




**California Special  
Districts Association**  
*Districts Stronger Together*

# SPECIAL DISTRICT BOARD MEMBER/TRUSTEE HANDBOOK



Printing made possible by the California Special Districts Alliance, a partnership between CSDA, the CSDA Finance Corporation and the Special District Risk Management Authority (SDRMA).

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## **Board Member/Trustee Roles**

Make and approve district policy

Set the direction of the district

Make decisions

Establish strategic goals and objectives

Be an advocate for special districts

# WHAT YOU SHOULD KNOW

## as a Special District Board Member/Trustee

### **Commitment and Responsibilities**

As a board member or trustee for a special district, you have committed to serve the best interests of the community, provide services that are essential to the community and represent the people who placed you into office.

With a strong commitment, there are a number of responsibilities as a board member/trustee on a special district board. Some of these will be identified and detailed in this handbook so that you will have an even better understanding of special districts and your role as a board member/trustee.

One of the most significant responsibilities as a board member/trustee is to understand that the board is a team and you need to work together as such. Understanding the dynamics of the group as well as the individual perspectives and opinions of the other board members that you sit with is crucial to the success of the team and district you represent. This united approach will help to strengthen the district and provide the grounds for maintaining a clear vision of the future, a unity of purpose and a cohesive board of board members/trustees.

Additionally, the board of board members/trustees typically has specific responsibilities that coincide with their overall role as board members/trustees. For example, in the area of human resources, the board's charge is to support and assess the performance of the general manager, approve personnel policies, establish salary structure and benefits packages, approve job descriptions and organizational structure, and establish a strong communications link between the board and general manager.

Another example of specific responsibilities can be seen when taking a look at some of the financial aspects of the district. Typically, the board will ensure that sound fiscal policy exists and that practices and controls are in place so that the district, staff, general manager, and board have direct accountability to their constituents. Furthermore, a board may be involved in such things as the approval of the annual budget, developing reserve guidelines, establishing financial goals, reviewing district finances, developing capital improvement plans, setting rates and fees, and the like.

Clearly, as demonstrated above, being a board member/trustee on a special district board entails a commitment to being actively involved in setting the direction of the district and, most importantly, serving the best interests of the community and the constituents that the district serves.

### **Accountability**

Special districts, governing officials, and management are accountable to the voters and customers who use their services. Every special district must submit annual financial reports to the California State Controller and also must follow state laws pertaining to public meetings, bonded debt, record keeping, conflict of interest, and elections. Special districts are also required to submit salary data annually to the State Controller.

### **The role of staff and the general manager**

The roles of the staff and general manager are very different from that of the board members/trustees, and it is important to understand what the responsibilities and reporting avenues are of each respective group.

The general manager and staff of the district are encouraged to make recommendations and play an active role in moving the district forward. Their main role is to maintain and advance the operations of the district and implement those policies, strategies, and directives that are approved by the board of board members/trustees. All directives for staff should be given by the general manager or designated supervisor within the district.

The general manager is the executive staff officer of the district and for the board of board members/trustees. He/she administers the district and has exclusive management and control of the operations and works of the district, subject to approval by the board of board members/trustees, and provides day-to-day leadership for the district. He/she delegates authority at his/her discretion and has authority over and directs all employees, including hiring, disciplinary action and termination. He/she seeks to carry into effect the expressed policies of the board of board members/trustees, including planning the short, medium, and long term work program for the district, facilitating constructive and harmonious board relations, preparing and managing the district budget, conducting studies, and delivering written and oral presentations.

### **OVERALL, YOUR ROLE AS A BOARD MEMBER/TRUSTEE IS TO:**

- MAKE AND APPROVE DISTRICT POLICY
- SET THE DIRECTION OF THE DISTRICT
- MAKE DECISIONS
- ESTABLISH STRATEGIC GOALS AND OBJECTIVES
- BE AN ADVOCATE FOR SPECIAL DISTRICTS

# WHY GOVERNANCE IS IMPORTANT

By Davis Campbell, Governance Consultant | Trainer



**Local boards are the reason, and really the only reason, why local control is local. Special district boards are the voices of the community. Boards are also a large reason why special districts exist.**

The truth is that every elected or appointed public official needs to worry about governance; governance is what boards do. Governance is taking the wishes, needs, and desires of the community and transforming them into policies that govern the district. Survival of special districts as a concept depends in large part on how well we do our jobs as board members/trustees or trustees. The quickest way to destroy special districts is for the public to perceive districts as not responsive to the needs of the community or as not being governed effectively.

## **If governance is important, how do we do it well?**

The good news is that in recent years a lot of work has been done on effective governance. Based upon a model developed by the California School Boards Association (CSBA) and adapted by the California Special Districts Association (CSDA), there are three critical dimensions to effective governance. The CSBA Effective Governance Model provides an in-depth examination of the three critical dimensions that interact to determine how a board operates and its effectiveness as an organization.

- First, the model looks at the board as an organizational entity;
- Second, the individuals who serve as effective board members and make up the board;
- And third, the specific jobs the board must perform.

All three of these dimensions or elements of a board must be viewed as a whole in order to truly develop an effective governance operation.

## Components of the Effective Governance Model

### **The board as an organization**

Any board, public or private, nonprofit or corporate, exists as an organizational entity, with its own unique organizational culture, norms, values, and operating style. There are attributes or characteristics that are consistently present in boards that operate in a highly effective way. Effective boards become known as effective because they operate in an organizational environment of trust, honesty and openness. These boards exhibit, as a team, the following characteristics:

- All board members are perceived to be equally legitimate—no matter how different or difficult an individual may be.
- The board strives to maintain a “no secrets, no surprises” operating norm.
- The board recognizes and accepts that conflicts and differences are inevitable, not necessarily “bad,” and must be faced and analyzed.
- The effective board tends to immediately turn to solutions rather than playing the “gotcha” game.
- The effective board treats all staff with dignity and respect.
- The effective board treats all community members with dignity and respect, even in the face of criticism and opposition.
- The effective board exhibits creative thinking, knows how to handle failure as well as success, encourages risk taking and creates a climate of support for excellence.
- The effective board assumes collective responsibility for the conduct, behavior and effectiveness of the board.

## The board leader

While boards develop unique organizational cultures, they are, after all, composed of individuals. It is individuals and their values, skills, and knowledge that shape how boards operate at any given time. Individuals also determine whether the board will sustain effective behavior as a group role.

Not everyone who serves on a special district board becomes an effective board member or leader. Those who do become effective board members also become highly valued community leaders. When an entire board is composed of truly effective board members rather than individuals, the board becomes highly effective.

So, what are the characteristics of effective board members and how are they different than those who just serve on boards?

- Effective board members think about governance differently. They have distinctly different attitudes from non-effective board members. Effective board members understand the fundamental role of the citizen leader in the governance of special districts.

For example, effective board members understand fundamental principles of effective governance. They understand that the authority of any board member rests only with the board as a whole; that the board, not the individual board member, governs the special district. They tend to worry when an individual is attempting to impose his own agenda on the district rather than working to build support for an institutional agenda.

- Effective board members know that how a board member governs is as important as what a board member does. They know that manners make a huge difference.
- Effective board members work hard to make the team successful.
- Effective board members understand they need to establish trust. They treat everyone with respect, and expect others to treat them the same way.
- Effective board members respect the diversity of perspective and styles.
- Effective board members always keep confidential information confidential.

## What effective boards do: The special district board's job in the district

The third dimension addresses the specific responsibilities of the governing board. We know that effective boards have strong competency-based cultures and that individual effective board members have strong governance skills, but the third question is: To do what? What are the duties and responsibilities of boards in the systems? The answer is that special district boards have certain responsibilities that no one else in the system can perform.

The specific responsibilities of the board are clustered into four areas: setting the direction for the district; establishing and supporting the structure of the district; holding the district accountable on behalf of the community; and serving as community leaders.

These are the essences of effective district governance: a competency-based, highly effective board organization and culture; individual citizens serving as effective board members, accomplishing the specific duties and responsibilities that only governing boards can do on behalf of their communities.

The real challenge to special districts is how to learn and achieve as board members. There are governance skills required and to be learned in order to be effective. But first, we must establish a culture of participation in our special district community. Every board member must understand that, just as we expect our staff to be involved in their profession, to learn and develop new skills, so too must we as effective board members learn and hone our governance skills. We must encourage our colleagues to branch out and learn the skills of governance. We must establish a culture of participation and continuing education in the special district community. The future of special districts in California depends upon it.



## SPECIAL DISTRICT RESOURCES

California Special Districts Association  
[www.csda.net](http://www.csda.net)

Senate Local Government Committee  
[www.sen.ca.gov](http://www.sen.ca.gov)

Assembly Local Government Committee  
[www.assembly.ca.gov](http://www.assembly.ca.gov)

Official California Legislative Information  
[www.leginfo.ca.gov](http://www.leginfo.ca.gov)

League of California Cities  
[www.cacities.org](http://www.cacities.org)

California State Association of Counties  
[www.counties.org](http://www.counties.org)

California Local Government Finance Almanac  
[www.californiacityfinance.com](http://www.californiacityfinance.com)

California Association of LAFCos  
[www.calafco.org](http://www.calafco.org)

Governor's Office of Planning & Research  
[www.opr.ca.gov](http://www.opr.ca.gov)

California State Controller's Office  
[www.sco.ca.gov](http://www.sco.ca.gov)

California Legislative Analyst's Office  
[www.lao.ca.gov](http://www.lao.ca.gov)

Special District Leadership Foundation  
[www.sdlf.org](http://www.sdlf.org)

Special District Risk Management Authority  
[www.sdrma.org](http://www.sdrma.org)

CSDA Finance Corporation  
[www.csdafinance.net](http://www.csdafinance.net)

# LEARNING MORE

## about Special Districts

### What are special districts?

Special districts are a form of local government. They are created by their constituents to meet specific service needs for their communities. Most perform a single function such as water delivery, fire protection, wastewater or cemetery management to name just a few. Some, like community services districts, provide multiple services.

Special districts are not cities and counties, they are not school districts, they are not Mello-Roos districts, and they are not state government. Special districts work hand-in-hand with cities and counties to provide communities with essential public services and to keep pace with the demands of fulfilling all the public service needs of California's rapidly growing population.

### What kinds of special districts are out there ... to name a few?

- Airport
- Public Cemetery
- Community services
- Drainage
- Flood control
- Fire protection
- Healthcare/hospital
- Harbor/port
- Irrigation
- Library
- Mosquito abatement and vector control
- Police protection
- Reclamation
- Recreation and park
- Open space
- Resource conservation
- Sanitation/wastewater
- Transit
- Utility
- Water
- Water conservation
- Waste management

### How does a special district differ from a city or county?

Special districts are limited-purpose local governments. They provide only the services their residents desire within a designated, limited boundary. By contrast, cities and counties are general-purpose local governments. They provide a broad array of services for residents throughout their geographic boundaries. Furthermore, counties in unincorporated areas, and cities are responsible for land-use decisions.

### What is the difference between independent special districts and dependent special districts?

Independent special districts are governed by their own boards of board members/trustees who are elected by voters or appointed to fixed terms by elected officials in their districts. These boards do not consist of ex officio members who are officers of the county or another local agency. About two-thirds of the state's special districts are independent special districts.

Dependent special districts are governed by other, existing legislative bodies such as a city council or a county board of supervisors, or appointees that serve at the pleasure of those bodies and can be removed or replaced any time at their will.

### How are special districts funded?

Special districts are funded either through local property tax revenues, fees charged to customers for their services or a combination of the two. Special districts that rely primarily on property tax revenues are considered non-enterprise, while districts that primarily generate revenue through fees for service are considered enterprise.





FIND OUT MORE AT  
[WWW.CSDA.NET!](http://WWW.CSDA.NET)

### How are special districts created?

Special districts require majority-vote approval by citizens in the proposed district to be created, or a two-thirds vote if a new tax is required to fund the district's operations. When residents or landowners want new services or a higher level of service not otherwise provided by cities and counties, they can propose to form their own special district to pay for and administer the services by applying to the Local Agency Formation Commission (LAFCo).

### What is Proposition 13?

Proposition 13, enacted by voters in 1978, imposed strict limits on property taxes to one percent of property value, causing special districts, cities and counties to lose much of their local control and funding security. Before Prop 13, special districts received \$945 million from property taxes (1977-1978). Shortly after Prop 13 was imposed (1978-1979), special district property tax revenue dropped to \$532 million, a loss of almost 50 percent.

### What is ERAF?

ERAF is the Educational Revenue Augmentation Fund. During the recession of the early 1990s, the state took property taxes from special districts, cities and counties and shifted them into ERAF to offset its debt and spending obligations to education. That mandated property tax shift of precious local government revenue continues today despite the fiscal hardships it has caused local governments. Since ERAF began in 1992, the state has annually shifted over \$500 million in local property tax revenue from special districts.

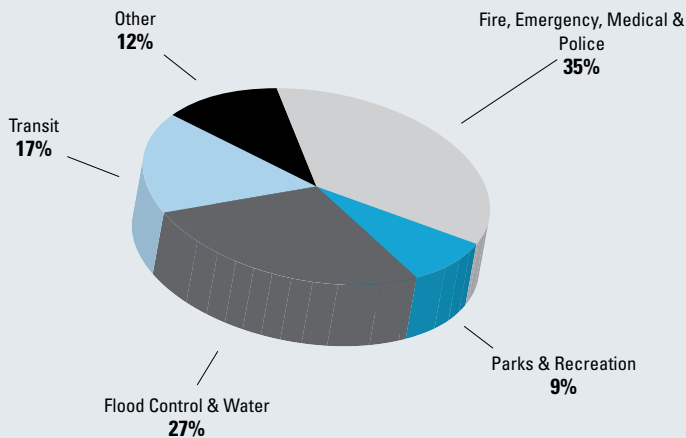
### What is Proposition 1A?

Proposition 1A limited the state's future ability to transfer funds away from local governments, except in the case of fiscal emergencies. The amount is limited to eight percent of property tax revenues in a county and must be paid back within three years, with interest.

### What is LAFCo?

Local Agency Formation Commissions (LAFCo) are responsible for coordinating logical and timely changes in local governmental boundaries, conducting special studies that review ways to reorganize, simplify and streamline governmental structure and preparing a Sphere of Influence for each city and special district within each county. The LAFCo's efforts are directed to seeing that services are provided efficiently and economically while agricultural and open-space lands are protected.

### Where do special district tax dollars go?



# ETHICS LAWS

## For Elected or Appointed Officials



**Elected and appointed officials have an obligation to conduct business in an ethical manner and make decisions that are in the best interests of their constituents. As a board member/trustee for a special district, it is imperative that you keep the public's interests in mind and avoid any situations where your self interests are put first. Building the public's confidence and trust by demonstrating your ability to recognize potential ethics problems and then removing yourself from that situation is a key factor to your success as a board member/trustee.**

There are a number of state laws that govern the ethical conduct of public officials. The most significant laws deal with conflict of interest and criminal activity/corruption as it relates to public officials and how they make decisions within their respective agencies.

Under the Political Reform Act, a public official may not participate in any way in a decision in which the public official has a "disqualifying conflict of interest." The law states that:

"No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest."

*California Government Code §87100*

As this applies to special districts, a conflict of interest regarding a particular district decision would exist if it were "... reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, a member of his or her immediate family ..." or any of one's other financial interests.

*California Government Code §87103*

In essence, the most important things you need to know about the Political Reform Act are:

- The law applies only to financial conflicts of interest—those arising from economic interests.
- Whether you have a conflict of interest depends heavily on the situation related to each district decision.
- The best way to avoid conflict of interest problems is to learn and recognize the various economic interests from which conflicts can arise.

In addition to the conflict of interest laws, public officials must also disclose all personal economic interests. Special district officials are affected through their respective district's conflict of interest code/policies that a district is required to have by law. Therefore, as a public official, you are required to file a "Statement of Economic Interests" with the Fair Political Practices Commission when

you begin your term, annually and when you end your term.

In the Statement of Economic Interests, public officials are required to disclose all sources of income as well as interests in real property, investments, gifts and the like. Given that it's the law and also that the public, including media, have full access to statements of economic interests, it is recommended that officials be completely open, honest and always disclose all financial interests as this could help prevent future problems.

There are numerous other legal "dos" and "don'ts" for public officials, many of which deal with personal loans, gifts, free travel, payments, honoraria, contracts and holding dual offices. It is recommended that officials research all of the specifics of the laws related to their position.

Lastly, there are additional laws that affect public officials and violation of them may not only cause you to lose your position, but also may result in criminal penalties. According to the publication *A Local Official's Guide to Ethics Laws* (2002 Edition) some areas that can result in criminal prosecution and/or forfeiture of office include:

- Bribery
- Payments for appointments to office
- Willful or corrupt misconduct in office
- Embezzlement
- Misuse of public funds
- Violation of the Open Meetings Law/Brown Act
- Prohibited political activities
- Conviction of a crime

As can be seen above, public officials are held accountable for their actions both by their constituents who elect them and by the law. As an elected or appointed official

# THE RALPH M. BROWN ACT

California Government Code §54950-54962

for a special district, it is your responsibility to promote ethical conduct within your district and understand the ethics laws to ensure that you are always keeping the interests of your constituents in the forefront.

## AB 1234 and ethics training requirement

In 2005, the State Legislature passed Assembly Bill 1234 by Assembly Member Simon Salinas (D-Salinas), which requires local government officials to take ethics training every two years, with a requirement that they take their first training no later than a year after they start their first day of service with the district. This and similar legislation were proposed after incidences that occurred in several districts over lapses in ethical judgement.

Specifically, if a district provides any type of compensation, salary or stipend to any board member or provides any type of expense reimbursement, then all members of that board must participate in the ethics training, as well as any designated employees (like the general manager). The training must be at least two hours every two years, and a record must be kept by the district. These are public records and are subject to the California Public Records Act.

### PUBLIC OFFICIAL ETHICS LAW RESOURCES

California Special Districts Association  
[www.csda.net](http://www.csda.net)

Institute for Local Government  
[www.ca-ilg.org](http://www.ca-ilg.org)

Fair Political Practices Commission  
[www.fppc.ca.gov](http://www.fppc.ca.gov)

Official California Legislative Information  
[www.leginfo.ca.gov](http://www.leginfo.ca.gov)

Office of the Attorney General  
[www.ag.ca.gov](http://www.ag.ca.gov)



The basis of the Ralph M. Brown Act is that “All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency ...”

While the Brown Act has gone through a series of additions and amendments, the core of the Act remains the same: to ensure that the meetings of local government bodies, formal or informal, be open and accessible to the public at all times.

### The Act begins by stating the following:

“In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people’s business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly. The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not

good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.”

As public agencies, special districts must comply with the Brown Act. This means meetings must be open to the public and agendas posted in a location accessible to the public and on the district website if it has one.

The Brown Act is very detailed as to what is permissible and is amended periodically. It is recommended that public officials read the Ralph M. Brown Act in its entirety and receive some type of training and/or read various publications on the Act.

### BROWN ACT RESOURCES

Open & Public IV: A User’s Guide to the Ralph M. Brown Act  
[www.csda.net](http://www.csda.net)

Search CA law/codes  
[www.leginfo.ca.gov/calaw.html](http://www.leginfo.ca.gov/calaw.html)

Education/Trainings  
[www.csda.net](http://www.csda.net)

# YOUR ROLE

## AS A SPECIAL DISTRICT ADVOCATE



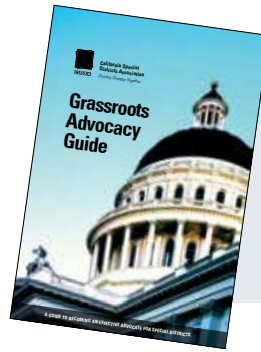
The special district community and its governing officials, more than ever, are coming together to create a presence and united voice. The California Special Districts Association (CSDA) is continuing to work to increase the visibility of special districts with key decision-makers and create a network of activists throughout California. All special district officials should play an active role in educating other local officials and legislators on special districts and the issues that impact their resources and services.

Special districts can no longer sit idle as competing interests vie for shrinking state resources. The time for active engagement is now!

Ever looming state budget deficits have necessitated increased legislative advocacy and grassroots engagement by special district officials in a more active and visible manner. It is the job of every elected official to educate state legislators early about special districts and gain support for protecting local revenues and services.

### **Meet with legislators**

One of the key roles you can play as a board member/trustee and special district advocate is to meet with your legislators. Cultivating relationships with decision makers is essential; it is the most significant advocacy role you can play as a special district official. Meetings can be as simple as stopping by your legislator's



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CSDA'S  
GRASSROOTS  
ADVOCACY GUIDE.  
WWW.CSDA.NET**

local office to introduce yourself and the special district you represent, or even setting up a formal appointment to discuss issues that are facing your district and special districts in general.

Another possibility is to hold a breakfast or coffee event and invite the legislator and his or her staff to attend, or to take them on a tour of your facility. CSDA's Advocacy & Public Affairs Department can help districts set meetings with their legislators in the district or the Capitol. These are the most effective types of meetings.

### **Respond to Calls to Action**

Throughout the legislative session, you may receive a "Call to Action" from various organizations, including CSDA. These Calls to Action typically pertain to a particular piece of legislation that will affect your district. It is imperative that you take a moment to review the information and take action! A visit, phone call, fax, email or letter to your legislator can make a huge difference on issues that could affect your district, and how it operates.

CSDA also regularly updates its Grassroots Action Center with the top legislative issues facing special districts, including tools that help districts take action such as sample letters. If your district is new to such efforts, CSDA offers members a Grassroots Advocacy Guide as well as sample policies for taking a position on legislation.

### **Get involved at the local and state levels**

CSDA encourages all special district staff and board members/trustees to get involved in activities and events throughout the state. This includes participation in local special district chapters and LAFCo meetings, as well as statewide functions like CSDA's annual Special Districts Legislative Days. These are opportunities to learn and discuss the major issues of the year, as well participate in visits with legislators in the Capitol.

CSDA has a Grassroots Mobilization Survey, which asks board members and staff if they know a particular legislator, and how well they know that legislator. At specific points

during the legislative session, respondents will be asked to make a phone call or two to that legislator to support a bill that promotes special districts or to oppose legislation that would harm districts. If you know a legislator, be sure to fill out the Grassroots Mobilization Survey.

### **Work together with cities, counties and other special districts**

Much like the special district you represent, the cities, counties and other special districts near you play an integral role in your region. As a board member/trustee, you should work to establish strong relationships and help to create an atmosphere that is conducive to sharing information and ideas with other local agencies.

Get to know other elected officials in your area. This will help you to better understand issues facing other local governments and can also assist in identifying issues that each agency may have in common. Partnering with cities, counties and other special districts on common issues can bring additional influence to a specific cause or legislative matter and result in benefiting each agency's constituents.

### **RESOURCES FOR BECOMING A SPECIAL DISTRICT ADVOCATE**

California Special Districts Association (CSDA)  
[www.csda.net](http://www.csda.net)

League of California Cities  
[www.cacities.org](http://www.cacities.org)

California State Association of Counties  
[www.counties.org](http://www.counties.org)

California Association of LAFCos  
[www.calafco.org](http://www.calafco.org)

California State Senate  
[www.senate.ca.gov](http://www.senate.ca.gov)

California State Assembly  
[www.assembly.ca.gov](http://www.assembly.ca.gov)



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CALIFORNIA SPECIAL DISTRICTS ASSOCIATION  
**SERVING SPECIAL DISTRICTS**

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# CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

The California Special Districts Association (CSDA) is a 501(c)(6), not-for-profit association that was formed in 1969 to ensure the continued existence of local, independent special districts. For over 40 years, CSDA has been offering its members cost-efficient programs and representation at the State Capitol with a strong and diverse membership throughout California.

The association is governed by an 18-member Board of Directors elected by mail ballots. The Board consists of three board members/trustees from each of the six regions throughout California. Additionally, there are a number of committees and local chapters that provide input and guidance. **The CSDA standing committees include:**

**AUDIT | EDUCATION | ELECTIONS/BYLAWS | FINANCE | FISCAL | LEGISLATIVE MEMBERSHIP AND RECRUITMENT**

CSDA provides education and training, risk management and insurance coverages, industry-wide litigation, public relations support, legislative advocacy, capital improvement and equipment funding, collateral design services and, most importantly, current information that is crucial to a special districts management and operational effectiveness.

CSDA is the only statewide association representing all types of independent special districts. Membership in CSDA is a valuable district's investment in its future! Through membership, special districts take an active role in educating the general public, their constituents and legislators as to the important role that special districts play in California.

## CSDA BENEFITS & SERVICES

The purpose of the California Special Districts Association (CSDA) is to provide special districts throughout the state with representation, advocacy, education and services that can positively affect their operations. While our governmental affairs program serves the interests of all special districts in the state regardless of their affiliation with CSDA, these efforts are only possible with the support of these same special districts. Get involved through membership!

### Legislative and legal representation

**Legislative advocacy:** CSDA is the only voice in the Capitol that represents and fights for all California special districts, regardless of services provided. CSDA employs full time in-house lobbyists who review and monitor every bill introduced for its potential impact on California's special districts. Any bills requiring action are quickly brought to the attention of the CSDA Legislative Committee and Board of Directors in order to determine a position on each respective issue and then lobbied accordingly.

**Litigation support:** CSDA often involves itself in litigation, or pending legal cases, on behalf of its members, including testifying in court, filing amicus briefs and requests for publication, among others.

### Competitive risk management/workers' compensation/health coverage and financing opportunities

**Special District Risk Management Authority (SDRMA):** Through CSDA membership, districts can access quality coverage through SDRMA which has been created and run by special districts for 20 years. Because SDRMA is not subject to the profit-driven policies of private corporations, they offer tailored, comprehensive coverage at a substantial savings to special districts.

**CSDA Finance Corporation:** Need help funding capital improvement or equipment projects? The CSDA Finance Corporation was designed specifically to help CSDA members enhance revenues and reduce costs associated with these projects through the use of innovative finance programs.

### Critical and current information

**CSDA e-News:** an electronic newsletter sent directly to your email every week, which includes updates on key legislation, information on new education workshops and trainings, and other important news that affects CSDA members and special districts in general. Additionally, there are job listings and sponsorship opportunities for those entities looking for publicity.

### California Special District magazine:

CSDA's bimonthly magazine, *California Special District*, is read not only by members of other special districts, but

# CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

also by legislators and other decision-makers in the state. The articles highlight special district-specific topics, as well as broader policy issues that affect the state, like infrastructure and governance.

**CSDA website** – the CSDA website’s “Members Only” section houses tools and information useful to any and every special district and features, among other resources:

- A directory of your Senate and Assembly representatives and contact information;
- A list of bills important to special districts, CSDA’s position on those bills and sample template letters for your district to use;
- Discounted pricing on publications at the online CSDA Bookstore;
- Reduced rates on classes and workshops by registering for an event through the Education Calendar;
- Links to additional resources related to special districts.

**CSDA listserv:** The email listserv provides a convenient way for CSDA members to discuss issues of importance with other special districts, share relevant information and get answers to questions from those most qualified to answer: people who have been through the same experiences.

**Discount on publications:** CSDA members receive significant savings on various guides, manuals and brochures offered through CSDA. Some of these include:

- A Local Official’s Guide to Ethics Laws: This comprehensive guide, published by

the Institute for Local Self Government and developed by a broad base of professionals from local agencies, is packed with useful information on the ethical “dos and don’ts” for elected or appointed public officials. Crucial areas covered include: public disclosure of personal economic interests, receipt of loans, gifts, travel payments and honoraria, conflicts of interest, campaign contributions and bias, having an interest in a contract, dual office holding and incompatible offices, and criminal misconduct in office. Each of your elected or appointed officials should have a copy of and read this document!

- California Independent Special Districts information brochure: This brochure, which is free of time-dated information to ensure a long shelf life, defines special districts, highlights the services they provide, outlines who runs them, and explains how they operate. This brochure serves as a great public information piece for your district constituents, local media representatives, and policymakers.
- Open & Public IV - A User’s Guide to the Ralph M. Brown Act: “All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency...” The main goal of this publication is to put the Ralph M. Brown Act in an easy to read format, so it can be readily understood by local officials, the public, and the news media. Topics covered in

Open & Public IV include: meetings, legislative bodies/committees, notice and agenda, teleconferencing, rights of the public and when to legally hold closed sessions. It is imperative that all district representatives have a clear understanding of the current Brown Act to avoid violations of the law.

- Sample Policy Handbook: This handbook is an accumulation of policies written and edited by Harry Ehrlich, as well as the adapted policies of various districts throughout the state. Handbook contents include: general board policies, including adoption and amendment of policies; over 80 personnel policies such as sexual harassment, advancement of wages, benefits, educational assistance and remuneration; operational policies on accounting, budget preparation and more; board of director policies such as the role of officers, attendances and committee makeup; board meeting policies regarding such issues as setting agenda, conduct and minutes; facilities development policies including annexation and environmental review guidelines. For a complete list of the contents in this handbook, contact the CSDA office.

## **Additional member benefits**

**Free legal advice:** Every CSDA member is entitled to one hour of free legal advice to assist in resolving any legal issue or question. The CSDA legal counsel has been representing special districts for 50 years and is well versed in helping special districts in a variety of areas.





**Local chapters:** Several counties in California have a local chapter. These chapters provide a local forum for the discussion, consideration and interchange of ideas concerning local issues and CSDA's purposes and direction. Not only do these local chapters advocate at the local level, they also help to inform the public of the benefits of local control, establishing a local communication network and carrying out programs of mutual benefit to member districts. Get involved locally!

**Hardworking, dedicated staff:** The staff at CSDA is fully motivated and working hard every day of the week to represent you and ensure your district's success. We are here for you!

**Professional Development Opportunities**

CSDA is dedicated to providing high-quality educational opportunities at a reasonable price. The workshops offered vary from extensive board member and governance training to legal issues and the development of policy and personnel manuals. Workshops are offered throughout the year and at special district office locations throughout California. We now offer a variety of webinars specifically designed for special districts. Webinars provide yet another avenue to stay current and receive continuing education on a variety of topics.

**Special District Leadership Academy**

One of the most significant and comprehensive training series a special district board member should participate

in is the CSDA Leadership Academy. The Academy focuses on four areas that all board members should know in order to do their jobs effectively. These include:

- 1) Governance foundations
- 2) Setting direction/community leadership
- 3) The Board's role in human resources
- 4) The Board's role in finance

CSDA has developed this program and curriculum in conjunction with experts in governance as well as highly experienced special district officials and managers.

**Annual Conference**

The CSDA Annual Conference is an opportunity for special district employees, managers and board members to receive the latest information about special districts and the issues facing them, as well as attend workshops on the latest management techniques. The conference is also an outstanding place to visit with exhibitors and meet and network with your peers from other special districts throughout the state.

**Special Districts Legislative Days**

CSDA's Legislative Days is an annual two-day legislative conference in Sacramento. Special district leaders come to the state's Capitol to exchange ideas with legislators and Capitol staff who are critical to the growth and survival of special districts and hear from key legislators and policy experts on topics that directly impact special districts. District representatives

also get to know legislators, staff and policy experts in a casual setting at the legislative reception.

**Special District Leadership Foundation (SDLF)**

The SDLF is a collaborative effort of eight special district organizations dedicated to excellence in local government. SDLF has implemented the Special District Administrator Certification Program, which certifies those who succeed as one of the "best of the best" in their profession. The Foundation also has implemented a similar program for special district governing officials and has endorsed the CSDA Leadership Academy as its core governance training. Lastly, a program called Districts of Distinction showcases the best of the best in districts.

**Open, Ethical Leadership: AB 1234 compliance**

CSDA has worked in collaboration with highly respected law firms specializing in local governments to develop the content and curriculum for ethics training courses. Board members are required by law to take a two-hour ethics training course every two years and this workshop that CSDA offers satisfies this requirement. Remember—it's the law!

**Networking Opportunities**

CSDA's Annual Conferences, seminars and Special Districts Legislative Days provide unequalled opportunities to network with others in your chosen profession and discuss common problems, solutions and experiences.

# A MORE ACTIVE AND VISIBLE APPROACH

For CSDA

## **CSDA is taking a more active and visible leadership role in advancing the cause of special districts.**

One of the most significant goals of CSDA is to build support for special district issues by educating key decision-makers and the media about the value of special districts in providing essential services that voters want and need. By expanding our base of influence, we are raising the visibility and clout of special districts to make your voices heard.

CSDA is focusing more on the policy arena to strengthen special districts' voice and enhance your visibility in the State Capitol. CSDA has a focused mission toward grassroots and public outreach in strategic coordination with traditional lobbying efforts.

CSDA is positioned, now more than ever, as a powerful advocate, key resource and referral network on issues that impact special districts. This new approach signals an opportunity for us to elevate the profile and influence of special districts and to provide CSDA with the firepower it needs to become a leading advocate and key resource on issues that impact special districts.

### **To get there, CSDA will continue to:**

- Build support for special district issues by educating key decision-makers and the media about the value of special districts in providing essential services that voters want and need.

- Focus on common interests and help districts better serve their customers by placing a greater emphasis on top-notch education and training in advocacy, governance, administration, risk management and finance.
- Strengthen our connection and value to special districts by improving our communications channels, information sources and membership forums.
- Focus on the Special District Leadership Academy—the only curriculum endorsed by the Special District Leadership Foundation.

### **Grassroots mobilization**

CSDA's effectiveness on legislative matters is directly linked to the level of participation of special districts and we need active engagement in our advocacy programs to establish a strong and lasting presence. This means being continually responsive to calls for action and cultivating relationships with your constituencies and key decision-makers on the state and local levels to build a strong coalition of support.

CSDA is committed to an effective grassroots mobilization effort. As a special district board member/trustee, you may have relationships to state legislators that would be beneficial to the entire special district community in California. CSDA has a survey to find out who exactly you know in the Capitol so we can make that important connection when an important vote is needed to promote and protect special districts.

### **CSDA CORE BELIEFS**

The CSDA Board of Directors believes that special districts are closest to the community and the most responsive form of local government in California.

#### **The Board therefore believes that CSDA can and should:**

- Be the leading and passionate voice for all special districts.
- Be aggressive and resolute in representing and advocating for the needs of all special districts.
- Strengthen support for special districts by educating the public, media and public policy makers on all levels on the value and function of special districts.
- Capitalize on the strengths of the diversity of special districts, fully representing all types and forms of districts.
- Be the premiere training provider for all special districts, striving for effective governance, leadership and administration.
- Provide a wide range of high-quality services and resources to member districts.

# COMMUNICATING WITH THE MEDIA



**In your term as a special district board member/trustee, you will undoubtedly be involved with some type of media contact. Whether it's a local newspaper, trade journal, television or radio station, independent journalist or being asked to participate in a news conference, it's imperative that you be prepared. These are a few general talking points that you can use to ensure that you have a consistent message and focused answers to tough questions.**

## Key Media Messages

Special districts are an integral part of the local government framework.

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Special districts work hand-in-hand with cities and counties to fulfill all of California's public service needs.

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Special districts are a form of local government. They are not cities; they are not counties; they are not school districts; they are not Mello-Roos districts; and they are not state government. Special districts are limited-purpose local governments providing only the services their constituents want and need.

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Special districts fill voids in city and county services and heighten the level of services desired by their constituencies.

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Special districts can serve single or multiple functions and can serve small neighborhoods or large regions. They tailor their services to citizen demand.

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Special districts are funded either through a share of local property tax revenue and/or fees generated from their constituents who vote to form them and hold them accountable for all that they do.

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Special districts are special because they provide focused services that residents in their communities want, need and approve at the ballot box.

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No special district can operate without the consent of voters deciding what services they want for their communities.

Nearly all of California residents rely on special districts for some form of service that is delivered to their homes, businesses and/or communities.

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Everyday, millions of Californians are served by special districts. This includes the water that brews our coffee in the morning, the parks our children enjoy, the street lights and the fire trucks we depend on, an evening BBQ without mosquitoes, the books that enrich our knowledge—all thanks to special districts.

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Special districts serve the public by delivering critical, life-saving fire and police protection, as well as essential healthcare services.

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Special districts are closest to the communities they serve and therefore provide expedient and responsive services to customers.

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Independent special districts are governed by their own boards of directors. They are elected by voters in their district or appointed to fixed terms by elected officials in their district who are accountable to their constituents.

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Special district board members and trustees all take an ethics training course every two years to ensure what they do on a day-to-day basis is compliant with state law and to best serve their constituents.

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Special districts only provide the services that their constituents want and need.

(continued)

# COMMUNICATING WITH THE MEDIA

Special districts can link costs to benefits. That is, only those who benefit from special district services pay for them. Those who do not benefit do not pay.

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Special districts are open, visible and accountable to their constituents.

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Special districts are visible because their services are either used or seen almost everyday by their constituents.

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As public agencies, special districts must comply with the Brown Act, which means meetings of their governing boards must be open and publicly announced.

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Special districts cannot be formed without the consent of a majority of voters in their districts, and they cannot raise taxes without two-thirds support.

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Special districts are accountable to voters and the customers who use their services. They must submit annual financial reports to the State Controller and also must follow state laws pertaining to public meetings, bonded debt, record keeping and elections.

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Special districts do their jobs and do their jobs well. Like any public entity, not much is reported about them when customers are pleased and things are going well. It's typically when controversy arises like a rate hike or service reduction that they become more apparent. As the Little Hoover Commission agrees: "No news is good news. The vast majority of special districts are successful and clearly many are."

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Special districts and the core services they provide will be devastated if the state continues to balance the books off the backs of local governments.

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Special districts have lost \$10 billion since the state began shifting local property tax revenue to offset its own debt and spending obligations as far back as 1992 and it continues to shift over \$500 million per year.

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Property tax revenue losses are particularly difficult for independent special districts because, unlike cities and counties, property tax revenue is often the sole or primary source of funding for the provision of services.

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Loss of additional local government revenue to the state presents a serious hardship for many independent special districts that can only be absorbed by program cuts and staff and service reductions.

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It's unfair to ask residents of special districts to replace the property tax revenue taken by the state that they originally voted to go to special districts. This could result in double taxation on these residents just to restore the same services to their original level.

# RESPONSES

## to tough questions

### **Why are some special districts supported by property taxes, others by fees or both?**

Special districts designated as “non-enterprise districts” are funded through a portion of property taxes. They don’t lend themselves to fees because the services benefit the entire community and not just individual residents. About three-quarters of the state’s special districts are non-enterprise districts. Some of them include libraries, police and fire protection, mosquito and vector control, and public cemeteries. Though non-enterprise districts rely overwhelmingly on property taxes for their operational expenses, certain services, such as a park district’s pool, can generate a small amount of fee revenue.

Special districts that are designated as “enterprise districts” run more like a business enterprise and therefore charge customers “user fees” for specific services provided. For example: water rates for the amount of water consumed or room charges for patient hospital stays. Virtually all water, wastewater and healthcare districts are enterprise districts.

Both enterprise and non-enterprise districts can pursue bonds to pay for capital improvements—for instance, to pay for a new dam or library building. In such cases they must receive a two-thirds majority vote to issue general obligation bonds backed by property taxes.

While some enterprise districts are supported by both property taxes and user fees, the property tax revenue they receive is typically minimal and primarily used to pay for their bond debts and/or stabilize rates.

### **How are special districts staffed? Don’t they have board members who are heavily compensated for doing very little?**

The staffing of special districts is based on size and budget. Some rural districts operate only with volunteers or staff that is paid minimally. For others, the administration or staffing may require a larger commitment of resources. The budget allocated for the operational needs of the special district is approved by an elected board in a public meeting. Board member compensation is set in statute by the Legislature. Some districts have the statutory authority to adjust their board member compensation.

### **Can special districts tax a resident without his/her consent?**

No. Proposition 13 limited property taxes to one percent of property value. Many special districts get a share of these revenues and if they require additional revenue, they must get the approval of voters by a two-thirds majority.

### **Once a special district is formed, how much is a resident taxed for the services received?**

The individual is taxed based on a portion of what is reallocated to that special district from the total amount of property tax revenue collected for local government purposes.

If a special district wants more than what the original allocation provided, it can request “special taxes” but Prop 13 and state law require that special taxes be approved by a two-thirds majority vote. A general obligation bond that raises property taxes also requires two-thirds voter approval.

Special assessments are another way voters can pay for special district services. But unlike special taxes, property owners pay benefit assessments only for the projects or services that directly benefit their property such as sewers, parks and water systems. In such cases, the amount of the assessment must be directly related to the benefit received. Proposition 218 enacted in 1996 required local governments, including special districts, to get weighted ballot approval from property owners before they can levy benefit assessments.

### **Why do we have Mello-Roos districts and special districts funding our services? Doesn’t that amount to double taxation?**

Mello-Roos is just a funding mechanism. You cannot visit or see a Mello-Roos district. Special districts deliver services; Mello-Roos districts do not. California law allows many special districts along with cities and counties and schools to establish Mello-Roos districts to finance public works and public services. Local governments use Mello-Roos solely as a financing tool to provide the essential services their constituents want and need.

### **Wouldn’t you say special districts are the worst form of fragmented government?**

Special districts actually are the best real-world solution to meet the essential public service needs of citizens that are not already being met by cities and counties because of a lack of funding or infrastructure.

# RESPONSES

## to tough questions

### **There are approximately 2,100 special districts compared to 480 cities and 58 counties. Why so many and why can't they be consolidated to save taxpayers money?**

What really matters is the quality of services and how well a special district responds to the customers it serves. Consolidation may work in some cases. In fact, CSDA and special districts are open to reorganization if it is deemed to be cost-effective, lead to increased efficiency and is supported by the constituents they serve.

But when special districts merge into a larger district, they must serve a much larger area. And when that happens, they may become further removed from the neighborhood residents who originally created them. Consolidation, often, may end up costing customers more in the long run. First, costly studies must be conducted to determine if merging is even feasible or acceptable to voters. After that is done, the districts may find that they lack the infrastructure to consolidate if, for instance, existing sewer or water pipes cannot be connected or replaced to cover larger areas.

### **Aren't special districts seen as inefficient because of the abundance of services that seem to overlap or are duplicative?**

While special districts may dot many local landscapes, they are the closest public agencies to the communities they serve and therefore are able to provide the most expedient and responsive services. Furthermore, because special districts focus on a single function or limited functions, they are able to focus their efforts, which leads to discipline and innovation.

Every county has a Local Agency Formation Commission (LAFCO) that ensures the services provided by special districts and other local agencies do not overlap. LAFCOs also conduct Municipal Service Reviews on special districts every 5 years.

### **What is ERAF?**

ERAF is the Education Revenue Augmentation Fund. During the recession of the early 1990s, the state took property taxes from special districts, cities and counties and shifted them into ERAF to offset its debt and spending obligations. That mandated property tax shift of precious local government revenue continues today despite the fiscal hardships it has caused local governments.

### **How much has been lost because of ERAF?**

Since ERAF began in 1992, the state has shifted over \$10 billion in local property tax revenue from special districts, and continues to shift about \$500 million per year.

### **If special districts are hurting for so much funding because of ERAF and Prop 13, why do some have such huge reserves?**

Special districts, like cities and counties, need reserves to ensure they can respond to their constituents in the event of emergencies or disasters like flooding and earthquakes. Prudent reserves often are needed to accumulate the capital to pay for large public works projects. In addition, reserves provide a safety cushion in lean years, stabilizing consumers' rates.

CSDA has developed the Special District Reserve Guidelines, a comprehensive guide for accumulation and management

of special district reserves. The report sets strict policy procedures and high standards for all independent special district members to follow in handling their fiduciary responsibilities.

*Note: The Guidelines are available through CSDA at no cost to members.*

### **What's to stop some special district administrators from using these reserves for high-priced junkets or for "official meetings" that turn out to be nothing more than free vacations?**

Local accountability is key here. As the public agencies that are closest to the people they serve, special districts are directly accountable to their constituents. As such, their leaders will be held to answer to the voters who elected them or elected officials who appointed them for any actions that come into question.

### **How are special districts scrutinized? Who are they accountable to and how often must they undergo checks and balances?**

Special districts are accountable to the voters who elect their boards of directors and the customers who use their services—just like city council members, boards of supervisors, and state and federal legislators. Special districts must submit annual financial reports to the California State Controller and also must follow state laws pertaining to public meetings, bonded debt, record keeping and elections.

As public agencies, special districts must comply with the Brown Act. Meetings must be open and public. Special districts cannot form, their rates cannot increase nor can their governing boards be elected without the consent of a majority of voters in their district.

# IN SUMMARY

In summary, being a special district board member/trustee is an important job and one that should be taken seriously. Clearly, the position requires that elected or appointed officials wear numerous hats and be knowledgeable in a wide range of areas. The California Special Districts Association (CSDA) has developed this handbook to provide board members/trustees with some of the core information that is needed to be an effective and productive official within a special district. CSDA encourages officials to do further research, use the resources referenced throughout the handbook, participate in continuing education opportunities and seek the expertise of legal counsel where appropriate.

Most importantly, use CSDA as the first resource on special district issues. We welcome any feedback on this handbook or how CSDA can better serve special districts in California. 877-924-2732.

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**“ The most remarkable thing about our country is that; ordinary citizens control almost every major institution, public and private ... Does this make sense? What it makes is a democracy. We, the people, govern ourselves.”**

*Henry N. Brickell, Regina H. Paul in Time for Curriculum*

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**California Special  
Districts Association**

*Districts Stronger Together*

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