

**WEST SOUND UTILITY DISTRICT
RESOLUTION 339-12**

**A RESOLUTION OF
WEST SOUND UTILITY DISTRICT BOARD OF COMMISSIONERS
ESTABLISHING BOARD POLICY FOR BOARD CONDUCT
RELATIVE TO THE CONDUCT OF BOARD MEETINGS**

WHEREAS, West Sound Utility District (“District”) was formed several years ago through the merger of Annapolis Water District and Karcher Creek Sewer District (“former districts”); and

WHEREAS, neither former district, or the District to the present, formally considered or adopted Board rules for conducting its meetings or Board conduct relative thereto, with the exception of Annapolis Water District which previously adopted rules for conducting its meetings consisting simply of reciting a summary of Washington’s Open Meetings Act; and

WHEREAS, the District’s Board of Commissioners (“Board”) is being reduced in size over the next several years from five members to three as a result of the combination of the former districts; and


WHEREAS, due to the combination of the two former districts, the ongoing reduction in the Board’s size, the meeting issues confronted by the Board, and the Board’s goal to operate efficiently and openly in the best manner possible, it has been determined it will be in the best interests of the District and the citizens it serves, to begin considering and adopting policy to govern its conduct as Board members in relation to District Board meetings; NOW, THEREFORE,

THE BOARD OF COMMISSIONERS OF WEST SOUND UTILITY DISTRICT HEREBY RESOLVES:

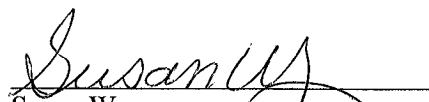
Section 1. The Board of Commissioners hereby adopts “Principals and Rules for Conduct of Board Meeting, Proceedings and Business” as set forth in the attached Exhibit “A”.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a regular scheduled meeting on January 17, 2012.

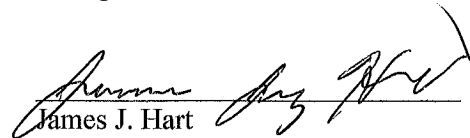
WEST SOUND UTILITY DISTRICT
Kitsap County, Washington



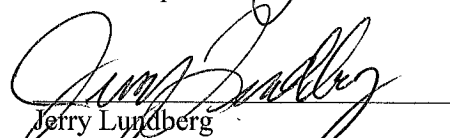
Jeannie Screws
Chairperson



Susan Way
Vice Chairperson



James J. Hart
Secretary



Jerry Lundberg
Commissioner

PRINCIPLES AND RULES FOR CONDUCT OF BOARD MEETINGS, PROCEEDING AND BUSINESS

I. ROLE OF BOARD

1.01 Board of Commissioners- Purpose and Role.

Fundamentally, the powers of the Board are to be utilized for the good of the District ratepayers. Primarily, the Board is the policy making body of the District. It is then up to District staff, under the direction of the District General Manager, to implement that policy. Most notably, state law, in particular Title 57 RCW, as well as District approved resolutions, grant the necessary and appropriate powers and responsibilities to the Board to operate as such.

It is important to note the Board may act only as a body. No member has any extraordinary powers beyond those of other members. When it comes to establishing policies, voting and in other significant areas, all members are equal. It is also important to note that policy is established by at least a majority vote of the Board. While individual members may disagree with decisions of the majority, a decision of the majority binds the Board to a course of action. At all times, Board members should respect and publicly support adopted Board policy. In turn, it is staff's responsibility to ensure Board enacted policies are carried out.

Actions of staff to pursue the policy direction established by a majority of the Board do not reflect any bias against Board members who held a minority opinion on an issue.

In order to uphold the integrity of the Board, and to provide proper checks and balances, members of the Board shall refrain from becoming directly involved in the administrative affairs of the District. Board member involvement in the day to day operations of the District, or the enforcement of Resolutions (other than through Board action taken at Board meetings) would only damage the efficiency and credibility of District operations.

Except for the purpose of inquiry, the Board and its members should solely engage in the daily workings of the District through the District General Manager or his/her designee. In no event should any Board member give orders or direction to any subordinate of the District General Manager. Subject to RCW 42.30.110 and the holding of executive sessions to discuss and review personnel matters, the Board is not prohibited, while in open session, from fully and freely discussing with the District General Manager any and all matters pertaining to the District and its operations.

1.02 Role of Board Members and District General Manager. Board Members are collectively responsible for establishing policy, adopting an annual budget, and providing vision and goals to the District General Manager. It is then the District General Manager's role to implement Board policy, supervise the daily operations of the District, make recommendations to

the Board regarding District operations and policy, and keep the Board updated of his actions in supervising District operations.

1.03 Organization of the Board. Each year at the first meeting in January, the Board shall select from its members, one member to serve as the Board Chairperson; it will also select a Vice-Chair and a Secretary from its members. The Board Chairperson shall serve as the presiding officer and run all Board meetings.

1.04 Absence of Board Members / Extended Absence of Board Members. In the absence of the Board Chairperson, the Vice Chair shall perform the duties of the Board Chair. If any Board members are absent from the District for more than 15 days, they shall make every reasonable effort to notify the Board Chairperson (or in his/her absence the Vice-Chair) and the District General Manager of such absence.

II.

BOARD COMMUNICATIONS, MEETINGS & RESIGNATIONS

2.01 State Public Disclosure Act and Open Meetings Act: To ensure business communications submitted to and by Board members comply with the State Public Disclosure Act, Chapter 42.17 RCW, and the State Open Meetings Act, Chapter 42.30 RCW, the following is set forth:

A. Meetings. All Board meetings shall be open to the public, except in those special instances provided in RCW 42.30.110. A meeting takes place when a quorum (a majority of the total number of Board Members) is present and information concerning District business is received, discussed, and/or acted upon. When a majority of Board members are together outside of a formal meeting setting, they shall refrain from discussing District business.

B. Actions. Only the Board as a body has the authority to take action and transact District business, and all said action must occur during meeting open to the public. At a Special Meeting, action may be taken only on those items appearing on the posted agenda, except for emergency items as hereinbefore referenced. At a regular meeting of the Board, it is free to take action on non-agenda items, subject to applicable notice requirements for the subject matter being considered.

C. Communications – Generally. All letters, memoranda and interactive computer communications involving Board members, the subject of which relates to the conduct of the Board or the performance of any District function, with few exceptions as stated by the Public disclosure Act, are public records. Copies of such letters, memoranda and interactive computer communication may not be provided to the public or news media without the filing of a public disclosure request with the District. All requests for District records by the public should be directed to the District General Manager or his/her designee.

D. Written Communications. Written letters and memoranda received by the District, addressed to a Board Member or the Board as a body will be photocopied and provided to all Board Members, and a copy kept according to the District's records retention schedule.

E. Electronic Communications. Informal messages with no retention value that do not relate to the functional responsibility of the recipient or sender as a public official, such as meeting notices, reminders, telephone messages and informal notes, ordinarily do not constitute a public record. Users should delete these messages once their administrative purpose is served.

All other messages that relate to the functional responsibility of the recipient or sender as a public official constitute a public record. Such records are subject to public inspection and copying. Users may either print a copy of the record and file it with the District General Manager for keeping according to the District's records retention schedule or forward such e-mail messages to the General Manager's e-mail (or the e-mail of his/her designee) from which a copy will be stored by the District according to its retention schedule.

E-mail communications intended for review by all Board members, whether concurrently or serially, must be considered in light of the Open Public Meetings Act. If the intended purpose of the e-mail is to generate discussion that should be held at an open meeting, the electronic discussion should not occur.

E-mail should be used cautiously when seeking legal advice or to discuss matters of pending litigation or other "confidential" District business. In general, e-mail is discoverable in litigation, and even deleted e-mail is not necessarily removed from the system. Confidential e-mail communications should not be shared with individuals other than the intended recipients or the attorney-client privilege protecting the document from disclosure may be waived.

E-mail between Board members and between Board members and staff shall not be transmitted to the public or news media without the filing of a public disclosure request with the District Manager.

2.02 Resignation of a Board Member: If a Board member resigns from the Board before his/her term of office is up, a new Board member will be appointed by the remaining Board members as soon as reasonably possible to fill the vacated position, as provided by law. During the selection process, the remaining Board members shall solicit applications from the public and seek to choose the best qualified candidate.

III. CONFLICTS OF INTEREST

3.01 Conflicts of Interest:

A. Conflict of Interest Law. The conflict of interest law, Chapter 42.23 RCW, is complicated. To understand its effect on a Board member's actions, it is suggested members discuss the law and potential conflicts with a private attorney or the District's legal counsel. It is

imperative Board Members identify in advance what their conflicts are. In general, a Board member must never use his/her position as a Board member to obtain personal gain.

B. Conflicts of Interest Must be Reported. It is illegal to fail to declare a conflict of interest, or to participate or otherwise be involved in Board discussions on issues or contracts where such an interest exists. Violations of the conflict of interest law may result in significant penalties, including criminal prosecution.

C. Remote Interests. In circumstances where only a “remote interest” exists after disclosure of the interest to other Board members and in the meeting minutes, the Board may approve the contract to which a Board member has a remote interest, absent participation in the voting by the Board member with the remote interest, but only if the Board member refrains from any attempt to influence other members to approve the contract.

D. Declaration of a Conflict. When a substantial interest (“conflict of interest”) exists, the District Board Member must: 1) refrain from voting or in any way influencing a decision of the Board; and 2) declare a conflict of interest exists and make it known in the official records of the District.

E. Situation When a Majority of the Board has a Conflict. If a situation arises where a majority of the Board or a majority of a quorum of those present at a Board meeting have a substantial conflict of interest, state law provides that if the conflict of interest statues prevent the Board from acting as required by law in its official capacity such action shall be allowed if the Board members with the apparent conflicts of interest make them known. In such cases each Board Member should strive to only act in the best interest of the District and not his/her personal interest.

F. District Legal Counsel Opinions.

A Board Member’s request for an opinion from the District’s legal counsel concerning a perceived conflict of interest is confidential. Formal final opinions, however, are a matter of public record and must be filed with the District Manager. This filing requirement does not apply to verbal communications between Board members and the District’s legal counsel.

Board members may also seek advice from a private attorney, at their own expense, concerning potential conflicts. In such cases, no disclosure policy would apply.

G. Filing of Disclosures. The District Manager shall maintain a special file for ongoing reference for all disclosures and legal opinions of conflicts of interest.

H. Prohibited Acts (RCW 42.23.070). The following are statutory examples of prohibited acts:

- No Board member may use his/her position to secure special privileges or exemptions for himself/herself or others;

- No Board member may, directly or indirectly, give or receive or agree to receive any compensation, gift, reward or gratuity from a source except from the District, for a matter connected with or related to the member's services as such unless otherwise provided for by law;
- No Board member may accept employment or engage in business or professional activity that the member might reasonably expect would require or induce him or her, by reason of his/her official position to disclose confidential information acquired by reason of his/her official position; and
- No Board Member may disclose confidential information gained by reason of his/her Board position nor may the Board member otherwise use such information for his or her personal gain or benefit.

IV. BOARD MEETINGS

The Board's collective policy and regulatory-making powers are enacted at Board meetings only. It is at such meetings that the Board conducts all its business. The opportunity for ratepayers to be heard, the availability of Board members to District ratepayers, and the openness of Board meetings, all lend themselves to the essential transparent democratic nature of local government.

4.01 Regular Board Meetings / Meeting Schedule. Regular Board meetings are held the first and third Mondays of each month at 4:30 p.m. in the District's meeting room at District headquarters located at 2924 SE Lund Avenue, Port Orchard, WA 98366.

4.02 Study Sessions. From time to time the Board may schedule meetings classified as "study sessions" in order to study certain issues in more depth than possible at regular Board meetings. These meetings shall be open to the public, but in order for the Board to obtain the greatest amount of information in the shortest amount of time, no audience participation will be allowed, unless permitted by consent of a majority of the Board members present, and no final action shall be taken on any matter at any study session. It is noted, however, that at every regular Board meeting, time is set aside to receive comments from the public.

4.03 Special Meetings. Special Board meetings may be called by either the Board Chairperson or by a majority vote of the Board. Notice of a special meeting will be made by the District General Manager by delivering personally, by mail, or by e-mail, written notice to each Board member and to the District's official newspaper of record (and other news agencies who have on record with the District a request to be so notified) at least twenty four (24) hours before the time of such meetings as specified in the notice. The notice shall specify the time and place of the special meeting and the business to be transacted. At special meetings, only those matters noted in the agenda may be acted upon.

The notices provided in this section may be dispensed with in the event a special meeting is called to deal with an emergency involving injury or damage to persons or property or the likelihood of such injury or damage, when time requirements of such notice would make notice impractical, and increase the likelihood of such injury or damage.

As with regular Board meetings, during special meetings public comments constitute a separate agenda item and are invited at that time on the agenda.

4.04 Notice of Board Meetings / Meeting Changes. In January of each year, the Board shall establish by resolution a Board meeting schedule (for regular Board meetings and Study Sessions) for the year which it shall attempt to adhere to. It is acknowledged, however, that on certain occasions due to unforeseen circumstances, Board meetings will have to be rescheduled or additional meetings scheduled. In such cases, the rescheduling of Board meetings and/or the addition of Board meetings shall occur as far in advance as reasonably possible. Notice of such meeting changes and additions shall be given as provided by law.

4.05 Study Sessions. Following proper public notice, the Board of Commissioners may meet informally, from time to time, in study sessions. The study session is the forum used by the Board to review forthcoming programs of the District, to receive progress reports on current issues to analyze District policies, consider new policies, or receive information/reports from the District General Manager and others. An agenda shall be established in advance of each study session, and as with all other Board meetings, minutes shall be taken. All discussions and conclusions held during a study session are intended to be of an informal nature. Except in extraordinary situations, no final action on any matter shall be taken by the Board while in a study session.

4.06 Placing Items on the Agenda.

A. Agenda Planning. All matters to be presented to the Board at its regular meetings shall be reviewed and placed on the agenda by the District General Manager.

B. Board Member Request. A Board Member may request an item be considered for an upcoming agenda by making an oral request at a Board Meeting or submitting a request to the District General Manager. All such requests made to the District General Manager outside of Board meetings should be made at least seven days in advance of the meeting to provide the District General Manager and staff ample time to research the matter. Based upon the nature of the request, the District General Manager may, in his/her discretion, submit the request to the Board before placing it on the agenda. The majority of the Board may then direct the District General Manager to formally include or exclude the item from the agenda of an upcoming meeting.

C. Members of the Public. A member of the public may request an item be placed on a future agenda while addressing the Board of Commissioners during a regular meeting and/or by submitting a request in writing to the Board through the District General Manager. The decision whether to place the matter on the agenda shall rest with the General Manager unless he/she is directed to place the matter on the agenda by the Board. In order to allow sufficient time for the Board to review and staff to research the matter, the request should be submitted at least seven (7) working days prior to the meeting for which the item is requested to be placed on the agenda.

Once the issue has been placed on the agenda, the District General Manager will notify the requester so he or she may plan to attend the meeting.

D. Emergency Items. Emergency items may be added to an agenda in accordance with state law. Emergency items are limited to those matters immediately affecting the public health, safety and welfare of the District. The reason(s) for adding an emergency item to the agenda shall be announced publicly at the meeting and the meeting minutes shall reflect what was discussed.

4.07 Executive Sessions. At the call of the Board Chairperson, or by a majority vote of Board Members, the Board may recess to Executive Session to privately discuss and consider matters authorized under RCW 42.30.110. Before convening into Executive Session, the Board Chairperson shall publicly announce the general purpose (statutorily sanctioned reason) for excluding the public from the meeting place (i.e. to consider the work performance of an employee), and the time when the Executive Session will be concluded, and whether action is expected to be taken following the executive session. An Executive Session may be extended to a stated later time by announcement of the Board Chairperson.

4.08 General Procedures.

A. Board Chairperson. The Board Chairperson shall be the presiding Board Member at each Board Meeting. As such it shall be his/her responsibility to: open each Board meeting; preside over Board meetings; insure they are conducted in a professional manner; insure the meeting agenda is followed; facilitate Board discussion in an orderly fashion on agenda items; preside over the presentation of Board motions, discussions, and the decision making process; and close each meeting, by asking for a motion to adjourn followed by a vote to adjourn, when all meeting business has been concluded.

The Board Chairperson may participate in all deliberations of the Board in the same manner as any other members and is expected to vote in all proceedings, unless a conflict of interest exists. The Board Chairperson possesses no veto powers.

On all questions of Board meeting practice or procedure not provided for in this resolution or unanimous consent of all Board Members, the practices and procedures set forth in Robert's Rules of Order, current edition, shall serve as a guide.

B. Motions. Generally, all District action is taken after a Board member has made a motion ("request for action") that is duly seconded. Because motions are an integral part of the District's decision making process they are covered in this subsection in some detail.

1. Presentation. Motions should be made in a clear and concise fashion and not include arguments for the motion within the motion. After a motion has been made and in order for it to be considered by the Board, the motion must be seconded by another Board member. If a motion does not receive a second, it dies. Motions that do not require a second include nominations, withdrawal of a motion by its maker, and points of order.

2. **Discussion.** After a motion has been made and seconded, the Board members may discuss their opinions on the motion prior to voting on it. Citizen comments may be heard only at the discretion of the Board Chair when there is a motion and second on the floor.

3. **Tie Vote.** A motion that receives a tie vote is deemed to have failed.

4. **Consensus without formal Motion.** When the Board concurs or agrees with an item by consensus that does not require a formal motion, the Board Chair shall summarize the agreement at the conclusion of the discussion.

5. **Withdrawal of Motion by Maker.** A motion may be withdrawn by its maker, at any time, without consent of the Board.

6. **Motion to Table a Matter.** A motion to table a matter is not debatable and requires a second. It shall preclude all amendments or debate of the issue under consideration. If the motion to table prevails, the matter may be taken from the table only by adding it to the agenda of a future regular or special meeting at which time discussion will continue. If an item is tabled, it cannot be reconsidered at the same meeting.

7. **Motion to Postpone Consideration of a Matter.** A motion to postpone consideration of a matter to a certain time is debatable, is amendable, and may be reconsidered at the same meeting. The question being postponed must be considered at the time agreed upon.

8. **Motion to Postpone "Indefinitely".** A motion to postpone indefinitely is debatable and not amendable.

9. **Call for the Question.** A motion to "call for the question" shall close debate on the main motion and is not debatable. This motion must receive a second and fails without a majority vote.

10. **Motion to Amend.** A motion to amend is defined as amending a motion that is on the floor and has been seconded, by inserting or adding, striking out, striking out and inserting, or substituting language in the motion.

11. **Motion Discussion.** Discussion of a motion may only occur after it has been moved and seconded.

C. Signing District Documents.

1. **By the Board.** The Board shall sign District resolutions, contracts and other documents that have been adopted by it, except when the District General Manager has been authorized by the Board to sign certain documents.

2. **By the District Manager.** The District General Manager shall be authorized by the Board, pursuant to resolution or motion, to sign various types of agreements, work orders and other routine documents of an administrative nature that are used in daily District operations.

D. Board Quorum. A majority of the Board constitutes a quorum and is necessary for the transaction of District business and the holding of a “legal” Board meeting.

E. Minutes. The District Manager or his/her designee shall take minutes at all Board meetings of every kind (except no minutes of executive sessions shall be taken). Such minutes shall be made available for public inspection once approved by Board action. Unless a member of the Board requests a reading of the minutes of a Board meeting, such minutes may be approved without a reading if the District Manager furnished each member with a copy thereof in advance of the meeting for review.

V.
BOARD POLICY REVIEW

The policies established herein are intended to be evolving in nature and shall be reviewed by the Board, as it deems prudent from time to time, to insure it has in place a coherent set of legally recognized standards and guidelines under which to operate so the best interests of the District and the ratepayers it serves may be met.