

*Inverness Public Utility District*

**AB 1234 Compliance Policy  
(Approved by Board of Directors, June 27, 2007)**

**Ethics Training.** AB 1234 requires that if the District provides any compensation or reimbursement to any Board member, then all Board members need to take training on ethics laws, as do any employees the Board designates. The ethics training needs to be at least two hours every two years, and each participant needs to be provided with proof of participation. The course may be taken at home, in person, or online. District will provide information on available ethics trainings to Board members at least once a year.

All new Board members need to complete their first ethics training no later than one year from their first day of service with the District.

The District desires that each Board member and any Board-designated employee complete two hours or more of ethics training every two years, whether or not Board members are compensated or receive reimbursement of expenses.

The District will maintain records that indicate the dates that Board members completed the training and the entity that provided the training (a copy of the certificate of completion will be filed in the Board member's file). The District will keep these records for at least five years after receipt of the training. All such records are subject to the California Public Records Act.

The "ethics laws" concerned here include, but are not limited to, laws relating to personal financial gain (bribery, conflict-of-interest), claiming prerequisites of office (gifts, travel, public resources, gift of public funds), government transparency (financial interest disclosure, Brown Act), and fair process (common law bias, due process, incompatible office, competitive bidding for public contracts, recusion from decisions affecting family).

**Board Compensation and Expense Reimbursement.** District may pay Board members for attendance at conferences and other organized educational activities, such as ethics training. To pay compensation for occurrences other than these, the Board must adopt a written policy in an open meeting that specifies other types of occasions that constitute the performance of official duties for which Board members can receive payment.

The District has adopted a Travel and Expense Reimbursement Policy, which will apply to all Board members as well as employees. Any expenses that do not fall within the District's policy have to be approved by the Board in a public meeting before the expense is incurred.

In the event the District reimburses Board members for expenses, the District will provide expense report forms for the Board members to file. The expense reports have to document that expenses meet the District's policy, have to be filed within a reasonable time after incurring the expense, and must be accompanied by receipts that document each expense. Also, Board members should provide brief reports on meetings that they have attended at the District's expense at the next regular Board meeting. All of the documents related to reimbursements are public records and are subject to the California Public Records Act.

If a Board member misuses public resources or falsify expense reports in violation of expense reporting policies, the penalties may include, but are not limited to, the loss of reimbursement privileges, restitution to the District, civil penalties for misuse of public resources (\$1,000/day of infraction plus three times the value of the unlawful use; Govt. Code Section 8314) and prosecution of misuse of public resources (2,3 or 4 years in state prison and disqualification from holding office in California; Penal Code Section 424).