

CENTRAL COAST WATER AUTHORITY



BOARD OF DIRECTORS HANDBOOK

Adopted and effective: March 26, 2026

TABLE OF CONTENTS

SECTION 1 PURPOSE OF HANDBOOK.....	2
SECTION 2 OVERVIEW	3
2.1 ABOUT	3
2.2 HISTORY	3
2.3 MISSION.....	4
2.4 SUMMARY OF OPERATIONS.....	5
SECTION 3 GOVERNANCE	6
3.1 BOARD OF DIRECTORS	6
3.2 APPOINTMENT OF DIRECTORS AND ALTERNATES	6
3.3 OFFICERS; ANNUAL ELECTION.....	6
3.4 ALTERNATES	7
3.5 QUORUM AND VOTING	7
3.6 BOARD ACTIONS AND DECISION	7
3.7 MEETINGS.....	7
3.8 REGULAR MEETINGS.....	8
3.9 SPECIAL MEETINGS.....	8
3.10 TELECONFERENCING AND REMOTE PARTICIPATION	8
3.10.1 General Teleconferencing Requirements.....	9
3.10.2 Teleconferencing During State or Local Emergency.....	9
3.10.3 Just Cause Remote Participation.....	10
3.10.4 Reasonable Accommodation Remote Participation	11
3.11 COMMITTEES	11
3.11.1 Operating Committee	12
3.11.2 Personnel Committee	13
SECTION 4 DIRECTOR EXPECTATIONS.....	14
4.1 DUTIES TO CCWA.....	14
4.2 CONFLICTS OF INTEREST	14
4.3 ETHICS AND FISCAL & FINANCIAL TRAININGS.....	15
4.4 Sexual Harassment Prevention training & Education	15
4.5 FAMILIARITY WITH REGULATIONS, POLICIES AND BUSINESS.....	15
4.6 MEETINGS; ATTENDANCE AND CONDUCT	16

4.7	PARTICIPATION IN COMMITTEES	16
4.8	COMMUNICATIONS VIA EMAIL	16
4.9	CONFIDENTIAL COMMUNICATIONS	16
4.9.1	Closed Session Communications	17
4.9.2	Attorney-Client Privilege Communications & Attorney Work Product	18
4.10	COMPLIANCE WITH APPLICABLE LAW AND REGULATIONS.....	18
4.11	REPORTING OBLIGATIONS	19
	SECTION 5 ADMINISTRATION	20
5.1	BUDGET PROCESS.....	20
5.2	BOARD COMPENSATION.....	20

DEFINED TERMS

“Alternate Director” or **“Alternate”** means an alternate to a Director.

“Board of Directors” or **“Board”** means the governing body of Central Coast Water Authority as established by the Joint Exercise of Powers Agreement.

“Central Coast Water Authority” or **“CCWA”** means the entity that was formed pursuant to the Joint Exercise of Powers Agreement.

“Director” means a director appointed to the Board by a Member Agency.

“Executive Director” means the chief administrative officer of CCWA.

“Joint Exercise of Powers Agreement” means the agreement made and entered into on August 1, 1991 by and between the Members and as subsequently amended on December 12, 2017 and August 29, 2023.

“Member Agency” or **“Member”** means each of the public entities that is a signatory to the Joint Exercise of Powers Agreement creating CCWA.

“Project” means the water supply project commonly known as the Mission Hills and Santa Ynez Extensions to the Coastal Branch Phase II Extension of the California Aqueduct of the State Water Project, including without limitation, dams, watercourses, drainage channels, conduits, ditches, canals, reservoirs, tanks, pumping plants, hydroelectric generation and transmission facilities, buildings, and other structures utilized for the diversion, pumping, conveyance, control, storage, groundwater recharge, treatment, and delivery of waters for the beneficial use by Project Participants.

“Project Participant” or **“Participant”** means each entity that executed a Water Supply Agreement with CCWA.

“State Water Project” or **“SWP”** means those portions of the State Water Resources Development System (as defined in Section 12931 of the California Water Code) that provide water to the parties that contract with the State of California, Department of Water Resources for the delivery pursuant to the State Water Supply Contract.

“State Water Supply Contract” means the water supply contract between the State of California Department of Water Resources and CCWA, dated February 26, 1963, as amended.

“Water Supply Agreement” means each Water Supply Agreement, dated as of August 1, 1991, by and between CCWA and each Participant that provides for CCWA’s delivery of water from the SWP to the Participant and the Participant’s payment of all DWR and CCWA costs.

SECTION 1 PURPOSE OF HANDBOOK

The purpose of this Central Coast Water Authority (“**CCWA**”) Board of Directors Handbook (“**Handbook**”) is to introduce the Board of Directors (“**Board**”) to CCWA, its governance structure, its administration, and to memorialize the expectations of Directors—all as appropriate to promote effective management of CCWA and to implement its mission. Directors are expected to review and understand the contents of this Handbook.

This Handbook and the rules written herein are intended to be consistent with the Joint Exercise of Powers Agreement creating CCWA, as amended, CCWA’s adopted and current resolutions, policies, and procedures, the contracts to which CCWA is a party, and state law. The Handbook may be supplemented and clarified by existing and future resolutions, policies, and procedures, and applicable state law.

Finally, this Handbook applies equally to CCWA Directors and Alternates, whether acting in their capacity as the governing body of CCWA or when participating on any committee created by the Board. Any reference to “Directors” in this Handbook includes “Alternates,” unless otherwise stated.

SECTION 2 OVERVIEW

2.1 ABOUT

CCWA is a public entity organized under a Joint Exercise of Powers Agreement dated August 1, 1991, by the cities and special districts responsible for the creation, maintenance, and delivery of water resources in Santa Barbara County.

CCWA is composed of eight member agencies ("**Member Agencies**" or "**Members**"). Member Agencies include City of Buellton, Carpinteria Valley Water District, Goleta Water District, City of Guadalupe, Montecito Water District, City of Santa Barbara, City of Santa Maria, and Santa Ynez River Water Conservation District Improvement District #1.

CCWA is a wholesale water supplier. It contracts with the State of California's Department of Water Resources ("**DWR**") for the delivery of State Water Project ("**SWP**") water to CCWA. In turn, CCWA contracts with 13 project participants ("**Participants**") for the delivery of the imported supply water to them. The Participants include the Member Agencies and La Cumbre Mutual Water Company, Raytheon, Inc., Morehart Land Company, Golden State Water Company, and Vandenberg Space Force Base.

CCWA operates facilities constructed and owned by CCWA, including a water treatment plant, as well as portions of the SWP's Coastal Branch pursuant to an agreement with DWR. CCWA's distribution system consists of an approximate 130-mile-long pipeline, treated water tanks at the water treatment plant, three interim storage facilities, one energy dissipation facility, nine turnouts, four isolation valve facilities, a chloramines removal and water pumping facility, and Lake Cachuma inlet monitoring facility.

2.2 HISTORY

In February 1963, the Santa Barbara County Flood Control and Water Conservation District ("**District**") entered into a long-term water supply contract (the "**State Water Supply Contract**" or "**SWP Contract**") with DWR for the delivery of 60,000 acre-feet per year ("**AFY**") of SWP water to Santa Barbara County, later revised in 1965 to 57,700 AFY, and again in 1981 to 45,486 AFY. In exchange for such service, the District agreed to repay all associated SWP capital, operating, and power costs.

Between 1985 and 1988, the District entered into a series of Water Supply Retention Agreements ("**WSRAs**") that assigned the District's rights and obligations under the SWP Contract to certain local water providers within Santa Barbara County. Among other things, the WSRAs shifted responsibility for payment under the SWP Contract from the County taxpayers to the ratepayers.

In 1991, several local public water providers formed CCWA for the purpose of the development, financing, construction, operation, and maintenance of the local facilities required to deliver SWP water to Santa Barbara County. Thereafter, CCWA executed Water Supply Agreements (“**WSAs**”) with each of the Participants. Each WSA provides for CCWA’s delivery of a specified quantity of the water supply made available by the SWP Contract in return for the Participant’s agreement to pay all of CCWA’s costs, including the costs associated with the SWP Contract.

In November 1991, CCWA and the District entered into the Transfer of Financial Responsibility Agreement (“**TFRA**”) under which CCWA accepted responsibility for all financial obligations of the District under the SWP Contract. Since 1991, CCWA has assumed full responsibility for performance of the SWP Contract pursuant to the TFRA and WSRAs, has paid all of the costs charged under the SWP Contract, and owns and operates the facilities used to convey, treat, and deliver SWP water to and within Santa Barbara County. The first delivery of SWP water to Santa Barbara County was made in August 1997.

In December 2025, the District, CCWA, and DWR executed the Agreement Regarding Assignment, Assumption, and Release of the State Water Supply Contract for Santa Barbara County (“**Assignment Agreement**”), effectuating the full, final, and complete assignment and transfer of the District’s rights, interests, and obligations under the SWP Contract to CCWA. Also in December 2025, DWR and CCWA executed Amendment No. 22 to the SWP Contract which substitutes CCWA for the District in all respects. The Assignment Agreement terminated the WSRAs and TFRA.

Today, CCWA is one of the 29 parties that contracts with DWR for the delivery of SWP water (the “**State Water Contractors**”). Additionally, CCWA is a member of the State Water Contractors, an association formed of 27 of the State Water Contractors to represent the legal, policy, and regulatory interests of the State Water Contractors.

2.3 MISSION

CCWA’s mission is to provide San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water. CCWA aims to achieve this mission through the following objectives:

- Treat and deliver water through the Coastal Aqueduct to San Luis Obispo and Santa Barbara Counties.
- Minimize environmental impacts and protect the environment during operation of our facilities.
- Cost effectively operate and maintain our facilities.
- Ensure our water supply meets or exceeds health and safety standards.
- Work with DWR and other state, federal and local agencies to achieve our mutual objectives.
- Assist Project Participants in their efforts to reduce groundwater overdraft.

2.4 SUMMARY OF OPERATIONS

CCWA owns and operates the Polonio Pass Water Treatment Plant (“WTP”) which utilizes a conventional treatment process to purify SWP water to applicable drinking water standards. The WTP is located in a rural area of Shandon, California and has an approximate treatment capacity of 43 million gallons per day. CCWA operates and maintains the Coastal Branch Phase II Extension of the Coastal Branch Aqueduct Pipeline, and owns, operates and maintains the Mission Hills Extension of the Coastal Branch Aqueduct Pipeline, both of which are used to deliver water treated at the WTP to Project Participant turnouts. CCWA also owns and operates the Santa Ynez Pumping Plant, which is equipped with chloramines removal equipment and is utilized to convey water from the Coastal Branch into Lake Cachuma. CCWA provides potable water indirectly to roughly 417,000 people via 24 public water system customers through direct and indirect connections.

SECTION 3 GOVERNANCE

3.1 BOARD OF DIRECTORS

The Board is the governing body of CCWA and consists of one Director appointed by each Member Agency. All the power and authority of CCWA is exercised by the Board. The Board may delegate such powers and authority to the Executive Director as the Board may determine by motion, resolution or ordinance. (See JPA, §§ 8(a), 12.)

3.2 APPOINTMENT OF DIRECTORS AND ALTERNATES

Each Director and Alternate shall be appointed or selected by the governing body of the respective Member Agency and each Director and Alternate may, but need not, be a member of the governing body of the respective Member Agency. An Alternate is deemed to be a Director when acting in place of the Director. (See JPA, § 8(b).) The names of all Directors and Alternates shall be on file with CCWA.

Each Director and Alternate Director shall hold office from the first meeting of the Board after his or her appointment by the governing body of the Member Agency that appointed the Director until a successor is selected by the Member Agency, and the Member Agency so notifies CCWA. (See JPA, § 8(c).)

3.3 OFFICERS; ANNUAL ELECTION

The Board shall select from the membership of the Board, a Chair and a Vice Chair. The Board shall appoint a Secretary and Treasurer who may, but are not required to, be Directors. The Secretary shall be responsible for keeping the minutes of all meetings of the Board and all other official records of CCWA. The Treasurer shall be the depository of funds and shall have custody of all money of the Authority, from whatever source. The Treasurer shall provide strict accountability of all funds and prepare an annual audit. (See JPA, § 15.) Currently, the Controller serves as the Treasurer and the Officer Manager serves as the Secretary.

The Chair, Vice Chair, and Secretary shall hold office for a period of one year commencing July 1 of each year. Officers shall be elected at the June meeting of the Board.

None of the officers appointed by the Board shall be deemed by reason of their appointment to be employed by any of the Member Agencies or, by reason of their employment by the Board, as officers to be subject to any of the requirements of such Member Agencies. (See JPA, § 15.)

3.4 ALTERNATES

An Alternate shall assume all rights of the Director representing the appointing Member Agency and shall have the authority to act in the absence of a Director or in the event that a Director has a conflict of interest that precludes participation by the Director in any decision-making process of CCWA. (See JPA, § 8(b).)

3.5 QUORUM AND VOTING

Directors representing Member Agencies with a majority of the Voting Percentages shall constitute a quorum for the purposes of transacting CCWA’s business. The vote of Directors representing Member Agencies with a majority of the Voting Percentages of those Member Agencies whose Directors voted (excluding abstentions) shall be required for CCWA to take action, except where different voting requirements are provided for in the Joint Exercise of Powers Agreement or by law. (See JPA, § 11.)

CCWA Voting Percentages are:

Member Agency	Percentage
City of Buellton	2.21
Carpinteria Valley Water District	7.64
Goleta Water District	17.20
City of Guadalupe	1.15
Montecito Water District	9.50
City of Santa Barbara	11.47
City of Santa Maria	43.19
Santa Ynez River Water Conservation District, Improvement District No. 1	7.64

3.6 BOARD ACTIONS AND DECISION

The Board shall take action by motion or resolution. The Board also may give direction, which does not require a motion and vote, to the Executive Director or CCWA’s Counsel. Such directions may include, but are not limited to, continuances, requests, and employee instructions.

3.7 MEETINGS

The Board shall meet at CCWA’s principal office at 255 Industrial Way, Buellton, California 93427, or at such other place as may be designated by the Board. Regular, adjourned, and special

meetings shall be called and held in the manner as provided in the Ralph M. Brown Act (Gov. Code, § 54950 et seq.) (the “**Brown Act**”).

Willful disruption of any meeting of the Board or Committee shall not be permitted. If the Chair or presiding officer finds that there is willful disruption, they may remove such individual(s), whether participating in person or remotely, after providing a warning. (Gov. Code, §§ 54957.9, 54957.95.) After removal of the disrupting individual(s), the Board may resume the meeting with the public in attendance. The Board may also continue the item to a future meeting and proceed with other business on the agenda, or the Board may instead continue all unfinished business on the agenda to a future meeting (date and time certain) and adjourn. If order cannot be restored by removal of the disrupting individual(s), the members of the legislative body may order the room cleared and continue in session. (*Id.*)

The Secretary shall keep the minutes of all meetings of the Board and Committees. (See JPA, §§ 13, 15.)

3.8 REGULAR MEETINGS

Regular meetings of the Board shall be held on the fourth Thursday of each month at 9:00 am PT, except in November and December when the Board meets on the third Thursday of those months at 9:00 am PT. (See Resolution No. 91-8.)

3.9 SPECIAL MEETINGS

In accordance with Government Code Section 54956, special meetings of the Board may be called by the Chair or by a majority of the Directors. The Secretary shall be responsible for arranging deliveries of special meeting notices. Directors shall be notified of special meetings. (See Resolution No. 23-05.)

3.10 TELECONFERENCING AND REMOTE PARTICIPATION

The Board may hold regular and special meetings via teleconference to facilitate increased public participation and access to public meetings. Subordinate bodies of the Board, such as the Committees, may also hold special meetings via teleconference. Teleconference means “a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through audio or video, or both” (Gov. Code, § 54953(e)(2)(A).)¹

¹ Note, “teleconference” does not include one or more members watching or listening to a meeting via webcast or similar electronic medium that does not permit members to interactively speak, discuss, or deliberate in matters. (Gov. Code § 54953(e)(2)(B).)

Generally, teleconference locations must be accessible to the public, absent certain scenarios where teleconferencing is allowed from a private location that is not open to the public (“**private teleconference**”). Teleconferencing for special meetings of the Board and its subordinate bodies is authorized under Resolution No. 23-05. (See Resolution No. 23-05.)

If a Director anticipates needing to teleconference for a meeting of the Board or a Committee at a location other than a teleconference location designated by CCWA, the Director shall contact the Executive Director as soon as feasible to notify CCWA of their desire to teleconference.

3.10.1 General Teleconferencing Requirements

The Board may hold regular and special meetings via teleconference as long as the Board complies with all of the following (Gov. Code, § 54953(b)):

- Voting must be by roll call vote;
- Notice of the meeting is provided and agendas are posted at all teleconference locations;
- The teleconference location is identified in the meeting notice and agenda;
- Each teleconference location is accessible to the public and has technology to enable public participation from the teleconference location; and
- At least a quorum of the Board participates from locations within CCWA’s jurisdiction.

If a meeting is held via teleconference pursuant to the general teleconferencing requirements, all teleconference locations must be accessible to the public. General teleconferencing does not allow Directors to participate via private teleconference. While at least a quorum of the Board must participate from locations within CCWA’s jurisdiction, a quorum of the Board does not have to participate from a single location.

3.10.2 Teleconferencing During State or Local Emergency

The entire Board may meet via teleconference during a proclaimed state or local emergency. (Gov. Code, § 54953.8.2.) To do so, the Board must determine that an in-person meeting poses an imminent health and safety risk. Directors may participate via private teleconference, but all other general teleconference requirements apply, including that all voting must be by roll call vote, notice of the meeting must be given, agendas must be posted, and the public must be given an opportunity to address the Board. (Gov. Code, § 54953.8(b)(2).) Such findings must be reaffirmed every 45 days by majority vote to continue teleconferencing under Government Code Section 54953.8.2. Unlike other teleconferencing scenarios, **no physical location is required for public attendance** and the Board may use two-way telephonic service without live webcasting.

Directors participating remotely must disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location, and the general nature of the Director’s relationship with the individual. (Gov. Code, § 54953.8(e).)

3.10.3 Just Cause Remote Participation

A Director may participate via **private teleconference** (i.e., from a location that is not accessible to the public) for “just cause” up to two times per year if a quorum of the Board participates in person from a single physical location, including a teleconference location, that is identified on the agenda and open to the public. (Gov. Code, § 54953.8.3(a).)

A “just cause” includes (Gov. Code, § 54953.8.3(c))²:

- Providing childcare or caregiving of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner;
- A contagious illness that prevents a member from attending in person;
- A need related to a physical or mental disability that is not covered by “Reasonable Accommodation” teleconferencing discussed below (Gov. Code, § 54953(c));
- Travel while on official business of the Board or another state or local agency;
- Care for immunocompromised family members (child, parent, grandparent, grandchild, sibling, spouse, or domestic partner);
- A physical or family medical emergency that prevents a Director from attending in person; and
- Military service obligations that result in the Director being unable to attend in person.

To participate remotely for “just cause,” the Director must:

- Notify the Board of such a need at the earliest opportunity possible, including at the start of a meeting;
- Provide a general description of the circumstances relating to the need to appear remotely;

² The minutes for the meeting must identify the specific provision of Government Code section 54953.8.3(c) that each Director relied upon to participate remotely but this requirement is not to be construed to require the Director to disclose any medical diagnosis or disability, or any personal medical information that is otherwise exempt from disclosure under existing law.

- Participate by both audio and visual technology (e.g., camera on);
- Disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location, and the general nature of the member’s relationship with the individual.

Directors may participate via private teleconference, but all other general teleconference requirements apply, including that all voting must be by roll call vote, notice of the meeting must be given, agendas must be posted, and the public must be given an opportunity to address the Board. (Gov. Code, § 54953.8(b)(2).)

Unlike the general teleconference requirements, however, a quorum of the Board must participate from a single location if a Director is participating via private teleconference for “just cause.”

3.10.4 Reasonable Accommodation Remote Participation

A Director with a disability may participate via a **private teleconference** as a reasonable accommodation. (Gov. Code, § 54953(c).) The disabled Director must participate through audio and visual technology unless a physical condition related to the disability results in a need to participate off camera and only through audio.

To participate remotely as a reasonable accommodation, the Director must disclose whether any other individual 18 years of age or older are present in the room with the Director and the general nature of the Director’s relationship with any of those individuals. The Director does not have to disclose that they are participating remotely due to a disability. The Director’s remote participation is treated as in-person attendance for all purposes, and counts towards a quorum at the same physical location as the Directors participating in person.

Where a teleconference is held for the sole reason of a reasonable accommodation, the general requirements that votes be taken by roll call and that agendas be posted at all teleconference locations do not apply.

3.11 COMMITTEES

The Board may form and dissolve such advisory Committees as it deems appropriate to advise the Board and Executive Director provided that the Committees are consistent with the Water Supply Agreements and comply with applicable law. Committees shall only have the authority to provide advice to the Board and Executive Director, unless specifically authorized by the Board. The Board shall specify the number of members of each Committee.

Unless otherwise specified, the Chair shall appoint members of the Board to serve on advisory Committees for that calendar year in January and shall report each appointment to the Board at

the first Board meeting thereafter. In the event of a vacancy on a Committee, the Chair may appoint a member to fill the remainder of the term of the vacant position. The Chair may be appointed to a committee, by majority vote of the Board. When considered for an appointment, the Chair shall not participate in any deliberations or vote on the appointment. The Chair shall recuse themselves and leave the room for the duration of the item.

In the event a committee is comprised of Directors representing Members that constitute a quorum of the Board, the agenda for each committee meeting shall state as follows: (i) the meeting is a committee meeting; (ii) the meeting is a special meeting of the Board of Directors, but no action may be taken on any items on the agenda except to the extent of making a recommendation for action to a regular meeting of the Board of Directors.

Committees are empowered to appoint a chair and vice chair, to establish a schedule of meetings, and to adopt such other procedures as the committee deems appropriate.

The Chair may also create an ad hoc committee with a limited purpose and appoint members thereto for a specific purpose and shall expire at the end of the calendar year.

[Resolution No. 13-02.]

3.11.1 Operating Committee

The Operating Committee is established by Section 28 of the Water Supply Agreements and subject to the limitations in that section.³

The Operating Committee has the authority to meet to review, evaluate, and recommend to CCWA items related to the operation, and maintenance of the Project. If the Operating Committee fails to make a recommendation with respect to any matter presented to it, CCWA may take such action as it determines necessary for the timely performance of all such obligations. (Water Supply Agreements § 28(a), (b).)

Regular meetings of the Operating Committee to act on matters relating to the Project are held quarterly at such time and place as shall be established by resolution of the Operating Committee. CCWA shall prepare an agenda for meetings of the Operating Committee and any members of the Operating Committee may request any item within the Operating Committee's jurisdiction be included on the agenda. (Water Supply Agreements § 28(c).)

The Operating Committee meets quarterly on the second Thursday of January, March, July, and October at 9:00 am PT.

³ Resolution No. 13-02 establishing policies for the appointment and operation of advisory committees of the Board does not apply to the Operating Committee. (See Resolution No. 13-02.)

3.11.2 Personnel Committee

Resolution No. 13-02 authorizes the Personnel Committee “to consider any matter relating to [CCWA] personnel, including the [CCWA] Personnel [Policy] Manual, and hiring, discharging, performance evaluation, and compensation.” (Resolution No. 13-02.) The Personnel Policy Manual applies to all CCWA staff. Additionally, the Personnel Committee may be called upon to participate in procedural due process proceedings that are required when certain disciplinary actions are taken against a CCWA employee. (See generally, *Skelly v. State Personnel Bd.* (1975) 15 C3d 194.) The Personnel Committee meets at least annually and on an as-needed basis. The Personnel Policy Manual is reviewed and updated annually.

SECTION 4 DIRECTOR EXPECTATIONS

4.1 DUTIES TO CCWA

The Board of Directors collectively is the unit of authority of CCWA. As individuals, Directors may not commit CCWA to any policy, expenditure, or any other action or inaction.

CCWA is a public agency and a separate entity from its Member Agencies. (Gov. Code, § 6507.) Directors owe fiduciary duties to CCWA. Directors must act in the best interest of CCWA, avoid conflicts of interest, and exercise reasonable care and loyalty in decision making on behalf of CCWA. (See Gov. Code §§ 6505, 6508; see also *Gilman v. Dalby* (2009) 176 CA4th 606, 613.)

Directors owe CCWA a duty of care to exercise reasonable diligence, inquiry, and prudent judgment when overseeing CCWA's business. Directors should review budgets, policies, and contracts with the same prudence as an ordinarily careful person in similar circumstances. (See Gov. Code, § 6505.)

Directors owe CCWA a duty of loyalty to put CCWA's interest above their Member Agency or personal interests and make decisions in good faith for the benefit of CCWA. Directors have a duty to avoid self-dealing and conflicts of interest. Accordingly, Directors may cast a valid vote on a matter before CCWA that is inconsistent with the position taken by their Member Agency. (83 Ops.Cal.Atty.Gen. 267.)

4.2 CONFLICTS OF INTEREST

Directors must avoid conflicts of interest under the Political Reform Act (Gov. Code, § 81000 et seq.), Government Code Section 1090 et seq., and common law. The Political Reform Act is intended to prevent conflicts of interest by requiring public officials to disclose certain personal financial interests that could foreseeably cause conflicts. Directors shall complete and file a Form 700 with the Fair Political Practices Commission ("**FPPC**") and provide a copy of the form to the Executive Director or his/her designee annually.

In addition, a Director may be required to disqualify themselves from making, participating in, or attempting to influence any decision that will affect any financial interests, not just those that are required to be disclosed on the FPPC Form 700. (See Gov. Code, § 1090 et seq.) Prior to a meeting, Directors shall review the agenda to evaluate potential financial conflicts of interest on actions to be taken. If a Director believes they may have a conflict of interest, they shall alert the Chair immediately. If a conflict of interest exists, the Director shall not directly or indirectly influence the relevant proceeding or vote and shall not participate in deliberations. (See Gov. Code, § 1090 et seq.)

4.3 ETHICS AND FISCAL & FINANCIAL TRAININGS

Local agency officials⁴ are required by the state of California to complete certain training courses. Under Assembly Bill 1234, local agency officials must take an approved ethics training class at least once every two years. (Gov. Code, § 53235(b).) Local agency officials that commence service on or after January 1, 2026 must receive their first ethics training within six months of service with a public agency. (Gov. Code, § 53235.1.) Under Senate Bill 827, local agency officials must also complete a two-hour fiscal and financial training class once every two years. (Gov. Code, §§ 53238.1(a), 53238.2.) Local agency officials that began their service in a public agency prior to January 1, 2026 must comply with the fiscal and financial training requirements no later than January 1, 2028. (Gov. Code, § 53238.2(a).) However, officials that begin their service on, or after, January 1, 2026 must complete the fiscal and financial training no later than six months following the start of their service with a local agency. (Gov. Code, § 53238.2(b).)

If Directors receive all of the above-referenced ethics, fiscal, and financial training as part of their role with a Member Agency, separate/additional trainings are not required to meet these requirements as a Director of CCWA.⁵ However, Directors shall provide proof of their compliance with all applicable ethics and fiscal/financial training requirements (e.g., certificates of training) to the Executive Director or his/her designee.

4.4 SEXUAL HARASSMENT PREVENTION TRAINING & EDUCATION

Certain local agency officials are also required to receive at least two hours of sexual harassment prevention training and education within the first six months of taking office and every two years thereafter. (Gov. Code, § 53237.1.)

If Directors receive this sexual harassment prevention training and education as part of their role with a Member Agency, separate/additional trainings are not required to meet these requirements as a Director of CCWA. However, Directors shall provide proof of compliance with the requirements for such training and education to the Executive Director or his/her designee.

4.5 FAMILIARITY WITH REGULATIONS, POLICIES AND BUSINESS

⁴ “Local agency official” for purposes of ethics trainings includes “[a] member of a local agency legislative body or elected officer of a local agency who receives any type of compensation, salary, or stipend or reimbursement for actual and necessary expenses incurred in performance of official duties.” (Gov. Code § 53234(c).) “Local agency official” for purposes of fiscal and financial trainings includes “[a]ny member of a local agency legislative body or any elected officer of a local agency.” (Gov. Code § 53238(d).)

⁵ According to Continuing Education of the Bar’s *California Municipal Law Handbook*, joint powers agencies created under Government Code sections 6500 et seq. are not subject to AB 1234’s mandatory ethics training requirements. (The California Municipal Law Handbook (Cal CEB) §2.148 14. Mandatory Ethics Training.)

Directors shall be reasonably familiar with this Handbook and CCWA's governing documents, adopted resolutions, policies, procedures, agreements, and activities, including, but not limited to, the Joint Exercise of Powers Agreement creating CCWA, the State Water Supply Contract between DWR and CCWA, CCWA's Water Supply Agreements with each Participant, and CCWA's contracts for the use, conveyance, and storage of water in the Cachuma Project, in addition to applicable federal, state, and local laws and regulations.

Directors shall consult with the Executive Director and CCWA Counsel as needed to carry out their duties and responsibilities.

4.6 MEETINGS; ATTENDANCE AND CONDUCT

Stemming from their fiduciary duties to CCWA identified above, each Director shall attend all meetings of the Board unless there is a good cause for absence. If a Director anticipates being absent from a meeting of the Board, the Director shall contact the Executive Director as soon as feasible, preferably seven (7) or more days prior to the meeting, to notify CCWA of their absence.

A Director shall be prepared to discuss agenda items at Board meetings. Information may be requested from the Executive Director before meetings. Any such information request should allow the Executive Director adequate time to prepare responsive information.

Meetings of the Board and Committees shall be conducted by the Chair or other presiding officer in a manner generally consistent with the Rosenberg's Rules of Order (rev. 2011). Meetings shall take place in an environment where Directors and the public can freely express their views. The Chair or other presiding officer should ensure decorum and that discussions are focused on the item in question, not on personalities or members or the public. The Chair must protect the record, protect privacy rights for all participants, and is responsible for maintaining a harassment-free environment.

4.7 PARTICIPATION IN COMMITTEES

Each Director appointed to a Committee shall attend all meetings of the Committee in accordance with the provisions of Sections 3.11 and 4.6 above.

4.8 COMMUNICATIONS VIA EMAIL

Each Director, including Alternates, shall be issued a CCWA email address. Directors shall conduct all electronic communications related to CCWA business through their CCWA issued email address. Directors shall not conduct CCWA business through their personal email address or email address issued by their Member Agency.

4.9 CONFIDENTIAL COMMUNICATIONS

Directors shall ensure the confidentiality of certain information and communications (collectively, “**confidential information**”) related to CCWA business. Below are the circumstances in which “confidential information” may arise, and a Director’s responsibilities related to protecting the confidentiality of such information.

4.9.1 Closed Session Communications

“Confidential information” includes any “communication made in a closed session that is specifically related to the basis for the legislative body of a local agency to meet lawfully in closed session” (i.e., any information, oral or written, relating to the subject matter of the closed session). (Gov. Code, § 54963(b).) The Brown Act generally prohibits the disclosure of confidential information acquired by any person present at an authorized closed session (herein, a “**Closed Session Communication**”).

However, Directors *may* disclose Closed Session Communications to the legal counsel of the Director’s Member Agency for the limited purpose of obtaining advice on whether the matter has direct financial or liability implications for that Member Agency. If legal counsel for that Member Agency reasonably concludes that the confidential information in question may have direct financial or liability implications for the Member Agency, the Director may disclose such information to the other members of the legislative body of the Member Agency, but only pursuant to the procedures described below. (Resolution No. 05-01.)

1. Legal counsel of the Member Agency has determined that the Closed Session Communication pertains to matters that have direct financial or legal liability implications for the Director’s appointing Member Agency;
2. The Closed Session Communication is disclosed **only** in a lawful closed session of the Director’s appointing Member Agency, held pursuant to Government Code Section 54956.96 or other applicable provisions of law, which the members of the legislative body of the Member Agency conduct for the purpose of receiving, discussing, and/or taking action concerning the Closed Session Communication; and
3. Disclosure of the Closed Session Communication to the Director’s appointing Member Agency will not result in the loss of any privilege or other protected status of the information (e.g., attorney-client or work product privileges).

In limited circumstances, the Board, by majority vote, may authorize disclosure of certain Closed Session Communications to a third party, including a Member Agency. However, once disclosed to a third party, such information is no longer protected by the attorney-client or work product privileges, as applicable.

All disclosures of confidential information, including Closed Session Communications, not covered by this policy or not otherwise approved by the Board are prohibited. (See Resolution No. 05-01.)

4.9.2 Attorney-Client Privilege Communications & Attorney Work Product

“Confidential information” also includes communications outside of closed session, including attorney-client privileged communications, attorney work product, and other work product prepared for use in pending litigation (collectively, herein “**Attorney-Client Communications**”).

The attorney-client privilege protects the entirety of confidential communications between CCWA Counsel and the Board as long as the communication remains confidential (e.g., it is not shared with a third party outside of the lawyer-client relationship). Generally, disclosure of an otherwise exempt record to anyone outside of the attorney-client relationship waives the attorney-client privilege.

An attorney-client relationship exists between CCWA and its legal counsel. Because CCWA’s legal counsel represents the entire organization, legal counsel may share Attorney-Client Communications with Directors without the loss of confidentiality. Communications between Directors and/or CCWA personnel about legal representation may also be protected by attorney-client privilege if made in furtherance of the legal representation.

Directors shall not disclose Attorney-Client Communications to any third party, including the staff, legal counsel, and/or members of the legislative body of the Director’s appointing Member Agency. Such disclosure could result in the loss of the attorney-client privilege, thereby subjecting the confidential communication to disclosure to the public.

Similarly, work product⁶ produced by CCWA Counsel or other retained legal counsel may be protected from disclosure. Directors shall not share attorney work product with any third party, including the staff, legal counsel, and/or members of the legislative body of the Director’s appointing Member Agency.

In limited circumstances, the Board, by majority vote, may authorize disclosure of certain Attorney-Client Communications or attorney work product to a third party, including a Member Agency. However, once disclosed to a third party, such information is no longer protected by the attorney-client or work product privileges, as applicable.

4.10 COMPLIANCE WITH APPLICABLE LAW AND REGULATIONS

⁶ A writing that reflects the attorney’s impressions, conclusions, opinions, or legal research or theories enjoys absolute protection from disclosure while any other work product enjoys qualified protection.

Directors shall comply with all applicable federal, state, and local laws, CCWA resolutions, policies, procedures and agreements.

4.11 REPORTING OBLIGATIONS

Directors shall file with the Executive Director or his/her designee copies of any documentation required by federal or California law or regulations pertaining to Directors' position with CCWA or Member Agency, including, but not limited to, statements of economic interest (Form 700), ethics training, fiscal & financial training, and sexual harassment training. Directors will be reminded to update such records with CCWA annually in March.

SECTION 5 ADMINISTRATION

5.1 BUDGET PROCESS

The Executive Director is responsible for administration of the CCWA fiscal year budget (“**Budget**”) process. The Budget is prepared based on CCWA’s goals and objectives and a Ten-Year Financial Plan. The Board approves the budget by motion and a majority vote of the Board at a public meeting.

July 1 is the beginning of CCWA’s fiscal year. In December, the Executive Director presents a list of goals and objectives by department for the Board’s approval. The Executive Director then prepares a draft Budget in January and February.

In March, the Executive Director presents the draft Budget to the Operating Committee for a recommendation to the Board. The Board then considers the draft Budget at its March regular meeting. The Executive Director amends the Budget based on Board direction and resubmits the amended Budget for Board consideration at a public meeting. Approval of the final Budget by the Board typically occurs in April or May.

The Budget takes effect at the beginning of CCWA’s fiscal year on July 1. The Budget may only be amended during the year by Board action at a regular Board meeting.

5.2 BOARD COMPENSATION

Any Director may receive such compensation from CCWA for services as may from time to time be established by the Board. (JPA, § 8(d).)

APPENDIX

Ralph M. Brown Act

https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=2.&title=5.&part=1.&chapter=9.&article=