



**PUBLIC UTILITY DISTRICT NO. 1  
OF CHELAN COUNTY**

**GOVERNANCE POLICIES**

**Originally Adopted May 2, 2005  
and Amended Over Time**

**Amended and Restated June 29, 2009**

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**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**

**GOVERNANCE POLICIES**

**I. STRATEGIC DIRECTION**

1 **PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**  
2 **GOVERNANCE POLICIES**  
3  
4

5 **I. STRATEGIC DIRECTION**  
6

7 **POLICY NO. 1**  
8

9 **TITLE: VISION AND MISSION STATEMENTS**  
10

11 The Board has determined that the following vision and mission statements include the  
12 appropriate strategic direction for the District. These principles are core values of the District and  
13 its customer/owners. All decisions by the Board shall be governed by these principles.  
14

15  
16 **VISION**  
17

18 **To be a highly regarded public utility, highly valued and trusted to:**  
19

- 20 • **Focus on the customer**
- 21
- 22 • **Protect and enhance our resources**
- 23
- 24 • **Maintain local control**
- 25
- 26 • **Bring innovation to reality**
- 27
- 28 • **Be a great place to work!**
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32 **MISSION**  
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35 **To safely provide utility services that enhance the economy and quality of life in Chelan**  
36 **County.**  
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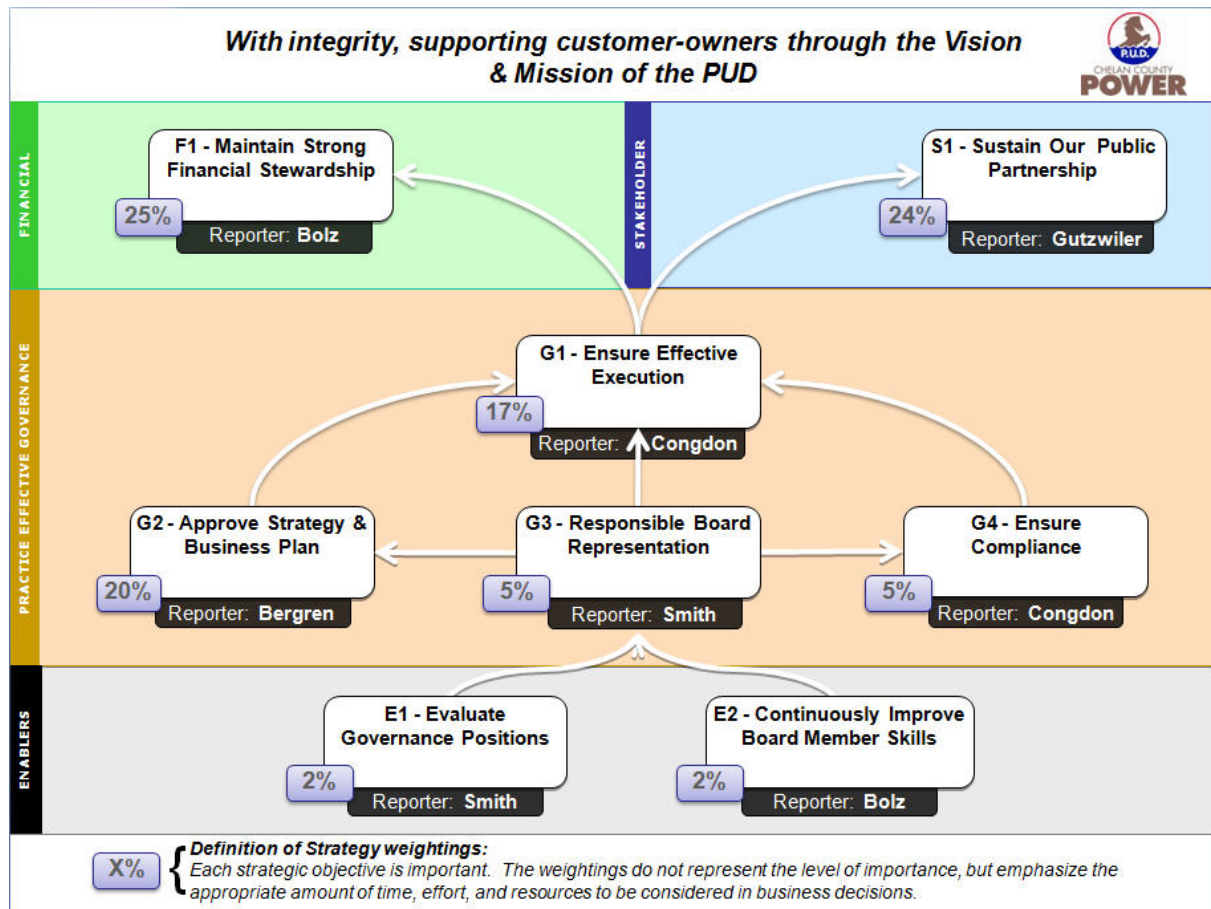
**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY  
GOVERNANCE POLICIES**

**I. STRATEGIC DIRECTION**

**POLICY NO. 2**

**TITLE: STRATEGIC OBJECTIVES**

Consistent with its Vision and Mission statements, the Board recognizes the importance of determining indicators of success. The “Balanced Scorecard” is a tool that defines the strategic objectives of the District and provides measurable outcomes.



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**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**

**GOVERNANCE POLICIES**

**II. ETHICS, CONFLICTS OF INTEREST, CULTURE  
OF COMPLIANCE AND TONE AT THE TOP**

1 **PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**  
2 **GOVERNANCE POLICIES**

3  
4 **II. ETHICS, CONFLICTS OF INTEREST, CULTURE OF COMPLIANCE AND**  
5 **TONE AT THE TOP**

6  
7 **POLICY NO. 3**

8  
9 **ETHICAL STANDARDS**

10  
11 The Board is committed to conducting business with high ethical standards and in accordance  
12 with all relevant legal and regulatory requirements. As such, each Board member will use good  
13 judgment, foster compliance with laws and regulations, will adhere to high ethical standards and  
14 will avoid situations that create an actual or perceived conflict between their personal interests  
15 and those of the organization.

16  
17 There is no way to develop a comprehensive, detailed set of rules to cover every business  
18 situation. The tenets in this policy outline some basic guidelines for ethical behavior by Board  
19 members.

- 20  
21
- 22 • Board members shall comply with RCW 42.23 “Code of Ethics for Municipal Officers –  
23 Contract Interests” and other laws and regulations regarding applicable ethical standards.
  - 24 • Board members shall comply with RCW 42.17.130 which generally provides that District  
25 facilities, including office space, stationery, postage, copiers, computers or other  
26 equipment, will not be used to assist in the campaign for election of any person to any  
27 office or for the promotion of or opposition to any ballot proposition.
  - 28 • The Board members will avoid conflicts of interests or perceived conflicts of interests.  
29 Conflicts of interest may arise when a Board member’s position or responsibilities  
30 present an opportunity for personal gain, or when a Board member’s personal interests  
31 conflict with the interests of the District. Conflicts of interest or unethical behavior may  
32 take many forms including, but not limited to, the acceptance of gifts from contractors,  
33 consultants, vendors or potential vendors of the District that are intended or could be  
34 perceived as intended to obtain favorable treatment. Gifts may be accepted if they have  
35 nominal retail value and on appropriate occasions (for example, a modest holiday gift;  
36 meal; social event). Board members should not accept any form of remuneration or non-  
37 business related entertainment that may appear to be in exchange for favorable treatment  
38 of the vendor, contractor or consultant.
  - 39 • Board members shall not use or provide to third parties any information, products, or  
40 materials acquired from or developed by the District or District employees for personal  
41 gain or to the District’s detriment.
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48 **CULTURE OF COMPLIANCE**

49  
50 The Board recognizes that the District is subject to a multitude of federal and state regulations  
51 and the accompanying compliance risks and opportunities. The Board is committed to the  
52 District meeting those regulatory requirements.  
53

1 The Board encourages an active culture of compliance for each Board member and employees of  
2 the District. A culture of compliance means that Board members and District employees learn,  
3 understand and follow the laws and regulations that affect their job responsibilities.  
4

5 The District's culture of compliance will continue to guide and reinforce decisions and choices  
6 made every day by the Board and District employees.  
7

## 8 **TONE AT THE TOP AND INTERNAL CONTROLS**

9

10 The Board, in its governance responsibilities, is committed to the General Manager's  
11 establishment of an internal control environment as part of the District's culture of compliance.  
12 An effective internal control environment sets the tone for the District, influencing appropriate  
13 behavior. This "tone at the top" is important to the Board as a policy to be managed and carried  
14 out by the General Manager and General Counsel/Chief Compliance Officer.  
15

16 The Board supports the General Manager's encouragement for all employees to report and  
17 discuss concerns regarding any compliance or ethical issues or situations. Employees should feel  
18 free to report concerns to the appropriate District staff as set out in the District's Administrative  
19 Policies. As stated by the General Manager in those Administrative Policies, retaliation for good  
20 faith reporting of issues or concerns will not be tolerated. The Board encourages the values of  
21 openness, transparency, integrity and cooperation among District staff under the leadership of the  
22 General Manager.  
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24 Further, the Board is supportive of the efforts by District management to proactively maintain  
25 the District's control environment.  
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# **PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**

## **GOVERNANCE POLICIES**

### **III. GOVERNANCE PROCESS**



1 **PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**  
2 **GOVERNANCE POLICIES**  
3  
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5 **III. GOVERNANCE PROCESS**  
6

7 **POLICY NO. 5**  
8

9 **TITLE: GOVERNANCE FOCUS**  
10

11 The Board governs with an emphasis on (a) outward vision and the future, (b) encouragement of  
12 diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear  
13 distinction of Board and General Manager roles, (e) collaborative rather than individual  
14 decisions, and (f) proactivity rather than reactivity.  
15

16 Specifically:  
17

- 18 • The Board cultivates an atmosphere of group responsibility. The Board is responsible for  
19 excellence in governing. The Board defines and initiates policy. The Board relies upon  
20 the expertise of individual members to enhance the ability of the Board as a body.  
21
- 22 • The Board directs, evaluates and inspires the organization through the careful  
23 establishment of written policies reflecting the Board's values.  
24
- 25 • The Board will establish and adhere to the standards needed to govern with excellence.  
26 Standards will apply to matters such as attendance at meetings, preparation for meetings,  
27 policymaking principles and codes of conduct. (Policy No. 7 and statutes)  
28
- 29 • Continual Board development, which includes orientation of new Board members in the  
30 Board's adopted governance policies and processes, periodic training and education,  
31 Board discussion of process improvement for the Board members and review of the  
32 policies and procedures.  
33
- 34 • The Board will regularly discuss and evaluate its performance. Self-monitoring includes  
35 comparison of Board activities to policies adopted by the Board. The Board will  
36 determine the appropriate manner of this feedback and evaluation.  
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1           forth by resolution. Individual Board members may meet with the external independent  
2           auditor upon completion of the audit.  
3

- 4           • Make those operational decisions designated by statute.
- 5
- 6           • Make all decisions concerning the employment and performance evaluation of the  
7           General Manager and participate in the evaluations and hiring of General Counsel and  
8           other appointed positions as described in Policy Nos. 14, 15, 16, 17 and 18.  
9
- 10          • Sets the rates, rules and regulations for services and products provided by the District.
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- 12          • Takes such other actions as may be required by statute.  
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- c) Board members endeavor to express their individual opinions in a responsible manner.
- Board members recognize the chain of command within the District.
- It is not unusual for a staff member to take a concern or complaint directly to a Board member. It is the responsibility of the Board member to remind the staff person of the appropriate chain of command and advise the staff person to take the issue up with his/her immediate supervisor, the supervisor's manager or, finally, the Human Resources Director.
- In accordance with the Open Public Meetings Act, RCW Title 42.30, a quorum of the Board meets at publicly noticed meetings to take action as defined by that statute. As authorized by statute, Board members may meet individually or in small groups (less than the number needed for a quorum) with staff or others for the purpose of discussing District business.
- Any performance evaluations within the purview of the Board will be performed in a closed executive session in accordance with the Open Public Meetings Act and with all members of the Board holding office at the date of the meeting being present. Action to hire or discharge the General Manager or General Counsel shall be taken at a meeting at which all members of the Board holding office at the date of such meeting are in attendance.
- Board members will respect the confidentiality of executive session discussions and issues regarding personnel, real estate transactions, proprietary matters, and attorney-client privileged communications.
- Board members will be properly prepared for Board meetings and deliberations.
- Board members will abide by applicable District policies and procedures, including policies regarding travel, use of credit cards, use of District vehicles, violence in the workplace, workplace harassment, health information privacy rights and the use of computers, internet and electronic mail.

1 PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY  
2 GOVERNANCE POLICIES

3  
4 III. GOVERNANCE PROCESS

5  
6 POLICY NO. 8

7  
8 TITLE: MEETINGS OF THE BOARD

- 9  
10 • Regular Meetings. Regular meetings of the Commission, subject to the provisions of  
11 Section 2 hereof, shall be held on Monday of each week at the hour of 1:00 o'clock p.m.  
12 at the office of the District, 327 North Wenatchee Avenue, Wenatchee, Chelan County,  
13 Washington, and no notice of such meetings shall be required. A regular or special  
14 meeting of the Commission may be held in other locations within the District or outside  
15 the District where necessary. In such event notice of the time and place of such meeting  
16 shall be given in the same manner as is required for a special meeting under Section 4  
17 hereof. If at any time any regular meeting falls on a non-working holiday, such regular  
18 meeting shall, unless otherwise rescheduled by the Commission, be held on the next  
19 business day at the same hour and place. If by reason of fire, flood, earthquake or other  
20 emergency it shall be unsafe to meet in the place designated, the meetings may be held  
21 for the duration of the emergency at such place as is designated by the President of the  
22 Commission. It shall not be a violation of this provision for Board members to travel  
23 together or gather for purposes other than a meeting, provided that no action is taken.  
24
- 25 • Study Meetings. The Commission of the District finds that it is in the District's best  
26 interest for the Commission to commit meeting time to better understanding the District's  
27 problems and facilities by convening regular meeting study sessions and, on occasion,  
28 visitation to District facilities away from the Wenatchee office. In furtherance of the  
29 foregoing finding, the Commission hereby designates that every other week the Board's  
30 regular meetings may be Study Meetings pursuant to the published schedule. The Study  
31 Meetings shall commence at the hour of 1:00 o'clock p.m. A Study Meeting shall  
32 constitute a regular Commission meeting but, in the absence of a showing of immediate  
33 need for Commission action, shall be devoted exclusively to Commission study and  
34 education pertaining to District facilities and problems. In the event an item is determined  
35 by the General Manager to require Commission action during a Study Meeting, that item  
36 shall be published in the meeting agenda not later than the time of commencement of a  
37 Study Meeting.  
38
- 39 • Meetings will not be regularly scheduled to occur on the fifth (5<sup>th</sup>) Monday of a month. A  
40 regular meeting will be scheduled, however, for the fifth (5<sup>th</sup>) Monday in November if  
41 such occurs in any year.  
42
- 43 • Change of Time/Place. Meetings of the Commission held at the time and place specified  
44 in Section 1 and 2 hereof shall require no special notice. However, if the Commission  
45 shall convene a meeting at a time other than as specified or at a location other than at the  
46 office of the District in Wenatchee, Washington, written notice of the time and location  
47 of such meeting shall be posted on the entry door of the regular meeting room of the  
48 Commission in Wenatchee and such notice shall be provided in the manner specified in  
49 RCW 42.30.080 to each local newspaper and local radio or television station which has  
50 on file with the District a written request to be notified of any special meetings.  
51
- 52 • Special Meetings. A special meeting of the Commission may be called at any time by the  
53 President of the Commission or by a majority of the members of the Commission as set  
forth in RCW 42.30.080 with notice being given at least 24 hours prior to the meeting.

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- 5 • Adjournments and Continuances. The Commission may adjourn any regular, adjourned  
6 regular, special or adjourned special meeting to a time and place as specified. Such  
7 adjournments shall comply with RCW 42.30.090. Any hearing being held, noticed or  
8 ordered to be held by the Commission at any meeting may, by order or notice of  
9 continuance, be continued or recontinued to any subsequent meeting of the Commission  
10 in the same manner and to the same extent set forth above in compliance with RCW  
11 42.30.100.
  - 12 • Executive Sessions. The Commission may hold executive sessions during any regular or  
13 special meetings as authorized in RCW 42.30.110.
  - 14  
15 • Minutes. All proceedings of the Commission of the District shall be by motion or  
16 resolution recorded in its minute books. The minutes shall be kept by the Clerk of the  
17 Board and shall be a public record. When the Commission is in executive session, no  
18 minutes shall be required or taken. Minutes are not intended to be a verbatim account of  
19 meetings. Minutes will not be available to the public as final until the Board has reviewed  
20 and approved the minutes. This section is adopted in compliance with RCW 54.12.090  
21 and RCW 42.32.030.
  - 22  
23 • Recording. Recording of regular meetings will be governed by Resolution No. 04-12600  
24 as may be amended.
  - 25  
26 • Attendance/Appearance by Telephone. The Open Public Meeting Act is silent as to  
27 whether Board members may attend meetings via telephone. The Commission of the  
28 District determines that it is appropriate and in the best interests of the District to  
29 authorize Board members to attend/appear at a public meeting via telephone if such  
30 telephonic appearance can be accommodated given the place of the meeting. The Board  
31 member requesting to appear by telephone will make necessary arrangements with the  
32 Clerk of the Board. A Board member shall not attend more than two consecutive  
33 meetings nor a total of six meetings per calendar year via a telephone connection unless  
34 there are extenuating circumstances and the majority Board approves additional  
35 telephonic attendances by an individual Board member. A Board member attending by  
36 telephone will not vote on any agenda item; provided, however, that a vote via telephone  
37 connection may be allowed if such vote is necessary due to an emergency or time  
38 constraints related to action. District staff will advise the Commission as to the nature of  
39 the emergency or time constraints at the meeting and a majority of the Board members,  
40 including any member attending by telephone, will determine if the vote via telephone  
41 will be allowed. Unless approved by motion of the Commission for a specific issue,  
42 Board members shall not attend or appear at executive session discussions via a  
43 telephone connection.
  - 44  
45 • Quorum. A majority of the persons holding the office of public utility district  
46 commissioner at any time shall constitute a quorum of the commission for the transaction  
47 of business, and the concurrence of a majority of the persons holding such office at the  
48 time shall be necessary and shall be sufficient for the passage of any resolution, but no  
49 business shall be transacted except in the usual and ordinary course, unless there are in  
50 office at least a majority of the full number of commissioners fixed by law pursuant to  
51 RCW 54.12.090. Action to hire or discharge the General Manager or General Counsel  
52 shall be taken at a meeting at which all members of the Board holding office at the date  
53 of such meeting are in attendance.

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- Resolutions and Motions. All proceedings of the Commission shall be by motion or resolution recorded in a book or books kept for such purpose, which shall be public records pursuant to RCW 54.12.090. Voting on all motions shall be by voice unless a recorded vote is called for by a member, in which case the Clerk of the Board shall record the vote of each Commissioner. All matters which, in the judgment of the Commission, are legislative in nature shall be embodied in the form of resolutions. Resolutions shall be numbered consecutively and the original copy of each resolution shall be signed by all of the Commissioners who voted for the passage of such resolution as required in RCW 54.12.090. All resolutions and motions shall be adopted at a meeting open to the public held on a date fixed by law or Commission rule or at a meeting of which notice has been given in accordance with the Washington Open Public Meeting law.
- Parliamentary Procedure. All questions of parliamentary procedure that may arise during the course of Commission meetings shall, unless contrary to the laws of the State of Washington or the specific rules established herein, be governed by the provisions of *Robert's Rules of Order (Revised)*. The Board may appoint a parliamentarian.
- Compliance with Open Public Meeting Act. All aspects of the Commission meetings shall comply with and shall be governed by the Open Public Meeting Act, RCW 42.30. Any questions as to the applicability of the Act or its requirements shall be directed to and answered by the District's General Counsel or attorney designated by the General Counsel.

1                                   **PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**  
2                                   **GOVERNANCE POLICIES**

3  
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5                                   **III.    GOVERNANCE PROCESS**

6  
7 **POLICY NO. 9**

8  
9 **TITLE: OFFICERS OF THE BOARD AND ELECTION THEREOF**

10  
11  
12 The officers of the Board of Commissioners shall be a President and a Secretary as specified in  
13 RCW 54.12.090. In addition, to facilitate the orderly transaction of District business, the Board  
14 shall annually elect a Vice-President to act in the absence of the President and Secretary  
15 respectively.

16  
17 The Board shall elect each year a President, Vice-President and Secretary under the following  
18 terms:

- 19  
20       • The nominations for and selection of President, Vice-President and, Secretary for the  
21       ensuing year shall be accomplished by the Board no later than the first regularly  
22       scheduled meeting in January if all five members of the Board are present or the next  
23       regularly scheduled meeting when the full Board is present.  
24  
25       • The terms of President, Vice-President and Secretary shall be for a period of one year, or  
26       until such time as a successor has been selected pursuant to these rules.  
27  
28       • During the absence of the President, the Vice President will preside and, in the event that  
29       both the President and Vice President are absent, the Secretary will act as President pro  
30       tem.  
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1 PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY  
2 GOVERNANCE POLICIES  
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5 III. GOVERNANCE PROCESS  
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7 POLICY NO. 10  
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9 TITLE: **ROLE OF THE BOARD PRESIDENT**  
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11  
12 The President of the Board assures the integrity of the Board's processes and assures Board  
13 representation to outside parties.  
14

15 Specifically:  
16

- 17 • The President is the chief executive officer of the Commission and shall preside over and  
18 facilitate all Board meetings in accordance with these governance principles and *Roberts*  
19 *Rules of Order (Revised)*.  
20
- 21 • The President ensures that the Board acts consistently with its own rules and policies.  
22
- 23 • The President ensures that meeting discussions focus on those issues which, according to  
24 Board policy, are to be made by the Board.  
25
- 26 • The President ensures that deliberation is fair, open and thorough, but also timely, orderly  
27 and kept to the point. The President will also ensure that time is made available at the  
28 Board meetings for public comment.  
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- 30 • The President schedules and coordinates the process of evaluating the General Manager  
31 and General Counsel and setting the appropriate compensation for the General Manager.  
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1 PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY  
2 GOVERNANCE POLICIES  
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5 III. GOVERNANCE PROCESS  
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7 POLICY NO. 11  
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9 TITLE: BOARD COMMITTEES  
10

11  
12 The Board may establish ad hoc advisory and standing committees. All committees should  
13 include designation of members, chair and stated goals and outcomes.  
14

15 The Board will review the committees at least annually to determine whether they should  
16 continue.  
17

18 Specifically:  
19

- 20 • Committees will ordinarily assist the Board by gaining education, considering  
21 alternatives and implications and preparing policy alternatives.  
22
- 23 • Board committees may not speak or act for the Board except when formally given such  
24 authority for specific and time-limited purposes.  
25
- 26 • Board committees will not exercise authority over staff nor interfere with the delegation  
27 from the Board to the General Manager.  
28
- 29 • Participation in committee meetings shall be in compliance with the provisions of the  
30 Open Public Meeting Act in that if three or more Board members are present, then the  
31 meeting must be properly noticed as a public meeting.  
32
- 33 • This policy applies to any group which is formed by Board action, whether or not it is  
34 called a committee. It does not apply to committees formed under the authority of the  
35 General Manager.  
36

37 The Audit Committee created by Resolution No. 04-12597 is an existing standing committee.  
38 Resolution No. 04-12597 appoints the President and Vice President of the Board as members of  
39 the Audit Committee. In the event the President or Vice President is unable to attend an Audit  
40 Committee meeting, the Secretary will serve as the alternate member of the Audit Committee for  
41 the purposes of the meeting(s).  
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1                                   **PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**  
2                                   **GOVERNANCE POLICIES**

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5                                   **III.    GOVERNANCE PROCESS**

6  
7 **POLICY NO. 12**

8  
9 **TITLE: BOARD REVIEW OF INTERNAL RECORDS**

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11  
12 Board members may review any record of the District at any time, so long as communication  
13 regarding the records complies with the Code of Conduct, Policy No. 7.

14  
15 Specifically:

- 16  
17       • Board member requests to inspect District records shall be forwarded to the Clerk of the  
18       Board who will provide the requested files for review on District premises.  
19  
20       • No original documents shall be taken from District premises unless necessary for a  
21       business reason or purpose.  
22  
23       • Board members shall follow the same confidentiality and public disclosure requirements  
24       applicable to District employees dealing with such files.  
25  
26       • District employee personnel files (other than the files of General Manager and General  
27       Counsel) are not subject to Board review except as provided by law.  
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# **PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**

## **GOVERNANCE POLICIES**

### **IV. BOARD-STAFF RELATIONSHIPS**

1                                   **PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**  
2                                   **GOVERNANCE POLICIES**

3  
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5                                   **IV.     BOARD-STAFF RELATIONSHIPS**

6  
7 **POLICY NO. 13**

8  
9 **TITLE: BOARD DIRECTIVES (UNITY OF CONTROL AND DECISION MAKING)**

10  
11  
12 Only decisions of the Board acting as a body are binding as directives.

13  
14 Specifically, in or out of the Board meetings:

- 15  
16     • Decisions or instructions of individual Board members, officers or committees are not  
17     binding on the General Manager, General Counsel, Treasurer, Internal Auditor, Clerk of  
18     the Board, Executive Managers or any staff members.  
19  
20     • Board members may communicate directly with District employees or contractors.  
21     However, individual Board members will not give directives to such employees or  
22     contractors.  
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1                                   **PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**  
2                                   **GOVERNANCE POLICIES**

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5                                   **IV.     BOARD-STAFF RELATIONSHIPS**

6  
7 **POLICY NO. 14**

8  
9 **TITLE: BOARD-GENERAL MANAGER RELATIONSHIP**

10  
11  
12 The Board of Commissioners governs the Public Utility District of Chelan County, Washington.  
13 The Board operates under the provisions of the Public Utility District Act of the State of  
14 Washington, RCW Title 54, and other applicable statutes.

15  
16 The General Manager is appointed by the Board as the Chief Administrative Officer of the  
17 District. As provided in RCW 54.16.100, the General Manager is responsible to the Board for the  
18 efficient administration of the business of the District.

19  
20 The General Manager is responsible for all operations of the District as well as the business  
21 affairs of the District within the strategic policies adopted by the Board. Specifically, the General  
22 Manager will:

- 23
- 24       • Attend Board meetings and report on the general affairs of the District.
  - 25
  - 26       • Regularly report to the Board circumstances or issues that impact the strategic direction  
27       and policies established by the Board and request appropriate action.
  - 28
  - 29       • Carry out the lawful directives of the Board of Commissioners.
  - 30
  - 31       • See that the laws pertaining to the operation of the District are followed.
  - 32
  - 33       • Keep the Commission advised as to the financial condition and needs of the District.
  - 34
  - 35       • Present an annual estimate of expenses of the District, a budget and work to be  
36       undertaken.
  - 37
  - 38       • Recommend to the Commission a scale of compensation to be paid for different classes  
39       of service within the District. The specific compensation to be paid to particular  
40       employees is within the discretion and control of the General Manager.
  - 41
  - 42       • Determine the appropriate staffing level for the District; job descriptions of employees;  
43       and hire, replace, promote, evaluate and discipline employees of the District, except as  
44       specifically outlined in these Governance Policies with respect to appointed positions of  
45       the Board.
  - 46
  - 47       • Achieve the results established by the Board pursuant to the applicable codes of conduct  
48       and statutes.
  - 49
  - 50       • Ensure the smooth and continuous operation of the District in the event of the planned or  
51       unplanned absence of the General Manager.
  - 52
  - 53       • Establish administrative policies for the operation of the District and its personnel.

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- Interact with the public, other utilities, government agencies and other stakeholders of the District. The General Manager shall assure, in cooperation and consultation with the Board, that the District is appropriately represented in the community.
- Represent the District in a positive manner in the community and the utility industry.
- Be actively engaged in local, regional and national organizations related to the utility industry.
- Perform other responsibilities as may be delegated by the Board.



1 **PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**  
2 **GOVERNANCE POLICIES**  
3

4  
5 **IV. BOARD-STAFF RELATIONSHIPS**  
6

7 **POLICY NO. 16**  
8

9 **TITLE: BOARD-TREASURER RELATIONSHIP**  
10

11  
12 Pursuant to RCW 54.24.010, the Commission may designate a person other than the County  
13 Treasurer to serve as the District's Treasurer. The Commission shall designate a District  
14 employee as the District's Treasurer. The Treasurer must have experience in financial or fiscal  
15 matters. The Treasurer shall be responsible to comply with applicable statutes regarding the  
16 finances of the District.  
17

18 The Treasurer provides independent financial advice to the Board and management. The  
19 Treasurer reports to the Chief Financial Officer for administrative matters.  
20

21 The Chief Financial Officer, with input from the General Manager and Board, is responsible for  
22 the hiring, evaluation and termination of the Treasurer.  
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1                                   **PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**  
2                                   **GOVERNANCE POLICIES**

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5                                   **IV.     BOARD-STAFF RELATIONSHIPS**

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7 **POLICY NO. 17**

8  
9 **TITLE: BOARD-INTERNAL AUDITOR RELATIONSHIP**

10 Pursuant to RCW 54.24.010, the Board shall appoint an auditor who shall be responsible to  
11 approve orders or vouchers and issue warrants. In addition, the District’s Internal Auditor will  
12 provide independent, objective advice to the Board and management designed to improve the  
13 District’s operations and to ensure adequate internal controls and compliance with applicable  
14 laws.  
15

16  
17  
18 The Internal Auditor reports to the General Counsel for all administrative matters and to the  
19 Audit Committee on audit activities. The Board may provide input into the audit planning  
20 process and may require that special projects and reviews be conducted through the Audit  
21 Committee.  
22

23 The General Counsel, with input from the Board and General Manager, is responsible for hiring,  
24 evaluating and terminating the Internal Auditor.  
25

26 The Internal Auditor shall conduct audit reviews as identified in an annual audit plan and special  
27 projects requested by the Board, the Audit Committee, General Manager or General Counsel.  
28 The work of the auditor shall provide reasonable assurance regarding the achievement of  
29 objectives in the following areas:  
30

- 31       • Adherence to plans, policies and procedures.  
32  
33       • Compliance with applicable laws and regulations.  
34  
35       • Effectiveness and application of administrative and financial controls.  
36  
37       • Effectiveness and efficiency of operations.  
38  
39       • Reliability of financial reporting.  
40  
41       • Safeguarding assets.  
42  
43       • Employee issues involved with reporting of improper/illegal government actions as  
44 outlined in the District’s “whistle blowing” policy.  
45  
46       • The proper functioning of the District’s Audit Committee.  
47

48 The Internal Auditor shall have unlimited access to all activities, records, property and personnel  
49 of the District.  
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1                                   **PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**  
2                                   **GOVERNANCE POLICIES**

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5                                   **IV.     BOARD-STAFF RELATIONSHIPS**

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7 **POLICY NO. 18**

8  
9 **TITLE: BOARD-CLERK OF THE BOARD RELATIONSHIP**

10  
11  
12 The Clerk of the Board assists the Board in fulfilling its various responsibilities. The Clerk of the  
13 Board serves under the direction and control of the Board and also may serve as the General  
14 Manager’s administrative assistant.

15  
16 The General Manager and the Board of Commissioners are jointly responsible for hiring and  
17 replacing the Clerk of the Board.

18  
19 The General Manager is responsible for evaluating the performance of the Clerk of the Board  
20 after consultation with and input from the Board.

21  
22 The Clerk of the Board will:

- 23
- 24       • Communicate Board members’ requests to District management and staff related to
  - 25       constituent affairs.
  - 26
  - 27       • Coordinate with District management and staff in responding to Board member requests
  - 28       related to constituent affairs.
  - 29
  - 30       • Handle all other matters that are properly delegated to him or her by the Board.
  - 31
  - 32       • Notwithstanding these activities, the Clerk of the Board is not empowered to instruct or
  - 33       direct District management or staff.
  - 34
  - 35       • Keep and maintain Board minutes and resolutions.
  - 36
  - 37       • Ensure continuous assistance to the Board in the event of the planned or unplanned
  - 38       absence of the Clerk of the Board.
  - 39
  - 40       • Accept service of process as appropriate pursuant to statutes.
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