

Thermalito Water & Sewer District

Policy and Procedures

Policy Title: Code of Ethics
Policy Number: 4.140
Adopted: November 19, 2019

Purpose and Scope

In order to best serve the citizens of Thermalito Water and Sewer District (the "District"), the members and officers of the District's Board of Directors (individually, each a "Director" and collectively, the "Directors") must act individually and collectively to create a government that is responsible, fair, honest and open. The Directors are expected to demonstrate the highest standards of personal integrity, honesty, civility, and conduct in all activities in order to enhance the effectiveness of the District to serve the best interests of the District and its residents and to inspire public confidence and trust in the District.

The purpose of this Code of Ethics is to establish policy and guidelines reflecting expected values and behaviors for use by and applicable to the Members of the District.

CONDUCT

The Directors are elected officials and guardians of the public trust. They are required to be impartial and responsible in the fulfillment of their duties. The citizens of the District expect that the Directors shall adhere to the highest standard of ethics, regardless of personal consideration.

It is the policy of the Board of Directors that the Directors and each of them shall abide by federal and state law, ordinances and policies, including this Code of Ethics. Each Director holds a fiduciary relationship to the District, requiring the Director at all times in the conduct of the business and affairs of the District to act in the utmost good faith and fair dealing. Violation of such law or policies tends to injure the good name of the District and to undermine the effectiveness of the Board of Directors as a whole.

1. Directors shall conduct themselves in a manner that shall reflect honorably on the Board of Directors and the District at all times, including during Board meetings and committee hearings and through any verbal or printed communications to District staff and members of the public.
2. Directors shall conduct their dealings with each other in a way that maintains public confidence in the office to which they have been elected. Directors shall be open and honest and focus on issues rather than personalities. Directors shall avoid aggressive, offensive or abusive conduct towards their fellow Directors, District staff, and members of the public.
3. Directors shall maintain the respect and dignity of their office in their dealings with other Directors, other elected and appointed officials, District staff, and the public.
4. Directors shall make no allegations against other Directors, other elected and appointed officials or District staff which are improper, derogatory, false or misleading or slanderous and/or libelous.

5. No Director in debate shall, directly or indirectly, by any form of words impute to another Director or Directors any conduct or motive unworthy or unbecoming of a Director.
6. Directors shall refrain from abusive conduct, personal charges or verbal and written attacks upon the character, motives, ethics or morals of other members of the Board of Directors, other elected or appointed officials, District employees and staff, and members of the public.
7. No Director shall use their position or prospective position, or the power or authority of their office or position, in any manner intended to induce or coerce any person to provide, directly or indirectly, anything of value which shall accrue to the private advantage, benefit, or economic gain, of the Director.

Procedures for Violation of This Code of Ethics

1. Board of Directors' Investigation

- a. Any Director may submit to the President and Chair of the Board a written complaint concerning a violation of this Code of Ethics setting forth in detail the particular facts giving rise to the alleged violation. The complaint should contain specific allegations of the alleged conduct in violation of the Code of Ethics. The complaint may, but is not required to, be cosponsored by other Directors.
- b. Upon receiving the written complaint, the President shall refer it to counsel for the District, who shall investigate the complaint by, among other things, interviewing the complainant, the Director charged with violating this Code, and any witnesses identified in the complaint or as a result of the investigation. Counsel upon completion of their investigation shall prepare a report setting forth their findings and any recommendations they may have and present it to the Board.
- c. The Board shall schedule a public hearing on the complaint and counsel's report at the next duly calendared Board of Director's meeting following completion by counsel of the investigation report. The hearing will be chaired by the Chair of the Board. If the Board Chair is the subject of the complaint, the Board shall, by majority vote, elect another Director to serve as Chair solely for the purpose of conducting the hearing and carrying out the Code of Ethics. The hearing shall allow the Director who is the subject of the allegation (i) the opportunity to address the complaint in writing prior to or by appearing at the Board of Director's meeting at which the complaint is discussed, (ii) the right to question witnesses, and (iii) the right to call their own witnesses and introduce evidence.
- d. The public hearing will include discussion and debate on the violation in question. Upon conclusion of the hearing, if the Board determines by a majority vote of its members that based upon the evidence a violation of this Code of Ethics has occurred, the Director in question may be admonished, sanctioned or censured by an appropriate vote as described below. The Board's determination shall be based on its review of the written record and of the information provided as part of the public hearing on the issue.

2. Board of Directors' Action on the Investigation

- a. Types of Action Available:

1. *Admonition:* This is the least severe form of action. An admonition may be directed to the Director found to have violated this Code or to all Directors of the Board of Directors, reminding them that a particular type of behavior is in violation of the Code of Conduct, and that it, if it occurs or is found to have occurred, could make a Director subject to sanction or censure.
2. *Sanction:* This is the next most severe form of action. A sanction should be directed to a particular Director based on a particular action (or set of actions) that is determined to be in violation of the Code of Conduct but is considered by the Board of Directors to be not sufficiently serious to require censure. A sanction is distinguished from censure in that it is not a punishment.
3. *Censure:* Censure shall be defined as an official rebuke, an expression of strong disapproval, harsh criticism or condemnation. Censure is a formal statement of the Board of Directors officially reprimanding one of its members. Censure should be used for cases in which the Board of Directors determines the violation of the Code of Conduct to be serious offense. Censure is a serious matter and shall not be used as a tool for harassment. Any allegation must be supported by evidence, not hearsay.

If a Director is censured after a hearing of the whole, the Director in question must make a full apology as appropriate at the next Board of Directors meeting. In addition, if a Member is censured, they must be removed from any committees of the Board. Such removal shall not impinge on the Director's duties to represent the District. Such removal shall begin from the date of censure and continue for a one-year period.

If a Director is censured, the Chair of the Board must carry out all punitive measures as detailed in this policy, including removing the Director in question from all adjunct committees wherein the Director represents the District.

In order to protect the overriding principle of freedom of speech, the Board of Directors shall not impose censure on any of its Directors for the exercise of their First Amendment rights, no matter how distasteful the expression was to the Board and the District. However, nothing herein shall be construed to prohibit the Board of Directors from collectively condemning and expressing their strong disapprobation of such remarks.

- b. Voting Requirements for Action to Be Taken: Admonition or sanction of a Director determined to have violated this Code of Conduct shall be by a majority vote of the members of the Board. Censure shall be by a two thirds vote of the Directors in favor of a Resolution, that the Director in question shall be censured, which Resolution shall set forth findings upon which the violation is based and censure taken.

CONFLICT OF INTEREST

The Political Reform Act set forth in Government Code Sections 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest codes. The Fair Political Practices Commission had adopted a regulation, being 2 CA Code of Regs. Section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference and may be amended by any amendments made from time to time to the Fair Political Reform Act. Therefore, the terms of 2 CA. Code of Regs. Section 18730 and any subsequent amendment to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the following Appendix in which members of the Board of Directors and

employees and agents of the District are designated and their disclosure categories are set forth, constitute the District's Conflict of Interest Code.

Pursuant to Section 4(A) of the standard code, the Directors and designated employees and agents of the District shall file statements of economic interest with the District. Upon receipt of the statements, the District shall make and retain a copy and forward the original of these statements to the Butte County Clerk-Recorder. The District shall make the statements of economic interest available to inspection and reproduction pursuant to Government Code Section 81008.

Appendix

Designated Employees

Disclosure Categories

Manager/Superintendent	All
Fiscal Officer	All
Members of the Board and Alternates	All
Consultants*	All

Disclosure Categories

1. Investments, sources of income and business positions in business entities of the type to contract with the District to supply materials, commodities, supplies, books, machinery, vehicles or equipment utilized by the agency.
2. Investments, sources of income and business positions in business entities, which are contractors or subcontractors, engaged in the performance of work or services of the type utilized by the District.
3. Investments, sources of income and business positions in entities such as banks or savings and loans.
4. Investments and business positions in, and income from, entities in which the District is empowered to invest its funds.
5. Interests in real property (or interest in real property used for commercial leasing purposes).

*Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The President of the Board may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The President's determination is a public record and shall be retained for public inspection in the same manner and locations as this conflict of interest code.

Reasons for Designations and Disclosure Responsibilities

Designations

The positions of Manager/Superintendent, Fiscal Officer, Members of the Board and Alternates, and Consultants have been designated as those positions subject to the provisions of the Conflict of Interest Code in that those positions are the only positions having any substantial responsibility relative to the District (hereinafter referred to as the Agency) decision making process or policy.

Disclosure Responsibilities

The categories relative to the types of interest that must be disclosed are based upon the types of interest in investments and real property within the Agency's boundaries and/or interests that may foreseeable be affected by any decision made or participated in by the Agency.

DIRECTORS' COMPENSATION

Policy – Directors' Compensation

Pursuant to California Water Code § 21166(a)(2), a Director, for serving on the Board or acting under its orders, shall receive a monthly salary, the amount of which shall be determined annually by the Board at its regular meeting in April, but shall not exceed \$600.00 per month. If the monthly salary so determined is approved, it will not become effective until July 1 of the year after which it was determined. Such salary shall compensate a Member for, among other things, their attendance at meetings of the Board and committees of the Board.

Directors also may be compensated for attendance at a conference or organized educational activity conducted in compliance with Government Code § 54952(c), including, but not limited to, ethics training as required under Government Code §§ 53234, et seq. and at occurrences not specified above but nonetheless required of them in performing their duties as Directors, but only if such is approved in advance by a majority of the Directors in a public meeting finding attendance at such occurrence necessary and in the best interests of the District. In such events, compensation shall be \$100.00 per day. In no event shall the total compensation paid to a director under this section exceed the sum of \$600.00 per month. As an additional condition to being reimbursed by the District for the actual and necessary expenses incurred by them in their attendance at such occurrence, a director shall provide a brief report on such occurrences attended by them at the next regular meeting of the Board following such occurrence.

Reimbursement of Expenses

Directors and employees of the District shall be reimbursed for actual and necessary expenses incurred by them appropriately relating to District business. Expenses for which a Member or employee may be reimbursed shall include travel, meals, lodging, and other actual and necessary expenses. When a Director or employee uses their own vehicle for travel, they shall be reimbursed pursuant to the Internal Revenue Service rate for reimbursement of mileage

As a condition to such reimbursement, a Director or employee shall submit expense reports as soon as reasonably practicable after incurring the expense, using the expense reporting form attached hereto. Receipts documenting each such event shall be attached to such form. All such reports shall be approved by the General Manager before reimbursement, provided, however, that any reports of the General Manager shall be approved by the District Administrative Committee.

If lodging is required, it shall not exceed the maximum group rate published by the conference or activity sponsor. If the published group rate is unavailable, directors or employees shall be reimbursed for comparable lodging at government or Internal Revenue Service rates.

It is against the law to falsify expense reports. Penalties may include loss of reimbursement privileges, restitution to the District, civil and/or criminal penalties.

ETHICS AND SEXUAL HARASSMENT TRAINING

Pursuant to Government Code §§ 53234, et seq., Directors, as well as all officers and employees of the District in managerial or supervisory positions, shall receive at least two hours of training in general ethics principles and ethics relevant to their public service for and on behalf of the District and two hours of training in prevention of sexual harassment every two years. Each new director and officer who commences service with the District after January 1 of any calendar year shall receive the training no later than one year from the first day of their service with the District.

This Policy 4.140 replaces in its entirety former Policy 4.120, Policy 1100 and Policy 4.130 which upon adoption hereof is rescinded.


This policy was approved at the September 22, 2020 Board of Directors meeting by the following vote:

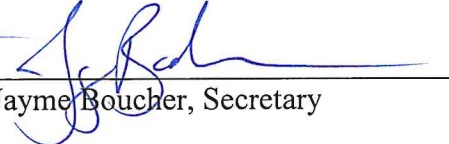
Ayes: Directors Taggart, Hatley, Latulippe and Reynolds

Nays:

Abstentions:


Absent: Director Wristen

By: 
Trevor Hatley, President

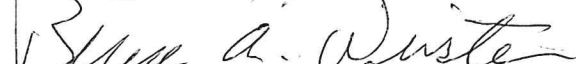
Attest: 
Jayme Boucher, Secretary

Directors Affirmation


By our signatures below, we, the duly-elected directors of Thermalito Water and Sewer District, affirm that the Board of Directors duly adopted the foregoing Policy No. 4.140 at our meeting on September 22, 2020 by the above vote.


Trevor Hatley


Brad Taggart


Bruce Wristen


Susan Latulippe


Ernie Reynolds