

Board Member Code of Conduct

Section 1. Board members individually commit themselves in their elected capacity to ethical, businesslike, and lawful conduct, including appropriate use of their authority and decorum at all times when acting as Board members. Board members must avoid even the appearance of impropriety to ensure and maintain public confidence in the District and the Board as a whole. Board members owe a fiduciary duty to the District and to the Board and must not act in a manner that is contrary to that duty or to the interests of the District. Board members must place the interests of the District over their own personal interests with respect to the governance, policy, strategic direction and operations of the District.

Section 2. Specifically:

- a) Board members shall conduct themselves in accordance with all laws, including but not limited to, the Open Public Meetings Act, RCW 42.30 and the Code of Ethics for Municipal Officers, RCW 42.23, and in accordance with the provisions of this Policy.
- b) Board members shall at all times conduct themselves with civility and respect to one another, to District management and staff, and to members of the public.
- c) Board members shall demonstrate loyalty to the interests of District ratepayers. This supersedes any conflicting loyalty such as that to advocacy or interest groups, personal or business interests, and membership on other Boards, or employment situations that may have interests adverse to the District and its ratepayers. It also supersedes the personal interest of any Board member as a consumer of the District's products and services.
- d) Board members must disclose on the record any decision-making involvement or investment in a business or type of business that contracts with the District, or any business that falls within the contemplation of Article XIV, Conflict of Interest Code and this Article **XIII**, Code of Ethics.
- e) Board members must not attempt to exercise individual authority over the District or its staff except as explicitly set forth in Board policies. Board members must recognize the lack of authority vested in them as individuals in their interactions with the Executive Director or with staff, except where explicitly Board authorized. In their interactions with the general public, media or other entities, Board members must recognize the same limitation and the inability of any Board member to speak for the Board except to express and comment on actual Board decisions.
- f) Board members understand that all letters, memoranda and electronic communications or information (including email) that relate to conduct of the District or the performance of any District function are public records that may be subject to disclosure

under the Washington Public Records Act unless otherwise exempt by law. In the event the District receives a request for such records, the Board member shall provide the records to the Public Records Officer of the District.

- g) In accordance with the Open Public Meetings Act, Board members:
- Shall not meet outside of public Board meetings to hold discussion or to take action as defined in RCW 42.30 regarding the District.
 - Shall not meet as a quorum with staff outside of public Board meetings for the purpose of gathering information, including by the conduct of a "serial meeting" by which a quorum of Board members takes action through serial oral or written communication with one another.
 - Shall recognize that the requirements of the Open Public Meetings Act may apply to communications via telephone, email, instant messaging or other forms of electronic communication.
- d. May send information to other members of the Board on an informational basis, but exchanges of communications between staff and more than one Board member regarding District business must not occur outside of an official public meeting of the Board. Any communication sent for informational purposes as described above, shall be sent by an individual Board member. The Board members may not "reply all" to any e-mail or other electronic communication received by all members of the Board.
- h) Board members shall respect the confidentiality requirements regarding personnel, real estate transactions, proprietary matters, and attorney-client privileged communications, including those requirements listed under RCW 42.30.110, *Executive Sessions* and any other confidential information that is gained through the Board member's position.
- i) Board members shall not engage in nor encourage actions by others in any retaliatory conduct against any District employee, including the Executive Director, General Counsel and Auditor, or any other Board member. This includes any action against District employees taken as a result of that employee reporting incidents of misconduct or violations of District policies by any Board member or other District employee.
- j) Board members shall comply with any requirement to keep employee performance confidential, and shall refrain from public discussion of individual employee performance.

Conflict of Interest

Section 1. It is the intent of the Board to meet and exceed those protections against conflicts of interest contained in State law. Under this policy, a Conflict of Interest arises when a Board member has a personal interest in a matter that is or may be in conflict with or contrary to the District's interests and objectives to such an extent that the Board member is or may not be able to exercise independent and objective judgment within the context of the best interests of the District. For the purposes of this Article, a Board member's "personal interest" includes those of his or her relatives, business associates or other persons or organizations with whom he or she is closely associated.

Section 2. The following provisions shall serve as a guide to Board members in their governance of the affairs of the District:

- a) Commissioners shall not receive, accept, take or solicit, directly or indirectly, anything of economic value as a gift, gratuity, or favor from a person or entity if it could be reasonably expected that the gift, gratuity, or favor would influence the vote, action, or judgment of the Commissioner, or be considered as payment of a reward for action or inaction. Board members are required to submit a report to the Board and the District's Auditor of the actual or estimated value of any gifts or casual entertainment received as a Board member that exceeds \$50.00.
- b) The complete confidentiality of proprietary business information must be respected at all times. Board members are prohibited from knowingly disclosing such information, or in any way using such information for personal gain or advancement, or to the detriment of the District, or to individually conduct negotiations or make contacts or inquiries on behalf of the District unless officially designated by the Board to do so.
- k) Board members are prohibited from acquiring or having a financial interest in any property that the District acquires, or a direct or indirect financial interest in a supplier, contractor, consultant, or other entity with which the District does business. This does not prohibit the ownership of securities in any publicly owned company except where such ownership places the Board member in a position to materially influence or affect the business relationship between the District and such publicly owned company. Any other interest in or relationship with an outside organization or individual having business dealings with the District is prohibited if this interest or relationship might tend to impair the ability of the Board member(s) to be independent and objective in his or her service to the District.
- l) If members of the immediate family of a Board member have a financial interest as specified above in this Article XIV.2, such interest shall be fully disclosed to the Board which shall decide if such interest should prevent the District from entering into a particular transaction, purchase, or engagement of services. The term "immediate family" means Board member's spouse, parent, dependent children, and other dependent relatives, if living in the household.

- m) When a conflict of interest exists, the Board member shall declare the nature of the conflict and recuse him or herself on any official action involving the conflict and shall not be present during Board discussion or voting on that matter.
- n) Board members may not realize, seek, or acquire a personal interest in a Public Contract contrary to RCW 42.23.

Violations of Governance Policy

Section 1. This Policy is adopted with the intent that it is fully enforceable and that violations of the provisions of the Policy will result in action against Board members as provided in this Article and as set forth in the law of the State of Washington, including RCW Ch. 42.23.

Section 2. Any claim of a violation of this Policy shall be made in writing by a Board member or District employee and filed with the Board Chair, or Vice Chair if the Chair is the subject of the complaint. Any claim of violation must identify the conduct that is alleged to have constituted a violation and sufficient information to support the claim of violation. Any such claim shall be made part of the minutes of the Board meeting at which the complaint is discussed.

Section 3. If it is determined by a majority of the Board that the complaint is meritorious and the alleged conduct of the Board member constitutes a violation of this Policy, the Board member may be subject to one or more of the following actions by a majority vote of the Board:

- a) Admonition. An admonition shall be a verbal statement approved by a majority of the Board made in open session and recorded in the minutes.
- b) Reprimand. A reprimand shall be administered to the Board member by letter. The letter shall be prepared by the Board and signed by a majority of the Board after action in open session to approve the letter. The letter shall be part of the minutes of the meeting at which it was approved.
- c) Censure. A censure shall be a written statement administered to the Board member in public during a regular Board meeting. The statement shall be prepared by the Board and signed by a majority of the Board. The Board member may appear and may make any statement in opposition to or mitigation of the censure. A censure shall be deemed administered at the time it is scheduled whether or not the Board member appears. The statement shall be included in the minutes of the meeting at which it is administered.

Section 4. In the event a Board member does not cease conduct that has been deemed in violation of this Policy or of Washington law, the District may pursue legal action to remedy the violations. In the event a Board member intentionally violates provisions of this Policy which cause harm or damages to the District, the Board may by affirmative vote, seek to recover those damages on behalf of the District.