

# GOVERNANCE POLICY

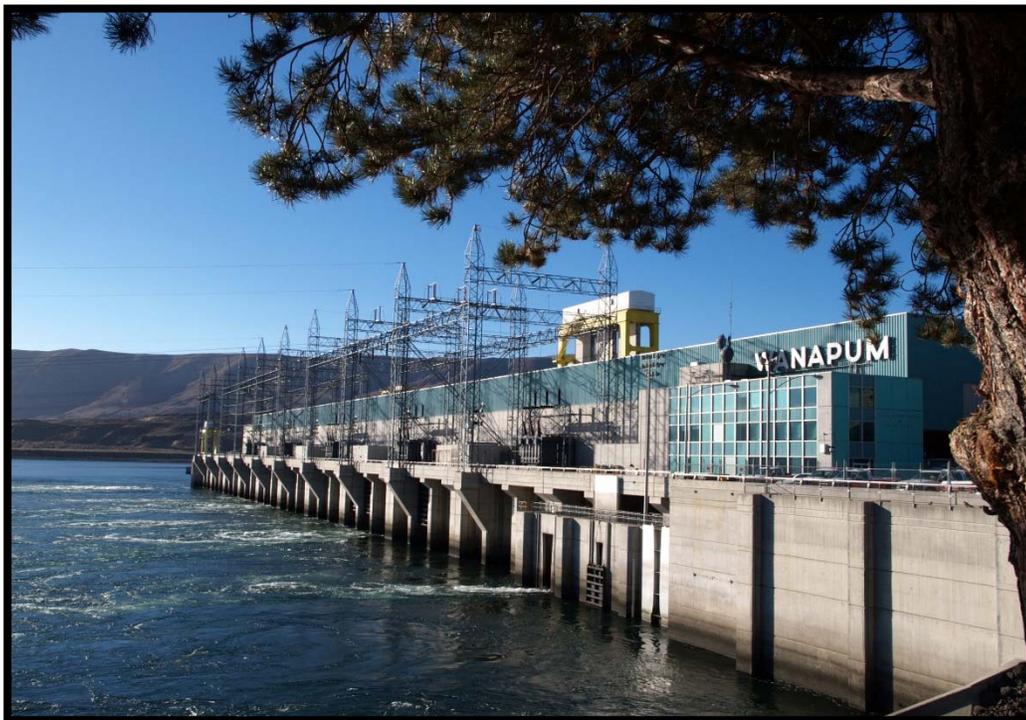


Exhibit A  
Resolution No. 8402  
Revised – Resolution No. 8517  
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## 1 Purpose of the Commission

- A The Commission is the legislative body of Public Utility District No. 2 of Grant County, Washington pursuant to the Public Utility District Act, RCW Title 54, and all other applicable statutes and laws. The powers of the District are exercised through a five-member Commission pursuant to RCW 54.12.010.
- B The purpose and responsibility of Grant County PUD's Commission, on behalf of the customers of Grant County, is to provide oversight and democratic decisions that enable Grant County PUD to fulfill its mission of generating and delivering power and other services to its customers in a cost-effective and efficient manner.
- C Accordingly the Commission will:
1. Identify and define the purpose, values, vision, and strategic direction of the District, along with the results the District is to achieve, and communicate them in the form of policy.
  2. Identify and define those results or conditions of the District that are acceptable and not acceptable to the Commission and communicate them in the form of policy.
  3. Make operational decisions designated by statute.
  4. Hire, evaluate, and terminate the General Manager / CEO.
  5. Hire, evaluate, and terminate the General Counsel.
  6. Appoint or remove the Treasurer.
  7. Appoint or remove the Auditor.
  8. Review and approve the budget in a timely manner.

## 2 Governance Focus

- A The Commission will govern with an emphasis on:
1. Strategic leadership.
  2. Encouragement of diversity in viewpoints.
  3. Clear distinction of Commission and General Manager / CEO roles.
  4. Collaborative rather than individual decisions.
  5. The future and present.
  6. Being proactive rather than reactive.
- B Specifically:
1. The Commission is responsible for excellence in governing.
  2. The Commission will direct, evaluate and inspire the organization through the careful establishment of written policies reflecting the Commission's values and vision.

3. The Commission's major policy focus will be on Grant County PUD's long-term impacts outside the organization, not on the administrative or programmatic means of achieving those effects. The Commission relies upon the expertise and diversity of its individual members to enhance the ability of the Commission as a body.
4. The Commission will establish and adhere to the standards needed to govern with excellence. Standards will apply to matters such as attendance at meetings, preparation for meetings, policymaking principles and codes of conduct.

### **3 Commission Member Job Description**

A The specific duties of the Commissioners as elected representatives are to ensure appropriate organizational performance.

B Specifically, Commissioners will:

1. Regularly attend Commission meetings and workshops.
2. Adopt the District's Strategic Plan, review it annually and make appropriate revisions.
3. Adopt the District's budget on an annual basis.
4. Set the rates, rules and regulations for services and commodities provided by the District.
5. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability.
6. Promote continual Commission development which will include orientation of new Commission members in the Commission's governance process and periodic Commission discussion of process improvement to include periodic training and education.
7. Monitor and discuss the Commission's process and performance semi-annually at Commission workshops. Self-monitoring will include comparison of Commission activity and discipline to policies in the governance process. The Commission will determine the appropriate manner of evaluation and feedback.
8. Maintain written policies to ensure a high quality of governance and clear direction and roles in decision-making between the Commission and General Manager / CEO.
9. Respect their individual fiduciary duties to protect and enhance the District as a customer-owned utility with due diligence using sound business judgment. In addition, a minimum of two (2) Commissioners will attend the Financial Advisory Committee (FAC) and work with staff on the financial management of the District.
10. Hire the General Manager / CEO to handle the day-to-day operations of the District and fulfill the duties as outlined in RCW 54.16.100.

11. Evaluate and determine compensation for the General Manager / CEO and General Counsel (Appointees). The Commission's evaluation criteria will focus on the District's strategic objectives.
  - a) Complete verbal mid-year evaluation of Appointees. The Commission will communicate any additional goals or objectives at the time of subsequent evaluation.
  - b) Complete year-end written evaluation of Appointees. The Commission will communicate any new goals or objective during the subsequent evaluation. At this time, the Commission will also determine proper compensation for the Appointees.
12. Develop and use outreach mechanisms to ensure the Commission hears the strategic viewpoints and values of its customer/owners, the community and other interested stakeholders. Community relations shall be an ongoing activity for all Commission members.
13. Take such other actions as may be required by law.

#### **4 General Meeting Rules**

- A The Commission may excuse an absent member by a majority vote. The Clerk of the Board will note in the minutes whether the member's absence was excused or un-excused. If a Commissioner anticipates an extended period of nonattendance in excess of 45 days, or is absent for a period of time in excess of 45 days, the Commission may excuse the absence by a majority vote in order to protect the Commissioner's position under RCW 54.12.010 prior to the 59th day of nonattendance. The Clerk of the Board shall note in the minutes whether the member's absence is excused or un-excused for the period.
- B Journal of Proceeding: A journal of all proceedings (minutes) of the Commission, except executive sessions, shall be kept in hardcopy and electronic form by the Clerk of the Board or their designee constituting the official record of the Commission. All Commission meetings and workshops held in the Ephrata Commission room, except executive sessions, shall be audio recorded, unless prevented by technical difficulties, and retained in accordance with State retention guidelines.
- C Right of Floor: Any members desiring to speak shall first be recognized by the Chair.
- D Decorum: All members, employees, and members of the public shall preserve order, decency and decorum at all times while the Commission is in session. No member shall, by conversation or otherwise, delay or interrupt the proceedings or the peace of the Commission, nor disturb any member who is speaking. No member shall refuse to obey an order of the Chair. Members shall confine their remarks to the subject under consideration. Discussion shall relate to the subject under consideration and shall be relevant and pertinent thereto so as to provide for the expeditious disposition and resolution of the District's business. No member shall use any impertinent, degrading or slanderous language as to any other member, staff, or public. There shall be no lectures, speeches or grandstanding.

- E Audio/Video Area: All audio or video taping by the public and/or press shall be done from the back of the meeting room.

## 5 Presiding Officer

- A **President:** The President shall preside at meetings of the Commission, and be recognized as the head of the Commission for all ceremonial purposes. In case of the President's absence or temporary disability, the Vice-President shall act as President during the continuance of the absence. The President is referred to as the "Chair" or "Presiding Officer" from time-to-time in this Governance Policy.
- B **Call to Order:** The meetings of the Commission shall be called to order at the appointed time by the President or, in his absence, by the Vice-President. In the absence of both the President and Vice-President, the meeting shall be called to order by the Secretary.
- C **Preservation of Order:** The President shall preserve order and decorum; prevent attacks on personalities or the impugning of member's or public motives and confine members or public in debate to the question under discussion.
- D **Points of Order:** The President shall determine all points of order, subject to the right of any member to appeal to the Commission. If any appeal is taken, the question shall be "Shall the decision of the President be sustained?"
- E **Questions to be stated:** The President shall state all questions submitted for a vote and announce the results. A roll call shall be taken upon request of any member.
- F **President-Voting Powers:** The President shall vote on motions or other matters to be decided by the Commission unless he or she has abstained from discussion or debate and voting on an agenda item due to an announced conflict of interest.

## 6 Commission Meeting Agenda

- A The General Manager / CEO shall arrange a list of proposed matters according to the order of business and prepare an agenda for the Commission. A copy of the agenda and supporting materials shall be prepared for Commission members, the General Manager / CEO, and the press on or before the close of business on the Thursday before the regular Commission meeting.
- B The Consent Agenda may contain items which are of a routine and non controversial nature and may include, but are not limited to the following; meeting minutes, vouchers, travel, and trade association appointments. Any item on the Consent Agenda may be removed and considered separately as an agenda item at the request of any Commission member or any person attending a Commission meeting.
- C Members of the Commission, General Manager / CEO, or designee, will have the opportunity to discuss/recommend business or other matters for placement on future agendas. In addition, at each regular Commission meeting, time will be allowed for any Commission member, the General Manager / CEO, or designee to

bring before the Commission any business that should be discussed or deliberated upon.

- D In the event of a natural disaster, attack or notice of imminent attack, where it becomes imprudent, inexpedient or impossible to conduct the affairs of the District at the regular or usual place, the Commission may meet at any place within or without its territorial limits on the call of the presiding President or any three members of the Commission. After any emergency relocation, the affairs of the District shall be conducted at such emergency temporary location for the duration of the emergency (RCW 42.14.075).

## 7 Motions

- A Members who wish to make a motion must first be recognized by the Presiding Officer. After the member makes a motion (and after the motion is seconded if required), the chair must restate it or rule it out of order, then call for discussion.
- B Most motions require a second, although there are some exceptions: nominations, points of order, requests to remove an item from the consent agenda, and motions to table. The Presiding Officer will state the motion and call for the vote. A motion to table does not require a second and is not debatable.
- C Motions for reconsideration must be made by a member from the prevailing side; any member may make the second. The following rules apply to motions for reconsideration: Motion must be in a timely manner but in no instance more than six (6) months after the original action. When (6) months have elapsed, any member may bring the item before the Commission.

## 8 Voting

- A The votes during all meetings of the Commission shall be transacted as follows:
  1. Unless otherwise provided for by statute, ordinance, or resolution, all votes shall be taken by voice, except that at the request of any Commission member, the Presiding Officer shall take roll call vote. The Presiding officer shall determine the order of the roll call vote.
  2. The passage of any motion or resolution shall require a majority vote of the whole Commission.
  3. Commission members shall vote on all matters before the Commission unless a statutory conflict of interest exists. If there is a conflict of interest, that Commission member shall state the conflict of interest and abstain from discussion and from voting on that matter.
  4. If any Commission member refuses to vote “aye” or “nay”, their vote shall be counted as an “aye” vote unless the Commissioner provides a reason to abstain.

## 9 Audience Participation (Addressing the Commission)

- A **Agenda Items:** Anyone desiring to speak to the Commission on an agenda item must sign the meeting register and indicate their desire to speak to the Presiding

Officer at the beginning of the meeting unless otherwise recognized by the chair. This will generally take place during the public comment period of the meeting.

- B **Non-Agenda Items:** Anyone desiring to speak to the Commission on a non-agenda item shall sign the meeting register and indicate their desire to speak to the Chair at the beginning of the meeting. The Presiding Officer, at his or her discretion, may permit such persons to address the Commission and has the authority to limit the time for comment to three (3) minutes unless a longer period of time was either pre-arranged with the Clerk of the Board and/or is allowed by the Board President.
- C **Manner of Addressing the Commission:** Each person addressing the Commission shall step up to the microphone, give his/her name and city of residence and subject matter of comments in an audible tone of voice for the record. All comments shall be made to the entire Commission and not to any single member nor to staff. Any questions for Commission members or staff shall be presented through the Presiding Officer. The Commission will determine the disposition of any issues raised (e.g., placed on the present agenda, workshop, other agendas, refers to staff, or do not consider).
- D **Conduct of Audience:** All audience members shall abide by the rules of decorum contained in Section 4, General Meeting Rules, paragraph "D" entitled "Decorum". No audience member shall disrupt the conduct of the meeting or cheer, hoot, holler, gesture, whistle, guffaw, jeer, boo, hiss, make remarks out of turn, use profanity, or the like. Any audience member who does so shall be determined out of order and the Presiding Officer may have such person removed from the Commission chambers immediately. Such person shall not be permitted to attend the remainder of that Commission meeting.

## 10 **Filling Commission Vacancies**

- A Notice of Vacancy. If a Commission vacancy occurs, the Commission will follow the procedures outlined in RCW 42.12.070. In order to fill the vacancy with the most qualified person available until an election is held, the Commission will widely distribute and publish a notice of vacancy and the procedure and deadline for applying for the position.
- B Letters of Interest. The Commission will announce the vacancy and will accept letters of interest from any interested person for no less than 30 days from the time of official public announcement. The Commission will review the letters of interest and/or interview the applicants. The Commission will select and appoint a qualified person to the vacant Commission seat.

## 11 **Executive Sessions**

- A If the Commission convenes an executive session to discuss what is permitted by law, there is no valid reason to disclose publicly what was discussed and reviewed privately. Everything which is discussed during an executive session, and all written materials that are reviewed during an executive session, shall be considered confidential and no Commission member shall publicly disclose any such information. The Commission finds that disclosing publicly what was

discussed and reviewed during an executive session undermines the whole purpose of meeting in executive session. Public disclosure may be made in the event a majority of the Commission members vote to approve the public disclosure prior to its disclosure. Any request for such a vote shall be first raised during an executive session for discussion purposes prior to a vote in open session.

## **12 Criminal Convictions & Violations of the Code of Ethics**

- A No Commission member shall serve on the Commission after having been convicted of any criminal violation of Chapter 42.23 RCW (as now enacted or hereafter amended) or any felony or malfeasance in office RCW 9.92.120 (as now enacted or hereafter amended). No Commission member shall serve on the Commission after having violated any of the provisions of Chapter 42.23 RCW (as now enacted or hereafter amended). No Commission member shall serve on the Commission after having been convicted of any offense involving a violation of his or her official oath RCW 42.12.010(5) (as now enacted or hereafter amended).

## **13 Preserving the Attorney Client Privilege**

- A No Commission member shall make any disclosures or release any information which would result in the waiver of the attorney/client privilege without first obtaining the approval of a majority of the Commission in open session. Such a request for disclosure shall first be raised during an executive session for discussion prior to a vote in open session.

## **14 Good Faith Cooperation with Insurance Carrier**

- A All Commission members shall cooperate in good faith with any insurance carrier or attorney representing the District in connection with a defense provided by an insurance carrier.

## **15 Ultra Vires Actions**

- A Commission members shall not act ultra vires, or outside the scope of their authority and duties as Commission members.

## **16 Violations of Commission Rules of Proceedings**

- A These Rules of Procedure/ Proceedings are adopted with the intent that they be fully enforceable and that violations thereof result in Commission action against members as provided herein and pursuant to RCW Title 54 and Title 42.23, as now enacted or hereafter amended. Any violation of these Rules of Procedure/ Proceedings is deemed to constitute disorderly conduct by such member.
- B Any claim of violation of the Governance Policy must be made in writing by a Commission member and filed with the President and made a part of the minutes of the Commission meeting where the charge is first considered.
- C Members violating any other Rules of Procedure shall be subject to admonition for the first violation of a particular rule and reprimanded for subsequent violations.

- D **Admonition:** An admonition shall be verbal vote in open session, recorded in the minutes, made by the Commission to the member.
- E **Reprimand:** A reprimand shall be administered to the member by letter. The letter shall be prepared by the Commission after action in open session to approve such letter. If the member objects to the contents of such letter, he/she may file a request for review of the content of the letter of reprimand with the Commission. The Commission shall review the letter of reprimand based upon the request for review and any record established, and may take whatever action appears appropriate under the circumstances.

## 17 **Role of Commission President**

- A The President of the Commission shall:
  1. Ensure that the Commission jointly and consistently adheres to its own rules and policies, and those imposed upon it by the laws of the State of Washington.
  2. Preside over and facilitate Commission meetings.
  3. Ensure that deliberation is fair, open and thorough, but also timely, orderly and kept to the point.
  4. Preside over and facilitate all Commission meetings in accordance with this Governance Policy, if not otherwise addressed here, the most current version of and Roberts Rules of Order, as needed.
  5. Schedule and coordinate the semi-annual process of evaluating the General Manager / CEO.
  6. Schedule and coordinate the semi-annual process of evaluating the General Counsel.
  7. Have no authority to supervise or administratively direct the General Manager / CEO, apart from authority expressly granted the President by the Commission.
  8. Assume responsibility of the Commission that is not specifically assigned to another Commission member.
  9. Be allowed to delegate his or her authority, but remains accountable for its use.
  10. Call Special Meetings of the Commission in the event of a business need as provided for in RCW 42.30.080.

## 18 **Role of the Commission Vice-President**

- A The Vice-President of the Commission shall:
  1. Perform such duties as are assigned by the President.
  2. Have all the power and duties of the President in the absence or inability of the President to act.
  3. Have all the powers and duties of the Secretary in the absence or inability of the Secretary to act, when not acting as the President.

## 19 **Role of the Commission Secretary**

- A The Secretary of the Commission shall:
1. Where appropriate, attest instruments and documents duly authorized by the Commission.
  2. Perform all duties incident to the office of Secretary as may from time to time be required by law or assigned to such office by motion, rule or resolution of the Commission.
  3. Have all the powers and duties of the President in the absence or inability of both the President and the Vice-President to act.

## 20 **Commission Members' Code of Conduct**

- A Commission members shall conduct themselves in accordance with all laws. The State of Washington has adopted a "Code of Ethics" that applies to all municipal officers, codified under RCW 42.23. The declared purpose of the Code of Ethics is to make uniform the laws of the State concerning the transaction of business by municipal officers in conflict with the proper performance of their duties in the public interest, and to promote the efficiency of local government by prohibiting certain instances and areas of conflict while at the same time sanctioning, under sufficient controls, certain other instances and areas of conflict.
- B Specifically:
1. Commission members are strictly prohibited by law from entering into or engaging in any activity defined by RCW 42.23 as a conflict of interest with their official duties as a Grant County PUD Commissioner.
  2. On an annual basis and in a public forum, each Commissioner shall acknowledge their obligation to disclose any conflicts of interest as defined in RCW 42.23.
  3. On a case by case basis, each Commission member will disclose to the other Commission members, in a public forum, any remote conflicts of interest as defined under RCW 42.23. Disclosure will be noted in the District's official minutes which are public record. A Commissioner with such remote interest will not participate in any discussion and/or debate concerning such interest, will not vote on the matter, and will do nothing to influence any other Commissioner concerning their decision on the matter.
  4. Commission members will adhere to the Grant County PUD Code of Ethics adopted by the Commission, and shall conduct themselves with civility and respect at all times with one another, with staff, and with members of the public.
  5. Commission members will adhere to the Grant County PUD policy on appropriate use of District resources.
  6. Commission members will become familiar with their individual and joint obligations pertaining to the District's directive on reporting alleged improper governmental action, including actions required of the

Commission regarding employee complaints of alleged improper governmental actions and/or employee claims of retaliation for reporting alleged improper governmental actions.

7. Commission members understand that all letters, memoranda and/or interactive computer or electronic information (including e-mail), the subject of which relates to the conduct of the District or the performance of any District function, are public records and may also be subject to disclosure under the Washington Public Records Act. Upon request, any such public records shall be provided to the Public Records Officer for inclusion in the District's records management program.
8. Commission members shall demonstrate loyalty to the interests of Grant County PUD's owners/ratepayers. This loyalty supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Commission member acting as a consumer of the District's activities.
9. Commission members may not attempt to exercise individual authority over Grant County PUD except as explicitly set forth and authorized in Commission policies.
  - a) Commission members recognize the lack of authority vested in them as individuals in their interactions with the General Manager / CEO and with staff, except where explicitly authorized by the Commission.
  - b) In interactions with the public, press or other entities, Commission members must recognize the same limitation and the inability of any Commission member to speak for the Commission except to repeat explicitly stated and adopted Commission decisions.
  - c) Commission members shall not lead the public or media to have the impression that the General Manager / CEO, General Counsel, Auditor, or Treasurer is out of compliance with policies absent a determination of non-compliance by the Commission.
10. In accordance with Washington's Open Public Meetings Act, Commission members:
  - a) Shall not meet as a quorum outside of Commission-called public meetings to hold discussions or make decisions as defined in RCW 42.30, regarding the business of the District.
  - b) Shall not meet as a quorum with staff outside of a Commission-called public meeting for the purpose of gathering information.
  - c) Understand that the requirements of the Washington Open Public Meetings Act applies to communications via telephone, e-mail, instant messaging or other forms of electronic communications. Any exchange of communication between more than two Commission members may constitute an official meeting of the Commission and be in violation of the Act.
  - d) Commission members may send information to other members of the Commission on an informational basis; however, replies and/or

exchanges of communications with more than one Commissioner regarding District business must not occur outside of an official public meeting of the Commission. Any such e-mail sent for informational purposes as described above, by any member of the Commission, shall be sent individually, not as group e-mail. Commissioners will not "reply" to any e-mail received by all other members of the Commission.

e) Commission members may not evade the requirements of the Open Public Meetings Act through use of "serial meetings", that is a series of smaller gatherings or use of a go-between such that the majority of Commissioners are not together but through the collection of other interactions the majority intend to take action. This includes but is not limited to: a series of telephone calls, multiple meetings between different groups of two Commissioners and e-mail communications between multiple Commissioners for the purpose of coordinating a decision.

11. Members will respect the confidentiality appropriate to issues regarding personnel, real estate transactions, proprietary matters, and attorney-client privileged communications, including those requirements listed under RCW 42.30.110, Executive Sessions and including any other confidential information gained by reason of the Commissioner's position.

## 21 **Board Training, Orientation**

A The Commission shall ensure that its skills are sufficient to assure excellence in governance of Grant County PUD.

B Specifically:

1. New Commission members shall receive training and orientation in Commission governance, policies and procedures.
2. New Commission members shall receive an orientation on the District's Strategic Plan.
3. New Commission members shall receive other general orientation in the organization and operation of the District by the General Manager / CEO and/or his designate.
4. Commission members shall receive training in the skills of effective communication and decision-making.
5. The Commission President shall receive training in the facilitation of public meetings.

## 22 **Commission Review of District Public Records**

A Grant County PUD has a duty to comply with appropriate public records requests as prescribed in the Washington Public Records Act. Commissioners do not give up their status as members of the public and therefore can request such information.

B Because of the special status conferred upon the Commissioners as elected representatives, each Commissioner agrees that:

1. Commission member requests to inspect District documents that do not meet the criteria of a "public record" under RCW 42.56 and/or which may be confidential in nature, shall be forwarded directly to the General Manager / CEO, who will provide the requested files, as allowed by law, for review on District premises.
2. No confidential or original documents shall be taken from District premises except with the authorization of the Commission or General Manager / CEO.
3. Commission members shall adhere to the same confidentiality requirements applicable to employees when dealing with the District's records and other documents.
4. District employee personnel files will not be subject to Commission review pursuant to the District's policies relating to employee records confidentiality and access except this limitation shall not apply to Commission appointees.
5. Access to District public records may be achieved by making a verbal or written request to the General Manager / CEO, General Counsel, or Clerk of the Board. The requested material will be provided to all five board members.

## **23 Commission Committees**

- A The Commission may establish ad hoc advisory and standing committees.
- B The Commission will review the committees at least annually to determine whether they should continue.
- C Specifically:
  1. Committees will ordinarily assist the Commission by gaining education, considering alternatives and implications, and preparing policy alternatives.
  2. Commission committees may not speak or act for the Commission, except when formally given such authority for specific and time-limited purposes.
  3. Commission committees cannot exercise authority over staff nor interfere with the delegation from the Commission to the General Manager / CEO.
  4. Participation in committee meetings shall be in compliance with the provisions of the Open Public Meetings Act, in that if three or more Commission members are present, then the meeting must be properly noticed as a public meeting.
  5. This policy applies to any group which is formed by Commission action, whether or not it is called a committee. It does not apply to committees formed under the authority of the General Manager / CEO.

## **24 Unity of Control**

- A Only decisions of the Commission acting as a body are binding upon the General Manager / CEO, the General Counsel, the Auditor, or Treasurer.

- B Specifically, in or out of Commission Meetings:
1. Decisions or instructions of individual Commission members are not binding on the General Manager / CEO, General Counsel, the Auditor, or Treasurer except in instances when the Commission has specifically authorized such exercise of authority.
  2. In the case of Commission members requesting information or assistance without Commission authorization, the General Manager / CEO, General Counsel, the Auditor, or Treasurer must refuse such requests that require, in their opinion, a material amount of staff time or funds, are disruptive to the District, or which may involve a conflict of interest between the District and the Commissioner requesting the information or assistance.
  3. Commission members individually may communicate directly with District employees or contractors. However, the Commission as a body and the Commission members will never give direction to persons who report directly or indirectly to the General Manager / CEO, with the exception of the General Counsel, Auditor, or Treasurer. If individual Commission members are dissatisfied with the response they receive, they may seek resolution through the Commission.
  4. The Commission as a body and the Commission members will refrain from evaluating, either formally or informally, the job performance of any District employee other than the General Manager / CEO and General Counsel.

## 25 **Commission-General Manager / CEO Relationship**

- A The Commission governs Grant County PUD and is the policy-making body of the District. The Commission operates under the provisions of the Revised Code of Washington, Title 54, Title 42 in part, and all other applicable statutes and laws.
- B The Commission is responsible for the following:
1. Identifying and defining the purpose, values and vision of the District, along with the results that the District is to achieve, and communicating them in the form of policy.
  2. Making certain operational decisions as designated by law.
  3. Hiring, evaluating, and terminating the General Manager / CEO.
- C The General Manager / CEO is responsible for the following:
1. All operations of the District as well as the business affairs of the District.
  2. Achieving the results established by the Commission within the appropriate and ethical standards of business conduct set by the Commission.
  3. Enforcing District resolutions, administering directives, staff policies and procedures, hiring and terminating all employees, attending meetings of the Commission and reporting on the general affairs of the District, and keeping the Commission advised as to the current and future business needs of the District.

4. Appointing a person to serve as the District's Chief Financial Officer. This will be a person with sufficient education and experience to fulfill the duties of the position. Together with the chief financial officer, the General Manager / CEO shall ensure that, to the best of their knowledge and belief, financial reports are complete and reliable in all material respects.
5. Ensuring the smooth continuous operation of the District in the event of the planned or unplanned absence of the General Manager / CEO.
6. Interacting with the public and other utilities and government agencies, pursuant to policies and direction adopted by the Commission.
7. At the direction and oversight of the Commission, the General Manager / CEO and Chief Financial Officer, or their designees, shall jointly serve as the chief liaison with all external audit agencies, shall coordinate the proper independent audit of annual financial statements, and shall ensure that the results and findings of such audits are reported to the Commission. In acting in this capacity, the General Manager / CEO does not relieve the Commission of its oversight responsibility
8. Perform other responsibilities as may be appropriately delegated by the Commission.

## **26 Commission-General Counsel Relationship**

- A The General Counsel provides legal counsel to the District and to the Commission. The General Counsel reports both to the Commission and to the General Manager / CEO.
- B The Commission is responsible for hiring and terminating the General Counsel.
- C The General Counsel shall advise the Commissioners regarding potential conflict of interest issues or ethical matters. General Counsel shall provide assistance to individual Commissioners in complying with applicable statutes and laws only when such advice does not conflict with the General Counsel's obligations to the District or to specific direction of the Commission.
- D The Commission is responsible for evaluating the General Counsel's performance. The Commission shall solicit the General Manager / CEO's input in evaluating the performance of the General Counsel.
- E With respect to the Commission, the General Counsel shall:
  1. Give his or her advice or opinion whenever he or she deems it necessary or when required by the Commission.
  2. Inform the Commission of material legal issues impacting the District or the Commission.
  3. When necessary, act independently of the General Manager / CEO.
  4. Provide counsel to the Commission and individual Commission members with regard to conflict of interest issues.

5. Provide counsel to the Commission and individual Commission members with regard to other ethical matters.
6. Assist the Commission members in complying with and interpretation of applicable statutes, laws, and regulations.
7. The General Counsel shall not provide legal counsel to Commission members except as it relates to their role as Grant County PUD Commission members.

## **27 Commission Relationship w/ Auditor and Treasurer**

- A The District Auditor (Auditor) and District Treasurer (Treasurer) serve in the capacity set forth by Title 54 of the Revised Code of Washington.
- B The Commission is responsible for appointing or removing the Auditor and the Treasurer. The Commission, by resolution, shall designate an Auditor and this person shall be a District employee other than the General Manager / CEO or Treasurer. The Commission, by resolution, shall designate a person other than the County Treasurer to be District Treasurer and this person shall be a District employee other than the General Manager / CEO or Auditor. The Auditor and Treasurer shall perform those duties specified by RCW 54.24.010 and shall be granted direct access to the Commission as necessary in the performance of these duties.
- C The Auditor and Treasurer shall report to the Chief Financial Officer for all administrative matters, including hiring, performance evaluations, salary administration, employee benefits, and terminations.
- D The Treasurer or Deputy Treasurer shall provide quarterly reports to the Commission summarizing cash and investment activity, and provide other reports to the Commission as necessary related to the duties of the Treasurer or as requested by the Commission.
- E The Auditor or Deputy Auditor shall issue warrants for claims against the District. As soon as practical after issuance of such warrants, the Auditor shall provide a list of all warrants issued, and shall certify to the Commission that such disbursements satisfy just, due and unpaid obligations of the District, in a manner specified by the State Auditor.
- F If the Commission disapproves a paid claim on the District, the Auditor will request the Treasurer to recognize the claim as a receivable. The Treasurer and Auditor will pursue collection.
- G The Auditor shall develop an annual audit plan, and conduct audits contained within the plan or other audits as may be requested by the Commission. The Auditor shall report to the Commission on the progress and results of such audits at least semi-annually. The Auditor, in the performance of his or her duties, shall have unlimited access to all activities, records, property and personnel of the District.

## 28 **Delegation to the General Manager / CEO**

- A In accordance with RCW 54.16.100, the General Manager / CEO is the chief administrative officer of the District, in control of all administrative functions and shall be responsible to the Commission for the efficient administration of the affairs of the District placed in his or her charge. In the absence or temporary disability of the General Manager / CEO, the General Manager / CEO shall, with the approval of the President of the Commission, designate some competent person as Acting Manager.

The General Manager / CEO may attend all meetings of the Commission and its committees, and take part in the discussion of any matters pertaining to the duties of his or her department, but shall have no vote.

The General Manager / CEO shall carry out the orders of the Commission, and see that the laws pertaining to matters within the functions of his or her department are enforced; keep the Commission fully advised as to the financial condition and needs of the districts; prepare an annual estimate for the ensuing fiscal year of the probable expenses of the department, and recommend to the commission what development work should be undertaken, and what extensions and additions, if any, should be made during the ensuing fiscal year, with an estimate of the costs of the development work, extensions, and additions; certify to the Commission all bills, allowances, and payrolls, including claims due contractors of public works; recommend to the Commission compensation of the employees of his or her office, and a scale of compensation to be paid for the different classes of service required by the district; hire and discharge employees under his or her direction; and perform such other duties as may be imposed upon the manager by resolution of the Commission.

- B The General Manager / CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities to achieve the goals set forth by the Commission for the District.
- C The Commission shall develop policies that define the delegation to the General Manager / CEO with regard to the General Manager / CEO's authority.
- D The General Manager / CEO must bring to the Commission's attention circumstances that affect the goals established by the Commission and may request the Commission to take appropriate actions.
- E The Commission may change its delegation to the General Manager / CEO at any time, thereby expanding or limiting the authority of the General Manager / CEO. Whenever a particular delegation is in place, the Commission will abide by the General Manager / CEO's decisions in those areas that are delegated to him or her.

## 29 **Budget & Procurement Authority**

- A The Commission, by resolution, shall approve the District's budget prior to the start of each fiscal year.

- B By resolution, the Commission shall set forth the authority of the General Manager / CEO to manage and expend District funds in accordance with financial policies and budgetary limits. Procurement of goods and services shall take place in accordance with applicable legal requirements in a fair, competitive and inclusive manner to maximize the benefit to the District's ratepayers/customers.
- C The General Manager / CEO shall establish procurement controls that provide reasonable assurance that the procurement of goods and services are made for a valid business purpose and within authorized budget levels.
- D It is District policy that all procurement decisions be made free from actual or perceived conflicts of interest consistent with the District's Code of Ethics.
- E It is District policy that due diligence and prudent judgment be exercised in the making of procurement decisions, including conducting a risk assessment. If the General Manager / CEO reasonably determines that a procurement activity presents, regardless of the size of the financial commitment, either (i) a unique and significant operational risk to the District; or (ii) a significant impact to customers, the General Manager / CEO shall inform the Commission.

### **30 Financial Policies**

- A The Commission, by resolution, shall adopt financial policies that provide guidance to the General Manager / CEO and Chief Financial Officer in managing the finances of the District and in developing budgets, financial plans and rates. At a minimum, these policies shall 1) provide for sufficient liquidity relative to the District's risk profile, 2) provide for adequate coverage to meet debt covenants, 3) establish criteria for debt and rate - financed capital expenditures, 4) require that budgets be developed based on conservative and prudent assumptions consistent with standard industry practice, and 5) establish budgetary and procurement controls over expenditures.

### **31 Amendment of These Rules**

- A These rules may be amended or new rules adopted by a majority vote of the whole Commission, provided that the proposed amendments or new rules have been introduced into the record at a prior Commission meeting.