



MEMORANDUM

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TO: SLDMWA Finance & Administration Committee, Board of Directors

FROM: Rebecca Akroyd, General Counsel

DATE: May 5, 2020

RE: Adoption of Bylaws for the San Luis & Delta-Mendota Water Authority

BACKGROUND

Article 15 of the Authority's Joint Exercise of Powers Agreement (JPA) authorizes the Board to adopt "such bylaws, rules and regulations for the conduct of its affairs as may be required." Since its inception, the Authority has declined to adopt bylaws, and instead has looked to the JPA to govern the conduct of its affairs, and has adopted rules and regulations (policies) in the form of over Board resolutions. Of the 450+ resolutions adopted by the Board, several dozen can be characterized as policies.

The policies contained in the Board resolutions have not been compiled into one central place, and in many cases, have not been reviewed by the Board or updated in as timely a fashion as is desirable. Therefore, the 2019 Strategic Plan adopted by the Authority Board includes Goal 2, "Improve Governance and Policy Direction," and Objective 2.1.3, "Evaluate changes to governance documents and/or Board policies." Staff has worked with an ad hoc governance committee to develop draft Bylaws to counsel to develop an updated, comprehensive Consolidated Procurement Policy for the Authority.

During the March 2020 Finance & Administration Committee meeting, staff reviewed draft bylaws with Committee members. Staff highlighted several policy questions included in the draft, and sought Committee review. In response to comments, staff further revised the draft bylaws to clarify the composition of ad hoc committees and to highlight the jurisdiction of the Finance and Administration Committee over general financial matters.

ISSUE FOR DECISION

Whether the Finance & Administration Committee should recommend to the Board of Directors, and the Board of Directors should consider, the adoption of San Luis & Delta-Mendota Water Authority Bylaws and the associated supersession of Resolution Nos. 2017-423, 2017-412, 2016-405, 2013-371, 2001-191, 1996-136, and 1993-49.

RECOMMENDATION

Staff recommends adoption of Authority Bylaws and the associated supersession of the listed resolutions, following resolution of various policy questions.

ANALYSIS

The draft Bylaws are organized is divided into nine Articles: (1) Authority Power, (2) Office, (3) Meetings, (4) Directors and Officers, (5) Committees, (6) Employees and Agents, (7) Miscellaneous, (8) Amendment or Repeal of Bylaws, and (9) Savings Clause.

Sections within the Bylaws are intended to supersede the following resolutions:

- 2017-423 (Amending Resolution 2001-191);
- 2017-412 (Amending Resolution 2001-191);
- 2016-405 (Establishing Personnel Subcommittee of the Finance and Administration Committee);
- 2013-371 (Confirming Establishment of the Principal Office for the San Luis & Delta-Mendota Water Authority and Updating Place and Confirming Time of Regular Meetings of the Board of Directors;
- 2001-191 (Resolution Revising and Superseding Resolution 1998-164 [structure of standing advisory committees]);
- 1996-136 (Amending Resolution 1993-49, Resolution Adopting Procedures to Fill Vacancies in Position of Director or Alternate Director as to Divisions 1 and 5); and
- 1993-49 (Adopting Procedures to Fill Vacancies in Position of Director or Alternate Director).

Key new concepts / policies questions in the draft Bylaws are listed below. While each of these questions was discussed with the ad hoc governance committee and the Finance & Administration Committee, deliberation and decision by the Board is required.

1. Section 3.07 – Quorum and Voting
 - a. Should an 85% vote be required for the Authority to oppose or formally not support any legislation? (Subsection c)
 - b. Should the Executive Director or his delegee be permitted to take an informal position on behalf of the Authority that is consistent with adopted legislative or policy objectives? (Subsection d)
 - c. Should the Executive Director be permitted to communicate a position on emergency legislation after obtaining the concurrence of the Chair, provided the Executive Director informs the Board regarding such positions on emergency legislation no later than the next regularly scheduled Board? (Subsection d)

- d. Should an 85% vote be required for cost allocations and actions that disproportionately affect one or a group of members materially? If so, how is this evaluated?
2. Section 4.01 – Governing Body
 - a. Should the selection of Directors and Alternates by the various Division remain the same (with different procedures for Divisions 1/5 versus 2/3/4), or be modified? (Subsection d)
 - i. Current Division 1/5 Procedure: Upon vacancy, remaining Directors of Division or Board of any Division Member nominates a qualified individual and notifies the Secretary. Upon notification, the Secretary circulates notice of the proposed change, and provides an opportunity for objections. If there are no objections within 30 days, the successor Director/Alternate is deemed elected.
 - ii. Current Division 2/3/4 Procedure: Governing Body of Member from which Director who caused the vacancy came has the right to appoint a qualified individual, and notify the Secretary of the appointment. Additional process for vacancies from Associate Members.
3. Section 4.03 – Attendance Requirement
 - a. Should the position of any Director be automatically deemed vacant if such Director is absent from three consecutive regular Board meeting without either good cause or substitute attendance by his Alternate, or should the question of vacancy be discretionary?
 - b. If the declaration of vacancy should be discretionary, who makes the decision?
4. Section 4.07 – Officers
 - a. Should the Chair/Vice Chair be required to be members of a governing body of an Authority member?
5. Section 6.02 – Executive Director
 - a. Should the Executive Director have delegated authority to take actions to amend the Authority's Conflict of Interest Code?
 - b. Should the Executive Director have delegated authority to take informal positions on legislation that are consistent with legislative or policy objectives?
 - c. Should the Executive Director have delegated authority to communicate a position on emergency legislation after obtaining the concurrence of the Chair, provided the Executive Director informs the Board regarding such positions on emergency legislation no later than the next regularly scheduled Board?

BUDGET IMPLICATIONS

The budget is not impacted by the adoption of Bylaws.

ATTACHMENTS

(1) Working Draft Bylaws, (2) 5/5/20 Draft Bylaws Analysis Document

NOTE TO READER

The table below is intended to explain the substance, source, and rationale of each provision included in the working draft of San Luis & Delta-Mendota Water Authority Bylaws dated May 5, 2020. The third column labeled “Existing, New, or Modified,” should be read with the following meanings in mind: (1) Existing: indicates provision already exists, in either the Authority’s JPA or Board-adopted resolutions/policies; (2) New: indicates provision is new; (3) Modified: indicates provision includes change to existing policy/provision.

| Article / Section | Substance | Existing, New, or Modified | Detail / Rationale |
|--|---|----------------------------|--|
| PREAMBLE | Outlines authority for adopting bylaws. | New | Standard provision found in bylaws of other JPAs. |
| I. AUTHORITY POWER | | | |
| 1.01 Reserved Power | Reserves powers not conferred on others in the Authority’s Board. | New | Standard provision found in bylaws of other JPAs. |
| 1.02 Conflict between Bylaws and Agreement | Specifies if Bylaws conflict with JPA, JPA terms prevail. Rules of construction govern interpretation. | New | Standard provision found in bylaws of other JPAs. |
| 1.03 Relationship between Bylaws and Resolutions | Specifies that Bylaws supersede specific resolutions: <ul style="list-style-type: none"> • 2017-423 (Amends Regular Meetings of WRC/FAC) • 2017-412 (Clarifies qualifications of WRC/FAC Committee Members and Alternates) • 2016-405 (Establishing Personnel Subcommittee) • 2013-371 (Confirms Authority’s Principal Office, time and place of Regular Meetings) • 2001-191 (Confirms structure of committees, delegates to Chairman power to appoint members) | New | Intended to simplify Board governance by expressly superseding 7 resolutions that address various governance practices of the Authority in separate documents. |

| Article / Section | Substance | Existing, New, or Modified | Detail / Rationale |
|--------------------------------|--|----------------------------|---|
| | <ul style="list-style-type: none"> • 1996-136 (Procedures for filling Director / Alternate vacancies in Divisions 2 & 5) • 1993-49 (Procedures to fill Director/Alternate vacancies) | | |
| II. OFFICE | Sets principal office of Authority, allows change by Board if necessary. | Existing | Including this substance in Bylaws supersedes language in Resolution 2013-371. |
| III. MEETINGS | | | |
| 3.01 Compliance with Brown Act | Requires compliance with Brown Act for Brown Act Board/committee meetings. | Existing | Requirement for Board included in JPA Article 11. Requirement for WRC, FAC, and OM&R Technical Committee included in Resolution 2001-191 (superseded by Bylaws). |
| 3.02 Regular Meetings | Sets regular meeting date, time, and place; requires agendas to be posted in accordance with Brown Act requirements. | Existing | Including this substance in Bylaws supersedes language in Resolutions 2013-371. |
| 3.03 Adjourned Meetings | Allows Board, or members of the Board if less than a quorum to adjourn a meeting to a time and place in compliance with Brown Act. | New | Standard provision found in bylaws of other JPAs. Intended to confirm ability to adjourn meetings in compliance with Brown Act. |
| 3.04 Special Meetings | Allows Chair, Vice Chair, or majority of Board to call Special Meetings, identifies process for dispensing with written notice. | Modified | Standard provision found in bylaws of other JPAs. Intended to add clarity to governance practices by dictating who can call special meetings. JPA Article 11 solely dictates that special meetings be called and held in compliance with the Brown Act. |
| 3.05 Closed Sessions | Confirms ability of Board to enter into a closed session in all meeting types in compliance with Brown Act. | New | Standard provision found in bylaws of other JPAs. Intended to add clarity to governance practices. |
| 3.06 Conduct of Meetings | Requires Chair to preside at and conduct all Board meetings, or in his/her absence, the Vice Chair, or a Chair Pro Tempore. | Modified | Standard provision found in bylaws of other JPAs. Chair/ Vice Chair as presiding officer included in JPA Article 17. Addition of Chair Pro Tempore intended to clarify governance practices. |

| Article / Section | Substance | Existing, New, or Modified | Detail / Rationale |
|------------------------|--|----------------------------|--|
| 3.07 Quorum and Voting | <p>Confirms composition of a quorum, one vote for each Director or Alternate, counting of Director for quorum that is abstaining from vote. Clarifies that teleconference participation is allowed, with no proxy or absentee voting.</p> <p>Confirms majority vote for all actions except:</p> <ul style="list-style-type: none"> (a) Participation in lawsuits or administrative proceeding require 85% vote, (b) Endorsement or formal support of legislation requires 85% vote, (c) Opposition or formal no support of legislation requires 85% vote, <p>Section (d) clarifies that sections (b) and (c) do not preclude Executive Director from taking informal positions on legislation consistent with adopted objectives or taking position on emergency legislation after obtaining concurrence of Chair, with timely notice to Board.</p> <p>Section also specifies options when a quorum is not present.</p> | Modified | <p>Composition of quorum and 85% vote requirement for “endors[ing] or otherwise support[ing] any legislation or participat[ing] in any lawsuits, or administrative proceedings or other similar proceedings (except to defend the Authority)” included in JPA Article 12.</p> <p>Addition of 85% vote requirement for opposition or formal no support of legislation intended to confirm current practice, although one ad hoc committee member suggested requiring Chair concurrence before the Executive Director could take informal positions. This is a policy question for the Board.</p> <p>NOTE: Language regarding informal positions on legislation and emergency legislation added to provide clarity for Executive Director and Board, but there was some difference of opinions at ad hoc committee. A suggestion was made to require update re position on emergency legislation to Board within three business days. This is a policy question for the Board. See also Section 6.02 below.</p> <p>NOTE: It was suggested to add an 85% vote requirement for cost allocations and actions that disproportionately affect one or a group of members materially, although questions were</p> |

| Article / Section | Substance | Existing, New, or Modified | Detail / Rationale |
|-----------------------------|---|----------------------------|--|
| | | | <p>raised about how you would assess material effect. This is a policy question for the Board.</p> <p>Language regarding absence of quorum intended to codify existing practice and options under the Brown Act.</p> |
| IV. DIRECTORS AND OFFICERS | | | |
| 4.01 Governing Body | Sets composition of Board, Divisions, selection of Directors and Alternates, and Division-specific processes for filling Director and Alternate vacancies. | Existing | <p>Including this substance in Bylaws mirrors language in JPA Article 9 and supersedes language in Resolutions 1996-136 and 1993-49.</p> <p>NOTE: At ad hoc committee, we discussed whether it made sense to standardize the processes across Divisions. This is a policy question for the Board.</p> |
| 4.02 Qualifications | Confirms selection of Directors and Alternates in accordance with Section 4.01, and qualifications of Directors and Alternates (member of governing body of Member, on staff or a permanent consultant of a Member, or otherwise formally appointed by governing body of the Member). | Existing | <p>Qualifications included in JPA Article 9(b). Inclusion in Bylaws intended to add clarity to governance practices.</p> |
| 4.03 Attendance Requirement | Deems any Director position vacant if Director is absent from 3 consecutive meetings without good cause provided to Secretary or substitute attendance by Alternate. | New | <p>Intended to encourage Divisions to appoint active Directors to the Board.</p> <p>NOTE: At ad hoc committee, participants discussed whether vacancy should be mandatory or discretionary. One option is to have the Chair</p> |

| Article / Section | Substance | Existing, New, or Modified | Detail / Rationale |
|----------------------|--|----------------------------|---|
| | | | determine good cause, with the ability of the Board to override. This is a policy question for the Board. |
| 4.04 Duties | Requires Board, officers, and employees of the Authority to perform duties established by California law, the JPA, and the Bylaws, and to comply with the Constitution and the law of the State of California. | New | Standard provision found in bylaws of other JPAs. Intended to confirm compliance with law. |
| 4.05 Training | States that Directors, committee members, subcommittee members, and alternates shall receive training to the extent required by law. | New | Intended to confirm compliance with state training requirements. |
| 4.06 Code of Conduct | Establishes a Code of Conduct for Directors, committee members, subcommittee members, and alternates. Dictates that Directors, committee members, subcommittee members, and alternates must avoid conflicts of interest with respect to their fiduciary responsibility. | New | Similar provisions found in bylaws of other agencies. Intended to set a high standard for behavior by Authority Directors, committee members, subcommittee members, and alternates. Standard provision found in bylaws of other JPAs. Intended to confirm compliance with state conflict of interest requirements. |
| 4.07 Officers | Identifies the Authority’s four officer positions. Requires the Chair / Vice Chair to be both Directors of the Authority and members of a governing body of an Authority Member. Prohibits holding more than one office. | Modified | Four officer positions mirrors JPA Article 17. Added requirement that Chair / Vice Chair be members of a governing body of an Authority Member. This is intended to formalize past practice. NOTE: At ad hoc committee, participants discussed whether Chair and Vice Chair must be |

| Article / Section | Substance | Existing, New, or Modified | Detail / Rationale |
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| | | | members of a governing body of an Authority member. It was suggested the requirement exist, but that it be able to be waived by a vote of the Board. This is a policy question for the Board. |
| 4.08 Chair | Dictates powers of the Chair, including role on Committees and voting powers. Describes role in ensuring engagement, clear policy direction to the Executive Director, control and content of Board meetings, representation of the Authority. | Modified | Role as presiding officer is described in JPA Article 17. Language regarding membership on Committees supersedes language in JPA Resolution 2001-191. Added language regarding representation of the Authority and ability to engage In policy strengthens the role of the Chair, and is consistent with provisions found in bylaws of other JPAs. |
| 4.09 Vice Chair | Dictates duty of Vice Chair to perform duties of the Chair in the Chair’s absence or in case of disability. Describes role on Committees and voting powers. | Existing | Role as presiding officer in absence of Chair is described in JPA Article 17. Language regarding membership on Committees supersedes language in JPA Resolution 2001-191. |
| 4.10 Secretary | Dictates role and qualifications of Secretary. Indicates that once elected, the Secretary shall hold office until intervening event occurs. | Modified | Role and qualifications described in JPA Article 17. Added language regarding holding office intended to simplify annual election process and to reflect past and current practice. |
| 4.11 Treasurer | Dictates role and qualifications of Secretary. Indicates that once elected, the Treasurer shall hold office until intervening event occurs. | Existing | Role and qualifications described in JPA Article 17. |
| 4.12 Election of Officers | Chair/Vice Chair will be chosen at the first meeting of each Fiscal Year, and their term will be for one year or until intervening event occurs. | Existing | Initial election and selection of replacement described in JPA Article 17. |

| Article / Section | Substance | Existing, New, or Modified | Detail / Rationale |
|---|---|----------------------------|--|
| | Sets process for selecting replacement, if vacancy occurs. | | |
| 4.13 Compensation of Directors and Officers | States Authority practice not to compensate Directors/Alternates without prior vote of Board. | Modified | JPA Article 9(d) states that the Authority may compensate or reimburse Directors. Language is intended to clarify past/current practice. |
| 4.14 Removal of Officers | Allows Board to remove officers, with or without cause, at regular or special meetings by concurrence of 75% of present/voting members. | New | Standard provision found in bylaws of other JPAs. Intended to empower Board to take action to remove officer if necessary. |
| V. COMMITTEES | | | NOTE: At ad hoc committee, participants suggested that the Personnel Subcommittee should be eliminated, with personnel matters instead handled by ad hoc committees, the Finance and Administration Committee, or the Board. This is a policy question for the Board. |
| 5.01 Formation of Committees and Selection of Members | Allows Board to establish standing committees, and describes qualifications for committee members. Describes Board/Chair ability to establish ad hoc committees. | Modified | JPA Article 13 describes the Boards ability to appoint and delegate powers and authority to advisory or subcommittees. Added language regarding ad hoc committees intended to describe past/current practice, including effort to include representation from each Division. NOTE: At Finance & Administration Committee meeting, question raised whether to establish executive oversight committee that reports directly to the Board. This is a policy question for the Board. |
| 5.02 Leadership | Describes Chair's role in appointing Committee Chairs, role of committee chair. | Modified | Language regarding Committee Chair appointment supersedes language in Resolution 2001-191. |

| Article / Section | Substance | Existing, New, or Modified | Detail / Rationale |
|---|--|----------------------------|---|
| | | | Added description of Committee Chair role intended to describe past/current practice. |
| 5.03 Water Resources Committee | Describes authority, structure, appointment, meetings, quorum, and voting of Water Resources Committee. | Existing | Language regarding Water Resources Committee supersedes language in Resolution 2001-191, as modified by Resolutions 2017-412 and 2017-426. |
| 5.04 Finance and Administration Committee | Describes authority, structure, appointment, meetings, quorum, and voting of Finance and Administration Committee. | Existing | Language regarding Finance and Administration Committee supersedes language in Resolution 2001-191, as modified by Resolutions 2017-412 and 2017-426. Question raised whether language should reflect specific responsibility for recommendations to the Board concerning the financial audit. This is a policy question for the Board. |
| 5.05 OM&R Technical Committee | Describes authority, structure, appointment, qualifications, meetings, quorum, and voting of OM&R Technical Committee. | Existing | Language regarding OM&R Technical Committee supersedes language in Resolution 2001-191, which tracks the MOU with Friant. |
| VI. EMPLOYEES AND AGENTS | | | |
| 6.01 Authority to Employ Staff and Agents | Describes Authority ability to employ/appoint required employees and agents, with authority and salary as Board or Executive Director determine, and possibility for changed job duties. | Existing | JPA Article 6.f. describes Authority's power to employ/appoint required employees/agents. JPA Article 18 describes the Executive Director's power to appoint and remove all Authority employees, all of whom shall serve pursuant to such terms and conditions as established by the Board or Executive Director. |
| 6.02 Executive Director | Describes role of Executive Director, with reference to JPA Article 18. Also identifies certain powers and duties that have been delegated, including execution of contracts, employment | Modified | JPA Article 18 describes the role and powers of the Executive Director, including specific powers to plan, organize and direct all Authority activities; appoint and remove Authority employees; |

| Article / Section | Substance | Existing, New, or Modified | Detail / Rationale |
|-----------------------------|--|----------------------------|--|
| | <p>decisions, purchases, taking actions to amend the Authority’s Conflict of Interest Code, taking informal positions on legislation, and taking positions on emergency legislation after obtaining the Chair’s concurrence.</p> | | <p>authorize expenditures within the Budget; and make recommendations to and requests of the Board.</p> <p>Language regarding additional express and implied delegations of authority (re Conflict of Interest Code, informal positions on legislation, action on emergency pieces of legislation) are intended to document current practice and to empower the Executive Director with respect to legislation, consistent with discussion during the Strategic Planning process.</p> <p>NOTE: The ad hoc committee discussed the best approach to informal positions on legislation and emergency legislation. A suggestion was made to require Chair concurrence before the Executive Director could take informal positions, and requiring update re position on emergency legislation to Board within three business days. This is a policy question for the Board. See also Section 3.07 above.</p> |
| <p>6.03 General Counsel</p> | <p>Describes role of General Counsel as chief legal officer / role on executive team. Also describes responsibilities including performing legal work, coordinating outside counsel, and representing the Board’s policies and programs.</p> | <p>New</p> | <p>Language tracks General Counsel job description and past/current role of General Counsel. Substance is not new, but formalizing the description in a location other than the job description is intended to make our governing documents complete / reflect of current practice.</p> |

| Article / Section | Substance | Existing, New, or Modified | Detail / Rationale |
|---|---|----------------------------|---|
| 6.04 Compensation of Employees and Agents | Commits the Board to compensating employees and agents with salaries/benefits and compensation, respectively, fixed by the Board. | Modified | Standard provision found in bylaws of other JPAs. Consistent with JPA Article 18, which references Authority employees' service as pursuant to terms and conditions established by the Board or Executive Director. |
| VII. MISCELLANEOUS | | | |
| 7.01 Conflict of Interest Code | Commits the Authority to maintaining a Conflict of Interest Code, as may be amended. | New | Intended to confirm compliance with state law. |
| 7.02 Policies | Acknowledges existence of Authority policies. Commits the Executive Director and/or the Board to reviewing Board-adopted policies on a biennial basis. Does not preclude the adoption of additional policies. | New | Intended to add clarity to governance practices. Tracks language in JPA referencing ability of the Board to adopt policies (e.g. JPA Article 18, 23). |
| VIII. AMENDMENT OR REPEAL OF BYLAWS | Indicates that Bylaws may be repealed or amended or new Bylaws adopted by resolution of the Board. | New | Standard provision found in bylaws of other JPAs. |
| IX. SAVINGS CLAUSE | Indicates that if any provision of Bylaws is inconsistent with California law, the law will govern and Bylaws will be interpreted consistent with such laws. | New | Standard provision found in bylaws of other JPAs. |

WORKING DRAFT
5-12-20

DRAFT: 5/12/20

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY



BYLAWS

Adopted: _____

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BYLAWS OF THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

PREAMBLE

These Bylaws are provided pursuant to Article 15 of the Amended and Restated Joint Exercise of Powers Agreement of the San Luis & Delta-Mendota Water Authority effective as of January 1, 1992, among the signatory parties thereto, as such agreement may be amended from time to time.

ARTICLE I. AUTHORITY POWER

Section 1.01 RESERVED POWER.

All powers for the management, government, and control of the San Luis & Delta-Mendota Water Authority (the “**Authority**” or “**SLDMWA**”) and its affairs, not conferred on any other person, office, or official by law, the then-current Joint Exercise of Powers Agreement (“**Agreement**”), or these Bylaws are reserved in the Board of Directors (“**Board**”) of the Authority to the maximum extent permitted by law.

Section 1.02 CONFLICT BETWEEN BYLAWS AND AGREEMENT.

Unless specifically defined in these Bylaws, all defined terms shall have the same meaning ascribed to them in the Agreement. If any term of these Bylaws conflicts with any term of the Agreement, the Agreement terms shall prevail, and these Bylaws shall be amended to eliminate such conflict of terms. Unless the context or reference to the Agreement requires otherwise, the general provisions, rules of construction, and applicable statutory definitions will govern the interpretation of these Bylaws.

Section 1.03 RELATIONSHIP BETWEEN BYLAWS AND RESOLUTIONS.

To the extent these Bylaws conflict with any Authority practices or policies previously memorialized in resolutions adopted by the Board, these Bylaws control. Specifically, these Bylaws supersede the following Resolutions:

- 2017-423 (Amending Resolution 2001-191);
- 2017-412 (Amending Resolution 2001-191);
- 2016-405 (Establishing Personnel Subcommittee of the Finance and Administration Committee);
- 2013-371 (Confirming Establishment of the Principal Office for the San Luis & Delta-Mendota Water Authority and Updating Place and Confirming Time of Regular Meetings of the Board of Directors);
- 2001-191 (Resolution Revising and Superseding Resolution 1998-164);
- 1996-136 (Amending Resolution 1993-49, Resolution Adopting Procedures to Fill Vacancies in Position of Director or Alternate Director as to Divisions 1 and 5); and
- 1993-49 (Adopting Procedures to Fill Vacancies in Position of Director or Alternate Director).

ARTICLE II. OFFICE

The principal office for the transaction of business of the Authority is 842 6th Street, Los Banos, Merced County, California, 93635 (Resolution No. 2013-371). The Board may change the principal office of the Authority if necessary.

ARTICLE III. MEETINGS

Section 3.01 COMPLIANCE WITH BROWN ACT.

All meetings of the Board and every committee subject to the Ralph M. Brown Act (California Government Code section 54950 et seq.) (“**Brown Act**”) will be called, held, noticed, and conducted according to the provisions of the Brown Act. All Authority committees subject to the Brown Act must comply with the applicable provisions of this Article III, with regard to conducting their meetings. In the event these Bylaws are in conflict with the Brown Act, the provisions of the Brown Act shall govern.

Section 3.02 REGULAR MEETINGS.

Except as otherwise determined by the Board, the Board will hold a regular meeting on the first Thursday after the first Monday of each month, at 9:30 a.m., at 842 6th Street, Los Banos, California (Resolution No. 2013-371). The Board will cause an agenda for its meetings to be posted in accordance with all applicable requirements of the Brown Act.

Section 3.03 ADJOURNED MEETINGS.

The Board, or any members of the Board if less than a quorum, may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment in accordance with Government Code section 54955.

Section 3.04 SPECIAL MEETINGS.

Special meetings of the Board may be called by the Chair of the Board (“**Chair**”), the Vice Chair of the Board (“**Vice Chair**”) in the absence of the Chair, or by a majority of the Board by delivering written notice personally or by any other permitted means to each member of the Board in accordance with Government Code section 54956. The written notice may be dispensed with as to any member of the Board who, prior to the time the meeting convenes, files with the Secretary a written waiver of notice or as to any member who is actually present at the meeting at the time it convenes.

Section 3.05 CLOSED SESSIONS.

The Board may enter into a closed session during a regular, adjourned regular, special, or adjourned special meeting to consider matters as may lawfully be considered in such sessions. The Board shall comply in all respects with closed session requirements and procedures of the Brown Act.

Section 3.06 CONDUCT OF MEETINGS.

The Chair, or in his or her absence the Vice Chair, will preside at and conduct all meetings of the Board. In the absence of the Chair and Vice Chair at any meeting where a quorum is present, the Board will appoint a director as the Chair Pro Tempore, who will preside at the meeting.

Section 3.07 QUORUM AND VOTING.

A majority of the then-appointed Directors plus any Alternate Directors attending in the absence of their respective Directors shall comprise a quorum of the Board for the purposes of transacting the Authority's business. Each Director or Alternate Director shall have one vote. Any Director abstaining from a vote will be counted for purposes of determining the existence of a quorum, but will not be deemed to be voting. A Director or Alternate Director must be present at or participating via teleconference in a meeting in order to vote. There will be no proxy or absentee voting at Board meetings.

Except as otherwise provided herein or by law, the vote of a majority of all the Directors present shall be required for the Authority to take action, with the following exceptions:

- (a) The Authority shall not participate in any lawsuits, or administrative proceeding or other similar proceedings (except to defend the Authority) except upon the vote of 85% of the Directors present.
- (b) The Authority shall not endorse or otherwise formally support any legislation except upon the vote of 85% of the Directors present.
- (c) The Authority shall not oppose or otherwise formally not support any legislation except upon the vote of 85% of the Directors present.
- (d) This Section should not be read to preclude the Executive Director or his or her delegee from taking an informal position on behalf of the Authority that is consistent with adopted legislative or policy objectives, or to preclude the Executive Director from communicating a position on emergency legislation after obtaining the concurrence of the Chair, or the Chair's designee, provided that the Executive Director informs the Board regarding such positions on emergency legislation no later than within three business days.

If there is no quorum of the Board, a committee, or a subcommittee, then those present may decide to: (1) adjourn the meeting, (2) cancel the meeting, or (3) proceed as a "committee of the whole," although in that event no action may be taken or decisions made.

Commented [AAA1]: Policy Question raised in 3/2/20 FAC Meeting: Should an 85% vote (or something more than majority vote) also be required for cost allocations and actions that disproportionately affect one or a group of members materially? If so, what is meant by cost allocations?

ARTICLE IV. DIRECTORS AND OFFICERS

Section 4.01 GOVERNING BODY

- (a) The business of the Authority shall be conducted by a Board of Directors consisting of nineteen (19) Directors.
- (b) For purposes of electing directors, Members of the Authority shall be separated into five divisions as set forth in Exhibit B to the Agreement, such divisions to be known as Division 1, Division 2, Division 3, Division 4, and Division 5. Members included in each Division shall select four Directors and Alternate Directors except Division 5 which shall select three Directors and Alternate Directors.
- (c) The initial selection of Directors and Alternate Directors shall be in accordance with the procedures described in Article 9 of the Agreement, with representation as follows:
 - (i) Division 1: Four Directors and four Alternate Directors. No more than one Director and Alternate Director may represent a single Member.
 - (ii) Division 2: Four Directors and four Alternate Directors. No more than two Directors and Alternate Directors may represent a single Member.
 - (iii) Division 3: Four Directors and four Alternate Directors. No more than two Directors and Alternate Directors may represent a single Member.
 - (iv) Division 4: Four Directors and four Alternate Directors. No more than two Directors and Alternate Directors may represent a single Member.
 - (v) Division 5: Three Directors and three Alternate Directors. No more than one Director and Alternate Director may represent a single Member.
- (d) The selection of Directors and Alternate Directors by the Members of each Division to fill vacancies on the Authority Board shall occur as follows (Resolution Nos. 1996-136, 1993-49):
 - (i) Divisions 1 and 5:
 - 1) The remaining Directors from said Division or the Board of Directors of any Member within the Division shall promptly nominate a qualified individual, and shall immediately thereafter notify the Secretary of the Authority of the vacancy and of the nomination of the successor.
 - 2) Upon receipt of the notice of the vacancy and of the nomination of a successor Director or Alternate Director, the Secretary of the Authority shall circulate to each Member of the Division notice of the proposed change and notice of the opportunity to notify the Authority of any objection to the nomination within thirty (30) days.
 - 3) In the event the Authority receives no notice of objection within the 30-day period, the successor Director or Alternate Director shall be deemed elected by the Members in such Division. Such election shall be effective the day following expiration of the thirty-day period.

Commented [AAA2]: Policy Question re subsections (d) and (e).

- (ii) Divisions 2, 3, and 4: The governing body of the Member from which the Director or Alternate Director who caused the vacancy came shall have the right to promptly appoint a qualified individual, and shall immediately thereafter notify the Secretary of the Authority of the vacancy and the appointment of the successor; the successor shall be deemed elected upon such notification to the Authority.
- (iii) Division 3: Members who have selected a representative from an Associate Member as one of their Directors or Alternate Directors shall, in the event of a vacancy in such directorship, select a successor in consultation with the Associate Members in that Division, provided that, if there exists a governing board of an entity formed by Central California Irrigation District, Firebaugh Canal Water District, San Luis Canal Company, and Columbia Canal Company, then such governing body shall appoint a representative to fill any vacancy from one of the Authority's Associate Members.
- (e) In the event within Division 2, 3, or 4 Members fail to act in accordance with the procedures outlined in Section 4.01(d)(ii) above to appoint a successor within a reasonable time, or in the event in Division 1 or 5 the Authority receives an objection to the nomination within the thirty (30) day period, or more than one successor per vacant position is nominated pursuant to Section 4.01(d)(i) above, the Authority shall provide each Member of the Division with a Notice of Available Director and/or Alternate Director Position(s), the date by which nominations for such position must be received, the date by which the Authority will circulate a slate of all individuals nominated for such position or positions together with voting instructions, and the voting date (Resolution No. 1996-136).

Section 4.02 QUALIFICATIONS.

Each Director and Alternate Director shall be appointed or selected by the Members of the respective Division in accordance with Section 4.01 above. Each Director and Alternate Director shall be a member of a governing body of a Member, shall be on the staff of or a permanent consultant of the Member, or shall otherwise be formally appointed by the governing body of the Member.

Section 4.03 ATTENDANCE REQUIREMENT.

The position of any Director shall be deemed vacant if such Director is absent from three (3) consecutive regular Board meetings without either good cause provided in writing to the Secretary within thirty (30) days of the absence, or substitute attendance by his or her Alternate Director.

Section 4.04 DUTIES.

The Board and the officers and employees of the Authority will perform all duties established by California law, the Agreement, and these Bylaws, and will at all times comply with the Constitution and the laws of the State of California.

Commented [AAA3]: Policy Question.

Section 4.05 TRAINING.

In their capacity as Directors or staff for Members, the Authority's Directors, committee members, subcommittee members, and their alternates shall receive training (e.g. general ethics principles and ethics laws relevant to public service, sexual harassment prevention) to the extent required by law.

Section 4.06 CODE OF CONDUCT.

The conduct of the Authority's Directors, committee members, subcommittee members, and their alternates, should enhance the integrity and goals of the Authority and in furtherance thereof they are expected to maintain the highest ethical standards, to follow these policies and procedures, to follow the joint powers agreement that formed the Authority, to follow these duly adopted Bylaws, to follow Board-adopted resolutions, and to abide by all applicable local, state, and federal laws. To assist in the governing of behavior between and among them, Directors, committee members, subcommittee members, and their alternates shall observe the following rules and principles:

- The Board's primary responsibility is formulating and evaluating Authority policies for the common good of all Members; routine matters concerning the Authority's operations are delegated to its staff.
- The work of the Authority is a team effort which requires support by staff of the Authority and its member agencies.
- Directors, committee members, subcommittee members, or their alternates shall support the maintenance of a positive and constructive work environment for Authority employees.
- The needs of the Members shall be the priority of the Directors, committee members, subcommittee members, and their alternates.
- The dignity, style, values and opinions of all Directors, committee members, subcommittee members, and their alternates shall be respected.
- Board deliberation shall be fair, open and thorough, but also timely, orderly and kept to the point.
- Differing viewpoints are healthy in the decision-making process.
- As required by and to the extent authorized by law, Directors, committee members, subcommittee members, and their alternates shall respect the confidentiality appropriate to issues of a sensitive nature, including the legal obligation to maintain confidential closed session discussion and attorney-client privileged communication.

As set forth in more detail below in Section 7.01, Directors, committee members, subcommittee members and their alternates must avoid conflict of interest with respect to their fiduciary responsibility and are obligated by virtue of their office to discharge their responsibilities with integrity and fidelity and are prohibited from placing themselves in a position where their private, personal interest may conflict with their official duties. Whenever a Director has reason to believe he or she has a potential for a conflict of interest, the Director may seek the advice of General Counsel, counsel for his or her Member agency, or a private attorney.

Section 4.07 OFFICERS.

The officers of the Authority Board are the Chair, Vice Chair, a Secretary, and a Treasurer. The Chair and Vice Chair are required to be both Directors of the Authority and members of a governing body of an Authority Member. No one person may hold more than one office.

Commented [AAA4]: Policy Question.

Section 4.08 CHAIR.

The Chair shall preside at all meetings of the Board. The Chair shall serve as an ex-officio member of the Water Resources Committee and the Finance and Administration Committee (“Committees”). The Chair will have the right to vote on all matters coming before the Board and the Committees on which the Chair serves and will have only one vote, just as the other Board and Committee members. The Chair will ensure engagement of directors and that clear policy direction is provided to the Executive Director, consistent with the positions taken by the Board. The Chair is responsible for leadership, control, and content of Board meetings; the Chair will set the agenda for all Board meetings, working with the Executive Director. The Chair will enforce decorum at meetings. As authorized by the Board, the Agreement, or these Bylaws, the Chair is empowered to represent the Authority at all times, consistent with Board policy. The Chair will work with the Executive Director to ensure that Board policy and directions are implemented. The Chair also will have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 4.09 VICE CHAIR.

In the absence or disability of the Chair, the Vice Chair will perform all the duties of the Chair and when so acting will have all the powers of, and be subject to all the restrictions upon, the Chair. The Vice Chair will have such other powers and perform such other duties as may from time to time be prescribed by the Board, the Agreement, or these Bylaws. The Vice Chair will be an ex-officio member of the Water Resources Committee and the Finance and Administration Committee. The Vice Chair will have the right to vote on all matters coming before the Board and the Committees and will have only one vote, just as the other Board and Committee members. As authorized by the Board, the Agreement, or these Bylaws, the Vice Chair will have the authority to act on behalf of the Authority.

Section 4.10 SECRETARY.

The Board shall elect a Secretary who may be, but is not required to be, a Director. The Secretary, or his or her designee, shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority. Once elected, the Secretary shall hold office until he or she resigns, is removed, or is otherwise disqualified to serve, or until his or her successor is elected and qualified to serve.

Section 4.11 TREASURER.

The Board shall appoint a Treasurer of the Authority who shall be the depository of funds and shall have custody of all money of the Authority, from whatever source. Once appointed, the Treasurer shall hold office until he or she resigns, is removed, or is otherwise disqualified to serve, or until his or her successor is appointed and qualified to serve.

Section 4.12 ELECTION OF OFFICERS.

- (a) Initial Election. The Chair and Vice Chair will be chosen at the first meeting of each Fiscal Year. Their term of office will be for one year starting in the month of their election and each will hold office until he or she resigns, is removed, or is otherwise disqualified to serve, or until his or her successor is elected and qualified to serve.
- (b) Selection of Replacement. If any officer resigns or otherwise fails to complete the remainder of his or her term, the Board will nominate a candidate to stand for election to serve out the remainder of that officer's term of office to be voted on at the next Board meeting following the event ending the officer's term of service.

Section 4.13 COMPENSATION OF DIRECTORS AND OFFICERS.

While the Agreement authorizes compensation of Directors as fixed from time to time, the Authority does not compensate Directors or Alternate Directors for time incurred in the conduct of the Authority's business without prior vote of the Board.

The Authority adheres to California Government Code sections 53232 through 53232.4 when dealing with issues of expenditure reimbursements for Directors, committee members, subcommittee members, or their alternates.

Section 4.14 REMOVAL OF OFFICERS.

The Board may remove any officer, with or without cause, at any regular or special meeting of the Board by concurrence of 75% of the representatives of the Members of the Authority present and voting on such matter.

ARTICLE V. COMMITTEES

Section 5.01 FORMATION OF COMMITTEES AND SELECTION OF MEMBERS.

The Board may establish any standing committees it deems necessary to carry out the purposes of the Authority. All committees and their members serve at the pleasure of the Board and may be reconstituted, re-formed, reconfigured, or disbanded at any time at the discretion of the Board, except those committees described in Sections 5.03 through 5.06, which may only be reconstituted, re-formed, reconfigured, or disbanded by an amendment of these Bylaws. Every Authority committee will be comprised of Committee Members and Alternate Members that are members of a governing body of an Authority Member Agency, on the staff of or a permanent consultant of an Authority Member Agency, or otherwise formally appointed by the governing body of an Authority Member Agency (Resolution No. 2017-412). Every Authority committee will be advisory to the Board, and the power to determine the Authority's course of action will remain with the Board. All standing committees shall be subject to the Brown Act.

The Board or the Authority Chair may establish ad hoc, or temporary advisory committees that are composed of less than a quorum of the Board, serve a limited or single purpose, are not perpetual, and that will be dissolved once their specific task(s) are completed, as needed to further the mission of the Authority. To the extent ad hoc committees are charged with addressing matters that might impact the membership as a whole, effort will be made to include representation from each Division.

Commented [AAA5]: Policy Question – Personnel Subcommittee?

Commented [FB6]: Policy Question raised in 3/2/20 FAC Meeting: Should consider establishing Executive Oversight Committee that reports directly to BOD?

Section 5.02 LEADERSHIP.

The Authority Chair shall appoint from each committee or subcommittee a Committee Chair to serve as presiding officer of that committee, and each Committee Chair shall hold his or her position at the pleasure of the Authority Chair. In the absence of a Committee Chair, the respective Committee may select a temporary Chair to serve in the absence of the Committee Chair. The chair of each committee will be responsible for leadership, control, and content of committee meetings. Vacancies will be filled in manner of appointments discussed below.

Section 5.03 WATER RESOURCES COMMITTEE.

- (a) Authority. The Water Resources Committee shall advise the Board of Directors and staff on policy matters concerning water supply and water supply operations issues and on the implementation of policy established by the Board on these matters. (Resolution No. 2001-191.)
- (b) Structure. The Water Resources Committee will consist of one Member from each Division of the Authority, the Chair, and the Vice Chair of the Authority. There shall be appointed one Alternate Member for each Divisional representative. There shall be no alternates for the Authority Chair or Vice Chair. The number of Members is seven (7).
- (c) Appointment. The Chair of the Authority, after conferring with the members of each Division, shall appoint the Members and Alternate Members of the committee. Divisional representatives shall serve at the pleasure of the Division. Vacancies in the Committee shall be filled in the same manner as appointment of original members.
- (d) Meetings. Regular meetings of the Water Resources Committee shall be held on the Monday prior to the regular meetings or adjourned regular meetings of the Board of Directors of the Authority, or on such alternate dates as may be selected by the Committee Chair or by the Executive Director of the Authority after conferring with the Committee Chair (Resolution No. 2017-423).
- (e) Quorum and Voting. A majority of the then-appointed Committee Members plus any Alternate Committee Members attending in the absence of their respective Committee Members shall comprise a quorum of the Water Resources Committee. Each Committee Member, including the Authority Chair and Vice Chair, shall have one vote. In the absence of the Member for whom an Alternate Member is appointed, or in the cases of the Member's conflict of interest precluding participation, the Alternate Member is authorized to cast the vote of the Member. Committee actions shall be determined by the vote of a majority of a quorum.

Section 5.04 FINANCE AND ADMINISTRATION COMMITTEE.

- (a) Definitions.
- (i) Non-OM&R Matters. All budget, financial, and administrative matters that do not relate to the Operation, Maintenance and Repair (“**OM&R**”) Budget or Program of the Authority.
 - (ii) OM&R Budget. A budget required to be prepared by the then-applicable agreement between the United States of America and the Authority to Transfer the Operation, Maintenance and Replacement and certain Financial and Administrative Activities Related to the San Luis & Delta-Mendota Canals, C.W. “Bill” Jones Pumping Plant, Delta-Mendota Canal/California Aqueduct Intertie Pumping Plant, O’Neill Pumping/Generating Plant, San Luis Drain and Associated Works (“**Transfer Agreement**”).
 - (iii) OM&R Program. All activities of the Authority required for the OM&R of the Project Facilities pursuant to the Transfer Agreement, including but not limited to, the program of work to be performed, the preparation and adoption of budgets, funding (including establishment of reserves and creation of debt), purchasing, auditing, inspections, cost recovery methodology, and fiscal agent responsibilities.
- (b) Authority. The Finance and Administration Committee (“**FAC**”) shall advise the Board of Directors and staff concerning the Authority’s general financial, budget, and administration matters, including personnel, and on the implementation of policy established by the Board on these matters. The FAC Committee shall also have the responsibility for making recommendations to the Board concerning the financial audit, and may make recommendations concerning the OM&R Budget or OM&R Program as set forth in Section 5.03(a).
- (c) Structure. The FAC shall be comprised of one Member from each Division of the Authority, the Chair, and the Vice Chair of the Authority; and one representative of the Friant Water Authority (“**FWA**”) (Resolution No. 2001-191). There shall be appointed one Alternate Member for each Divisional representative and for the FWA representative. There shall be no alternates for the Chair and Vice Chair of the Authority. The initial number of Members is eight (8).
- (d) Appointment. The Chair of the Authority, after conferring with the members of each Division, shall appoint the Divisional Members and Alternate Members of the committee. Divisional representatives shall serve at the pleasure of the Division. The Chair of the Authority shall appoint the FWA Member and Alternate Member recommended, in writing, by the FWA, who shall serve at the pleasure of the FWA. Vacancies in the FAC shall be filled in the same manner as appointment of original members.
- (e) Meetings. Regular meetings of the FAC shall be held on the Monday prior to the regular meetings or adjourned regular meetings of the Board of Directors of the Authority, or on such alternate dates as may be selected by the Committee Chair or by the Executive Director of the Authority after conferring with the Committee Chair (Resolution No. 2017-423).
- (f) Quorum and Voting.

- (i) Matters Affecting the OM&R Budget or OM&R Program. A majority of the then-appointed Members plus any Alternate Members attending in the absence of their respective Members shall comprise a quorum of the Committee. Each Member, including the Chair and Vice Chair, shall have one vote. In the absence of the Member for whom an Alternate Member is appointed, or in the cases of the Member's conflict of interest precluding participating, the Alternate Member is authorized to cast the vote of the Member. A recommendation of the FAC to the Authority Board of Directors to adopt or amend the OM&R Budget shall be adopted by the "yes" vote of at least 5 of 8 Members/Alternate Members voting in the place of an absent or disqualified Member. At any point in the budget approval process, an OM&R Budget or OM&R budgetary issue may be remanded to the OMR& Technical Committee.
- (ii) Non-OM&R Matters. A majority of the then-appointed Members plus any Alternate Members attending in the absence of their respective Members shall comprise a quorum of the FAC. Each Member, including the Chair and Vice Chair, shall have one vote. In the absence of the Member for whom an Alternate Member is appointed, or in cases of the Member's conflict of interest precluding participation, the Alternate Member is authorized to cast the vote of the Member. The FWA Member and Alternate Member shall not be counted towards a quorum nor be entitled to vote on Non-OM&R Matters.

Section 5.05 OM&R TECHNICAL COMMITTEE.

- (a) Authority. The OM&R Technical Committee is a subcommittee of the FAC and is advisory to the FAC and the Board of Directors of the Authority. The Technical Committee is charged with working with the Authority's staff in the development of OMR& budgets. The Technical Committee shall be authorized to recommend the OM&R budgets for approval by the FAC and shall be obligated diligently to reconsider any budget or budgetary issue that is remanded back to it from the FAC at any point in the budget approval process, and to provide its recommendation thereon (Resolution No. 2001-191).
- (b) Structure. As long as the Memorandum of Understanding Between Friant Water Users Authority and San Luis & Delta-Mendota Water Authority Relating to Allocation, Collection and Payment of Operation, Maintenance & Replacement Costs for Water Delivered through Certain Central Valley Project facilities (the "MOU"), as amended, remains in effect, the OM&R Technical Committee shall be comprised of the following members, with no CVP Contractor entitled to have more than one representative on such Committee at any time:

| | |
|--|---|
| Contractors served from Mendota Pool: | 1 |
| Contractors served from Lower DMC: | 1 |
| Contractors served from Upper DMC: | 1 |
| Contractors served from San Luis Canal | |
| (1 from Westlands + 1 from others): | 2 |
| Contractors served from San Felipe Div.: | 1 |
| Exchange Contractors: | 1 |

FWA: 1
 Reclamation: 1
 Authority Technical Staff: 1

- (c) Appointment. The Chair of the Authority, after conferring with the members from each service (delivery) area, shall appoint the Members of the committee. Representatives from a service area shall serve at the pleasure of the members from such service area. The FWA representative and an alternate shall be appointed by the Authority Chair, as recommended, in writing, by the FWA, and the Reclamation representative shall be appointed by the Authority Chair upon recommendation from Reclamation. Vacancies in the Committee shall be filled in the same manner as appointment of original members.
- (d) Qualifications. Members of the OM&R Technical Committee may be members of a governing body of an Authority Member Agency or on the staff of or a permanent consultant of an Authority Member Agency, and shall be selected because of technical or budgetary expertise.
- (e) Meetings. The OM&R Technical Committee may, by motion, fix and determine the time and place of regular meetings. The Chair of the Finance & Administration Committee, the Chair of the OM&R Technical Committee, or a majority of the OM&R Technical Committee may call special meetings as necessary.
- (f) Quorum and Voting. A majority of the then-appointed Members plus any Alternate Members attending in the absence of their respective Members shall comprise a quorum of the OM&R Technical Committee. Each Member shall have one vote. In the absence of the Member for whom an Alternate Member is appointed, or in the cases of the Member's conflict of interest precluding participation, the Alternate Member is authorized to cast the vote of the Member. The recommendation of the OM&R Technical Committee to the FAC to adopt or amend an OM&R Budget shall be adopted by the "Yes" vote of at least eight of ten Members.

ARTICLE VI. EMPLOYEES AND AGENTS

Section 6.01 AUTHORITY TO EMPLOY STAFF AND AGENTS.

The Authority will employ and appoint such employees and agents (including consultants and contractors) as the business of the Authority may require. Each such employee will have such authority and perform such duties, and receive such salary, as the Board or Executive Director deems appropriate, may from time-to-time determine is appropriate to advance the interests of the Authority. The Board or Executive Director, as appropriate, reserves the right to change an employee's or agent's job duties at any time.

Section 6.02 EXECUTIVE DIRECTOR.

The Executive Director of the Authority shall be the chief administrative officer of the Authority, shall serve at the pleasure of the Board, and shall be responsible to the Board for the proper and efficient administration of the Authority as is or hereafter may be placed in his or her charge, or under his or her jurisdiction or control, pursuant to the provisions of this Agreement, or of any motion, ordinance, resolution or order of the Board. The Executive Director shall exercise the

Commented [AAA7]: Policy Questions.

powers described in Article 18 of the Agreement, in addition to such other powers and duties as have and may be delegated by the Board, including, but not limited to, the following:

- Executing contracts and agreements within the scope of Board-approved budgets;
- Hiring, promoting, and terminating employees and agents (with the exception of General Counsel) as the business of the Authority may require, within the scope of Board-approved budgets;
- Making purchases of supplies, equipment, and services consistent with Board-adopted procedures;
- Taking actions to amend the Authority's Conflict of Interest Code; and
- Taking informal positions on legislation on behalf of the Authority that are consistent with legislative or policy objectives. For emergency legislation, the Executive Director will obtain the concurrence of the Chair of the Board, or the Chair's designee, prior to communicating a position on legislation. The Executive Director will inform the Board regarding positions on legislation communicated on behalf of the Authority no later than the next regularly scheduled Board meeting.

Section 6.03 GENERAL COUNSEL.

The General Counsel of the Authority shall be the chief legal officer of the Authority, shall serve at the pleasure of the Board, and shall be responsible to the Board for the proper and efficient administration of the legal affairs of the Authority. The General Counsel shall also serve as part of the Authority's executive team. Principal responsibilities include:

- Performing a broad range of legal work, including providing advice on compliance with the Brown Act, conducting legal research, providing advice or opinions, researching, studying, interpreting, and applying laws, regulations, and court decisions; and providing expert advice in the specialized area of water law that may be exceptionally difficult and sensitive;
- Coordinating outside counsel work and budgets; and
- Representing the Board's policies and programs before a variety of public and governmental agencies.

Section 6.04 COMPENSATION OF EMPLOYEES AND AGENTS.

The Board will compensate the Authority's employees with such salaries and benefits as may be fixed by the Board consistent with applicable law and will also establish by contract the compensation for all agents of the Authority.

ARTICLE VII. MISCELLANEOUS

Section 7.01 CONFLICT OF INTEREST CODE.

Pursuant to California Government Code section 81,000 et seq., the Authority shall maintain a Conflict of Interest Code. The Authority's Conflict of Interest Code, as may be amended from time to time, and a copy of which is attached hereto as Attachment A, incorporates by reference the terms of title 2, section 18730 of the California Code of Regulations.

Section 7.02 POLICIES.

The Authority has adopted a number of policies relevant to the efficient and effective administration and operations of the organization. The Executive Director and/or the Board, as appropriate, will review each of the Board-adopted policies on a biennial basis. This section does not preclude the Board from adopting additional policies, consistent with the Agreement and these Bylaws.

ARTICLE VIII. AMENDMENT OR REPEAL OF BYLAWS

These Bylaws may be repealed or amended or new Bylaws adopted by resolution of the Board. Any representative abstaining from a vote will be counted for purposes of determining the existence of a quorum, but will not be deemed to be voting.

ARTICLE IX. SAVINGS CLAUSE

Should any provision of these Bylaws be inconsistent with the laws of the State of California, such laws (and not these Bylaws) will govern and these Bylaws will be interpreted to be consistent with such laws.

[SIGNATURE BLOCK]