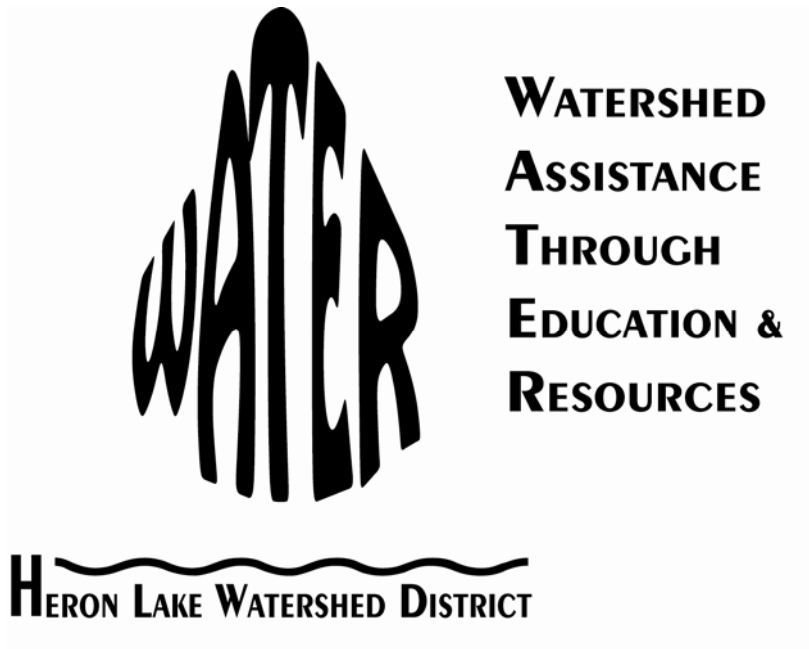


Heron Lake Watershed District

District Policies Handbook



DISTRICT POLICIES HANDBOOK

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Updated: October 23, 2008

DISTRICT POLICIES HANDBOOK

This Policy Statement of the Heron Lake Watershed District (HLWD) is intended to provide guidance to the Board of Managers and the public on the conduct of its business and affairs. The Policy Statement shall be reviewed annually and may be amended by receiving a majority vote of the Board of Managers.

THE DISTRICT SHALL:

1. Receive at its official office all pertinent correspondence, funds, documents, and communications relative to the conduct of business. Any documents received requiring transmission to the President, Board of Managers, consultants, or other parties shall be copied for the record (files) and then properly transmitted.
2. Provide the necessary facilities and equipment for the conduct of its affairs.
3. Make available to the public information on the conduct of its affairs by publications and other means as deemed necessary.
4. Shall contract for, or hire, staff with the required capabilities to conduct the business of the District in a professional manner.
5. Promote and maintain the highest possible standard of working relations with other governmental agencies, organizations, groups, and the public as follows:
 - a. The District will endeavor to keep all citizens informed of its activities, projects, and policies through press releases, staff availability, and published reports.
 - b. The District's managers, staff, and consultants will direct interested parties toward solutions to water-related problems and provide necessary assistance.
 - c. It is the intent of the District to keep the public well informed and obtain citizen input on project and policy issues.
6. Promote intergovernmental cooperation as follows:
 - a. The District will regularly relate to local, regional, state, and federal agencies and their representatives in the pursuit of their activities.
 - b. Any governmental unit or its designated contact person is encouraged to utilize the District's services and capabilities.
 - c. The District seeks to pursue its initiatives by utilizing all available and pertinent resources of appropriate governmental entities and reciprocate in a like manner.
7. Promote public organization relationships as follows:
 - a. All organizations interested in utilizing the capability of the District or providing input on project and policy issues are encouraged to do so.
 - b. Providing awareness of the District's capabilities, including, but not limited to, attendance at regular meetings; providing pertinent information through staff, consultants, or managers; cooperation on projects, policies, or initiatives (environmental); and information on compatible programs or projects.
 - c. Accepting for organizations interested in environmental enhancement, through appropriate channels of direct communications, information,

or initiatives to enhance projects, programs, or policies and seek to inform its membership through the District's staff or consultants on the scope and extent of utilizing the resources available.

POSITION DESCRIPTION

This position is that of watershed district manager. The watershed district manager's job is to preside over the business of the watershed district as it pursues the conservation of the natural resources of the state through regulation and the use of sound scientific principles, for the protection of the public health, safety and welfare, and the provident use of natural resources as outlined in Minnesota Statutes 103D and 103E.

A watershed manager holds the public trust to assure that water resources are managed in an effective and efficient manner and will represent the public in a fair and unprejudicial manner.

In addition to the items below, the incumbent must attend regularly scheduled meetings, maintain cooperative working relations with other board members, local, state, and federal agencies and organizations, and promote watershed district activities. The position requires a self-motivated person who is courteous and tactful in dealing with other board members, the public, and representatives from other agencies. The incumbent must also be service-oriented and fair-minded, willing to learn and try new methods in performing tasks, aware of long and short-term consequences of decisions, and open and truthful in communication.

Role of the Board of Managers

1. Determine and uphold the organization's Mission and Purpose.
2. Provide for effective and efficient administration.
3. Through an effective strategic planning process, ensure the organization has a long-range plan, goals, an annual work program, and budget.
4. Ensure adequate resources through fiduciary and fundraising roles.
5. Monitor and strengthen the organization's program and services.
6. Enhance the organization's reputation through advocacy and action.
7. Ensure legal and ethical integrity and maintain accountability.
8. Orient new board members and assess board performance.
9. Through monitoring and review ensure the organization's relevance and longevity.
10. Ensure management and board succession – provide for leadership and continuity.

Manager Responsibilities

General Expectations

1. Know the District's mission, purpose, goals, policies, programs, services, strengths, and needs. Uphold the District's mission, purpose, and policies.
2. Perform manager duties responsibly and conform to the level of competence expected from managers.
3. Avoid prejudiced judgments on the basis of information received from individuals and urge those with grievances to follow established policies and procedures.

4. Provide for the continued growth of the district and board members through education, succession of positions, and maintenance of the district charter, bylaws, and mission statement.
5. Attend MAWD Summer Tour, MAWD Annual Meeting, and other training sessions sponsored by MAWD.
6. Attend other training sessions that provide pertinent information for watershed management.
7. Serve in leadership positions and undertake special assignments willingly and enthusiastically.
8. Be team-oriented in the sense that federal, state, and local agencies can be both constituents and colleagues depending on the circumstances.
9. Follow trends in water and related natural resources management.
10. Bring good will and a sense of humor to the board's deliberations.
11. Motivate citizens to participate in watershed district activities.

Meetings

1. Prepare for and have a high level of participation in board and committee meetings, including appropriate organizational activities.
2. Ask timely and substantive questions at board and committee meetings consistent with your conscience and convictions. Support the majority decision on issues decided by the board not only at board meetings, but also when representing the District at other meetings.
3. Maintain confidentiality of the board's executive sessions, and speak for the board only when authorized to do so.
4. Suggest agenda items periodically for board and committee meetings to ensure that significant, policy-related matters are addressed.
5. May represent the District before citizen groups, elected officials, and various other boards, task forces, or commissions.

Relationship with Staff

1. Work with the board, staff, and other stakeholders to establish program priorities, objectives, and direction for the District staff and consultants.
2. All requests for additional information shall go through the District Administrator. All staff supervision will be done through the administrator. The administrator is responsible to the board of managers as a whole, but can be of assistance from time to time to individual manager's requests for data or explanations.
3. Provide for a process to establish work program, project plans, schedules, and budgets and allow staff and consultants to perform within established parameters without interference and micromanagement.
4. Provide for personnel and consultant staff performance review procedures to assess performance and identify need for performance improvement or reinforcement.

Avoiding Conflicts

1. Serve the organization as a whole rather than any special interest group or constituency.

2. Avoid even the appearance of a conflict of interest that might embarrass the board or the organization, and disclose any possible conflicts to the board in a timely manner. Be familiar with and follow the District's Conflict of Interest Policy.
3. Maintain independence and objectivity and do what a sense of fairness, ethics, and personal integrity dictate.
4. Never accept (or offer) favors or gifts from (or to) anyone who does business with the District.

Fiduciary Responsibilities

1. Exercise prudence with the board in the control and transfer of funds.
2. Read and understand the organization's financial statements and otherwise help the board fulfill its fiduciary responsibility.

Planning, Programming, and Budgeting

1. Work with the board to set short and long-term goals through ongoing strategic planning and preparation of the watershed management plan.
2. Set annual program and project priorities using the guidance provided in the District plan.
3. Use annual priorities to establish the District's annual work program, budget, and the District annual tax levy.

MANAGERS

An appointed Board of Managers consisting of five members governs the HLWD. Working as part of the Board, a manager helps direct the activities of the District, set policy, guide staff, and make key decisions on District priorities.

1. Managers are compensated at the rate of \$75 per day. Compensation for meetings and special meetings is \$75.
2. Managers will be compensated at the rate of \$12 per hour for conducting business other than meetings. This compensation may not exceed \$75 per day.
3. Managers will be compensated for mileage at the current IRS rate.
4. Attendance at various meetings, workshops, etc., must be approved by the Board prior to the meeting in order for compensation to be paid. The President should approve meetings that come up between Board meetings.
5. Managers will be reimbursed for meals, registrations, and/or rooms when attending meetings or workshops.
6. When required to stay out of town on watershed-related business or for a training event, the manager is expected to use good judgment in the selection of lodging, unless part of the event package. If a manager's spouse and/or family share lodging facilities with the manager, the manager will be responsible for the difference between multiple and single accommodation rates. Managers authorized for lodging are encouraged to share rooms whenever possible.
7. ALWAYS request the "government rate" when on watershed business. Lodging establishments may provide significant discounts for government agencies.
8. If a manager is unable to attend a meeting, he will notify the District Administrator. Managers cannot miss more than three (3) unexcused meetings in a row. The

- Manager will be asked to resign and a replacement will be found if this violation occurs.
9. Regular Board meetings will be held the third Wednesday of the month at 9:00 a.m. from December to March and the third Tuesday of the month at 7:00 p.m. April to November at the District office in Heron Lake.
 10. Meetings will be limited to five hours to complete business unless it is deemed necessary to extend past the five-hour limit.
 11. Committee appointments will be made by the President or by motion. Only the members of the committee are to attend committee meetings, unless prior approval is granted and the meeting has been properly posted. Compensation for attending committee meetings will be at the rate of \$12 per hour.
 12. A majority of the managers appointed shall constitute a quorum to do business at all meetings of the Board of Managers, except as otherwise provided by law, and a minority of the Board of Managers may adjourn from day to day.
 13. The President can make and second motions at District meetings.
 14. The President or a majority of the managers can call a special meeting.

Oath and Bond (MS 103D.315, Subd. 1 and 2)

- Each manager must take and sign an oath of office. In addition, each manager must file a bond with the Board of Water and Soil Resources before assuming a manager's duties.

Position Purpose (MS 103D.201, Subd. 1)

- The watershed district manager's job is to preside over the business of the watershed district as it pursues the conservation of the natural resources of the state through regulation and the use of sound scientific principles, for the protection of the public health, safety, and welfare, and the provident use of natural resources.

Qualifications (MS 103D.201, Subd. 1)

- A manager must be a resident of the watershed district.
- A manager may not be a public officer of the county, state, or federal government.
- A manager may be a Soil and Water Conservation District (SWCD) supervisor.

Appointment and term of office (MS 103D.311, Subd. 2 and MS 103D.315, Subd. 6)

- The County Board is the appointing authority.
- The term of office is three years – a manager may be reappointed.
- The appointing County Board must provide public notice before making appointments.
- Although the appointments must result in a balance of geographic and hydrologic areas, once appointed, the managers DO NOT represent that specific area, but are required to make decisions on behalf of the good of the entire watershed district.

OFFICER DUTIES

Regular monthly meetings are a must if the District is to be successful. Managers, as representatives of the people, are obligated to conduct the business of the District in an orderly and business-like manner. Successful board meetings depend upon the direction given by the President and upon the willingness of board members to carry out their assignments as appointed.

President

The President is the steering mechanism of the District. It is up to the President to do that little extra to motivate board members and other public-minded individuals to do what they can to assist in serving the present and future citizens of the District.

Specific responsibilities of the President are:

- Preside at all meetings.
- Determine agenda items.
- Call special meetings when necessary.
- Communicate with District staff, consultants, and the heads of other agencies involved prior to the scheduled meeting to address agenda items. This can be done by a short office visit and perhaps a few telephone calls. A formal meeting may not be necessary.
- Refer regularly to long-range goals of the District and the District plan of work and operations when preparing the agenda, trying to ensure that all planned activities are addressed.
- Make sure a copy of the agenda, minutes of the previous meeting, and a financial statement (at a minimum) are sent to each board member three to four days prior to the meeting.
- See that agendas and pertinent material are sent to all individuals who should attend the meeting and take part in the discussion.
- Keep in contact with other managers on the progress of various programs as delegated. Insist on regular attendance of managers.
- Call meeting to order promptly and at the specified time. Follow proper rules of order for a business meeting. Adhere to the time schedule.
- Assume the role of facilitator. This will encourage all managers to participate in discussion of existing issues.
- Complete an item of business in the order listed before taking up the next item. Stick to the agenda.
- Use the Clean Water Partnership Advisory Committee to involve individuals other than board members and require committee reports at board meetings.
- Avoid the “rubber stamp” approach. Encourage board members to question staff or individual presenters regarding clarification to a specific point, thus allowing them to draw conclusions to adequately make their own decisions.
- Adjourn meeting promptly after all business has been completed.

Vice President

The Vice President position becomes most important in the absence of the President. The Vice President should note the activities of the President and how they are carried out, in case it is ever necessary for the Vice President to chair a meeting.

Specific duties of the Vice President are:

- Assume the duties of the President in the absence of the President.
- Assist in organizing and implementing the District program.
- Oversee the work of committees and coordinate their reports as delegated by the President.
- Be familiar enough with the total program of the District to be able to work closely with the President and fill in when necessary.

Secretary

The primary responsibility of the District Secretary is to arrange for the recording of official proceedings of the Board and to see that the entire Board approves the minutes as the legal record of the District. As public officials using public funds, these minutes should then be signed, becoming the permanent record of what is done and why. Copies for general information purposes should be forwarded to the area and central office of the Board of Water and Soil Resources. They can also be sent to other interested persons or organizations.

Specific duties of the Secretary are to:

- Make a complete record of all proceedings.
- Indicate date and place of meeting, refer to whether it is a regularly scheduled meeting or a special meeting, official presiding, names of all those present including visitors, organizations represented, and names of managers absent.
- Record each motion in full.
- Complete action on each item of business so that a record can be made of what was addressed and completed.
- Initiate correspondence on behalf of the Board as the need arises.
- Inform the chair of any business that should come before the Board.
- The Secretary or President should sign the official copy of the Board minutes after approval by the Board at the next meeting.

Treasurer

The Treasurer is responsible for the financial matters of the District, including the financial records. The Treasurer co-signs District fund checks after approval of the Board. The Treasurer and Secretary should be bonded.

Specific duties of the Treasurer are to:

- Maintain complete and accurate records of receipts and expenditures, including District staff's program records and trial balance.

- Be prepared to answer questions from other Board members regarding the monthly and/or quarterly financial statement, as well as the year end figures.
- Pay bills approved by the Board and issue receipts for incoming funds or designate staff to do so.
- Make sure program records and the general journal provide for an adequate number of accounting categories to handle all general and special use programs.
- Assure that authorization for payment of bills by the District Board is recorded in the minutes of the meeting.
- Work with the District staff to develop a fiscal budget.

BOARD MEETINGS

In order for a person to be heard at a meeting, he or she must submit in writing to the HLWD office, not later than one week prior to the scheduled meeting, a request for agenda time. The request for agenda time must state the topic or topics to be discussed, identify the person or persons to be presenting information, and an estimate as to the amount of time needed to present the information. The president of the board of managers will review all requests for agenda time and will determine whether an item will be granted time on the agenda. Requests for agenda time should describe the proposed topic or topics in sufficient detail to permit analysis of the request, and if a request for agenda time is deemed to be too broad or vague, it shall be returned to the submitter with a request for additional information.

All requests for agenda time will be considered on a case-by-case basis, taking into account available time and resources, prior consideration of similar issues, the extent to which the proposed agenda item is within the watershed's jurisdiction and statutory authority, and the perceived need for priority of action upon the specific proposed agenda item.

Only items that are on the agenda will be discussed at the meeting. Items may be subtracted from the agenda, but no items can be added to the agenda at the meeting.

Additions or corrections to the meeting minutes should be given to the District Administrator upon review of the draft version. Minutes shall not be distributed to the general public until the board of managers officially approves them. Copies of materials approved at board meetings will be provided to the general public at their request.

Order of Business

- The meeting is called to order by the President.
- Roll call (if used).
- The minutes of the preceding meeting may be read by the Secretary and may be approved as read, or may be approved with additions or corrections.
- Monthly statement of Treasurer is "received as read and filed for audit" (President so states). No motion of approval is necessary.
- The President calls for reports of standing committees.
- The President calls for reports of special committees.

- Unfinished business is next in order at the call of the President.
- The President calls for new business.
- If the meeting is an annual or special meeting the program – such as awards, a speech, etc. - follows. The program is considered part of the meeting. The President presides throughout.

Principle Motions

A general statement is a motion that has been made, seconded, and stated by the President. The assembly is not at liberty to consider any other business until this motion has been disposed of. If the motion is long and involved, the President asks the mover to hand it in writing to the Secretary. The mover cannot withdraw the motion after the President has stated it. In general, all important motions should be seconded, which may be done without rising or addressing the President.

Typical steps in a motion are:

- Address President.
- Recognized.
- State motion.
- Second motion.
- State to group by President.
- Discussion.
- Vote.
- Announcement of results.

OPEN MEETING LAW

Meetings of the District are governed by MS 471.705, the *Minnesota Open Meeting Law*, and are generally considered to be open meetings to the public. Therefore, the managers should work from the assumption that the meeting is open unless closed for a reason that is legally permissible.

The following notice requirements should be observed:

- A schedule of the regular meetings of the District shall be kept on file at its primary office.
- If the Board has established (and published or posted) a regular monthly meeting date, time, and location, it is not necessary to post notices of these individual meetings.
- If the date, time, or place is changed, or the District holds a special meeting, it is necessary to post a written notice of the date, time, place, and purpose of the meeting on the principal bulletin board or the door of its usual meeting room, at least three days before the meeting.
- If the Board deems it necessary to hold an Emergency Meeting, the meeting may be held as soon as feasible to accommodate the board of managers and the public.

- The District must mail or deliver a notice at least three days before the meeting to anyone who has filed a written request for notice of special meetings. The District can publish the notice at least three days in advance in the official newspaper of the District, or, if there is none, in a qualified newspaper of general circulation within the District's area.

HLWD meetings are public meetings. Just like the Senate, House of Representatives, or County board meetings, people in the audience are not guaranteed a right to participate. The audience is there to observe the proceedings.

CITIZENS ADVISORY COMMITTEE (MS 103D.331)

To ensure public input, the law requires that managers appoint an advisory committee to provide recommendations on matters affecting the watershed district, including all contemplated projects and improvements. This group can play an important role in ensuring that the watershed district is fulfilling the needs of the community and is aware of citizen concerns.

The advisory committee must have at least five members. If possible, members should include the following:

- A supervisor of a Soil and Water Conservation District.
- A County Commissioner.
- A representative of a sporting group.
- A representative of a farm organization.

The Board may appoint other members as it sees fit.

HLWD Advisory Committee members are appointed on an annual basis. Committee members sign and submit an acceptance of appointment and oath. The Advisory Committee members receive monthly newsletters, agendas, and meeting minutes. They also receive the annual report after its completion. The HLWD Advisory Committee meets annually in December and also on an as-needed basis.

PUBLIC EDUCATION POLICY

The HLWD has adopted an education policy in an effort to provide first-hand, accurate information regarding on-going watershed improvement efforts. This policy provides that the HLWD, alone or in partnership with other agencies and organizations, will offer educational opportunities such as a website, public presentations, tours, newspaper articles, monthly newsletters, annual reports, workshops, seminars, and public education meetings for the general public, elected personnel, and students. Whenever possible, public input will be obtained through a question/answer period, survey, or questionnaire. Information gathered will be used as a basis for continuing education efforts. Public education endeavors will be done on an as needed basis.

WEBSITE

To provide increased visibility and easy access for the general public, the HLWD has developed a website. This website contains contact information for staff and managers,

programs offered, historical data, grant programs and reports, meeting agendas and minutes, annual reports, and financial information.

Following is a time frame for on-line availability:

- Meeting minutes will be on-line for two years. After that time, they will be removed from the website, but will still be available at the HLWD office.
- Agendas for regular and/or special meetings will be posted within three days of the meeting.
- Annual reports will be on-line for one year.
- All other reports, newsletters, and other documented information will be available on-line for at least year.
- Program information may change dependent on funding conditions.

REQUEST FOR DATA POLICY

It is the policy of the HLWD to provide public information as required by M.S. 13.03. The board of managers has designated the District Administrator as the record keeper of data collected, created, received, maintained, or disseminated for the HLWD.

Upon written request for copies or electronic transmittal, public data shall be provided in the following manner:

- The requesting party shall pay the actual costs of searching for and retrieving government data, including the cost of employee time, and for making, certifying, compiling, and electronically transmitting the copies of the data or the data, but may not charge for separating public from not public data.
- If the responsible authority or designee is not able to provide copies at the time a request is made, copies shall be supplied as soon as reasonably possible.
- When a request involves any person's receipt of copies of public government data that has commercial value and is a substantial and discrete portion of or an entire formula, pattern, compilation, program, device, method, technique, process, database, or system developed with a significant expenditure of public funds by the District, the responsible authority may charge a reasonable fee for the information in addition to the costs of making, certifying, and compiling the copies. Any fee charged must be clearly demonstrated by the agency to relate to the actual development costs of the information. The responsible authority, upon the request of any person, shall provide sufficient documentation to explain and justify the fee being charged.
- Data may be provided in electronic format if the District can reasonably make the copy or have a copy made. This does not require the District to provide the data in an electronic format or program that is different from the format or program in which the data are maintained by the government entity. The entity may require the requesting person to pay the actual cost of providing the copy.
- If the responsible authority or designee determines that the requested data is classified so as to deny the requesting person access, the responsible authority or designee shall inform the requesting person of the determination either orally at the time of the request, or in writing as soon after that time as possible, and shall cite

the specific statutory section, temporary classification, or specific provision of federal law on which the determination is based. Upon the request of any person denied access to data, the responsible authority or designee shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.

All costs imposed pursuant to this policy shall be paid by a requester prior to any delivery of public data by the HLWD. Whenever the costs associated with a request for data exceed the sum of \$5.00, the District Administrator will issue an estimate of the cost in writing to the requester, along with a request that the requester confirm liability for the expense.

Upon written request for inspection of data, access shall be provided in the following manner:

- The requesting party shall contact the District Administrator to make an appointment to inspect the data.
- Inspection includes, but is not limited to, the visual inspection of paper and similar types of government data.
- Inspection does not include printing copies by the government entity, unless printing a copy is the only method to provide for inspection of the data.
- In the case of data stored in electronic form and made available in electronic form on a remote access basis to the public by the District, inspection includes remote access to the data equipment. Nothing prohibits the District from charging a reasonable fee for remote access to data under a specific statutory grant of authority. The District may charge a fee for remote access to data where either the data or the access is enhanced at the request of the person seeking access.

CONFLICT OF INTEREST GUIDELINES

The mission of the HLWD is to effectively and efficiently deliver essential services to the public. It is the belief of the Board that high standards of conduct within the HLWD are essential in accomplishing this mission.

This policy is solely for the benefit of the District. The Board of Managers has exclusive authority and responsibility to administer, interpret, and enforce this policy. That board may determine to waive a particular violation of or failure to be inadvertent or unintended, or of a technical nature which is immaterial to the outcome. Violation or failure of compliance with this policy will not render a decision or transaction void, or voidable, except only as provided by Minnesota law.

The purpose of the conflict of interest policy is to protect the District's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or manager of the District. The policy is intended to supplement, but not replace, any applicable state laws governing conflicts of interest applicable to Minnesota local units of government.

In fulfilling one's duties as a manager, it is mandatory that tact, patience, diplomacy, and understanding go hand in hand with an individual's demonstrated competency in his/her line of work. The manager is expected to provide wholehearted service during work hours and not engage in conduct that is immoral, unethical, or illegal. Any conflict between personal and private interests should be resolved in favor of the public interest.

Definitions

- *Interested person*: any manager, officer, or member of a committee who has a direct or indirect financial interest, as defined below, is an interested person.
- *Financial interest*: a person has a financial interest if the person has, directly or indirectly, through business, investment, or family –
 - An ownership or investment interest in any entity with which the District has a transaction or arrangement, or
 - A compensation arrangement with the District or with any entity or individual with which the District has a transaction or arrangement, or
 - A potential ownership or investment interest in, or compensation arrangement with which the District is negotiating a transaction or arrangement.
- *Compensation* includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

Procedures

Duty to Disclose

Managers shall obtain prior approval from the Board before engaging in any employment, public elected position, activity, or enterprise for private gain where there may be a conflict of interest with HLWD duties.

No manager of the District shall be directly or indirectly interested in any contract, work, labor, or business to which the District is a party or in which it is or may be interested, or in the furnishing of any article to, or the purchase or sale of any property, real or personal, by the District, or of which the consideration, price, or expense is payable from the District's funds.

At the beginning of any discussion on an issue where a manager may have a conflict of interest, the manager so affected shall disclose the nature of that interest.

Examples of conflicts may be, but are not limited to, the following:

- A manager owns land that is or may be in the benefiting or damaged area of a project petitioned to the District for development.
- The manager has any interest in a private or corporate business that is being considered for contractual or financial association with a project.
- The manager is a public officer of a governmental body that may be affected by a potential project.

Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

Procedures for Addressing the Conflict of Interest

- An interested person may make a presentation at the board or committee meeting, but after such presentation and preliminary discussion and questions for that person, he/she shall leave the meeting during the final discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
- The president of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. Appropriateness shall be gauged in light of all pertinent circumstances, including, but not limited to, the amount involved in the transaction or arrangement, and any exigencies of time.
- After exercising reasonable due diligence, in view of all pertinent circumstances, the board or committee shall determine whether the District can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine, by a majority vote of the disinterested managers, whether the transaction or arrangement is in the District's best interest and for its own benefit and whether the transaction is fair and reasonable to the District and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

Violations of the Conflicts of Interest Policy

- If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate action. The board or committee may determine that no action, other than a reminder of this policy, is appropriate, particularly in the case of an inadvertent or unintended failure, and/or if the outcome would not have been affected by disclosure.

Records of Proceedings

The minutes of the board and all committees shall contain:

- The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.

- The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Compensation

- A voting member of the Board of Managers and/or a voting member of a committee whose jurisdiction includes compensation matters shall not:
 - Vote on matters pertaining to his or her compensation,
 - Vote on matters pertaining to amounts paid to another person or entity in which the voting member has a financial interest, or
 - Participate in final discussions and deliberations prior to any such vote.
- Generally, absent justification acceptable to the Board of Managers (which should be reflected in the minutes), a person who is not to vote or participate in final discussions and deliberations as to particular compensation matters should not be appointed to, or serve on, a committee whose jurisdiction includes such matters. A person who does so serve is nonetheless subject to the policy set for at the beginning of this section, as described above.
- No person is prohibited from providing compensation-related information to the Board of Managers or a committee.

Annual Statements

Each manager should annually sign a statement which affirms that such person:

- Has received a copy of the conflicts of interest policy,
- Has read and understands the policy, and
- Has agreed to comply with the policy.

Periodic Reviews

To ensure that the District operates in a manner consistent with its governmental purposes, the District shall endeavor to conduct periodic reviews on the following subjects (and others as the Board of Managers may determine):

- Whether compensation arrangements and benefits are reasonable and is the result of arm's length bargaining.
- Whether acquisitions of services result in inurement or impermissible private benefit.
- Whether contracts, partnerships, or joint venture arrangements and arrangements conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the District's purposes, and do not result in inurement or impermissible private benefit.
- Whether agreements to provide services, improvements, grants, or other payments, further the District's purposes and do not result in inurement or impermissible private benefit.

Use of Outside Experts

In conducting the periodic reviews, the District may, but need not, use outside advisors. If the outside experts are used, their use shall not relieve the board of its goal to ensure that periodic reviews are conducted.

Minnesota Law Provisions

Relationship of Policy to Minnesota Law and Bylaws

- The foregoing policy is supplemental to the Minnesota law and application provisions of the District's Policy Handbook. The Board of Managers has adopted the foregoing policy and has the authority to, from time to time, amend, repeal, and until it is repealed, enforce it.

Because the policy is supplemental to the Minnesota law and the District's Policy Handbook, the question of the validity of a contract or transaction between the District and a person or persons who might have a conflict of interest must be determined under applicable law and the District's Policy Handbook. The following paragraphs concern that question.

General

- A contract or other transaction between the District and: (1) its manager or a member of the family of its manager; (2) a manager of a related organization, or a member of the family of a manager of a related organization; (3) an organization in or of which the District's manager, or a member of the family of its manager, is a manager, officer, or legal representative, or has a material financial interest, is not void or voidable because the manager or the other individual or organization are parties, or because the manager is present at the meeting of the members of the Board of Managers or a committee at which the contract or transaction is authorized or ratified if:
 - The contract or transaction was, and the person asserting the validity of the contract or transaction was, fair and reasonable as to the District at the time it was authorized;
 - The material facts as to the contract or transaction and as to the manager's interest are fully disclosed or known to the members and the contract or transaction is approved in good faith by two-thirds of the members entitled to vote, not counting any vote that the interested manager might otherwise have, or the unanimous affirmative vote of all members, whether or not entitled to vote;
 - The material facts as to the contract or transaction and as to the manager's interest are fully disclosed or known to the Board of Managers or a committee, not counting any vote that the interested manager might otherwise have, and not counting the manager in determining the presence of a quorum; or

Material Financial Interest

For purposes of the immediately preceding paragraph:

- A resolution fixing the compensation of manager is not void or voidable or considered to be a contract or other transaction between a District and one or

more of its managers, even though the manager receiving the compensation fixed by the resolution is present and voting at the meeting of the Board of Managers or a committee at which the resolution is authorized, approved, or ratified, or even though other managers voting upon the resolution are also receiving compensation from the District; and

- A manager has a material financial interest in each organization in which the manager, or the spouse, parent, children and spouses of children, brothers and sisters and spouses of brothers and sisters, and the brothers and sisters of the spouse of the manager, or any combination of them have a financial interest. For purposes of this policy, a contract or other transaction between a District and the spouse, parents, children and spouses of children, brothers and sisters, spouses of brothers and sisters, and the brothers and sisters of the spouse of a manager, or any combination of them, is considered to be a transaction between the District and the manager.

Supplemental & Specific Procedures

- The above policy shall be made known to all members of the Board of Managers and staff.
- Any transaction or contract in which the District would be required to pay to one or more of its managers, or any firm of which one or more of its managers are members or employees, or in which he or they have a material financial interest, or any District or association of which one or more of its managers are shareholders, members, managers, or employees, \$250.00 or more for goods or services in the period of one (1) year shall be outlined in writing by the District Administrator and presented to the President prior to finalizing the transaction or contract. The District Administrator shall have obtained proposals for at least one other supplier of goods or services of equal quality prior to presenting the proposal to the President.
- The District Administrator shall present the matter to the full Board of Managers at its next regular meeting with a full explanation of any potential conflict of interest.
- The Board of Managers may approve or disapprove the transaction or contract in accordance with the voting outlined in the policy above and as provided by the District's Policy Handbook.

The Board of Managers of the HLWD shall demonstrate professional integrity in the issuance and management of information. They shall not knowingly sign, subscribe to, or permit the issuance of any statement or report which contains misstatement or which omits any material fact. They shall prepare and present information pursuant to accepted practices and guidelines. They shall respect and protect privileged information to which they have access by virtue of their office. Within the framework of federal, state, or local government policy, they shall be sensitive and responsive to inquiries from the public.

CODE OF ETHICS POLICY

The proper operation of democratic government requires that the public officials and employees be independent, impartial, and responsible to the people; that government decisions and policy be made in the proper channels of the government structure; that

public office is not used for personal gain; and that the public have confidence in the integrity of its government.

In recognition of these goals, there is hereby established a Code of Ethics for all Public Officials and employees of the HLWD. The purpose of this Code is to establish ethical standards of conduct for all such officials and employees by setting forth those acts or actions that are incompatible with the best interest of the HLWD and by directing disclosure by such officials of private financial or other interests in matter affecting the District. The provisions and purpose of this Code and such rules and regulations may be established and are hereby declared to be in the best interest of the HLWD.

Responsibilities of Public Office

Public officials hold office on behalf of the public. They are bound to uphold the Constitution of the United States and the Constitution of the State of Minnesota. Public officials must carry out impartially the laws of the nation, state, and rules of the HLWD in fostering respect for all government. They are bound in their official acts by the highest standards of morality to discharge faithfully the duties of their office. Public officials shall be dedicated to fulfilling the responsibilities of office. They shall be dedicated to the public purpose and all programs developed by them shall be in the community interest. Public officials shall not exceed their authority or breach the law or ask others to do so. They shall work in full cooperation with other public officials and employees unless prohibited from doing so by the law.

For the purpose of this policy the following definitions apply:

- *Business*: Any corporation, partnership proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, or any other legal entity which engages either in nonprofit or profit-making activities.
- *Confidential information*: any information obtained under government authority which has not become part of the body of public information and which, if released prematurely or in non-summary form, may provide unfair economic advantage or adversely affect the competitive position of an individual or business.
- *Private interest*: any interest, including, but not limited to, a financial interest, which pertains to a person or business whereby the person or business would gain a benefit, privilege, exemption, or advantage from the action of the District employee that is not available to the general public.
- *“Employee” or “employees”*: employees of the District other than managers.
- *Public official*: any person that has been appointed by the County Board.
- *Immediate family*: A reporting individual, spouse, minor children, minor stepchildren, or person residing in the same household.

Watershed District Board Conduct with Watershed Staff

Watershed board member’s statutory duties are to be performed, almost without exception, by the watershed board as a whole. The watershed board, not individual members, must supervise administrative officers. As individuals, watershed board members have no administrative authority. They cannot give orders or otherwise supervise employees, unless specifically directed to do so by the Board. As a Board,

however, Board members have complete authority over all administrative affairs in the HLWD.

Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Poor behavior toward staff is not accepted.

Limit contact to specific District staff.

- Questions of District staff and/or requests for information shall be directed to the District Administrator. Materials supplied to a Board member in response to a request will be made available to all members of the Board.
- Board members shall never express concerns about the performance of a District employee in public, to the employee directly, or to the employee's supervisor. Comments about staff performance shall be made to the District Administrator through private correspondence or conversation.
- Individual Board members must not attempt to influence staff on the making of appointments, awarding of contracts, selecting of consultants, processing of development applications, or granting the District licenses and permits.
- Routine secretarial support will be provided to all Board members. Request for additional staff support, even in high priority or emergency situations, shall be made to the District Administrator who is responsible for allocating District resources in order to maintain a professional, well-run District.

Watershed District Board Conduct with the Public

- No signs of partiality, prejudice, or disrespect will be evident on the part of individual Board members toward an individual participating in a public forum.
- The President (or Vice President in the President's absence) will determine and announce limits on speakers at the start of the public meeting. Generally, each speaker will be allocated ten (10) minutes. If many speakers are anticipated, the President may shorten the time limit and/or ask speakers to limit themselves to new information and points of view not already covered by previous speakers. No speaker will be turned away unless exhibiting inappropriate behavior.
- Only the President (or Vice President), and not individual Board members, can interrupt a speaker during a presentation. Questions by the Board members of the public shall seek to clarify or expend information. It is never appropriate to belligerently challenge or belittle the speaker. Board member's personal opinions or inclinations about upcoming votes shall not be revealed.

Watershed District Board Conduct in Unofficial Settings

- It is appropriate for Board members to give a brief overview of the District policy when asked about a specific issue by constituents and to refer to District staff for further information. It is inappropriate to overtly or implicitly promise Board action, or to promise that District staff will perform or expedite a specific service or function (monitor lake, rush a permit, etc).
- It is acceptable in public to disagree about an issue, but it is unacceptable to make derogatory comments about other Board members, their opinions, and/or actions.

- Board members are constantly being observed by the community every day that they serve in office. Their behaviors serve as models for proper behavior in the District. Honesty and respect for the dignity of each individual should be reflected in every word and action taken by Board members, 24 hours a day, seven days a week. It is a serious and continuous responsibility.

Watershed District Board Conduct with the Media

- Never speak “off the record”. Words that are not said cannot be quoted.
- The President is the designated representative of the Board to present and speak on the official Board position.
- Choose words carefully and cautiously. Comments taken out of context can cause problems. Be especially cautious about humor, sardonic aside, sarcasm, or word play. It is never appropriate to use personal slurs or profanity when talking with the media.

Use of Confidential Information

A public official or employee of the District shall not use confidential information to further the employee’s private interest and shall not accept outside employment or involvement in a business or activity that will require the employee to disclose or use confidential information.

Use of Property

A public official or an employee shall not use or allow the use of District time, supplies, or District owned or leased property and equipment for the employee’s private interest or any other use not in the interest of the District, except as provided by law, unless the employee has received prior approval from the District Administrator for such use and the use is of minimal value.

Conflicts of Interest

Public officials and employees of the District, in the course of or in relation to their official duties, shall not directly or indirectly receive or agree to receive any payment of expense, compensation, gift, reward, gratuity, favor, service, or promise of future employment or other future benefit from any source, except the District for any activity related to the duties of the employee unless otherwise provided by law. However, the acceptance of any of the following shall not be in violation of this section:

- Gifts of nominal value,
- Plaques or similar mementos recognizing individual services in a field of specialty or to a charitable cause,
- Payment of reimbursement expenses for travel or meals, not to exceed actual expenses incurred, which are not reimbursed by the District and which have been approved in advance by the employee’s supervisor as part of the work assignment, or
- Honoraria or expenses paid for papers, talks, demonstrations, or appearances made by the public officials or employees on their own time for which they are not compensated by the District.

Actions Subject to Discipline

The following actions by a public official or an employee of the District shall be deemed a conflict of interest and subject to disciplinary action as appropriate.

- Use of, or attempted use of, one's official position to secure benefits, privileges, exemptions, or advantages for themselves or others which are different from those available to the general public;
- Acceptance of other employment or contractual relationship that will affect the employee's independence of judgment in exercise of official duties;
- Actions as an agent or attorney in any action or matter pending before the District except in the proper discharge of official duties or on the employee's behalf; such action will not be deemed to be a conflict if in any other official actions with regard to the same matter the individual clearly states that he or she has a conflict and does not participate in any of those actions (i.e. voting or discussion) which may precede or follow the appearance before the District.
- Hold any other office or employment which compromises the performance of their appointed duties without disclosure of said office or employment and self disqualification from any particular action that might be compromised by such office or employment.
- No public official or employee shall hold any investment which might compromise the performance of their official duties without disclosure of said investment and self disqualification from any particular action which might be compromised by such investment, except as permitted by statute, such as Minnesota Statute 471.88.

Potential for Conflicts of Interest

When a public official or an employee believes the potential for a conflict of interest exists, it is their duty to avoid the situation. A conflict of interest exists when any one of the following is present.

- The use for private gain or advantage of District time, facilities, equipment or supplies, prestige, or influence of District office or employment;
- Receipt or acceptance of any act which the public official or employee would be required or expected to perform in the regular course of hours of District employment as part of their duties;
- Employment by a business which is subject to the direct or indirect control, inspection, review, audit, or enforcement by the public official or employee; or
- The performance of an act or provision of a service for a private, nonprofit, governmental or quasi-governmental entity in other than the public official's or employee's official capacity which may later be subject directly or indirectly to the control, inspection, review, audit, approval, or enforcement by the employee or by a board of commission of which the employee is a member.

Avoidance of Conflict of Interest

If the employee or the employee's supervisor determines that a conflict of interest exists, the matter shall be assigned to another employee who does not have a conflict of interest. If it is not possible to assign the matter to an employee who does not have a conflict of

interest, interested persons shall be notified of the conflict and a determination made if the public official may proceed.

Acceptance of Advantage

No public official or employee of the District in direct contact with suppliers or potential suppliers of the District, or who may directly or indirectly influence the purchase of products, evaluating contracted services, or otherwise has official involvement in the purchasing or contracting process may:

- Have any financial interest or have any personal beneficial interest directly or indirectly in contracts or purchase orders for goods or services used by, or purchased for resale, or furnished to the District; or
- Accept directly or indirectly from a person, firm, or corporation to whom a contract or purchase order has been or may be awarded, a rebate, gift, money, or anything of value other than items of nominal value. No such employee may further accept any promise, obligation, or contract for future reward.

Handling of Alleged Violations by Public Officials of the Code of Ethics

An Ethics Commission is hereby established. The Commission shall be composed of three individuals, two of whom shall be residents of the District and the third may be a nonresident. Appointments will be made at the time a Commission is needed to handle an alleged violation. Commissioners will remain on the Commission only until the work associated with that allegation is complete.

The following individuals will be members of the Commission:

- An individual appointed by the Presiding Judge from a County District Court within the watershed.
- A member of the Personnel Committee as appointed by that committee.
- The third individual will be appointed by the Board of Managers from the following:
 - A judge or retired judge appointed by the Presiding Judge from a County District Court within the HLWD.
 - An individual appointed by the Board of Managers.
 - An individual (other than a HLWD Manager) appointed by the Board of Managers.
 - A County Auditor or Auditor-Treasurer from another County.
 - An individual from a recognized medication service.

Allegations of violations of this code shall be referred to the Ethics Commission for investigation. Allegations which may constitute a violation of a federal, state, or local statute shall be referred to the appropriate law enforcement authority by the Ethics Commission.

Results of the investigation of the Ethics Commission shall be reported to the Board of Managers along with the Commission's recommendation for disposition. Thereafter, the Board of Managers shall take appropriate action which may include censure of an elected official, discipline, or no action.

The Commission shall meet only at the request of the Board of Managers or District Administrator. The District shall be paid per diems and all necessary and reasonable expenses as determined by the Board.

Disclosure of Financial Interest

Not later than ninety (90) days after the date of approval of this code, each public official of the District shall file as a public record, in the office of the District Administrator, a statement containing the following.

- A list naming all business enterprises known by the public official to be licensed by or to be doing business with the District which the public official or any member of the public official's immediate family is connected as an employee, officer, owner, investor, creditor of, director, trustee, partner, advisory, or consultant; and
- A list of the public official's and members of the public official's immediate family's interests in real property located in the District or which may be competing with the interests of the District located elsewhere, other than property occupied as a personal residence.

Each person who enters upon duty after the date of this code in a office or position as to which a statement is required by this code shall file such a statement on forms to be provided by the District not less than thirty (30) days after the date of his/her entrance on duty.

Each person who made an initial filing shall file a new statement by January 30 of each year thereafter giving the information called for above as of the time of the new statement. If a change in financial interest or property ownership occurs between filings, a new filing shall be made within thirty (30) days of the changes.

The interest of any member of the immediate family shall be considered to be an interest of a person required to file a statement by or pursuant to this policy.

This code shall be constructed to require the filing of any information relating to any person's connection with or interest in any professional society or any charitable, religious, social, fraternal, educational, recreational, public service, civil, or political organization, or any similar organization not conducted as a business enterprise and which is not engaged in the ownership or conduct of a business enterprise.

The District Administrator shall inform each person who is required to file of the time and place for filing. The District Administrator shall inform the Board whenever a person who is required to file a statement fails to do so.

SMOKE-FREE WORK PLACE

The Board of Managers of the HLWD will adhere to the smoke-free building policy and will provide a smoke-free work place. It is the policy of the HLWD to comply with the *Minnesota Clean Indoor Air Act* (MS 144.411 et. al.) as such, smoking in District owned/leased buildings is prohibited.

DRUG-FREE WORK PLACE

Drug abuse is a serious illness that affects a growing number of Americans. Because it is a treatable illness and recovery is possible, regardless of the severity of symptoms, early detection and professional help will greatly increase the chances of an individual's recovery.

Individuals who use, possess, or dispense unlawful drugs in the work place are committing illegal acts. Individuals consuming alcoholic beverages or who are intoxicated while at work or during working hours are placing others, as well as themselves, in jeopardy. Illegal drug use or alcoholic beverage consumption in the work place can potentially affect other employees, create poor working conditions, and create hazards that jeopardize the safety of other workers and the public.

It is the policy of the HLWD that the unlawful manufacture, distribution, dispensation, possession, or use of any controlled substance or alcoholic beverage is expressly prohibited on these premises, or in connection with the performance of any manager's duties.

In order to remain a manager of the District, any individual who violates this drug abuse policy will be required to seek professional drug abuse counseling from an approved rehabilitation program, in addition to any legal action which may be forthcoming. Individuals who refuse such counseling, or are convicted of a second offense, will be subject to immediate dismissal. Managers agree that they will inform the Board of any criminal drug statute violation occurring in the work place within five (5) days of their conviction.

SEXUAL HARASSMENT

Sexual harassment will not be condoned or tolerated. Unlawful sexual harassment includes a range of behaviors from those that are merely annoying to those where individuals offer or threaten to use the power of their position to control, influence, or affect the career, salary, or job of another person. What constitutes sexual harassment is not always clear. What may be welcome by some individuals may be considered offensive by others and therefore, of a harassing nature.

Any employee subject to sexual harassment shall file a complaint with the Board of Managers within five (5) days of its occurrence. A report shall be submitted within five (5) days after receipt of the complaint that identifies whether sexual harassment occurred, its nature and extent, and recommendation for appropriate disciplinary action. Procedures for disciplinary action shall follow the procedures established in the Disciplinary Action section of the Personnel Policy.