducting LGWD business, and may be provided with additional or alternative technology devices at the discretion of the District. These devices, along with their component parts, hardware, software, data, and stored electronic memory are the sole property of LGWD and are subject to Oregon Records Retention rules, Oregon Public Records Laws, and LGWD monitoring and reporting. Board members should have no expectation of privacy as to any communication generated from, received by, or stored in an LGWD device. Board members are personally responsible for the safety and security of LGWD-issued devices; if a device is lost, stolen, destroyed, or not returned, the Board member who was issued the device shall reimburse LGWD for the full replacement cost, which shall be the same cost as the original purchase of the device. Damage to the device incurred in the ordinary course of use will be repaired or replaced at the expense of LGWD. Upon a Board member's departure from the Commission, for any reason, all devices provided by LGWD shall be promptly returned to LGWD and shall remain the sole property of the District.

Section 1.7 Formulation of Policies

A. Proposals to adopt, change, delete, add to, or repeal a policy may originate from several people, including a Board member, District Manager, customer, employees, or civic group.

B. Proposed policy amendments will be drafted by the District Manager for Board review.

C. Adoption of new policies, changes, additions to, deletions from, and repeal of, established policies require a two-step procedure separated by no less than 28 days:

1. Included in the public agenda with introduction, discussion, and deliberation at one meeting.
2. Included in the public agenda with further deliberation and a vote to be held at a second meeting.
3. Adoption of new policies, amendments, or suspensions to existing policies shall be made by resolution of the Board.

D. Amendment

1. Board policies may only be amended by a majority vote after the proposed amendment has been reduced to writing and been placed on the agenda.

E. Suspension

1. Board policies may be suspended by a majority of members in the call for which the proposed suspension has been described in writing, or by unanimous vote of all members when no such written notice has been given.
2. The Board may vote to suspend the second reading and the 28 day passing period as it so chooses.

Section 1.8 Public Meetings *(See ORS 192.610 — 192.695)*

- A. The Board has established the regular meeting date of record as the third Monday of each month.
- B. The Board shall make every reasonable effort to commence all public meetings no later than five (5) minutes after the start time published in the meeting notice unless a delay in the start time is announced to the public at the scheduled start time.
- C. The Board adopts the definitions relating to public meetings as set forth in ORS 192.610.
- D. The Board reserves the right to change the place, time, and date of such regular Board meetings and to call and hold such additional or special meetings, as shall be deemed necessary, as provided by law. The Board Chair or two Board members may call special meetings.
- E. Except in the case of emergency meetings, all meetings are to be posted and advertised as required by law. The Board from time to time may require posting or publication of additional notices as it deems necessary to provide notice to the public.
- F. The District will use the Attorney General's Public Records and Meetings Manual as a guidance document.

Section 1.9 Agenda Preparation

- A. Agenda items for Board Meeting are submitted to the Board Chair on a monthly basis for approval. All items must be submitted no later than 8 days before the scheduled regular meeting.
- B. The Board Chair may approve, add, or delete agenda items prior to approval of the agenda. The Board Chair can add, edit, or delete emergency items up to the time of the Board Meeting.

- C. The Board Chair may add items to the agenda at any time at his/her discretion.

Section 1.10 Preparation for Board Meetings

- A. The District Manager shall prepare, distribute, and post all public notices.
- B. The agenda and the public notice of the time and place of the meeting will simultaneously be distributed to the Board, and interested persons, including news media which have requested notice. Agenda will be posted at the LGWD administration building, the LGWD web page, and other locations as designated by the Board.
- C. Board members will receive a Board packet electronically or in hard copy.
- D. Other interested persons may request a packet in writing to the District Manager. LGWD may charge for copies of the Board packet per LGWD's public records policies if the person requesting the packet does not agree to receive it electronically.

Section 1.11 Procedures During Board Meetings

- A. Except as otherwise provided by state law, Board policy and/or Board Motion shall guide the Board in its deliberations. Rules may be amended at any meeting by majority vote. The order of business may be suspended at any meeting by a majority vote of those present.
- B. Public Participation
 - 1. The Board will provide a time at each meeting for public comment on non-agenda items. The District Manager will provide a process for those wanting to make public comment. All remarks should be addressed to the Board as a body. Each person is allowed a maximum of three minutes unless allocated additional time by the Board. Time may not be yielded or allocated by one person to another.
 - 2. Meeting Conduct - Persons attending and making statements shall do so in a courteous and professional manner, and common respect will be maintained among all participants. The Board Chair has inherent authority to keep order and to impose any reasonable restrictions necessary for the efficient and orderly conduct of the meeting. The Chair may regulate the order and length of appearances and limit appearances to presentations of relevant points and to limit repetitive and redundant comment. Only Commissioners or the District Manager may ask questions of a person, staff member, or attendee making a presentation or giving testimony. Questions from the audience to staff members or guests will not be allowed. The Chair is authorized to stop interruptions of Board deliberations or attempts to debate with

staff, other meeting attendees, or Commissioners. The Chair may exclude a person from the meeting if the person is not complying with meeting policy, causing actual disruption to the meeting, or causing a disturbance.

3. **Board Conduct**—Commissioners will at all times act ethically and with integrity; comply with all laws and board Policies applicable to public officials, including Government Ethics Law; make decisions fairly, impartially and promptly, considering all available information, legislation, policies, and procedures; treat members of the public, employees, other Commissioners, and representatives of other governmental agencies with respect, courtesy, honor, and fairness, and contribute to a harmonious, safe and productive work environment.

C. Votes will be recorded. Any member may request a vote be changed if such request is made prior to consideration of the next order of business.

D. Three members shall constitute a quorum. If only a quorum is present, a unanimous vote is required to approve a motion.

E. Members may request a roll-call vote.

F. Members may append to the record, at the time of voting, a statement indicating the reason for the vote or the reason for abstaining.

G. Members must publicly declare an actual conflict of interest and abstain from participating as a Board member in any discussion, debate, or vote on the issue giving rise to the actual conflict, pursuant to Oregon Government Ethics Law. Members must publicly declare a potential conflict of interest prior to taking any official action on the issue giving rise to the potential conflict, and may abstain or vote on the issue when allowed to do so by law.

2. BYLAWS OF BOARD

Section 2.1 Number of Positions and Terms

- A. The Board shall consist of five members serving four (4) year terms, elected by LGWD voters pursuant to ORS Chapters 198, 255, and 264.
- B. No person, elected or appointed, shall be sworn in unless the qualifications set forth in ORS Chapters 198, 255, and 264 are met. If an eligibility question arises, the Board will obtain an opinion from legal counsel prior to administering the oath of office.
- C. Unless filling a vacancy, terms start officially on July 1. A new member must qualify by taking an oath of office before assuming the duties of the position.
- D. Should a vacancy occur on the Board, that vacancy will be advertised and the Board will select an individual from among those indicating their interest. ORS 198.320 will be followed in fulfilling this procedure.

Section 2.2 Officers

- A. The officers of the Board shall consist of:
 - 1. Chair
 - 2. Secretary/Treasurer
- B. At the first meeting in July of each year, the Board shall elect from its members the officers for the year then begun.

Section 2.3 Duties of the Chair

- A. The Chair shall preside at all meetings, shall have the right to make motions, discuss questions, and vote on any issue.
- B. The Chair shall sign on behalf of the Board contracts, deeds, and other similar documents as may require representative signature.
- C. The Chair shall appoint all committees, subject to approval of a majority of the Board, and perform all other duties as set forth in Board policies and rules.
- D. The Chair shall appoint, in the absence of the Secretary, a Board member to temporarily act in that capacity, subject to the approval of the Board.
- E. The Chair:

1. Discusses issues confronting the organization with the District Manager
2. Helps guide and mediate Board actions with respect to organizational priorities and governance concerns
3. Reviews with the District Manager any issues of concern to the Board
4. Monitors financial planning and financial reports
5. Coordinates the District Manager's performance evaluation with the other Board members
6. Annually evaluates the performance of the organization in achieving its mission and objectives
7. Speaks to the media and represents the organization

Section 2.4 Duties of the Secretary/Treasurer

- A. In the absence of the Chair, the Secretary/Treasurer shall perform the duties and have the rights and obligations of the Chair.

Section 2.5 Duties of the District Manager as Clerk of the Board

It shall be the duty of the District Manager to perform the following functions as clerk of the board:

- A. Compile the agenda as described by Board policy
- B. Handle correspondence of special interest to the Board
- C. Ensure appropriate preparations have been made for Board Meetings
- D. Attend all Board meetings
- E. Ensure records are taken to record Board decisions.

Section 2.6 Selection and Duties of Legal Counsel

- A. The Board shall select general or other legal counsel for LGWD and negotiate the terms and conditions of counsel's duties.
- B. Legal counsel shall advise the Board on specific legal matters submitted by the Board or the District Manager and recommend a course of action.
- C. The District Manager or authorized staff has authority to seek legal counsel as deemed advisable by the District Manager on matters relating to legal issues. Upon

receiving approval or consensus of the Board, Board members may seek clarification from legal counsel on matters of current litigation or a matter that could affect LGWD. All such requests from individual Board members, except for requests dealing with the hiring, termination, or performance issues of the District Manager, shall be submitted to counsel through the District Manager and shall be in writing with copy to the entire Board. All requests to counsel relating to the hiring, termination, or performance issues of the District Manager shall be in writing with copy to the entire Board.

D. Legal counsel shall advise the Board of any action or proposed action of the Board or LGWD that is not in compliance with the law.

E. Legal counsel shall not take action on any matter unless directed to do so by the Board or the District Manager.

Section 2.7 Selection and Duties of the Auditor

A. The Board shall select the auditor for LGWD. This selection will be done in a manner to allow timely preparation of the audit and cover audit services for a period of three (3) years. No contract shall be extended or renewed for more than two terms. This shall not prevent an incumbent service provider from responding to a Request for Proposal (RFP).

B. The auditor shall:

1. Examine the accounts of LGWD at the close of every fiscal year in accordance with law.
2. Include such tests of the accounting records and such other auditing procedures as are necessary in the circumstances.
3. Render an opinion on the financial statements prepared at the close of the fiscal year.
4. Support staff in preparing financial statements for publication as required by law.
5. Make recommendations to the Board concerning LGWD accounting records, procedures, and related activities.
6. Perform such other related services as requested by the Board.
7. Review the written accounting policies, practices and procedures, and render an opinion for the Board.

Section 2.8 Minutes

A. The Board shall keep minutes of all its meetings in accordance with the requirements of ORS Chapter 192. Board meeting recordings will be kept for a minimum of two (2) years in accordance with the requirements of ORS Chapter 192. Recordings shall be available to the public within a reasonable time after the

meeting.

B. Executive sessions may be recorded.

C. According to ORS 192.660, LGWD has determined that any information discussed during Executive Session is confidential and non-disclosable unless specifically authorized by the Board or as required or as excluded by law.

3. BUDGET AND FINANCE

Section 3.1 Formulation of Budget Documents

- A. The adopted Budget Document shall serve as the financial plan of operation and provide guidelines for carrying out the goals and objectives of LGWD.
- B. Within the budget process the Board shall appoint the Budget Committee membership, appoint the LGWD Budget Chair, and adopt the budget.
- C. The LGWD budget shall be prepared and adopted in full compliance with State of Oregon Local Budget Law.
- D. The Budget Officer is to review the existing LGWD capitalized items/facilities annually to determine normal maintenance needs and future needs. The review is to relate to changing laws, area growth, and/or fire control. All material jobs/projects are to be included in the Capital Improvement Program.

Section 3.2 Budget Committee - Membership and Responsibilities

- A. The Budget Committee shall consist of the five (5) members of the Board of Commissioners and five (5) community members. Board members shall be responsible for establishing a process for consideration and subsequent appointment by the Board of Commissioners, for a three (3) year term.
- B. At the Budget Committee's first meeting, the Board Chair shall open the annual budget meeting. The Budget Committee shall select a chairperson and vice-chair.
- C. The responsibilities of the Budget Committee are to:
 - 1. Approve the level of expenditures and set the corresponding tax levy requirements, if necessary, to balance each fund.
 - 2. Review and, if necessary, revise the proposed budget.
 - 3. Be aware of the legal constraints imposed upon LGWD.
 - 4. Be familiar with the Budget Document and what it means.
 - 5. Approve the budget.
 - 6. Be involved in the supplemental budget activity as required by local budget law.

D. The annual hearing on the budget shall be held after the budget is approved by the Budget Committee and at the time and place designated in the notice of the meeting required by ORS 294.438 – 294.453.

E. The Board of Commissioners shall adopt the budget, make appropriations, and determine the tax levies, if necessary, to finance the programs approved to meet LGWD goals and objectives.

Section 3.3 Budget Administration

A. The adopted budget is the financial plan developed to carry out the programs supporting LGWD's goals and objectives.

B. The District Manager is authorized to approve expenditures up to the amount appropriated by the budget and in accordance with Local Contract Review Board Rules.

C. The budget may be amended to reflect changes in budget categories.

D. The Board will be provided financial reports, on a regularly scheduled basis, in which actual revenues and expenditures will be compared with budget.

Section 3.4 Banking Services

A. The District Manager will recommend and the Board will approve the selection of the banking entity utilized by LGWD.

B. Annually, Staff will advise the Board of the status of banking signatories.

Section 3.5 Purchase, Acquisition by Donation, and Disposition of Real Property

A. The purchase, receipt of real property or property interests by donation, lease, exchange, sale, or gift of all real property to LGWD must have the approval of the Board.

B. As used in this policy, "disposition" shall mean the sale, exchange, or other transfer of title or other interest in real property by LGWD to another. Any donation or gifting of LGWD property regardless of value shall be approved by the Board:

Section 3.6 Investment of Funds

A. LGWD's policy is to invest a maximum of surplus available funds as is reasonably prudent, while having available cash on hand to meet daily operating needs.

B. The District Manager, or other designee by the Board, is the Investment Officer.

C. The Investment Officer shall adhere to the rules set forth in Oregon Revised

Statutes, in the LGWD Investment Policy, and by Board of Directors.

D. Diversification of investments will be in accordance with the LGWD Investment Policy.

E. The Investment Officer will provide the Board with a register of outstanding investments on at least a quarterly basis. This report will include the name of the financial institution, issue date, maturity date, principal invested, and the interest rate.

Section 3.7 Acknowledgement of Payments

The Board will review and acknowledge all expenditures made for the prior month at their monthly business meeting.

Section 3.8 Accounting Policy

LGWD's financial and accounting procedures, records, and reporting will be in accordance with Generally Accepted Accounting Principles (GAAP) and the Government Accounting Standards Board's (GASB) authoritative guidance.

Section 3.9 Audit

The District Manager, or designee, will work with the auditor selected in Section 2.7 each year to accomplish the objective of the annual audit.

4. PERSONNEL

Section 4.1 Personnel

LGWD is committed to equal employment opportunity. Management is required to recruit, employ, train, transfer, promote, pay, discipline, lay off, and terminate employees solely on the basis of individual qualifications and merit, and/or according to the standards and policies outlined in its personnel and related policies. Decisions involving any aspect of the employment relationship must be made without regard to an employee's race, color, creed, religion, sex, sexual orientation, age, national origin, marital status, physical or mental handicaps that with reasonable accommodation do not prevent performance of the essential functions of the job and work involved, or any other status or characteristic protected under any applicable federal or state law.

Discrimination or harassment based on any of the above-listed factors is totally inconsistent with the Board's philosophy and will not be tolerated at any time.

(Whenever the pronoun "he" is used, it is solely for editorial reasons. All positions are open to employees of either gender.)

Section 4.2 Preparation and Modification of Personnel Policies

The Board adopted Personnel Policies and Procedures by Resolution 2018-03 on June 18, 2018. The Board or District Manager may propose modifications to personnel and employment policies in compliance with Oregon and federal law and general LGWD Board policy applicable to personnel. All employment policies shall be approved by the Board. The District Manager shall provide copies of any personnel manual or policy and modifications to such manual or policies at such time as they are implemented by the District Manager. The Board will endeavor to annually review the Personnel Policies and Procedures.

Section 4.3 Employment Classification of Commissioners

The District's Commissioners, whether elected or appointed, are employees for tax withholding purposes only. Commissioners are not entitled to any employment related benefits as required by law or as otherwise provided in subsequent sections of LGWD's personnel policies or manual.

Section 4.4 Employee Discipline

Prior to any action by the District to reprimand, suspend, demote, place on leave, or terminate an employee, the District will consult with legal counsel, and with counsel provided by the District's insurance carrier, if any.

5. ASSET AND RISK MANAGEMENT

Section 5.1 Safeguarding Assets

The LGWD Board of Commissioners fully supports a structure of policies and procedures that systematically provide reasonable assurance that management will achieve its basic objectives (operations, financial reporting, and compliance). This policy includes the following five components:

- A. Provide a favorable control environment;
- B. Provide a periodic risk assessment;
- C. Provide for the design, implementation, and maintenance of effective control activities;
- D. Provide for effective information and communication; and
- E. Provide for ongoing monitoring of the effectiveness of control-related policies and procedures, as well as the resolution of any potential problems identified.

Section 5.2 Risk Management and Insurance Program

- A. The Board shall provide for a program of risk management consistent with legal requirements pertaining thereto and with the ability of LGWD to finance same.
- B. LGWD staff will recommend and the Board will review and approve the purchase of the necessary insurance or a self-insurance program sufficient to meet minimum statutory requirements and provide adequate insurance for all activities. Any self-insurance program adopted by LGWD shall provide for reasonably adequate reserves. Coverage shall be adequate to protect:
 - 1. Itself as a corporate body
 - 2. Its Board of Commissioners
 - 3. Its individual members
 - 4. Its appointed officers
 - 5. Its employees

Except for acts that are outside the scope of official duties, criminal, or the result of willful or intentional misconduct, the above entities and individuals are to be insured against financial loss to the extent required or authorized by law where the loss arises out of a claim, suit, or judgment by reason of negligence or other acts resulting in accidental injury to a person

or damage to property within or without LGWD while the above named insured are acting in the discharge of their duties within the scope of their obligations as Board members or as employees carrying out their duties. Normally Board members will not be held personally liable for consequences of their actions and decisions in fulfilling Board responsibilities. However, Commissioners will be held personally liable in the event that they have acted outside the scope of their duties (as defined in Section 1 of Board Policy) or their conduct is not required to, or cannot, be indemnified by LGWD. Board members will be held individually liable for conduct in violation of Oregon Government Ethics Law.

LGWD shall comply with the terms of any insurance policy regarding disclosure of risk circumstances to the insurance carrier and shall avail itself of any pre-loss legal advice provided under the policies.

C. The Board shall purchase insurance to cover or self-insure:

1. All real and personal property of LGWD.
2. Losses due to employee dishonesty, injury, or death.
3. A program of benefits for employees to the limits established from time to time by the Board.
4. General Liability for District operations including the negligent acts, errors, and omissions causing damage to other persons or property.
5. Workers Compensation and Employers Liability.

D. LGWD shall require contractors doing business with LGWD to carry general liability and automobile liability insurance (for any automobiles used to perform services for LGWD). Prior to the commencement of any work or services secured by contract with LGWD, the contractor shall procure, and thereafter during the term of the contract continue to carry, general liability and automobile liability (to the extent applicable) insurance with a company or companies authorized to issue insurance in the State of Oregon with limits provided by the contract. Such insurance shall cover all risks arising directly or indirectly out of the contractor's activities or performance. Certificates evidencing such insurance and bearing endorsements naming LGWD as an additional insured on such policy or policies of insurance shall be delivered to LGWD. The certificate shall require not less than ten days' written notice to LGWD prior to any change of the coverage or any portion thereof and notice to LGWD in the event of cancellation of such policy or coverage. Additionally, all contracts shall contain a provision by which the contractor shall indemnify and defend LGWD from any claim, loss, or liability arising out of or related to any activity, performance, or nonperformance of the contractor in connection with said contract. The provisions for insurance and indemnification in all contracts shall be reviewed and approved by LGWD's legal counsel. The limits of liability for each contractor will meet or exceed the Oregon Tort limit requirements for Oregon Special Districts, unless otherwise agreed to.

E. The District Manager shall develop and maintain procedures and regulations to carry out this policy and may designate LGWD employees to administer and supervise the program.

1. The person(s) so designated shall be guided by the reasonable person rule and shall:
 - i. Identify and measure risks.
 - ii. Evaluate physical properties owned or leased by LGWD.
 - iii. Establish risk management records to reflect values of such property.
 - iv. Establish procedures to maintain property and designate security personnel to protect property.
 - v. Establish procedures for good housekeeping, safe environmental conditions for employees and members of the public.
 - vi. Establish procedures for handling of risk management funds and record keeping.
 - vii. Utilize the services of the LGWD's insurance agent of record to determine which risks can normally be assumed as a proper business risk and which risks shall be ceded to professional risk bearers considering:
 - a. Frequency and magnitude of loss and
 - b. The ability of LGWD to replace damaged property.

Section 5.3 Insurance Agent of Record

A. LGWD will retain an insurance Agent of Record for casualty and property insurance, bonds, and workers' compensation.

B. The Agent will be designated by the Board for a period to be determined by the Board with an annual review of the type and quality of service and the insurance program recommended by such agent. The term of such contract shall be for such period as the Board determines is in the best interest of LGWD, provided that the term shall not exceed the length allowed by law.

C. The Agent shall be responsible for assisting LGWD with the development of a sound risk management program and for writing and servicing all necessary policies and statutory bonds.

D. LGWD may require the Agent of Record to develop and deliver the annual Risk Management report to the Board of Commissioners.

Section 5.4 Property Appraisal

A. LGWD shall maintain an up-to-date appraisal of all buildings and structures, including improvements, fixtures, and fixed contents.

B. The appraisal shall be conducted by an appraiser who is certified or has a history of successful experience in the field. This appraisal may be performed by LGWD's insurance Agent of Record.

Section 5.5 Disposal of Surplus or Outdated Equipment and Property

A. LGWD shall dispose of surplus or unusable property in accordance with Oregon Statutes and Local Contract Review Board Rules adopted by the Board.

Section 5.6 Records Management

A. The Board directs the District Manager to develop policies that conform to the Secretary of State Records retention schedule.

B. Compliance with the Oregon Public Records Law (ORS 192.001 – 192.607) , including proper filing and retention of records in accordance with these statutes, Oregon Administrative Rules 166-150-0005 to 166-150-0215 as applicable, and LGWD's Record Management Policy shall be required of all employees and Board members.

6. ADMINISTRATION

Section 6.1 District Manager as Administrator of LGWD

- A. As provided in the Policies adopted by the Board, administrative and operational functions are delegated to the District Manager.
- B. The District Manager shall create and maintain an organizational structure such that staff are arranged for efficient and effective operation of LGWD.
- C. The District Manager shall act as the LGWD Budget Officer, whose duties are described in section 3.1D.
- D. In all areas the District Manager is delegated to develop and maintain the water system at levels necessary to maintain LGWD's investments.

Section 6.2 Appointment and Terms of Employment - District Manager

- A. The District Manager shall be appointed and work at the pleasure of the Board.
- B. The Board shall review the position, the person, and the terms of employment annually. The results of the review shall be contained in an annual evaluation.
- C. The terms of employment shall include, but not necessarily be limited to: Responsibilities of the District Manager; Demonstrable Skills; and Salary and Benefit Considerations.

7. GENERAL MATTERS

Section 7.1 Purchasing

LGWD recognizes that effective purchasing policies can result in significant savings. In accordance with ORS 279.A.060, LGWD has adopted the Attorney General's Model Public Contract Rules, OAR 137 Divisions 46, 47, 48 and 49 as its Local Contract Review Board Rules. The Board of Commissioners is the Local Contract Review Board and acts as such. The Board will endeavor to annually review the Local Contract Review Board Rules and Contracts.

Section 7.2 Responsibility, Authority, Standardization

- A. The District Manager is responsible for the procurement of all goods and services and for establishing procedures to sell goods and services.
- B. Standardization of supplies, materials, and equipment is to be achieved whenever possible.
- C. Only persons designated by the District Manager are authorized to order or otherwise commit LGWD for materials, equipment, supplies, and services.

Section 7.3 Intergovernmental Cooperation

- A. Whenever feasible, LGWD will attempt to develop cooperative agreements with federal, state, or local governmental agencies to promote the efficient use of resources by sharing facilities and avoiding duplication of services. No service charges will be added to goods or services sold to participating governmental agencies.
- B. All agreements between other government agencies will be in writing and any agreement that exceeds the District Manager's contracting authority will be submitted to the Board for approval.

Section 7.4 Communications with the Public

Public involvement will be encouraged, and in order to foster that involvement the District Manager shall keep the public informed of relevant policies and directives in a manner consistent with ORS 192.

- A. Nothing in this section shall prevent LGWD employees from taking an active part in community affairs.
- B. Employees are entitled to enter into political activity provided it is done on their own time; uses no LGWD resources; that no political pressure is placed upon other employees; and that all political activities are in conformance with ORS 260.432 and Oregon Secretary of State regulations regarding restrictions on political campaigning by public employees.

Section 7.5 Gifts and Donations

A. LGWD may accept gifts, grants, donations, and title to property from parties desiring to convey property to LGWD. Upon receipt LGWD shall have sole and complete control of same. The Board shall recognize the receipt of gifts and donations.

B. The Board shall recognize presentations of memorials or other awards without such recognition being considered as a testimonial or endorsement by LGWD.

Section 7.6 Public Records

Public records are to be created, maintained, retained, and destroyed pursuant to the definitions and requirements of ORS Chapter 192.

A. The District shall comply with the Oregon Public Records Law, ORS 192.001-192.607.

B. **Public Record Requests:** In order to facilitate the public's access to records in LGWD's possession and control, and to avoid unnecessary expenditure of staff time, all requests for inspection or copies of public records must be submitted to LGWD in writing. The written request shall specify the records requested with reasonable particularity, furnishing the dates, subject matter, and such other detail as may be necessary to enable LGWD personnel to readily locate the records sought. LGWD staff shall determine what records, if any, are subject to the requests that are exempt from public disclosure as provided by law. LGWD staff shall, in writing, acknowledge the public records request within five business days of receipt.

C. **Access:** LGWD shall permit inspection and examination of its non-exempt public records during regular business hours in LGWD's offices, or such other locations as the Board may reasonably designate from time to time. Copies of non-exempt public records maintained in machine readable or electronic form shall be furnished, if available, in the form requested. If not readily available in the form requested, such records shall be made available in the form in which they are maintained. ORS 192.324.

D. **Certified Copies:** Certified copies of non-exempt public records shall be furnished upon request and receipt of payment therefor.

E. The Board, from time to time, may set a reasonable charge or fee by resolution for making public records available for inspection or copying; which charges or fees shall be applicable to all requests for inspection or copying made after the date of adoption of the applicable charge or fee. The District Manager, as the Custodian of Records, shall have the ability to waive charges or fees for requests requiring nominal effort or expense as the District Manager deems appropriate. Notwithstanding this public records policy, the Board, from time to time, may set policy and grant a waiver of fees with respect to access to public records by Commissioners relating to agenda items under current discussion by the Board.

F. An original record shall not be removed from LGWD's files or the place at which the record is regularly maintained, except upon authorization of the Board.

G. If a request to review original records is made, LGWD shall permit such a review, provided that search charges or fees are paid in advance in accordance with paragraph E, above. A representative shall be present at any time original records are reviewed, and the charges for standing by while the records are reviewed shall be the same as the charges for searching or reviewing records.

H. If any person attempts to alter, remove, or destroy any LGWD record, the LGWD representative shall immediately terminate such person's review, and the person shall be removed from LGWD premises. Nothing in this policy shall prevent the destruction of public records as is allowed by the Secretary of State's statutes, rules, or guidelines relating to record retention and destruction.

8. CUSTOMER SERVICE

Section 8.1 Billing and Collection

It is the policy of LGWD that all customers pay for the costs of providing water to their premises. The Board will adopt rules and regulations, water rate structures, and other resolutions and ordinances that provide details on the conditions and costs for those services. These will be periodically reviewed and updated by the District Manager and submitted to the Board for consideration and adoption.

Section 8.2 Water Loss Policy

Recognizing the possibility of water leakage within the customer-owned system, leakage is generally non-disputable and at the customer's expense. If any adjustment is to be made it will be consistent with the Water Loss Adjustment Policy adopted by the Board.

Section 8.3 Meter and Service Installation Fees

The fee charges for meter and service installation will be set by the Board and reviewed annually. When the meter is purchased, the customer will pay the balance due, plus a system development charge (SDC) as applicable.